

ENROLLED HOUSE
BILL NO. 1759

By: Benson, Begley, Blackburn,
Boyd, Deutschendorf, Easley,
McCarter, Roberts, Staggs, Stites,
Wells, Sullivan (John) and Sullivan
(Leonard) of the House

and

Taylor, Williams, Hobson, Morgan,
Wilcoxson, Ford, Campbell and
Williamson of the Senate

An Act relating to schools; amending 70 O.S. 1991, Section 11-103.6, which relates to curricular standards; deleting certain requirements; adding certain competencies; establishing core curriculum graduation requirements; stating certain core curriculum units; requiring the State Board of Education to adopt a graduation requirement plan; providing for local option; stating certain local options; providing for credit for classes taken at a certain level; requiring certain enrollment for accreditation; listing certain courses; amending Sections 1 and 2, Chapter 251, O.S.L. 1998 (70 O.S. Supp. 1998, Sections 11-103.2c and 11-103.2d), which relate to certificates of distinction; changing name to diploma of honor; modifying criteria for a diploma of honor; requiring courses to meet certain specifications; deleting application of vocational courses; defining a unit; requiring certain mathematics teachers to have certain certification; allowing teachers certain time to obtain certification; creating the Oklahoma Charter Schools Act; stating purpose of the act; providing for application of the act; providing definition; requiring written application; providing for content of proposal; listing entities which may apply for a charter school; prohibiting private schools from applying; providing for sponsorship of a charter school; limiting location of charter school; providing application procedure; providing mediation and arbitration process; providing for certain notification; requiring certain contract for charter schools; stating required provisions of contract; providing for employment contracts; requiring adoption of a charter; listing certain requirements a charter

school shall comply with; providing for amendment to charter; prohibiting certain actions by a charter school; providing for disposal of real and personal property; providing for term of contract; providing for renewal or termination of contract; allowing certain appeal; providing for enrollment of students in certain circumstances; prohibiting termination of certain employees; prohibiting unlawful reprisal against certain employees; defining unlawful reprisal; providing for retention of certain rights and benefits for certain teachers; providing for reemployment preference; providing for enrollment of students in a charter school; allowing certain limited enrollment; stating certain enrollment criteria; providing for designation of certain geographic areas for limited enrollment; prohibiting certain limits on admission; providing for transportation of students; allowing certain funding for transporting students; requiring certain information regarding transportation; providing for funding to the charter school; stating revenues a charter school will receive; providing method for determining average daily membership; allowing charter schools to receive certain funds; requiring the State Board of Education to issue annual report; requiring charter schools to report certain information to the Office of Accountability; creating the Education Open Transfer Act; providing for transfer of students; allowing transfer of siblings; limiting number of transfers in a year; providing for automatic transfer in certain circumstances; providing for continuation of a transfer when the student changes residence; providing for validity of certain transfers; amending 70 O.S. 1991, Section 8-103, as last amended by Section 2, Chapter 232, O.S.L. 1994 (70 O.S. Supp. 1998, Section 8-103), which relates to student transfer procedures; deleting certain application and approval requirements; modifying certain approval procedures; defining certain term; authorizing denial of transfer in certain circumstances; requiring school districts to adopt an open transfer policy; prohibiting certain preference or discrimination; requiring approval of transfers for children with disabilities; prohibiting certain extramural athletic competition for a certain period; providing for eligibility determination in an emergency transfer; amending 70 O.S. 1991, Section 8-104, as last amended by Section 3, Chapter 343, O.S.L. 1997 (70 O.S. Supp. 1998, Section 8-104), which relates to emergency transfers; modifying conditions for an emergency; deleting certain approval requirements; deleting certain affidavit requirements; amending 70 O.S. 1991, Section 8-112, as amended by Section 38, Chapter 239, O.S.L. 1993 (70 O.S. Supp. 1998, Section 8-

112), which relates to student transfer fees; providing an exemption for certain special education transfer fee; amending 70 O.S. 1991, Section 9-101, which relates to transportation of students; allowing receiving districts to provide transportation to transferred students in a certain area; prohibiting certain school districts from crossing boundary lines to transport certain students; amending 70 O.S. 1991, Section 13-101, as amended by Section 1, Chapter 116, O.S.L. 1993 (70 O.S. Supp. 1998, Section 13-101), which relates to special education services; modifying certain definition; providing for assumption of responsibility for transferred students; amending 70 O.S. 1991, Section 13-103, as amended by Section 3, Chapter 116, O.S.L. 1993 (70 O.S. Supp. 1998, Section 13-103), which relates to special education transfers; modifying conditions for special education transfers; requiring certain conference prior to a transfer; allowing receiving school district to claim certain funding; requiring receiving school district to assume certain responsibilities; updating statutory cites; amending 70 O.S. 1991, Section 18-110, as last amended by Section 3, Chapter 362, O.S.L. 1998 (70 O.S. Supp. 1998, Section 18-110), which relates to adjustments and limitations; providing for certain exceptions; amending 68 O.S. 1991, Section 2385.3, as last amended by Section 12, Chapter 1, 1st Extraordinary Session, O.S.L. 1998 (68 O.S. Supp. 1998, Section 2385.3), which relates to tax withholdings; requiring certain employers to pay certain amount over certain period; requiring filing of certain withholding return; providing for electronic filing; stating purpose of certain provisions of the act; stating legislative intent; amending 70 O.S. 1991, Section 18-124, which relates to administrative expenditure limitations; deleting obsolete language; encouraging school sites to limit certain expenditures; requiring an arresting officer to notify the school upon arrest of certain persons; amending 70 O.S. 1991, Section 6-114, as amended by Section 2, Chapter 241, O.S.L. 1995 (70 O.S. Supp. 1998, Section 6-114), which relates to the discipline of students; authorizing the board of education to adopt a dress code; providing standards for a dress code; clarifying authority to adopt a uniform dress code; creating the Oklahoma Tuition Scholarship Program; stating purpose of the act; stating eligibility requirements for participating in the Program; stating requirements for maintaining eligibility in the Program; directing the Oklahoma State Regents for Higher Education to promulgate certain rules; providing for payment of general enrollment fees and tuition; limiting payment of general enrollment fees and tuition to certain number of

