

1 ENGROSSED SENATE
2 BILL NO. 1111

3
4 By: Jolley, Eason McIntyre,
5 Coffee and Ford of the
6 Senate
7
8 and

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10 Jones, Shumate, Benge and
11 Denney of the House
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An Act relating to schools; creating the Educational Accountability Reform Act; providing short title; transferring powers, duties, functions, and responsibilities for certain programs from State Department of Education to Education Oversight Board; providing for transfer of certain assets and liabilities; providing for succession of contractual rights and responsibilities; requiring transfer of certain funds; amending 70 O.S. 2001, Section 3-116, as last amended by Section 29, Chapter 434, O.S.L. 2003 (70 O.S. Supp. 2008, Section 3-116), which relates to the Education Oversight Board; modifying appointment of members; providing for termination of certain member's terms; declaring elected officials as ineligible to serve as member; modifying duties of Board; authorizing Board to promulgate certain rules; amending 70 O.S. 2001, Section 3-117, as amended by Section 30, Chapter 434, O.S.L. 2003 (70 O.S. Supp. 2008, Section 3-117), which relates to the Office of Accountability; changing name to Educational Quality and Accountability Office; removing certain requirements of Oklahoma State Regents of Higher Education; directing Education Oversight Board to submit program budget to Office of State Finance; establishing certain divisions; stating responsibilities of divisions; amending 70 O.S. 2001, Section 3-121, which relates to funds appropriated to State Board of Education; removing requirement to expend funds for certain duty; amending 70 O.S. 2001, Sections 3-150 and 3-151, which relate to the Academic Performance Index; modifying administrator of program; deleting obsolete language; amending Section 1, Chapter 466, O.S.L. 2005, as last amended

1 by Section 2, Chapter 439, O.S.L. 2008 (70 O.S. Supp.
2 2008, Section 3-152.1), which relates to the Academic
3 Achievement Award Program; modifying administrator of
4 program; amending Section 2, Chapter 430, O.S.L. 2003
5 (70 O.S. Supp. 2008, Section 3-160), which relates to
the state student record system; transferring system
6 to Education Oversight Board; amending 70 O.S. 2001,
7 Section 11-103.6d, which relates to certificates of
8 distinction; modifying performance level terminology;
9 amending 70 O.S. 2001, Section 18-200.1, as last
10 amended by Section 1, Chapter 90, O.S.L. 2005 (70
O.S. Supp. 2008, Section 18-200.1), which relates to
11 the State Aid formula; modifying agency responsible
12 for development and implementation of student
13 identification system; amending 70 O.S. 2001, Section
14 1210.506, which relates to the Oklahoma School
Testing Program Act; modifying definitions; amending
15 70 O.S. 2001, Sections 1210.507 and 1210.508, as last
16 amended by Sections 3 and 4, Chapter 289, O.S.L. 2006
17 (70 O.S. Supp. 2008, Sections 1210.507 and 1210.508),
18 which relate to the Oklahoma School Testing Program
19 Act; modifying agency responsible for development and
20 administration of student testing system; modifying
21 performance level terminology; amending 70 O.S. 2001,
22 Section 1210.508B, as last amended by Section 1,
23 Chapter 146, O.S.L. 2006 (70 O.S. Supp. 2008, Section
24 1210.508B), which relates to the Reading Sufficiency
Act; amending 70 O.S. 2001, Section 1210.509, which
relates to training for test administrators;
modifying agency responsible for certain duties;
modifying performance level terminology; amending 70
O.S. 2001, Section 1210.513, which relates to
participation in National Assessment of Educational
Progress; modifying agency responsible for certain
duties; amending 70 O.S. 2001, Section 1210.515, as
amended by Section 3, Chapter 197, O.S.L. 2004 (70
O.S. Supp. 2008, Section 1210.515), which relates to
reading ability for driver license applicant;
modifying performance level terminology; amending
Sections 5 and 6, Chapter 432, O.S.L. 2005, as
amended by Sections 5 and 6, Chapter 289, O.S.L. 2006
(70 O.S. Supp. 2008, Sections 1210.522 and 1210.523),
which relate to the Achieving Classroom Excellence
Act of 2005; modifying performance level terminology;
amending 70 O.S. 2001, Section 1210.541, as amended
by Section 3, Chapter 428, O.S.L. 2003 (70 O.S. Supp.
2008, Section 1210.541), which relates to student

1 performance levels; modifying agency responsible for
2 certain duties; modifying performance level
3 terminology and definitions; providing for
4 codification; and providing an effective date.

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

6 SECTION 1. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 3-116.1 of Title 70, unless
8 there is created a duplication in numbering, reads as follows:

9 This act shall be known and may be cited as the "Educational
10 Accountability Reform Act".

11 SECTION 2. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 3-116.2 of Title 70, unless
13 there is created a duplication in numbering, reads as follows:

14 A. Effective July 1, 2010, all powers, duties, functions, and
15 responsibilities of the State Department of Education related to the
16 Oklahoma School Testing Program Act, the State Student Record System
17 created pursuant to Section 3-160 of Title 70 of the Oklahoma
18 Statutes and subsection E of Section 18-200.1 of Title 70 of the
19 Oklahoma Statutes and known as "the Wave", and all responsibilities
20 related to accountability and determination of adequate yearly
21 progress (AYP) as required under the Elementary and Secondary
22 Education Act, P.L. No. 107-110, shall be transferred to the
23 Education Oversight Board to be administered by the Educational
24 Quality and Accountability Office. The transfer shall include all

1 records, equipment, supplies, furniture, current and future
2 liabilities, fund balances, encumbrances, and obligations.

3 B. The Education Oversight Board shall succeed to any
4 contractual rights and responsibilities the Department has incurred
5 on behalf of the Oklahoma School Testing Program Act and the State
6 Student Record System. Any federal funds received by the State
7 Department of Education for student testing, the student data
8 system, or for accountability purposes shall be transferred to the
9 Education Oversight Board within thirty (30) days of receipt of such
10 funds.

11 C. The Education Oversight Board shall seek any federal
12 approval necessary to implement the provisions of this act. The
13 State Department of Education shall provide support as requested by
14 the Education Oversight Board to accomplish a smooth transition.

15 SECTION 3. AMENDATORY 70 O.S. 2001, Section 3-116, as
16 last amended by Section 29, Chapter 434, O.S.L. 2003 (70 O.S. Supp.
17 2008, Section 3-116), is amended to read as follows:

18 Section 3-116. A. There is hereby created the Education
19 Oversight Board. The membership of the Education Oversight Board
20 shall consist of:

21 1. ~~The Chairperson of the Education Committee of the Oklahoma~~
22 ~~House of Representatives;~~

23 2. ~~The Chairperson of the Education Committee of the Senate,~~

24

1 3. Two members, ~~who are not legislators~~, appointed by the
2 Governor;

3 4. 2. Two members, ~~who are not legislators~~, appointed by the
4 Speaker of the Oklahoma House of Representatives;

5 5. 3. Two members, ~~who are not legislators~~, appointed by the
6 President Pro Tempore of the Senate; and

7 6. ~~One member, who is not a legislator, appointed jointly by~~
8 ~~the President Pro Tempore of the Senate and the Speaker of the House~~
9 ~~of Representatives.~~

10 The ~~two Education Committee Chairpersons shall serve as~~
11 ~~nonvoting members of the Board as long as each holds that position~~
12 ~~in such chairperson's respective house. The terms of the appointed~~
13 ~~members shall be staggered. The terms of the seven appointed~~
14 ~~members shall begin on July 1 of the year the preceding term~~
15 ~~expires. All terms shall be for five (5) years. At least one~~
16 ~~appointed member must reside in each congressional district.~~
17 ~~However, when congressional districts are redrawn each member~~
18 ~~appointed prior to July 1 of the year in which such modification~~
19 ~~becomes effective shall complete the current term of office and~~
20 ~~appointments made after July 1 of the year in which such~~
21 ~~modification becomes effective shall be based on the redrawn~~
22 ~~districts. Appointments made after July 1 of the year in which such~~
23 ~~modification becomes effective shall be from any redrawn districts~~
24 ~~which are not represented by a board member until such time as each~~

1 ~~of the modified congressional districts are represented by a board~~
2 ~~member. If a vacancy occurs, the vacancy shall be filled for the~~
3 ~~unexpired term in the same manner as the office was previously~~
4 ~~filled~~

5 4. The Secretary of Education, who shall serve as Chair of the
6 Board, unless the individual named as Secretary of Education is
7 concurrently the Superintendent of Public Instruction, at which
8 point the Governor shall have the right to appoint a replacement
9 member to serve as Chair of the Board in lieu of the Secretary of
10 Education.

