

1 STATE OF OKLAHOMA

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

3 SENATE BILL 405

By: Newhouse

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5
6 AS INTRODUCED

7 An Act relating to schools; amending 70 O.S. 2011,
8 Section 7-203, which relates to the School
9 Consolidation Assistance Fund; allowing the fund to
10 be used to provide assistance for certain dependent
11 districts; allowing the administrative services of
12 dependent school districts to be combined; directing
13 the State Board of Education to take certain action;
14 requiring agreements between school districts to
15 address certain items; authorizing receipt of certain
16 funds; providing form of assistance to be provided;
17 providing definition; providing for codification;
18 providing an effective date; and declaring an
19 emergency.

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

21 SECTION 1. AMENDATORY 70 O.S. 2011, Section 7-203, is
22 amended to read as follows:

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

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

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

- 12 a. purchase of uniform textbooks in cases where the
13 several districts were not using the same textbooks
14 prior to consolidation or annexation,
- 15 b. employment of certified personnel required to teach
16 courses of the district for which personnel from the
17 districts consolidated or annexed are not certified
18 and available,
- 19 c. employment assistance for personnel of the several
20 districts who are not employed by the consolidated or
21 annexing district. Employment assistance may include
22 provision of a severance allowance for administrators,
23 teachers and support personnel not to exceed eighty
24 percent (80%) of the individual's salary or wages,

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

- 21 d. furnishing and equipping classrooms and laboratories,
- 22 e. purchase of additional transportation equipment, and
- 23 f. when deemed essential by the school district board of
24 education to achieve consolidation or combination by

1 annexation, renovation of existing school buildings
2 and construction or other acquisition of school
3 buildings; ~~and~~

4 2. Assistance to school districts which have entered into a
5 mutual contract with a superintendent as authorized pursuant to
6 Section 5-106A of this title in paying the salary or wages of the
7 superintendent. The assistance shall equal not more than fifty
8 percent (50%) of the salary or wages of the superintendent 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 Fifty Thousand Dollars (\$150,000.00) nor shall any
12 school district be eligible to receive assistance pursuant to this
13 paragraph for more than one three-year time period; and

14 3. Assistance to dependent school districts which have
15 voluntarily consolidated administrative services pursuant to Section
16 2 of this act. The assistance shall equal:

17 a. one hundred percent (100%) of the salary and benefits
18 of each individual who serves in an administrative
19 services capacity who resigned, retired or was not re-
20 employed due to consolidation, and

21 b. not more than One Hundred Thousand Dollars
22 (\$100,000.00) to be allocated to the boards of
23 education of the consolidated districts to be used to
24 support teacher compensation, purchase instructional

1 materials or technology or other ways that support the
2 education of students in the districts.

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

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

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

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

17 SECTION 2. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 7-207 of Title 70, unless there
19 is created a duplication in numbering, reads as follows:

20 A. The administrative services of a dependent school district
21 may be voluntarily combined with a contiguous independent school
22 district or districts pursuant to the provisions of this section.

23 B. The State Board of Education shall take action necessary to
24 assist school districts to reach an agreement on combining the

1 administrative services of the dependent school district with one or
2 more contiguous independent school districts. Any agreement for
3 sharing administrative services shall address the division of time
4 of each employee, payment of benefits for each employee,
5 contributions to the Teachers' Retirement System of Oklahoma for
6 each employee and how each employee will be counted for calculating
7 certain weights for purposes of the State Aid formula as provided
8 for in Section 18-201.1 of Title 70 of the Oklahoma Statutes. The
9 agreement shall also address payment of any employees who are
10 employed on a continuing multi-year contract at the time
11 administrative services are combined.

12 C. 1. Dependent school districts which voluntarily consolidate
13 administrative services pursuant to this section shall be authorized
14 to receive funds from the School Consolidation Assistance Fund
15 created pursuant to Section 7-203 of Title 70 of the Oklahoma
16 Statutes.

17 2. The assistance shall equal:

18 a. one hundred percent (100%) of the salary and benefits
19 of each individual who serves in an administrative
20 services capacity who resigned, retired or was not re-
21 employed due to consolidation, and

22 b. not more than One Hundred Thousand Dollars
23 (\$100,000.00) to be allocated to the boards of
24 education of the consolidated districts to be used to

1 support teacher compensation, purchase instructional
2 materials or technology or other ways that support the
3 education of students in the districts.

4 D. For purposes of this section, "administrative services"
5 shall mean the duties of any employee of a school district employed
6 as a superintendent, assistant superintendent, director,
7 coordinator, supervisor and the duties of any employee who has
8 responsibility for administrative functions of a school district,
9 including but not limited to human resources, purchasing, accounting
10 and information technology.

11 E. The Board shall promulgate rules implementing the provisions
12 of this section.

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

14 SECTION 4. It being immediately necessary for the preservation
15 of the public peace, health or 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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