hours; providing for payment of awards without limitations; allowing the Regents to make awards based on need in certain circumstances; requiring the Regents to consider certain other awards; providing for application of other awards before payment of benefits; directing the State Board of Education to develop an Academic Performance Index (API); stating indicators; providing for disaggregation of data; providing for value of Oklahoma School Testing Program results; directing the Board to adopt annual percentage growth targets; stating minimum percentage growth; requiring certain reports; creating the Oklahoma Tuition Scholarship Trust Fund; making the Oklahoma State Regents for Higher Education the trustee of the fund; stating use of funds; providing for source of funds; providing for use of income and investments from fund; prohibiting use of funds for administrative costs; requiring the Regents to adopt rules for the transfer of funds; providing for allocations to cover general enrollment fees or tuition; amending 70 O.S. 1991, Sections 3954, as last amended by Section 16, Chapter 99, O.S.L. 1997 and 3955, as amended by Section 8, Chapter 353, O.S.L. 1992 (70 O.S. Supp. 1998, Sections 3954 and 3955), which relate to trustee and fiduciary care; adding the Oklahoma Tuition Scholarship Trust Fund to funds the Regents act as trustee and fiduciary for; requiring remediation for students who do not perform on the mathematics portion of certain tests; providing for certain contingency; stating means of remediation; prohibiting certain instruction from being counted in school year; stating legislative intent to establish a continuing education program for teachers; stating amount and purpose of the program; amending Section 3, Chapter 181, O.S.L. 1997, as amended by Section 1, Chapter 350, O.S.L. 1998 (70 O.S. Supp. 1998, Section 6-204.2), which relates to the Education Leadership Oklahoma program; clarifying statutory cites; modifying number of selected teachers; modifying bonus amount; authorizing the State Board of Education to award grants to schools for increased test scores; directing the Board to promulgate rules establishing criteria; stating use of the award monies; amending 70 O.S. 1991, Section 698.2, as amended by Section 1, Chapter 232, O.S.L. 1992 (70 O.S. Supp. 1998, Section 698.2), which relates to the program for forgivable loans; limiting program to certain students; modifying qualified subject areas; deleting assistance for minority students; providing time period for loan forgiveness; providing for collection of outstanding debt; amending 70 O.S. 1991, Section 1210.553, which relates to pilot projects for extended-day programs; clarifying contingency;

clarifying authorization to make grant awards; amending Section 44, Chapter 247, O.S.L. 1996, as amended by Section 1, Chapter 175, O.S.L. 1997 and Section 1, Chapter 348, O.S.L. 1997 (70 O.S. Supp. 1998, Sections 1210.568 and 1210.569), which relate to alternative education; requiring schools to expand alternative education programs to middle school grades; requiring certain identified schools to expand alternative education to elementary school grades; providing for certain contingency; directing certain schools to expand the annual student needs assessment and plan to include certain students; stating legislative intent to provide funding for elementary level school counselors; providing preference for funding; requiring the Board to develop an Academic Performance Award Program; amending 70 O.S. 1991, Section 18-108, as amended by Section 3, Chapter 220, O.S.L. 1994 (70 O.S. Supp. 1998, Section 18-108), which relates to kindergarten attendance; deleting certain attendance requirements; requiring school districts to offer full day of kindergarten; providing for attendance; providing for membership and grade level weight for half and full day kindergarten; delaying requirements; authorizing teachers to recommend making promotion contingent upon completion of certain competencies; requiring retention of certain students; providing for design of summer academies; expanding to certain grades after implementation; making enactment of certain section contingent; providing for delayed implementation; providing measure for implementation; defining regional average; repealing 70 O.S. 1991, Section 8-102, as amended by Section 34, Chapter 239, O.S.L. 1993 (70 O.S. Supp. 1998, Section 8-102), which relates to transfers of students; providing for codification; providing for noncodification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 1991, Section 11-103.6, is amended to read as follows:

Section 11-103.6 A. ~~By February 1, 1991, the~~ The State Board of Education shall adopt curricular standards for instruction of students in the public schools of this state ~~that are to be~~

~~implemented not later than the 1993-94 school year and that are necessary to ensure there is attainment of desired levels of competencies in a variety of areas to include language, mathematics, science, social studies and communication. ~~Such curricular standards shall be sufficient to meet the requirements of subsections B and C of Section 11-103.5 of this title.~~ All students ~~must initially~~ shall gain literacy at the elementary and secondary levels through a core curriculum. Students must develop skills in reading, writing, speaking, computing and critical thinking. They also must learn about cultures and environments -their own and those of others with whom they share the earth. Students, therefore, must study social studies, literature, languages, the arts, mathematics and science. Such curricula shall provide for the teaching of a hands-on career exploration program in cooperation with vocational-technical education schools. The core curriculum shall be designed to teach the competencies for which ~~twelfth grade level~~ students shall be tested as provided in Section 1210.508 of this title, and shall be designed to prepare all students for employment and/or post secondary education.~~

~~It is the intent of the Oklahoma Legislature that Oklahoma history be included in the social studies core curriculum for purposes of this section.~~

B. Beginning with the 2002-2003 school year, in order to graduate from a public high school accredited by the State Board of Education, students shall complete the following core curriculum units at the secondary level:

1. Language Arts 4 units, to consist of 1 unit of grammar and composition, and 3 units from the following language arts electives American Literature or English Literature (which are required to qualify for the diploma of honor as provided for in Section 11-103.2 of this title), World Literature, Advanced English Courses, or Speech;

2. Mathematics 3 units, to consist of 1 unit of Algebra I, and 2 units from the following mathematics electives Algebra II or Geometry (which are required to qualify for the diploma of honor as provided for in Section 11-103.2 of this title), Trigonometry, Math Analysis or Precalculus, Calculus, Statistics and/or Probability, Mathematics of Finance, Applied Mathematics I and II, or Computer Science. Provided, credit may be granted for Applied Mathematics I and II and Computer Science whether taught at the comprehensive high school or at a vocational-technical school;

3. Science 3 units, to consist of 1 unit of Biology I, and 2 units from the following science electives Chemistry I or Physics (which are required to qualify for the diploma of honor as provided for in Section 11-103.2 of this title), Biology II, Chemistry II, Physical Science, Earth

Science, Botany, Zoology, Physiology, Astronomy, or Applied Science (Biology/Chemistry, Physics, and Technology) or the 4th year of agriculture education when taken in the twelfth grade. Provided, credit may be granted for the Applied Science (Biology/Chemistry, Physics, and Technology) whether taught at the comprehensive high school or at a vocational-technical school; and

4. Social Studies 3 units, to consist of 1 unit of United States History, 1/2 to 1 unit of United States Government, 1/2 unit of Oklahoma History, and 1/2 to 1 unit from the following social studies electives World History (which is required to qualify for the diploma of honor as provided for in Section 11-103.2 of this title), Geography, Economics, Anthropology, Psychology, or Sociology.

For purposes of this section, a unit means a Carnegie Unit as defined by the North Central Associations Commission on Schools.

C. The State Board of Education shall adopt a plan to ensure that rigor is maintained in the content, teaching methodology, level of expectations for student achievement, and application of learning in all the courses specified in subsection B of this section. The State Board of Education shall allow as much option at the local district level as is possible without diminishing the rigor or undermining the intent of providing these courses. Local options may include, but shall not be limited to, comparable courses taken by concurrent enrollment or advanced placement, and comparable courses bearing different titles. Credit for the courses required in subsection B of this section shall be given when such courses are taken in the seventh or eighth grades if the teachers are certified to teach the courses at the intermediate or secondary level and the required course rigor is maintained.

D. As a condition of receiving accreditation from the State Board of Education, all students in grades nine through twelve shall enroll in a minimum of six periods, or the equivalent in block scheduling, of rigorous academic and/or rigorous vocational courses each day, which may include arts, vocal and instrumental music, speech classes, and physical education classes.

