

THE HOUSE OF REPRESENTATIVES
Tuesday, April 14, 2009

Committee Substitute for
ENGROSSED
Senate Bill No. 1169

COMMITTEE SUBSTITUTE FOR ENGROSSED SENATE BILL NO. 1169 - By:
ANDERSON of the Senate and DENNEY of the House.

An Act relating to schools; amending 70 O.S. 2001, Sections 7-201, as amended by Section 1, Chapter 296, O.S.L. 2003, 7-202, as amended by Section 2, Chapter 296, O.S.L. 2003, 7-203, as last amended by Section 4, Chapter 278, O.S.L. 2006 and 7-204, as amended by Section 4, Chapter 296, O.S.L. 2003 (70 O.S. Supp. 2008, Sections 7-201, 7-202, 7-203 and 7-204), which relate to the Oklahoma School Voluntary Consolidation and Annexation Act; updating statutory citations; modifying name of the act; modifying purposes of School Consolidation Assistance Fund; modifying method of allocating funds; deleting obsolete language; and providing an effective date.

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

1 SECTION 1. AMENDATORY 70 O.S. 2001, Section 7-201, as amended by
2 Section 1, Chapter 296, O.S.L. 2003 (70 O.S. Supp. 2008, Section 7-201), is amended to
3 read as follows:

4 Section 7-201. Sections 7-201 through ~~7-205~~ 7-206 of this title shall be known and
5 may be cited as the "Oklahoma School ~~Voluntary~~ Consolidation and Annexation Act".

6 SECTION 2. AMENDATORY 70 O.S. 2001, Section 7-202, as amended by
7 Section 2, Chapter 296, O.S.L. 2003 (70 O.S. Supp. 2008, Section 7-202), is amended to
8 read as follows:

1 Section 7-202. The provisions of the Oklahoma School ~~Voluntary~~ Consolidation and
2 Annexation Act shall apply only to school districts whose entire territory has been
3 annexed to one or more existing school districts or which have been created by the
4 consolidation of two or more existing school districts in accordance with the provisions of
5 Section 7-101 et seq. of ~~Title 70 of the Oklahoma Statutes~~ this title.

6 SECTION 3. AMENDATORY 70 O.S. 2001, Section 7-203, as last amended by
7 Section 4, Chapter 278, O.S.L. 2006 (70 O.S. Supp. 2008, Section 7-203), is amended to
8 read as follows:

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

14 B. All monies accruing to the credit of said fund are hereby appropriated and may
15 be budgeted and expended by the State Board of Education for the purposes established
16 by this section, the Legislature and in accordance with rules promulgated by the State
17 Board of Education. The purposes shall be to provide voluntarily or mandatorily
18 consolidated school districts or districts who have received part or all of the territory and
19 part or all of the students of a school district dissolved by voluntary or mandatory
20 annexation, during the first year of consolidation or annexation, ~~except as provided for in~~
21 ~~subsection G of this section~~, with a single one-year allocation of funds needed for:

1 1. Purchase of uniform textbooks in cases where the several districts were not
2 using the same textbooks prior to consolidation or annexation;

3 2. Employment of certified personnel required to teach courses of the district for
4 which personnel from the districts consolidated or annexed are not certified and
5 available;

6 3. Employment assistance for personnel of the several districts who are not
7 employed by the consolidated or annexing district. Employment assistance may include
8 provision of a severance allowance for administrators, teachers and support personnel
9 not to exceed eighty percent (80%) of the individual's salary or wages, exclusive of fringe
10 benefits, for the school year preceding the consolidation or annexation. Personnel
11 receiving such severance pay may accumulate one (1) year of creditable service for
12 retirement purposes. Employment assistance may also include the payment of
13 unemployment compensation benefits. The State Board of Education shall provide a
14 severance allowance to employees dismissed from employment due to annexation or
15 consolidation of a school district in the year of the annexation or consolidation and who
16 were denied a severance allowance or unemployment compensation benefits and the
17 voluntary consolidation funding of the annexing or consolidating district or districts has
18 been paid on or after July 1, 2003, at the maximum allowable amount. Application for a
19 severance allowance shall be made to the Finance Division of the State Department of
20 Education by the dismissed employee no later than September 1 of the fiscal year
21 immediately following the fiscal year in which the annexation or consolidation occurred;

22 4. Furnishing and equipping classrooms and laboratories;

1 5. Purchase of additional transportation equipment; and

2 6. When deemed essential by the school district board of education to achieve
3 consolidation or combination by annexation, renovation of existing school buildings and
4 construction or other acquisition of school buildings.

