

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1205

By: Loveless

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6 AS INTRODUCED

7 An Act relating to school audits; directing the State
8 Auditor and Inspector to conduct a performance audit
9 on school district funding; providing for funding of
10 related expenses; amending 70 O.S. 2011, Section 7-
11 203, which relates to the School Consolidation
Assistance Fund; allowing fund to be used for certain
performance audit up to certain maximum amount;
providing for codification; providing an effective
date; and declaring an emergency.

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

14 SECTION 1. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 22-114 of Title 70, unless there
16 is created a duplication in numbering, reads as follows:

17 A. The State Auditor and Inspector shall conduct a performance
18 audit of all school district funding in the state to identify
19 inefficiencies, potential cost savings and best practices.

20 B. Funding for expenses related to the performance audit shall
21 be provided by the School Consolidation Assistance Fund created
22 pursuant to Section 7-203 of Title 70 of the Oklahoma Statutes.

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

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

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

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

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

1 immediately following the fiscal year in which the
2 annexation or consolidation occurred,

- 3 d. furnishing and equipping classrooms and laboratories,
- 4 e. purchase of additional transportation equipment, and
- 5 f. when deemed essential by the school district board of
6 education to achieve consolidation or combination by
7 annexation, renovation of existing school buildings
8 and construction or other acquisition of school
9 buildings; ~~and~~

10 2. Assistance to school districts which have entered into a
11 mutual contract with a superintendent as authorized pursuant to
12 Section 5-106A of this title in paying the salary or wages of the
13 superintendent. The assistance shall equal not more than fifty
14 percent (50%) of the salary or wages of the superintendent for not
15 more than three (3) consecutive years. In no case shall the total
16 amount of assistance paid over the three-year period be more than
17 One Hundred Fifty Thousand Dollars (\$150,000.00) nor shall any
18 school district be eligible to receive assistance pursuant to this
19 paragraph for more than one three-year time period; and

20 3. Assistance to support a performance audit conducted by the
21 State Auditor and Inspector pursuant to Section 1 of this act, not
22 to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000.00).

23 C. The State Board of Education shall only make allocations
24 from the fund to school districts formed from the combination of two

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

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

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

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

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

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

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

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