E. The State Board of Education shall provide an option for high school graduation based upon attainment of the desired levels of competencies as required in tests pursuant to the provisions of Section 1210.508 of this title. Such option shall be in lieu of the amount of course credits earned.

~~G.~~ F. The State Board of Education shall prescribe, adopt and approve a promotion

system based on the attainment by students of specified levels of competencies in each area of the core curriculum. Provided, however, that children who have individualized education plans pursuant to ~~The Education For All Handicapped Children Act of 1975 (Public Law 94-142) as amended~~ the Individuals with Disabilities Education Act (IDEA), P.L. No. 101-476 may be exempted from the requirements of this subsection.

SECTION 2. AMENDATORY Section 1, Chapter 251, O.S.L. 1998 (70 O.S. Supp. 1998, Section 11-103.2c), is amended to read as follows:

Section 11-103.2c A. ~~District~~ In addition to the standard diploma, district boards of education ~~may~~ shall develop and issue a ~~certificate diploma of distinction honor~~ that is to be awarded to students, beginning with students in the ~~1998-99~~ 2002-2003 high school graduating class who have met or exceeded the following criteria by the end of their senior year in high school with at least a ~~3.25~~ 3.0 grade point average on a 4.0 scale:

1. ~~Earned four units each in English, mathematics, social studies, and science;~~
2. Earned three units in mathematics;
3. Earned three units in social studies;
4. Earned three units in science; and
5. Earned two one-half (1/2) additional units unit in the areas area of technology, the humanities, or the arts;
3. ~~Earned two units in a foreign language; and~~
4. ~~Achieved a score of satisfactory, or its equivalent, on all twelfth grade criterion referenced tests.~~

B. For purposes of this section, to qualify as academic units as required in subsection A of this section, courses shall be core-curriculum courses recommended by the American College Testing Corporation.

C. For purposes of this act section, applicable vocational classes offered by comprehensive high school vocational technical programs shall qualify for technology and

~~mathematics units, and students enrolled in the programs may use one unit of their six-concentrated vocational-technical curriculum units for one unit of mathematics required by this section and may use one unit of their six concentrated vocational-technical curriculum units for one unit of science required by this section. Advanced~~ advanced placement classes in the subject areas listed in paragraphs 1, 2 ~~and~~ 3 and 4 of subsection A of this section may be substituted on a course-by-course basis to satisfy the academic units required for a ~~certificate diploma of distinction~~ honor. Applied mathematics and science classes shall not qualify as a required unit.

G. D. For purposes of this ~~act~~ section, unit means a Carnegie Unit as defined by the North Central Association's Commission on Schools.

SECTION 3. AMENDATORY Section 2, Chapter 251, O.S.L. 1998 (70 O.S. Supp. 1998, Section 11-103.2d), is amended to read as follows:

Section 11-103.2d Colleges and universities shall not make holding a ~~certificate diploma of distinction~~ honor a part of their admission standards.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-189.1 of Title 70, unless there is created a duplication in numbering, reads as follows:

Any teacher employed by a public school to teach mathematics in grades six, seven, or eight, shall be certified at the intermediate or secondary level in mathematics. Any teacher without such certification hired by a school district prior to July 1, 2000, and serving in the school as a mathematics teacher for grades six, seven, or eight, shall be required to obtain certification at the intermediate or secondary level in mathematics on or before the beginning of the 2003-2004 school year. Any teacher teaching mathematics at the sixth-grade level in a school that is accredited by the State Board of Education as a kindergarten through sixth-grade elementary school shall be exempt from the provisions of this section.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-130 of Title 70, unless there is created a duplication in numbering, reads as follows:

Sections 6 through 18 of this act shall be known and may be cited as the Oklahoma Charter Schools Act.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-131 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The purpose of the Oklahoma Charter Schools Act is to:

1. Improve student learning;
2. Increase learning opportunities for students;
3. Encourage the use of different and innovative teaching methods;
4. Provide additional academic choices for parents and students;
5. Require the measurement of student learning and create different and innovative forms of measuring student learning;
6. Establish new forms of accountability for schools; and
7. Create new professional opportunities for teachers and administrators including the opportunity to be responsible for the learning program at the school site.

B. The purpose of the Oklahoma Charter Schools Act is not to provide a means by which to keep open a school that may otherwise be closed. Applicants applying for a charter for a school which is to be otherwise closed shall be required to prove that conversion to a charter school fulfills the purposes of the act independent of closing the school. Nothing in this section shall be interpreted to preclude a school designated as a high challenge school from becoming a charter school.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-132 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Charter Schools Act shall apply only to charter schools formed and operated under the provisions of the act. Charter schools shall only be sponsored by a local school district or an area vocational-technical school district in districts with an average daily membership of five thousand (5,000) or more and which all or part of the school district is located in a county having more than five hundred thousand (500,000) population according to the latest federal Decennial Census. Additional charter schools may be sponsored as provided for in Section 8 of this act.

Charter schools formed pursuant to the act shall serve as a pilot program to demonstrate the potential of expanding charter schools to other parts of the state. Any charter or enterprise school

operating in the state pursuant to an agreement with the board of education of a school district on July 1, 1999, may continue to operate pursuant to that agreement or may contract with the board of education of the school district pursuant to the Oklahoma Charter Schools Act. Nothing in the Oklahoma Charter Schools Act shall prohibit a school district from applying for exemptions from certain education-related statutory requirements as provided for in the Education Deregulation Act.

B. For purposes of the Oklahoma Charter Schools Act, charter school means a public school established by contract with a board of education of a school district or an area vocational-technical school district pursuant to the Oklahoma Charter Schools Act to provide learning that will improve student achievement and as defined in the Elementary and Secondary Education Act of 1965, 20 U.S.C. 8065.

C. A charter school may consist of a new school site, new school sites or all or any portion of an existing school site. An entire school district may not become a charter school site.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-133 of Title 70, unless there is created a duplication in numbering, reads as follows:

In addition to charter schools sponsored as provided for in subsection A of Section 7 of this act, charter schools shall only be sponsored by a local school district or an area vocational-technical school district in districts with an average daily membership of five thousand (5,000) or more and which all or part of the school district is located in a county which is contiguous with a county having more than five hundred thousand (500,000) population according the latest federal Decennial Census; provided, no charter school shall be chartered in School District I029 in County No. 14 and School District I027 in County No. 9.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-134 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. An applicant seeking to establish a charter school shall first submit a written proposal to the proposed sponsor as prescribed in subsection D of this section. The proposal shall include:

1. A mission statement for the charter school;
2. A description of the organizational structure and the governing body of the charter school;

3. A financial plan for the first three (3) years of operation of the charter school and a description of the treasurer or other officers or persons who shall have primary responsibility for the finances of the charter school. Such person shall have demonstrated experience in school finance or the equivalent thereof;
4. A description of the hiring policy of the charter school;
5. The name of the applicant or applicants and requested sponsor;
6. A description of the facility and location of the charter school;
7. A description of the grades being served;
8. An outline of criteria designed to measure the effectiveness of the charter school; and
9. A demonstration of support for the charter school from residents of the school district which may include but is not limited to a survey of the school district residents or a petition signed by residents of the school district.

