

1 STATE OF OKLAHOMA

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

3 SUBCOMMITTEE RECOMMENDATION  
4 FOR ENGROSSED

5 SENATE BILL NO. 932

By: Thompson and Loveless of  
the Senate

6 and

7 Rogers of the House

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11 SUBCOMMITTEE RECOMMENDATION

12 An Act relating to schools; amending 70 O.S. 2011,  
13 Section 5-106A, which relates to contracting in  
14 multiple districts; allowing districts to enter into  
15 a mutual contract for financial services; requiring  
16 contracts to establish certain items; providing  
17 definition; establishing minimum criteria for certain  
18 treasurer or other financial officer; amending 70  
19 O.S. 2011, Section 7-203, which relates to the School  
20 Consolidation Assistance Fund; allowing the fund to  
21 be used to provide assistance for certain mutual  
22 contract; establishing dollar limit for assistance;  
23 establishing time limit for assistance; providing an  
24 effective date; and declaring an 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:

1 Section 5-106A. A. A superintendent, administrator, teacher, or  
2 or person providing support services may contract with more than one  
3 school district to serve as superintendent, administrator, or  
4 teacher, as appropriately qualified, or to provide support services  
5 for each contracting district. The contract may be mutual with all  
6 the districts as parties, or the contracts may be separate;  
7 provided, that a superintendent, administrator, teacher, or person  
8 providing support services may not enter into contracts with more  
9 than one school district without the assent and knowledge of all the  
10 school districts with which they are contracting. The districts ~~who~~  
11 which contract either mutually or separately with a superintendent,  
12 administrator, or teacher, or with a person to provide support  
13 services may enter into agreements upon such terms and conditions as  
14 the parties may agree and may include terms related to the division  
15 of payments for items including, but not limited to, payment of  
16 benefits or travel for the superintendent, administrator, teacher,  
17 or person providing support services. Unless otherwise provided by  
18 contract, each district shall pay into the Teachers' Retirement  
19 System of Oklahoma the district's pro rata share of the payment  
20 required to be paid into the System on behalf of the employee.

21 B. 1. Public school districts may enter into a mutual contract  
22 with a treasurer or other financial officer to provide financial  
23 services for each contracting district. Any mutual contract for  
24 sharing financial services shall address how the financial services

1 will be shared, how the costs will be allocated, the division of  
2 time of the employee, payment of benefits for the employee,  
3 contributions to the Teachers' Retirement System of Oklahoma for the  
4 employee and how the employee will be counted for calculating  
5 certain weights for the purposes of the State Aid Formula as  
6 provided for in Section 18-201.1 of this title.

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

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

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

19 Section 7-203. A. There is hereby created in the State  
20 Treasury a fund to be designated the "School Consolidation  
21 Assistance Fund". The fund shall be a continuing fund, not subject  
22 to fiscal year limitations, and shall consist of any monies the  
23 Legislature may appropriate or transfer to the fund and any monies  
24 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 school districts which have entered into a  
15 mutual contract with a treasurer or other financial officer as  
16 authorized pursuant to Section 5-106A of this title in paying the  
17 salary or wages of the treasurer or other financial officer. The  
18 assistance shall equal not more than fifty percent (50%) of the  
19 salary or wages of the treasurer or other financial officer for not  
20 more than three (3) consecutive years. In no case shall the total  
21 amount of assistance paid over the three-year period be more than  
22 One Hundred Thousand Dollars (\$100,000.00) nor shall any school  
23 district be eligible to receive assistance pursuant to this  
24 paragraph for more than one three-year time period.

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

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

23 E. Allocations ~~will~~ shall be made to school districts which  
24 have received part or all of the territory and students of a school

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

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

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

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

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21 55-2-9528 AM 03/21/16

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