11 ~~B. A chairperson and vice-chairperson shall be elected annually~~
12 ~~from the membership of the Board.~~

13 1. The initial appointments made by the Governor pursuant to
14 this act shall be for terms as follows:

15 a. one for a term to expire on June 30, 2011, and
16 b. one for a term to expire on June 30, 2012.

17 2. The initial appointments made by the Speaker of the House of
18 Representatives pursuant to this act shall be for terms as follows:

19 a. one for a term to expire on June 30, 2011, and
20 b. one for a term to expire on June 30, 2012.

21 3. The initial appointments made by the President Pro Tempore
22 of the Senate pursuant to this act shall be for terms as follows:

23 a. one for a term to expire on June 30, 2011, and
24 b. one for a term to expire on June 30, 2012.

1 4. After the initial terms, all members shall be appointed for
2 terms of three (3) years. Initial appointments pursuant to the
3 provisions of this section shall be made no later than July 1, 2010.
4 All terms shall expire on June 30 of the year in which the term of
5 each member expires, except for the terms of office of members
6 serving on the Board on the effective date of this act, which shall
7 expire at 12:01 a.m. on July 1, 2010.

8 5. Vacancies shall be filled for any unexpired terms by the
9 original appointing authority.

10 6. No elected official shall be eligible to serve as a member
11 of the Education Oversight Board.

12 C. The Secretary of Education shall serve as Chair of the Board
13 except as otherwise provided in paragraph 1 of subsection A of this
14 section. In the absence of a Secretary of Education designated by
15 the Governor, the President Pro Tempore of the Senate shall
16 designate the member to serve as Acting Chair. A quorum which shall
17 consist of four voting members must be present for the transaction
18 of any business. The Board shall hold meetings at least on a
19 quarterly basis. Members shall be reimbursed for travel in the
20 performance of their official duties in accordance with the State
21 Travel Reimbursement Act.

22 C. D. The Education Oversight Board shall:

1 1. Oversee implementation of the provisions of Enrolled House
2 Bill No. 1017 of the 1st Extraordinary Session of the 42nd Oklahoma
3 Legislature;

4 2. Oversee implementation of the provisions of the Oklahoma
5 Teacher Preparation Act; and

6 3. Make recommendations to the Governor and Legislature on
7 methods to achieve an aligned, seamless system from preschool
8 through postsecondary education;

9 4. Administer the Oklahoma School Testing Program Act, as
10 provided in Section 2 of this act;

11 5. Administer the State Student Record System as provided in
12 Section 2 of this act; and

13 6. Be responsible for all functions related to accountability
14 and determination of adequate yearly progress as required under the
15 Elementary and Secondary Education Act, P.L. No. 107-110, as
16 provided in Section 2 of this act.

17 D. E. The Education Oversight Board shall govern the operation
18 of the ~~Office of~~ Educational Quality and Accountability Office
19 created in Section 3-117 of this title. ~~The Secretary of Education~~
20 ~~shall be the chief executive officer of the Office of~~
21 Accountability.

22 E. F. ~~Legislators and appointed members~~ Members who serve on
23 the Education Oversight Board shall be exempt from the dual office
24

1 holding prohibitions of Section 6 of Title 51 of the Oklahoma
2 Statutes.

3 G. The Education Oversight Board may promulgate rules pursuant
4 to the purposes of this act.

5 SECTION 4. AMENDATORY 70 O.S. 2001, Section 3-117, as
6 amended by Section 30, Chapter 434, O.S.L. 2003 (70 O.S. Supp. 2008,
7 Section 3-117), is amended to read as follows:

8 Section 3-117. A. There is hereby created the ~~Office of~~
9 Educational Quality and Accountability Office. ~~The Oklahoma State~~
10 ~~Regents for Higher Education are hereby directed to support the~~
11 ~~Office of Accountability from the budget of the State Regents.~~ The
12 ~~State Regents shall include the Office of~~ Educational Quality and
13 Accountability in its Office shall prepare a budget work program to
14 be submitted each fiscal year for the succeeding fiscal year to the
15 Office of State Finance. Each year the Education Oversight Board
16 shall submit a program budget for the ~~Office of~~ Educational Quality
17 and Accountability Office to the State Regents Office of State
18 Finance. Any amendments to the ~~Office of~~ Educational Quality and
19 Accountability Office program budget must first be approved by the
20 Education Oversight Board. The ~~Office of~~ Educational Quality and
21 Accountability Office, its personnel, budget, and expenditure of
22 funds shall be solely under the direction of the Education Oversight
23 Board.

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1 B. There shall hereby be established a division of Testing,
2 Data, and Accountability within the Educational Quality and
3 Accountability Office, which shall have responsibility for:

4 1. The Oklahoma School Testing Program Act;
5 2. The State Student Record System; and
6 3. The functions related to accountability and determination of
7 adequate yearly progress pursuant to the Elementary and Secondary
8 Education Act, P.L. No. 107-110.

9 The Board shall hire a director to oversee the functions of the
10 division created pursuant to this subsection.

11 C. There shall hereby be established a division of Reviews and
12 Reporting within the Educational Quality and Accountability Office,
13 which shall have responsibility for:

14 1. The Oklahoma Educational Indicators Program, as provided in
15 Section 1210.531 of this title; and
16 2. The Oklahoma School Performance Review Program, as provided
17 in Section 3-118.1 of this title.

18 The Executive Director of the Office of Accountability as of the
19 effective date of this act may continue to serve as the director of
20 the division created pursuant to this subsection, subject to the
21 pleasure of the Board.

22 SECTION 5. AMENDATORY 70 O.S. 2001, Section 3-121, is
23 amended to read as follows:

1 Section 3-121. A portion of the funds appropriated to the State
2 Board of Education for the Administrative and Support Functions of
3 the State Department of Education shall be expended for:

4 1. ~~The cost involved in administering, scoring, reporting and~~
5 ~~other incidental duties necessary to accomplish the provisions of~~
6 ~~the Oklahoma School Testing Program Act;~~

7 2. Preschool deaf education programs operated by the State
8 Department of Education; and

9 3. 2. Conducting training workshops for administrative
10 personnel pursuant to the provisions of Section 6-101.10 of this
11 title.

12 SECTION 6. AMENDATORY 70 O.S. 2001, Section 3-150, is
13 amended to read as follows:

14 Section 3-150. A. The ~~State Board of Education~~ Oversight Board
15 shall develop an Academic Performance Index (API) to be used to
16 measure performance of schools, including the academic performance
17 of students. The index shall consist of a variety of indicators
18 including, but not limited to:

19 1. Attendance rates for students;
20 2. Dropout rates;
21 3. Results of the Oklahoma School Testing Program administered
22 pursuant to Section 1210.508 of this title;
23 4. Advanced Placement participation;
24 5. Graduation rates for secondary school students;

1 6. Scores of the American College Test (ACT); and

2 7. College remediation rates.

3 B. The data collected for the API shall be disaggregated, when
4 available, by socioeconomic status and ethnic group. Oklahoma
5 School Testing Program results shall constitute no less than sixty
6 percent (60%) of the value of the index.

7 C. Based on the API, the ~~State Board of Education Oversight~~
8 Board shall adopt expected annual percentage growth targets for the
9 state level, school districts, and all school sites based on their
10 API baseline score. The minimum percentage growth target shall be
11 five percent (5%) annually. However, the ~~State Board of Education~~
12 Oversight Board may set differential growth targets based on grade
13 level of instruction.

14 SECTION 7. AMENDATORY 70 O.S. 2001, Section 3-151, is

15 amended to read as follows:

16 Section 3-151. A. On ~~or before December 31, 1999, the State~~
17 ~~Board of Education shall file a report with the Governor and the~~
18 ~~Legislature setting out the plan for establishing the Academic~~
19 ~~Performance Index. Thereafter, on or before December 31 and every~~
20 ~~year thereafter, the Education Oversight Board shall file a report~~
21 ~~with the Governor and the Legislature on the state, district, and~~
22 ~~site results of this program the Academic Performance Index.~~

1 B. On or before July 13, 2001, the State Board of Education
2 shall file a report with the Governor and the Legislature setting
3 out the draft formula to be used for the Academic Performance Index.