B. A board of education of a public school district, public body, public or private college or university, private person, or private organization may contract with a sponsor to establish a charter school. A private school shall not be eligible to contract for a charter school under the provisions of the Oklahoma Charter Schools Act.

C. The sponsor of a charter school is the board of education of a local school district or an area vocational-technical school district which meets the criteria established in Section 7 of this act. Any board of education of a school district in the state may sponsor one or more charter schools. The physical location of a charter school sponsored by a board of education of a local school district or an area vocational-technical school district shall be within the boundaries of the sponsoring school district.

D. An applicant for a charter school may submit an application to a board of education of a school district or an area vocational-technical school district which shall either accept or reject sponsorship of the charter school within ninety (90) days of receipt of the application. If the board rejects the application, it shall notify the applicant in writing of the reasons for the rejection. The applicant may submit a revised application for reconsideration to the board within thirty (30) days after receiving

notification of the rejection. The board shall accept or reject the revised application within thirty (30) days of its receipt.

E. A board of education of a school district or an area vocational-technical school district shall notify the State Board of Education when the board accepts sponsorship of a charter school. The notification shall include a copy of the charter of the charter school.

F. If a board of education rejects the revised application for a charter school, the applicant may proceed to mediation or binding arbitration or both mediation and binding arbitration as provided in the Dispute Resolution Act and the rules promulgated pursuant thereto. The applicant shall contact the early settlement program for the county in which the charter school would be located. If the parties proceed to binding arbitration, a panel of three arbitrators shall be appointed by the director of the early settlement program handling the dispute. The board of education shall pay the cost for any mediation or arbitration requested pursuant to this section.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-135 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The sponsor of a charter school shall enter into a written contract with the governing body of the charter school. The contract shall incorporate the provisions of the charter of the charter school and contain, but shall not be limited to, the following provisions:

1. A description of the program to be offered by the school which complies with the purposes outlined in Section 11 of this act;
2. Admission policies and procedures;
3. Management and administration of the charter school;
4. Requirements and procedures for program and financial audits;
5. A description of how the charter school will comply with the charter requirements set forth in the Oklahoma Charter Schools Act;
6. Assumption of liability by the charter school; and
7. The term of the contract.

B. A charter school shall not enter into an employment contract with any teacher or other personnel until the charter school has a contract with a sponsoring school district. The employment contract shall set forth the personnel policies of the charter school, including, but not limited to, policies related to certification, professional development evaluation, suspension, dismissal and nonreemployment, sick leave, personal business leave, emergency leave, and family and medical leave. The contract shall also specifically set forth the salary, hours, fringe benefits, and work conditions. The contract may provide for employer-employee bargaining, but the charter school shall not be required to comply with the provisions of Sections 509.1 through 509.10 of Title 70 of the Oklahoma Statutes. The contract shall conform to all applicable provisions set forth in Section 11 of this act.

Upon contracting with any teacher or other personnel, the governing body of the charter school shall, in writing, disclose employment rights of the employees in the event the charter school closes or the charter is not renewed.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-136 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. A charter school shall adopt a charter which will ensure compliance with the following:

1. A charter school shall comply with all federal regulations and state and local rules and statutes relating to health, safety, civil rights and insurance. By January 1, 2000, the State Department of Education shall prepare a list of relevant rules and statutes which a charter school must comply with as required by this paragraph and shall annually provide an update to the list;
2. A charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other operations. A sponsor may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or religious institution;
3. The charter school shall provide a comprehensive program of instruction for at least a kindergarten program or any grade between grades one and twelve. Instruction may be provided to all persons between the ages of five (5) and twenty-one (21) years. A charter school may offer a curriculum which emphasizes a specific learning philosophy or style or certain subject areas such as mathematics, science, fine arts, performance arts, or foreign language. No charter school shall be chartered for the purpose of offering a curriculum for deaf or blind students

that is the same or similar to the curriculum being provided by or for educating deaf or blind students that are being served by the Oklahoma School for the Blind or the Oklahoma School for the Deaf;

4. A charter school shall participate in the testing as required by the Oklahoma School Testing Program Act and the reporting of test results as is required of a school district. A charter school shall also provide any necessary data to the Office of Accountability;

5. Except as provided for in the Oklahoma Charter Schools Act and its charter, a charter school shall be exempt from all statutes and rules relating to schools, boards of education, and school districts;

6. A charter school, to the extent possible, shall be subject to the same reporting requirements, financial audits, audit procedures, and audit requirements as a school district. The State Department of Education or State Auditor and Inspector may conduct financial, program, or compliance audits. A charter school shall use the Oklahoma Cost Accounting System to report financial transactions to the sponsoring school district;

7. A charter school shall comply with all federal and state laws relating to the education of children with disabilities in the same manner as a school district;

8. A charter school shall provide for a governing body for the school which shall be responsible for the policies and operational decisions of the charter school;

9. A charter school shall not be used as a method of generating revenue for students who are being home schooled and are not being educated at an organized charter school site;

10. A charter school may not charge tuition or fees;

11. A charter school shall provide instruction each year for at least the number of days required in Section 1-109 of Title 70 of the Oklahoma Statutes;

12. A charter school shall comply with the student suspension requirements provided for in Section 24-101.3 of Title 70 of the Oklahoma Statutes;

13. A charter school shall be considered a school district for purposes of tort liability under the Governmental Tort Claims Act;

14. Employees of a charter school may participate as members of the Teachers' Retirement System of Oklahoma in accordance with applicable statutes and rules if otherwise allowed pursuant to law;

15. A charter school may participate in all health and related insurance programs available to the employees of the sponsor of the charter school;

16. A charter school shall comply with the Oklahoma Open Meeting Act and the Oklahoma Open Records Act; and

17. The governing body of a charter school shall be subject to the same conflict of interest requirements as a member of a local school board.

B. The charter of a charter school shall include a description of the personnel policies, personnel qualifications, and method of school governance, and the specific role and duties of the sponsor of the charter school.

C. The charter of a charter school may be amended at the request of the governing body of the charter school and upon the approval of the sponsor.

D. A charter school may enter into contracts and sue and be sued.

E. The governing body of a charter school may not levy taxes or issue bonds.

F. The charter of a charter school shall include a provision specifying the method or methods to be employed for disposing of real and personal property acquired by the charter school upon expiration or termination of the charter or failure of the charter school to continue operations. Any real or personal property purchased with state or local funds shall be retained by the sponsoring school district.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-137 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. An approved contract for a charter school shall be effective for not longer than three (3) years from the first day of operation. Prior to the beginning of the third year of operation, the charter school may apply for renewal of the contract with the sponsor. The sponsor may deny the

request for renewal if it determines the charter school has failed to complete the obligations of the contract or comply with the provisions of the Oklahoma Charter Schools Act. A sponsor shall give written notice of its intent to deny the request for renewal at least twelve (12) months prior to expiration of the contract.

B. If a sponsor denies a request for renewal, the governing board may proceed to mediation or binding arbitration or both as provided for in subsection F of Section 9 of this act.

