STATE OF OKLAHOMA

1st Session of the 49th Legislature (2003)

CONFERENCE COMMITTEE
SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 1162

By: Mitchell and Bonny of the House

and

Morgan and Robinson of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to education; making appropriations to the State Board of Education; stating purposes; authorizing certain expenditures for certain purposes; making a reappropriation to the State Board of Education; redesignating the purpose; specifying the apportionment of certain funds which were appropriated; requiring the development of certain performance measures; providing for the budgeting of funds in certain categories and amounts; providing that certain allocated funds be made available on a statewide competitive application basis; providing exceptions; requiring the transfer of funds for the Teacher Retirement Credit to the Teachers' Retirement System of Oklahoma; requiring funds allocated for the Virtual Internet School in Oklahoma Network (VISION) Act to be used for certain purposes; stating purposes for funds allocated for the Parent Training Program; stating purpose for funds allocated for the Advanced Placement Program; limiting funding for administrative costs; stating purposes for funds allocated for Alternative and High Challenge Education; requiring certain funds be allocated on a competitive application basis; specifying purposes for funds allocated for Staff Development; authorizing use of funds for school districts for certain purpose; requiring certain apportionment of funds allocated for Instructional, Cooperative and Technological Education; requiring funds to be awarded to certain nonprofit arts center; giving priority to certain arts centers; stating intent regarding cost reimbursement for indirect administrative costs in the Oklahoma Early Intervention Act; requiring the transfer of certain funds allocated for Education Leadership Oklahoma to be transferred and expended for certain purposes; requiring funds allocated for the Oklahoma Ambassador of Teaching to be used for certain purposes; providing for distribution of funds allotted for textbooks and instructional materials or other support of public school instruction; authorizing certain use of funds; prohibiting the reduction of salary levels of certain instructional staff except under certain conditions; requiring funds allocated

for Administrative and Support Functions of the State Department of Education to be expended for certain purposes; requiring the Oklahoma Cost Accounting System to account for costs by curricular subject area; amending 70 O.S. 2001, Section 6-106.1, which relates to distribution of teacher consultant stipends; making distribution contingent upon appropriations; amending 70 O.S. 2001, Section 13-108.1, which relates to allocation of funds for homebound children; making disbursement contingent upon appropriations; amending 70 O.S. 2001, Section 18-200.1, as amended by Section 1, Chapter 228, O.S.L. 2002 (70 O.S. Supp. 2002, Section 18-200.1), which relates to the State Aid Formula; providing for the recalculation of certain allocations; clarifying language; deleting obsolete language; amending 70 O.S. 2001, Section 26-105, as amended by Section 3, Chapter 282, O.S.L. 2002 (70 O.S. Supp. 2002, Section 26-105), which relates to the flexible benefit allowance for school district employees; modifying certain date; amending 74 O.S. 2001, Section 1310.1, as amended by Section 4, Chapter 282, O.S.L. 2002 (74 O.S. Supp. 2002, Section 1310.1), which relates to payment of health and dental insurance premiums; modifying certain date; allowing for the transfer of certain amount of funds by the Superintendent; limiting the total amount transferred; allowing for the transfer of certain amount of funds upon approval of the board of education; requiring certain notification; requiring submission of certain applications, plans or reports to the Legislature; requiring certain information; providing for certain input; providing for duties and compensation of employees of the State Department of Education; providing budgetary limitations; providing designations for the State Department of Education's full-time-equivalent employees; providing for responsibilities of certain designated employees of the Department; requiring the reduction or withholding of State Aid funds for certain purposes; providing for certain proportional reduction of funds; requiring budgeting of certain funds in certain years; requiring certain budgeting procedures; prohibiting certain budgeting procedures; providing lapse dates; repealing Section 5 of Enrolled House Bill No. 1160 of the 1st Session of the 49th Oklahoma Legislature, which relates to making an appropriation to the State Board of Education; repealing 70 O.S. 2001, Section 18-103.1, as amended by Section 28, Chapter 388, O.S.L. 2002 (70 O.S. Supp. 2002, Section 18-103.1), which relates to regional education service centers; providing for codification; providing for noncodification; providing an effective date; and declaring an emergency.

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

STATE BOARD OF EDUCATION

SECTION 1. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2004, the sum of Two Hundred Sixty-two Million Five Hundred Eighty-four Thousand Three Hundred Fifty-nine Dollars ($262,584,359.00) or so much thereof as may be necessary for the support of public school activities.

SECTION 2. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2004, the sum of Two Hundred Fifty Thousand One Hundred Twenty Dollars ($250,120.00) or so much thereof as may be necessary to perform the duties imposed upon the Office of Accountability by law.

SECTION 3. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2004, the sum of Fourteen Million Two Hundred Eighty-nine Thousand Two Hundred Seventy-four Dollars ($14,289,274.00) or so much thereof as may be necessary for Administrative and Support Functions of the State Department of Education.

SECTION 4. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year ending June 30, 2004, the sum of Seventy-five Million Four Hundred Thirty-six Thousand Three Hundred Fifty-two Dollars ($75,436,352.00) or so much thereof as may be necessary for the Certified Employee Health Benefit Allowance.

SECTION 5. There is hereby appropriated to the State Board of Education from any monies not otherwise appropriated from the General Revenue Fund of the State Treasury for the fiscal year

ending June 30, 2004, the sum of Seventy-three Million Thirty-five Thousand Nine Hundred Seventy-eight Dollars ($73,035,978.00) or so much thereof as may be necessary for the Support Personnel Health Benefit Allowance.

SECTION 6. REAPPROPRIATION AND REDESIGNATION The amount of One Hundred Eighty-six Thousand Four Dollars ($186,004.00) of the original appropriation of Two Hundred Sixty-seven Million Nine Hundred Fifty-seven Thousand Two Hundred Sixty-six Dollars ($267,957,266.00) appropriated to the support of public school activities by Section 7, Chapter 388, O.S.L. 2002, and allocated to Alternative and High Challenge Education by Section 13, Chapter 388, O.S.L. 2002, is hereby reappropriated and redesignated for the Education Leadership Oklahoma Program. If, on the effective date of this act, any of the amount originally appropriated, as adjusted by expenditures, encumbrances and transfers, results in an unencumbered balance less than the reappropriated and redesignated amount, that reappropriated and redesignated amount is reduced to the unencumbered amount.

