

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 COMMITTEE SUBSTITUTE

4 FOR

5 SENATE BILL NO. 932

6 By: Thompson

7 COMMITTEE SUBSTITUTE

8 An Act relating to schools; amending 70 O.S. 2011,
9 Section 5-106A, which relates to contracting with
10 multiple districts; allowing districts to enter into
11 a mutual contract for financial services; requiring
12 contracts to address certain items; providing
13 definition; establishing minimum criteria for certain
14 treasurer or other financial officer; amending 70
15 O.S. 2011, Section 7-203, which relates to the School
16 Consolidation Assistance Fund; allowing the fund to
17 be used to provide assistance for certain mutual
18 contract; establishing dollar limit for assistance;
19 establishing time limit for assistance; providing an
20 effective date; and declaring an emergency.

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

22 SECTION 1. AMENDATORY 70 O.S. 2011, Section 5-106A, is
23 amended to read as follows:

24 Section 5-106A. A. A superintendent, administrator, teacher,
or person providing support services may contract with more than one
school district to serve as superintendent, administrator, or
teacher, as appropriately qualified, or to provide support services
for each contracting district. The contract may be mutual with all

1 the districts as parties, or the contracts may be separate;
2 provided, that a superintendent, administrator, teacher, or person
3 providing support services may not enter into contracts with more
4 than one school district without the assent and knowledge of all the
5 school districts with which they are contracting. The districts who
6 contract either mutually or separately with a superintendent,
7 administrator, or teacher, or with a person to provide support
8 services may enter into agreements upon such terms and conditions as
9 the parties may agree and may include terms related to the division
10 of payments for items including, but not limited to, payment of
11 benefits or travel for the superintendent, administrator, teacher,
12 or person providing support services. Unless otherwise provided by
13 contract, each district shall pay into the Teachers' Retirement
14 System of Oklahoma the district's pro rata share of the payment
15 required to be paid into the System on behalf of the employee.

16 B. 1. Public school districts may enter into a mutual contract
17 with a treasurer or other financial officer to provide financial
18 services for each contracting district. Any mutual contract for
19 sharing financial services shall address how the financial services
20 will be shared, how the costs will be allocated, the division of
21 time of the employee, payment of benefits for the employee,
22 contributions to the Teachers' Retirement System of Oklahoma for the
23 employee and how the employee will be counted for calculating

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1 certain weights for the purposes of the State Aid Formula as
2 provided for in Section 18-201.1 of this title.

3 2. For the purposes of this subsection, "financial services"
4 shall include but not be limited to those services provided by the
5 public school district treasurer, encumbrance clerk, payroll clerk
6 and activity fund clerk.

7 3. The treasurer or other financial officer responsible for the
8 financial services of school districts pursuant to this subsection
9 shall, at a minimum, have a bachelor's degree in finance or a
10 finance-related field or complete forty (40) hours of training
11 provided by the State Department of Education within fifteen (15)
12 months of assuming such position.

13 SECTION 2. AMENDATORY 70 O.S. 2011, Section 7-203, is
14 amended to read as follows:

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

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

3 1. Voluntarily or mandatorily consolidated school districts or
4 districts who have received part or all of the territory and part or
5 all of the students of a school district dissolved by voluntary or
6 mandatory annexation, during the first year of consolidation or
7 annexation with a single one-year allocation of funds needed for:

8 a. purchase of uniform textbooks in cases where the
9 several districts were not using the same textbooks
10 prior to consolidation or annexation,

11 b. employment of certified personnel required to teach
12 courses of the district for which personnel from the
13 districts consolidated or annexed are not certified
14 and available,

15 c. employment assistance for personnel of the several
16 districts who are not employed by the consolidated or
17 annexing district. Employment assistance may include
18 provision of a severance allowance for administrators,
19 teachers and support personnel not to exceed eighty
20 percent (80%) of the individual's salary or wages,
21 exclusive of fringe benefits, for the school year
22 preceding the consolidation or annexation. Personnel
23 receiving such severance pay may accumulate one (1)
24 year of creditable service for retirement purposes.