5 C. The State Board of Education shall only make allocations from the fund to
6 school districts formed from the combination of two or more of the districts whose boards
7 of education notify the State Board of Education on or before June 30 of their intent to
8 annex or consolidate and are subsequently combined by such means by January 1 of the
9 second year following the notification of intent.

10 D. Allocations will be made to school districts formed by voluntary or mandatory
11 ~~consolidation or which have received part or all of the territory and students of a school~~
12 ~~district by annexation~~ on the basis of combined average daily membership (ADM) of the
13 ~~second~~ school year preceding the first year of operation of the school district resulting
14 from the consolidation ~~or annexation~~; provided, not more than ~~one thousand (1,000)~~ two
15 hundred (200) ADM of any one school district shall be counted in determining the
16 combined ADM of any district formed by consolidation ~~or which has received part or all of~~
17 ~~the territory and students of a school district by annexation~~. The ADM of any one school
18 district shall not be considered more than once for allocations from the fund when the
19 school district ~~annexes to or~~ consolidates with two or more school districts. Allocations
20 from the fund pursuant to this subsection shall be calculated by multiplying the
21 combined ADM by Two Thousand Five Hundred Dollars (\$2,500.00).

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

3 ~~1. The annexing school district's ADM as limited by this section plus the number of~~
4 ~~students from the annexed school district that the annexing school district will gain; or~~

5 ~~2. The ADM as limited by this section that the annexing school district is gaining~~
6 ~~from the annexed school district plus the annexing school district's ADM as multiplied by~~
7 ~~the percentage of students the annexing school district is receiving from the annexed~~
8 ~~school district of all annexing school districts; provided the annexing school district's~~
9 ~~ADM thus calculated shall not exceed one thousand (1,000) Allocations will be made to~~
10 ~~school districts which have received part or all of the territory and students of a school~~
11 ~~district by voluntary or mandatory annexation on the basis of ADM of the annexed school~~
12 ~~district for the school year preceding the first year of operation of the school district~~
13 ~~resulting from the annexation; provided, not more than two hundred (200) ADM of the~~
14 ~~annexed district shall be counted. Allocations from the fund pursuant to this subsection~~
15 ~~shall be calculated by multiplying the allowable ADM by Five Thousand Dollars~~
16 ~~(\$5,000.00). In no case shall allocations payable pursuant to this subsection be less than~~
17 ~~Four Hundred Thousand Dollars (\$400,000.00) or greater than One Million Dollars~~
18 ~~(\$1,000,000.00).~~

19 F. ~~Allocations from the fund shall be calculated by multiplying the combined ADM~~
20 ~~by:~~

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

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

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

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

7 If monies in the School Consolidation Assistance Fund are insufficient to make
8 allocations to all qualified combined districts, allocations shall be made based upon
9 earliest date of application.

10 ~~G. Any school district which was consolidated or which participated in an~~
11 ~~annexation in 2004 shall be eligible to receive funds from the School Consolidation~~
12 ~~Assistance Fund as provided in subsection F of this section.~~

13 SECTION 4. AMENDATORY 70 O.S. 2001, Section 7-204, as amended by
14 Section 4, Chapter 296, O.S.L. 2003 (70 O.S. Supp. 2008, Section 7-204), is amended to
15 read as follows:

16 Section 7-204. Consolidated districts and districts combined by annexation which
17 are created pursuant to the Oklahoma School ~~Voluntary~~ Consolidation and Annexation
18 Act shall have for three (3) subsequent consecutive years after consolidation or
19 annexation preference for allocations from funds appropriated to the State Board of
20 Education for Community Education, Alternative and High Challenge Schools,
21 School/Community Network for Arts-in-Education, Instructional Cooperative and

1 Technical Education, Advanced Placement Incentives, and for all other allocations made
2 by the Board on a competitive basis.

3 SECTION 5. This act shall become effective November 1, 2009.

4 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
5 dated 04-13-09 - DO PASS, As Amended.