SECTION 7. REAPPROPRIATION AND REDESIGNATION The amount of Fifty-seven Thousand Seven Hundred Thirty Dollars ($57,730.00) of the original appropriation of Two Hundred Sixty-seven Million Nine Hundred Fifty-seven Thousand Two Hundred Sixty-six Dollars ($267,957,266.00) appropriated to the support of public school activities by Section 7, Chapter 388, O.S.L. 2002, and allocated to Alternative and High Challenge Education by Section 13, Chapter 388, O.S.L. 2002, is hereby reappropriated and redesignated for the National Adult Literacy Survey. If, on the effective date of this act, any of the amount originally appropriated, as adjusted by expenditures, encumbrances and transfers, results in an unencumbered balance less than the reappropriated and redesignated amount, that reappropriated and redesignated amount is reduced to the unencumbered amount.

SECTION 8. REAPPROPRIATION AND REDESIGNATION The amount of Seventy-two Thousand Three Hundred Twenty-five Dollars ($72,325.00) of the original appropriation of Two Hundred Sixty-seven Million Nine Hundred Fifty-seven Thousand Two Hundred Sixty-six Dollars ($267,957,266.00) appropriated to the support of public school activities by Section 7, Chapter 388, O.S.L. 2002, and allocated to Staff Development by Section 13, Chapter 388, O.S.L. 2002, is hereby reappropriated and redesignated for the National Adult Literacy Survey. If, on the effective date of this act, any of the amount originally appropriated, as adjusted by expenditures, encumbrances and transfers, results in an unencumbered balance less than the reappropriated and redesignated amount, that reappropriated and redesignated amount is reduced to the unencumbered amount.

SECTION 9. REAPPROPRIATION AND REDESIGNATION The amount of One Hundred Seventy-six Thousand Seven Hundred Ten Dollars ($176,710.00) of the original appropriation of Twenty-one Million Four Hundred Seventy-seven Thousand Eight Hundred Fourteen Dollars ($21,477,814.00) appropriated to the Administrative and Support Functions of the State Department of Education by Section 10, Chapter 388, O.S.L. 2002, and allocated to the State Department of Education by Section 13, Chapter 388, O.S.L. 2002, and directed for expenditure for the Eighth Grade Reading Test in Section 33, Chapter 388, O.S.L. 2002, is hereby reappropriated and redesignated for the School State Aid Funding Formula Study Group as created in Enrolled House Bill No. 1767 of the 1st Session of the 49th Oklahoma Legislature. If, on the effective date of this act, any of the amount originally appropriated, as adjusted by expenditures, encumbrances and transfers, results in an unencumbered balance less than the reappropriated and redesignated amount, that reappropriation and redesignation amount is reduced to the unencumbered amount.

SECTION 10. Beginning July 1, 2003, the support of public school activities by the State Board of Education payable from monies appropriated and authorized by Sections 1 through 4 of Enrolled House Bill No. 1160 of the 1st Session of the 49th Oklahoma Legislature and Sections 1 through 5 of this act and reappropriated by Sections 6 through 9 of this act, shall be apportioned as follows:

1. Funds appropriated and authorized by Sections 1 through 4 of Enrolled House Bill No. 1160 of the 1st Session of the 49th Oklahoma Legislature:

Local and State Supported Financial Support of Public Schools	$1,525,279,302.00
SUBTOTAL, PARAGRAPH 1	$1,525,279,302.00

2. Funds appropriated by Sections 1, 2, 4 and 5 of this act and reappropriated by Section 6 of this act:

Purchase of Textbooks and Instructional Materials or other support of public school instruction	$ 33,000,000.00
Psychometric Services	0.00
Staff Development	11,019,403.00
Advanced Placement Incentives	1,811,169.00
Mentor Teacher Stipends	0.00
Teacher Salary Increase	139,330,673.00
Teacher Retirement Credit	35,311,375.00
Certified Employee Health Benefit Allowance	75,436,352.00
Support Personnel Health Benefit Allowance	73,035,978.00
School Lunch Matching	3,417,654.00
School Lunch Programs	359,000.00
Homebound Children	0.00
Alternative and High Challenge Education	17,211,877.00
Adult Education Matching	2,131,297.00
Driver Education	442,547.00

Early Intervention	11,540,858.00
Community Education Grants	0.00
Parent Training Program	1,295,709.00
Special Education Assistance	0.00
School/Community Network for Arts-in-Education	113,379.00
Instructional, Cooperative and Technological Education	507,083.00
Summer Arts Institute	415,972.00
AG in the Classroom	43,788.00
Office of Accountability	250,120.00
Oklahoma Ambassador of Teaching	33,277.00
Education Leadership Oklahoma	4,107,932.00
Vision Project	$ 677,370.00
SUBTOTAL, PARAGRAPH 2	$ 411,492,813.00

3. Funds appropriated by Section 3 of this act and reappropriated by Sections 7 through 9 of this act:

Administrative and Support Functions of the State Department of Education	$ 14,596,039.00
SUBTOTAL, PARAGRAPH 3	$ 14,596,039.00
TOTAL State School Aid and Programs	$1,951,368,154.00

The agency shall develop outcome-based performance measures for each budget category.

SECTION 11. For the fiscal year ending June 30, 2004, the State Board of Education shall budget all funds in the following categories and amounts:

Category	Total
Payroll, Salaries or Wages, Including Tax-sheltered Deferment Contracts and Longevity Payments Authorized by State Statutes	$ 14,484,618.00
Professional and Personal Services Contracts	33,355,907.00

Purchase of Equipment	1,351,500.00
Expenditure of Federal Funds	621,829,185.00
TOTAL	$2,592,823,570.00

SECTION 12. Funds allocated in Section 10 of this act, except for local and state supported Financial Support of Public Schools, Purchase of Textbooks and Instructional Materials or other support of public school instruction, Staff Development, School Lunch Matching, School Lunch Programs, Adult Education Matching, Driver Education, Early Intervention, Alternative and High Challenge Education, and Administrative and Support Functions shall be made available on a statewide competitive application basis.

SECTION 13. The funds allocated in Section 10 of this act specifically for the purpose of funding the Teacher Retirement Credit shall be transferred to the Teachers' Retirement System of Oklahoma.

SECTION 14. Of the funds allocated in Section 10 of this act, Six Hundred Seventy-seven Thousand Three Hundred Seventy Dollars ($677,370.00) shall be expended to implement the provisions of the Virtual Internet School in Oklahoma Network (VISION) Act, which provides for the establishment of the Virtual Internet School in Oklahoma Network Pilot Program.