C. A sponsor may terminate a contract during the term of the contract for failure to meet the requirements for student performance contained in the contract, failure to meet the standards of fiscal management, violations of the law, or other good cause. The sponsor shall give at least ninety (90) days written notice to the governing board prior to terminating the contract. The governing board may request, in writing, an informal hearing before the sponsor within fourteen (14) days of receiving notice. The sponsor shall conduct an informal hearing before taking action. If a sponsor decides to terminate a contract, the governing board may proceed to mediation or binding arbitration or both as provided for in subsection F of Section 9 of this act.

D. If a contract is not renewed or is terminated according to this section, a student who attended the charter school may enroll in the resident school district of the student or may apply for a transfer in accordance with Section 8-103 of Title 70 of the Oklahoma Statutes.

SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-138 of Title 70, unless there is created a duplication in numbering, reads as follows:

A board of education of a school district or an employee of the district who has control over personnel actions shall not take unlawful reprisal action against an employee of the school district for the reason that the employee is directly or indirectly involved in an application to establish a charter school. As used in this section, unlawful reprisal means an action that is taken by a board of education or a school district employee as a direct result of a lawful application to establish a charter school and that is adverse to an employee or an education program.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-139 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. A sponsoring school district shall determine whether a teacher who is employed by or teaching at a charter school and who was previously employed as a teacher at the sponsoring public school district shall not lose any right of salary status or any other benefit provided by law

due to teaching at a charter school upon returning to the sponsoring public school district to teach.

B. A teacher who is employed by or teaching at a charter school and who submits an employment application to the school district where the teacher was employed immediately before employment by or at a charter school shall be given employment preference by the school district if:

1. The teacher submits an employment application to the school district no later than three (3) years after ceasing employment with the school district; and
2. A suitable position is available at the school district.

SECTION 15. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-140 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. A charter school shall enroll those students whose legal residence is within the boundaries of the school district in which the charter school is located and who submit a timely application, or those students who transfer to the district in which the charter school is located in accordance with Section 8-103 of Title 70 of the Oklahoma Statutes, unless the number of applications exceeds the capacity of a program, class, grade level, or building. If capacity is insufficient to enroll all eligible students, the charter school shall select students through a lottery selection process. A charter school shall give enrollment preference to eligible students who reside within the boundaries of the school district in which the charter school is located. A charter school may limit admission to students within a given age group or grade level.

B. A charter school shall admit students who reside in the attendance area of a school or in a school district that is under a court order of desegregation or that is a party to an agreement with the United States Department of Education Office for Civil Rights directed towards mediating alleged or proven racial discrimination unless notice is received from the resident school district that admission of the student would violate the court order or agreement.

C. A charter school may designate a specific geographic area within the school district in which the charter school is located as an academic enterprise zone and may limit admissions to students who reside within that area. An academic enterprise zone shall be a geographic area in which sixty percent (60%) or more of the children who reside in the area qualify for the free or reduced school lunch program.

D. Except as provided in subsections B and C of this section, a charter school shall not limit admission based on ethnicity, national origin, gender, income level, disabling condition, proficiency in the English language, measures of achievement, aptitude, or athletic ability.

SECTION 16. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-141 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Transportation shall be provided by the charter school in accordance with Sections 9-101 through 9-118 of Title 70 of the Oklahoma Statutes and only within the transportation boundaries of the school district in which the charter school is located.

B. A charter school shall provide the parent or guardian information regarding transportation at the time the student enrolls in the charter school.

SECTION 17. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-142 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. For purposes of funding, a charter school shall be considered a site within the local school district in which the charter school is located and the student membership of the charter school shall be included in the average daily membership of the local school district. A charter school shall receive, for each student, the local school district's average local and county revenue which is chargeable in the State Aid formula, state dedicated revenue, and state-appropriated funds per average daily membership generated by its students for the applicable year, less up to five percent (5%) of the total, which may be retained by the school district as a fee for administrative services rendered. The State Board of Education shall determine the policy and procedure for making payments to a charter school.

B. For the first year of operation, a charter school shall receive State Aid support equal to the average student expenditure for the preceding school year for the school district in which the charter school is located. The average daily membership for the first year of operation of a charter school shall be determined initially using an estimated student count based on actual registration of students before the beginning of the school year. After the first nine (9) weeks in session for the first year of operation, the charter school shall revise the average daily membership to equal the actual average daily membership of the charter school. If the average daily membership was overestimated or underestimated, the budget of the school shall be revised.

C. A charter school shall be eligible to receive any other aid, grants or revenues allowed to other

schools.

D. A charter school, in addition to the money received from the state, may receive money from any other source. Any unexpended nonstate funds, excluding local revenue, may be reserved and used for future purposes.

SECTION 18. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-143 of Title 70, unless there is created a duplication in numbering, reads as follows:

The State Board of Education shall issue an annual report to the Legislature and the Governor outlining the status of charter schools in the state. Each charter school shall annually file a report with the Office of Accountability. The report shall include such information as requested by the Office of Accountability, including but not limited to information on enrollment, testing, curriculum, finances and employees.

SECTION 19. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8-101.1 of Title 70, unless there is created a duplication in numbering, reads as follows:

Sections 20 through 29 of this act shall be known and may be cited as the Education Open Transfer Act.

SECTION 20. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8-101.2 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. On and after January 1, 2000, the transfer of a student from the district in which the student resides to another school district furnishing instruction in the grade the student is entitled to pursue shall be granted if the transfer has the approval of the board of education of the receiving district. A student granted a transfer may continue to attend the school to which the student 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. No student shall be permitted to transfer more than once in any school year.

If the grade a student is entitled to pursue is not offered in the district where the student resides, the transfer shall be automatically approved.

B. When a student has been transferred and later changes residence to another school district in the State of Oklahoma, the student shall be entitled to continue to attend school in the district to

which the student was transferred. If a change of residence is to the district to which the student was transferred, upon affidavit of the parent of the student, that district shall become the resident district. If a student changes residence to another district during the school year which is not the same district the student transferred to, the student shall be entitled to attend school in either the receiving district or the new district of residence for the remainder of the current year.

C. Any student transfer approved for any reason prior to the implementation of the Oklahoma Charter Schools Act shall continue to be valid until this act is fully operational or until the parent having custody chooses otherwise.

