

**FILED**

MAY 25 1990

State Question No.: 639

**“WARNING”**

OKLAHOMA SECRETARY OF STATE  
Initiative Petition No.: 347

**IT IS A FELONY FOR ANYONE TO SIGN AN INITIATIVE PETITION WITH ANY NAME OTHER THAN HIS OWN, OR KNOWINGLY TO SIGN HIS NAME MORE THAN ONCE FOR THE SAME MEASURE OR TO SIGN SUCH PETITION WHEN HE IS NOT A LEGAL VOTER.**

**INITIATIVE PETITION**

To The Honorable Henry Bellmon,  
Governor of Oklahoma:

We, the undersigned citizens and legal voters of the State of Oklahoma, respectfully order that the following proposed law shall be submitted to the legal voters of the State of Oklahoma for their approval or rejection at the next regular general election, and each for himself says: I have personally signed this petition; I am a legal voter of the State of Oklahoma; my residence and post office are correctly written after my name. The time for filing this petition expires ninety days from May 25, 1990. The question we herewith submit to our fellow voters is:

**SHALL THE FOLLOWING PROPOSED LAW BE APPROVED?**

**BALLOT TITLE**

Shall a law which would repeal all the new language in Enrolled House Bill 1017, of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, and would return the laws regulating education and taxes to read as they did before the Legislature passed and the Governor signed Enrolled House Bill 1017, which included changes in certain school district requirements, created a new Oklahoma Curriculum Committee with added curriculum requirements, set limits on school consolidation, authorized changes in funding, school board procedures, the age for starting public school, kindergarden requirements and programs, procedures regarding teachers and administrators, increased or changed apportionment of several taxes including sales taxes, income taxes, corporate taxes, excise taxes, and gross production taxes be adopted?

**SHALL THE PROPOSED LAW BE APPROVED?**

- ( ) YES — For the Law
- ( ) NO — Against the Law

**BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA THAT THE FOLLOWING LAW BE ADOPTED WHICH SHALL READ AS FOLLOWS:**

**SECTION 1. AMENDATORY 70 O.S. 1981, Section 11-103, as last amended by Section 3, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:**

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Section 11-103. A. The Courses of instruction approved by the State Board of Education for use in school years prior to 1993-94 shall formulate, prescribe, adopt or approve such be those courses for instruction of pupils in the public schools of the state that are necessary to ensure:

1. The teaching of the necessary basic skills of learning and communication, including reading, English, writing, the use of numbers and science; and

2. The teaching of citizenship in the United States, in the State of Oklahoma, and in other countries, through the study of the United States Constitution, the amendments thereto, and the ideals, history, and government of the United States, other countries of the world, and the State of Oklahoma and through the study of the principles of democracy as they apply in the lives of citizens. In study of the United States Constitution, a written copy of the document itself shall be utilized.

It is the intent of the Legislature that the ~~The~~ public school districts of this state shall ensure that each child enrolled therein ~~be is~~ provided with adequate instruction in the basic skills as set out in paragraphs 1 and 2 of this subsection. Provided, prior to May 30, 1983, each ~~Each~~ local board of education shall develop a process whereby such district shall annually evaluate the district's curriculum in order to determine whether each child in the district is receiving adequate basic skill instruction as set out in paragraphs 1 and 2 of this subsection. Such ~~The evaluation~~ process shall provide for parental involvement. ~~Effective July 1, 1990, each district shall submit its annual evaluation of the district's curriculum to the State Board of Education. The State Board shall make this information available to the Oklahoma Curriculum Committee and, beginning with the 1996-97 school year, shall utilize such information in its periodic evaluation of curriculum.~~

B. The Courses approved by the State Board of Education may formulate, prescribe, adopt or approve such courses for instruction of pupils in the public schools of the state for use in school years prior to 1993-94 may include courses that are approved by a local board of education and are necessary to ensure:

1. The teaching of health through the study of proper diet, the effects of alcoholic beverages, narcotics and other substances on the human system and through the study of such other subjects as will promote healthful living and help to establish proper health habits in the lives of school children;

2. The teaching of safety through training in the driving and operation of motor vehicles and such other devices of transportation as may be desirable and other aspects of safety which will promote the reduction of accidents and encourage habits of safe living among school children;

3. The teaching of physical education to all physically able students during the entire school year from first through sixth grade, through physical education, a weekly minimum of seventy-five (75) minutes per student, exclusive of recess activity, supervised play, intramurals, interschool athletics or other extracurricular activities, ~~;~~ provided, any student participating as a member of any school athletic team shall be excused from physical education classes. And; provided further, that certified physical education instructors shall not be required to administer the programs required for grades ~~first one through sixth six~~. An elective program of instructional physical education designed to provide a minimum of one hundred fifty (150) minutes per week per student shall be provided for all students in the seventh grade through the twelfth grade. The State Board of Education shall prescribe qualifications for physical education instructors. Provided, however, that the State Department of Education shall be empowered to exempt all or a portion of this requirement if an undue hardship would result to the school district. Provided, further, that any student who has exceptional talent in music may, with the approval of the superintendent of schools in independent districts or with the approval of the county superintendent in dependent districts, substitute a course in music for the above-required physical education course;

4. The teaching of the conservation of natural resources of the state and the nation that are necessary and desirable to sustain life and contribute to the comfort and welfare of the people now living and those who will live here in the future, such as soil, water, forests, minerals, oils, gas, all forms of wildlife, both plant and animal, and such other natural resources as may be considered desirable to study;

5. The teaching of vocational education, by the study of the various aspects of agriculture, through courses and farm youth organizations, such as FFA and 4-H clubs, homemaking and home economics, trades and industries, distributive education, mechanical and industrial arts and such other aspects of vocational education as will promote occupational competence among school children and adults as potential and actual citizens of the state and nation; ~~and~~

6. The teaching of such other aspects of human living and citizenship as will achieve the legitimate objectives and purposes of public education.

SECTION 2. AMENDATORY Section 1, Chapter 323, O.S.L. 1989, (70 O.S. Supp. 1989, Section 7-201), as last amended by Section 8, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 7-201. Sections 1, 2, 3, 4, 5 and 8 ~~Section 7-201 through Section 7-205~~ of this act title shall be known and may be cited as the "Oklahoma Voluntary School Consolidation and Annexation Act".

SECTION 3. AMENDATORY Section 3, Chapter 323, O.S.L. 1989, (70 O.S. Supp. 1989, Section 7-202), as last amended by Section 9, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 7-202. The provisions of this act ~~Section 7-201 through Section 7-205 of this title~~ shall apply only to school districts created by the consolidation ~~or annexation~~ of two or more entire existing contiguous school districts, whether adjacent or not adjacent, on or ~~and~~ after the effective date of this act section and otherwise in accordance with the provisions of Section 7-101 et seq. of Title 70 of the Oklahoma Statutes.

SECTION 4. AMENDATORY Section 4, Chapter 323, O.S.L. 1989, (70 O.S. Supp. 1989, Section 7-203), as last amended by Section 10, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

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

B. All monies accruing to the credit of said fund are hereby appropriated and may be budgeted and expended by the State Board of Education for the purposes established by the Legislature herein and in accordance with rules and regulations promulgated by the State Board of Education. The purposes shall be to provide ~~voluntarily consolidated school districts or districts combined by voluntary annexation~~, during the first year of consolidation ~~or annexation~~, with a single-one-year allocation of funds needed for:

1. Purchase of uniform textbooks in cases where the several districts consolidated were not using the same textbooks prior to consolidation ~~or annexation~~;

2. Employment of certified personnel required to teach courses of the consolidated district for which personnel from the districts consolidated ~~or combined by annexation~~ are not certified and available;

3. Employment assistance for personnel of the ~~several~~ consolidated districts who are not employed by the consolidated ~~or combined~~ district; ~~which may include provision of a severance allowance for administrators, teachers and support personnel not to exceed eighty percent (80%) of the individual's salary or wages, exclusive of fringe benefits, for the school year preceding the consolidation or annexation. Personnel receiving such severance pay may accumulate one (1) year of creditable service for retirement purposes;~~

4. Furnishing and equipping classrooms and laboratories;

5. Purchase of additional transportation equipment; and

6. When deemed essential by the State Board of Education to achieve consolidation ~~or combination by annexation~~, renovation of existing school buildings and construction or other acquisition of school buildings; provided, a consolidated district ~~or district combined by annexation~~ shall not be eligible for any monies for renovation or construction or other acquisition of school buildings pursuant to this act ~~Section 7-201 et seq. of this title~~ until the board and electors of the consolidated newly formed district approve all the maximum levies allowable pursuant to subsections (a), (c), (d) and (d-1) of Section 9 of Article X of the Oklahoma Constitution and Section 10 of Article X of the Oklahoma Constitution and until the consolidated newly formed district incurs at least eighty-five percent (85%) of the maximum indebtedness, including existing indebtedness, allowable under Section 26 of Article X of the Oklahoma Constitution.

During August of each year, the State Board of Education shall determine the total amount of funds to be allocated from the School Consolidation Assistance Fund for assistance to all the districts created by consolidations completed since the end of the most recent school year. The board shall distribute the funds to each new consolidated district based upon the proportion the average daily membership (ADM) of the second preceding school year of all such new consolidated districts, provided, any district formed by consolidation of previously-existing districts which, when combined, had a total ADM for the second school year prior to the consolidation of more than four thousand (4,000) pupils or which had revenues from all sources per pupil in ADM for the second school year prior to consolidation equaling two hundred percent (200%) or more of the state average revenue from all sources per pupil in ADM, shall not receive any funds from the School Consolidation Assistance Fund or have its ADM figured into the total ADM in determining allocations from the fund. The State Board of Education shall only make allocations from the fund to districts formed from the combination of two or more of the districts whose boards notify the State Board of Education on or before July 1, 1991, of their intent to annex or consolidate and are subsequently combined by such means. If the boards of more than two hundred fifty such districts apply, allocations will be made only to districts formed from the combination of two or more of the first two hundred fifty such districts making application. Allocations will be made to newly formed districts on the basis of combined average daily membership (ADM) of the second school year preceding the first year of operation of the newly formed district; provided, not more than five hundred ADM of any one district shall be counted in determining the combined ADM of the newly formed district for this purpose. Allocations shall be calculated by multiplying the combined ADM by: Five Hundred Dollars (\$500.00) when two districts are combined; Six Hundred Dollars (\$600.00) when three districts are combined; Seven Hundred Dollars (\$700.00) when four districts are combined; and Eight Hundred Dollars (\$800.00) when five or more districts are combined. Allocations, nevertheless, shall

~~be limited to the amount justified for meeting eligible needs as set forth in paragraphs 1 through 6 of this subsection. If monies in the School Consolidation Assistance Fund are insufficient to make allocations to all qualified combined districts, allocations shall be made based upon earliest date of application.~~

C. Expenditures from said fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of State Finance for approval and payment.

SECTION 5. AMENDATORY 70 O.S. 1981, Section 10-105, as last amended by Section 14, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 10-105. A. ~~It Prior to the 1991-92 school year, it~~ shall be unlawful for a parent, guardian, custodian or other person having control of a child who is over the age of seven (7) years and under the age of eighteen (18) years, and who has not finished four (4) years of high school work, to neglect or refuse to cause or compel such child to attend and comply with the rules of some public, private or other school, unless other means of education are provided for the full term the schools of the district are in session, and it.

~~B. Beginning with the 1991-92 school year, it shall be unlawful for a parent, guardian, custodian or other person having control of a child who is over the age of eighteen (18) years, to neglect or refuse to cause or compel such child to attend and comply with the rules of some public, private or other school, unless other means of education are provided for the full term the schools of the district are in session. Beginning with the 1991-92 school year, one-half (1/2) day of kindergarten shall be required of all children five (5) years of age or older as appropriately provided for by Section 1210.282 of this title, or as otherwise excepted from same by this section. A kindergarten program shall be directed toward developmentally appropriate objectives for such children. The program shall require that any teacher employed on and after January 1, 1993, to teach a kindergarten program within the public school system shall be certified in early childhood education. All teachers hired to teach a kindergarten program within the public school system prior to January 1, 1993, shall be required to obtain certification in early childhood education on or before the 1996-97 school year in order to continue to teach a kindergarten program.~~

~~C. It~~ shall be unlawful for any child who is over the age of sixteen (16) years and under the age of eighteen (18) years, and who has not finished four (4) years of high school work, to neglect or refuse to attend and comply with the rules of some public, private or other school, or receive an education by other means for the full term the schools of the district are in session.

Provided, that this section shall not apply:

1. If any such child is prevented from attending school by reason of mental or physical disability, to be determined by the board of education of the district upon a certificate of the school physician or public health physician, or, if no such physician is available, a duly licensed and practicing physician;

2. If any such child is excused from attendance at school, due to an emergency, by the principal teacher of the school in which such child is enrolled, at the request of the parent, guardian, custodian or other person having control of such child;

3. If any such child who has attained his or her sixteenth birthday is excused from attending school by written, joint agreement between

a. the school administrator of the school district where the child attends school, and

- b. the parent, guardian or custodian of the child. Provided, further, that no child shall be excused from attending school by such joint agreement between a school administrator and the parent, guardian or custodian of the child unless and until it has been determined that such action is for the best interest of the child and/or the community, and that said child shall thereafter be under the supervision of the parent, guardian or custodian until the child has reached the age of eighteen (18) years; or

4. If any such child is a member of the Jewish faith, on the days that Rosh Hashanah and Yom Kippur are observed. The child is hereby excused from attending school on said days excused pursuant to subsection D of this section.

~~D. - A school district shall excuse a student from attending school for the purpose of observing religious holy days if before the absence, the parent, guardian, or person having custody or control of the student submits a written request for the excused absence. The school district shall excuse a student pursuant to this subsection for the days on which the religious holy days are observed and for the days on which the student must travel to and from the site where the student will observe the holy days.~~

B. E. It shall be the duty of the attendance officer to enforce the provisions of this section. Any parent, guardian, custodian, child or other person violating any of the provisions of this section shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than Five Dollars (\$5.00) nor more than Twenty-five Dollars (\$25.00) for the first offense, not less than Ten Dollars (\$10.00) nor more than Fifty Dollars (\$50.00) for the second offense, and not less than Twenty-five Dollars (\$25.00) nor more than One Hundred Dollars (\$100.00) for each subsequent offense. Each day the child remains out of school after the written warning has been given or the child ordered to school by the juvenile court may constitute a separate offense. At the trial of any person charged with violating the provisions of this section, the attendance records of the child or ward may be presented in court by any authorized employee of the school district.

SECTION 6. AMENDATORY 70 O.S. 1981, Section 1-114, as last amended by Section 15, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1-114. A. All children between the ages of five (5) years on or before September 1, and twenty-one (21) years on or before September 1, shall be entitled to attend school free of charge in the district in which they reside. Provided that children who have reached the age of five (5) years on or before September 1 of the school year may be admitted to kindergarten classes approved by the State Board of Education. ~~Beginning with the 1990-91 school year, all children who are at least four (4) years of age on or before September 1 and who have not attended a public school kindergarten shall be entitled to attend early childhood programs at any public school in the state where such programs are offered; provided no child shall be required to attend any early childhood education program. Children who meet the qualifications for federally sponsored Head Start programs shall be entitled to attend free of charge and shall be given priority for acceptance into the early childhood programs over children who do not meet the qualifications for the federally sponsored Head Start programs. Those children who do not meet the qualifications for a federally sponsored Head Start program shall be accepted into a program based on the date of receipt of application and upon payment of a sliding scale tuition which shall be set by the local board of education of the district where the child has applied to attend. For purposes of calculation of State Aid, no child for whom tuition has been paid for an early childhood education program shall be included in the average daily membership of the district providing the program.~~ Except as otherwise provided by law, no child shall be enrolled in the first grade unless he or she will have reached the age of six (6) years on or before September 1 of the school year. Children who

have not reached the age of five (5) years on or before September 1 may be admitted to nursery or pre-kindergarten ~~early childhood education~~ classes approved by the State Board of Education and conducted by the school district in which the child resides. Provided, further, that kindergarten children ~~A child accepted for enrollment in an early childhood education program outside of the district of residence~~ shall be eligible for transfer as provided by Section 8-103 of this title ~~to a district where such program is offered~~. Provided, however, any receiving district may object to a proposed transfer on the grounds that said district does not have the physical facilities or the teaching personnel to accommodate the kindergarten student, ~~early childhood education student~~ or students proposed to be transferred. Children who are underage not in attendance in a kindergarten or nursery or pre-kindergarten ~~early childhood education~~ class approved by the State Board of Education may be admitted to the schools of such district on a tuition basis only; and no such nonresident and nontransferred pupil, or any such underage pupil, shall be allowed to attend school in any school district unless there shall have been paid in advance yearly or by semester as determined by the local board of education, to such district, before such attendance during any period, a tuition fee equal to the per capita preceding year. Provided, tuition shall not be required for attendance in the first grade if tuition was paid on an underage child to attend an accredited kindergarten in the same school district, and such first grade attendance shall be a legal attendance. If the State Board of Education discovers that such attendance has been allowed without prior payment of the tuition fee in advance as herein required, no further payment of any State Aid Funds shall be made to the district until such district has shown to the satisfaction of the State Board of Education that all such tuition fees have been paid or that such tuition pupil will no longer be allowed to attend school until the required tuition fee has been paid.

B. Any parent, guardian, person or institution having care and custody of a child who pays ad valorem tax on real property in any other school district other than that in which he resides may, with the approval of the receiving board, enroll the child in any school district in which ad valorem tax is paid and receive a credit on the nonresident tuition fee equal to the amount of the ad valorem tax paid for school district purposes in the school district in which the child is enrolled. Provided, the credit shall not exceed the total amount required for the tuition payment.

SECTION 7. AMENDATORY Section 3, Chapter 335, O.S.L. 1989, (70 O.S. Supp. 1989, Section 11-103.7), as last amended by Section 16, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 11-103.7 Each ~~A. -- By July 1, 1990, the State Department of Education shall develop standards for early childhood education programs for children who are at least four (4) years of age on or before September 1 of the ensuing school year. Beginning with the 1990-91 school year, each school district is authorized to~~ may offer to four-year-old children the opportunity to participate in a prekindergarten-child development ~~an early childhood education~~ program.

~~B. -- Such program shall:~~

~~1. -- be directed toward developmentally appropriate objectives for such children, rather than toward academic objectives suitable for older children;~~

~~2. -- supplement federally sponsored Head Start classes; and~~

~~3. -- accommodate the needs of all children and families regardless of socio-economic circumstances.~~

~~C. -- The program shall require that any teacher employed on and after January 1, 1993, to teach in an early childhood education program within the public school system shall be certified in early childhood education. All teachers hired to teach in early~~

~~childhood education programs within the public school system prior to January 1, 1993, shall be required to obtain certification in early childhood education on or before the 1996-97 school year in order to continue to teach in an early childhood education program.~~

~~D. - A school district may offer such early childhood education program within the district, in cooperation with other districts, through the use of transfers as specified by law, or by contracting with a private or public provider of early childhood education programs to the extent authorized by law and if such provider meets the standards specified by the State Board of Education.~~

~~E. - The State Board of Education shall promulgate rules and regulations to provide for the implementation of such program.~~

~~F. - On and after the effective date of this section, the term "pre kindergarten" shall mean early childhood education for purposes of Title 70 of the Oklahoma Statutes.~~

SECTION 8. AMENDATORY Section 7, Chapter 329, O.S.L. 1985, (70 O.S. Supp. 1989, Section 1210.508), as last amended by Section 19, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma legislature, is amended to read as follows:

Section 1210.508. A. In every school year, the State Board of Education shall cause a norm-referenced test to be administered to every student enrolled in grades three, five, seven, nine, and eleven of the public schools of this state. The test used shall be selected by the Board and shall measure specific skills represented by learner objectives. The student skills to be tested at the specified grade levels shall include reading, mathematics, language arts, communications, science and the principles of citizenship in the United States and other countries through the study of the ideals, history and government of the United States and other countries of the world, and through the study of the principles of democracy as they apply in the lives of citizens. ~~The~~ ~~Because the purpose of such norm-referenced testing is to focus on the progress of students and to diagnose a student's strengths and weaknesses,~~ the Board shall seek to ensure that data yielded from the test is utilized at the school district level to prescribe skill reinforcement and/or remediation by requiring school districts to develop and implement a specific program of improvement based on the test results.

~~B. - The State Department of Education shall review existing norm-referenced tests commercially available and shall designate for statewide use those tests which evaluate the broadest range of identified, age-appropriate competencies. Such review process shall be coordinated, to the maximum extent possible, with the work of the Oklahoma Curriculum Committee. The first report of the review shall be filed by the State Board of Education with the Oklahoma Legislature on or before June 30, 1992, and shall be filed with the Oklahoma Legislature on June 30 every third year thereafter.~~

B. G. In every school year, the Board shall cause a norm-referenced writing assessment test to be administered to every seventh- and tenth-grade student.

C. ~~D.~~ Beginning with the 1992-93 school year, the Board shall cause a criterion-referenced test to be administered to every student enrolled in the twelfth grade of the public schools of this state. This test shall be designed to indicate whether basic and higher order competencies expected of Oklahoma high school graduates, ~~as defined by the Board,~~ have been mastered by the student. The test shall include sections on reading ~~and writing~~ of English, writing of English ~~culture and the arts~~, mathematics, science, ~~geography~~ and the history and government of the United States. Specific competencies expected and measures of satisfactory performance shall be determined by the Board and shall be consistent with learner outcomes ~~the curricula for instruction~~ promulgated by the Board. Each twelfth-grade student shall have the opportunity to take the test not later than the end of October of the twelfth-grade year.

Each such student who does not perform satisfactorily on all sections of the test shall have additional opportunities during the remainder of the student's twelfth-grade enrollment to retake sections of the test on which performance was unsatisfactory. Except as otherwise provided by law, and effective September 1, 1992, a student shall not receive a diploma from a public high school of this state until that student has performed satisfactorily on all sections of said test. A student who completes the requirements for graduation from a public high school of this state, but who does not qualify for a diploma as a result of this act shall receive a Certificate of Attendance and Completion. For purposes of test development, the Board is authorized to conduct pilot testing during the 1989-90, 1990-91, and 1991-92 school years.

~~E. - Beginning with the 1991-1992 school year, the Board shall develop and, beginning with the 1992-93 school year, shall administer and incorporate as a part of the Oklahoma School Testing Program, other testing programs or procedures necessary to measure additional competencies of students which are not adequately measured by the tests required by this section.~~

SECTION 9. AMENDATORY Section 6, Chapter 329, O.S.L. 1985, (70 O.S. Supp. 1989, Section 1210.507), as last amended by Section 20, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1210.507 A. The State Board of Education shall promulgate rules and regulations necessary for the implementation and administration of the provisions of the Oklahoma School Testing Program Act, Section 1210.505 et seq. of this title.