4 C. On or before September 30, 2001, the State Board of
5 Education shall file a report with the Governor and the Legislature
6 setting out the formula to be used for the Academic Performance
7 Index.

8 D. On or before February 28, 2002, the State Board of Education
9 shall file a report with the Governor and the Legislature containing
10 the final baseline Academic Performance Index.

11 E. The State Department of Education shall notify school
12 districts of the status of implementation of the Academic
13 Performance Index, including the deadlines and information to be
14 reported as required in subsections B, C and D of this section.

15 SECTION 8. AMENDATORY Section 1, Chapter 466, O.S.L.

16 2005, as last amended by Section 2, Chapter 439, O.S.L. 2008 (70
17 O.S. Supp. 2008, Section 3-152.1), is amended to read as follows:

18 Section 3-152.1 A. The ~~State Board of Education~~ Oversight
19 Board shall develop an Academic Achievement Award (AAA) program.
20 The AAA program shall provide monetary awards to qualified employees
21 at the top four schools that attain the highest overall student
22 achievement and the top four schools that attain the highest annual
23 improvement in student achievement as measured by the Academic
24 Performance Index (API) in each of five groups based on average

1 daily membership (ADM) as provided for in subsection D of this
2 section. The AAA program shall also provide monetary awards to
3 qualified employees at all schools that attain a total API score of
4 one thousand five hundred (1,500) for regular education students
5 tested.

6 B. 1. No later than January 31 of each year, the ~~State Board~~
7 ~~of~~ Education Oversight Board shall provide a monetary award to all
8 qualified employees at school sites designated as recipients of the
9 Academic Achievement Award as calculated pursuant to this section.

10 2. The Board shall determine the amount of funds available for
11 the AAA program, which shall include funds appropriated for the AAA
12 program and may include other funds identified by the Board, which
13 may be used for this purpose.

14 3. The Board shall determine the top four school sites in each
15 of the groups as designated in subsection D of this section that
16 have achieved the highest overall student achievement as measured by
17 the API as calculated pursuant to Section 3-150 of this title.

18 4. The Board shall determine the top four school sites in each
19 of the groups as designated in subsection D of this section that
20 have achieved the highest annual percentage improvement in student
21 achievement as measured by the API score as compared to the previous
22 year.

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1 5. The Board shall determine the school sites that have an API
2 score of one thousand five hundred (1,500) for regular education
3 students tested.

4 6. In the event of tie scores, the Board shall select the
5 school with the highest annual percentage improvement in student
6 achievement as measured by the API score as compared to the previous
7 year. If a tie still exists, the Board shall select the school with
8 the highest annual percentage improvement in reading achievement as
9 measured by the reading assessments administered pursuant to Section
10 1210.508 of this title.

11 7. Any school site that qualifies for more than one award as
12 provided for in paragraphs 3, 4 and 5 of this subsection shall
13 receive the highest award the school site qualifies for as
14 calculated pursuant to subsection C of this section, but in no case
15 shall any school site receive more than one award.

16 C. 1. The amount of monetary award to be paid to each
17 qualified employee at each school identified as an award recipient
18 as determined pursuant to paragraphs 3 and 4 of subsection B of this
19 section shall be as follows:

20 a. Three Thousand Dollars (\$3,000.00) for each first-
21 place school,

22 b. Two Thousand Dollars (\$2,000.00) for each second-place
23 school,

c. One Thousand Dollars (\$1,000.00) for each third-place school, and

d. Five Hundred Dollars (\$500.00) for each fourth-place school.

2. The amount of monetary award to be paid to each qualified

6 employee at each school identified as having an API score of one
7 thousand five hundred (1,500) for regular education students tested
8 determined pursuant to paragraph 5 of subsection B of this section
9 shall be Three Thousand Dollars (\$3,000.00).

10 D. Groups shall be designated based on average daily membership
11 (ADM) as follows:

1. Group 1 - 0 to 135 ADM;

2. Group 2 - 136 to 235 ADM;

3. Group 3 - 236 to 345 ADM;

4. Group 4 - 346 to 505 ADM; and

5. Group 5 - 506 or more ADM.

E. For purposes of this section, "qualified employees" means

18 all certified personnel, as defined in Section 26-103 of this title,
19 employed in the school for at least one-half (1/2) of the school
20 year from which the student test data used for the awards provided
21 for in this section was derived. For charter schools formed and
22 operated pursuant to the Oklahoma Charter School Act, qualified
23 employees shall include all administrative and instructional
24 personnel that meet the requirements of this subsection regardless

1 of whether they are certified. Qualified employees shall not
2 include certified personnel who are employed in the school in a
3 noncertified position. For awards granted for the 2007-2008 school
4 year and each school year thereafter, for early elementary schools
5 which do not contain a grade level that is tested under the Oklahoma
6 School Testing Program Act but use the test data from a grade level
7 that is tested to calculate the API score for the school, qualified
8 employees shall include the certified personnel identified as the
9 primary classroom teachers for the grade level from which the
10 student test data used to calculate the API score was derived who
11 are employed by the school district at another school site for at
12 least one-half (1/2) of the school year.

13 F. Qualified employees who are employed at more than one school
14 site which is identified as an award recipient shall qualify for
15 only one award, which shall be the highest award the employee
16 qualifies for.

17 G. No school or school district shall be liable for payment of
18 awards pursuant to this section. Awards shall not be included in
19 the calculation of the salary of the teacher for purposes of meeting
20 the district or statutory minimum salary schedule or for purposes of
21 calculating Teachers' Retirement System of Oklahoma contributions or
22 benefits.

23 H. The ~~State Board of~~ Education Oversight Board shall
24 promulgate rules necessary for the implementation of this section.

1 SECTION 9. AMENDATORY Section 2, Chapter 430, O.S.L.

2 2003 (70 O.S. Supp. 2008, Section 3-160), is amended to read as
3 follows:

4 Section 3-160. A. Effective July 1, 2010, the state student
5 record system shall be transferred from the State Department of
6 Education to the Education Oversight Board as provided in Section 2
7 of this act. In developing and implementing a state student record
8 system, as required in Subsection E of Section 18-200.1 of ~~Title 70~~
9 ~~of the Oklahoma Statutes this title~~, and as needed to comply with
10 the tracking and reporting requirements of the Elementary and
11 Secondary Education Act of 2001 (ESEA), P.L. No. 107-110, also known
12 as the "No Child Left Behind Act of 2001", the ~~State Department of~~
13 ~~Education~~ Educational Quality and Accountability Office shall
14 construct the system to contain the following elements and comply
15 with the following standards and compliance capabilities:

16 1. Extensible Markup Language (XML), which defines common data
17 formats used during communication between disparate systems;

18 2. Web services protocol developed by the World Wide Web
19 Consortium, which enables systems that are physically separated but
20 connected to the Internet to be combined to permit complex
21 operations;

22 3. Schools Interoperability Framework (SIF) version 1.5
23 specifications, or any updated versions of the specifications, which
24 enable school district software management systems to communicate

1 with each other. The student record system shall include, but not
2 be limited to, the specifications for course identifiers, state
3 standard formatting, content formatting, and assessment formatting
4 specification;

5 4. United States Department of Education Performance-Based Data
6 Management Initiative (PBDMI) data exchange guidelines with data
7 elements capable of providing reporting on federal educational
8 programs; and

9 5. Defined state data codes to ensure consistent reporting from
10 school districts including, but not limited to, data codes for
11 course identifiers, entries, gains, and losses. Current data codes
12 for teacher certification and the Oklahoma Cost Accounting System
13 shall be extended to match other defined data codes.

14 B. By the 2005-2006 school year, any student information system
15 and any instructional management system used by school districts in
16 the state shall comply with the Extensible Markup Language (XML)
17 standards and the Schools Interoperability Framework (SIF) version
18 1.5 specifications, or any updated versions of the specifications.