SECTION 21. AMENDATORY 70 O.S. 1991, Section 8-103, as last amended by Section 2, Chapter 232, O.S.L. 1994 (70 O.S. Supp. 1998, Section 8-103), is amended to read as follows:

Section 8-103. A. In order that any ~~child student~~ may be transferred, ~~an application for transfer shall be approved by the board of education of both the resident and receiving school district as provided for in this section. An application form specified by the State Board of Education must be completed by the parents, custodial parent or guardian of the child student. For purposes of the Education Open Transfer Act, the term parent means the parent of the student or person having custody of the student as provided for in paragraph 1 of subsection A of Section 1-113 of this title.~~ The application shall be obtained from and filed with the superintendent of the receiving school district 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. Applications shall be filed no later than February 1 of the school year preceding the school year for which the transfer is desired. By March 1 of the same school year, the receiving school district shall notify the resident school district that an application for transfer has been filed by a student enrolled in the resident school district. The board of education of the receiving school district shall approve or deny the application for transfer, and if approved, the superintendent of the receiving school district shall notify, in writing, not later than March 1, the clerk of the board of education of the resident school district of the board's decision on the application for transfer. ~~On or before April 10, the board of education of the resident school district shall approve or deny the application for transfer and shall notify, in writing, the superintendent of the receiving district whether the transfer application was approved or denied. If the resident school district denies the transfer application it shall send written notice of the denial to the receiving school district by certified mail. If the resident school district fails to notify the receiving school district by the due date, the application shall be deemed approved by the receiving school district. The superintendent of the receiving school district shall, not later than May 1, send written notice to the clerk of the board of education of the resident school district and the~~

~~parents or guardian of the child confirming whether or not the transfer has been granted for each application submitted June 1 of the same year.~~

B. On or before ~~August~~ June 1, it shall be the duty of the superintendent of the receiving school district to file with the State Board of Education and each resident district a statement showing the names of the students granted transfers to the school district, the resident school district of the transferred students and their respective grade level.

~~C. The parent or guardian of a child making application for transfer may appeal the decision of the board of education of either the resident or receiving school district regarding the transfer of the child to the district court of the county where the child resides.~~

SECTION 22. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8-103.1 of Title 70, unless there is created a duplication in numbering, reads as follows:

A local school district board of education which receives a request for a transfer for a student who does not reside in the school district may refuse the transfer in accordance with the provisions of the open transfer policy adopted by the local school district board of education. Each local board of education shall adopt an open transfer policy for the school district which specifies its criteria and standards for approval of transfers of students who do not reside in the district. The policy shall include, but shall not be limited to, provisions relating to the availability of programs, staff, or space as criteria for approval or denial of transfers. A school district may include in the policy as the basis for denial of a transfer, the reasons outlined in Section 24-101.3 of Title 70 of the Oklahoma Statutes.

In considering requests for students to transfer into a school district, the board of education shall consider the requests on a first-come, first-serve basis. A school district shall not accept or deny a transfer based on ethnicity, national origin, gender, income level, disabling condition, proficiency in the English language, measure of achievement, aptitude, or athletic ability.

Notwithstanding the provisions of the Education Open Transfer Act, transfers of children with disabilities shall be granted as authorized in Section 13-103 of Title 70 of the Oklahoma Statutes.

SECTION 23. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8-103.2 of Title 70, unless there is created a duplication in numbering, reads as follows:

Except as otherwise provided, a student who enrolls, pursuant to the Education Open Transfer

Act, in a school district in which the student is not a resident shall not be eligible to participate in school-related extramural athletic competition governed by the Oklahoma Secondary School Activities Association for a period of one (1) year from the first day of attendance at the receiving school unless the transfer is from a school district which does not offer the grade the student is entitled to pursue. If the student is granted an emergency transfer pursuant to Section 8-104 of this title, eligibility to participate in school-related extramural athletic competition shall be determined by the Oklahoma Secondary School Activities Association.

SECTION 24. AMENDATORY 70 O.S. 1991, Section 8-104, as last amended by Section 3, Chapter 343, O.S.L. 1997 (70 O.S. Supp. 1998, Section 8-104), is amended to read as follows:

Section 8-104. A- In addition to the transfer process provided in Section 8-103 of this title, students may be transferred on an emergency basis. A written application for an emergency transfer designating the district to which the transfer is desired shall be made by ~~either~~ the parent ~~or guardian~~ and filed with the superintendent of the receiving school district. On an adequate showing of emergency the superintendent of the receiving school district may make and order a transfer, subject to approval by the State Board of Education. An emergency shall include only:

1. The destruction or partial destruction of a school building;

2. ~~The inability to furnish the grade of study the pupil is entitled to pursue;~~

3- The inability to offer the subject a pupil desires to pursue, if the pupil becomes a legal resident of a school district after February 1 of the school year immediately prior to the school year for which the pupil is seeking the transfer;

4- 3. A catastrophic medical problem of a student, which for purposes of this section shall mean an acute or chronic serious illness, disease, disorder or injury which has a permanently detrimental effect on the body's system or renders the risk unusually hazardous;

5- 4. The total failure of transportation facilities ~~previously had or contemplated; and or~~

6- ~~Therapeutic foster care home placement as provided in paragraph 1 of subsection C of Section 1-113 of this title~~

5. The concurrence of both the sending and receiving school districts.

~~Provided that a transfer shall also be approved when such transfer has the approval of the boards of education of the sending and receiving districts. Similarly, a An emergency transfer previously made may be canceled, with the concurrence of the board of the receiving district and the parent or guardian of the child.~~

~~B. On affidavit of parent or guardian, 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; and, with concurrence of the boards of education of both the transferring and transferee districts, a parent or guardian may show by affidavit that, by discontinuance of transportation facilities previously afforded or contemplated, the pupil or pupils are unable to attend the school of the transferee district, whereupon the transfer so made may be canceled and the appropriation therefor relieved of any encumbrance to the extent not earned.~~

SECTION 25. AMENDATORY 70 O.S. 1991, Section 8-112, as amended by Section 38, Chapter 239, O.S.L. 1993 (70 O.S. Supp. 1998, Section 8-112), is amended to read as follows:

Section 8-112. A. Except as provided in subsection B of this section, on and after July 1, 1990, no school district shall be required to pay and no school district shall charge any other school district a fee for the transfer of a student. Specifically, transfer fees shall not be permitted for transfers between elementary school districts, for transfers between independent school districts or for transfers between independent school districts and elementary school districts.

B. Nothing herein shall prevent the payment or charging of any other fee for the transfer of a student as required by law. ~~School~~ Except as otherwise provided for in the Education Open Transfer Act, school districts shall not be permitted to contract to waive transfer fees with regard to special education pupil transfers.

C. The State Board of Education shall establish the necessary and appropriate application forms sufficient to enable school districts to accomplish transfers and to comply with the provisions of Sections 8-101 through 8-106 of this title. Upon establishment of such forms, the State Board of Education shall notify each school district of the content thereof.

SECTION 26. AMENDATORY 70 O.S. 1991, Section 9-101, is amended to read as follows:

Section 9-101. A. Any school district may provide transportation for any child who is participating in any prekindergarten or early childhood program operated by the school district or any child who is participating in any Head Start program offered within the school district.

B. Upon a request for a student transfer pursuant to the provisions of the Education Open Transfer Act, if the parent of the student requests that the receiving district provide transportation for the student, and if the receiving district grants the transfer, then the receiving district may provide such transportation only within the boundaries of the receiving school district. A receiving school district shall not cross school district boundaries to transport a kindergarten through eighth-grade student transferred pursuant to the Education Open Transfer Act except as otherwise authorized in Section 9-105 of this title.