~~B. - Beginning July 1, 1990, the State Board of education shall require school district boards of education to annually provide information to the district's students, parents of students, and the public at large about the proper meaning and use of tests administered pursuant to the provisions of the Oklahoma School Testing Program Act. The Department shall develop materials and make them available to school districts regarding the Oklahoma School Testing Program.~~

SECTION 10. AMENDATORY Section 13, Chapter 335, O.S.L. 1989, (70 O.S. Supp. 1989, Section 1210-531), as last amended by Section 21, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1210.531 A. The State Board of Education shall establish an Oklahoma Educational Indicators Program. The purpose of the Program shall be to develop and implement a system of measures whereby the performance of public schools and school districts is assessed and reported without undue reliance upon any single type of indicator, and whereby the public, ~~including students and parents,~~ may be made aware of the ~~proper meaning and use of any tests administered under the Oklahoma School Testing Program Act,~~ relative accomplishments of the public schools, and of progress being accomplished of the public schools, and of progress being achieved. The Board shall involve representatives of various organizations of school teachers and of school administrators in the development of the Program. The Program shall be so designed that use of standardized definitions and measures and opportunities for coordination with national reports, including those of the National Assessment of Educational Progress, are maximized.

B. Initially, the Oklahoma Educational Indicators Program shall present information for comparisons of graduation rates, dropout rates, pupil-teacher ratios, and test results in the contexts of socioeconomic status and the finances of school districts. Information shall be provided individually for all public schools and school districts in a format that facilitates comparisons. As the necessary data becomes available, comparisons shall also be provided individually for all schools and school districts on a historical basis. Reports of first-grade readiness assessments and of all tests administered pursuant to the Oklahoma School Testing Program Act, Section 1210.505

et seq. of Title 70 of the Oklahoma Statutes, shall be a part of the Oklahoma Educational Indicators Program and shall be provided for each grade and each test subject or section. The State Board of Education shall seek to develop and incorporate additional indicators of comparative standing and accomplishment.

C. Additionally, the State Board of Education, with the cooperation of the Oklahoma State Regents for Higher Education, the State Board of Vocational and Technical Education, and the Oklahoma Employment Security Commission, shall develop procedures for obtaining and reporting data to the high schools and to the general public regarding the employment of graduates of each of Oklahoma's high schools and regarding the performance of each high school's graduates in Oklahoma's institutions of higher education and in postsecondary vocation-technical education. Not later than the 1991-92 school year, the State Board of Education shall begin including such data in the report of the Oklahoma Educational Indicators Program.

D. By the end of November of 1989 and each year thereafter, the State Board of Education shall publish a summary report to the people of Oklahoma of the information provided by the Oklahoma Educational Indicators Program. Immediately following the publication of the summary report each year, all data gathered pursuant to the Oklahoma Educational Indicators Program shall be made available for public inspection at the offices of the State Board or State Department of Education; provided, confidentiality of individual student records shall be preserved as required by law.

SECTION 11. AMENDATORY Section 7, Chapter 296, O.S.L. 1988, (26 O.S. Supp. 1989, Section 13A-106), as last amended by Section 25, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 13A-106. A. To be eligible to be a candidate for member of the board of education of a school district or vocational-technical school district, a person must have been a registered voter registered with the county election board at an address located within the geographical boundaries of the district for six (6) months preceding the first day of the filing period. ~~Beginning May 1, 1990, no person shall be eligible to be a candidate for or elected to be a member of the board of education of a school district or vocational-technical school district unless the person has been awarded a high school diploma or certificate of high school equivalency.~~ In school districts that are divided into election districts, a candidate must have been a registered voter registered with the county election board at an address located within the geographical boundaries of the election district for six (6) months preceding the first day of the filing period. ~~Beginning May 1, 1990, no person shall be eligible to be a candidate for or elected to be a member of the board of education unless the person has been awarded a high school diploma or certificate of high school equivalency.~~

B. To be eligible to vote in a school district election or a vocational-technical school district election, a person must be registered with the county election board at an address located within the geographical boundaries of the district. To be eligible to vote in an election district election within a school district, a person must be registered with the county election board at an address located within the geographical boundaries of the election district.

SECTION 12. AMENDATORY 70 O.S. 1981, Section 5-110, as last amended by Section 26, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 5-110. A. At the time a school district elector files a notification and declaration of candidacy for the office of district board of education membership, such elector shall agree and pledge in writing that, upon election or appointment as a member of the district board of education, such member will attend a two-day workshop

to be held within the state by the State Department of Education in cooperation with the Oklahoma State School Boards Association for study and instruction on the subjects of school finance, the Oklahoma School Code and related laws, and the ethics, duties and responsibilities of district board of education members. Provided, that the provisions of this subsection shall not apply to any elector who has had prior experience of one (1) year or more immediately preceding the date of the school district election as a member of the district board of education to which membership is sought.

B. The State Department of Education in cooperation with the Oklahoma State School Boards Association shall, not later than six (6) months immediately after the annual elections of various district board of education members, determine the members of the district boards of education pledged to attend the workshop established by subsection A of this section, and shall notify such members of the time and place such workshop is to be conducted. Upon completion of the workshop, the certificate of completion shall be included in the public records of the school board's minutes. Each school board member shall be required within ~~thirteen (13)~~ ~~nine (9)~~ months following his or her election to complete the workshop established by subsection A of this section or ~~to~~ attend twenty (20) hours of other state workshops conducted by the Oklahoma State School Boards Association as instruction on the subjects of school finance, the Oklahoma School Code and related laws, and the ethics, duties and responsibilities of district board of education members. If a member has not satisfied the above workshop requirements within ~~thirteen (13)~~ ~~nine (9)~~ months of his or her election, the local board of education shall declare the seat of such member vacant and fill the vacancy according to law. Provided, however, the above requirement will not be required of board members serving at the time of the passage of this law, and, further, a member who has completed the above requirements shall not be required to attend such workshops as a condition for retention of office in any continuous, subsequent terms of office as a board member. All government departments, agencies and institutions of this state are directed to lend such assistance as may be required by the State Department of Education for the proper conduct and administration of the workshops. The State Department of Education shall maintain a permanent record of each district board of education member who successfully completes a workshop and shall issue a certificate of completion to such member.

C. The State Department of Education and the Oklahoma State School Boards Association are authorized to charge persons pledged to attend the workshop a registration fee sufficient to defray the estimated costs of presenting the workshop or Thirty-five Dollars (\$35.00) per registrant, whichever is the lesser amount, and to collect such fees at the time of registration. Provided, the registration fees to be charged shall be announced prior to the filing periods for school board elections.

D. Any member of a district board of education who attends and successfully completes a workshop as required by subsection A of this section shall be reimbursed by the school district for expenses incurred, not to exceed compensation in the sum of Twenty-five Dollars (\$25.00) per day and actual expenses for lodging, meals, registration fees and transportation to and from the place of the workshop, as provided in the State Travel Reimbursement Act.

SECTION 13. AMENDATORY Section 1, Chapter 10, O.S.L. 1989, (70 O.S. Supp. 1989, Section 5-110.1), as last amended by Section 27, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 5-110.1 A. In addition to the requirements of Section 5-110 of Title 70 of the Oklahoma Statutes, every member of a school district board of education shall be required to attend a minimum of fifteen (15) hours of continuing education during the ~~any full~~ term of office of the member. The continuing education courses, ~~local and state workshops, seminars, conferences, and conventions~~ which shall satisfy the continuing education requirement shall be held within this state and shall be sp-

~~sored approved jointly~~ by the Oklahoma State School Boards Association in cooperation jointly with the State Department of Education and the State Department of Vocational and Technical Education.

B. Courses or seminars ~~Local and state continuing education programs~~ conducted pursuant to the provisions of this section shall be held in all regions of the state at institutions of higher learning or vocational-technical schools ~~or other approved sites~~. Notice of such courses and seminars shall be provided to all school board members and to the public schools.

C. This section shall not apply to those ~~school board~~ members who have ~~had~~ two (2) years or less time remaining in their term of office on July 1, 1989.

D. Failure by a board member to satisfy the continuing education requirements of this section shall result in the ineligibility of the member to run for reelection to the school district board of education.

E. The State Department of Education and the Oklahoma State School Boards Association may charge persons attending continuing education courses a registration fee sufficient to defray the estimated costs of presenting the course. The registration fees for each course shall be announced prior to the date of such course.

F. Any member of a school district board of education who attends and completes a course which satisfies in part or in full the requirements of this section shall be reimbursed by the school district for expenses incurred.

SECTION 14. AMENDATORY Section 3, Chapter 329, O.S.L. 1985, (70 O.S. Supp. 1989, Section 18-113.1), as last amended by Section 28, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 18-113.1 A. the provisions of this subsection shall apply only to grades one through three.

1. Except as otherwise provided for in this section, no child shall be included in the average daily attendance membership of a school district for the purpose of computing and paying state-appropriated funds if that child is regularly assigned to a teacher or to a class that includes:

- a. for the 1989-90 school year, more than twenty-two (22) students; and
- b. for the 1990-91 school year and each school year thereafter through the 1992-93 school year, more than twenty-one (21) students; ~~and~~
- c. ~~for the 1993-94 school year and each school year thereafter, more than twenty (20) students.~~

2. If a class or classes in a grade exceed the class size limitation provided for in this subsection, the class size limitation and penalty shall not apply if:

- a. the creation of an additional class would cause a class to have fewer than ten (10) students; and
- b. a teacher's assistant, ~~as defined in Section 6-127 of this title~~, is employed to serve with each teacher in a class that exceeds the class size limitation provided for in this subsection.

3. No school district shall be penalized for initially exceeding class size limitations during the last nine (9) weeks of the school year.

4. No school district shall be penalized for exceeding the class size limitations for the 1988-89 school year which were established by this subsection prior to the effective date of this act unless:

- a. the school district had a general fund balance for fiscal year 1988 in excess of twenty percent (20%) of the district's receipts or expenditures, whichever is less, for that year; or
- b. the number of students per class exceeded thirty-three (33) and a full-time teaching assistant was not present.

B. The provisions of this subsection shall apply only to grades four through six.

1. Except as otherwise provided for in this section, no child shall be included in the average daily attendance membership of a school district for the purpose of computing and paying state-appropriated funds if that child is regularly assigned to a teacher or to a class that includes more than twenty-five (25) students.

- ~~a. for the 1989-90 school year, more than twenty-five (25) students;~~
- ~~b. for the 1990-91 school year, more than twenty-three (23) students;~~
- ~~c. for the 1991-92 school year, more than twenty-two (22) students;~~
- ~~d. for the 1992-93 school year, more than twenty-one (21) students; and~~
- ~~e. for the 1993-94 school year and each school year thereafter, more than twenty (20) students.~~

2. If a class or classes in a grade exceed the class size limitation provided for in this subsection, the class size limitation and penalty shall not apply if the creation of an additional class would cause a class to have fewer than sixteen (16) students.

3. A school district may adjust the class size limitation provided for in this subsection, based on the number of classes in each grade in the previous year, by using a five percent (5%) deviation factor under the maximum set out.

C. The provisions of this subsection shall apply only to grades seven through nine.

1. Except as otherwise provided for in this section, no child shall be included in the average daily attendance membership of a school district for the purpose of computing and paying state-appropriated funds if that child is regularly assigned to a teacher or to a class that includes more than thirty-six (36) students.

2. If a class or classes in a grade exceed the class size limitation provided for in this subsection, the class size limitation and penalty shall not apply if the creation of an additional class would cause a class to have fewer than sixteen (16) students.

3. A school district may adjust the class size limitation provided for in this subsection, based on the number of classes in each grade in the previous year, by using a five percent (5%) deviation factor under the maximum set out.

D. Classes in the following subjects shall not be subject to the class size limitations provided for in subsections A, B and C of this section:

1. physical education; ~~and~~
2. music, vocal and instrumental; ~~chorus, band, orchestra and similar music classes.~~

3. art;

4. typing;

5. vocational courses, and

6. library.

E. If a school district groups its grades as grades one through five, grades six through eight, and grades nine through twelve, then as to such district the provisions of subsection B of this section shall apply to grades four and five rather than grades four through six, and subsection C of this section shall apply to grades six through eight rather than grades seven through nine.

F. School districts which receive state-appropriated funds pursuant to the provisions of Section 10-112.2 of this title and do not comply with the provisions of this section shall be subject to limitations specified in this section. ~~Any class size violations shall result in denial of accreditation in accordance with the requirements of Section 2 of this act.~~

G. Any school district which at the beginning of the school year does not have sufficient classrooms to meet the class size limitation provided for in this section as determined by guidelines established by the State Board of Education shall not be penalized for failure to meet the class size limitations provided for in this section if:

- a. (1) the school district has voted indebtedness, at any time within the five (5) years preceding the year the district exceeds the class size limitations, through the issuance of bonds or approval by voters of issuance of new bonds for more than eighty-five percent (85%) of the maximum allowable pursuant to the provisions of Section 26 of Article X of the Oklahoma Constitution as shown on the school district budget filed with the State Equalization Board for the current school year and certifications by the Attorney General prior to February 1 of the current school year, or
- (2) the board of education of the school district has filed a resolution calling for such bond election with the county election board pursuant to Section 2-101 of this title, or
- (3) the board of education of the school district is in the process of completing a bond issue to be voted on during the current fiscal year; and
- b. on the date of filing of the school district budget with the State Equalization Board, the school district is voting the maximum millage allowable for the support, maintenance and construction of schools as provided for in subsections (a), (c), (d) and (d-1) of Section 9 of Article X of the Oklahoma Constitution and Section 10 of Article X of the Oklahoma Constitution.

H. Any school district which exceeds the class size limitations as set forth in this section shall submit a written report to the State Board of Education, on or before July 1 of each year, setting forth the procedures that the district will follow in order to comply with this section.

SECTION 15. AMENDATORY Section 2, Chapter 214, O.S.L. 1989, (70 O.S. Supp. 1989, Section 18-113.2), as last amended by Section 29, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 18-113.2 A. The provisions of this section shall apply only to kindergarten.

1. No child shall be included in the average daily attendance membership of a school district for the purpose of computing and paying state-appropriated funds if that child is regularly assigned to a teacher or to a class that includes:

- a. for the 1989-90 school year, more than twenty-five (25) students;
- b. for the 1990-91 school year, more than twenty-four (24) students;
- c. for the 1991-92 school year, more than twenty-three (23) students; and
- d. for the 1992-93 school year and each school year thereafter, more than twenty-two (22) students; ~~and~~
- e. ~~for the 1993-94 school year and each school year thereafter, more than twenty (20) students.~~

2. If a class or classes in a grade exceed the class size limitation provided for in this subsection, the class size limitation and penalty shall not apply if:

- a. the creation of an additional class would cause a class to have fewer than ten (10) students; and
- b. a teacher's assistant, ~~as defined in Section 6-127 of this title~~, is employed to serve with each teacher in a class that exceeds the class size limitation provided for in this subsection.

3. No school district shall be penalized for initially exceeding class size limitations during the last nine (9) weeks of the school year.

4. Any school district which at the beginning of the school year does not have sufficient classrooms to meet the class size limitation provided for in this section as determined by guidelines established by the State Board of Education shall not be penalized for failure to meet the class size limitations provided for in this section if:

- a. (1) the school district has voted indebtedness, at any time within the five (5) years preceding the year the district exceeds the class size limitations, through the issuance of bonds or approval by voters of issuance of new bonds for more than eighty-five percent (85%) of the maximum allowable pursuant to the provisions of Section 26 of Article X of the Oklahoma Constitution as shown on the school district budget filed with the State Equalization Board for the current school year and certifications by the Attorney General prior to February 1 of the current school year, or
- (2) the board of education of the school district has filed a resolution calling for such bond election with the county election board pursuant to Section 2-101 of this title, or
- (3) the board of education of the school district is in the process of completing a bond issue to be voted on during the current fiscal year; and
- b. on the date of filing of the school district budget with the State Equalization Board, the school district is voting the maximum millage allowable for the support, maintenance and construction of schools as provided for in subsections (a), (c), (d) and (d-1) of Section 9 of Article X of the Oklahoma Constitution and Section 10 of Article X of the Oklahoma Constitution.

B. School districts which receive state-appropriated funds pursuant to the provisions of Section 18-112.2 of this title and do not comply with the provisions of this section shall be subject to loss of State Aid for each child in excess of the class size limitations specified in this section. Any class size violations shall result in denial of accreditation in accordance with the requirements of Section 2 of this act.

SECTION 16. AMENDATORY 70 O.S. 1981, Section 6-127, as last amended by Section 31, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 6-127. ~~A. --Beginning with the 1990-91 school year, every school site shall employ a teacher's assistant or use a volunteer for each class in grades kindergarten through two which has a class size of more than twenty (20) students in average daily membership as of September 15 of each year and which is composed of students, at least twenty percent (20%) of whom meet the criteria specified in subsection B of this section; provided, this requirement shall not apply to classes that are not subject to class size limitations pursuant to subsection D of Section 18-113.1 of this title or to pull-out sections for Chapter 1 or to Special Education students. Assistants shall be required as of September 15 of each year.~~ The State Board of education shall establish regulations that prescribe the qualifications for and duties of teacher assistants in public schools. ~~Teacher~~ The State Board of Education shall also establish standards and regulations which provide for a determination of how and when teacher assistants may be used as an appropriate and necessary part of classroom instruction. ~~In addition to any other duties which the Board may deem appropriate, teacher assistants may perform or assist a classroom teacher in the performance of hallroom duty, bus duty, playground duty, lunchroom duty, extracurricular activities involving school functions or any other noninstructional duty the Board may prescribe. Provided, nothing in this section shall construe teacher assistants to be defined as personnel as set out in Section 6-108 of this title or require teacher assistants to possess the certification required for teachers.~~

~~B. -- Any student who meets the criteria established by the State Board which are commensurate with established eligibility criteria for participation in the National School Lunch Act of 1946, 42 U.S.C. Section 1751 et seq. as amended, shall be included in the percentage necessary to meet the requirement of subsection A of this section for the entitlement to a teacher's assistant for such class.~~

~~C. -- For the purposes of this section, and for Sections 18-113.1 and 18-113.2 of this title, a federally-funded bilingual assistant shall not qualify as a teacher's assistant.~~

SECTION 17. AMENDATORY 70 O.S. 1981, Section 1-111, as last amended by Section 32, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1-111. ~~A.~~ A school day for any group of pupils shall consist of not less than six (6) hours devoted to school activities, except that a school day for nursery, pre-kindergarten ~~early childhood education~~, kindergarten, and first grade and senior high school groups shall be as otherwise defined by law or as defined by the state Board of Education. Not more than one (1) school day shall be counted for attendance purposes in any twenty-four-hour period. Pupils absent from school in which they are regularly enrolled may be considered as being in attendance if the reason for such absence is to participate in scheduled school activities under the direction and supervision of a regular member of the faculty.

~~B. -- Beginning with the 1993-94 school year, the school day for kindergarten may consist of six (6) hours devoted to school activities.~~

SECTION 18. AMENDATORY 70 O.S. 1981, Section 5-130, as last amended by Section 33, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 5-130. ~~A.~~ The board of education of any school district may, under such regulations and conditions as it may prescribe:

1. open any school building and permit the use of any property belonging to such district for religious, political, literary, ~~community~~, cultural, scientific, mechanical ~~or~~, agricultural, ~~or parental involvement~~ purposes, and other purposes of general public interest;

2. contract, until December 31, 1989, to provide transportation equipment as defined in Section 9-104 of this title for any purpose specified in paragraph 1 of this section. On and after January 1, 1990, no board of education of any school district may contract to provide such transportation equipment; and

3. make a reasonable charge to cover the cost of the use of such building, property or transportation equipment.

~~B. -- The State Board of Education shall encourage each board of education to inquire into and promote the use of its school buildings and property for the purposes provided in subsection A of this section for such activities both before and after regular school hours.~~

SECTION 19. AMENDATORY Section 15, Chapter 335, O.S.L. 1989, (70 O.S. Supp. 1989, Section 1210-551), as last amended by Section 36, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1210.551 A. The State Board of Education is authorized to assist, and if funds are available to make grants to, local boards of education for the establishment of pilot projects that replace the traditional organization of teaching and learning with innovative management and instructional systems and materials. Projects may involve entire districts, combinations of districts, combinations of schools, or elements of schools individually or in combination. Projects shall not supplant existing alternative school programs.

B. ~~The On or before March 31, 1990, the~~ State Board of Education shall determine pilot project criteria, ~~and by May 31, 1990;~~ solicit proposals, and establish a process for the consideration of proposals. Such proposals for pilot projects shall be considered on a statewide competitive basis. Proposals which require a substantial policy-determination role for teachers and which include a process for measuring the progress and achievement of students involved shall be given preference.

C. The State Board of Education is authorized to promulgate rules and regulations for the operation of such projects and to grant exceptions to rules and regulations for districts selected to operate such projects. The State Board shall have the authority to require termination of a pilot project or its continuation at any time that it finds such termination to be in the best interests of the students involved.

SECTION 20. AMENDATORY Section 17, Chapter 329, O.S.L. 1985, (70 O.S. Supp. 1989, Section 5-117.4), as last amended by Section 39, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 5-117.4 A. Each local board of education shall, after convening an advisory planning committee which includes teachers and parents, and after holding at least one public hearing, adopt a four-year school improvement plan for the district.

Each plan shall include stated goals that clearly delineate educational expectations, and shall be updated on an annual basis. The plan shall also include a specific program of improvement through academic skill reinforcement and/or remediation pursuant to the provisions of the Oklahoma School Testing Program Act. Such plan shall include an evaluation of the instructional program in the basic skills areas as specified in paragraphs 1 and 2 of subsection A of Section 11-103 of this title and specific plans whereby such high schools within the district, if such school does not have North Central accreditation, will initiate the planning process of meeting or exceeding all North Central Association of Colleges and Schools requirements by the beginning of the 1992-93 school year ~~the accreditation requirements in Section 2 of this act.~~

B. The school improvement plan shall be submitted to the State Board of Education as provided in Section 3-104.2 of this title.

SECTION 21. AMENDATORY 70 O.S. 1981, Section 3-101, as last amended by Section 40, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 3-101. The State Board of Education shall be the governing board of the State Department of Education and shall consist of seven (7) members. The State Superintendent of Public Instruction shall be a member and the president chairperson of said Board. The remaining six members shall be appointed by the Governor by and the advice and consent of the Senate. ~~Beginning April 2, 1991, no person shall be eligible to be appointed to serve on the State Board unless said person has been awarded a high school diploma or certificate of high school equivalency.~~

The Governor shall appoint one member to serve for one (1) year; one member to serve for two (2) years; one member to serve for three (3) years; one member to serve for four (4) years; one member to serve for five (5) years; and one member to serve for six (6) years. Said members shall serve until their successors are duly appointed and qualified. Their successors shall be appointed for a term of six (6) years, and thereafter the term of each member of said Board shall be six (6) years. ~~An appointment shall be made to take effect on April 2 of each year. Except for the State Superintendent of Public Instruction, a member shall be appointed from each of the six (6) Congressional Districts in existence on December 31, 1990, not to exceed more than one member from any one county, city or town.~~ Upon the occurrence of a vacancy the same shall be filled by the Governor, subject to confirmation by the Senate at the next session of the Legislature, such appointments to be made for the unexpired term.

