

ENROLLED SENATE
BILL NO. 1111

By: Jolley, Eason McIntyre,
Coffee and Ford of the
Senate

and

Jones, Shumate, Benge,
Denney, Derby, Sullivan,
Kern and Tibbs of the House

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 by Section 2, Chapter 439, O.S.L. 2008 (70 O.S. Supp. 2008, Section 3-152.1), which relates to the Academic Achievement Award Program; modifying administrator of program; amending Section 2, Chapter 430, O.S.L. 2003 (70 O.S. Supp. 2008, Section 3-160), which relates to the state student record system; transferring system to Education Oversight Board; amending 70 O.S. 2001, Section 11-103.6d, which relates to certificates of distinction; modifying performance level terminology; amending 70 O.S. 2001, Section 18-200.1, as last amended by Section 1, Chapter 90, O.S.L. 2005 (70 O.S. Supp. 2008, Section 18-200.1), which relates to the State Aid formula; modifying agency responsible for development and implementation of student identification system; amending 70 O.S. 2001, Section 1210.506, which relates to the Oklahoma School Testing Program Act; modifying definitions; amending 70 O.S. 2001, Sections 1210.507 and 1210.508, as last amended by Sections 3 and 4, Chapter 289, O.S.L. 2006 (70 O.S. Supp. 2008, Sections 1210.507 and 1210.508), which relate to the Oklahoma School Testing Program Act; modifying agency responsible for development and administration of student testing system; modifying performance level terminology; amending 70 O.S. 2001, Section 1210.508B, as last amended by Section 1, Chapter 146, O.S.L. 2006 (70 O.S. Supp. 2008, Section 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 performance levels; modifying agency responsible for certain duties; modifying performance level terminology and definitions; providing for codification; and providing an effective date.

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

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

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

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

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

Quality and Accountability Office. The transfer shall include all records, equipment, supplies, furniture, current and future liabilities, fund balances, encumbrances, and obligations.

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

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

SECTION 3. AMENDATORY 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), is amended to read as follows:

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

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

~~2. The Chairperson of the Education Committee of the Senate;~~

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

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

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

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

~~The two Education Committee Chairpersons shall serve as nonvoting members of the Board as long as each holds that position in such chairperson's respective house. The terms of the appointed members shall be staggered. The terms of the seven appointed members shall begin on July 1 of the year the preceding term expires. All terms shall be for five (5) years. At least one appointed member must reside in each congressional district. However, when congressional districts are redrawn each member appointed prior to July 1 of the year in which such modification becomes effective shall complete the current term of office and appointments made after July 1 of the year in which such modification becomes effective shall be based on the redrawn districts. Appointments made after July 1 of the year in which such modification becomes effective shall be from any redrawn districts which are not represented by a board member until such time as each of the modified congressional districts are represented by a board member. If a vacancy occurs, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled~~

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

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

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

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

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

a. one for a term to expire on June 30, 2011, and

b. one for a term to expire on June 30, 2012.

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

a. one for a term to expire on June 30, 2011, and

b. one for a term to expire on June 30, 2012.

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

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

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

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

~~C.~~ D. The Education Oversight Board shall:

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

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

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

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

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

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

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

~~E. F. Legislators and appointed members~~ Members who serve on the Education Oversight Board shall be exempt from the dual office holding prohibitions of Section 6 of Title 51 of the Oklahoma Statutes.

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

SECTION 4. AMENDATORY 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), is amended to read as follows:

Section 3-117. A. There is hereby created the Office of Educational Quality and Accountability Office. ~~The Oklahoma State~~

~~Regents for Higher Education are hereby directed to support the Office of Accountability from the budget of the State Regents. The State Regents shall include the Office of Educational Quality and Accountability in its Office shall prepare a budget work program to be submitted each fiscal year for the succeeding fiscal year to the Office of State Finance. Each year the Education Oversight Board shall submit a program budget for the Office of Educational Quality and Accountability Office to the State Regents Office of State Finance. Any amendments to the Office of Educational Quality and Accountability Office program budget must first be approved by the Education Oversight Board. The Office of Educational Quality and Accountability Office, its personnel, budget, and expenditure of funds shall be solely under the direction of the Education Oversight Board.~~

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

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

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

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

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

The Executive Director of the Office of Accountability as of the effective date of this act may continue to serve as the director of

the division created pursuant to this subsection, subject to the pleasure of the Board.