SECTION 15. The funds allocated in Section 10 of this act for the Parent Training Program as authorized in Section 10-105.3 of Title 70 of the Oklahoma Statutes, shall be used as follows: Sixty-five Thousand Three Hundred Thirty-six Dollars ($65,336.00) shall be expended for the salaries, benefits, technical assistance and administrative costs incurred by the State Board of Education for contracting technical assistance in field operations for the coordination of the Oklahoma Parents as Teachers Program; One Million Forty-five Thousand Sixty-four Dollars ($1,045,064.00) shall be expended for the continuation and expansion of the Oklahoma Parents as Teachers Program; Sixteen Thousand Three Hundred Thirty-

four Dollars ($16,334.00) shall be expended for program evaluation conducted by the Child Service Demonstration Center; One Hundred Thirty-one Thousand Three Hundred Fourteen Dollars ($131,314.00) shall be expended for the establishment of the Oklahoma Parents as Teachers Program in public housing projects; Thirty-seven Thousand Six Hundred Sixty-one Dollars ($37,661.00) shall be expended for the early childhood technical assistance and field operations provided by the State Department of Education.

SECTION 16. The funds allocated in Section 10 of this act specifically for the purpose of funding the Advanced Placement Incentives shall be used for one-time equipment or materials, grants, subsidized training, school incentives, exam fee reimbursement, and administrative costs. Funds for administrative costs shall not exceed Forty-eight Thousand One Hundred Forty-eight Dollars ($48,148.00).

SECTION 17. The funds allocated in Section 10 of this act for Alternative and High Challenge Education shall be used for purposes of establishing and initiating education programs at the local school district level and for encouraging the local districts to participate in innovative educational programs. No less than Sixteen Million Four Hundred Fifty Thousand Eight Hundred Six Dollars ($16,450,806.00) shall be expended to meet the provisions of the Statewide System of Alternative Education Programs created as directed by Section 1210.568 of Title 70 of the Oklahoma Statutes. The funds shall be expended as follows: Fifteen Million Three Hundred Eighty Thousand One Hundred Four Dollars ($15,380,104.00) for programs; Eight Hundred Twenty-two Thousand Nine Hundred Fifty-seven Dollars ($822,957.00) for program evaluation, technical assistance and staff development conducted by the technical assistance provider contracted by the State Board of Education as provided for in Section 1210.568 of Title 70 of the Oklahoma Statutes; One Hundred Seventy-five Thousand Eighty-five Dollars

($175,085.00) for an arts component; and Seventy-two Thousand Six Hundred Sixty Dollars ($72,660.00) for the salaries, benefits and administrative costs incurred by the State Board of Education in administering the Alternative Education Programs and Alternative Academies. The remaining funds allocated shall be provided to school districts on a competitive application basis pursuant to the provisions of the rules promulgated by the State Board of Education.

SECTION 18. The funds allocated in Section 10 of this act for Staff Development are provided for teacher training, in-service teacher education and staff development plans. The sum of Seven Hundred Seventy-one Thousand Seven Hundred Fifty-six Dollars ($771,756.00) shall provide for scholarships to the Great Expectations Summer Institutes for Teachers offered by an institution within The Oklahoma State System of Higher Education pursuant to Section 6-194.2 of Title 70 of the Oklahoma Statutes. From the funds provided for the Great Expectations Summer Institutes for Teachers, the State Board of Education shall establish an elementary level Great Expectations Demonstration Project. The Project shall be established at an elementary school in the state which is participating in the Great Expectations Program and has shown significant progress while under that Program. The sum of Two Million Five Hundred Twenty-nine Thousand Nine Hundred Seventy-eight Dollars ($2,529,978.00) shall be transferred to the Professional Development Institutes Revolving Fund created in Section 6-204.5 of Title 70 of the Oklahoma Statutes and shall be expended for the purpose of developing, offering and administering Professional Development Institutes in Reading for elementary school teachers as directed in Section 6-200 of Title 70 of the Oklahoma Statutes. The sum of Four Million One Hundred Three Thousand Four Hundred Four Dollars ($4,103,404.00) shall be used for costs associated with multiple ongoing assessments and remediation as contained in Section 1210.508D of Title 70 of the Oklahoma Statutes. The sum of Nine

Hundred Seventy-seven Thousand Seven Hundred Sixty-two Dollars ($977,762.00) shall be used to provide a comprehensive professional development program for teachers and other school personnel on neuro-developmentally based student learning differences. The program shall provide research-based knowledge and skills training to help educators recognize, understand and manage students with differences in learning. The Board shall select a public, private, or nonprofit provider on a competitive bid basis to conduct the program. The sum of Three Hundred Nine Thousand Five Hundred Fifty-eight Dollars ($309,558.00) shall be used to continue research-based professional development for teachers through the Child Service Demonstration Center. The remainder shall be allocated on an average daily attendance basis for the purpose of teacher education staff development pursuant to rules established by the State Board of Education. Five percent (5%) of the funds allocated by average daily attendance for Staff Development may be used by local districts for the administration of the staff development program.

SECTION 19. A portion of the funds allocated in Section 10 of this act for Instructional, Cooperative and Technological Education shall be apportioned as follows:

1. Two Hundred Forty-five Thousand Eight Hundred Fifty-four Dollars ($245,854.00) for Small School Cooperatives shall be awarded on a competitive application basis pursuant to the provisions of Section 18-125 of Title 70 of the Oklahoma Statutes. Up to Two Hundred Thirty-seven Thousand Five Hundred Dollars ($237,500.00) may be used for telecommunications and other purposes as determined by the State Department of Education. No cooperative program shall receive more than a total of Fifty-seven Thousand Dollars ($57,000.00) each year from the allocation set out in this section. Each calculated award shall be reduced by twenty-five percent (25%) for each district participating whose second preceding year per-

child revenue, less federal revenue, is greater than one hundred fifty percent (150%) of the state average;

2. Forty-eight Thousand Eight Hundred Ninety-four Dollars ($48,894.00) shall be expended on a contractual basis to the Chickasha Public School District (26-I-001) for the purpose of room and board payments for students at the Jane Brooks School for the Deaf, pursuant to contracts between the Chickasha School District and the Jane Brooks School for the Deaf;

3. Forty-six Thousand Seven Hundred Twenty-eight Dollars ($46,728.00) shall be expended on a contractual basis for the Oklahoma Science and Engineering Fair;

4. One Hundred Thirty Thousand Five Hundred Ninety Dollars ($130,590.00) shall be awarded to independent school districts which meet the average daily attendance required to obtain a small school incentive grant pursuant to Section 18-125 of Title 70 of the Oklahoma Statutes for costs incurred for expanding the number of grades; and

5. Thirty-five Thousand Seventeen Dollars ($35,017.00) shall be awarded to a nonprofit arts center located in Oklahoma that has been selected by the John F. Kennedy Performing Arts Center for a Special Educator Professional Development Program. The State Board of Education shall give priority to any arts center which received funding in the prior year if the operations of the arts center are deemed satisfactory by the Board.