The terms of the six members of the State Board of Education shall expire on the first day of April of the year in which the term of each member expires. ~~Terms of the members shall be staggered so that only one term expires each year.~~ Each member of the Board shall receive necessary traveling expenses while in the performance of his duties in accordance with the State Travel Reimbursement Act.

Provided, that persons serving as members of the State Board of Education when this Code becomes effective ~~on the effective date of this act~~ shall continue to serve as members of the State Board of Education for the terms for which they were appointed.

SECTION 22. AMENDATORY 70 O.S. 1981, Section 18-114, as last amended by Section 44, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 18-114. Teachers ~~For the 1990-91 school year, teachers~~ in the public schools of Oklahoma shall receive in salary and/or fringe benefits not less than the amounts specified in the following schedule:

MINIMUM SALARY SCHEDULE

Years of Experience	Bachelor's Degree	Master's Degree	Doctor's Degree
0	<u>\$15,060</u>	<u>\$16,166</u>	<u>\$17,272</u>
	<del>\$17,000</del>	<del>\$18,106</del>	<del>\$19,212</del>
1	<u>\$16,221</u>	<u>\$17,327</u>	<u>\$18,433</u>
	<del>\$18,161</del>	<del>\$19,267</del>	<del>\$20,373</del>
2	<u>\$16,553</u>	<u>\$17,659</u>	<u>\$18,765</u>
	<del>\$18,493</del>	<del>\$19,599</del>	<del>\$20,705</del>
3	<u>\$16,774</u>	<u>\$17,800</u>	<u>\$18,986</u>
	<del>\$18,714</del>	<del>\$19,820</del>	<del>\$20,926</del>
4	<u>\$17,106</u>	<u>\$18,212</u>	<u>\$19,318</u>
	<del>\$19,046</del>	<del>\$20,152</del>	<del>\$21,258</del>
5	<u>\$17,438</u>	<u>\$18,544</u>	<u>\$19,650</u>
	<del>\$19,599</del>	<del>\$20,484</del>	<del>\$21,590</del>
6	<u>\$17,659</u>	<u>\$18,765</u>	<u>\$19,871</u>
	<del>\$19,599</del>	<del>\$20,705</del>	<del>\$21,590</del>
7	<u>\$17,991</u>	<u>\$19,097</u>	<u>\$20,203</u>
	<del>\$19,931</del>	<del>\$21,037</del>	<del>\$22,143</del>
8	<u>\$18,212</u>	<u>\$19,318</u>	<u>\$20,535</u>
	<del>\$20,152</del>	<del>\$21,258</del>	<del>\$22,475</del>
9	<u>\$18,544</u>	<u>\$19,650</u>	<u>\$20,756</u>
	<del>\$20,484</del>	<del>\$21,590</del>	<del>\$22,696</del>
10	<u>\$18,765</u>	<u>\$19,871</u>	<u>\$20,977</u>
	<del>\$20,705</del>	<del>\$21,811</del>	<del>\$22,917</del>
11	<u>\$19,097</u>	<u>\$20,203</u>	<u>\$21,309</u>
	<del>\$21,037</del>	<del>\$22,143</del>	<del>\$23,249</del>
12	<u>\$19,318</u>	<u>\$20,424</u>	<u>\$21,530</u>
	<del>\$21,258</del>	<del>\$22,364</del>	<del>\$23,470</del>
13	<u>\$19,650</u>	<u>\$20,756</u>	<u>\$21,862</u>
	<del>\$21,590</del>	<del>\$22,696</del>	<del>\$23,802</del>
14	<u>\$19,761</u>	<u>\$20,867</u>	<u>\$21,973</u>
	<del>\$21,701</del>	<del>\$22,807</del>	<del>\$23,913</del>
15	<u>\$20,092</u>	<u>\$21,198</u>	<u>\$22,304</u>
	<del>\$22,032</del>	<del>\$23,138</del>	<del>\$24,244</del>

Any of the degrees referred to in this section shall be from a college recognized by the State Board of Education. The State Board of Education shall accept teaching experience from out-of-state school districts that are accredited by the State Board of Education or appropriate state state accrediting agency for said districts. For the purpose of state salary increments and retirement, no teacher shall be granted credit for more than five (5) years' active duty in the military service, or out-of-state teaching experience as a certified teacher or its equivalent. Nothing in this section shall prohibit boards of education from crediting more years of experience on local salary schedules than those allowed for state purposes. The State Board of Education shall recognize, for purposes of certification and salary increments the years of experience of a certified teacher who teaches in the Department of Corrections' educational program beginning with fiscal year 1981. Beginning August 1, 1983, the State Board of Education shall recognize for purposes of certification and salary increments the years of experience of a Vocational Rehabilitation Counselor under the Department of Human Services if such counselor was employed as a certified teacher by the State Department of Education when the Division of Vocational Rehabilitation was transferred from the State Board for Vocational Education or the State Board of Education to the Oklahoma Public Welfare Commission on July 1, 1968.

Beginning August 1, 1984, the State Board of Education shall recognize for purposes of certification and salary increments all of the years of experience a Vocational Rehabilitation Counselor completed while employed by the Department of Human Services if such counselor was certified as a teacher or was eligible for certification as a teacher in Oklahoma.

The State Board of Education shall recognize for purposes of certification and salary increments all of the years of experience that a certified school psychologist or psychometrist completed while employed as a doctoral intern, psychological assistant, or psychologist with any agency of the State of Oklahoma if such experience primarily involved work with persons of school or preschool age and if such person was, at the time the experience was acquired, certified as, or eligible for certification as, a school psychologist or psychometrist.

SECTION 23. AMENDATORY Section 40, Chapter 330, O.S.L. 1983, (70 O.S. Supp. 1989, Section 5-141), as last amended by Section 49, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 5-141. ~~A.~~ Each school district of this state shall adopt a minimum salary schedule and shall transmit a copy of it to the State Board of Education within thirty (30) days after adoption. ~~A school district shall not calculate teacher's salaries solely as a proportion of the salaries of that district's administrators. Districts shall be encouraged to provide compensation schedules to reflect district policies and circumstances, including differential pay for different subject areas and special incentives for teachers in districts with specific geographical attributes.~~ The State Department of Education shall compile a report of the minimum salary schedules for every school district in the state and shall provide such information to the Governor, Speaker of the House of Representatives, and President Pro Tempore of the Senate no later than December 15 of each year.

~~B.--Beginning with the 1990-1991 school year, each school district shall file within fifteen (15) days of signing the contract, the employment contract of the superintendent of the school district with the State Department of Education. The Department shall keep all such contracts available for inspection by the public. The school district shall not be authorized to pay any salary, benefits or other compensation to a superintendent which are not specified in the contract on file.~~

SECTION 24. AMENDATORY 70 O.S. 1981, Section 6-158, as last amended by Section 51, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 6-158. A. The local boards of education of this state shall establish staff development programs for the certified and licensed teachers and administrators employed by said board. Such programs shall be adopted by each local school board based upon recommendations of a staff development committee appointed by the school board for said district. Such staff development committee shall include classroom teachers, administrators and parents of the local school district and shall consult with higher education instructors. A majority of the members of the staff development committee shall be composed of classroom teachers. The teacher members shall be selected from a list of names submitted by the bargaining agent where one exists. In the absence of a bargaining agent, the teachers will elect a list of names to be submitted to the local board of education. The programs adopted may include, but not be limited to:

1. In-service training programs; and
2. Higher education courses.

~~Each adopted program shall include a component of training in outreach to parents and in multicultural education, which all personnel defined as teachers in Section 1-116 of this title shall be required to complete on a periodic basis. Such programs shall be submitted for approval to the Board. Teachers and administrators who have completed staff development courses in their field of instruction or in courses related to obtaining additional professional qualifications and who complete such courses and receive a grade which is equivalent to at least a 3.0 on a 4.0 scale may be reimbursed by the school district for one-half (1/2) of the general enrollment fees incurred at any institution within The Oklahoma State System for Higher Education. If the teacher or administrator incurs costs pursuant to this section at a private institution of higher education, the person may be reimbursed by the school district for an amount equal to one-half (1/2) of the general enrollment fees incurred at an institution of The Oklahoma State System of Higher Education of comparable type. No local school shall receive state funds for staff development until such time as said local board's program has been approved by the Board.~~

B. Any licensed and certified teacher in this state shall be required by the local school board to meet the staff development requirements established by said local school board, or established through the negotiation process. Failure of any teacher to meet local school board staff development requirements may be grounds for nonrenewal of such teacher's contract by the local school board. Such failure may also be grounds for nonconsideration of salary increments affecting said teacher.

C. ~~The staff development plan shall be submitted to the State Board of Education as provided in Section 3-104.2 et seq. of this title.~~

SECTION 25. AMENDATORY 70 O.S. 1981, Section 14-103, as last amended by Section 53, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 14-103. The State Board of Vocational and Technical Education shall have the following powers and duties:

1. Have the supervision of the Department of Vocational and Technical education of the State Board of Vocational and Technical Education, which department shall keep its principal offices at Stillwater, and appoint and fix the compensation and duties of the Director and other personnel of such Department.

2. Have the supervision of the vocational and technical schools and colleges of Oklahoma, except Oklahoma State University of Technical Training at Okmulgee and the Oklahoma state University Technical Institutes at Oklahoma City and Stillwater, which, however, shall be eligible to participate in federal programs administered by the State Board of Vocational and Technical Education as hereinafter provided.

3. Cooperate with, and enter into agreements with, and administer programs of, and receive federal funds from, the United State Department of Health, Education and Welfare and other federal agencies in matters relating to vocational and technical education and manpower training, and be the sole state agency for such purposes.

4. Provide for the formulation and adoption of curricula, courses of study, and other instructional aids necessary for the adequate instruction of students in the vocational and technical schools and colleges of this state. ~~It is the intent of the Legislature that instructional models for vocational students should include higher standards of academic work with increased emphasis on communication, computation and applied science.~~

5. ~~Develop a plan to provide adequate vocational offerings accessible to all students having the ability to benefit:~~

6. Purchase or otherwise acquire equipment, materials, supplies and other property, real or personal, as may be necessary for the operation of the vocational and technical schools of this state, and provide for the maximum utilization of such property through a coordinated and cooperative use thereof.

6. 7. Enter into such agreements and contracts with the State Board of Education, boards of trustees of community junior colleges, boards of education of independent and dependent school districts, boards of education of area school districts for vocational and/or technical schools, private educational or training institutions, public or private industry, and boards of directors of community action programs, as may be necessary or feasible for the furtherance of vocational and technical training within this state.

7. 8. Cooperate and enter into agreements with the Oklahoma state Regents for Higher Education.

~~9. - Cooperate with the State Department of Education in developing hands-on career exploration activities for students in grades 6 through 10, integrating academic competencies into vocational instruction, and ensuring counseling of all students in order to minimize the number of students graduating from high school without having completed either a vocational-technical program or college preparation.~~

~~10. - Develop and periodically update a plan to allow teacher training and the purchase and installation of technological equipment necessary to modernize vocational educational programs.~~

8. ~~11.~~ Accept and provide for the administration of any land, money, buildings, gifts, funds, donations or other things of value which may be offered or bequeathed to the schools or colleges under the supervision or control of said Board.

9. ~~12.~~ Enter into cooperative arrangements with one or more other states for the conduct and administration of programs, services and activities.

SECTION 26. AMENDATORY Section 2, Chapter 380, O.S.L. 1989, (70 O.S. Supp. 1989, Section 5-145), as last amended by Section 56, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 5-145. A. ~~Local school boards of education should be encouraged to explore the potential benefits of local foundations and public school/business partnerships as supplements to basic programs publicly funded.~~

B. ~~Ⓒ~~ No local foundation, as defined in subsection B ~~Ⓒ~~ of this section, shall make, and no public school, public school personnel, or school district shall accept, any gift, grant or donation of real or personal property from any local foundation unless the local foundation complies with the requirements of this section and with such other requirements for such organization as are required by Title 18 of the Oklahoma Statutes.

B. ~~Ⓒ~~ As used in this section, "local foundation" means any company, trust, corporation or association:

1. that solicits money or property in the name of any public school district, public school or public school organization; and

2. which is exempt from federal income taxes or is verifiably and in good faith in the process of obtaining federal tax exemption status pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C., Section 501(c)(3). If the local foundation is in the process of obtaining exemption status in accordance with this paragraph, the local foundation may make gifts, grants or donations pursuant to this section provided it has advised the local board of education of the status of any application for tax exemption and continues to provide the board such information each year thereafter.

Any local foundation which has been denied such exemption or ceases to qualify for such exemption by the Internal Revenue Service shall not be authorized to function pursuant to this section.

C. ~~Ⓓ~~ Student organizations or club projects whose revenue may be deposited in a school activity fund or account pursuant to Section 5-129 of Title 70 of the Oklahoma Statutes shall not be considered "local foundations".

D. ~~Ⓔ~~ Only school districts, public schools, school personnel and students or direct functions of a school district may be the beneficiaries of any awards, grants or other benefits of a local foundation.

E. ~~Ⓕ~~ The board of education of any school district in this state may refuse to accept any donation of real or personal property offered by or through a local foundation and shall have the final authority to accept or refuse to accept any grant or award offered by a local foundation for the benefit of the school district.

F. ~~Ⓖ~~ In order to assure the fairness, objectivity, and integrity of its operations, and that its purposes and policies are consistent with the goals of the State Board of Education, the board of education of the local school district may consider the process used in selecting recipients of benefits or merit awards by any local foundation in deciding whether to accept or reject the gift, grant or donation.

G. ~~Ⓗ~~ No employee of the district shall be a voting member of a local foundation board which is established in that school district. Members of the board of education may serve on the board of a local foundation, but shall not constitute a majority of the members of the board of directors of the foundation. No other elected official of state or local government shall be compensated by the local foundation. The total number of ex officio local foundation members shall be less than the number of voting members of the local foundations. No ex officio member of the local foundation board or employee of the school district shall be compensated by the local foundation for service as an ex officio member of the local foundation.

H. ~~F.~~ Any local foundation which makes a gift, grant or donation to any school district, public school, or school personnel of this state, regardless of when established, shall make all of its financial records and documents available to auditors who are performing audits of the school district. Such financial records and documents, other than the list of contributors, shall be open for public inspection upon written request by any person.

I. ~~J.~~ No public funds shall be deposited in any account owned or controlled by a local foundation.

SECTION 27. AMENDATORY 70 O.S. 1981, Section 1-116, as last amended by Section 58, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1-116. As used in this act:

1. Teacher: Any person who is employed to serve as district superintendent, county superintendent, principal, supervisor, counselor, librarian, school nurse or classroom teacher, or in any other instructional, supervisory, or administrative capacity, is defined as a teacher. Such person shall not be deemed qualified unless he or she holds a valid certificate or license, issued by and in accordance with the rules and regulations of the State Board of Education, to perform the particular services for which he or she is employed.

2. Superintendent: A district superintendent of schools shall be the executive officer of the board of education and the administrative head of the school system of a district maintaining an accredited high school, provided he holds an administrator's certificate recognized by the State Board of Education.

3. Principal: A principal shall be any person other than a district superintendent of schools having supervisory or administrative authority over any school or school building having two or more teachers. A teaching principal shall be a principal who devotes at least one-half the time school is in session to classroom teaching. Provided ~~Until July 1, 1993,~~ teaching principals shall not be required to hold administrative certificates. ~~Beginning July 1, 1993, teaching principals shall be required to hold administrative certificates:~~

4. For purposes of complying with the State Aid Law and other statutes which apportion money on the basis of teaching units or the number of teachers employed or qualified, all persons holding proper certificates or licenses and connected in any capacity with the instruction of pupils shall be designated as "teachers".

5. Entry-year Teacher: An entry-year teacher is any licensed teacher who is employed in a local school to serve as a classroom teacher under the guidance and assistance of a teacher consultant and an entry-year assistance committee. Any such person shall have completed the program of the college or school of education of the accredited institution of higher learning from which the person has been graduated.

6. Student Teacher: A student teacher is any student who is enrolled in an institution of higher learning approved by the State Board of Education for teacher training and who is jointly assigned by such institution of higher learning and a school district's board of education to perform practice teaching under the direction of a regularly employed and certified teacher. A student teacher, while serving a non-salaried internship under the supervision of a certified teacher, shall be accorded the same protection of the laws as that accorded the certified teacher.

7. A school nurse employed full time by a board of education shall be a registered nurse licensed by the Oklahoma State Board of Nurse Registration and Nursing Education, and certified the same as a teacher by the State Department of Education. Provided that any person who is employed as a full-time nurse in any school district in Oklahoma, but who is not registered on the effective date of this act, may continue to serve in the same capacity, however such person shall, under rules and regulations adopted by the State Board of Education, attend classes in nursing and prepare to become registered.

A school nurse employed by a board of education shall be accorded the same protection of laws and all other benefits accorded a certified teacher.

SECTION 28. AMENDATORY 70 O.S. 1981, Section 6-101, as last amended by Section 67, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 6-101. A. Except as provided in subsection E of this section, no person shall be permitted to teach in any school district of the state without a written contract, except as provided herein for substitute teachers and except teachers of classes in adult education. The board of education of each school district, wherein school is expected to be conducted for the ensuing year, shall employ and contract in writing with qualified teachers for and in the name of the district. One copy of the contract shall be filed with the clerk of the board of education and one copy shall be retained by the teacher, and if the contract is with a dependent school district one copy shall be filed with the county superintendent of schools.

B. ~~No~~ ~~Except as otherwise provided by law,~~ no board of education shall have authority to enter into any written contract with a teacher who does not hold a valid certificate issued or recognized by the State Board of Education authorizing said teacher to teach the grades or subject matter for which the teacher is employed. Any board of education paying or authorizing the payment of the salary of any teacher not holding a certificate, as required herein, shall be adjudged to be guilty of a fraudulent expenditure of public funds and members voting for such payment shall be held jointly responsible for the return of the amount of any public monies thus expended, upon suit brought by the district attorney or by any interested citizen in the district where such funds have been expended.

C. It shall be the duty of the county superintendent of schools and the district superintendent of schools under whose supervision teachers have been contracted to teach to certify to the treasurer of the contracting district the names of the teachers holding valid certificates with whom contracts have been made and the names of substitute teachers employed in accordance with law. Said treasurer shall not register any warrant issued in payment of salary to any teacher whose name is not included in such list and shall be liable on his official bond for the amount of any warrant registered in violation of the provisions of this section.

D. Whenever any person shall enter into a contract with any school district in Oklahoma to teach in such school district the contract shall be binding on the teacher and on the board of education until the teacher legally has been discharged from his teaching position or released by the board of education from his contract. Until such teacher has been thus discharged or released, ~~he the teacher~~ shall not have authority to enter into a contract with any other board of education in Oklahoma for the same time covered by his original contract. If upon written complaint by the board of education in a district any teacher is reported to have failed to obey the terms of ~~his~~ the contract previously made and to have entered into a contract with another board of education without having been released from ~~his~~ the former contract, ~~such~~ the teacher, upon being found guilty of said charge at a hearing held before the State Board of Education, shall have ~~his~~ such teacher's certificate suspended for the remainder of the term for which said contract was made.

E. A board of education shall have authority to enter into written contracts with teachers for the ensuing fiscal year prior to the beginning of such year. If, prior to April 10, a board of education has not entered into a written contract with a regularly employed teacher or notified him ~~the teacher~~ in writing by registered or certified mail that he will not be employed ~~a recommendation has been made not to reemploy the teacher~~ for the ensuing fiscal year, and if, by April 25, such teacher has not notified the board of education in writing by registered or certified mail that he ~~such teacher~~ does not desire to be reemployed in such school district for the ensuing year, such teacher shall be considered as employed on a continuing contract basis and on the same salary schedule used for other teachers in the school district for the ensuing fiscal year, and such employment and continuing contract shall be binding on the teacher and on the school district. Provided that no

~~F. No school~~ district or any member of the board of education of a district shall be liable for the payment of compensation to a teacher ~~or administrator~~ under the provisions of the teacher's ~~any~~ contract for the ensuing year, if it becomes necessary to close the school because of insufficient attendance, disorganization, annexation, consolidation, or by dispensing with the school according to law, provided, such cause is known or action is taken prior to July 1 of such ensuing year.

~~G. No school district or any member of a board of education shall be liable for the payment of compensation to any teacher or administrator for the unexpired term of any contract if the school building to which the teacher or administrator has been assigned is destroyed by accident, storm, fire, or otherwise and it becomes necessary to close the school because of inability to secure a suitable building or buildings for continuation of school. Teachers and administrators shall be entitled to pay for any time lost when school is closed on account of epidemics or otherwise when an order for such closing has been issued by a health officer authorized by law to issue the order.~~

SECTION 29. AMENDATORY 70 O.S. 1981, Section 6-102.2, as last amended by Section 71, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 6-102.2 Each board of education shall maintain and annually review, following consultation ~~with~~ or involvement ~~by~~ of representatives selected by local teachers, a written policy of evaluation for all teachers, including and administrators, in accordance with this act. In those school districts in which there exists a professional negotiations agreement made in accordance with Sections 509.1 et seq. of this title, the procedure for evaluating members of the negotiations unit ~~and any standards of performance and conduct proposed for adoption beyond those established by the State Board of Education~~ shall be a negotiable item ~~items~~. Nothing in this act shall be construed to annul, modify or to preclude the renewal or continuing of any existing agreement heretofore entered into between any school district and any organizational representative of its employees. Every policy so adopted shall:

1. Be based upon a set of minimum criteria developed by the State Board of Education;

2. Be prescribed in writing at the time of adoption and at all times when amendments thereto are adopted. The original policy and all amendments to the policy shall be promptly made available to all teachers ~~persons subject to the policy~~;

3. Provide that all evaluations be made in writing and that evaluation documents and responses thereto are to be maintained in a personnel file for each teacher ~~evaluated person~~;

4. Provide that commencing not later than the 1977-1978 school year every probationary teacher shall be evaluated at least two times per school year, once prior to November 15 and once prior to February 10 of each year;

5. Provide that until the 1986-87 school year, every tenured teacher shall be evaluated at least once every three (3) years and beginning with the 1986-87 school year, every tenured teacher shall be evaluated once every year, except as otherwise provided by law; and

6. Provide that, except for superintendents of independent school districts and superintendents of area school districts, who shall be evaluated by the local school board, and except for both principals and teaching principals of dependent school districts, who shall be evaluated by the local board of education with the assistance of the county superintendent, all certificated ~~certified~~ personnel, including administrators, shall be evaluated by certificated ~~certified~~ administrative personnel designated by the local school board.

All county superintendents and all personnel designated by the local board to conduct the personnel evaluations shall be required to participate in training conducted by the State Department of Education prior to conducting such evaluations.

The State Department of Education shall develop and conduct workshops pursuant to statewide criteria which train such administrative personnel in conducting evaluations.

The State Board of Education shall monitor compliance with the provisions of this section by local school districts.

Refusal by a local school district to comply with the provisions of this section shall be grounds for withholding State Aid funds until such compliance occurs.