C. Any school district may provide transportation for each student who should attend any public elementary or secondary school when, and only when, transportation is necessary for accomplishment of one of the following purposes:

1. To provide adequate educational facilities and opportunities which otherwise would not be available, which shall include those purposes provided in the Education Open Transfer Act; and

2. To transport students whose homes are more than a reasonable walking distance, as defined by regulations of the State Board of Education, from the school attended by such student. Provided, that no state funds shall be paid for the transportation of a student whose residence is within one and one-half (1 1/2) miles from the school attended by such student.

SECTION 27. AMENDATORY 70 O.S. 1991, Section 13-101, as amended by Section 1, Chapter 116, O.S.L. 1993 (70 O.S. Supp. 1998, Section 13-101), is amended to read as follows:

Section 13-101. The several school districts of Oklahoma are hereby authorized to provide special education and related services necessary for children with disabilities as hereinafter defined. Two or more school districts may establish cooperative programs of special education for children with disabilities when such arrangement is approved by the State Board of Education. Funds may be expended for school services for an additional period during the summer months for approved programs for qualified children with disabilities, provided their individualized education program (I.E.P.) states the need for extended school year special education and

related services. ~~Prior to July 1, 1990, children~~ Children with disabilities shall mean ~~educable-mentally handicapped children, trainable mentally retarded children, speech defective children, emotionally disturbed or perceptually handicapped children, children with special health problems, children requiring the services of a visiting counselor, children with specific learning disabilities as a result of neurological impairment, multiple handicapped children and other handicapped children with disabilities four (4), as defined in the Individuals with Disabilities Education Act (IDEA), P.L. No. 105-17, who are three (3) years of age as of the first day of September of the school year, and after July 1, 1990, children with disabilities three (3) years of age are included. Prior to July 1, 1991, there shall be no set minimum age for children who are blind and partially blind children, deaf and hard-of-hearing children and low incidence severely multiple handicapped children, i.e., deaf blind, retarded cerebral palsied, autistic and other children failing to thrive.~~

Provided, on and after July 1, 1991, children from age birth through two (2) years (0-36 months) of age who meet the eligibility criteria specified in Section 13-123 of this title, shall be served pursuant to the provisions of the Oklahoma Early Intervention Act. The attendance of said children in special education classes shall be included in the average daily membership computations for State Aid purposes.

The State Board of Education is authorized to modify and redefine by regulation the eligibility definitions whenever such modification is required to receive federal assistance under the Individuals with Disabilities Education Act (IDEA), P.L. No. ~~401-476~~ 105-17. Rules developed pursuant to Section 18-109.5 of this title shall provide for such modification and revised definitions.

It shall be the duty of each school district to provide special education and related services for all children with disabilities as herein defined who reside in that school district in accordance with the Individuals with Disabilities Education Act (IDEA), P.L. No. ~~401-476~~ 105-17. This duty may be satisfied by:

1. The district directly providing special education for such children;
2. The district joining in a cooperative program with another district or districts to provide special education for such children;
3. The district joining in a written agreement with a private or public institution, licensed residential child care and treatment facility or day treatment facility within such district to provide

special education for children who are deaf or hard-of-hearing, children who are blind or partially blind or other eligible children with disabilities; or

4. Transferring eligible children and youth with disabilities to other school districts which accept them and provide special education and related services for such children, with the district in which the child resides paying tuition therefor as hereinafter provided. For those students who transfer pursuant to the provisions of the Education Open Transfer Act, the receiving school district shall assume all responsibility for education and shall count the student for federal and state funding purposes according to the provisions of subsection B of Section 13-103 of this title.

SECTION 28. AMENDATORY 70 O.S. 1991, Section 13-103, as amended by Section 3, Chapter 116, O.S.L. 1993 (70 O.S. Supp. 1998, Section 13-103), is amended to read as follows:

Section 13-103. A. Any school district in the state may provide suitable facilities and employ qualified teachers and therapists for children with disabilities, either in schools, classrooms, or in such other places as the board of education of the district may deem advisable. When a school district ~~does not~~ cannot provide special educational facilities and qualified teachers, ~~said children~~ a child may be transferred pursuant to the provisions of paragraph 4 of Section 13-101 of this title.

B. If a child with disabilities is transferred to another a school district, ~~with the consent of the board of education thereof, where suitable facilities and teachers are provided other than the~~ district of residence of the child pursuant to the Education Open Transfer Act the following provisions shall apply:

1. The receiving district shall establish availability of the appropriate program, staff, and services prior to approval of the transfer;

2. Prior to the approval of the transfer of a child on an individualized education program (IEP), a joint IEP conference shall be required between the district of residence and the receiving district; and

3. Upon approval of the transfer, the receiving district shall claim the child in the average daily membership for state and federal funding purposes and shall assume all responsibility for education of the child. When applicable, the receiving district may apply to the Oklahoma Special Education Assistance Fund for assistance in meeting any extraordinary costs incurred.

C. Transfers authorized by this section shall be made under such rules as the State Board of Education may prescribe ~~to a result that the sending district sustain an equitable proportion of the operating costs of the program of the district to which the pupil is transferred.~~ When a child with disabilities or pregnant child is unable to attend any school or class in the district of residency, the board of education of said district may provide for home instruction for such child. The State Board of Education is further authorized to cooperate with any school district of the state to make it possible for a child with disabilities to attend the regular school by making special provisions for the transportation of such child, or for special equipment, devices, books, supplies or other facilities, or for special instruction within the regular school building. The provisions for services and transfers as provided by this section shall be made with consideration of the least restrictive environment and IEP requirements under the Individuals with Disabilities Education Act (IDEA), P.L. No. ~~401-476~~ 105-17.

SECTION 29. AMENDATORY 70 O.S. 1991, Section 18-110, as last amended by Section 3, Chapter 362, O.S.L. 1998 (70 O.S. Supp. 1998, Section 18-110), is amended to read as follows:

Section 18-110. A. If any district, or a part of a district, becomes a part of another district by consolidation, annexation, or otherwise, the following procedure shall be followed, except as otherwise provided by law, in calculating aid to the new district or districts so formed:

1. If the action occurs after budgets have been approved by the county excise board and the tax levies approved, the State Aid for the current year shall be calculated for each district as it existed prior to the annexation and prorated to the annexing district or districts on the basis of average daily attendance.

2. If the action occurs prior to approval of the school district budgets by the county excise board, the annexed district shall be merged with the annexing district or districts and State Aid shall be calculated according to the formula provided by this title.

B. Any school district that does not maintain school for a full term pursuant to Section 1-109 of this title shall have its State Aid reduced proportionately unless it has received written approval to maintain school for less than a full term from the State Board of Education. The State Board of Education shall not approve any request to maintain school for less than a full term unless such request meets the requirements of Section 1-109 of this title.

C. 1. If a school district operates a school located in a state institution, as described in subsection E of Section 1-113 of this title, for the pupils of school age residing in such institution, the membership of such children shall be included in the membership of such school district for the purpose of calculating State Aid of the district.

2. If a school district provides education to children in out-of-home placements who are not residents of the school district in which an entity is located pursuant to the provisions of subsections D and F of Section 1-113 of this title, the membership and out-of-home placement pupil weight for such student shall be included in the membership of the district providing the education for the purposes of calculating State Aid.