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

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

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

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

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

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

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

1. Attendance rates for students;

2. Dropout rates;

3. Results of the Oklahoma School Testing Program administered pursuant to Section 1210.508 of this title;

4. Advanced Placement participation;

5. Graduation rates for secondary school students;

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

7. College remediation rates.

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

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

SECTION 7. AMENDATORY 70 O.S. 2001, Section 3-151, is amended to read as follows:

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

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

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

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

~~E. The State Department of Education shall notify school districts of the status of implementation of the Academic~~

~~Performance Index, including the deadlines and information to be reported as required in subsections B, C and D of this section.~~

SECTION 8. AMENDATORY Section 1, Chapter 466, O.S.L. 2005, as last amended by Section 2, Chapter 439, O.S.L. 2008 (70 O.S. Supp. 2008, Section 3-152.1), is amended to read as follows:

Section 3-152.1 A. The ~~State Board of~~ Education Oversight Board shall develop an Academic Achievement Award (AAA) program. The AAA program shall provide monetary awards to qualified employees at the top four schools that attain the highest overall student achievement and the top four schools that attain the highest annual improvement in student achievement as measured by the Academic Performance Index (API) in each of five groups based on average daily membership (ADM) as provided for in subsection D of this section. The AAA program shall also provide monetary awards to qualified employees at all schools that attain a total API score of one thousand five hundred (1,500) for regular education students tested.

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

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

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

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

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

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

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

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

- a. Three Thousand Dollars (\$3,000.00) for each first-place school,
- b. Two Thousand Dollars (\$2,000.00) for each second-place 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 employee at each school identified as having an API score of one thousand five hundred (1,500) for regular education students tested determined pursuant to paragraph 5 of subsection B of this section shall be Three Thousand Dollars (\$3,000.00).

D. Groups shall be designated based on average daily membership (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 all certified personnel, as defined in Section 26-103 of this title, employed in the school for at least one-half (1/2) of the school year from which the student test data used for the awards provided for in this section was derived. For charter schools formed and operated pursuant to the Oklahoma Charter School Act, qualified employees shall include all administrative and instructional personnel that meet the requirements of this subsection regardless of whether they are certified. Qualified employees shall not include certified personnel who are employed in the school in a noncertified position. For awards granted for the 2007-2008 school year and each school year thereafter, for early elementary schools which do not contain a grade level that is tested under the Oklahoma School Testing Program Act but use the test data from a grade level that is tested to calculate the API score for the school, qualified employees shall include the certified personnel identified as the primary classroom teachers for the grade level from which the student test data used to calculate the API score was derived who are employed by the school district at another school site for at least one-half (1/2) of the school year.

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

G. No school or school district shall be liable for payment of awards pursuant to this section. Awards shall not be included in the calculation of the salary of the teacher for purposes of meeting

the district or statutory minimum salary schedule or for purposes of calculating Teachers' Retirement System of Oklahoma contributions or benefits.

