

1 STATE OF OKLAHOMA

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

3 SENATE BILL 932

By: Thompson

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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 mutual  
11 contract; establishing dollar limit for assistance;  
12 establishing time limit for assistance; requiring the  
13 financial services of school districts that meet  
14 certain criteria to be combined; directing the State  
15 Board of Education to take certain action; requiring  
16 submission of certain agreement by certain date;  
17 requiring agreements between school districts to  
18 address certain items; authorizing receipt of certain  
19 funds; providing definition; establishing minimum  
20 criteria for certain treasurer or other financial  
21 officer; providing for promulgation of rules;  
22 providing for codification; providing an effective  
23 date; and declaring an emergency.

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

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

21 Section 7-203. A. There is hereby created in the State  
22 Treasury a fund to be designated the "School Consolidation  
23 Assistance Fund". The fund shall be a continuing fund, not subject  
24 to fiscal year limitations, and shall consist of any monies the

1 Legislature may appropriate or transfer to the fund and any monies  
2 contributed for the fund from any other source, public or private.

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

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

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

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

20 c. employment assistance for personnel of the several  
21 districts who are not employed by the consolidated or  
22 annexing district. Employment assistance may include  
23 provision of a severance allowance for administrators,  
24 teachers and support personnel not to exceed eighty

1 percent (80%) of the individual's salary or wages,  
2 exclusive of fringe benefits, for the school year  
3 preceding the consolidation or annexation. Personnel  
4 receiving such severance pay may accumulate one (1)  
5 year of creditable service for retirement purposes.  
6 Employment assistance may also include the payment of  
7 unemployment compensation benefits. The State Board  
8 of Education shall provide a severance allowance to  
9 employees dismissed from employment due to annexation  
10 or consolidation of a school district in the year of  
11 the annexation or consolidation and who were denied a  
12 severance allowance or unemployment compensation  
13 benefits and the voluntary consolidation funding of  
14 the annexing or consolidating district or districts  
15 has been paid on or after July 1, 2003, at the maximum  
16 allowable amount. Application for a severance  
17 allowance shall be made to the Finance Division of the  
18 State Department of Education by the dismissed  
19 employee no later than September 1 of the fiscal year  
20 immediately following the fiscal year in which the  
21 annexation or consolidation occurred,

- 22 d. furnishing and equipping classrooms and laboratories,
- 23 e. purchase of additional transportation equipment, and

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

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

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

1 eligible to receive assistance pursuant to this paragraph for more  
2 than one three-year time period.

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 be made to school districts which have  
2 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 1210.286 of Title 70, unless  
19 there is created a duplication in numbering, reads as follows:

20 A. The financial services of an elementary or independent  
21 school district with an average daily membership of one hundred  
22 (100) or less shall be combined with a contiguous school district or  
23 districts pursuant to the provisions of this section.

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1           B. The State Board of Education shall take action necessary to  
2 assist school districts which meet the criteria established in  
3 subsection A of this section to reach an agreement on combining the  
4 financial services of the school district with one or more  
5 contiguous school districts. If the school districts cannot agree  
6 and do not present a plan to the Board by December 31, 2016, the  
7 Board shall formulate an agreement between the districts outlining  
8 how the financial services will be shared and how the costs will be  
9 allocated. Any agreement for sharing financial services shall  
10 address the division of time of each employee, payment of benefits  
11 for each employee, contributions to the Teachers' Retirement System  
12 of Oklahoma for each employee and how each employee will be counted  
13 for calculating certain weights for the purposes of the State Aid  
14 formula as provided for in Section 18-201.1 of Title 70 of the  
15 Oklahoma Statutes.

16           C. If one or more school districts in a county meet the  
17 criteria established in subsection A of this section, the Board  
18 shall work with all of the school districts in the county to combine  
19 the financial services of each school district into one countywide  
20 financial service to be shared by all school districts in the  
21 county.

22           D. School districts which meet the criteria established in  
23 subsection A of this section and enter into a mutual contract with a  
24 treasurer or other financial officer shall be authorized to receive

1 funds from the School Consolidation Assistance Fund created pursuant  
2 to Section 7-203 of Title 70 of the Oklahoma Statutes for not more  
3 than three (3) consecutive years.

4 E. For the purposes of this section, "financial services" shall  
5 include but not be limited to accounting, reporting of financial  
6 transactions using the Oklahoma Cost Accounting System, preparing  
7 statements of actual income and expenditures and preparing annual  
8 budgets.

9 F. The treasurer or other financial officer responsible for the  
10 financial services of one or more school districts that meet the  
11 criteria established in subsection A of this section shall, at a  
12 minimum, have a bachelor's degree in finance or a finance-related  
13 field.

14 G. The Board shall promulgate rules to implement the provisions  
15 of this section.

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

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

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