SECTION 30. AMENDATORY 70 O.S. 1981, Section 6-102.3, as last amended by Section 72, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 6-102.3 Whenever any evaluation is made of a teacher ~~or administrator~~, a true copy of the evaluation shall be presented to the teacher. The teacher person evaluated, ~~who~~ shall acknowledge the written evaluation by his signature thereon signing the original. Within two (2) weeks after the evaluation, the teacher person evaluated may respond and said response shall be made part of the record. Except by order of a court of competent jurisdiction, evaluation documents and the responses thereto shall be available only to the evaluated teacher person, the board of education, the administrative staff making the evaluation, the board and administrative staff of any school to which such teacher evaluated person applies for employment, the hearing panel described herein and such other persons as are specified by the teacher in writing ~~and shall be subject to disclosure at a hearing or trial de novo.~~

SECTION 31. AMENDATORY 70 O.S. Supp. 1989, Section 14-108, as last amended by Section 87, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 14-108. A. The State Board of Vocational and Technical education shall prescribe criteria and procedures for establishing area vocational-technical school districts and the government thereof, as provided by Section 9B, Article X, Oklahoma Constitution, and such districts so established shall be operated in accordance with rules and regulations of the State Board of Vocational and Technical Education, except as otherwise provided in this title.

B. An area vocational-technical school district shall be a body corporate and shall possess the usual powers of a corporation for public purposes. Its official name shall be designated by the State Board of Vocational and Technical education, in which name it may sue and be sued, and be capable of contracting and being contracted with, and holding real and personal estate. Its governing board shall be a board of education consisting of not less than five (5) nor more than seven (7) members elected in a manner prescribed by the State Board of Vocational and Technical education. Such board of education shall have the same powers and duties that boards of education of independent school districts have. It may require nonresident students to pay reasonable tuition fees, which may be paid for a student by the independent school districts have. It may require nonresident students to pay reasonable tuition fees, which may be paid for a student by the independent or dependent school district in which the student resides.

C. An election to vote on the question of making a levy of not to exceed five (5) mills on the dollar valuation of the taxable property in an area school district under the provisions of Section 9B, Article X, Oklahoma Constitution, shall be called by the board of education and conducted by the county election board of such district in the same manner that elections for emergency levies in school districts under the provisions of Section 9(d), Article X, Oklahoma Constitution, are called and conducted. When such levy is approved by a majority of the electors of the area school district voting on the question at such election, the levy shall be made each fiscal year thereafter until repealed by a majority of the electors of the district voting on the question at an election called for such purpose; and elections on a levy for a building fund for an area school district under the provisions of Section 10, Article X, Oklahoma Constitution, shall be called by the board of education of such district and conducted by the county election board in the same manner that elections for similar levies are called and conducted in independent school districts.

D. Annual estimates of needs of area school districts shall be made and approved in the same manner that those of independent school districts are made and approved. Provided, that the State Board of Vocational and Technical Education shall prescribe a list of appropriation accounts by which the funds of area school districts shall be budgeted, accounted for and expended. Any such estimate of needs may include an estimate for federal funds as probable income from sources other than ad valorem tax of the district and other than any excise or other tax assessed by legislative enactment and distributed in lieu of ad valorem taxes. If an area school district lies in more than one county, the district's estimate of needs shall be filed with and approved by the county excise board of the county designated by the school district board of education.

E. Territory may be annexed to or detached from an area school district, in accordance with rules and regulations prescribed by the State Board of Vocational and Technical education. If the State Board of Vocational and technical Education requires the submission of a petition in order for an election to be called for the purpose of annexation or deannexation of territory to an area school district, such petition shall not be required to bear a number of school district electors' signatures which exceed fifty percent (50%) of the number of school district electors who voted in the last school board election in the territory proposed to be annexed or deannexed. Provided, the period of time from which the petition is initiated to its time of filing with the State Board shall not exceed ninety (90) days.

F. Schools of area school districts shall be subject to classification, inspection and accreditation by the State Board of Education.

G. The area vocational and technical school board of education may designate a county treasurer to serve as treasurer of the school district or may appoint an independent treasurer.

H. Within four (4) years after the creation of an area school district, such area school district may, at its discretion, permit a teacher to transfer tenure and/or any or all accrued benefits upon employment ~~including credit for years of service in the previous school district~~ by the area school district, if the teacher at the time of hiring is employed as a teacher by an independent or dependent school district which is all or partly within the boundaries of the area school district or is employed as a teacher in a skills center within the boundaries of the area school district.

SECTION 32. AMENDATORY 70 O.S. Supp. 1989, Section 8-102, as last amended by Section 88, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 8-102. A. The county superintendent of schools shall grant an application for transfer of a child from the district in which ~~he~~ the child resides to another school district furnishing instruction in the grade ~~he~~ the child is entitled to pursue if such transfer has the approval of the boards of education of the sending and receiving districts. A student granted a transfer during the 1972-73 school year, or any school year thereafter, may continue to attend the school to which he transferred with ~~the~~ approval of the receiving district only, and any brother or sister of such student may attend such school with ~~the~~ approval of the receiving district only, provided that this provision shall not apply to:

- 1: emergency transfers or pupils;
- 2: ~~students~~ transferred for the purpose of attending classes in special education or a;
- 3: graduating senior ~~seniors~~ in counties having a population of four hundred fifty thousand (450,000) or above, ~~who were~~ previously legally enrolled in the school district to which he ~~such student~~ wishes to transfer, or to;
- 4: ~~students who have transferred to the district for an early childhood education program; or~~
- 5: students with catastrophic medical problems.

Provided, however, if the grade such child is entitled to pursue is not offered in the district where such child resides, the transfer must be approved. Provided, a

B: ~~A child may be transferred by the State Board of Education to a school district in another state, if the board of education of the school district in which the child resides and the board of education of the high school district in whose transportation area the child resides determines that the best interests of the child will be best served by such transfer and if applicable, such a determination shall also be made by the board of education of the independent school district in whose transportation area the child resides for transfers from a dependent school district where the grade such child is entitled to pursue is not offered.~~

No transfer shall be granted for any reason not hereinbefore specified.

C: No child shall be transferred under the provisions of this article section to a school district other than the one designated in the application for his transfer of ~~such child~~.

B. D: When a child has been transferred and later changes his residence to another school district in the State of Oklahoma, ~~he~~ the child shall be entitled to attend school in the district to which he shall have previously been transferred during the school year for which the transfer was made; and if such change of residence is to the district

to which the child shall have been ~~was~~ transferred, ~~an~~ upon affidavit of ~~the~~ parent, ~~custodial parent,~~ or guardian ~~of the child,~~ or of the school board of the transferring district, disclosing removal of residence from the transferring district, a transfer previously made may be canceled, and the appropriation made therefor relieved of such encumbrance to the extent not earned. Provided, that if any child changes residence from a district offer the grade which such child is entitled to pursue, to another district during the school year for which he was transferred, he shall be entitled to attend school in either ~~the receiving district or the district of prior residence~~ for the remainder of the current year. Provided, further, that when the transfer of a child has been finally approved or becomes final under the provisions of this article Section 8-103 of this title; such child shall not be entitled to attend school in the district from which he was transferred, even though he continues to live therein during the school year for which the transfer was made, except in case of a cancellation of the transfer as authorized by this article.

SECTION 33. AMENDATORY 70 O.S. Supp. 1989, Section 8-103, as last amended by Section 89, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 8-103. ~~A.~~ In order that any child may be transferred, a written ~~an~~ application for such transfer, designating the district to which the transfer is desired, shall be made ~~form specified by the State Board of Education must be completed by either of his~~ ~~the~~ parents, ~~custodial parent~~ or by his guardian, and such ~~of the child.~~ ~~The~~ application shall be ~~obtained from and~~ filed with the county superintendent of schools ~~or acting county superintendent of schools~~ for transfers to school districts in the State of Oklahoma and with the State Board of Education for transfers to school districts in another state ~~not.~~ Applications shall be filed no later than May 15, of the school year preceding the school year for which the transfer is desired. The county superintendent of schools shall notify, not later than May 25, the clerk of the board of education of the ~~school~~ district from which the transfer is proposed to be made sought and the clerk of the board of education of the district to which the transfer is proposed to be made sought. The notices of the application for transfer shall be to the effect provide that on or before June 5, the board of education of either district affected by the proposed transfer shall have an opportunity to show cause, if any, why the transfer should or should not be granted. The county superintendent of schools shall, not later than June 15, notify, in writing, the clerk of each board of education affected, ~~the parents or guardian of the child and the State Board of Education~~ as to whether or not the transfer has been granted. Provided that at any time before June 20, the

~~B.~~ ~~The board of education of either school district or the parents or guardian of the child may appeal the decision of the county superintendent of schools or acting county superintendent by submitting, within thirty (30) days of receipt of notice of the decision of the county superintendent or acting county superintendent, a written request to the State Board of Education for a hearing. Such hearing shall be held within ten (10) days of the receipt by the Board of the request, wherein the Board shall determine whether the transfer shall be approved or denied; provided, the State Board of Education shall have no authority to approve or deny a transfer or modify a transfer decision for any reason other than to correct an action taken in violation of or noncompliance with the provisions of Section 8-101 et seq. of this title. Such decision shall be final and shall supercede the decision of the county superintendent of schools.~~

~~C.~~ ~~The board of education of either district or the parent or guardian of the child may appeal, in writing, from the action decision of the county superintendent of schools State Board of Education to the district court of the county in which the child resides, and such appeal shall be heard, and a decision rendered thereon, not later than June 30, and such decision shall be final any court of competent jurisdiction.~~

SECTION 34. AMENDATORY 70 O.S. 1981, Section 8-105, as last amended by Section 90, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 8-105. Every order of the county superintendent of schools making change of transfer status under any emergency situation shall be immediately certified reported in writing to the county clerk for the files of the excise board, to the county treasurer and to the State Board of Education. Thereafter, the board of education of the transferee district may present the proper showing to the excise board for modification of the district's budget items of appropriation, as to both the general and transfer funds but subject to the requirements of statutes relating to transfer of pupils, under the provisions of the supplemental appropriation law, and any adjustments made to such budget by the county excise board shall forthwith be certified to the clerk and treasurer of such board of education, which shall adjust its accounts accordingly.

SECTION 35. AMENDATORY 70 O.S. 1981, Section 8-110, as last amended by Section 91, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 8-110. It shall be the duty of the county superintendent of schools, not later than June 25, to furnish the board of education of each district from which transfers have been made a statement showing the names of the children transferred and their respective grades. Copies of such the statement shall be filed with the county clerk and the county treasurer, and said statement shall be the basis for action of the county excise board in approving the estimate of the district from which the transfers have been made and of the county treasurer in apportioning funds accruing to the credit of such district with the State Board of Education.

SECTION 36. AMENDATORY Section 7, Chapter 179, O.S.L. 1985, (47 O.S. Supp. 1989, Section 1104), as last amended by Section 94, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1104. A. Each motor license agent shall be entitled to retain the following amounts from the taxes and fees collected by such agent to be used to fund the operation of the office of such motor license agent subject to the provisions of Sections 1140 through 1146 of this title:

1. One Dollar and twenty-five cents (\$1.25) for each vehicle registered pursuant to the Oklahoma Vehicle License and Registration Act;
2. One Dollar and twenty-five cents (\$1.25) for each certificate of title issued for boats and motors pursuant to the Oklahoma Statutes;
3. One Dollar and twenty-five cents (\$1.25) for each certificate of registration issued for boats and motors pursuant to the Oklahoma Statutes;
4. One Dollar and twenty-five cents (\$1.25) for each certificate of title issued pursuant to the Oklahoma Vehicle License and Registration Act;
5. Four percent (4%) of the excise tax collected pursuant to Section 2102 of Title 68 of the Oklahoma Statutes;
6. Four percent (4%) of the excise tax collected on the transfer of boats and motors pursuant to the Oklahoma Statutes;

7. Until July 1, 1990, One Dollar (\$1.00) for each operators' or chauffeurs' license or identification license or renewal issued as provided in Sections 6-101 through 6-113 and Section 6-115 of this title, and Two Dollars (\$2.00) for each duplicate license issued pursuant to Section 6-114 of this title. Beginning July 1, 1990, Two Dollars (\$2.00) for each drivers' license, endorsement, identification license, or renewal or duplicate issued pursuant to Section 6-101 et seq. of this title;

8. Two Dollars (\$2.00) for the recording of security interests as provided in Section 1110 of this title;

9. Two Dollars (\$2.00) for each inspection conducted pursuant to subsection L of Section 1105 of this title;

10. Fifty cents (\$0.50) for each inspection conducted pursuant to Section 1102 of this title;

11. Three Dollars (\$3.00) for each inspection conducted pursuant to subsection M of Section 1105 of this title;

12. One Dollar (\$1.00) for each certificate of ownership filed pursuant to subsection Q of Section 1105 of this title;

13. One Dollar (\$1.00) for each temporary permit issued pursuant to Section 1124 of this title;

14. One Dollar (\$1.00) for processing each proof of financial responsibility as provided in Section 7-602 of this title;

15. The mailing fees provided in Sections 1131 and 1140 of this title;

16. The notary fee provided in Section 1143 of this title; and

17. Three Dollars (\$3.00) for each lien entry form completed and recorded on a certificate of title pursuant to subsection G of Section 1105 of this title.

The balance of the funds collected shall be remitted to the Commission as provided in Section 1142 of this title to be apportioned as hereinafter provided.

B. Unless otherwise provided by law, all fees, taxes and penalties collected or received pursuant to the Oklahoma Vehicle License and Registration Act or Section 1-101 et seq. of this title and the unapportioned monies in the Motor Vehicle Escrow Account after the July 1985 apportionment shall be apportioned and distributed monthly by the Oklahoma Tax Commission as follows:

1. ~~a. Thirty-five percent~~ ~~Except as provided in subparagraph b of this paragraph, thirty-five percent (35%)~~ of said monies shall be apportioned to the various school districts as follows:

a. (1) except as otherwise provided in this subparagraph ~~division~~, each district shall receive the same amount of funds as such district received from the taxes and fees provided in this title in the corresponding month of the preceding year. Any district eligible for funds pursuant to the provisions of this section that was not eligible the preceding year shall receive an amount equal to the average daily attendance of the applicable year times the average daily attendance apportionment within such county for each appropriate month, and

- b. (2) any funds remaining unallocated following the allocation provided in subparagraph a ~~division (1)~~ of this paragraph ~~subparagraph~~ shall be apportioned to the various school districts so that each district shall first receive the cumulative total of the monthly apportionments for which it is otherwise eligible under subparagraph a ~~division (1)~~ of this paragraph ~~subparagraph~~ and then an amount based upon the proportion that each district's average daily attendance bears to the total average daily attendance of those districts entitled to receive funds pursuant to this section as certified by the State Department of Education, and
- c. (3) if, for any month, the funds available are insufficient to provide the total allocation required in subparagraph a ~~division (1)~~ of this paragraph ~~subparagraph~~, each district shall receive a proportionate share of the funds available based upon the proportion of the total revenues that such district received in the corresponding month of the preceding year.

Each district's allocation of funds shall be remitted to the county treasurer of the county wherein the administrative headquarters of the district are located.

No district shall be eligible for the funds herein provided unless said district makes an ad valorem tax levy of fifteen (15) mills and maintains nine (9) years of instruction and pursuant to the rules of the State Board of Education, are authorized to maintain ten (10) years of instruction; and

~~b. - Beginning July 1, 1991, if the amendment to Section 12a of Article X of the Constitution of the State of Oklahoma contained in Enrolled House Joint Resolution No. 1005 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature is approved by the people, thirty five percent (35%) of said monies shall be remitted to the State Treasurer to be deposited in the Common School Fund;~~

2. Forty-six and sixty-seven one-hundredths percent (46.67%) of said monies shall be remitted to the State Treasurer to be credited to the General Revenue Fund of the State Treasury;

3. Three-tenths of one percent (3/10 of 1%) of said monies shall be remitted to the State Treasurer to be credited to the State Transportation Fund;

4. Seven percent (7%) of said monies shall be apportioned to the various counties as follows: Forty percent (40%) of such sum shall be distributed to the various counties in that proportion which the county road mileage of each county bears to the entire state road mileage as certified by the Transportation Commission and the remaining sixty percent (60%) of such sum shall be distributed to the various counties on the basis which the population and area of each county bears to the total population and area of the state. The population shall be as shown by the last Federal Census or the most recent annual estimate provided by the United State Bureau of the Census. Said funds shall be used for the purpose of constructing and maintaining county highways, provided, however, the county treasurer may deposit so much of said funds in the sinking fund as may be necessary for the retirement of interest and annual accrual of indebtedness created by the issuance of county or township bonds for road purposes. Such deposits to the sinking fund shall not exceed forty percent (40%) of the funds allocated to a county pursuant to this paragraph;

5. Two and one-half percent (2.5%) of said monies shall be remitted to the county treasurers of the respective counties and by them deposited in a separate special revenue fund to be used by the county commissioners for the primary purpose of matching federal funds for the construction of federal aid projects on county roads, or

constructing and maintaining county or township highways and permanent bridges of such counties. The distribution of monies apportioned by this paragraph shall be made upon the basis of the current formula based upon road mileage, area and population as related to county road improvement and maintenance costs. Provided, however, the Department of Transportation may update the formula factors from time to time as necessary to account for changing conditions.

Any unencumbered monies remaining in the County Road Fund on the effective date of this act shall be distributed to the various counties within thirty (30) days thereafter; provided, that the Department of Transportation is authorized to withhold from such distribution an amount not to exceed ten percent (10%) of the counties' share of the estimated construction cost of any uncompleted federally aided project utilizing county road funds for the local match. Such funds shall be used to cover any approved overruns on such projects which remain uncompleted on the effective date of this act. Upon completion and acceptance of said projects, any monies due the counties will be returned to them by the Department of Transportation within thirty (30) days of completion of final audit. In the event additional county monies are required to complete such projects, the Department of Transportation shall submit an invoice for payment to the counties and the affected counties shall pay such additional amount to the Department of Transportation. All claims against nonfederally aided project resolutions accepted by the Department of Transportation prior to July 1, 1989, must be presented to the Department of Transportation for payment prior to September 1, 1989. Any County Road Fund monies encumbered for nonfederally aided projects which remain under control of the Department of Transportation on September 30, 1989, shall be returned to the county which encumbered said funds;

6. Three and one-half percent (3.5%) of said monies shall be transmitted by the Tax Commission to the various counties on the basis of a formula to be developed by the Department of Transportation. Such formula shall be similar to that currently used for the distribution of County Bridge Program Funds, but also taking into consideration the effect of terrain and traffic volume as related to county road improvement and maintenance costs. Provided, however, the Department of Transportation may update the formula factors from time to time as necessary to account for changing conditions. Said funds shall be transmitted to the various county treasurers to be deposited in the county highway fund of their respective counties;

7. Eight-tenths of one percent (8/10 of 1%) of said monies shall be apportioned to the various counties as follows:

- a. each county shall receive the same amount of funds as such county received from the taxes and fees provided for in the 1985 fiscal year,
- b. any funds remaining unallocated following the allocation provided in subparagraph a of this paragraph shall be apportioned to the various counties based upon the proportion that each county's population bears to the total state population, and
- c. if the funds available are insufficient to provide the total allocation required in subparagraph a of this paragraph, each county shall receive a proportionate share of the funds available based upon the proportion of the total revenues that each such county received in the 1985 fiscal year.

Each county's allocation of funds shall be remitted to the various county treasurers to be deposited in the general fund of the county and used for the support of county government;

8. Three percent (3%) of said monies shall be apportioned to the various cities and incorporated towns based upon the proportion that each city or incorporated town's

population bears to the total population of all cities and incorporated towns in the state. Such funds shall be remitted to the various county treasurers for allocation to the various cities and incorporated towns. All such funds shall be used for the construction, maintenance, repair, improvement and lighting of streets and alleys. Provided, however, the governing board of any city or town may, with the approval of the county excise board, transfer any surplus funds to the general revenue fund of such city or town whenever an emergency requires such a transfer;

9. One and two-tenths percent (1.2%) of said monies shall be remitted to the State Treasurer to be credited to the Oklahoma Law Enforcement Retirement Fund; and

10. Three one-hundredths of one percent ( $3/100$  of 1%) of said monies shall be remitted to the State Treasurer to be credited to the Wildlife Conservation Fund. Seventy-five percent (75%) of said funds shall be used for fish habitat restoration and twenty-five percent (25%) of said funds shall be used in the fish hatchery system for fish production.

C. ~~School Until July 1, 1991, if the amendment to Section 12a of Article X of the Constitution of the State of Oklahoma contained in Enrolled House Joint Resolution No. 1005 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature is approved by the people,~~ school districts, in estimating the income for the succeeding fiscal year from funds provided by this section, may use as a basis for arriving at the amount to be estimated the actual income received from the same source the previous fiscal year plus ninety percent (90%) of any increase estimated by the Commission.

D. Monies allocated to counties by this section may be estimated by the county excise board in the budget for the county as anticipated revenue to the extent of ninety percent (90%) of the previous year's income from such source, provided, not more than fifteen percent (15%) can be encumbered during any month.

SECTION 37. AMENDATORY 68 O.S. 1981, Section 1004, as last amended by Section 95, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1004. The gross production tax provided for in this article is hereby levied and shall be collected and apportioned as follows, to wit:

1. Eighty percent (80%) of all monies collected hereunder from the tax levied on oil, asphalt or ores bearing uranium, lead, zinc, jack, gold, silver or copper shall be paid to the State Treasurer of the state to be placed in the General Revenue Fund of the state and used for the general expense of state government, to be paid out pursuant to direct appropriation by the Legislature;

2. Seventy-eight percent (78%) of all monies levied and collected under this article from the tax on natural gas and/or casinghead gas shall be paid to the State Treasurer of the state and by him distributed as follows:

a. the first One Hundred Seventy-five Million Dollars (\$175,000,000.00) received by the State Treasurer during each fiscal year shall be distributed among the funds referred to in Section 17-108 of Title 70 of the Oklahoma Statutes, as directed by the Board of Trustees of the Oklahoma Teachers' Retirement System, and

b. the balance thereof shall be distributed to and deposited in the Pension Systems Reserve Fund, to be paid out pursuant to direct appropriation by the Legislature;

3. One-tenth ( $1/10$ th) of the sum collected from each county whence the oil or natural

gas and/or casinghead gas or asphalt or ores bearing uranium, lead, zinc, jack, gold, silver or copper was produced shall be paid to the county treasurer of such county, to be credited by said county treasurer of such county to the County Highway Fund;

4. ~~a. One-tenth~~ ~~Except as provided in subparagraph b of this paragraph, one-tenth~~ (1/10th) of the sum collected from each county whence the oil or natural gas and/or casinghead gas or asphalt or ores bearing uranium, lead, zinc, jack, gold, silver or copper or other mineral or substance covered hereby was produced shall be apportioned, on an average daily attendance per capita distribution basis, as certified by the county superintendent of schools to the school districts of the county where such pupils attend school regardless of residence of such pupil, provided the school district makes an ad valorem tax levy of fifteen (15) mills for the current year and maintains twelve (12) years of instruction; and

~~b. - Beginning July 1, 1991, if the amendment to Section 12a of Article X of the Constitution of the State of Oklahoma contained in Enrolled House Joint Resolution No. 1005 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature is approved by the people, one-tenth (1/10th) of the sum collected from the gross production of oil or natural gas and/or casinghead gas or asphalt or ores bearing uranium, lead, zinc, jack, gold, silver or copper or other mineral or substance covered hereby shall be remitted to the state Treasurer to be deposited in the Common School Fund; and~~

5. Two percent (2%) of all monies collected from the tax upon natural gas and casinghead gas shall be placed to the credit of the General Revenue Fund of the State Treasury.