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

SECTION 9. AMENDATORY Section 2, Chapter 430, O.S.L. 2003 (70 O.S. Supp. 2008, Section 3-160), is amended to read as follows:

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

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

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

3. Schools Interoperability Framework (SIF) version 1.5 specifications, or any updated versions of the specifications, which enable school district software management systems to communicate with each other. The student record system shall include, but not be limited to, the specifications for course identifiers, state standard formatting, content formatting, and assessment formatting specification;

4. United States Department of Education Performance-Based Data Management Initiative (PBDMI) data exchange guidelines with data

elements capable of providing reporting on federal educational programs; and

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

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

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

Section 11-103.6d A. District boards of education may develop and issue a certificate of distinction that is to be awarded to students, beginning with students in the 2000-2001 high school graduating class who have met or exceeded the following criteria by the end of their senior year in high school with at least a 3.25 grade point average on a 4.0 scale:

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

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

3. Earned two units in a foreign language; and

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

B. For purposes of this section, applicable vocational-technical classes offered by comprehensive high school vocational-technical programs shall qualify for technology, science, and mathematics units. Students enrolled in the programs may use one

unit of their six concentrated vocational-technical curriculum units for one unit of mathematics required by this section and one unit of their six concentrated vocational-technical curriculum units for one unit of science required by this section. Advanced placement classes in the subject areas listed in paragraphs 1, 2, and 3 of subsection A of this section may be substituted on a course-by-course basis to satisfy the academic units required for a certificate of distinction.

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

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

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

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

On or before December 30, the State Department of Education shall determine each school district's current year allocation pursuant to subsection D of this section. The State Department of Education shall complete an audit, using procedures established by the Department, of the student enrollment by grade level data, pupil category counts and transportation supplement data to be used in the State Aid Formula pursuant to subsection D of this section by December 1 and by January 15 shall notify each school district of the district's final State Aid allocation for the current school

year. The January payment of State Aid and each subsequent payment for the remainder of the school year shall be based on the final State Aid allocation as calculated in subsection D of this section. Except for reductions made due to the assessment of penalties by the State Department of Education according to law, the January payment of State Aid and each subsequent payment for the remainder of the school year shall not decrease by an amount more than the amount that the current chargeable revenue increases for that district.

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

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

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

The December calculation of per pupil revenue shall be determined by dividing the district's preceding year's total weighted average daily membership (ADM) into the district's preceding year's total revenues excluding federal revenue, insurance loss payments, reimbursements, recovery of overpayments and refunds,

unused reserves, prior expenditures recovered, prior year surpluses, and less the amount of any transfer fees paid in that year.

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

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

- a. The Foundation Program shall be a district's highest weighted average daily membership based on the first nine (9) weeks of the current school year, the preceding school year or the second preceding school year of a school district, as determined by the provisions of subsection A of Section 18-201.1 of this title and paragraphs 1, 2, 3 and 4 of subsection B of Section 18-201.1 of this title, multiplied by the Base Foundation Support Level.
- b. The Foundation Program Income shall be the sum of the following:
 - (1) The adjusted assessed valuation of the current school year of the school district, minus the previous year protested ad valorem tax revenues held as prescribed in Section 2884 of Title 68 of the Oklahoma Statutes, multiplied by the mills levied pursuant to subsection (c) of Section 9 of Article X of the Oklahoma Constitution, if applicable, as adjusted in subsection (c) of Section 8A of Article X of the Oklahoma Constitution. For purposes of this subsection, the "adjusted assessed valuation of the current school year" shall be the adjusted assessed valuation on which tax revenues are collected during the current school year, ~~and~~
 - (2) Seventy-five percent (75%) of the amount received by the school district from the proceeds of the county levy during the preceding fiscal year, as

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

- (3) Motor Vehicle Collections, ~~and~~
- (4) Gross Production Tax, ~~and~~
- (5) State Apportionment, and
- (6) R.E.A. Tax.

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

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

- a. The average daily haul shall be the number of children in a district who are legally transported and who live one and one-half (1 1/2) miles or more from school.
- b. The per capita allowance shall be determined using the following chart:

PER CAPITA		PER CAPITA	
DENSITY FIGURE	ALLOWANCE	DENSITY FIGURE	ALLOWANCE
.3000 - .3083	\$167.00	.9334 - .9599	\$99.00
.3084 - .3249	\$165.00	.9600 - .9866	\$97.00
.3250 - .3416	\$163.00	.9867 - 1.1071	\$95.00
.3417 - .3583	\$161.00	1.1072 - 1.3214	\$92.00
.3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00

.3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00
.3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00
.4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00
.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00
.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00

.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
.9067 - .9333	\$101.00	9.6668 or more	\$33.00

c. The formula transportation factor shall be 1.39.

