

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 HOUSE BILL 3104

By: Banz

4
5
6 AS INTRODUCED

7 An Act relating to schools; amending 70 O.S. 2001,
8 Sections 7-202, as amended by Section 2, Chapter 296,
9 O.S.L. 2003 and 7-203, as last amended by Section 4,
10 Chapter 278, O.S.L. 2006, and Section 36, Chapter 50,
11 2nd Extraordinary Session, O.S.L. 2006 (70 O.S. Supp.
12 2007, Sections 7-202, 7-203 and 7-203.1), which
13 relate to the Oklahoma School Voluntary Consolidation
14 and Annexation Act; expanding application of the act
15 to consolidations of certain school buildings;
16 expanding purposes of the School Consolidation
17 Assistance Fund to include consolidations of certain
18 school buildings; establishing conditions for the
19 allocation of funds for the consolidation of certain
20 school buildings; limiting allocation to certain
21 percentage of cost of construction; requiring school
22 districts to submit applications by a certain date;
23 requiring submission of a construction schedule with
24 completion within five years; limiting allocations to
school districts that have reached certain levy and
bonded indebtedness limits; providing for
distribution of allocations; providing process for
allocation of funds; modifying process for the
transfer of funds; deleting obsolete language;
providing an effective date; and declaring an
emergency.

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

22 SECTION 1. AMENDATORY 70 O.S. 2001, Section 7-202, as
23 amended by Section 2, Chapter 296, O.S.L. 2003 (70 O.S. Supp. 2007,
24 Section 7-202), is amended to read as follows:

1 Section 7-202. The provisions of the Oklahoma School Voluntary
2 Consolidation and Annexation Act shall apply only to ~~school~~:

3 1. School districts whose entire territory has been annexed to
4 one or more existing school districts or which have been created by
5 the consolidation of two or more existing school districts in
6 accordance with the provisions of Section 7-101 et seq. of ~~Title 70~~
7 ~~of the Oklahoma Statutes~~ this title; and

8 2. School districts which consolidate two or more school
9 buildings that were constructed fifty (50) or more years ago into
10 one newly constructed school building.

11 SECTION 2. AMENDATORY 70 O.S. 2001, Section 7-203, as
12 last amended by Section 4, Chapter 278, O.S.L. 2006 (70 O.S. Supp.
13 2007, Section 7-203), is amended to read as follows:

14 Section 7-203. A. There is hereby created in the State
15 Treasury a fund to be designated the "School Consolidation
16 Assistance Fund". The fund shall be a continuing fund, not subject
17 to fiscal year limitations, and shall consist of any monies the
18 Legislature may appropriate or transfer to the fund and any monies
19 contributed for the fund from any other source, public or private.

20 B. All monies accruing to the credit of said fund are hereby
21 appropriated and may be budgeted and expended by the State Board of
22 Education for the purposes established by this section, the
23 Legislature and in accordance with rules promulgated by the State
24 Board of Education. The purposes shall be to provide ~~voluntarily~~:

1 1. Voluntarily consolidated school districts or districts who
2 have received part or all of the territory and part or all of the
3 students of a school district dissolved by voluntary annexation,
4 during the first year of consolidation or annexation, except as
5 provided for in paragraph 6 of subsection G C of this section, with
6 a single one-year allocation of funds needed for ~~+~~ the purposes
7 listed in subsection C of this section; and

8 2. School districts that voluntarily consolidate two or more
9 school buildings that were constructed fifty (50) or more years ago
10 into one new school building with a one-time allocation of funds
11 needed for the construction of the new school building.

12 C. For voluntarily consolidated school districts or districts
13 who have received part or all of the territory and part or all of
14 the students of a school district dissolved by voluntary annexation
15 the following conditions shall apply:

16 1. ~~Purchase~~ The single one-year allocation of funds from the
17 School Consolidation Assistance Fund may be used for:

18 a. purchase of uniform textbooks in cases where the
19 several districts were not using the same textbooks
20 prior to consolidation or annexation~~+~~ ,

21 2. ~~Employment~~

22 b. employment of certified personnel required to teach
23 courses of the district for which personnel from the
24

