ENGROSSED SENATE
BILL NO. 932 By: Thompson and Loveless of the Senate

and

Rogers of the House

[schools - contracting with multiple districts - financial services - School Consolidation Assistance Fund - mutual contract - ~~effective date~~ - ~~emergency~~]

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

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

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 the districts as parties, or the contracts may be separate; provided, that a superintendent, administrator, teacher~~,~~ or person providing support services may not enter into contracts with more than one school district without the assent and knowledge of all the school districts with which they are contracting. The districts who contract either mutually or separately with a superintendent,

administrator~~,~~ or teacher, or with a person to provide support services may enter into agreements upon such terms and conditions as the parties may agree and may include terms related to the division of payments for items including, but not limited to, payment of benefits or travel for the superintendent, administrator, teacher~~,~~ or person providing support services. Unless otherwise provided by contract, each district shall pay into the Teachers' Retirement System of Oklahoma the district's pro rata share of the payment required to be paid into the System on behalf of the employee.

B. 1. Public school districts may enter into a mutual contract with a treasurer or other financial officer to provide financial services for each contracting district. Any mutual contract for sharing financial services shall address how the financial services will be shared, how the costs will be allocated, the division of time of the employee, payment of benefits for the employee, contributions to the Teachers' Retirement System of Oklahoma for the employee and how the employee will be counted for calculating certain weights for the purposes of the State Aid Formula as provided for in Section 18-201.1 of this title.

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

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

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

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

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

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

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

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

c. employment assistance for personnel of the several districts who are not employed by the consolidated or annexing district. Employment assistance may include provision of a severance allowance for administrators, teachers and support personnel not to exceed eighty percent (80%) of the individual's salary or wages, exclusive of fringe benefits, for the school year preceding the consolidation or annexation. Personnel receiving such severance pay may accumulate one (1) year of creditable service for retirement purposes. Employment assistance may also include the payment of unemployment compensation benefits. The State Board of Education shall provide a severance allowance to employees dismissed from employment due to annexation or consolidation of a school district in the year of the annexation or consolidation and who were denied a severance allowance or unemployment compensation

benefits and the voluntary consolidation funding of the annexing or consolidating district or districts has been paid on or after July 1, 2003, at the maximum allowable amount. Application for a severance allowance shall be made to the Finance Division of the State Department of Education by the dismissed employee no later than September 1 of the fiscal year immediately following the fiscal year in which the annexation or consolidation occurred,

d. furnishing and equipping classrooms and laboratories,

e. purchase of additional transportation equipment, and

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

2. Assistance to school districts which have entered into a mutual contract with a superintendent as authorized pursuant to Section 5-106A of this title in paying the salary or wages of the superintendent. The assistance shall equal not more than fifty percent (50%) of the salary or wages of the superintendent for not more than three (3) consecutive years. In no case shall the total amount of assistance paid over the three-year period be more than One Hundred Fifty Thousand Dollars ($150,000.00) nor shall any

school district be eligible to receive assistance pursuant to this paragraph for more than one three-year time period.

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

C. The State Board of Education shall only make allocations from the fund to school districts formed from the combination of two or more of the districts whose boards of education notify the State Board of Education on or before June 30 of their intent to annex or consolidate and are subsequently combined by such means by January 1 of the second year following the notification of intent. The boards of education which have entered into a mutual contract with a superintendent, treasurer or other financial officer shall notify the Board on or before June 30 of the year preceding the school year the mutual contract will become effective.

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

E. Allocations will be made to school districts which have received part or all of the territory and students of a school district by voluntary or mandatory annexation on the basis of ADM of the annexed school district for the school year preceding the first year of operation of the school district resulting from the annexation; provided, not more than two hundred (200) ADM of the annexed district shall be counted. Allocations from the fund pursuant to this subsection shall be calculated by multiplying the allowable ADM by Five Thousand Dollars ($5,000.00). In no case shall allocations payable pursuant to this subsection be greater than One Million Dollars ($1,000,000.00).

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

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

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

Passed the Senate the 10th day of March, 2016.

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Presiding Officer of the Senate

Passed the House of Representatives the ____ day of _____, 2016.

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Presiding Officer of the House of Representatives