3. Salary Incentive Aid shall be determined as follows:

- a. Multiply the Incentive Aid guarantee by the district's highest weighted average daily membership based on the first nine (9) weeks of the current school year, the preceding school year or the second preceding school year of a school district, as determined by the provisions of subsection A of Section 18-201.1 of this title and paragraphs 1, 2, 3 and 4 of subsection B of Section 18-201.1 of this title.
- b. Divide the district's adjusted assessed valuation of the current school year minus the previous year's protested ad valorem tax revenues held as prescribed in Section 2884 of Title 68 of the Oklahoma Statutes, by one thousand (1,000) and subtract the quotient from the product of subparagraph a of this paragraph. The remainder shall not be less than zero (0).
- c. Multiply the number of mills levied for general fund purposes above the fifteen (15) mills required to support Foundation Aid pursuant to division (1) of subparagraph b of paragraph 1 of this subsection, not including the county four-mill levy, by the remainder of subparagraph b of this paragraph. The product shall be the Salary Incentive Aid of the district.

E. ~~By June 30, 1998, the State Department of Education~~ The Educational Quality and Accountability Office shall develop and ~~the~~

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

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

2. In the event that the amount of funds a school district receives for reimbursement from the Ad Valorem Reimbursement Fund is less than the amount of funds claimed for reimbursement by the school district due to insufficiency of funds as provided in Section 193 of Title 62 of the Oklahoma Statutes, then the school district's

assessed valuation for the school year that such ad valorem reimbursement is calculated in the State Aid Formula shall be adjusted accordingly.

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

Total Amount of General Fund Collections, Excluding Previous Year Cash Surplus as of June 30	Amount of General Fund Balance Allowable
Less than \$1,000,000	40%
\$1,000,000 - \$2,999,999	35%
\$3,000,000 - \$3,999,999	30%
\$4,000,000 - \$4,999,999	25%
\$5,000,000 - \$5,999,999	20%
\$6,000,000 - \$7,999,999	18%
\$8,000,000 - \$9,999,999	16%
\$10,000,000 or more	14%

2. By February 1 the State Department of Education shall send by certified mail, with return receipt requested, to each School District Superintendent, Auditor and Regional Accreditation Officer a notice of and calculation sheet reflecting the general fund balance penalty to be assessed against that school district. Calculation of the general fund balance penalty shall not include federal revenue. Within thirty (30) days of receipt of this written notice the school district shall submit to the Department a written

reply either accepting or protesting the penalty to be assessed against the district. If protesting, the school district shall submit with its reply the reasons for rejecting the calculations and documentation supporting those reasons. The Department shall review all school district penalty protest documentation and notify each district by March 15 of its finding and the final penalty to be assessed to each district. General fund balance penalties shall be assessed to all school districts by April 1.

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

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

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

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

7. Beginning July 1, 2003, school districts that participate in consolidation or annexation pursuant to the provisions of the

Oklahoma School Voluntary Consolidation and Annexation Act shall be exempt from the penalty assessed in this subsection for the school year in which the consolidation or annexation occurs and for the next three (3) fiscal years.

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

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

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

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

- a. the assessed valuation of property,
- b. motor vehicle collections,
- c. R.E.A. tax collected, and

d. gross productions tax collected.

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

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

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

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

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

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

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

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

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

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

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

SECTION 13. AMENDATORY 70 O.S. 2001, Section 1210.507, as last amended by Section 3, Chapter 289, O.S.L. 2006 (70 O.S. Supp. 2008, Section 1210.507), is amended to read as follows:

Section 1210.507 A. ~~The State Board of~~ Education Oversight Board shall promulgate rules necessary for the implementation and administration of the provisions of the Oklahoma School Testing Program Act.