SECTION 38. AMENDATORY 68 O.S. 1981, Section 1806, as last amended by Section 96, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1806. All monies, funds and revenues arising, collected, received, by the Oklahoma Tax Commission pursuant to the provisions of this act shall be applied as follows:

(a) Five percent (5%) of all monies collected under the provisions of this act shall be paid to the State Treasurer and placed to the credit of the General Revenue Fund of the State Treasury.

(b) ~~(1) The~~ ~~Except as provided in paragraph (2) of this subsection, the~~ remaining ninety-five percent (95%) of all monies collected under this act shall be apportioned and paid each month by the Oklahoma Tax Commission to the school treasurers or school districts of the respective counties in which the remitting cooperative owns and operates property, as defined in Section 1804 of this title, according to the proportion which the number of miles of electrical distribution lines of such cooperative in such school district bears to the total number of miles of such lines owned and operated by such cooperative within the state.

~~(2) - Beginning July 1, 1991, if the amendment to Section 12a of Article X of the Constitution of the State of Oklahoma contained in Enrolled House Joint Resolution No. 1005 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature is approved by the people, the remaining ninety-five percent (95%) of all monies collected under this act shall be remitted to the State Treasurer to be deposited in the Common School Fund.~~

SECTION 39. AMENDATORY 68 O.S. 1981, Section 2355, as last amended by Section 99, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 2355. A. Individuals. ~~A For all taxable years beginning after December 31, 1989,~~ a tax is hereby imposed upon the Oklahoma taxable income of every resident or nonresident individual, which tax shall be computed at the option of the taxpayer under one of the two following methods:

METHOD 1. Single individuals and married individuals filing separately not deducting federal income tax:

- 1/2% tax on first \$1,000.00 or part thereof
- 1% tax on next \$1,500.00 or part thereof
- 2% tax on next \$1,250.00 or part thereof
- 3% tax on next \$1,250.00 ~~\$1,150.00~~ or part thereof
- 4% tax on next \$1,250.00 ~~\$1,300.00~~ or part thereof
- 5% tax on next \$1,250.00 ~~\$1,500.00~~ or part thereof
- 6% tax on the remainder ~~next \$2,300.00 or part thereof~~
- ~~7% tax on the remainder.~~

Married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to file a joint return under the provisions of the Internal Revenue Code and heads of households as defined in the Internal Revenue Code not deducting federal income tax:

- 1/2% tax on first \$2,000.00 or part thereof
- 1% tax on next \$3,000.00 or part thereof
- 2% tax on next \$2,500.00 or part thereof
- 3% tax on next \$2,500.00 ~~\$2,300.00~~ or part thereof
- 4% tax on next \$2,500.00 ~~\$2,400.00~~ or part thereof
- 5% tax on next \$2,500.00 ~~\$2,800.00~~ or part thereof
- 6% tax on the remainder ~~next \$6,000.00 or part thereof~~
- ~~7% tax on the remainder.~~

METHOD 2. Single individuals and married individuals filing separately deducting federal income tax:

- 1/2% tax on first \$1,000.00 or part thereof
- 1% tax on next \$1,500.00 or part thereof
- 2% tax on next \$1,250.00 or part thereof
- 3% tax on next \$1,250.00 ~~\$1,150.00~~ or part thereof
- 4% tax on next \$1,250.00 ~~\$1,200.00~~ or part thereof
- 5% tax on next \$1,250.00 ~~\$1,400.00~~ or part thereof

6% tax on next \$1,750.00 ~~\$1,500.00~~ or part thereof

7% tax on next \$2,000.00 ~~\$1,500.00~~ or part thereof

8% tax on next \$2,000.00 or part thereof

9% tax on next \$2,000.00 ~~\$3,500.00~~ or part thereof

10% tax on the remainder.

Married individuals filing jointly and surviving spouse to the extent and in the manner that a surviving spouse is permitted to file a joint return under the provisions of the Internal Revenue Code and heads of households as defined in the Internal Revenue Code deducting federal income tax:

1/2% tax on the first \$2,000.00 or part thereof

1% tax on the next \$3,000.00 or part thereof

2% tax on the next \$2,500.00 or part thereof

3% tax on the next \$1,500.00 ~~\$1,400.00~~ or part thereof

4% tax on the next \$1,500.00 or part thereof

5% tax on the next \$1,500.00 ~~\$1,600.00~~ or part thereof

6% tax on next \$1,500.00 ~~\$1,250.00~~ or part thereof

7% tax on next \$1,500.00 ~~\$1,750.00~~ or part thereof

8% tax on next \$2,000.00 ~~\$3,000.00~~ or part thereof

9% tax on next \$6,000.00 or part thereof

10% tax on the remainder.

B. Nonresident aliens. In lieu of the rates set forth in subsection A above, there shall be imposed on nonresident aliens, as defined in the Internal Revenue Code, a tax of eight percent (8%) instead of thirty percent (30%) as used in the Internal Revenue Code, with respect to the Oklahoma taxable income of such nonresident aliens as determined under the provision of the Oklahoma Income tax Act.

Every payer of amounts covered by this subsection B shall deduct and withhold from such amounts paid each payee an amount equal to eight percent (8%) thereof. Every payer required to deduct and withhold taxes under this subsection shall for each quarterly period on or before the last day of the month following the close of each such quarterly period, pay over the amount so withheld as taxes to the Tax Commission, and shall file a return with each such payment. Such return shall be in such form as the Tax Commission shall prescribe. Every payer required under this subsection to deduct and withhold a tax from a payee shall, as to the total amounts paid to each payee during the calendar year, furnish to such payee, on or before January 31, of the succeeding year, a written statement showing the name of the payer, the name of the payee and his social security account number, if any, the total amount paid subject to other information as the Tax Commission may require. Any payer who fails to withhold or pay to the Tax Commission any sums herein required to be withheld or paid shall be personally and individually liable therefor to the State of Oklahoma.

C. Corporations. For all taxable years beginning after December 31, ~~1984~~ 1989, a tax is hereby imposed upon the Oklahoma taxable income of every corporation doing business within this state or deriving income from sources within this state in an amount equal to five ~~six~~ percent (5%) (~~6%~~) thereof.

There shall be no additional Oklahoma income tax imposed on accumulated taxable income or on undistributed personal holding company income as those terms are defined in the Internal Revenue Code.

D. Certain foreign corporations. In lieu of the tax imposed in the first paragraph of subsection C, for all taxable years beginning after December 31, ~~1984~~ 1989, there shall be imposed on foreign corporations, as defined in the Internal Revenue Code, a tax of five ~~six~~ percent (5%) (~~6%~~) instead of thirty percent (30%) as used in the Internal Revenue Code, where such income is received from sources within Oklahoma, in accordance with the provisions of the Internal Revenue Code and the Oklahoma Income Tax Act.

Every payer of amounts covered by this subsection D shall deduct and withhold from such amounts paid each payee an amount equal to five ~~six~~ percent (5%) (~~6%~~) thereof. Every payer required to deduct and withhold taxes under this subsection shall for each quarterly period on or before the last day of the month following the close of each such quarterly period, pay over the amount so withheld as taxes to the Tax Commission, and shall file a return with each such payment. Such return shall be in such form as the Tax Commission shall prescribe. Every payer required under this subsection to deduct and withhold a tax from a payee shall, as to the total amounts paid to each payee during the calendar year, furnish to such payee, on or before January 31, of the succeeding year, a written statement showing the name of the payer, the name of the payee and his social security account number, if any, the total amounts paid subject to taxation, the total amount deducted and withheld as tax and such other information as the Tax Commission may require. Any payer who fails to withhold or pay to the Tax Commission any sums herein required to be withheld or paid shall be personally and individually liable therefor to the State of Oklahoma.

E. Fiduciaries. A tax is hereby imposed upon the Oklahoma taxable income of every trust and estate at the same rates as are provided in subsection A of this section for single individuals. Fiduciaries are not allowed a deduction for any federal income tax paid.

SECTION 40. AMENDATORY 68 O.S. 1981, Section 2370, as last amended by Section 100, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 2370. A. For taxable years beginning on or after January 1, 1986 ~~December 31, 1989~~, for the privilege of doing business within this state, every state banking association, national banking association and credit union organized under the laws of this state, located or doing business within the limits of the State of Oklahoma shall annually pay to this state a privilege tax at the rate of five ~~six~~ percent (5%) (~~6%~~) of the amount of the taxable income as provided in this section.

B. 1. The privilege tax levied by this section shall be in addition to the franchise tax levied in Article 12 of this title and in lieu of the tax levied by Section 2355 of this title and in lieu of all taxes levied by the State of Oklahoma, or any subdivision thereof, upon the shares of stock or personal property of any banking association or credit union subject to taxation under this section.

2. Nothing in this section shall be construed to exempt the real property of any banking associations or credit unions from taxation to the same extent, according to its value, as other real property is taxed. Nothing herein shall be construed to exempt an association from payment of any fee or tax authorized or levied pursuant to the banking laws.

3. Personal property which is subject to a lease agreement between a bank or credit union, as lessor, and a nonbanking business entity of individual, as lessee, is not exempt from personal property ad valorem taxation. Provided, further, that it shall be the duty of the lessee of such personal property to return sworn lists or schedules of their taxable property within each county to the county assessor of such county as provided in Sections 2433 and 2434 of this title.

C. Any tax levied under this section shall accrue on the last day of the taxable year and be payable as provided in Section 2375 of this title. The accrual of such tax for the first taxable year to which this act applies, shall apply notwithstanding the prior accrual of a tax in the same taxable year based upon the net income of the next preceding taxable year; provided, however, any additional deduction enuring to the benefit of the taxpayer shall be deducted in accordance with the optional transitional deduction procedures in Section 2354 of this title.

D. The basis of the tax shall be United States taxable income as defined in paragraph 10 of Section 2353 of this title and any adjustments thereto under the provisions of Section 2358 of this title with the following adjustments:

1. There shall be deducted all interest income on obligations of the United States government and agencies thereof not otherwise exempted and all interest income on obligations of the State of Oklahoma or political subdivisions thereof not otherwise exempted under the law of this state; and

2. Expense deductions claimed in arriving at taxable income under paragraph 10 of Section 2353 of this title shall be reduced by an amount equal to fifty percent (50%) of excluded interest income on obligations of the United States government or agencies thereof and obligations of the State of Oklahoma or political subdivisions thereof.

SECTION 41. AMENDATORY 68 O.S. 1981, Section 1354, as last amended by Section 101, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1354. Tax Levy — Rate — Sales Subject to Tax.

1. There is hereby levied upon all sales, not otherwise exempted in the Oklahoma Sales Tax Code, an excise tax of four percent (4%) ~~four and one-half percent (4.5%)~~ of the gross receipts or gross proceeds of each sale of the following:

(A) Tangible personal property;

(B) Natural or artificial gas, electricity, ice, steam, or any other utility or public service, except water, sewage and refuse and those specifically exempt pursuant to the provisions of Section 1357 of this title;

(C) Transportation for hire to persons by common carriers, including railroads both steam and electric, motor transportation companies, taxicab companies, pullman car companies, airlines, and other means of transportation for hire;

(D) Service by telephone or telegraph companies to subscribers or users, including transmission of messages, whether local or long distance, and all services and rental charges in connection with transmission of any message;

(E) Printing or printed matter of all types, kinds, or character and, except for services of printing, copying or photocopying performed by a privately owned scientific and educational library sustained by monthly or annual dues paid by members sharing the use of such services with students interested in the study of geology, petroleum engineering or related subjects, any service of printing or overprinting, including the copying of information by mimeograph, multigraph, or by otherwise duplicating written

or printed matter in any manner, or the production of microfiche containing information on magnetic tapes furnished by customers;

(F) Service of furnishing rooms by hotel, apartment hotel, public rooming house, motel, public lodging house, or tourist camp;

(G) Service of furnishing storage or parking privileges by auto hotels or parking lots;

(H) Computer hardware, software, coding sheets, cards or magnetic tapes on which prewritten programs have been coded, punched, or otherwise recorded;

(I) Foods, confections, and all drinks sold or dispensed by hotels, restaurants, or other dispensers, and sold for immediate consumption upon the premises or delivered or carried away from the premises for consumption elsewhere;

(J) Advertising of all kinds, types, and characters, including any and all devices used for advertising purposes and the servicing of any advertising devices except those specifically exempt pursuant to the provisions of Section 1357 of this title;

(K) Dues or fees to clubs including free or complimentary dues or fees which have a value equivalent to the charge that would have otherwise been made, including any fees paid for the use of facilities or services rendered at a health spa or club or any similar facility or business;

(L) Tickets for admission to or voluntary contributions made to places of amusement, sports, entertainment, exhibition, display, or other recreational events or activities, including free or complimentary admissions which have a value equivalent to the charge that would have otherwise been made;

(M) Charges made for the privilege of entering or engaging in any kind of activity, such as tennis, racquetball, or handball, when spectators are charged no admission fee;

(N) Charges made for the privilege of using items for amusement, sports, entertainment, or recreational activity, such as trampolines or golf carts;

(O) The rental of equipment for amusement, sports, entertainment, or other recreational activities, such as bowling shoes, skates, golf carts, or other sports or athletic equipment;

(P) The gross receipts from sales from any vending machine without any deduction for rental to locate the vending machine on the premises of a person who is not the owner or any other deductions therefrom;

(Q) The gross receipts or gross proceeds from the rental or lease of tangible personal property, including rental or lease of personal property when the rental or lease agreement requires the vendor to launder, clean, repair, or otherwise service the rented or leased property on a regular basis, without any deduction for the cost of the service rendered. If the rental or lease charge is based on the retail value of the property at the time of making the rental or lease agreement and the expected life of the property, and the rental or lease charge is separately stated from the service cost in the statement, bill, or invoice delivered to the consumer, the cost of services rendered shall be deducted from the gross receipts or gross proceeds;

(R) Any licensing agreement, rental, lease, or other device or instrument whereby rights to possess or exhibit motion pictures or filmed performances or rights to receive images, pictures, or performances for telecast by any method are transferred. Persons regularly engaged in the business of exhibiting motion pictures for which the sale of tickets or admissions is taxed pursuant to the provisions of this section shall

not be deemed to be consumers or users in respect to the licensing or exhibiting of copyrighted motion picture features, shorts, cartoons, and scenes from copyrighted features, shorts, cartoons, and scenes from copyrighted features, and the sale or licensing of such films shall not be considered a sale within the purview of the Oklahoma Sales Tax Code;

(S) Flowers, plants, shrubs, trees, and other floral items, whether or not produced by the vendor, sold by persons engaged in florist or nursery business in this state, including all orders taken outside this state for delivery within this state shall not be subject to the taxes levied in this section;

(T) Tangible personal property sold to persons, peddlers, solicitors, or other salesmen, for resale when there is likelihood that this state will lose tax revenue due to the difficulty of enforcing the provisions of the Oklahoma Sales Tax Code because of:

- (1) the operation of the business;
- (2) the nature of the business;
- (3) the turnover of independent contractors;
- (4) the lack of place of business in which to display a permit or keep records;
- (5) lack of adequate records;
- (6) the fact that the persons are minors or transients;
- (7) the fact that the persons are engaged in service businesses; or
- (8) any other reasonable reason;

(U) Any taxable services and tangible personal property including materials, supplies, and equipment sold to contractors for the purpose of developing and improving real estate even though said real estate is intended for resale as real property, hereby declared to be sales to consumers or users, however, taxable materials, supplies and equipment sold to contractors as provided by this subsection which are purchased as a result of and subsequent to the date of a contract entered into either prior to the effective date of any law increasing the rate of sales tax imposed by this article, or entered into prior to the effective date of an ordinance or other measure increasing the sales tax levy of a political subdivision shall be subject to the rate of sales tax applicable, as of the date such contract was entered into, to sales of such materials, supplies and equipment if such purchases are required in order to complete the contract. Such rate shall be applicable to purchases made pursuant to the contract or any change order under the contract until the contract or any change order has been completed, accepted and the contractor has been discharged from any further obligation under the contract or change order or until two (2) years from the date on which the contract was entered into whichever occurs first. The increased sales tax rate shall be applicable to all such purchases at the time of sale; however, the Oklahoma Tax Commission shall prescribe rules and regulations and shall provide procedures for the refund to a contractor of sales taxes collected on purchases eligible for the lower sales tax rate authorized by this subsection;

(V) Any taxable services and tangible personal property sold to persons who are primarily engaged in selling their services, such as repairmen, hereby declared to be sales to consumers or users.

2. All solicitations or advertisements in print or electronic media by Group Three vendors, for the sale of tangible property to be delivered within this state, shall contain a notice that the sale is subject to Oklahoma sales tax, unless the sale is exempt from such taxation.

SECTION 42. AMENDATORY Section 2, Chapter 41, O.S.L. 1986, (68 O.S. Supp. 1989, Section 1354.2), as last amended by Section 102, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1354.2 (A) There is hereby levied upon all sales, not otherwise exempted in the Oklahoma Sales Tax Code, an excise tax of four percent (4%) ~~four and one-half percent (4.5%)~~ of the gross receipts or gross proceeds of each sale of tangible personal property to the consumer-user in this state by an out-of-state vendor who engages in business in this state through the continuous, regular or systematic solicitation of retail sales by advertisement in the newspapers or radio or television media operating within Oklahoma. The tax shall be collected, reported, and remitted or paid in accordance with the Oklahoma Sales Tax Code.

(B) For purposes of administration of the sales tax laws, a sale occurs within this state if delivery or transfer of possession of the tangible personal property occurs within this state.

(C) Any advertisement soliciting sales to the Oklahoma consumer, subject to this section, to be published or broadcasted by newspapers or radio or television media operating in this state, shall contain a notice that the sale is subject to Oklahoma sales or use tax and shall include the sales tax permit number issued the advertising vendor by the Oklahoma Tax Commission. It shall be the duty of the vendor to provide such notice in advertisements referred to herein. No penalty as a result of this act shall lie against any newspaper, broadcaster or other Oklahoma advertising media.

(D) Any out-of-state vendor required to collect, report and remit or pay sales or use tax in accordance with this act shall be entitled to the discount allowed other vendors pursuant to the Oklahoma Sales Tax Code.

(E) Any out-of-state vendor doing business in this state subject to this act shall be subject to all the civil and criminal penalties and liabilities imposed by the Oklahoma Sales Tax Code on vendors within the state.

(F) All sales or use tax revenues collected pursuant to this act shall be apportioned in the same manner as other sales or use tax revenues.

SECTION 43. AMENDATORY Section 3, Chapter 41, O.S.L. 1986, (68 O.S. Supp., 1989, Section 1354.3), as last amended by Section 103, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1354.3 (A) There is hereby levied upon all sales, not otherwise exempted in the Oklahoma Sales Tax Code, Sections 1350 et seq. of Title 68 of the Oklahoma Statutes, or the Oklahoma Use Tax Code, Sections 1401 et seq. of Title 68 of the Oklahoma Statutes, an excise tax of four percent (4%) ~~four and one-half percent (4.5%)~~ of the gross receipts or gross proceeds of each sale or use of tangible personal property to or by a consumer-user in this state purchased from an out-of-state vendor who engages in business in this state through the continuous, regular or systematic solicitation of retail sales by advertisement through mail order or catalog publications. The tax shall be collected, reported and remitted or paid and apportioned in the same manner as any other sales or use tax levied by this state.

(B) Any out-of-state vendor required to collect, report or remit or pay sales or use tax in accordance with this act shall be entitled to the discount allowed other vendors required to collect and report Oklahoma sales or use tax.

SECTION 44. AMENDATORY 68 O.S. 1981, Section 1402, as last amended by Section 104, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1402. There is hereby levied and there shall be paid by every person storing, using, or otherwise consuming within this state, tangible personal property purchased or brought into this state, an excise tax on the storage, use, or other consumption in this state of such property at the rate of four percent (4%) ~~four and one-half percent (4.5%)~~ of the purchase price of such property. Said tax shall not be levied on tangible personal property intended solely for use in other states, but which is stored in Oklahoma pending shipment to such other states or which is temporarily retained in Oklahoma for the purpose of fabrication, repair, testing, alteration, maintenance, or other service. The tax in such instances shall be paid at the time of importation or storage of the property within the state and a subsequent credit shall be taken by the taxpayer for the amount so paid upon removal of the property from the state. Such tax is hereby levied and shall be paid in an amount equal to four percent (4%) ~~four and one-half percent (4.5%)~~ of the purchase price of such tangible personal property.

SECTION 45. AMENDATORY 70 O.S. 1981, Section 18-109.5, as last amended by Section 109, of Enrolled House bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 18-109.5 A. ~~As Prior to July 1, 1990, as used in Sections 18-109.3 and 18-109.4 of this act title, and on and after July 1, 1990, as used in Section 108 of this act:~~

1. "Vision impaired" means a visual impairment which, even with correction, adversely affects a child's educational performance;
2. "Children with learning disabilities" means a disorder in one or more of the basic psychological processes involved in understanding or in using language, written or spoken, which may manifest itself in an imperfect ability to listen, think, speak, read, write, spell or to do mathematical calculations. The term includes such conditions as perceptual handicaps, brain injury, minimal brain dysfunctions, dyslexia and developmental aphasia;
3. "Hearing impaired" means a hearing impairment, whether permanent or fluctuating, which adversely affects a child's educational performance;
4. "Economically disadvantaged" means all children who qualify for free or reduced lunches. Provided, for the school year 1981-82, economically disadvantaged shall mean children who qualify and participate in a program for free or reduced lunches;
5. "Educable mentally handicapped" means significantly subaverage general intellectual functioning existing concurrently with deficits in adaptive behavior and manifested during the development period, which adversely affects a child's educational performance;
6. "Emotionally disturbed" means emotional problems preventing adjustment in regular class including:
  - a. an inability to learn which cannot be explained by intellectual, sensory or health factors,
  - b. an inability to build or maintain satisfactory interpersonal relationships with peers and teachers,
  - c. inappropriate types of behavior or feelings under normal circumstances,
  - d. a general pervasive mood of unhappiness or depression, or
  - e. a tendency to develop physical symptoms or fears associated with personal or school problems;

The term includes children who are schizophrenic. The term does not include children who are socially maladjusted, unless it is determined that they are seriously emotionally disturbed;

7. "Gifted" means identified students as outlined in Section 1210.301 of Title 70 of the Oklahoma Statutes;

8. "Multiple handicapped" means concomitant impairments, such as mentally retarded/blind, mentally retarded/orthopedically impaired, and other combinations, the combination of which causes such severe educational problems that they cannot be accommodated in special education programs solely for one of the impairments. The term does not include deaf/blind children;

9. "Physically handicapped" means a severe orthopedic impairment or an autistic condition which is manifested by severe communication and other developmental and educational problems; or having limited strength, vitality or alertness, due to chronic or acute health problems such as a heart condition, tuberculosis, rheumatic fever, nephritis, asthma, sickle cell anemia, hemophilia, epilepsy, lead poisoning, leukemia, or diabetes, which adversely affects a child's educational performance.