SECTION 20. It is the intent of the Legislature that funding available for SoonerStart Early Intervention Services be applied to the provision of direct services to eligible infants, toddlers and their families. The Oklahoma State Department of Education is specifically prohibited from contracting for, paying or reimbursing administrative cost recovery personnel, accounting, and management information system costs, maintenance and operations at the state or

local level or indirect costs which fail to comply with the requirements of Section 13-125 of Title 70 of the Oklahoma Statutes.

SECTION 21. Of the funds appropriated to the State Board of Education in Section 1 of this act and allocated in Section 10 of this act specifically for the purpose of funding Education Leadership Oklahoma, the sum of Six Hundred Seventy Thousand Two Hundred Seven Dollars ($670,207.00) shall be transferred to the Education Leadership Oklahoma Revolving Fund created in Section 6-204.3 of Title 70 of the Oklahoma Statutes and shall be expended for the purpose of providing assistance and scholarships. Of the funds allocated in Section 1 of this act and reappropriated by Section 6 of this act specifically for the purpose of funding Education Leadership Oklahoma, the sum of Three Million Four Hundred Thirty-seven Thousand Seven Hundred Twenty-five Dollars ($3,437,725.00) shall be transferred to the Oklahoma National Board Certification Revolving Fund created in Section 6-204.4 of Title 70 of the Oklahoma Statutes for the purpose of awarding annual bonuses as directed. The remaining funds in the Education Leadership Oklahoma Revolving Fund shall be used to provide program development and evaluation by the Oklahoma Commission for Teacher Preparation and curriculum enhancement and monitoring programs for teacher applicants on a contract basis with an institution within The Oklahoma State System of Higher Education.

SECTION 22. Funds allocated in Section 10 of this act for the Oklahoma Ambassador of Teaching shall be used to enhance the Teacher of the Year Program and to assist the Teacher of the Year in acting as an ambassador for teaching.

SECTION 23. The funds allocated in Section 10 of this act for the purchase of textbooks and instructional materials or other support of public school instruction shall be distributed to the school districts by the State Board of Education in amounts as provided for in Section 16-114a of Title 70 of the Oklahoma

Statutes. Notwithstanding any other provision of law, for the 2003-2004 school year the funds may be used by school districts for either the purchase of textbooks and instructional materials or other areas of public school instruction. If not used for textbooks the money shall be distributed directly to the school districts.

SECTION 24. The salary and fringe benefit level of certified instructional staff employed in the same school district in the 2002-03 school year shall not be decreased for the 2003-04 school year unless the hours or the duties of the employee are reduced proportionately.

SECTION 25. The amount of One Hundred Seventy-eight Thousand Sixty-two Dollars ($178,062.00) of the funds allocated in Section 10 of this act for Administrative and Support Functions of the State Department of Education shall be available for continued implementation of the Oklahoma Cost Accounting System. Said System shall account for costs by curricular subject area for the 1991-92 and subsequent school years.

SECTION 26. The amount of Forty-four Thousand Two Hundred Thirty-two Dollars ($44,232.00) of the funds allocated in Section 10 of this act for Administrative and Support Functions of the State Department of Education shall be expended to ensure school district participation in the National Assessment of Educational Progress.

SECTION 27. The amount of Two Hundred Twenty-six Thousand Four Hundred Thirteen Dollars ($226,413.00) of the funds allocated in Section 10 of this act for Administrative and Support Functions of the State Department of Education shall be available for contracting with the Oklahoma Alliance for Geographic Education to provide in-service training and material for geography instruction.

SECTION 28. The amount of Three Hundred Six Thousand Eight Hundred Sixty Dollars ($306,860.00) of the funds allocated in Section 10 of this act for Administrative and Support Functions of the State Department of Education shall be used for reimbursement

for costs associated with the Eighth Grade Reading Test pursuant to Section 1210.515 of Title 70 of the Oklahoma Statutes.

SECTION 29. AMENDATORY 70 O.S. 2001, Section 6-106.1, is amended to read as follows:

Section 6-106.1 ~~Funds~~ If funds are appropriated to the State Board of Education for Mentor Teacher ~~Consultant~~ Stipends ~~for fiscal year 1996, and each year thereafter~~, the funds shall be distributed by the Board to the school districts to provide a stipend of not more than Five Hundred Dollars ($500.00) for each mentor teacher ~~consultant~~ as defined in Section ~~6-152~~ 6-182 of this title. In addition to the distribution of the five-hundred-dollar stipend, each district shall also receive the district's contribution amount necessary to meet the Federal Insurance Contributions Act (F.I.C.A.) requirements.

SECTION 30. AMENDATORY 70 O.S. 2001, Section 13-108.1, is amended to read as follows:

Section 13-108.1 ~~Funds~~ If funds are appropriated to the State Board of Education for reimbursement of the costs of educating Homebound Children as authorized in Section 13-108 of this title, the funds shall be disbursed to school districts through claims filed with the State Board of Education. School districts shall reimburse the necessary travel expenses of teachers incurred in fulfilling the services to homebound children in accordance with the provisions of the State Travel Reimbursement Act, Section 500.1 et seq. of Title 74 of the Oklahoma Statutes.

SECTION 31. AMENDATORY 70 O.S. 2001, Section 18-200.1, as amended by Section 1, Chapter 228, O.S.L. 2002 (70 O.S. Supp. 2002, Section 18-200.1), is amended to read as follows:

Section 18-200.1 A. Beginning with the 1997-98 school year, and each school year thereafter, each school district shall have its initial allocation of State Aid calculated based on the state dedicated revenues actually collected during the preceding fiscal

year, the adjusted assessed valuation of the preceding year and the highest weighted average daily membership for the school district of the two (2) preceding school years. ~~The State Department of Education shall notify each school district by July 15 of the district's initial allocation level.~~ Each school district shall submit the following data based on the first nine (9) weeks, to be used in the calculation of the average daily membership of the school district:

1. Student enrollment by grade level;
2. Pupil category counts; and
3. Transportation supplement data.

On or before December 30, the State Department of Education shall determine each school district's current year allocation pursuant to subsection D of this section. The State Department of Education shall complete an audit, using procedures established by the Department, of the student enrollment by grade level data, pupil category counts and transportation supplement data to be used in the State Aid Formula pursuant to subsection D of this section by December 1 and by January 15 shall notify each school district of the district's final State Aid allocation for the current school year. The January payment of State Aid and each subsequent payment for the remainder of the school year shall be based on the final State Aid allocation as calculated in subsection D of this section. Except for reductions made due to the assessment of penalties by the State Department of Education according to law, the January payment of State Aid and each subsequent payment for the remainder of the school year shall not decrease by an amount more than the amount that the current chargeable revenue increases for that district.