B. ~~The State Board of~~ Education Oversight Board shall require school district boards of education to annually provide information to the district's students, parents of students, and the public at large about the proper meaning and use of tests administered pursuant to the provisions of the Oklahoma School Testing Program Act. ~~The Department~~ Educational Quality and Accountability Office shall develop materials and make them available to school districts regarding the Oklahoma School Testing Program.

C. ~~The State Board of~~ Education Oversight Board shall seek to establish and post on the Internet a sample test item bank that will be made available to teachers and will allow them to create and deliver classroom assessments throughout the school year to check for student mastery of key concepts assessed by the criterion-referenced tests administered to students pursuant to the Oklahoma School Testing Program Act. Subject to the availability of funds, the Board shall annually release end-of-instruction test items and make them available to the public.

D. ~~The State Board of~~ Education Oversight Board shall post on the Internet criterion-referenced sample tests for each grade level and subject matter test administered to students pursuant to the Oklahoma School Testing Program Act for the purpose of communicating expectation concerning test difficulty level and format to teacher, parents and students. The Board shall maintain the sample tests on the Internet throughout the year and, as changes are made in the state academic content standards, known as the Priority Academic

Student Skills Curriculum, the Board shall update the sample tests. The Board shall seek to expand the number of sample test items each year and to revise test items as needed. The sample tests shall reflect the actual test administered to students and may contain questions used on actual tests given in previous years.

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

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

Section 1210.508 A. 1. ~~The~~ Until June 30, 2010, the State Board of Education, and beginning July 1, 2010, the Education Oversight Board shall develop and administer a series of criterion-referenced tests designed to indicate whether the state academic content standards, as defined by the State Board of Education in the Priority Academic Student Skills Curriculum, which Oklahoma public school students are expected to have attained have been achieved. The Board may develop and administer any criterion-referenced test in any subject not required by federal law, contingent upon the availability of funding. Students who do not perform ~~satisfactorily~~ at least at the proficient level on tests shall be remediated, subject to the availability of funding.

2. Contingent upon the availability of state and federal funds, the Board, in accordance with federal law, shall administer criterion-referenced tests for grades three and four in:

- a. reading, and
- b. mathematics.

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

- a. reading,

- b. mathematics,
- c. science,
- d. social studies, which shall consist of the history, Constitution and government of the United States, and geography, and
- e. writing of English.

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

- a. reading, and
- b. mathematics.

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

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

- a. reading,
- b. mathematics,
- c. science,
- d. social studies, which shall consist of the history, Constitution, and government of the United States, and
- e. writing of English.

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

6. Each student who completes the instruction for English II, English III, United States History, Biology I, Algebra I, Geometry,

and Algebra II at the secondary level shall complete an end-of-instruction test, when implemented, to measure for attainment in the appropriate state academic content standards in order to graduate from a public high school with a standard diploma. All students shall take the tests prior to graduation, unless otherwise exempt by law. The ~~State Board of Education~~ shall administer the criterion-referenced tests. The Board shall develop and field test the end-of-instruction tests in English III, Geometry, and Algebra II during the 2006-07 school year, implement the tests during the 2007-08 school year, and administer them each year thereafter. The Board shall administer the multiple choice portion of the end-of-instruction tests online with raw score test results reported immediately and complete results reported in less than two (2) weeks beginning in the 2008-09 school year.

The end-of-instruction tests shall serve the purpose of the criterion-referenced tests as provided in paragraph 1 of this subsection. The English II and English III end-of-instruction tests shall include a writing component. Students who do not score at least at the ~~satisfactory~~ proficient level shall be afforded the opportunity to retake each test up to three (3) times each calendar year until at least achieving at the ~~satisfactory~~ proficient level. In order to provide an indication of the levels of competency attained by the student in a permanent record for potential future employers and institutions of higher education, for students who enter the ninth grade in or prior to the 2007-08 school year, school districts shall report the highest achieved state test performance level on the end-of-instruction tests on the student's high school transcript. Beginning with students who enter the ninth grade in the 2008-09 school year, school districts shall report the student's performance levels of ~~satisfactory~~ proficient and above on the end-of-instruction tests on the student's high school transcript. Any student at the middle school level who completes the instruction in a secondary course specified in this paragraph shall be administered the appropriate end-of-instruction test.