19 SECTION 10. AMENDATORY 70 O.S. 2001, Section 11-103.6d,
20 is amended to read as follows:

21 Section 11-103.6d A. District boards of education may develop
22 and issue a certificate of distinction that is to be awarded to
23 students, beginning with students in the 2000-2001 high school
24 graduating class who have met or exceeded the following criteria by

1 the end of their senior year in high school with at least a 3.25
2 grade point average on a 4.0 scale:

3 1. Earned four units each in English, mathematics, social
4 studies, and science;

5 2. Earned two additional units in the area of technology, the
6 humanities, or the arts;

7 3. Earned two units in a foreign language; and

8 4. Achieved a satisfactory proficient or advanced score, or its
9 equivalent, on all end-of-instruction tests as required pursuant to
10 Section 1210.508 of ~~Title 70 of the Oklahoma Statutes this title~~, as
11 those tests are implemented.

12 B. For purposes of this section, applicable vocational-
13 technical classes offered by comprehensive high school vocational-
14 technical programs shall qualify for technology, science, and
15 mathematics units. Students enrolled in the programs may use one
16 unit of their six concentrated vocational-technical curriculum units
17 for one unit of mathematics required by this section and one unit of
18 their six concentrated vocational-technical curriculum units for one
19 unit of science required by this section. Advanced placement
20 classes in the subject areas listed in paragraphs 1, 2, and 3 of
21 subsection A of this section may be substituted on a course-by-
22 course basis to satisfy the academic units required for a
23 certificate of distinction.

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

3 SECTION 11. AMENDATORY 70 O.S. 2001, Section 18-200.1,
4 as last amended by Section 1, Chapter 90, O.S.L. 2005 (70 O.S. Supp.
5 2008, Section 18-200.1), is amended to read as follows:

6 Section 18-200.1 A. Beginning with the 1997-98 school year,
7 and each school year thereafter, each school district shall have its
8 initial allocation of State Aid calculated based on the state
9 dedicated revenues actually collected during the preceding fiscal
10 year, the adjusted assessed valuation of the preceding year and the
11 highest weighted average daily membership for the school district of
12 the two (2) preceding school years. Each school district shall
13 submit the following data based on the first nine (9) weeks, to be
14 used in the calculation of the average daily membership of the
15 school district:

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

19 On or before December 30, the State Department of Education
20 shall determine each school district's current year allocation
21 pursuant to subsection D of this section. The State Department of
22 Education shall complete an audit, using procedures established by
23 the Department, of the student enrollment by grade level data, pupil
24 category counts and transportation supplement data to be used in the

1 State Aid Formula pursuant to subsection D of this section by
2 December 1 and by January 15 shall notify each school district of
3 the district's final State Aid allocation for the current school
4 year. The January payment of State Aid and each subsequent payment
5 for the remainder of the school year shall be based on the final
6 State Aid allocation as calculated in subsection D of this section.
7 Except for reductions made due to the assessment of penalties by the
8 State Department of Education according to law, the January payment
9 of State Aid and each subsequent payment for the remainder of the
10 school year shall not decrease by an amount more than the amount
11 that the current chargeable revenue increases for that district.

12 B. The State Department of Education shall retain not less than
13 one and one-half percent (1 1/2%) of the total funds appropriated
14 for financial support of schools, to be used to make midyear
15 adjustments in State Aid and which shall be reflected in the final
16 allocations. If the amount of appropriated funds, including the one
17 and one-half percent (1 1/2%) retained, remaining after January 1 of
18 each year is not sufficient to fully fund the final allocations, the
19 Department shall recalculate each school district's remaining
20 allocation pursuant to subsection D of this section using the
21 reduced amount of appropriated funds.

22 C. On and after July 1, 1997, the amount of State Aid each
23 district shall receive shall be the sum of the Foundation Aid, the
24 Salary Incentive Aid and the Transportation Supplement, as adjusted

1 pursuant to the provisions of subsection G of this section and
2 Section 18-112.2 of this title; provided, no district having per
3 pupil revenue in excess of three hundred percent (300%) of the
4 average per pupil revenue of all districts shall receive any State
5 Aid or Supplement in State Aid.

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

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

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

23
24

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

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

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

15 (1) The adjusted assessed valuation of the current
16 school year of the school district, minus the
17 previous year protested ad valorem tax revenues
18 held as prescribed in Section 2884 of Title 68 of
19 the Oklahoma Statutes, multiplied by the mills
20 levied pursuant to subsection (c) of Section 9 of
21 Article X of the Oklahoma Constitution, if
22 applicable, as adjusted in subsection (c) of
23 Section 8A of Article X of the Oklahoma
24 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.

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

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

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

	PER CAPITA		PER CAPITA	
	DENSITY FIGURE	ALLOWANCE	DENSITY FIGURE	ALLOWANCE
8	.3000 - .3083	\$167.00	.9334 - .9599	\$99.00
9	.3084 - .3249	\$165.00	.9600 - .9866	\$97.00
10	.3250 - .3416	\$163.00	.9867 - 1.1071	\$95.00
11	.3417 - .3583	\$161.00	1.1072 - 1.3214	\$92.00
12	.3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00
13	.3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00
14	.3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00
15	.4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00
16	.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
17	.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00
18	.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
19	.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
20	.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
21	.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
22	.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
23	.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
24	.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00

1	.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
2	.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
3	.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
4	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
5	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
6	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
7	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
8	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
9	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
10	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
11	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
12	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
13	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
14	.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.

1 b. Divide the district's adjusted assessed valuation of
2 the current school year minus the previous year's
3 protested ad valorem tax revenues held as prescribed
4 in Section 2884 of Title 68 of the Oklahoma Statutes,
5 by one thousand (1,000) and subtract the quotient from
6 the product of subparagraph a of this paragraph. The
7 remainder shall not be less than zero (0).
8 c. Multiply the number of mills levied for general fund
9 purposes above the fifteen (15) mills required to
10 support Foundation Aid pursuant to division (1) of
11 subparagraph b of paragraph 1 of this subsection, not
12 including the county four-mill levy, by the remainder
13 of subparagraph b of this paragraph. The product
14 shall be the Salary Incentive Aid of the district.

15 E. ~~By June 30, 1998, the State Department of Education The~~

16 Educational Quality and Accountability Office shall develop and ~~the~~
17 ~~Department~~ and all school districts shall ~~have implemented~~ implement
18 a student identification system which is consistent with the
19 provisions of subsections C and D of Section 3111 of Title 74 of the
20 Oklahoma Statutes. The student identification system shall be used
21 specifically for the purpose of reporting enrollment data by school
22 sites and by school districts, the administration of the Oklahoma
23 School Testing Program Act, the collection of appropriate and
24 necessary data pursuant to the Oklahoma Educational Indicators

1 Program, determining student enrollment, establishing a student
2 mobility rate, allocation of the State Aid Formula and mid-year
3 adjustments in funding for student growth. This enrollment data
4 shall be submitted to the ~~State Department of Education~~ Educational
5 Quality and Accountability Office in accordance with rules
6 promulgated by the ~~State Board of Education~~ Education Oversight
7 Board. Funding for the development, implementation, personnel
8 training and maintenance of the student identification system shall
9 be set out in a separate line item in the allocation section of the
10 appropriation bill for the ~~State Board of Education~~ Education
11 Oversight Board for each year.

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

1 Finance of the State Department of Education the net assessed
2 valuation of the property upon which taxes were determined
3 uncollectible.

4 2. In the event that the amount of funds a school district
5 receives for reimbursement from the Ad Valorem Reimbursement Fund is
6 less than the amount of funds claimed for reimbursement by the
7 school district due to insufficiency of funds as provided in Section
8 193 of Title 62 of the Oklahoma Statutes, then the school district's
9 assessed valuation for the school year that such ad valorem
10 reimbursement is calculated in the State Aid Formula shall be
11 adjusted accordingly.

12 G. 1. Notwithstanding the provisions of Section 18-112.2 of
13 this title, a school district shall have its State Aid reduced by an
14 amount equal to the amount of carryover in the general fund of the
15 district as of June 30 of the preceding fiscal year, that is in
16 excess of the following standards for two consecutive years:

	Total Amount of	Amount of
	General Fund Collections,	General Fund
	Excluding Previous Year	Balance
20	Cash Surplus as of June 30	Allowable
21	Less than \$1,000,000	40%
22	\$1,000,000 - \$2,999,999	35%
23	\$3,000,000 - \$3,999,999	30%
24	\$4,000,000 - \$4,999,999	25%

1	\$5,000,000 - \$5,999,999	20%
2	\$6,000,000 - \$7,999,999	18%
3	\$8,000,000 - \$9,999,999	16%
4	\$10,000,000 or more	14%

5 2. By February 1 the State Department of Education shall send
 6 by certified mail, with return receipt requested, to each School
 7 District Superintendent, Auditor and Regional Accreditation Officer
 8 a notice of and calculation sheet reflecting the general fund
 9 balance penalty to be assessed against that school district.