1 Employment assistance may also include the payment of
2 unemployment compensation benefits. The State Board
3 of Education shall provide a severance allowance to
4 employees dismissed from employment due to annexation
5 or consolidation of a school district in the year of
6 the annexation or consolidation and who were denied a
7 severance allowance or unemployment compensation
8 benefits and the voluntary consolidation funding of
9 the annexing or consolidating district or districts
10 has been paid on or after July 1, 2003, at the maximum
11 allowable amount. Application for a severance
12 allowance shall be made to the Finance Division of the
13 State Department of Education by the dismissed
14 employee no later than September 1 of the fiscal year
15 immediately following the fiscal year in which the
16 annexation or consolidation occurred,

- 17 d. furnishing and equipping classrooms and laboratories,
- 18 e. purchase of additional transportation equipment, and
- 19 f. when deemed essential by the school district board of
20 education to achieve consolidation or combination by
21 annexation, renovation of existing school buildings
22 and construction or other acquisition of school
23 buildings; and
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1 2. Assistance to school districts which have entered into a
2 mutual contract with a superintendent as authorized pursuant to
3 Section 5-106A of this title in paying the salary or wages of the
4 superintendent. The assistance shall equal not more than fifty
5 percent (50%) of the salary or wages of the superintendent for not
6 more than three (3) consecutive years. In no case shall the total
7 amount of assistance paid over the three-year period be more than
8 One Hundred Fifty Thousand Dollars (\$150,000.00) nor shall any
9 school district be eligible to receive assistance pursuant to this
10 paragraph for more than one three-year time period.

11 3. Assistance to school districts which have entered into a
12 mutual contract with a treasurer or other financial officer as
13 authorized pursuant to Section 5-106A of this title in paying the
14 salary or wages of the treasurer or other financial officer. The
15 assistance shall equal not more than fifty percent (50%) of the
16 salary or wages of the treasurer or other financial officer for not
17 more than three (3) consecutive years. In no case shall the total
18 amount of assistance paid over the three-year period be more than
19 One Hundred Thousand Dollars (\$100,000.00) nor shall any school
20 district be eligible to receive assistance pursuant to this
21 paragraph for more than one three-year time period.

22 C. The State Board of Education shall only make allocations
23 from the fund to school districts formed from the combination of two
24 or more of the districts whose boards of education notify the State

1 Board of Education on or before June 30 of their intent to annex or
2 consolidate and are subsequently combined by such means by January 1
3 of the second year following the notification of intent. The boards
4 of education which have entered into a mutual contract with a
5 superintendent, treasurer or other financial officer shall notify
6 the Board on or before June 30 of the year preceding the school year
7 the mutual contract will become effective.

8 D. Allocations will be made to school districts formed by
9 voluntary or mandatory consolidation on the basis of combined
10 average daily membership (ADM) of the school year preceding the
11 first year of operation of the school district resulting from the
12 consolidation; provided, not more than two hundred (200) ADM of any
13 one school district shall be counted in determining the combined ADM
14 of any district formed by consolidation. The ADM of any one school
15 district shall not be considered more than once for allocations from
16 the fund when the school district consolidates with two or more
17 school districts. Allocations from the fund pursuant to this
18 subsection shall be calculated by multiplying the combined ADM by
19 Two Thousand Five Hundred Dollars (\$2,500.00).

20 E. Allocations will be made to school districts which have
21 received part or all of the territory and students of a school
22 district by voluntary or mandatory annexation on the basis of ADM of
23 the annexed school district for the school year preceding the first
24 year of operation of the school district resulting from the

1 annexation; provided, not more than two hundred (200) ADM of the
2 annexed district shall be counted. Allocations from the fund
3 pursuant to this subsection shall be calculated by multiplying the
4 allowable ADM by Five Thousand Dollars (\$5,000.00). In no case
5 shall allocations payable pursuant to this subsection be greater
6 than One Million Dollars (\$1,000,000.00).

7 F. If monies in the School Consolidation Assistance Fund are
8 insufficient to make allocations to all qualified combined
9 districts, allocations shall be made based upon the determination of
10 the State Board of Education with preference given to school
11 district consolidation and annexation.

12 SECTION 3. This act shall become effective July 1, 2016.

13 SECTION 4. It being immediately necessary for the preservation
14 of the public peace, health and safety, an emergency is hereby
15 declared to exist, by reason whereof this act shall take effect and
16 be in full force from and after its passage and approval.

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