1 districts consolidated or annexed are not certified
2 and available^{7,1},

3 ~~3. Employment~~

4 c. employment assistance for personnel of the several
5 districts who are not employed by the consolidated or
6 annexing district. Employment assistance may include
7 provision of a severance allowance for administrators,
8 teachers and support personnel not to exceed eighty
9 percent (80%) of the individual's salary or wages,
10 exclusive of fringe benefits, for the school year
11 preceding the consolidation or annexation. Personnel
12 receiving such severance pay may accumulate one (1)
13 year of creditable service for retirement purposes.
14 Employment assistance may also include the payment of
15 unemployment compensation benefits. The State Board
16 of Education shall provide a severance allowance to
17 employees dismissed from employment due to annexation
18 or consolidation of a school district in the year of
19 the annexation or consolidation and who were denied a
20 severance allowance or unemployment compensation
21 benefits and the voluntary consolidation funding of
22 the annexing or consolidating district or districts
23 has been paid on or after July 1, 2003, at the maximum
24 allowable amount. Application for a severance

1 allowance shall be made to the Finance Division of the
2 State Department of Education by the dismissed
3 employee no later than September 1 of the fiscal year
4 immediately following the fiscal year in which the
5 annexation or consolidation occurred~~;~~,

6 ~~4. Furnishing~~

7 d. furnishing and equipping classrooms and laboratories~~;~~,

8 ~~5. Purchase~~

9 e. purchase of additional transportation equipment~~;~~, and

10 ~~6. When~~

11 f. when deemed essential by the school district board of
12 education to achieve consolidation or combination by
13 annexation, renovation of existing school buildings
14 and construction or other acquisition of school
15 buildings~~;~~;

16 ~~C.~~ 2. The State Board of Education shall only make allocations
17 from the fund to school districts formed from the combination of two
18 or more of the districts whose boards of education notify the State
19 Board of Education on or before June 30 of their intent to annex or
20 consolidate and are subsequently combined by such means by January 1
21 of the second year following the notification of intent~~;~~;

22 ~~D.~~ 3. Allocations will be made to school districts ~~formed by~~
23 ~~consolidation or which have received part or all of the territory~~
24 ~~and students of a school district by annexation~~ on the basis of

1 combined average daily membership (ADM) of the second school year
2 preceding the first year of operation of the school district
3 resulting from the consolidation or annexation; ~~provided, not.~~ Not
4 more than one thousand (1,000) ADM of any one school district shall
5 be counted in determining the combined ADM of any district formed by
6 consolidation or which has received part or all of the territory and
7 students of a school district by annexation. The ADM of any one
8 school district shall not be considered more than once for
9 allocations from the fund when the school district annexes to or
10 consolidates with two or more school districts; i

11 ~~E.~~ 4. To calculate combined ADM in cases where a school
12 district annexes to two or more school districts, allocations from
13 the fund shall be based on the lesser of:

14 ~~1.~~ The

15 a. the annexing school district's ADM as limited by this
16 section plus the number of students from the annexed
17 school district that the annexing school district will
18 gain; i or

19 ~~2.~~ The

20 b. the ADM as limited by this section that the annexing
21 school district is gaining from the annexed school
22 district plus the annexing school district's ADM as
23 multiplied by the percentage of students the annexing
24 school district is receiving from the annexed school

1 district of all annexing school districts, ~~provided~~
2 ~~the.~~ The annexing school district's ADM thus
3 calculated shall not exceed one thousand (1,000) ~~;~~;

4 ~~F.~~ 5. Allocations from the fund shall be calculated by
5 multiplying the combined ADM by:

6 ~~1.~~ a. One Thousand Dollars (\$1,000.00) when two districts
7 are combined ~~;~~;

8 ~~2.~~ b. One Thousand Two Hundred Dollars (\$1,200.00) when
9 three districts are combined ~~;~~;

10 ~~3.~~ c. One Thousand Four Hundred Dollars (\$1,400.00) when
11 four districts are combined ~~;~~; and

12 ~~4.~~ d. One Thousand Six Hundred Dollars (\$1,600.00) when five
13 or more districts are combined.