10 Calculation of the general fund balance penalty shall not include
 11 federal revenue. Within thirty (30) days of receipt of this written
 12 notice the school district shall submit to the Department a written
 13 reply either accepting or protesting the penalty to be assessed
 14 against the district. If protesting, the school district shall
 15 submit with its reply the reasons for rejecting the calculations and
 16 documentation supporting those reasons. The Department shall review
 17 all school district penalty protest documentation and notify each
 18 district by March 15 of its finding and the final penalty to be
 19 assessed to each district. General fund balance penalties shall be
 20 assessed to all school districts by April 1.

21 3. Any school district which receives proceeds from a tax
 22 settlement or a Federal Emergency Management Agency settlement
 23 during the last two (2) months of the preceding fiscal year shall be
 24 exempt from the penalties assessed in this subsection, if the

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

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

9 5. If a school district does not receive Foundation and/or
10 Salary Incentive Aid during the preceding fiscal year, the State
11 Board of Education may waive the penalty assessed in this subsection
12 if the penalty would result in a loss of more than forty percent
13 (40%) of the remaining State Aid to be allocated to the school
14 district between April 1 and the remainder of the school year and if
15 the Board determines the penalty will cause the school district not
16 to meet remaining financial obligations.

17 6. Any school district which receives gross production revenue
18 apportionment during the 2002-2003 school year or in any subsequent
19 school year that is greater than the gross production revenue
20 apportionment of the preceding school year shall be exempt from the
21 penalty assessed in this subsection, if the penalty would occur
22 solely as a result of the gross production revenue apportionment, as
23 determined by the State Board of Education.

24

1 7. Beginning July 1, 2003, school districts that participate in
2 consolidation or annexation pursuant to the provisions of the
3 Oklahoma School Voluntary Consolidation and Annexation Act shall be
4 exempt from the penalty assessed in this subsection for the school
5 year in which the consolidation or annexation occurs and for the
6 next three (3) fiscal years.

7 8. Any school district which receives proceeds from a sales tax
8 levied by a municipality pursuant to Section 22-159 of Title 11 of
9 the Oklahoma Statutes or proceeds from a sales tax levied by a
10 county pursuant to Section 1370 of Title 68 of the Oklahoma Statutes
11 during the 2003-2004 school year or the 2004-2005 school year shall
12 be exempt from the penalties assessed in this subsection, if the
13 penalty would occur solely as a result of receiving funds from the
14 sales tax levy.

15 9. For purposes of calculating the general fund balance
16 penalty, the terms "carryover" and "general fund balance" shall not
17 include federal revenue.

18 H. In order to provide startup funds for the implementation of
19 early childhood programs, State Aid may be advanced to school
20 districts that initially start early childhood instruction at a
21 school site. School districts that desire such advanced funding
22 shall make application to the State Department of Education no later
23 than September 15 of each year and advanced funding shall be awarded
24 to the approved districts no later than October 30. The advanced

1 funding shall not exceed the per pupil amount of State Aid as
2 calculated in subsection D of this section per anticipated Head
3 Start eligible student. The total amount of advanced funding shall
4 be proportionately reduced from the monthly payments of the
5 district's State Aid payments during the last six (6) months of the
6 same fiscal year.

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

- 11 a. the assessed valuation of property,
- 12 b. motor vehicle collections,
- 13 c. R.E.A. tax collected, and
- 14 d. gross productions tax collected.

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

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

23 4. Beginning July 1, 1997, the county treasurers' offices,
24 notwithstanding any provision of law to the contrary, shall report

1 monthly to the Oklahoma State Department of Education the ad valorem
2 tax protest amounts for each county.

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

8 SECTION 12. AMENDATORY 70 O.S. 2001, Section 1210.506,
9 is amended to read as follows:

10 Section 1210.506 As used in the Oklahoma School Testing Program
11 Act, Section 1210.505 et seq. of this title:

12 1. "Board" means the State Board of Education until June 30,
13 2010, and beginning July 1, 2010, means the Education Oversight
14 Board;

15 2. "Department" means the State Department of Education until
16 June 30, 2010, and beginning July 1, 2010, means the Educational
17 Quality and Accountability Office;

18 3. "Norm-referenced test" means a test which measures skill
19 objectives and enables the tester to compare performance to that of
20 a specified norm group;

21 4. "Norm group" means a randomly selected group considered to
22 be performing at an average level according to grade placement; and

23 5. "Criterion-referenced test" means a test which determines
24 whether a student has learned a specific skill.

1 SECTION 13. AMENDATORY 70 O.S. 2001, Section 1210.507,

2 as last amended by Section 3, Chapter 289, O.S.L. 2006 (70 O.S.

3 Supp. 2008, Section 1210.507), is amended to read as follows:

4 Section 1210.507 A. The ~~State Board of Education~~ Oversight

5 Board shall promulgate rules necessary for the implementation and

6 administration of the provisions of the Oklahoma School Testing

7 Program Act.

8 B. The ~~State Board of Education~~ Oversight Board shall require

9 school district boards of education to annually provide information

10 to the district's students, parents of students, and the public at

11 large about the proper meaning and use of tests administered

12 pursuant to the provisions of the Oklahoma School Testing Program

13 Act. The ~~Department~~ Educational Quality and Accountability Office

14 shall develop materials and make them available to school districts

15 regarding the Oklahoma School Testing Program.

16 C. The ~~State Board of Education~~ Oversight Board shall seek to

17 establish and post on the Internet a sample test item bank that will

18 be made available to teachers and will allow them to create and

19 deliver classroom assessments throughout the school year to check

20 for student mastery of key concepts assessed by the criterion-

21 referenced tests administered to students pursuant to the Oklahoma

22 School Testing Program Act. Subject to the availability of funds,

23 the Board shall annually release end-of-instruction test items and

24 make them available to the public.

1 D. The ~~State Board~~ of Education Oversight Board shall post on
2 the Internet criterion-referenced sample tests for each grade level
3 and subject matter test administered to students pursuant to the
4 Oklahoma School Testing Program Act for the purpose of communicating
5 expectation concerning test difficulty level and format to teacher,
6 parents and students. The Board shall maintain the sample tests on
7 the Internet throughout the year and, as changes are made in the
8 state academic content standards, known as the Priority Academic
9 Student Skills Curriculum, the Board shall update the sample tests.
10 The Board shall seek to expand the number of sample test items each
11 year and to revise test items as needed. The sample tests shall
12 reflect the actual test administered to students and may contain
13 questions used on actual tests given in previous years.

14 E. The ~~State Board~~ of Education Oversight Board shall seek to
15 implement an electronic delivery system for all tests administered
16 pursuant to the Oklahoma School Testing Program Act that will allow
17 students to participate in computer-based assessments in order to
18 expedite the delivery and use of the test results.

19 SECTION 14. AMENDATORY 70 O.S. 2001, Section 1210.508,
20 as last amended by Section 4, Chapter 289, O.S.L. 2006 (70 O.S.
21 Supp. 2008, Section 1210.508), is amended to read as follows:

22 Section 1210.508 A. 1. The Until June 30, 2010, the State
23 Board of Education, and beginning July 1, 2010, the Education
24 Oversight Board shall develop and administer a series of criterion-

1 referenced tests designed to indicate whether the state academic
2 content standards, as defined by the State Board of Education in the
3 Priority Academic Student Skills Curriculum, which Oklahoma public
4 school students are expected to have attained have been achieved.
5 The Board may develop and administer any criterion-referenced test
6 in any subject not required by federal law, contingent upon the
7 availability of funding. Students who do not perform satisfactorily
8 at least at the proficient level on tests shall be remediated,
9 subject to the availability of funding.

10 2. Contingent upon the availability of state and federal funds,
11 the Board, in accordance with federal law, shall administer
12 criterion-referenced tests for grades three and four in:
13 a. reading, and
14 b. mathematics.

15 3. Contingent upon the availability of funds, the Board shall
16 administer criterion-referenced tests for grade five in:

1 4. Contingent upon the availability of state and federal funds,
2 the Board, in accordance with federal law, shall administer
3 criterion-referenced tests for grades six and seven in:

4 a. reading, and
5 b. mathematics.

