

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 SENATE BILL 163

By: Sharp

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5
6 AS INTRODUCED

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

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

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

22 Section 5-106A. A. A superintendent, administrator, teacher,
23 or person providing support services may contract with more than one
24 school district to serve as superintendent, administrator, or
25 teacher, as appropriately qualified, or to provide support services
26 for each contracting district. The contract may be mutual with all
27 the districts as parties, or the contracts may be separate;
28 provided, that a superintendent, administrator, teacher, or person

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

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

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

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

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

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

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

- 1 a. purchase of uniform textbooks in cases where the
2 several districts were not using the same textbooks
3 prior to consolidation or annexation,
- 4 b. employment of certified personnel required to teach
5 courses of the district for which personnel from the
6 districts consolidated or annexed are not certified
7 and available,
- 8 c. employment assistance for personnel of the several
9 districts who are not employed by the consolidated or
10 annexing district. Employment assistance may include
11 provision of a severance allowance for administrators,
12 teachers and support personnel not to exceed eighty
13 percent (80%) of the individual's salary or wages,
14 exclusive of fringe benefits, for the school year
15 preceding the consolidation or annexation. Personnel
16 receiving such severance pay may accumulate one (1)
17 year of creditable service for retirement purposes.
18 Employment assistance may also include the payment of
19 unemployment compensation benefits. The State Board
20 of Education shall provide a severance allowance to
21 employees dismissed from employment due to annexation
22 or consolidation of a school district in the year of
23 the annexation or consolidation and who were denied a
24 severance allowance or unemployment compensation

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

- 10 d. furnishing and equipping classrooms and laboratories,
- 11 e. purchase of additional transportation equipment, and
- 12 f. when deemed essential by the school district board of
13 education to achieve consolidation or combination by
14 annexation, renovation of existing school buildings
15 and construction or other acquisition of school
16 buildings; ~~and~~

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

1 school district be eligible to receive assistance pursuant to this
2 paragraph for more than one three-year time period; and

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

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

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

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

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

6 SECTION 3. This act shall become effective July 1, 2017.

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

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