B. The State Department of Education shall retain not less than one and one-half percent (1 1/2%) of the total funds appropriated for financial support of schools, to be used to make midyear adjustments in State Aid and which shall be reflected in the final

allocations. If the amount of appropriated funds, including the one and one-half percent (1 1/2%) retained, remaining after January 1 of each year is not sufficient to fully fund the final allocations, ~~each school district shall receive a proportionate reduction in funding~~ the Department shall recalculate each school district's remaining allocation pursuant to subsection D of this section using the reduced amount of appropriated funds.

C. On and after July 1, 1997, the amount of State Aid each district shall receive shall be the sum of the Foundation Aid, the Salary Incentive Aid and the Transportation Supplement, as adjusted pursuant to the provisions of subsection G of this section and Section 18-112.2 of this title; provided, no district having per pupil revenue in excess of three hundred percent (300%) of the average per pupil revenue of all districts shall receive any State Aid or Supplement in State Aid.

The July calculation of per pupil revenue shall be determined by dividing the district's second preceding year's total weighted average daily membership (ADM) into the district's second preceding year's total revenues excluding federal revenue, insurance loss payments, reimbursements, recovery of overpayments and refunds, unused reserves, prior expenditures recovered, prior year surpluses, and less the amount of any transfer fees paid in that year.

The December calculation of per pupil revenue shall be determined by dividing the district's preceding year's total weighted average daily membership (ADM) into the district's preceding year's total revenues excluding federal revenue, insurance loss payments, reimbursements, recovery of overpayments and refunds, unused reserves, prior expenditures recovered, prior year surpluses, and less the amount of any transfer fees paid in that year.

D. For the 1997-98 school year, and each school year thereafter, Foundation Aid, the Transportation Supplement and Salary Incentive Aid shall be calculated as follows:

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

a. The Foundation Program shall be a district's highest weighted average daily membership based on the first nine (9) weeks of the current school year, the preceding school year or the second preceding school year of a school district, as determined by the provisions of subsection A of Section 18-201.1 of this title and paragraphs 1, 2, 3 and 4 of subsection B of Section 18-201.1 of this title, multiplied by the Base Foundation Support Level.

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

(1) The adjusted assessed valuation of the current school year of the school district, minus the previous year protested ad valorem tax revenues held as prescribed in Section 2884 of Title 68 of the Oklahoma Statutes, multiplied by the mills levied pursuant to subsection (c) of Section 9 of Article X of the Oklahoma Constitution, if applicable, as adjusted in subsection (c) of Section 8A of Article X of the Oklahoma Constitution. For purposes of this subsection, the "adjusted assessed valuation of the current school year" shall be the adjusted assessed valuation on which tax revenues are collected during the current school year, and

(2) Seventy-five percent (75%) of the amount received by the school district from the proceeds of the county levy during the preceding fiscal year, as

levied pursuant to subsection (b) of Section 9 of Article X of the Oklahoma Constitution, and

(3) Motor Vehicle Collections, and

(4) Gross Production Tax, and

(5) State Apportionment, and

(6) R.E.A. Tax.

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

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

a. The average daily haul shall be the number of children in a district who are legally transported and who live one and one-half (1 1/2) miles or more from school.

b. The per capita allowance shall be determined using the following chart:

DENSITY FIGURE	PER CAPITA ALLOWANCE	DENSITY FIGURE	PER CAPITA ALLOWANCE
.3000 - .3083	$167.00	.9334 - .9599	$99.00
.3084 - .3249	$165.00	.9600 - .9866	$97.00
.3250 - .3416	$163.00	.9867 - 1.1071	$95.00
.3417 - .3583	$161.00	1.1072 - 1.3214	$92.00
.3584 - .3749	$158.00	1.3215 - 1.5357	$90.00
.3750 - .3916	$156.00	1.5358 - 1.7499	$88.00
.3917 - .4083	$154.00	1.7500 - 1.9642	$86.00
.4084 - .4249	$152.00	1.9643 - 2.1785	$84.00
.4250 - .4416	$150.00	2.1786 - 2.3928	$81.00
.4417 - .4583	$147.00	2.3929 - 2.6249	$79.00

.4584 - .4749	$145.00	2.6250 - 2.8749	$77.00
.4750 - .4916	$143.00	2.8750 - 3.1249	$75.00
.4917 - .5083	$141.00	3.1250 - 3.3749	$73.00
.5084 - .5249	$139.00	3.3750 - 3.6666	$70.00
.5250 - .5416	$136.00	3.6667 - 3.9999	$68.00
.5417 - .5583	$134.00	4.0000 - 4.3333	$66.00
.5584 - .5749	$132.00	4.3334 - 4.6666	$64.00
.5750 - .5916	$130.00	4.6667 - 4.9999	$62.00
.5917 - .6133	$128.00	5.0000 - 5.5000	$59.00
.6134 - .6399	$125.00	5.5001 - 6.0000	$57.00
.6400 - .6666	$123.00	6.0001 - 6.5000	$55.00
.6667 - .6933	$121.00	6.5001 - 7.0000	$53.00
.6934 - .7199	$119.00	7.0001 - 7.3333	$51.00
.7200 - .7466	$117.00	7.3334 - 7.6667	$48.00
.7467 - .7733	$114.00	7.6668 - 8.0000	$46.00
.7734 - .7999	$112.00	8.0001 - 8.3333	$44.00
.8000 - .8266	$110.00	8.3334 - 8.6667	$42.00
.8267 - .8533	$108.00	8.6668 - 9.0000	$40.00
.8534 - .8799	$106.00	9.0001 - 9.3333	$37.00
.8800 - .9066	$103.00	9.3334 - 9.6667	$35.00
.9067 - .9333	$101.00	9.6668 or more	$33.00

c. The formula transportation factor shall be 1.39.