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

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

B. 1. All criterion-referenced tests required by this section shall measure academic competencies in correlation with the state academic content standards adopted by the Board pursuant to Section 11-103.6 of this title and known as the Priority Academic Student Skills Curriculum. The State Board of Education shall evaluate the academic content standards to ensure the competencies reflect high standards, are specific, well-defined, measurable, challenging, and will prepare elementary students for next-grade-level course work and secondary students for postsecondary studies at institutions of higher education or technology center schools without the need for remediation in core curriculum areas. All state academic content standards shall reflect the benchmarks of the American Diploma Project and the goal of improving the state average ACT score.

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

3. The ~~State Board of Education~~ shall review, realign, and recalibrate, as necessary, the tests in reading and mathematics in third through eighth grade and the end-of-instruction tests. The Board shall determine the cut scores for the performance levels on the end-of-instruction tests developed pursuant to paragraph 6 of subsection A of this section, which shall be phased in over a multi-year period. The Board shall conduct an ongoing review to compare

the end-of-instruction test content and performance descriptors with those of other states. Upon receipt of the review, the Board may adjust the cut scores as necessary.

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

C. 1. The ~~State Board of Education~~ shall set the testing window dates for each criterion-referenced test required in paragraphs 1 through 5 of subsection A of this section for grades three through eight so that, with the exception of the writing assessments, the tests are administered to students no earlier than April 10 each year and so that the test results are reported back to school districts in a timely manner. Each criterion-referenced test required in paragraph 6 of subsection A of this section may be administered to students at a time set by the ~~State Board of Education~~ as near as possible to the end of the course. All results and reports of the criterion-referenced test series required in paragraphs 1 through 5 of subsection A of this section for grades three through eight shall be returned to each school district prior to the beginning of the next school year. The vendor shall provide a final electronic data file of all school site, school district, and state results to the State Department of Education and the Office of Educational Quality and Accountability Office prior to September 1 of each year. The Department Office shall forward the final data files for each school district and each school site in that district to the school district. ~~The Board shall ensure the contract with the testing vendor includes a provision that the vendor report test results directly to the Office of Accountability at the same time it is reported to the Board.~~

2. State, district, and site level results of all tests required in this section shall be disaggregated by gender, race ethnicity, disability status, migrant status, English proficiency, and status as economically disadvantaged, except that such disaggregation shall not be required in a case in which the number of students in a category is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual student. Each school site shall notify the student's parents of the school's performance levels in the Oklahoma School Testing Program as reported in the Oklahoma Educational Indicators Program at the end of each school year.

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

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

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

Section 1210.508B A. The Legislature finds that it is essential for children in the public schools to read early and well in elementary school. The Legislature further finds that clear and visible goals, assessments to determine the reading level at each elementary school, annual measurements of elementary school reading improvement, and accountability in each level of the educational system will result in a significant increase in the number of children reading at or above grade level.

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

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

D. The reading goal for Oklahoma public schools is as follows: By July 1, 2008, and each year thereafter, all third-grade students will read at or above grade level by the end of their third-grade year, excluding up to fifteen percent (15%) of those students who have an individualized education program (IEP), pursuant to the Individuals with Disabilities Education Act (IDEA), and excluding those students who are English language learners who have been determined not to be proficient in English as defined by a state-designated English proficiency assessment. To achieve the reading goal, each public elementary school shall:

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

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

E. The State Board of Education shall recognize schools and districts that attain or make progress toward achieving the reading goal and shall provide technical assistance to schools and districts that do not make progress toward the reading goal. The district reading sufficiency plan shall be submitted to the State Board if

the district has any schools that are not achieving the required annual improvement goals pursuant to this section.