6 In addition, the Board shall administer a criterion-referenced
7 test in geography in grade seven.

8 5. Contingent upon the availability of funds, the Board shall
9 administer criterion-referenced tests for grade eight in:

10 a. reading,
11 b. mathematics,
12 c. science,
13 d. social studies, which shall consist of the history,
14 Constitution, and government of the United States, and
15 e. writing of English.

16 The Board shall administer the tests for grade eight in reading
17 and mathematics online with raw score test results reported
18 immediately and complete results reported in less than two (2) weeks
19 beginning in the 2007-08 school year.

20 6. Each student who completes the instruction for English II,
21 English III, United States History, Biology I, Algebra I, Geometry,
22 and Algebra II at the secondary level shall complete an end-of-
23 instruction test, when implemented, to measure for attainment in the
24 appropriate state academic content standards in order to graduate

1 from a public high school with a standard diploma. All students
2 shall take the tests prior to graduation, unless otherwise exempt by
3 law. The ~~State Board of Education~~ shall administer the criterion-
4 referenced tests. The Board shall develop and field test the end-
5 of-instruction tests in English III, Geometry, and Algebra II during
6 the 2006-07 school year, implement the tests during the 2007-08
7 school year, and administer them each year thereafter. The Board
8 shall administer the multiple choice portion of the end-of-
9 instruction tests online with raw score test results reported
10 immediately and complete results reported in less than two (2) weeks
11 beginning in the 2008-09 school year.

12 The end-of-instruction tests shall serve the purpose of the
13 criterion-referenced tests as provided in paragraph 1 of this
14 subsection. The English II and English III end-of-instruction tests
15 shall include a writing component. Students who do not score at
16 least at the ~~satisfactory~~ proficient level shall be afforded the
17 opportunity to retake each test up to three (3) times each calendar
18 year until at least achieving at the ~~satisfactory~~ proficient level.
19 In order to provide an indication of the levels of competency
20 attained by the student in a permanent record for potential future
21 employers and institutions of higher education, for students who
22 enter the ninth grade in or prior to the 2007-08 school year, school
23 districts shall report the highest achieved state test performance
24 level on the end-of-instruction tests on the student's high school

1 transcript. Beginning with students who enter the ninth grade in
2 the 2008-09 school year, school districts shall report the student's
3 performance levels of satisfactory proficient and above on the end-
4 of-instruction tests on the student's high school transcript. Any
5 student at the middle school level who completes the instruction in
6 a secondary course specified in this paragraph shall be administered
7 the appropriate end-of-instruction test.

8 7. a. Each school district shall administer to each student
9 in the school district in grades three through eight
10 an assessment designed to assess the student in the
11 fine arts area in which the student has received
12 instruction.

13 b. Each school district shall prepare an annual report
14 for approval by the ~~State Board of Education~~ outlining
15 the fine arts assessment strategies used by the
16 district, when the assessments were administered, how
17 many students were assessed during the previous year,
18 and the results of the assessments.

19 B. 1. All criterion-referenced tests required by this section

20 shall measure academic competencies in correlation with the state
21 academic content standards adopted by the Board pursuant to Section
22 11-103.6 of this title and known as the Priority Academic Student
23 Skills Curriculum. The State Board of Education shall evaluate the
24 academic content standards to ensure the competencies reflect high

1 standards, are specific, well-defined, measurable, challenging, and
2 will prepare elementary students for next-grade-level course work
3 and secondary students for postsecondary studies at institutions of
4 higher education or technology center schools without the need for
5 remediation in core curriculum areas. All state academic content
6 standards shall reflect the benchmarks of the American Diploma
7 Project and the goal of improving the state average ACT score.

8 2. The ~~State Department of Education~~ Educational Quality and
9 Accountability Office shall annually evaluate the results of the
10 criterion-referenced tests. The ~~State Board of Education~~ shall
11 ensure that test results are reported to districts in a manner that
12 yields detailed, diagnostic information for the purpose of guiding
13 instruction and student remediation. As improvements are made to
14 the criterion-referenced tests required by this section, the Board
15 shall seek to increase the depth of knowledge assessed for each
16 subject. The ~~State Board of Education~~ shall seek to ensure that
17 data yielded from the tests required in this section are utilized at
18 the school district level to prescribe reinforcement and/or
19 remediation by requiring school districts to develop and implement a
20 specific program of improvement based on the test results.

21 3. The ~~State Board of Education~~ shall review, realign, and
22 recalibrate, as necessary, the tests in reading and mathematics in
23 third through eighth grade and the end-of-instruction tests. The
24 Board shall determine the cut scores for the performance levels on

1 the end-of-instruction tests developed pursuant to paragraph 6 of
2 subsection A of this section, which shall be phased in over a multi-
3 year period. The Board shall conduct an ongoing review to compare
4 the end-of-instruction test content and performance descriptors with
5 those of other states. Upon receipt of the review, the Board may
6 adjust the cut scores as necessary.

7 4. The ~~State~~ Board ~~of Education~~, for the purposes of conducting
8 reliability and validity studies, monitoring contractor adherence to
9 professionally accepted testing standards, and providing
10 recommendations for testing program improvement, shall retain the
11 services of an established, independent agency or organization that
12 is nationally recognized for its technical expertise in educational
13 testing but is not engaged in the development of aptitude or
14 achievement tests for elementary or secondary level grades. These
15 national assessment experts shall annually conduct studies of the
16 reliability and validity of the end-of-instruction tests
17 administered pursuant to this section. Validity studies shall
18 include studies of decision validity, concurrent validity and the
19 validity of performance level cut scores.

20 C. 1. The ~~State~~ Board ~~of Education~~ shall set the testing
21 window dates for each criterion-referenced test required in
22 paragraphs 1 through 5 of subsection A of this section for grades
23 three through eight so that, with the exception of the writing
24 assessments, the tests are administered to students no earlier than

1 April 10 each year and so that the test results are reported back to
2 school districts in a timely manner. Each criterion-referenced test
3 required in paragraph 6 of subsection A of this section may be
4 administered to students at a time set by the ~~State Board of~~
5 ~~Education~~ as near as possible to the end of the course. All results
6 and reports of the criterion-referenced test series required in
7 paragraphs 1 through 5 of subsection A of this section for grades
8 three through eight shall be returned to each school district prior
9 to the beginning of the next school year. The vendor shall provide
10 a final electronic data file of all school site, school district,
11 and state results to the State Department of Education and the
12 Office of Educational Quality and Accountability Office prior to
13 September 1 of each year. The ~~Department Office~~ shall forward the
14 final data files for each school district and each school site in
15 that district to the school district. ~~The Board shall ensure the~~
16 ~~contract with the testing vendor includes a provision that the~~
17 ~~vendor report test results directly to the Office of Accountability~~
18 ~~at the same time it is reported to the Board.~~

19 2. State, district, and site level results of all tests
20 required in this section shall be disaggregated by gender, race
21 ethnicity, disability status, migrant status, English proficiency,
22 and status as economically disadvantaged, except that such
23 disaggregation shall not be required in a case in which the number
24 of students in a category is insufficient to yield statistically

1 reliable information or the results would reveal personally
2 identifiable information about an individual student. Each school
3 site shall notify the student's parents of the school's performance
4 levels in the Oklahoma School Testing Program as reported in the
5 Oklahoma Educational Indicators Program at the end of each school
6 year.

7 D. The ~~State Board of Education~~ shall be responsible for the
8 development, field-testing, and validation of the criterion-
9 referenced test series required in subsection A of this section. In
10 the interest of economy the Board shall adapt criterion-referenced
11 tests that have been developed by or in collaboration with other
12 states or are otherwise commercially available, or portions of such
13 tests, to the extent that such tests are appropriate for use in the
14 testing program to be administered to Oklahoma students.

15 E. The Board shall develop, administer, and incorporate as a
16 part of the Oklahoma School Testing Program, other testing programs
17 or procedures, including appropriate accommodations for the testing
18 of students with disabilities as required by the Individuals with
19 Disabilities Education Act (IDEA), 20 USC, Section 1400 et seq.

20 SECTION 15. AMENDATORY 70 O.S. 2001, Section 1210.508B,
21 as last amended by Section 1, Chapter 146, O.S.L. 2006 (70 O.S.
22 Supp. 2008, Section 1210.508B), is amended to read as follows:

23 Section 1210.508B A. The Legislature finds that it is
24 essential for children in the public schools to read early and well

1 in elementary school. The Legislature further finds that clear and
2 visible goals, assessments to determine the reading level at each
3 elementary school, annual measurements of elementary school reading
4 improvement, and accountability in each level of the educational
5 system will result in a significant increase in the number of
6 children reading at or above grade level.