3. Salary Incentive Aid shall be determined as follows:

a. Multiply the Incentive Aid guarantee by the district's highest weighted average daily membership based on the first nine (9) weeks of the current school year, the preceding school year or the second preceding school year of a school district, as determined by the provisions of subsection A of Section 18-201.1 of this title and paragraphs 1, 2, 3 and 4 of subsection B of Section 18-201.1 of this title.

b. Divide the district's adjusted assessed valuation of the current school year minus the previous year's protested ad valorem tax revenues held as prescribed in Section 2884 of Title 68 of the Oklahoma Statutes, by one thousand (1,000) and subtract the quotient from the product of subparagraph a of this paragraph. The remainder shall not be less than zero (0).

c. Multiply the number of mills levied for general fund purposes above the fifteen (15) mills required to support Foundation Aid pursuant to division (1) of subparagraph b of paragraph 1 of this subsection, not including the county four-mill levy, by the remainder of subparagraph b of this paragraph. The product shall be the Salary Incentive Aid of the district.

E. By June 30, 1998, the State Department of Education shall develop and the Department and all school districts shall have implemented a student identification system which is consistent with the provisions of subsections C and D of Section 3111 of Title 74 of the Oklahoma Statutes. The student identification system shall be used specifically for the purpose of reporting enrollment data by school sites and by school districts, the administration of the Oklahoma School Testing Program Act, the collection of appropriate and necessary data pursuant to the Oklahoma Educational Indicators Program, determining student enrollment, establishing a student mobility rate, allocation of the State Aid Formula and mid-year adjustments in funding for student growth. This enrollment data shall be submitted to the State Department of Education in accordance with rules promulgated by the State Board of Education. Funding for the development, implementation, personnel training and maintenance of the student identification system shall be set out in a separate line item in the allocation section of the appropriation bill for the State Board of Education for each year.

F. 1. In the event that ad valorem taxes of a school district are determined to be uncollectible because of bankruptcy, clerical error, or a successful tax protest, and the amount of such taxes deemed uncollectible exceeds Fifty Thousand Dollars ($50,000.00) or an amount greater than twenty-five percent (25%) of ad valorem taxes per tax year, or the valuation of a district is lowered by order of the State Board of Equalization, the school district's State Aid, for the school year that such ad valorem taxes are calculated in the State Aid Formula, shall be determined by subtracting the net assessed valuation of the property upon which taxes were deemed uncollectible from the assessed valuation of the school district and the state. Upon request of the local board of education, it shall be the duty of the county assessor to certify to the Director of Finance of the State Department of Education the net assessed valuation of the property upon which taxes were determined uncollectible.

~~For the 1997-98 school year, school districts who had over One Hundred Fifty Thousand Dollars ($150,000.00) held in protest by a commercial entity as part of the 1995 assessed valuation shall have the protested amount subtracted from the current year assessed valuation as used for the purposes of calculating State Aid.~~

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

G. 1. Notwithstanding the provisions of Section 18-112.2 of this title, a school district shall have its State Aid reduced by an amount equal to the amount of carryover in the general fund of the

district as of June 30 of the preceding fiscal year, that is in excess of the following standards:

Total Amount of General Fund Collections, Excluding Previous Year Cash Surplus as of June 30	Amount of General Fund Balance Allowable
Less than $1,000,000	40%
$1,000,000 - $2,999,999	35%
$3,000,000 - $3,999,999	30%
$4,000,000 - $4,999,999	25%
$5,000,000 - $5,999,999	20%
$6,000,000 - $7,999,999	16%
$8,000,000 - $9,999,999	16%
$10,000,000 - $11,999,999	15%
$12,000,000 – $13,999,999	14%
$14,000,000 - $15,999,999	13%
$16,000,000 - $17,999,999	12%
$18,000,000 - $19,999,999	11%
$20,000,000 - $21,999,999	10%
$22,000,000 – $23,999,999	9%
More than $24,000,000	8%

2. By February 1 the State Department of Education shall send by certified mail, with return receipt requested, to each School District Superintendent, Auditor and Regional Accreditation Officer a notice of and calculation sheet reflecting the general fund balance penalty to be assessed against that school district. Within thirty (30) days of receipt of this written notice the school district shall submit to the Department a written reply either accepting or protesting the penalty to be assessed against the district. If protesting, the school district shall submit with its reply the reasons for rejecting the calculations and documentation supporting those reasons. The Department shall review all school

district penalty protest documentation and notify each district by March 15 of its finding and the final penalty to be assessed to each district. General fund balance penalties shall be assessed to all school districts by April 1.

3. Any school district which receives proceeds from a tax settlement or a Federal Emergency Management Agency settlement during the last two (2) months of the preceding fiscal year shall be exempt from the penalties assessed in this subsection, if the penalty would occur solely as a result of receiving funds from the tax settlement.

4. Any school district which receives an increase in State Aid because of a change in Foundation and/or Salary Incentive Aid factors during the last two (2) months of the preceding fiscal year shall be exempt from the penalties assessed in this subsection, if the penalty would occur solely as a result of receiving funds from the increase in State Aid.

5. If a school district does not receive Foundation and/or Salary Incentive Aid during the preceding fiscal year, the State Board of Education may waive the penalty assessed in this subsection if the penalty would result in a loss of more than forty percent (40%) of the remaining State Aid to be allocated to the school district between April ~~1st~~ 1 and the remainder of the school year and if the Board determines the penalty will cause the school district ~~to~~ not to meet remaining financial obligations.

6. ~~On or before June 30, 2001, the State Board of Education shall restore to a school district any State Aid penalty assessed pursuant to this subsection during the fiscal year ending June 30, 2001.~~

~~7.~~ Any school district which receives gross production revenue apportionment during the ~~2000-2001~~ 2002-2003 school year that is greater than the gross production revenue apportionment of the preceding school year shall be exempt from the penalty assessed in

this subsection, if the penalty would occur solely as a result of the gross production revenue apportionment, as determined by the State Board of Education.