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

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

B. The Education Oversight Board shall require the company or companies providing tests required by the Oklahoma School Testing Program Act, Section 1210.505 et seq. of this title, to submit summary reports of the results by school district to the ~~Department Office~~ and ~~the respective local~~ to each school district. Individualized results of the test shall be made available by the ~~local~~ school district to the classroom teachers who instruct the students in the academic areas tested. In every year, prior to the convening of the Legislature, the Board shall give a summary report on the testing results to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

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

Section 1210.513 A. In order to assist in the nation's evaluation of the condition and progress of education, and in order to provide comparative interstate information on student performance, ~~beginning July 1, 1997, the State Board of Education Oversight Board~~ shall ensure the participation of the Oklahoma public school system in the National Assessment of Educational Progress. The results of this assessment shall be included as a separate result in annual reports on the Oklahoma ~~State~~ School Testing Program.

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

SECTION 18. AMENDATORY 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), is amended to read as follows:

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

1. A student enrolled in a public school shall successfully complete the reading portion of the state criterion-referenced test offered in the eighth grade. Following the administration of this test in the eighth grade, any student not successfully completing the reading portion shall be assigned a plan of remedial reading. Any student not successful in completing the reading portion of the state criterion-referenced test may take a comparable alternative reading proficiency test in order to satisfy the criteria for a driver license or permit. Alternative reading proficiency tests shall be approved by the State Department of Education. Subsequent successful completion of an alternative reading proficiency test shall serve to satisfy any test retaking requirement which may be required for the reading portion of the state criterion-referenced test in the eighth grade in the Oklahoma School Testing Program. School districts shall notify, in writing, each student who takes the reading portion of the state criterion-referenced test for the eighth grade or who takes an alternative reading proficiency test and the student's parent or legal guardian of the test results. If the student fails to perform satisfactorily on the test, the notice shall inform the student of the reading proficiency driver license requirement and the school's remediation plan for the student. Upon the student's successful completion of the test, the school shall furnish the student with the documentation needed for the driver license application in Oklahoma;

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

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

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

C. A school district shall provide for alternative documentation of reading proficiency for the purposes of paragraph 2 of subsection A of Section 6-107.3 of Title 47 of the Oklahoma Statutes for any student with an individualized education program that, at a minimum, is in an area related to reading. The alternative documentation shall be furnished to such student who is performing satisfactorily in reading pursuant to the student's individualized education program. Parents of disabled students educated pursuant to the provisions of Section 4 of Article XIII of the Oklahoma Constitution may satisfy the requirement of paragraph 2 of subsection A of Section 6-107.3 of Title 47 of the Oklahoma Statutes by signing an affidavit that, based upon their best information and belief, their child would qualify for an individualized education program that, at a minimum, is in an area related to reading if enrolled in public school, and that in their judgment their child is performing satisfactorily in reading and is therefore academically qualified to satisfy the requirement of paragraph 2 of subsection A of Section 6-107.3 of Title 47 of the Oklahoma Statutes.

SECTION 19. AMENDATORY Section 5, Chapter 432, O.S.L. 2005, as amended by Section 5, Chapter 289, O.S.L. 2006 (70 O.S. Supp. 2008, Section 1210.522), is amended to read as follows:

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

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

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

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

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

SECTION 20. AMENDATORY Section 6, Chapter 432, O.S.L. 2005, as amended by Section 6, Chapter 289, O.S.L. 2006 (70 O.S. Supp. 2008, Section 1210.523), is amended to read as follows:

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

1. Algebra I;
2. English II; and
3. Two of the following five:
 - a. Algebra II,
 - b. Biology I,
 - c. English III,
 - d. Geometry, and
 - e. United States History.