7 B. The purpose of the Reading Sufficiency Act is to ensure that
8 each child attains the necessary reading skills by completion of the
9 third grade which will enable that student to continue development
10 of reading skills and to succeed throughout school and life.

11 C. Each public school district in this state shall ensure that
12 a majority of the instructional time each day of the school year in
13 kindergarten through third grade is focused on reading and
14 mathematics. The State Board of Education shall encourage school
15 districts to integrate the teaching of the other curricular areas in
16 the Priority Academic Student Skills (PASS) adopted by the Board
17 with the instruction of reading and mathematics.

18 D. The reading goal for Oklahoma public schools is as follows:
19 By July 1, 2008, and each year thereafter, all third-grade students
20 will read at or above grade level by the end of their third-grade
21 year, excluding up to fifteen percent (15%) of those students who
22 have an individualized education program (IEP), pursuant to the
23 Individuals with Disabilities Education Act (IDEA), and excluding
24 those students who are English language learners who have been

1 determined not to be proficient in English as defined by a state-
2 designated English proficiency assessment. To achieve the reading
3 goal, each public elementary school shall:

4 1. Determine its baseline no later than September 1, 2005,
5 which shall be the percentage of students reading at or above third-
6 grade level as determined by the percentage of students scoring
7 satisfactory proficient or above on the third-grade criterion-
8 referenced test in reading, administered pursuant to Section
9 1210.508 of this title; and

10 2. Set and achieve annual improvement goals necessary to
11 progress from the baseline established in 2005 to the reading goal
12 by July 1, 2008. The annual improvement goals shall be included in
13 the district's reading sufficiency plan required in Section
14 1210.508C of this title.

15 E. The State Board of Education shall recognize schools and
16 districts that attain or make progress toward achieving the reading
17 goal and shall provide technical assistance to schools and districts
18 that do not make progress toward the reading goal. The district
19 reading sufficiency plan shall be submitted to the State Board if
20 the district has any schools that are not achieving the required
21 annual improvement goals pursuant to this section.

22 SECTION 16. AMENDATORY 70 O.S. 2001, Section 1210.509,
23 is amended to read as follows:

1 Section 1210.509 A. The Department Educational Quality and
2 Accountability Office shall provide in-service training for ~~local~~
3 school personnel who administer tests required by the Oklahoma
4 School Testing Program Act, Section 1210.505 et seq. of this title.

5 B. The Education Oversight Board shall require the company or
6 companies providing tests required by the Oklahoma School Testing
7 Program Act, Section 1210.505 et seq. of this title, to submit
8 summary reports of the results by school district to the Department
9 Office and ~~the respective local~~ to each school district.

10 Individualized results of the test shall be made available by the
11 ~~local~~ school district to the classroom teachers who instruct the
12 students in the academic areas tested. In every year, prior to the
13 convening of the Legislature, the Board shall give a summary report
14 on the testing results to the Governor, the Speaker of the House of
15 Representatives and the President Pro Tempore of the Senate.

16 SECTION 17. AMENDATORY 70 O.S. 2001, Section 1210.513,
17 is amended to read as follows:

18 Section 1210.513 A. In order to assist in the nation's
19 evaluation of the condition and progress of education, and in order
20 to provide comparative interstate information on student
21 performance, ~~beginning July 1, 1997, the State Board of Education~~
22 Oversight Board shall ensure the participation of the Oklahoma
23 public school system in the National Assessment of Educational
24 Progress. The results of this assessment shall be included as a

1 separate result in annual reports on the Oklahoma State School
2 Testing Program.

3 B. The State Department of Education shall utilize the services
4 of at least one qualified independent entity to conduct an
5 evaluation of the state core curriculum standards at every grade
6 level or, in high school for every subject, in which a criterion-
7 referenced test is administered, and shall report the results to the
8 Legislature by February 1, 2000.

9 SECTION 18. AMENDATORY 70 O.S. 2001, Section 1210.515,
10 as amended by Section 3, Chapter 197, O.S.L. 2004 (70 O.S. Supp.
11 2008, Section 1210.515), is amended to read as follows:

12 Section 1210.515 A. Pursuant to the provisions of paragraph 2
13 of subsection A of Section 6-107.3 of Title 47 of the Oklahoma
14 Statutes, any person under the age of eighteen (18) years wishing to
15 apply for a driver license or permit shall successfully demonstrate
16 a satisfactory proficient reading ability at the eighth-grade
17 reading level by meeting the following criteria:

18 1. A student enrolled in a public school shall successfully
19 complete the reading portion of the state criterion-referenced test
20 offered in the eighth grade. Following the administration of this
21 test in the eighth grade, any student not successfully completing
22 the reading portion shall be assigned a plan of remedial reading.
23 Any student not successful in completing the reading portion of the
24 state criterion-referenced test may take a comparable alternative

1 reading proficiency test in order to satisfy the criteria for a
2 driver license or permit. Alternative reading proficiency tests
3 shall be approved by the State Department of Education. Subsequent
4 successful completion of an alternative reading proficiency test
5 shall serve to satisfy any test retaking requirement which may be
6 required for the reading portion of the state criterion-referenced
7 test in the eighth grade in the Oklahoma School Testing Program.
8 School districts shall notify, in writing, each student who takes
9 the reading portion of the state criterion-referenced test for the
10 eighth grade or who takes an alternative reading proficiency test
11 and the student's parent or legal guardian of the test results. If
12 the student fails to perform satisfactorily on the test, the notice
13 shall inform the student of the reading proficiency driver license
14 requirement and the school's remediation plan for the student. Upon
15 the student's successful completion of the test, the school shall
16 furnish the student with the documentation needed for the driver
17 license application in Oklahoma;

18 2. Unless alternatively documented according to the provisions
19 of subsection C of this section, students under the age of eighteen
20 (18) years shall successfully complete a reading proficiency test
21 approved by the State Department of Education; and

22 3. Any student who wishes to apply for a restricted license to
23 operate a motorcycle may take an alternative reading proficiency
24 test, subject to the provisions of this section.

1 B. Alternative reading proficiency tests shall be offered by
2 testing sites, which shall include the public schools at least four
3 (4) times per calendar year, and may include any of the following
4 which chose to participate, the technology center school districts,
5 Regional Education Service Centers, colleges, accredited private
6 schools, and other sites approved by the State Department of
7 Education. A student may take the test as often as wished, subject
8 to the provisions of this section. Testing sites shall provide the
9 first alternative reading proficiency test for each student at no
10 cost to the student. Students may be assessed a fee not to exceed
11 Twenty-five Dollars (\$25.00) by the testing site for each subsequent
12 alternative reading proficiency test taken.

13 C. A school district shall provide for alternative
14 documentation of reading proficiency for the purposes of paragraph 2
15 of subsection A of Section 6-107.3 of Title 47 of the Oklahoma
16 Statutes for any student with an individualized education program
17 that, at a minimum, is in an area related to reading. The
18 alternative documentation shall be furnished to such student who is
19 performing satisfactorily in reading pursuant to the student's
20 individualized education program. Parents of disabled students
21 educated pursuant to the provisions of Section 4 of Article XIII of
22 the Oklahoma Constitution may satisfy the requirement of paragraph 2
23 of subsection A of Section 6-107.3 of Title 47 of the Oklahoma
24 Statutes by signing an affidavit that, based upon their best

1 information and belief, their child would qualify for an
2 individualized education program that, at a minimum, is in an area
3 related to reading if enrolled in public school, and that in their
4 judgment their child is performing satisfactorily in reading and is
5 therefore academically qualified to satisfy the requirement of
6 paragraph 2 of subsection A of Section 6-107.3 of Title 47 of the
7 Oklahoma Statutes.