~~8. Any school district which receives proceeds from the School District Utility Assistance Program during the 2000-2001 school year shall be exempt from the penalty assessed in this subsection, if the penalty would occur solely as a result of receiving funds from the Program, as determined by the State Board of Education.~~

~~9. The State Board of Education shall waive for all school districts the penalty assessed in this subsection during the fiscal year ending June 30, 2002 and the fiscal year ending June 30, 2003.~~

H. In order to provide startup funds for the implementation of early childhood programs, State Aid may be advanced to school districts that initially start early childhood instruction at a school site. School districts that desire such advanced funding shall make application to the State Department of Education no later than September 15 of each year and advanced funding shall be awarded to the approved districts no later than October 30. The advanced funding shall not exceed the per pupil amount of State Aid as calculated in subsection D of this section per anticipated Head Start eligible student. The total amount of advanced funding shall be proportionately reduced from the monthly payments of the district's State Aid payments during the last six (6) months of the same fiscal year.

I. 1. Beginning July 1, 1996, the Oklahoma Tax Commission, notwithstanding any provision of law to the contrary, shall report monthly to the Oklahoma State Department of Education the monthly apportionment of the following information:

a. the assessed valuation of property,

b. motor vehicle collections,

c. R.E.A. tax collected, and

d. gross productions tax collected.

2. Beginning July 1, 1997, the State Auditor and Inspector's Office, notwithstanding any provision of law to the contrary, shall report monthly to the Oklahoma State Department of Education the monthly apportionment of the proceeds of the county levy.

3. Beginning July 1, 1996, the Commissioners of the Land Office, notwithstanding any provision of law to the contrary, shall report monthly to the State Department of Education the monthly apportionment of state apportionment.

4. Beginning July 1, 1997, the county treasurers' offices, notwithstanding any provision of law to the contrary, shall report monthly to the Oklahoma State Department of Education the ad valorem tax protest amounts for each county.

5. The information reported by the Tax Commission, the State Auditor and Inspector's Office, the county treasurers' offices and the Commissioners of the Land Office, pursuant to this subsection shall be reported by school district on forms developed by the State Department of Education.

SECTION 32. AMENDATORY 70 O.S. 2001, Section 26-105, as amended by Section 3, Chapter 282, O.S.L. 2002 (70 O.S. Supp. 2002, Section 26-105), is amended to read as follows:

Section 26-105. A. The flexible benefit allowance shall be used by a school district employee who is participating in the cafeteria plan to purchase major medical health care plan coverage offered by the school district through a cafeteria plan. Any excess flexible benefit allowance over the cost of the major medical coverage purchased by the employee who is participating in the cafeteria plan may be used to purchase any of the additional benefits offered by the school district or may be taken as taxable compensation as provided in subsection C of this section. Certified personnel who choose not to participate in the school-district-sponsored cafeteria plan shall receive Sixty-nine Dollars and seventy-one cents ($69.71) per month as taxable compensation in lieu

of the flexible benefit allowance amount provided in subsection B of this section. Support personnel who choose not to participate in the school-district-sponsored cafeteria plan shall receive One Hundred Eighty-nine Dollars and sixty-nine cents ($189.69) per month as taxable compensation in lieu of the flexible benefit allowance amount provided in subsection B of this section.

B. Each eligible school district employee shall be credited annually with a specified amount as a flexible benefit allowance which shall be available for the purchase of benefits. The amount of the flexible benefit allowance credited to each eligible school district employee shall be communicated to the employee prior to the enrollment period for each plan year.

1. For the fiscal year ending June 30, 2002, the flexible benefit allowance amount for certified personnel shall be no less than Sixty-nine Dollars and seventy-one cents ($69.71) per month. For the fiscal year ending June 30, 2002, the flexible benefit allowance amount for support personnel shall be no less than ~~One Hundred Eighty-six Dollars and sixty-nine cents ($186.69)~~ One Hundred Eighty-nine Dollars and sixty-nine cents ($189.69) per month.

2. For the fiscal year ending June 30, ~~2003~~ 2004, the flexible benefit allowance amount for certified personnel shall be no less than fifty-eight percent (58%) of the premium amount for the HealthChoice (Hi) option plan for an individual offered by the State and Education Employees Group Insurance Board. For the fiscal year ending June 30, 2003, and each fiscal year thereafter, the flexible benefit allowance amount for support personnel shall be no less than one hundred percent (100%) of the premium amount for the HealthChoice (Hi) option plan for an individual offered by the State and Education Employees Group Insurance Board.

3. For the fiscal year ending June 30, ~~2004~~ 2005, and each fiscal year thereafter, the flexible benefit allowance amount for

certified personnel shall be no less than eighty-three percent (83%) of the premium amount for the HealthChoice (Hi) option plan for an individual offered by the State and Education Employees Group Insurance Board.

C. If a school district employee who is participating in the cafeteria plan elects benefits whose sum total is less than the flexible benefit allowance, the employee shall receive any excess flexible benefit allowance as taxable compensation. Such taxable compensation shall be paid in substantially equal amounts each pay period over the plan year. On termination during a plan year, a participating school district employee shall have no right to receive any such taxable cash compensation allocated to the portion of the plan year after the termination of the employee.

D. Each school district employee shall make an annual election of benefits under the plan during an enrollment period to be held prior to the beginning of each plan year. The enrollment period dates will be determined annually and will be announced by the school district, providing the enrollment period shall end no later than thirty (30) days before the beginning of the plan year. Each such school district employee shall make an irrevocable advance election for the plan year or the remainder thereof pursuant to such procedures as the school district shall prescribe.

E. The school district shall prescribe the forms that school district employees shall be required to use in making their elections, and may prescribe deadlines and other procedures for filing the elections.

F. School district employees hired after the closing of the enrollment period shall be allowed to make an election as provided in this act.

G. A district board of education shall have the option of providing a flexible benefit allowance to the superintendent of the school district in an amount not more than the amount of the

flexible benefit allowance established for certified personnel in subsection B of this section. Funding for the flexible benefit allowance for a superintendent shall be provided through local revenue.

SECTION 33. AMENDATORY 74 O.S. 2001, Section 1310.1, as amended by Section 4, Chapter 282, O.S.L. 2002 (74 O.S. Supp. 2002, Section 1310.1), is amended to read as follows:

Section 1310.1 A. If a certified employee elects health care coverage under a plan offered by a school district, including a plan offered by the State and Education Employees Group Insurance Board or a self-insured plan offered by the school district, then a school district shall pay:

1. For the fiscal year ending June 30, 2002, fifty percent (50%) of the cost of the health care coverage of such employee;

2. For the fiscal year ending June 30, ~~2003~~ 2004, seventy-five percent (75%) of the cost of the health care coverage of such employee; and

3. For the fiscal year ending June 30, ~~2004~~ 2005, and each fiscal year thereafter, one hundred percent (100%) of the cost of the health care coverage of such employee.