The term includes impairments caused by congenital anomaly, and impairments from other causes;

10. "Speech impaired" means a communication disorder, such as stuttering, impaired articulation, language impairment, or voice impairment, which adversely affects a child's educational performance;

11. "Trainable mentally handicapped" means significantly subaverage general intellectual functioning existing concurrently with deficits in adaptive behavior and manifested during the development period, which adversely affects a child's educational performance;

12. "Deaf/Blind" means concomitant hearing and visual impairments, the combination of which causes such severe communication and other developmental and educational problems that they cannot be accommodated in special education programs solely for deaf or blind children;

13. "Bilingual" means those students who have limited English speaking abilities or who come from homes where English is not the dominant language as reported on the prior year application for accrediting; and

14. "Special Education Summer Program" means those summer school programs which school districts may provide for children who are severely or profoundly multiple-handicapped if their individualized education program states the need for a continuing educational experience to prevent loss of educational achievement or basic life skills. Any school district receiving funds for such special education summer programs shall provide services as provided in Section 13-101 of this title. Provided, during the 1982-83 school year the State Department of Education shall obtain data related to the number of children who would qualify for summer school special education programs and the number of children who are being served in summer school special education programs; ~~and~~

~~15. "Optional Extended School Year Program" means the program defined in Section 18 of this act.~~

B. The State Board of Education is hereby authorized to modify and redefine by regulation the definitions set out in this section whenever such modification is required to receive federal assistance therefor.

SECTION 46. AMENDATORY 70 O.S. Supp. 1989, Section 18-109.2, as last amended by Section 110, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 18-109.2 A. It is the intent of the Legislature that the sole purpose of this section is to provide an equitable funding formula for all the school districts of this state, and that no school shall be consolidated because of the provisions of this section. The Legislature, recognizing the responsibility to guarantee an adequate and equitable educational program for the school children of this state, declares that ~~prior to July 1, 1990~~, the amount of State Aid each district shall receive shall be the sum of the Foundation Aid, the Salary Incentive Aid, and the Transportation Supplement, as adjusted pursuant to the provisions of Section 18-112.2 of this title; provided, no district having per pupil revenue in excess of three hundred percent (300%) of the average per pupil revenue of all districts shall receive any State Aid or Supplement in State Aid. Per pupil revenue shall be determined by dividing the district's second preceding year's total weighted average daily membership (ADM) into the district's second preceding year total revenues excluding federal revenue, insurance loss payments, reimbursements, recovery of overpayments and refunds, unused reserves, prior expenditures recovered, prior year surpluses, and less the amount of any transfer fees paid in that year.

B. Foundation Aid, the Transportation Supplement, and Salary Incentive Aid shall be calculated as follows:

1. Foundation Aid shall be determined by subtracting the amount of the Foundation Program Income from the cost of the Foundation Program and adding to this difference the Transportation Supplement.

a. The Foundation Program shall be a district's weighted average daily attendance as determined by the provisions of Section 18-109.3 of this title, multiplied by the Base Foundation Support Level. For the 1989-90 school year, the Base Foundation Support Level shall be One Thousand Four Dollars (\$1,004.00).

b. The Foundation Program Income shall be the sum of the following, less dependent transfer fees to be paid for students served during the preceding school year:

- (1) The adjusted assessed valuation of the school district during the next preceding year multiplied by fifteen (15) mills, and
- (2) Seventy-five percent (75%) of the amount received by the school district from the proceeds of the county levy during the second preceding fiscal year, as levied pursuant to subsection (b) of Section 9 of Article X of the Oklahoma Constitution, and
- (3) Motor Vehicle Collections, and
- (4) Gross Production Tax, and
- (5) State Apportionment, and
- (6) R.E.A. Tax, and
- (7) Dependent transfer fees to be received for students served during the preceding school year.

The items listed in divisions (3), (4), (5), and (6) shall consist of the amounts actually collected from such sources during the second preceding fiscal year

calculated on a per capita basis on the unit provided for by law for the distribution of each such revenue. Dependent transfer fees are only the transfer fees, beginning with those paid during the 1990-91 school year, provided by Section 8-101 of this title.

2. The Transportation Supplement shall be equal to the average daily haul times the per capita allowance times the appropriate transportation factor.

a. The average daily haul shall be the number of children in a district who are legally transported and who live one and one-half (1½) miles or more from school;

b. The per capita allowance shall be determined using the following chart:

DENSITY FIGURE	PER CAPITA ALLOWANCE	DENSITY FIGURE	PER CAPITA ALLOWANCE
.3000 - .3083	\$167.00	.9334 - .9599	\$99.00
.3084 - .3249	\$165.00	.9600 - .9866	\$97.00
.3250 - .3416	\$163.00	.9867 - 1.1071	\$95.00
.3417 - .3583	\$161.00	1.1072 - 1.3214	\$92.00
.3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00
.3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00
.3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00
.4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00
.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00
.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
.9067 - .9333	\$101.00	9.6668 or more	\$33.00

c. The formula transportation factor shall be 1.39.

3. Salary Incentive Aid shall be determined as follows:

- a. Multiply the Incentive Aid guarantee by the district's weighted average daily membership as determined in Section 18-109.4 of this title. For the 1989-90 school year, the Incentive Aid guarantee shall be Forty-three Dollars and ninety-seven cents (\$43.97).
- b. Divide the district's adjusted assessed valuation by one thousand (1,000) and subtract the quotient from the product of subparagraph a. The remainder shall not be less than zero (0).
- c. Multiply the number of mills levied for general fund purposes above the fifteen (15) mills required to support Foundation Aid, not including the county four-mill levy, by the remainder of subparagraph b. The product shall be the Salary Incentive Aid of the district.

C. Any school district with an average daily attendance that is at least two percent (2%) greater than the higher average daily attendance of the preceding two (2) years of the school district shall receive a supplement in State Aid to be determined as follows:

1. Calculate the amount of Foundation Aid to which the school district would be entitled by using new pupil data for the calculation of the weighted pupil grade level, the weighted pupil category, and the weighted district size. The new data shall be that data compiled during the first semester of the school year for which the supplement shall be paid. The Transportation Supplement shall be calculated by using the average daily haul data compiled during the first semester of the year for which the supplement shall be paid, but the per capita allowance shall remain unchanged. Calculate the amount of Salary Incentive Aid as provided for in subsection B of this section, using pupil data compiled during the first semester of the school year for which the supplement shall be paid in order to determine the weighted pupil grade level, the weighted pupil category, and the weighted district category. For the purposes of this calculation, the weighted teacher experience and degree index shall not be changed. State Aid shall be the sum of Foundation aid, Salary Incentive Aid, and the Transportation Supplement.

2. Subtract the amount of State Aid for the school year for which the supplement shall be paid, including any supplement funding pursuant to Section 18-112.2 of this title, which the school district would have received if the provisions of Section 18-113.1 had not been applied from the total amount calculated in paragraph 1 of this subsection. The difference shall be the supplement in State Aid the school district shall receive.

3. For those districts that received funding in excess of Foundation Aid, Salary Incentive Aid, and the Transportation Supplement pursuant to the provisions of Section 18-112.2 of this title prior to the calculation of the supplement provided in subparagraphs 1 and 2 of this subsection, the amount of revenue in the general fund surplus of the preceding fiscal year in excess of ten percent (10%) of receipts or expenditures, whichever is less, of the district for the preceding fiscal year shall be subtracted from the difference obtained in paragraph 2 of this subsection.

D. In the event that ad valorem taxes of a school district are determined to be uncollectible because of bankruptcy, clerical error, or a successful tax protest, and the amount of such taxes deemed uncollectible exceeds Fifty Thousand Dollars (\$50,000.00) or an amount greater than twenty-five percent (25%) of ad valorem taxes per tax year, the school district's State Aid shall be determined by subtracting the net assessed valuation of the property upon which taxes were deemed uncollectible from the assessed valuation of the school district and the state. Upon request of the local board of education, it shall be the duty of the county assessor to certify to the

Director of Finance of the State Department of Education the net assessed valuation of the property upon which taxes were determined uncollectible.

SECTION 47. AMENDATORY 70 O.S. Supp. 1989, Section 18-109.3, as last amended by Section 111, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 18-109.3 A. ~~The Prior to July 1, 1990, the~~ weighted average daily attendance of a school district shall be the sum of the weighted pupil grade level calculation, the weighted pupil category calculation, and the weighted district size calculation.

B. The weighted calculations provided for in subsection A of this section shall be determined as follows:

1. The weighted pupil grade level calculation shall be determined by taking the highest average daily attendance of the preceding two (2) years of a school district and assigning weights to the pupils according to grade attended as follows:

GRADE LEVEL	WEIGHT
A. Kindergarten	1.3
b. First and second grade	1.351
c. Third grade	1.051
d. Fourth through sixth grade	1.0
e. Seventh through twelfth grade	1.2

Multiply the attendance of each grade by the weight assigned to such grade and add the totals together to determine the weighted pupil grade level calculation for a school district.

2. The weighted pupil category calculation shall be determined by assigning weights to pupil categories as follows:

CATEGORY	WEIGHT
a. Vision Impaired	3.8
b. Learning Disabilities	.4
c. Hearing Impaired	2.9
d. Deaf and Blind	3.8
e. Educable Mentally Handicapped	1.3
f. Emotionally Disturbed	2.5
g. Gifted	.34
h. Multiple Handicapped	2.4
i. Physically Handicapped	1.2
j. Speech Impaired	.05
k. Trainable Mentally Handicapped	1.3

1. Bilingual

.25

m. Special Education Summer Program

1.2

Multiply the number of pupils approved and enrolled in the preceding school year in each category by the weight assigned to such category and add the totals together to determine the weighted pupil category calculation for a school district.

3. The weighted district size calculation shall apply only to school districts whose highest average daily attendance of the preceding two (2) years is less than five hundred (500) pupils. The weighted district size calculation shall be determined as provided in the following formula: 500 minus total average daily attendance divided by 500 times .2 times total average daily attendance. School districts which are consolidated pursuant to the Oklahoma Voluntary School Consolidation Act shall have the weighted district size calculation for the two (2) school years following the fiscal year in which such consolidation occurred calculated to be the sum of the individual consolidated districts, computed as if the consolidation had not taken place. Thereafter, any such district which is consolidated pursuant to the Oklahoma Voluntary School Consolidation Act shall not qualify for the weighted district size calculation unless such district's highest average daily attendance for the preceding two (2) years is less than five hundred pupils.

SECTION 48. AMENDATORY 70 O.S. Supp. 1989, Section 18-109.4, as last amended by Section 112, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 18-109.4 A. ~~The Prior to July 1, 1990,~~ the weighted average daily membership of a school district shall be the sum of the weighted pupil grade level calculation, the weighted pupil category calculation, the weighted district size calculation, and the weighted teacher experience and degree calculation.

B. The weighted calculations provided for in subsection A of this section shall be determined as follows:

1. The weighted pupil grade level calculation shall be determined by taking the highest average daily membership of the preceding two (2) years of a school district and assigning weights to the pupils according to grade attended as follows:

GRADE LEVEL	WEIGHT
a. Kindergarten	1.3
b. First and second grade	1.351
c. Third grade	1.051
d. Fourth through sixth grade	1.0
e. Seventh through twelfth grade	1.2

Multiply the membership of each grade by the weight assigned to such grade and add the totals together to determine the weighted pupil grade level calculation for a school district.

2. The weighted pupil category calculation shall be determined by assigning a weight to the pupil category as follows:

CATEGORY

WEIGHT

Economically Disadvantaged

.25

Multiply the number of pupils approved in the preceding school year in the category by the weight assigned to the category to determine the weighted pupil category calculation for a school district.

3. The weighted district size calculation shall apply only to school districts whose highest average daily membership of the preceding two (2) years is less than five hundred pupils. The weighted district size calculation shall be determined as provided in the following formula: 500 minus total average daily membership divided by 500 times .2 times total average daily membership. School districts which are consolidated pursuant to the Oklahoma Voluntary School Consolidation Act shall have the weighted district size calculation for the two (2) school years following the fiscal year in which such consolidation occurred calculated to be the sum of the individual consolidated districts, computed as if the consolidation had not taken place. Thereafter, any such district which is consolidated pursuant to the Oklahoma Voluntary School Consolidation Act shall not qualify for the weighted district size calculation unless such district's highest average daily attendance for the preceding two (2) years is less than five hundred pupils.

4. The weighted teacher experience and degree calculation shall be determined in accordance with the teacher experience and degree index. The State Department of Education shall determine an index for each state teacher by using data supplied in the school district's teacher personnel reports of the preceding year and utilizing the index as follows:

TEACHER EXPERIENCE — DEGREE INDEX

<u>EXPERIENCE</u>	<u>BACHELOR'S DEGREE</u>	<u>MASTER'S DEGREE</u>	<u>DOCTOR'S DEGREE</u>
0 - 2	.7	.9	1.1
3 - 5	.8	1.0	1.2
6 - 8	.9	1.1	1.3
9 - 11	1.0	1.2	1.4
12 - 15	1.1	1.3	1.5
Over 15	1.2	1.4	1.6

The school district teacher index for each school district shall be determined by subtracting the weighted average state teacher from the weighted average district teacher. Multiply the school district teacher index if greater than zero by .7 and then multiply that product by the sum of the weighted pupil grade level calculation, the weighted pupil category calculation, and the weighted district size calculation to determine the weighted teacher experience and degree calculation.

SECTION 49. AMENDATORY 70 O.S. Supp. 1989, Section 17-105, as last amended by Section 113, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 17-105. (1) (a) Any member who has attained age fifty-five (55) or who has completed thirty (30) years of creditable service, as defined in Section 17-101 of this title, or whose age and number of years of creditable service total eighty (80) may be retired upon filing a written application for such retirement. The application shall be filed on the form provided by the Board of Trustees for this purpose, not less than thirty (30) days nor more than ninety (90) days before the date of retirement.

(b) An individual who becomes a member of the Teachers' Retirement System after July 1, 1967, shall be employed by the public schools, state colleges or universities of Oklahoma for a minimum of ten (10) years and be a contributing member of the Teachers' Retirement System of Oklahoma for a minimum of ten (10) years to qualify for monthly retirement benefits from the Teachers' Retirement System of Oklahoma. Provided, however, any individual who was a contributing member of the system for a minimum of ten (10) years and withdrew such individual's accumulated contributions upon termination of employment may repay to the system such contributions with interest as determined by the Board for the purpose of receiving monthly retirement benefits from the system. All repayments made as provided for in this subsection shall be made prior to September 1, 1986.

(c) Any member with ten (10) or more years of Oklahoma teaching service and whose accumulated contributions during such period have not been withdrawn shall be given an indefinite extension of membership beginning with the sixth year following his last contributing membership and shall become eligible to apply for retirement and be retired upon attaining age fifty-five (55).

(d) Members currently teaching in the public schools of Oklahoma past the fiscal year during which age seventy (70) was attained and who have not retired shall be granted the privilege of making up the five percent (5%) contributions, plus interest, for the years taught after age seventy (70). Such member shall be given an indefinite extension of membership and be eligible to retire upon the filing of proper application for retirement as hereinbefore provided.

(2) An unclassified optional member who has retired or who retires at sixty-two (62) years or age or older or whose retirement is because of disability shall have his minimum retirement benefits calculated on an average salary of Five Thousand Three Hundred Fifty Dollars (\$5,350.00) or, if a larger monthly allowance would result, an amount arrived at pursuant to application of the formula prescribed herein.

(3) No member shall receive a lesser retirement benefit than he would have received under the law in effect at the time he retired. Any individual under the Teachers' Retirement System, who through error in stating the title of the position which he held, may, at the discretion of the Board of Trustees, be changed from the nonclassified optional group to the classified group for the purpose of calculating retirement benefits.

Any individual regardless of residence, who has a minimum of ten (10) years of teaching in Oklahoma schools prior to July 1, 1943, or who taught in Oklahoma schools prior to 1934 and thereafter taught a minimum of ten (10) years and who does not qualify under the present retirement system, or who has a minimum of thirty (30) years of teaching in Oklahoma schools and has reached seventy (70) years of age prior to July 1, 1984, and is not otherwise eligible to receive any benefits from the retirement system shall receive a minimum of One Hundred Fifty Dollars (\$150.00) per month in retirement benefits from the Teachers' Retirement System of Oklahoma plus any general increase in benefits for annuitants as may be provided hereafter by the Legislature. Each individual must apply to the Teachers' Retirement System for such benefit and provide evidence to the Teachers' Retirement System that the service was actually rendered. The surviving spouse of any person who made application for the benefit provided for by this paragraph during his lifetime but did not receive said benefit may submit an application to the system for payment of said benefit for

those months during the lifetime of the deceased person that he was eligible for but did not receive the benefit. Upon approval of the application by the Board of Trustees, the benefit shall be paid to the surviving spouse in one lump sum.

(4) The value of each year of prior service is the total monthly retirement benefit divided by the number of years of creditable service.

(5) Upon application of a member who is actively engaged in teaching in Oklahoma or his employer, any member who has been a contributing member for ten (10) years may be retired by the Board of Trustees not less than thirty (30) days nor more than ninety (90) days subsequent to the execution and filing thereof, on a disability retirement allowance, provided the Medical Board of the Teachers' Retirement System after medical examination of such member by a duly qualified physician shall certify that such member is mentally or physically incapacitated for further performance of duty, that such incapacity is likely to be permanent, and that such member should be retired.

(6) (a) A member who at the time of retirement is in the judgment of the Medical Board of the Teachers' Retirement System permanently physically or mentally incapacitated to teach school shall receive a minimum monthly retirement payment for life or until such time as the member may be found to be recovered to the point where he may return to teaching. Any member retired before the effective date of this act shall be eligible to receive the monthly retirement allowance herein provided, but such payment shall not begin until the first payment due him after the effective date of this act, and shall not be retroactive. The Board of Trustees is empowered to make such rules and regulations as it considers proper to preserve equity in retirements under this provision.

(b) A member who has qualified for retirement benefits under disability retirement shall have the total monthly payment deducted from his accumulated contributions plus interest earned and any money remaining in the member's account after the above deductions at the death of the member shall be paid in a lump sum to the beneficiary or to the estate of the member. Provided, if the deceased disabled member had thirty (30) years or more of creditable service and the death occurred after June 30, 1981, and death occurred prior to the disabled member receiving twelve monthly retirement payments, a surviving spouse may elect to receive the retirement benefit to which the deceased member would have been entitled at the time of death under the Option 2 Plan of Retirement provided for in subsection (8) of this section in lieu of the death benefit provided for in this subsection and in subsection (12) of this section.

(c) Once each year the Board of Trustees may require any disabled annuitant who has not yet attained the age of sixty (60) years to undergo a medical examination, such examination to be made at the place of residence for said disabled annuitant or other place mutually agreed upon by a physician or physicians designated by the Board of Trustees. Should any disabled annuitant who has not yet attained the age of sixty (60) years refuse to submit to at least one medical examination in any such year by a physician or physicians designated by the Board of Trustees his allowance may be discontinued until he submits to such examination.

(d) Should the Medical Board report and certify to the Board of Trustees that such disabled annuitant is engaged in or is able to engage in a gainful occupation paying more than the difference between his retirement allowance and the average final compensation, and should the Board of Trustees concur in such report then the amount of his pension shall be reduced to an amount which, together with his retirement allowance and that amount earnable by him, shall equal the amount of his average final compensation. Should his earning capacity be later increased, the amount of his pension may be further modified, provided the new pension shall not exceed that

amount earnable by the member, together with his annuity, equals the amount of his average final compensation.

(e) Should a disabled annuitant be restored to active service, his disability retirement allowance shall cease and he shall again become a member of the Teachers' Retirement System and shall make regular contributions as required under this article. The unused portion of his accumulated contributions shall be reestablished to his credit in the Teachers' Savings Fund. Any such prior service certificates on the basis of which his service was computed at the time of his retirement shall be restored to full force and effect.

(7) Should a member before retirement under this act make application for withdrawal duly filed with the Board of Trustees and approved by it, not earlier than four (4) months after the date of termination of such service as a teacher, the contribution standing to the credit of his individual account in the Teachers' Savings Fund shall be paid to him or, in the event of his death before retirement, shall be paid to such person or persons as he shall have nominated by written designation, duly executed and filed with the Board of Trustees; provided, however, if there be no designated beneficiary surviving upon such death, such contributions shall be paid to his administrators, executors, or assigns, together with interest as hereinafter provided. In lieu of a lump-sum settlement at the death of the member, the amount of money the member has on deposit in the Teachers' Savings Fund and the money the member has on deposit in the Teachers' Deposit Fund may be paid in monthly payments to a designated beneficiary, who must be the spouse, under the Maximum or Option 1 Plan of Retirement providing the monthly payment shall be not less than Twenty-five Dollars (\$25.00) per month. The monthly payment shall be the actuarial equivalent of the amount becoming due at the member's death based on the sex of the spouse and the age the spouse has attained at the last birthday prior to the member's death. Provided further, if there be no designated beneficiary surviving upon such death, and the contributions standing to the credit of such member do not exceed Two Hundred Dollars (\$200.00), no part of such contributions shall be subject to the payment of any expense of the last illness or funeral of the deceased member or any expense of administration of the estate of such deceased and the Board of Trustees, upon satisfactory proof of the death of such member and of the name or names of the person or persons who would be entitled to receive such contributions under the laws of descent and distribution of the state, may authorize the payment of accumulated contributions to such person or persons. A member terminating his membership by withdrawal shall have the interest computed at a rate of interest determined by the Board of Trustees and paid to him subject to the following schedule:

(a) If termination occurs within seven (7) years from the date membership began, no part of such interest accumulations shall be paid.

(b) With at least seven (7) but less than sixteen (16) years of membership, fifty percent (50%) of such interest accumulations shall be paid.

(c) With at least sixteen (16) but less than twenty-one (21) years of membership, sixty percent (60%) of such interest accumulations shall be paid.

(d) With at least twenty-one (21) but less than twenty-six (26) years of membership, seventy-five percent (75%) of such interest accumulations shall be paid.

(e) With at least twenty-six (26) years of membership, ninety percent (90%) of such interest accumulations shall be paid.

In case of death of an active member, the interest shall be calculated and restored to the member's account and paid to his beneficiary.

amount as determined under this section, the member may select a retirement allowance for a reduced amount payable under any of the following options the present value of which is the actuarial equivalent thereof.

(b) A member may select the option under which he desires to retire at the end of the school year in which he attains age seventy (70) and said option shall be binding and cannot be changed. Provided further that if a member retires before age seventy (70), no election of an option shall be effective in case an annuitant dies before the first payment due under such option has been received.