8 SECTION 19. AMENDATORY Section 5, Chapter 432, O.S.L.

9 2005, as amended by Section 5, Chapter 289, O.S.L. 2006 (70 O.S.
10 Supp. 2008, Section 1210.522), is amended to read as follows:

11 Section 1210.522 A. Except as provided in subsection D of this
12 section, every public school student shall demonstrate mastery of
13 the state academic content standards in reading and mathematics by
14 the end of the student's seventh-grade year, beginning in the 2006-
15 07 school year. To demonstrate mastery of reading and mathematics,
16 a student shall attain at least a satisfactory proficient score on
17 the seventh-grade criterion-referenced tests in reading and
18 mathematics administered pursuant to Section 1210.508 of this title.
19 Each student who does not score at least at the satisfactory
20 proficient level shall be provided remediation for the purpose of
21 assisting the student in performing at least at the satisfactory
22 proficient level on the eighth-grade criterion-referenced tests in
23 reading and mathematics.

24

1 B. Except as provided in subsection D of this section,
2 beginning in the 2007-08 school year, each student who does not
3 score at least at the ~~satisfactory~~ proficient level on the eighth-
4 grade criterion-referenced tests in reading and mathematics shall be
5 provided remediation for the purpose of assisting the student in
6 performing at least at the ~~satisfactory~~ proficient level on the end-
7 of-instruction tests administered in high school.

8 C. Remediation may be provided by means which may include, but
9 are not limited to, extended time during the school day, a summer
10 academy, tutoring, online coursework, or other supplementary
11 services. The State Department of Education shall provide
12 information about best practices for remediation and interventions.
13 School districts will monitor results of the remediation and
14 interventions implemented and report the findings to the State
15 Department of Education.

16 D. 1. Students who have individualized education programs
17 pursuant to the Individuals with Disabilities Education Act (IDEA)
18 shall have an appropriate statement on the student's individualized
19 education program requiring administration of the assessment with or
20 without accommodations or an alternate assessment. Any
21 accommodations normally employed for the assessment shall be
22 approved by the State Board of Education and be provided for in the
23 individualized education program. All documentation for each
24

1 student shall be on file in the school prior to administration of
2 the assessment.

3 2. Students identified as English language learners shall be
4 assessed in a valid and reliable manner with the state academic
5 assessments with acceptable accommodations as necessary or, to the
6 extent practicable, with alternate assessments aligned to the state
7 assessment provided by the school district in the language and form
8 most likely to yield accurate data of the student's knowledge of the
9 content areas.

10 SECTION 20. AMENDATORY Section 6, Chapter 432, O.S.L.

11 2005, as amended by Section 6, Chapter 289, O.S.L. 2006 (70 O.S.

12 Supp. 2008, Section 1210.523), is amended to read as follows:

13 Section 1210.523 A. Except as provided in subsections D and E
14 of this section, beginning with students entering the ninth grade in
15 the 2008-2009 school year, every student shall demonstrate mastery
16 of the state academic content standards in the following subject
17 areas in order to graduate from a public high school with a standard
18 diploma:

19 1. Algebra I;

20 2. English II; and

21 3. Two of the following five:

22 a. Algebra II,

23 b. Biology I,

24 c. English III,

1 d. Geometry, and

2 e. United States History.

3 B. To demonstrate mastery, the student shall attain at least a

4 satisfactory proficient score on the end-of-instruction criterion-

5 referenced tests administered pursuant to Section 1210.508 of this

6 title.

7 C. Notwithstanding any other provision of law, students who do

8 not attain at least a satisfactory proficient score on any end-of-

9 instruction test shall be provided remediation and the opportunity

10 to retake the test until at least a satisfactory proficient score is

11 attained on the tests of Algebra I, English II and two of the tests

12 required in paragraph 3 of subsection A of this section or an

13 approved alternative test. Technology center schools shall be

14 authorized to provide intervention and remediation in Algebra I and

15 Biology I to students enrolled in technology center schools, with

16 the approval of the independent school district board.

17 D. 1. Students who do not meet the requirements of subsection

18 A of this section may graduate from a public high school with a

19 standard diploma by demonstrating mastery of state academic content

20 standards by alternative methods as approved by the ~~State Board of~~

21 Education Oversight Board.

22 2. The ~~State Board of~~ Education Oversight Board shall adopt

23 rules providing for necessary student exceptions and exemptions to

24 the requirements of this section. The Board shall collect data by

1 school site and district on the number of students provided and
2 categories of exceptions and exemptions granted. Beginning October
3 1, 2012, the Board shall provide an annual report of this data to
4 the Governor, President Pro Tempore of the State Senate and Speaker
5 of the House of Representatives.

6 E. 1. Students who have individualized education programs
7 pursuant to the Individuals with Disabilities Education Act (IDEA)
8 shall have an appropriate statement on the student's individualized
9 education program requiring administration of the assessment with or
10 without accommodations or an alternate assessment. Any
11 accommodations normally employed for the assessment shall be
12 approved by the ~~State Board of Education~~ Oversight Board and be
13 provided for in the individualized education program. All
14 documentation for each student shall be on file in the school prior
15 to administration of the assessment.

16 2. Students identified as English language learners shall be
17 assessed in a valid and reliable manner with the state academic
18 assessments with acceptable accommodations as necessary or, to the
19 extent practicable, with alternate assessments aligned to the state
20 assessment provided by the school district in the language and form
21 most likely to yield accurate data of the student's knowledge of the
22 content areas.

23 F. The ~~State Board of Education~~ Oversight Board shall be
24 authorized to contract with an entity to develop and advise on the

1 implementation of a communications campaign to build public
2 understanding of and support for the testing requirements of this
3 section.

4 SECTION 21. AMENDATORY 70 O.S. 2001, Section 1210.541,
5 as amended by Section 3, Chapter 428, O.S.L. 2003 (70 O.S. Supp.
6 2008, Section 1210.541), is amended to read as follows:

7 Section 1210.541 A. The ~~State Board of Education Oversight~~
8 Board shall determine and adopt a series of student performance
9 levels for the criterion-referenced tests administered pursuant to
10 the Oklahoma School Testing Program Act, ~~Section 1210.505 et seq. of~~
11 ~~this title. The performance levels shall be set by a method that~~
12 indicates students are ready for the next grade, course, or level of
13 education, as applicable. The Board shall establish panels to
14 review and revise the performance levels level descriptors for each
15 subject and grade level, which shall be set by a method and panel
16 composition similar to that used for the achievement levels on the
17 National Assessment of Educational Progress performance setting
18 process. The State Board of Education Oversight Board shall ensure
19 that the criterion-referenced tests developed and administered
20 pursuant to the Oklahoma School Testing Program Act in grades three
21 through eight and the end-of-instruction tests administered at the
22 secondary level are vertically aligned by content across grade
23 levels to ensure consistency, continuity, alignment and clarity.

1 Student performance levels shall be labeled and defined as follows:

2 ~~advanced, satisfactory, limited knowledge, and unsatisfactory~~

3 1. Advanced, which shall indicate that students demonstrate

4 superior performance on challenging subject matter;

5 2. Proficient, which shall indicate that students demonstrate

6 mastery over appropriate grade-level subject matter and that

7 students are ready for the next grade, course, or level of

8 education, as applicable;

9 3. Limited knowledge, which shall indicate that students

10 demonstrate partial mastery of the essential knowledge and skills

11 appropriate to their grade level or course; and

12 4. Unsatisfactory, which shall indicate that students have not

13 performed at least at the limited knowledge level.

14 B. The ~~State Board of Education~~ Oversight Board shall develop

15 and implement in accordance with the Elementary and Secondary

16 Education Act of 2001 (ESEA), P.L. No. 107-110, also known as the No

17 Child Left Behind Act of 2001, an accountability system as provided

18 for in 20 U.S.C., 6311 and any related federal regulations. The

19 accountability system shall be implemented beginning with the 2002-

20 2003 school year and shall be based on the Academic Performance

21 Index data as established pursuant to Section 3-150 of this title

22 and as modified to meet the mandates of the ESEA. For the 2002-2003

23 school year and every year thereafter the ~~State Board of Education~~

24 Oversight Board shall publish and ensure that each local education

1 agency is provided with Academic Performance Index data annually by
2 site and by district so that the local education agency can make
3 Adequate Yearly Progress determinations to identify schools for
4 rewards and sanctions. The ~~State Board of~~ Education Oversight Board
5 shall establish a system of recognition, rewards, sanctions and
6 technical assistance.

7 SECTION 22. This act shall become effective July 1, 2010.

8 Passed the Senate the 10th day of March, 2009.

9

10

 Presiding Officer of the Senate

11

12 Passed the House of Representatives the ____ day of _____,
13 2009.

14

15

 Presiding Officer of the House
16 of Representatives

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