The amount the district is required to pay pursuant to paragraphs 1, 2, and 3 of this subsection shall be reduced by the flexible benefit allowance provided for in Section 26-105 of Title 70 of the Oklahoma Statutes.

B. The premium for education entities that participate in the health and dental insurance plans offered through the State and Education Employees Group Insurance Act shall be the same as paid by state agencies for said plans.

C. All education entities that participate in the insurance plans offered through the State and Education Employees Group Insurance Act shall forward the employer and employee premiums to

the Board no later than the tenth day of each month following the month for which payment is due.

SECTION 34. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-170 of Title 70, unless there is created a duplication in numbering, reads as follows:

For the fiscal year ending June 30, 2004, the superintendent of a school district or designee may transfer any unexpended or unencumbered appropriation in an amount not to exceed twenty-five percent (25%) of the total appropriation from one account, fund, or program category to another account, fund or program category. The amount to be transferred, together with all previous transfers, shall not exceed twenty-five percent (25%) of the total appropriation to the account, fund or program from which the transfer is being made. Upon approval of the board of education of the school district, an amount not to exceed forty percent (40%) may be transferred from one account, fund, or program category to another account, fund, or program category. The amount to be transferred, together with all previous transfers, shall not exceed forty percent (40%) of the total appropriation to the account, fund or program from which the transfer is being made. Provided, funds shall not be transferred between the general fund and building fund of any school district. The State Department of Education shall be notified in writing or electronically of all transfers at the time such transfers are made.

SECTION 35. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

Prior to filing or submitting any grant application, plan or compliance report or amendment to an application, plan or compliance report to the United States Department of Education for purposes of or required pursuant to the Elementary and Secondary Education Act of 2001 (ESEA), P.L. No. 107-110, also known as the No Child Left Behind Act of 2001, the State Board of Education shall submit a copy

of the application, plan, report or amendment to an application, plan or compliance report to the Speaker of the House of Representatives and the President Pro Tempore of the Senate. Along with a copy of the application, plan, report or amendment to an application, plan or compliance report, the Board shall submit a summary of the contents, a detailed explanation of the purpose, and the potential impact on common education funding of the application, plan, report or amendment to an application, plan or compliance report at least thirty (30) days before the application, plan, report or amendment to an application, plan or compliance report must be submitted to the United States Department of Education. The Speaker and the President Pro Tempore shall have an opportunity to review and provide input to the Board before the application, plan or report is finalized and submitted.

SECTION 36. The duties and compensation of employees, not otherwise prescribed by law, necessary to perform the duties imposed upon the State Department of Education by law shall be set by the State Board of Education. The State Department of Education for the fiscal year ending June 30, 2004, shall be subject to the following budgetary limitations on full-time-equivalent employees and expenditures excluding expenditures for capital and special projects, except as may be authorized pursuant to the provisions of Section 3603 of Title 74 of the Oklahoma Statutes:

Budgetary Limitation	Amount
Full-time-equivalent Employees	400.0
Lease-Purchase Agreements	$500,000.00

SECTION 37. Of the four hundred (400.00) full-time-equivalent employees authorized in Section 36 of this act, eighty-seven and seventy-five one-hundredths (87.75) shall be employed to provide services under the provisions of the Oklahoma Early Intervention Act. Prior to February 1, 2004, the Superintendent of Public

Instruction shall file a report with the Education Oversight Board on the Oklahoma Early Intervention Program.

SECTION 38. Of the four hundred (400.0) full-time-equivalent employees authorized in Section 36 of this act, three (3.0) shall be designated for the Parent Training Program as authorized in Section 15 of this act.

SECTION 39. Of the four hundred (400.0) full-time-equivalent employees authorized in Section 36 of this act, seven (7.0) shall be employed to provide services under the provisions of the Oklahoma School Testing Program Act pursuant to the provisions of Section 1210.508 of Title 70 of the Oklahoma Statutes.

SECTION 40. Of the four hundred (400.0) full-time-equivalent employees authorized in Section 36 of this act, one (1.0) shall be designated as coordinator of support personnel concerns. Responsibilities of the coordinator shall include liaison with the Legislature, with organizations representing support personnel, and with the State Board of Education, and shall include dissemination of information to support personnel, including but not limited to retirement information.

SECTION 41. Of the four hundred (400.0) full-time-equivalent employees authorized in Section 36 of this act, eleven (11.0) shall be designated for the State Aid Section of Financial Services. These designated full-time-equivalent employees shall be responsible for processing data and other functions directly associated with the student identification system as authorized in subsection E of Section 18-200.1 of Title 70 of the Oklahoma Statutes.

SECTION 42. State Aid funds shall be reduced or withheld by the State Board of Education in an amount necessary to require compliance with the provisions of this act.

SECTION 43. If funds appropriated in this act are not sufficient to fully fund the provisions of this act, each school district which qualifies for funds, excluding Financial Support of

Schools, pursuant to the provisions of this act shall take a proportionate reduction.

SECTION 44. Appropriations made by this act, not including appropriations made for capital outlay purposes, may be budgeted for the fiscal year ending June 30, 2004 (hereafter FY-04), or may be budgeted for the fiscal year ending June 30, 2005 (hereafter FY-05). Funds budgeted for FY-04 may be encumbered only through June 30, 2004, and must be expended by November 15, 2004. Any funds remaining after November 15, 2004, and not budgeted for FY-05, shall lapse to the credit of the proper fund for the then current fiscal year. Funds budgeted for FY-05 may be encumbered only through June 30, 2005. Any funds remaining after November 15, 2005, shall lapse to the credit of the proper fund for the then current fiscal year. These appropriations may not be budgeted in both fiscal years simultaneously. Funds budgeted in FY-04, and not required to pay obligations for that fiscal year, may be budgeted for FY-05, after the agency to which the funds have been appropriated has prepared and submitted a budget work program revision removing these funds from the FY-04 budget work program and after such revision has been approved by the Office of State Finance.

SECTION 45. REPEALER Section 5 of Enrolled House Bill No. 1160 of the 1st Session of the 49th Oklahoma Legislature, is hereby repealed.

SECTION 46. REPEALER 70 O.S. 2001, Section 18-103.1, as amended by Section 28, Chapter 388, O.S.L. 2002 (70 O.S. Supp. 2002, Section 18-103.1), is hereby repealed.

SECTION 47. This act shall become effective July 1, 2003.

SECTION 48. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby

declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

49-1-15164 PC 05/15/03