(c) The first payment of any benefit selected shall be made on the first day of the month following approval of the retirement by the Board of Trustees.

Option 1. If he dies before he has received in annuity payments the present value of his annuity as it was at the time of his retirement, the balance shall be paid to his legal representatives or to such person as he shall nominate by written designation duly acknowledged and filed with the Board of Trustees at the time of his retirement; or

Option 2. A member takes a reduced retirement allowance for life. Upon the death of the member the payments shall continue to the member's designated beneficiary, who must be a spouse, for the life of the beneficiary. The written designation of the beneficiary, who must be a spouse, must be duly acknowledged and filed with the Board of Trustees at the time of the member's retirement; or

Option 3. A member receives a reduced retirement allowance for life. Upon the death of the member one-half (1/2) of the retirement allowance paid the member shall be continued throughout the life of the designated beneficiary, who must be a spouse. A written designation of a beneficiary must be duly acknowledged and filed with the Board of Trustees at the time of the member's retirement; or

Option 4. Some other benefit or benefits shall be paid either to the member or to such person or persons as he shall nominate, provided such other benefit or benefits, together with the reduced retirement allowance, shall be certified by the actuary to be of equivalent actuarial value to his retirement allowance and shall be approved by the Board of Trustees; or

Option 5. A member receives a reduced retirement allowance for life. If the member dies within twenty-five (25) years from the date of commencement of the retirement payments, such payments shall be continued to the beneficiary of the member during the balance of the twenty-five-year period. The written designation of the beneficiary, who must be a spouse, shall be duly acknowledged and filed with the Board of Trustees at the time of the member's retirement.

(9) The governing board of any "public school", as that term is defined in Section 17-101 of this title, is hereby authorized and empowered to pay additional retirement allowances or compensation to any teacher who was in the employ of such public school for not less than ten (10) school years preceding the date of his retirement. Payments so made shall be a proper charge against the current appropriation or appropriations of any such public school for teaching salaries for the fiscal year in which such payments are made. Such payments shall be made in regular monthly installments in such amounts as the governing board of any such public school, in its judgment, shall determine to be reasonable and appropriate in view of the length and type of service rendered by any such person to such public school by which such teacher was employed at the time of retirement. All such additional payments shall be uniform, based upon the length of tenure service and the type of services performed, to teachers formerly employed by such public school who have retired or been retired in accordance with the provisions of this act.

The governing board of any such public school may adopt rules and regulations of general application outlining the terms and conditions under which such additional retirement benefits shall be paid, and all decisions of such board shall be final.

(10) In addition to the teachers' retirement herein provided, teachers may voluntarily avail themselves of the Federal Social Security Program upon a district basis.

(11) Upon the death of an in-service member, the system shall pay to the designated beneficiary of the member or, if there is no designated beneficiary or if the designated beneficiary predeceases the member, to the estate of the member, the sum of Eighteen Thousand Dollars (\$18,000.00) as a death benefit. Provided, if the deceased member had ten (10) years or more of creditable service and the death occurred after February 1, 1985, a surviving spouse may elect to receive the retirement benefit to which the deceased member would have been entitled at the time of death under the Option 2 plan of retirement in lieu of the death benefit provided for in this subsection. Provided further, if the death occurred after June 1, 1987, and the surviving spouse elects to receive the retirement benefit to which the deceased member would have been entitled at the time of death under the Option 2 plan of retirement, the retirement benefit shall be determined using the average annual salary of the deceased member during any three (3) of the last five (5) years of participating service, but not to exceed Forty Thousand Dollars (\$40,000.00).

(12) Upon the death of an annuitant who has contributed to the system, the retirement system shall pay to the designated beneficiary of the annuitant or, if there is no designated beneficiary or if the designated beneficiary predeceases the annuitant, to the estate of the annuitant, the sum of Four Thousand Dollars (\$4,000.00) as a death benefit.

SECTION 50. AMENDATORY 70 O.S. Supp. 1989, Section 1-117, as last amended by Section 114, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1-117. The general fund of any school district is hereby defined as a concurrent expense fund and shall consist of all revenue or monies that can legally be expended within a certain specified fiscal year, but shall not be considered as including any money derived from a special building fund levy made in accordance with the provisions of Article X, Section 10, of the Oklahoma Constitution, nor shall it include any monies derived from the sale of bonds issued under the provisions of Article X, Section 26, of the Oklahoma Constitution. ~~All monies derived from the proceeds of the school levies made pursuant to the provisions of Article X, Section 9 of the Oklahoma Constitution shall be placed in the general fund provided by this section.~~ Expenditures from the general fund may be capital or noncapital in nature.

SECTION 51. AMENDATORY 70 O.S. Supp. 1989, Section 1-118, as last amended by Section 115, of Enrolled House Bill 1017 of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, is amended to read as follows:

Section 1-118. The building fund of any school district shall consist of all monies derived from the proceeds of a building fund levy of not to exceed five (5) mills in any year, voted by the people of a school district pursuant to the provisions of Article X, Section 10, of the Oklahoma Constitution, and may be used for erecting, remodeling or repairing school buildings, and for purchasing furniture or for one or more, or all, of such purposes. Proceeds of such levies shall not be required to be used during the year until adequate for the purposes intended. The building fund hereinabove defined is hereby declared to be a current expense fund, but shall not be considered a part of the general operating fund. ~~No monies derived from the proceeds of the school levies made pursuant to the provisions of Article X, Section 9 of the Oklahoma Constitution may be placed in the building fund provided by this section.~~

SECTION 52. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4-103A of Title 70, unless there is created a duplication in numbering, reads as follows:

Notwithstanding any provisions hereinabove contained to the contrary, the State Board of Education is hereby authorized to apportion, from any appropriation provided for the purposes of this article, an amount equal to the difference between (1) the amount necessary to provide for the county superintendent of schools in each county in the state a salary computed on the basis of the minimum salary of teachers serving as superintendents of schools in school districts, and (2) an amount equal to the salary paid to such county superintendent of schools from county funds of the county of which he, or she, is county superintendent of schools. The State Board of Education shall furnish the Director of State Finance with a copy of the apportionments made for the salary of the county superintendent of each county and upon the submission of claims by the State Board of Education the State Treasurer shall draw a warrant each month for one-twelfth of the total apportionment made to supplement the salary of the county superintendent of schools in each county as herein provided, and such warrants shall be forwarded to the county superintendent of schools by the State Board of Education as soon as they are received from the State Treasurer.

SECTION 53. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-102.1A of Title 70, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Administrator" means any teacher who devotes a majority of his time to service as a superintendent, principal, supervisor, vice principal or in any other administrative or supervisory capacity in the school district;
2. "Dismissal" or "termination" means the discontinuance of a teacher's teaching service during the term of a written teaching contract, as provided by law;
3. "Nonreemployment" means the nonrenewal of a teacher's contract under which he or she was teaching upon expiration of the contract;
4. "Probationary teacher" or "nontenured teacher" means a duly certified or licensed teacher who has completed less than three (3) consecutive complete school years of teaching service in one school district under a written teaching contract, as provided by law;
5. "Suspension" or "suspended" means the temporary discontinuance of a teacher's teaching service, as provided by law; and
6. "Tenured teacher" or "postprobationary teacher" means a duly certified teacher who has completed three (3) or more consecutive complete school years of teaching service in one school district under a written teaching contract, as provided by law. Provided, however, that a school district employing a teacher who has previously held tenure within the state may grant tenure to said teacher upon renewal of said teacher's contract for the second year in the district.

SECTION 54. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-130A of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Subject to the provisions of Sections 6-102.1 through 6-102.3 and 6.103.1 through 6.103.12 of Title 70 of the Oklahoma Statutes, any teacher may be dismissed at any time or not reemployed for immorality, willful neglect of duty, cruelty, incompetency, teaching disloyalty to the American Constitutional system of government, or any reason involving moral turpitude and any teacher shall be dismissed at any time or not reemployed if convicted of a felony, or if convicted of a felony resulting from a felony violation of the narcotic laws of the United States or the State of Oklahoma. The provisions of Sections 1 and 2 shall not apply to any offense for which a presidential or gubernatorial pardon has been issued.

B. In determining whether the professional performance of a teacher is adequate, consideration may be given to any written standards of performance which may have been adopted by the State Board of Education, or any education-oriented organization or agency.

C. No school district or any member of a board of education shall be liable for the payment of any teacher for the unexpired term of any contract if the school building is destroyed by accident, storm, fire, or otherwise and it becomes necessary to close the school because of inability to secure a suitable building or buildings for continuation of school. Teachers shall be entitled to pay for any time lost when school is closed on account of epidemics or otherwise when an order for such closing has been issued by a health officer authorized by law to issue the order.

SECTION 55. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-130.1A of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The dismissal, suspension and nonreemployment procedures of this act shall not apply to the following:

1. Substitute teachers;
2. Adult education teachers;
3. Teachers who are employed in positions fully funded by a federal or private categorical grant. Any such employee shall be employed only for the duration of the grant but, during such period of employment, the employee shall receive credit toward his tenured status and shall not be dismissed or suspended except as otherwise provided by law;
4. Teachers who are employed on temporary contracts; and
5. County superintendents of schools.

B. The dismissal, suspension and nonreemployment procedures of this act shall apply to administrators only insofar as they have qualified as tenured teachers, and none of the provisions of this act shall grant tenure to an administrator acting in the capacity of an administrator.

SECTION 56. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-103.2A of Title 70, unless there is created a duplication in numbering, reads as follows:

Whenever a principal who has the administrative responsibility under the supervision of the superintendent of a school district to plan, manage, operate and evaluate the educational program of a particular school

attendance area and who has carried out the provisions of Section 2 of this act<sup>1</sup> believes that it is necessary to admonish a teacher in the district for a reason he believes may lead to the teacher's dismissal or nonreemployment, the principal shall:

1. Bring the matter to the attention of the teacher, in writing, and make a reasonable effort to assist the teacher to correct whatever appears to be the cause for potential dismissal or nonreemployment; and

2. Allow a reasonable time for improvement, which time shall not exceed two (2) months. The nature and gravity of the teacher's conduct shall be considered in determining what length of time would be reasonable. If the teacher does not correct the cause for potential dismissal or nonreemployment, within a reasonable length of time, the principal shall make a recommendation to the superintendent of the school district for the dismissal or nonreemployment of the teacher.

**SECTION 57. NEW LAW** A new section of law to be codified in the Oklahoma Statutes as Section 6-103.3A of Title 70, unless there is created a duplication in numbering, reads as follows:

Whenever a superintendent of a school district has reason to believe that cause exists for the dismissal of a teacher, and when he or she is of the opinion that the immediate suspension of a teacher is necessary in the best interests of the children in the district, the superintendent may suspend the teacher without notice or hearing. However, the suspension of the teacher shall not deprive the teacher of any teaching compensation or other benefits to which he or she would otherwise be entitled under his or her teaching contract or pursuant to law. Within ten (10) days' time after such suspension becomes effective, the superintendent of the school district shall initiate proceedings pursuant to Section 6-103.4 of this title to have the teacher dismissed. However, in a case involving a criminal charge or indictment, such suspension may extend to such time as the teacher's case is finally adjudicated at a trial. Provided, however, such extension shall not include any appeal process.

**SECTION 58. NEW LAW** A new section of law to be codified in the Oklahoma Statutes as Section 6-103.4A of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Whenever a superintendent of a school district determines that cause exists for the dismissal or nonreemployment of a teacher employed within the school district, he or she shall submit a recommendation in writing to the board of education for such school district. In the case of a tenured teacher, the recommendation shall contain the one or more statutory grounds for the potential dismissal or nonreemployment. The recommendation for the dismissal or nonreemployment of either a tenured or a probationary teacher shall be approved or rejected upon a majority vote of the board's members.

B. If the local board of education approves the recommendation of the superintendent, or determines on its own volition that a teacher should be dismissed or nonreemployed, the board shall cause written notice of the dismissal or nonreemployment to be mailed by certified mail, restricted delivery, with return receipt requested, to the teacher who is the subject of the action. In the case of a tenured teacher, the notice shall state the one or more statutory grounds for the dismissal or nonreemployment and the right of the teacher to have a hearing conducted by a hearing panel. In the

case of a probationary teacher whose contract is not being renewed, the notice shall state the cause for nonrenewal and the right of the teacher to have a due process hearing conducted by the board of education. Pending final determination of a tenured or probationary teacher's dismissal or nonreemployment, the local board may have the teacher suspended if the board determines that the best interests and welfare of the students in the school district require such action. Such suspension shall not deprive the teacher of any compensation or other teaching benefits to which he or she would otherwise be entitled by law or pursuant to his or her teaching contract.

C. Within ten (10) days' of receipt of the notice, the tenured or probationary teacher shall notify by certified mail, restricted delivery with return receipt requested, the clerk of the local board of education of his or her respective decision.

D. If a tenured teacher fails to notify the clerk of the local board of education within the ten-day period of his or her desire to have a hearing on his or her dismissal or nonreemployment conducted by a hearing panel, the teacher shall be deemed to have waived his or her right to a hearing and the initial determination of his or her dismissal or nonreemployment by the board of education shall become final and nonappealable. If, within the ten-day period, the tenured teacher notifies the clerk of the local school board of his or her desire for a hearing conducted by a hearing panel, the clerk shall, not later than the end of said period of time, notify the State Superintendent of Public Instruction of such request.

E. If a probationary teacher fails to notify the clerk within the ten-day period of his or her desire to have a due process hearing on his or her dismissal or nonreemployment conducted by the local board of education, the teacher shall be deemed to have waived his or her right to the hearing and the initial determination of his or her dismissal or nonreemployment by the board of education shall become final and nonappealable. If, within the ten-day period, the probationary teacher notifies the clerk of the board of education of his or her desire to have a due process hearing on his or her dismissal or nonreemployment conducted by such board, the board shall, as soon as possible, hold a hearing. At the hearing the probationary teacher shall be afforded all such procedural due process rights as are guaranteed by the Oklahoma and United States Constitutions. At the conclusion of the hearing, the local board of education shall render a final and nonappealable decision on the question of the probationary teacher's dismissal or nonreemployment.

SECTION 59. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-103.5A of Title 70, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created a hearing judge list which shall consist of the names of not less than two hundred Oklahoma attorneys with trial experience provided by the Oklahoma Bar Association; provided, however, that no member of the Legislature shall be included on said hearing judge list or be eligible to serve as a hearing judge.

B. The individuals on the hearing judge list shall be appointed for terms of four (4) years or until their resignation or removal for cause by the State Board of Education or the Oklahoma Bar Association. Vacancies shall be filled in the same manner as provided for initial appointments. Individuals shall be eligible for reappointment to the hearing judge list.

C. Upon receipt of notification that a tenured teacher desires a hearing on his or her dismissal or nonreemployment as provided in Section 6-103.4 of this title, the Superintendent of Public Instruction shall, within ten (10) days of receipt of notification, designate twenty-one individuals on the hearing judge list to be eligible to act as hearing judge. The individuals so designated shall represent at least three geographic areas of the state. The State Superintendent shall send a list of such individuals to the tenured teacher and local board of education.

D. The tenured teacher and the local board of education, or its representative, shall select a hearing judge within twenty (20) days of receiving the hearing judge list by one of the two following methods:

1. If both parties agree on one individual from the list to act as a hearing judge, such individual shall serve as hearing judge; or

2. If the parties cannot agree on one individual to act as hearing judge, each party shall eliminate ten names from the list and the remaining individual on the list shall serve as hearing judge. In the process of elimination, each party shall eliminate no more than one name at a time, the parties alternating after each name has been eliminated. The first name to be eliminated shall be chosen by the tenured teacher.

**SECTION 60. NEW LAW** A new section of law to be codified in the Oklahoma Statutes as Section 6-103.6A of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The hearing judge shall schedule a hearing on the tenured teacher's dismissal or nonreemployment within ten (10) days after the judge is chosen. Upon scheduling the hearing, the hearing judge shall immediately notify the teacher of the time and place for the hearing and the procedures provided by law and by the State Board of Education pursuant to this act to be followed in selecting a hearing judge.

B. The hearing shall be held in the school district in which the tenured teacher is employed or suspended, in the county seat or in some other mutually agreeable place.

C. In his consideration of educational issues, the hearing judge shall be counseled and assisted by a person designated by the local board of education and a person designated by the tenured teacher. These three (3) individuals shall compose the hearing panel.

**SECTION 61. NEW LAW** A new section of law to be codified in the Oklahoma Statutes as Section 6-103.7A of Title 70, unless there is created a duplication in numbering, reads as follows:

At the hearing, and until final disposition of the case, the district superintendent or his designee shall represent the local board of education. The tenured teacher and district superintendent or his designee, as the representative of the local board of education, shall be afforded procedural due process at the hearing, including the following rights:

1. To have counsel of his own choice present;

2. To present witnesses in person or to present their testimony by interrogatories, affidavits or depositions. A list of any witnesses which are to be presented shall be furnished to the other party at least five (5) days before the hearing is scheduled;

3. To testify in his own behalf and give reasons for any actions or policies;

4. To have an orderly hearing;

5. To have a fair and impartial decision based upon the evidence; and

6. To have an official transcript of the hearing made.

SECTION 62. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-103.8A of Title 70, unless there is created a duplication in numbering, reads as follows:

At the hearing, the hearing judge may:

1. Administer oaths;

2. Issue subpoenas for the attendance and testimony of witnesses and the production of books, papers and documents relating to any matter under investigation;

3. Receive evidence and limit lines of questioning and testimony which are repetitive, cumulative or irrelevant;

4. Call and examine witnesses and introduce into the record documentary and other evidence;

5. Preside over the course of the hearing and dispose of procedural requests, motions and similar matters; and

6. Take any other action necessary to make the hearing accord with administrative due process.

SECTION 63. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-103.9A of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The rules of evidence set forth in Section 310 of Title 75 of the Oklahoma Statutes shall apply to all hearings authorized by this act. The standard of proof shall be by the preponderance of the evidence and the burden of proof at the hearing shall be on the district superintendent or his designee, as representative of the local board of education, to establish that the teacher's dismissal or nonreemployment is warranted.

B. The State Board of Education shall develop uniform standards and procedures to be used at such hearings; provided, the hearings shall be governed in all respects by the provisions of the Oklahoma Administrative Procedures Act.

SECTION 64. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-103.10A of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The members of the hearing panel shall be compensated for serving in such capacity in an amount to be determined in advance by the adoption of appropriate rules and regulations by the State Board of Education.

B. The local board of education and the tenured teacher shall each be responsible for fifty percent (50%) of the expenses and cost of the hearing and the official transcript, excluding attorney's fees of the parties involved.

SECTION 65. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-103.11A of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Within thirty (30) days from the time a hearing judge has been chosen, the hearing panel shall complete the hearing, prepare a written report and submit copies of the report to the superintendent of the school district and the tenured teacher. The report shall be written by the hearing judge. If the hearing panel cannot prepare the report within said period of time, the tenured teacher and superintendent of the school district shall be so notified prior to the end of such period. The hearing panel may then take additional time as is necessary, not to exceed forty (40) days from the time that the hearing judge was chosen, to prepare and submit the report. The tenured teacher and district superintendent or their designees may mutually agree to extend the time limit for preparation and submission of the report to an additional fifteen (15) days.

B. The report shall contain an outline of the scope of the hearing, findings of fact and conclusions of law and shall direct either of the following:

1. That the local board of education reinstate the tenured teacher with full employment status and benefits; or
2. That the decision of the local board of education for the dismissal or nonreemployment of the tenured teacher be sustained.

SECTION 66. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-103.12A of Title 70, unless there is created a duplication in numbering, reads as follows:

The decision of the hearing panel as contained in the report shall be final and shall be obeyed by the parties involved unless the tenured teacher or the district superintendent, as representatives of the local board of education, appeals the decision to the district court. The provisions of the Oklahoma Administrative Procedures Act<sup>1</sup> shall apply to such appeal. Laws 1977, c. 262 § 16, emerg. eff. June 17, 1977.

<sup>1</sup>Section 301 et. seq. of title 75.

SECTION 67. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-103.13A of Title 70, unless there is created a duplication in numbering, reads as follows:

The applicable hearing and appeal procedure in the event of the dismissal or nonreemployment of a tenured teacher shall be that procedure provided by law on the effective date of such dismissal or nonreemployment.

SECTION 68. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-103.14A of Title 70, unless there is created a duplication in numbering, reads as follows:

The powers and duties set forth in this act for the superintendent of a school district shall be exercised by the county superintendent of schools in dependent school districts.

SECTION 69. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-103.15A of Title 70, unless there is created a duplication in numbering, reads as follows:

1. "Public homosexual activity" means the commission of an act defined in Section 886 of Title 21 of the Oklahoma Statutes, if such act is:

- a. committed with a person of the same sex, and
- b. indiscreet and not practiced in private;

2. "Public homosexual conduct" means advocating, soliciting, imposing, encouraging or promoting public or private homosexual activity in a manner that creates a substantial risk that such conduct will come to the attention of school children or school employees; and

3. "Teacher" means a person as defined in Section 1-116 of Title 70 of the Oklahoma Statutes.

B. In addition to any ground set forth in Section 6-103 of Title 70 of the Oklahoma Statutes, a teacher, student teacher or a teachers' aide may be refused employment, or reemployment, dismissed, or suspended after a finding that the teacher or teachers' aide has:

1. Engaged in public homosexual conduct or activity; and
2. Has been rendered unfit, because of such conduct or activity, to hold a position as a teacher, student teacher or teachers' aide.

C. The following factors shall be considered in making the determination whether the teacher, student teacher or teachers' aide has been rendered unfit for his position:

1. The likelihood that the activity or conduct may adversely affect students or school employees;
2. The proximity in time or place of the activity or conduct to the teacher's, student teacher's or teachers' aide's official duties;
3. Any extenuating or aggravating circumstances; and
4. Whether the conduct or activity is of a repeated or continuing nature which tends to encourage or dispose school children toward similar conduct or activity.

SECTION 70. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-122.1A of Title 70, unless there is created a duplication in numbering, reads as follows:

No teacher who has accumulated tenure in one school district shall lose that accumulated tenure, if that school district is annexed, either voluntarily or involuntarily, by another school district. The annexing district shall give said teacher credit for all tenure accumulated while teaching in the annexed district.

**SECTION 71. NEW LAW** A new section of law to be codified in the Oklahoma Statutes as Section 8-107A of Title 70, unless there is created a duplication in numbering, reads as follows:

The annual estimate of each school district from which pupils have been transferred shall include a request to the county excise board to make the necessary appropriation for the payment of transfer fees payable by such district under the provisions of this article.

**SECTION 72. NEW LAW** A new section of law to be codified in the Oklahoma Statutes as Section 8-108A of Title 70, unless there is created a duplication in numbering, reads as follows:

After the board of education of the district from which a transfer has been made has determined the amount of the appropriation for transfer fees and such appropriation has been made by the county excise board in the budget of such school district, the district to which any such pupils have been transferred shall estimate the amount so appropriated as probable income from appropriation, and it shall thereupon become the duty of the county excise board to use the total amount so estimated to help finance appropriations of the district to which such pupils are transferred, provided a transfer fee shall not be required between high school districts when the transfer is mutually agreed upon except for special education or vocational education students.