14 If monies in the School Consolidation Assistance Fund are
15 insufficient to make allocations to all qualified combined
16 districts, allocations shall be made based upon earliest date of
17 application ~~;~~; and

18 ~~G.~~ 6. Any school district which was consolidated or which
19 participated in an annexation in 2004 shall be eligible to receive
20 funds from the School Consolidation Assistance Fund as provided in
21 paragraph 5 of this subsection ~~F of this section.~~

22 D. For schools districts that voluntarily consolidate two or
23 more school buildings that were constructed fifty (50) or more years
24

1 ago into one new school building the following conditions shall
2 apply:

3 1. The one-time allocation of funds from the School
4 Consolidation Assistance Fund may be used for the construction of
5 one new school building that will replace two or more school
6 buildings that were constructed fifty (50) or more years ago. The
7 one-time allocation of funds shall equal not more than fifty percent
8 (50%) of the total cost of construction of the new school building;

9 2. In order to qualify for the allocation of funds, school
10 districts shall submit an application to the State Board of
11 Education on or before June 30 of their intent to consolidate two or
12 more school buildings through the construction of one new school
13 building. School districts shall submit proof that the district has
14 sufficient funds to match the amount allocated from the Fund and to
15 complete construction of the school building;

16 3. Each school district shall submit with the application a
17 schedule which has construction of the new school building completed
18 within five (5) years of approval of the application for funds;

19 4. Applications shall be approved only for school districts
20 which, at the time of application, have voted the five-mill building
21 fund levy authorized in Section 10 of Article X of the Oklahoma
22 Constitution, and have voted indebtedness through the issuance of
23 new bonds for at least eighty-five percent (85%) within the last
24 three (3) years of the maximum allowable pursuant to the provisions

1 of Section 26 of Article X of the Oklahoma Constitution as shown on
2 the school district budget filed with the State Board of
3 Equalization for the current school year and certifications by the
4 Attorney General; and

5 5. The number of allocations awarded by the Board each year
6 shall be determined based on the total amount available in the
7 School Consolidation Assistance Fund each year as determined in
8 Section 7-203.1 of this title. If monies in the Fund are
9 insufficient to make allocations to all qualified school districts,
10 allocations shall be made based upon earliest date of application.
11 If only one qualified school district makes application for an
12 allocation and monies in the Fund are insufficient to cover fifty
13 percent (50%) of the cost of construction, the Board may allocate
14 all of the available money to the qualified school district.

15 SECTION 3. AMENDATORY Section 36, Chapter 50, 2nd
16 Extraordinary Session, O.S.L. 2006 (70 O.S. Supp. 2007, Section 7-
17 203.1), is amended to read as follows:

18 Section 7-203.1 A. Beginning July 1, ~~2006~~ 2008, and each year
19 thereafter, the State Board of Education shall determine the number
20 of districts that notified the Board of their intent to annex or
21 consolidate by June 30 of the previous fiscal year. After
22 determining the amount of allocations needed for those school
23 districts, the Board shall allocate the remaining monies in the
24 School Consolidation Assistance Fund to qualified school districts

1 that have filed applications for consolidation of school buildings as
2 provided for in Section 7-203 of this title.

3 B. The State Board of Education shall determine the number of
4 districts that notified the Board of their intent to annex or
5 consolidate or consolidate school buildings by June 30 of the
6 previous fiscal year. If the Board determines the number of
7 qualified combined districts to be two or less and no applications
8 for consolidation of school buildings have been filed, the Board is
9 authorized to transfer up to one-half (1/2) of the funds transferred
10 to the School Consolidation Assistance Fund for that fiscal year for
11 allocation to the Financial Support of Public Schools for
12 distribution to school districts in the State Aid Formula, provided
13 in Section 18-200.1 of Title 70 of the Oklahoma Statutes this title.
14 ~~The State Board of Education is further authorized to transfer up to~~
15 ~~one half of the funds not allocated to school districts for~~
16 ~~annexation or consolidation for the fiscal year ending June 30,~~
17 ~~2006, for allocation to the Financial Support of Public Schools.~~

18 SECTION 4. This act shall become effective July 1, 2008.

19 SECTION 5. It being immediately necessary for the preservation
20 of the public peace, health and safety, an emergency is hereby
21 declared to exist, by reason whereof this act shall take effect and
22 be in full force from and after its passage and approval.

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24 51-2-8625 KB 01/03/08