B. To demonstrate mastery, the student shall attain at least a ~~satisfactory~~ proficient score on the end-of-instruction criterion-referenced tests administered pursuant to Section 1210.508 of this title.

C. Notwithstanding any other provision of law, students who do not attain at least a ~~satisfactory~~ proficient score on any end-of-

instruction test shall be provided remediation and the opportunity to retake the test until at least a ~~satisfactory~~ proficient score is attained on the tests of Algebra I, English II and two of the tests required in paragraph 3 of subsection A of this section or an approved alternative test. Technology center schools shall be authorized to provide intervention and remediation in Algebra I and Biology I to students enrolled in technology center schools, with the approval of the independent school district board.

D. 1. Students who do not meet the requirements of subsection A of this section may graduate from a public high school with a standard diploma by demonstrating mastery of state academic content standards by alternative methods as approved by the ~~State Board of Education~~ Oversight Board.

2. The ~~State Board of Education~~ Oversight Board shall adopt rules providing for necessary student exceptions and exemptions to the requirements of this section. The Board shall collect data by school site and district on the number of students provided and categories of exceptions and exemptions granted. Beginning October 1, 2012, the Board shall provide an annual report of this data to the Governor, President Pro Tempore of the State Senate and Speaker of the House of Representatives.

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

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

F. ~~The State Board of Education~~ Oversight Board shall be authorized to contract with an entity to develop and advise on the implementation of a communications campaign to build public understanding of and support for the testing requirements of this section.

SECTION 21. AMENDATORY 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), is amended to read as follows:

Section 1210.541 A. ~~The State Board of Education~~ Oversight Board shall determine and adopt a series of student performance levels for the criterion-referenced tests administered pursuant to the Oklahoma School Testing Program Act, ~~Section 1210.505 et seq. of this title.~~ The performance levels shall be set by a method that indicates students are ready for the next grade, course, or level of education, as applicable. The Board shall establish panels to review and revise the performance levels level descriptors for each subject and grade level, which shall be set by a method and panel composition similar to that used for the achievement levels on the National Assessment of Educational Progress performance setting process. ~~The State Board of Education~~ Oversight Board shall ensure that the criterion-referenced tests developed and administered pursuant to the Oklahoma School Testing Program Act in grades three through eight and the end-of-instruction tests administered at the secondary level are vertically aligned by content across grade levels to ensure consistency, continuity, alignment and clarity. Student performance levels shall be labeled and defined as follows: advanced, satisfactory, limited knowledge, and unsatisfactory

1. Advanced, which shall indicate that students demonstrate superior performance on challenging subject matter;

2. Proficient, which shall indicate that students demonstrate mastery over appropriate grade-level subject matter and that students are ready for the next grade, course, or level of education, as applicable;

3. Limited knowledge, which shall indicate that students demonstrate partial mastery of the essential knowledge and skills appropriate to their grade level or course; and

4. Unsatisfactory, which shall indicate that students have not performed at least at the limited knowledge level.

B. The ~~State Board of~~ Education Oversight Board shall develop and implement in accordance with the Elementary and Secondary Education Act of 2001 (ESEA), P.L. No. 107-110, also known as the No Child Left Behind Act of 2001, an accountability system as provided for in 20 U.S.C., 6311 and any related federal regulations. The accountability system shall be implemented beginning with the 2002-2003 school year and shall be based on the Academic Performance Index data as established pursuant to Section 3-150 of this title and as modified to meet the mandates of the ESEA. For the 2002-2003 school year and every year thereafter the ~~State Board of~~ Education Oversight Board shall publish and ensure that each local education agency is provided with Academic Performance Index data annually by site and by district so that the local education agency can make Adequate Yearly Progress determinations to identify schools for rewards and sanctions. The ~~State Board of~~ Education Oversight Board shall establish a system of recognition, rewards, sanctions and technical assistance.

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

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

Presiding Officer of the Senate

Passed the House of Representatives the 22nd day of April, 2009.

Presiding Officer of the House
of Representatives