Fees for all transfers from school districts where a school or schools are maintained within the district shall be based on the previous year's total per capita cost of pupils in average daily attendance in the district to which the transfer is made plus eight percent (8%) of such total cost for use of buildings already constructed. Such cost shall be based upon the total expense for the year during which computation is made.

The education per capita cost of the district to which the pupils are transferred shall be computed as follows:

The total expenditures of the previous year including: all state and federal funds; annual accrual and interest on outstanding bonds voted for the purchase of furniture, repairs, and construction of buildings; funds expended from any constitutional building fund; eight percent (8%) of such total cost for use of buildings already constructed, but excluding the cost of transportation; the cost of constructing new buildings, by bond issue; and disbursements from sinking funds, except annual accrual and interest on outstanding bonds, shall be divided by the average daily attendance for the previous year.

The transportation per capita cost of all pupils (resident and transferred) transported by the district to which the pupils are transferred shall be computed as follows:

The total cost of transportation, including annual accrual and interest on outstanding bonds issued for transportation equipment, shall be divided by the average number of pupils (on which State Aid may be paid) transported the previous year by the school district to which the pupils are transferred.

The sum of the total education per capita cost for the previous year plus the eight percent (8%) of such total cost for buildings already constructed and paid for and the total transportation per capita cost for the previous year shall be considered as the per capita cost of the district to which the pupil is transferred. Provided, if the transferred pupils are not transported by the district to which they are transferred, the transportation cost shall not be added to the education per capita cost in computing the amount to be appropriated for transfer.

**SECTION 73. NEW LAW** A new section of law to be codified in the Oklahoma Statutes as Section 8-109A of Title 70, unless there is created a duplication in numbering, reads as follows:

It shall be the duty of the county treasurer to apportion taxes and all other monies coming into his possession as expected income within the approved estimate of any district as follows: The general fund collections and unencumbered cash on hand from the previous year shall be apportioned to the general fund of the district from which transfers are made and to the district to which pupils are transferred in the same percentage as the appropriation for the district from which pupils are transferred, and the appropriation for the district to which the pupils are transferred is of the total appropriation of such district for the current year. Provided, if the pupils from any school district are transferred to more than one school district, the taxes and other miscellaneous revenue including cash surplus shall be apportioned to each district in the same proportion as the appropriation for each school is of the total appropriation made by the district.

Provided, further, any child moving into a district not providing school facilities of the grade he is entitled to pursue after the time for making transfers shall be entitled to a transfer to a district offering instruction in the grade he is entitled to pursue, if application therefor is made within fifteen (15) days from the time such change of residence is made, upon written consent of the county superintendent of schools. If the estimate of the district from which said child is transferred has not been finally approved at the time such transfer is made, an appropriation for the payment of a transfer fee for the benefit of such child shall be included in such estimate in the same amount as that for other transferred pupils.

**SECTION 74. NEW LAW** A new section of law to be codified in the Oklahoma Statutes as Section 8-109.2A of Title 70, unless there is created a duplication in numbering, reads as follows:

A. It is the intent of the Legislature that the sole purpose of this section is to provide an equitable funding formula for all the school districts of the state, and that no school shall be consolidated because of the provisions of this section. The Legislature, recognizing the responsibility to guarantee an adequate and equitable educational program for the school children of this state, declares that the amount of State Aid each district shall receive shall be the sum of the Foundation Aid, the Salary Incentive Aid, and the Transportation Supplement, as adjusted pursuant to the provisions of Section 18-112.2 of this title; provided, no district having per pupil revenue in excess of three hundred percent (300%) of the average per pupil revenue of all districts shall receive any State Aid or Supplement in State Aid. Per pupil revenue shall be determined by dividing the district's second preceding year's total weighted average daily membership (ADM) into the district's second preceding year total revenues excluding federal revenue, insurance loss payments, reimbursements, recovery of overpayments and refunds, unused reserves, prior expenditures recovered, prior year surpluses, and less the amount of any transfer fees paid in that year.

B. Foundation Aid, the Transportation Supplement, and Salary Incentive Aid shall be calculated as follows:

1. Foundation Aid shall be determined by subtracting the amount of the Foundation Program Income from the cost of the Foundation Program and adding to this difference the Transportation Supplement.

- a. The Foundation Program shall be a district's weighted average daily attendance as determined by the provisions of Section 18-109.3 of this title, multiplied by the Base Foundation Support Level. For the 1989-90 school year, the Base Foundation Support Level shall be One Thousand Four Dollars (\$1,004.00).
- b. The Foundation Program Income shall be the sum of the following, less dependent transfer fees to be paid for students served during the preceding school year:
  - (1) The adjusted assessed valuation of the school district during the next preceding year multiplied by fifteen (15) mills, and
  - (2) Seventy-five percent (75%) of the amount received by the school district from the proceeds of the county levy during the second preceding fiscal year, as levied pursuant to subsection (b) of Section 9 of Article X of the Oklahoma Constitution, and
  - (3) Motor Vehicle Collections, and
  - (4) Gross Production Tax, and
  - (5) State Apportionment, and
  - (6) R.E.A. Tax, and
  - (7) Dependent transfer fees to be received for students served during the preceding school year.

The items listed in divisions (3), (4), (5) and (6) shall consist of the amounts actually collected from such sources during the second preceding fiscal year calculated on a per capita basis on the unit provided for by law for the distribution of each such revenue. Dependent transfer fees are only the transfer fees, beginning with those paid during the 1990-91 school year, provided by Section 8-101 of this title.

2. The Transportation Supplement shall be equal to the average daily haul times the per capita allowance times the appropriate transportation factor.
  - a. The average daily haul shall be the number of children in a district who are legally transported and who live one and one-half (1½) miles or more from school;
  - b. The per capita allowance shall be determined using the following chart:

DENSITY FIGURE	PER CAPITA ALLOWANCE
.3000— .3083	\$167.00
.3084— .3249	\$165.00
.3250— .3416	\$163.00
.3417— .3583	\$161.00
.3584— .3749	\$158.00
.3750— .3916	\$156.00
.3917— .4083	\$154.00
.4084— .4249	\$152.00
.4250— .4416	\$150.00
.4417— .4583	\$147.00
.4584— .4749	\$145.00
.4750— .4916	\$143.00
.4917— .5083	\$141.00
.5084— .5249	\$139.00
.5250— .5416	\$136.00
.5417— .5583	\$134.00

.5584— .5749	\$132.00
.5750— .5916	\$130.00
.5917— .6133	\$128.00
.6134— .6399	\$125.00
.6400— .6666	\$123.00
.6667— .6933	\$121.00
.6934— .7199	\$119.00
.7200— .7466	\$117.00
.7467— .7733	\$114.00
.7734— .7999	\$112.00
.8000— .8266	\$110.00
.8267— .8533	\$108.00
.8534— .8799	\$106.00
.8800— .9066	\$103.00
.9067— .9333	\$101.00
.9334— .9599	\$ 99.00
.9600— .9866	\$ 97.00
.9867—1.1071	\$ 95.00
1.1072—1.3214	\$ 92.00
1.3215—1.5357	\$ 90.00
1.5358—1.7499	\$ 88.00
1.7500—1.9642	\$ 86.00
1.9643—2.1785	\$ 84.00
2.1786—2.3928	\$ 81.00
2.3929—2.6249	\$ 79.00
2.6250—2.8749	\$ 77.00
2.8750—3.1249	\$ 75.00
3.1250—3.3749	\$ 73.00
3.3750—3.6666	\$ 70.00
3.6667—3.9999	\$ 68.00
4.0000—4.3333	\$ 66.00
4.3334—4.6666	\$ 64.00
4.6667—4.9999	\$ 62.00
5.0000—5.5000	\$ 59.00
5.5001—6.0000	\$ 57.00
6.0001—6.5000	\$ 55.00
6.5001—7.0000	\$ 53.00
7.0001—7.3333	\$ 51.00
7.3334—7.6667	\$ 48.00
7.6668—8.0000	\$ 46.00
8.0001—8.3333	\$ 44.00
8.3334—8.6667	\$ 42.00
8.6668—9.0000	\$ 40.00
9.0001—9.3333	\$ 37.00
9.3334—9.6667	\$ 35.00
9.6668 or more	\$ 33.00

c. The formula transportation factor shall be 1.39.

3. Salary Incentive Aid shall be determined as follows:

a. Multiply the Incentive Aid guarantee by the district's weighted average daily membership as determined in Section 18-109.4 of this title. For the 1989-90 school year, the Incentive Aid guarantee shall be Forty-three Dollars and ninety-seven cents (\$43.97).

b. Divide the district's adjusted assessed valuation by one thousand (1,000) and subtract the quotient from the product of subparagraph a. The remainder shall not be less than zero (0).

c. Multiply the number of mills levied for general fund purposes above the fifteen (15) mills required to support Foundation Aid, not including the county four-mill levy, by the remainder of subparagraph b. The product shall be the Salary Incentive Aid of the district.

C. Any school district with an average daily attendance that is at least two percent (2%) greater than the higher average daily attendance of the preceding two (2) years of the school district shall receive a supplement in State Aid to be determined as follows:

1. Calculate the amount of Foundation Aid to which the school district would be entitled by using new pupil data for the calculation of the weighted pupil grade level, the weighted pupil category, and the weighted district size. The new data shall be that data compiled during the first semester of the school year for which the supplement shall be paid. The Transportation Supplement shall be calculated by using the average daily haul data compiled during the first semester of the year for which the supplement shall be paid, but the per capita allowance shall remain unchanged. Calculate the amount of Salary Incentive Aid as provided for in subsection B of this section, using pupil data compiled during the first semester of the school year for which the supplement shall be paid in order to determine the weighted pupil grade level, the weighted pupil category, and the weighted district category. For the purposes of this calculation, the weighted teacher experience and degree index shall not be changed. State Aid shall be the sum of Foundation Aid, Salary Incentive Aid, and the Transportation Supplement.

2. Subtract the amount of State Aid for the school year for which the supplement shall be paid, including any supplement funding pursuant to Section 18-112.2 of this title, which the school district would have received if the provisions of Section 18-113.1 had not been applied from the total amount calculated in paragraph 1 of this subsection. The difference shall be the supplement in State Aid the school district shall receive.

3. For those districts that received funding in excess of Foundation Aid, Salary Incentive, and the Transportation Supplement pursuant to the provisions of Section 18-112.2 of this title prior to the calculation of the supplement provided in subparagraphs 1 and 2 of this subsection, the amount of revenue in the general fund surplus of the preceding fiscal year in excess of ten percent (10%) of receipts or expenditures, whichever is less, of the district for the preceding fiscal year shall be subtracted from the difference obtained in paragraph 2 of this subsection.

D. In the event that ad valorem taxes of a school district are determined to be uncollectible because of bankruptcy, clerical error, or a successful tax protest, and the amount of such taxes deemed uncollectible exceeds Fifty Thousand Dollars (\$50,000) or an amount greater than twenty-five percent (25%) of ad valorem taxes per tax year, the school district's State Aid shall be determined by subtracting the net assessed valuation of the property upon which taxes were deemed uncollectible from the assessed valuation of the school district and the state. Upon request of the local board of education, it shall be the duty of the county assessor to certify to the Director of Finance of the State Department of Education that net assessed valuation of the property upon which taxes were determined uncollectible.

**SECTION 75. NEW LAW** A new section of law to be codified in the Oklahoma Statutes as Section 18-109.3A of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The weighted average daily attendance of a school district shall be the sum of the weighted pupil grade level calculation, the weighted pupil category calculation, and the weighted district size calculation.

B. The weighted calculations provided for in subsection A of this section shall be determined as follows:

1. The weighted pupil grade level calculation shall be determined by taking the highest average daily attendance of the preceding two (2) years of a school district and assigning weights to the pupils according to grade attended as follows:

	GRADE LEVEL	WEIGHT
a.	Kindergarten	1.3
b.	First and second grade	1.351
c.	Third grade	1.051
d.	Fourth through sixth grade	1.0
e.	Seventh through twelfth grade	1.2

Multiply the attendance of each grade by the weight assigned to such grade and add the totals together to determine the weighted pupil grade level calculation for a school district.

2. The weighted pupil category calculation shall be determined by assigning weights to pupil categories as follows:

	CATEGORY	WEIGHT
a.	Vision Impaired	3.8
b.	Learning Disabilities	.4
c.	Hearing Impaired	2.9
d.	Deaf and Blind	3.8
e.	Educable Mentally Handicapped	1.3
f.	Emotionally Disturbed	2.5
g.	Gifted	.34
h.	Multiple Handicapped	2.4
i.	Physically Handicapped	1.2
j.	Speech Impaired	.05
k.	Trainable Mentally Handicapped	1.3
l.	Bilingual	.25
m.	Special Education Summer Program	1.2

Multiply the number of pupils approved and enrolled in the preceding school year in each category by the weight assigned to such category and add the totals together to determine the weighted pupil category calculation for a school district.

3. The weighted district size calculation shall apply only to school districts whose highest average daily attendance of the preceding two (2) years is less than five hundred (500) pupils. The weighted district size calculation shall be determined as provided in the following formula: 500 minus total average daily attendance divided by 500 times .2 times total average daily attendance. School districts which are consolidated pursuant to the Oklahoma Voluntary School Consolidation Act<sup>1</sup> shall have the

weighted district size calculation for the two (2) school years following the fiscal year in which such consolidation occurred calculated to be the sum of the individual consolidated districts, computed as if the consolidation had not taken place. Thereafter, any such district which is consolidated pursuant to the Oklahoma Voluntary School Consolidation Act shall not qualify for the weighted district size calculation unless such district's highest average daily attendance for the preceding two (2) years is less than five hundred pupils.

**SECTION 76. NEW LAW** A new section of law to be codified in the Oklahoma Statutes as Section 18-109.4A of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The weighted average daily membership of a school district shall be the sum of the weighted pupil grade level calculation, the weighted district size calculation, the weighted pupil category calculation, and the weighted teacher experience and degree calculation.

B. The weighted calculations provided for in subsection A of this section shall be determined as follows:

1. The weighted pupil grade level calculation shall be determined by taking the highest average daily membership of the preceding two (2) years of a school district and assigning weights to the pupils according to grade attended as follows:

	GRADE LEVEL	WEIGHT
a.	Kindergarten	1.3
b.	First and second grade	1.351
c.	Third grade	1.051
d.	Fourth through sixth grade	1.0
e.	Seventh through twelfth grade	1.2

Multiply the membership of each grade by the weight assigned to such grade and add the totals together to determine the weighted pupil grade level calculation for a school district.

2. The weighted pupil category calculation shall be determined by assigning weights to pupil categories as follows:

CATEGORY	WEIGHT
Economically Disadvantaged	.25

Multiply the number of pupils approved in the preceding school year in the category by the weight assigned to the category to determine the weighted pupil category calculation for a school district.

3. The weighted district size calculation shall apply only to school districts whose highest average daily membership of the preceding two (2) years is less than five hundred pupils. The weighted district size calculation shall be determined as provided in the following formula: 500 minus total average daily membership divided by 500 times .2 times total average daily attendance. School districts which are consolidated pursuant to the Oklahoma Voluntary School Consolidation Act<sup>1</sup> shall have the weighted district size calculation for the two (2) school years following the

fiscal year in which such consolidation occurred calculated to be the sum of the individual consolidated districts, computed as if the consolidation had not taken place. Thereafter, any such district which is consolidated pursuant to the Oklahoma Voluntary School Consolidation Act shall not qualify for the weighted district size calculation unless such district's highest average daily attendance for the preceding two (2) years is less than five hundred pupils.

4. The weighted teacher experience and degree calculation shall be determined in accordance with the teacher experience and degree index. The State Department of Education shall determine an index for each state teacher by using data supplied in the school district's teacher personnel reports of the preceding year and utilizing the index as follows:

TEACHER EXPERIENCE - DEGREE INDEX

<u>EXPERIENCE</u>	<u>BACHELOR'S DEGREE</u>	<u>MASTER'S DEGREE</u>	<u>DOCTOR'S DEGREE</u>
0 2	.7	.9	1.1
3 5	.8	1.0	1.2
6 8	.9	1.1	1.3
9 11	1.0	1.2	1.4
12 15	1.1	1.3	1.5
Over 15	1.2	1.4	1.6

The school district teacher index for each school district shall be determined by subtracting the weighted average state teacher from the weighted average district teacher. Multiply the school district teacher index if greater than zero by .7 and then multiply that product by the sum of the weighted pupil grade level calculation, the weighted pupil category calculation, and the weighted district size calculation to determine the weighted teacher experience and degree calculation.

SECTION 77. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 18-112A of Title 70, unless there is created a duplication in numbering, reads as follows:

For the 1986-87 school year, no school district shall receive less State Aid pursuant to the provisions of Section 18-109.2 of this title than the amount the district was guaranteed in the 1985-86 school year pursuant to the provisions of this section less five and seven thousand four hundred sixty-four ten-thousandths percent (5.7464%) of the amount the district received in total general fund revenue for the 1984-85 school year exclusive of federal revenue.

Districts must levy the maximum general fund mills to receive the above guarantee. The Legislature guarantees through the provisions of the section that all programs previously mandated by the Legislature and all salary increases mandated since 1973 shall be fully funded by the Legislature or by local revenue. For the fiscal year beginning July 1, 1986, no currently employed teacher's salary shall be less than the salary received for teaching duties by said teacher for the school year 1985-86.

SECTION 78. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1210.202A of Title 70, unless there is created a duplication in numbering, reads as follows:

No pupil shall be assigned, transferred, or otherwise compelled to attend any school on account of race, creed, color or national origin; and no school district or other authority shall seek to achieve racial balance or overcome racial imbalance by transferring or transporting pupils from one school to another within a district, or from one school district to another; provided, that nothing contained in this section shall prevent the voluntary transfer of pupils to schools in which their race is in the minority, or other transfers not inconsistent with the provisions of this act.

**SECTION 79. NEW LAW** A new section of law to be codified in the Oklahoma Statutes as Section 1210.554A of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The State Board of Education shall encourage the local school districts to modify the school calendar so as to offer not fewer than one hundred eighty (180) days of classroom instruction during the ten-month school year and to increase salaries for teachers and support personnel proportionally if scheduling one hundred eighty (180) days of classroom instruction requires contracting with teachers for additional days of work.

B. The State Board of Education shall solicit proposals for, and if funds are available award grants for, pilot projects for extension of the school year beyond the standard one hundred eighty (180) days of classroom instruction. Such proposals shall include provisions for proportional increases in salary for teachers and support personnel. The State Board of Education shall determine pilot project criteria and establish a process for the consideration of proposals on a statewide competitive basis. The State Board of Education is authorized to promulgate rules and regulations for the operation of such pilot projects.

**SECTION 80. REPEALER** Sections 1, 2, 4, 5, 6, 7, 11, 12, 13, 17, 18, 22, 23, 24, 30, 34, 35, 37, 38, 41, 42, 43, 45, 46, 47, 48, 50, 52, 54, 55, 57, 59, 60, 61, 62, 63, 64, 65, 66, 68, 69, 70, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 92, 93, 97, 98, 105, 106, 107, 108, 120, 124, 125, 129, and 130 of Enrolled House Bill 1017, of the 1st Extraordinary Session of the 42nd Oklahoma Legislature are hereby repealed.

**SECTION 81.** The provisions of this act are severable and if any part or provision shall be held void the decision of the court so holding shall not affect or impair any of the remaining parts or provisions of this act.



Dedicated to growth and excellence

**Oklahoma State Department of Education**

Gerald E. Hoeltzel, State Superintendent of Public Instruction

August 15, 1990

**FILED**

AUG 16 1990

3:05 pm

OKLAHOMA SECRETARY  
OF STATE

The Honorable Hannah D. Atkins  
Secretary of State  
State Capitol Building  
Oklahoma City, Oklahoma 73105

Dear Mrs. Atkins:

Pursuant to the provisions of 34 O.S. Supp. 1989 § 9, you have submitted the following proposed Ballot Title to State Question Number 639, as proposed in Initiative Petition Number 347, for certification of the eighth-grade reading comprehension level:

"Shall a law which would repeal all the new language in Enrolled House Bill 1017, of the 1st Extraordinary Session of the 42nd Oklahoma Legislature, and would return the laws regulating education and taxes to read as they did before the Legislature passed and the Governor signed Enrolled House Bill 1017, which included changes in certain school district requirements, created a new Oklahoma Curriculum Committee with added curriculum requirements, set limits on school consolidation, authorized changes in funding, school board procedures, the age for starting public school, kindergarden requirements and programs, procedures regarding teachers and administrators, increased or changed apportionment of several taxes including sales taxes, income taxes, corporate taxes, excise taxes, and gross production taxes be adopted?"

SHALL THE PROPOSED CONSTITUTIONAL AMENDMENT BE APPROVED?

- ( ) YES - for the Amendment
- ( ) NO - against the Amendment"

Based on the guidelines approved by the State Superintendent of Public Instruction for analyzing ballot titles, I cannot certify that the above ballot title is within the eighth-grade readability range.

Sincerely,

Gerald E. Hoeltzel  
State Superintendent

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Oklahoma  
Homecoming '90



Dedicated to growth and excellence

**Oklahoma State Department of Education**

Gerald E. Hoeltzel, State Superintendent of Public Instruction  
August 22, 1990

**FILED**

AUG 22 1990

OKLAHOMA SECRETARY  
OF STATE

The Honorable Hannah D. Atkins  
Secretary of State  
State Capitol Building  
Oklahoma City, Oklahoma 73105

Dear Mrs. Atkins:

Pursuant to the provisions of 34 O.S. Supp. 1989 § 9, you have submitted the following revision to the proposed Ballot Title to State Question Number 639, as proposed in Initiative Petition Number 347, for certification of the eighth-grade reading comprehension level:

"This measure seeks to repeal House Bill 1017. The bill passed during the Special Session of the 42nd Legislature. This measure seeks to return the laws concerning education and taxes to read as they did before 1017 passed. This would repeal the changes provided in H.B. 1017. Those changes include the option for school districts to extend school years. Sections relating to early childhood education, the lowering of class size, accreditation, consolidation and funding formulas would be repealed. It would repeal language allowing the community to use school buildings. It would repeal the raises for teachers and changes in the hiring and firing procedures. The County Superintendent Office would not be abolished. Along with many other changes, programs placing minority teachers in public schools would cease to exist. The increase and change in taxes would be repealed. These taxes include sales, income, corporate, excise and gross production taxes.

SHALL THE PROPOSED CONSTITUTIONAL AMENDMENT BE APPROVED?

- ( ) YES - for the Amendment
- ( ) NO - against the Amendment"

Based on the guidelines approved by the State Superintendent of Public Instruction for analyzing ballot titles, I hereby certify that the above ballot title is within the eighth-grade readability range.

Sincerely,

Gerald E. Hoeltzel  
State Superintendent

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*Oklahoma Homecoming '90*