D. Upon determination by the Finance Division of the State Department of Education that a legal residence for a child placed in an out-of-home placement cannot be identified, the district in which the placement is located shall be the district of residence and the average daily membership of such child shall be credited to such district.

E. If any school district shall fail, neglect or refuse, for any reason whatsoever, to provide special education and related services for a child with disabilities, certified as such by competent authorities and residing in such district, as directed in Section 13-101 of this title, the following is hereby authorized:

1. Such child shall be entitled, upon petition by the child's parent or guardian, without consent or approval of the school district not providing special education and related services, to transfer to any adjacent or nearby school district which will accept the child with disabilities and provide the special education and related services which such child is entitled to receive. ~~The~~ Notwithstanding the provisions of the Education Open Transfer Act, a school district in which a child transferring under this section resides shall pay to the district receiving and educating such child, as tuition, a special education transfer fee as provided in paragraph 2 of this subsection. Provided the average daily membership of such child shall be credited to the ~~home~~ resident district of such transferee.

2. The special education transfer fee shall be the per capita cost of the receiving district for current expenditures for the special education and related services of such child with disabilities based upon the cost of teachers, equipment, material, and special costs associated with the special education class.

3. It shall be the duty of the school district from which such child with disabilities transfers to

appropriate and pay such special education transfer fee to the district which receives and educates such child. If a school district owing such special education transfer fees shall fail, neglect or refuse for any reason whatsoever to appropriate and pay such special education transfer fees, then the school district entitled to receive such fees shall certify such fact to the Finance Division of the State Department of Education. Upon receipt of such certification, the Finance Division shall deduct the amount of the special education fee from any State Foundation Program or Incentive Aid otherwise due the sending district and transmit such amount to the receiving district.

4. The sending school district shall also be obligated to pay the special education transfer fee, notwithstanding the provisions of the Education Open Transfer Act:

- a. whenever ~~it has transferred~~ a student who resides in the district is transferred to another school district for purposes other than to acquire special education, ~~but where~~
- b. the student is subsequently found to require such special education and related services,
- c. the student is determined to be eligible by the Special Education Division of the State Department of Education, and
- d. the student is placed in an appropriate special education program by the receiving school district.

For purposes of this paragraph, the special education transfer fee shall be as provided by paragraph 2 of this subsection, prorated by the receiving school district according to the number of days the student has been enrolled in the special education program. The receiving district shall notify the sending district immediately upon finding that the student requires special education and related services and the sending district shall participate in planning the student's Individualized Education Program (IEP) and in subsequent reviews of the program in accordance with the Individuals with Disabilities Education Act (IDEA).

SECTION 30. AMENDATORY 68 O.S. 1991, Section 2385.3, as last amended by Section 12, Chapter 1, 1st Extraordinary Session, O.S.L. 1998 (68 O.S. Supp. 1998, Section 2385.3), is amended to read as follows:

Section 2385.3 A. Every employer required to deduct and withhold taxes under Section

2385.2 of this title shall pay over the amount so withheld as taxes to the Oklahoma Tax Commission, and shall file a return in such form as the Tax Commission shall prescribe under the following schedule:

1. Effective January 1, 1999, every employer owing an average of One Hundred Thousand Dollars (\$100,000.00) or more per month in taxes in the previous fiscal year shall pay over the amount so withheld on the same dates as required under the Federal Semiweekly Deposit Schedule for federal withholding taxes. For employers making payments other than by electronic funds transfer, a withholding return shall be filed with each payment. For employers making payments by electronic funds transfer, a withholding return shall not be required to be filed with each payment. A withholding return for payments made by electronic funds transfer shall be filed monthly on or before the fifteenth day of the month following the close of each monthly period;

2. Effective July 1, 1999, every employer owing an average of Ten Thousand Dollars (\$10,000.00) or more per month in taxes in the previous fiscal year shall pay over the amount so withheld on the same dates as required under the Federal Semiweekly Deposit Schedule for federal withholding taxes. For employers making payments other than by electronic funds transfer, a withholding return shall be filed with each payment. For employers making payments by electronic funds transfer, a withholding return shall not be required to be filed with each payment. A withholding return for payments made by electronic funds transfer shall be filed monthly on or before the fifteenth day of the month following the close of each monthly period;

3. Every employer owing an average of Five Hundred Dollars (\$500.00) or more per quarter in taxes in the previous fiscal year who is not subject to the provisions of paragraph 1 or 2 of this subsection shall pay over the amount so withheld on or before the fifteenth day of each succeeding month and shall file a monthly return together with the payment; and

~~3-4.~~ Every employer owing an average of less than Five Hundred Dollars (\$500.00) per quarter in taxes in the previous fiscal year shall pay over the amount so withheld on or before the fifteenth day of the month following the close of each succeeding quarterly period and shall file a quarterly return together with the payment.

B. Every employer required under Section 2385.2 of this title to deduct and withhold a tax from the wages paid an employee shall, as to the total wages paid to each employee during the calendar year, furnish to such employee, on or before January 31 of the succeeding year, a written statement showing the name of the employer, the name of the employee and the

employee's social security account number, if any, the total amount of wages subject to taxation, and the total amount deducted and withheld as tax and such other information as the Tax Commission may require. If an employee's employment is terminated before the close of a calendar year, said written statement must be furnished within thirty (30) days of the date of which the last payment of wages is made.

C. If the Tax Commission, in any case, has justifiable reason to believe that the collection of the tax provided for in Section 2385.2 of this title is in jeopardy, the Tax Commission may require the employer to file a return and pay the tax at any time.

D. Every employer 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. The term employer as used in this subsection and in Section 2385.6 of this title includes an officer or employee of a corporation, manager or member of a limited liability company or a member or employee of a partnership, who as an officer or employee of a corporation, or manager or member of a limited liability company or member or employee of a partnership is under a duty to act for a corporation, limited liability company or partnership to withhold and remit withholding taxes in accordance with this section and Section 2385.2 of this title. Any sum or sums withheld in accordance with the provisions of Section 2385.2 of this title shall be deemed to be held in trust for the State of Oklahoma, and, as trustee, the employer shall have a fiduciary duty to the State of Oklahoma in regard to such sums and shall be subject to the trust laws of this state. Any employer who fails to pay to the Tax Commission any sums required to be withheld by such employer, after such sums have been withheld from the wages of employees, and appropriates the tax held in trust to the employer's own use, or to the use of any person not entitled thereto, without authority of law shall be guilty of embezzlement.

E. If any employer fails to withhold the tax required to be withheld by Section 2385.2 of this title and thereafter the income tax is paid by the employee, the tax so required to be withheld shall not be collected from the employer but such employer shall not be relieved from the liability for penalties or interest otherwise applicable because of such failure to withhold the tax.

F. Every person making payments of winnings subject to withholding shall, for each monthly period, on or before the fifteenth day of the month following the payment of such winnings pay over to the Tax Commission the amounts so withheld, and shall file a return, in a form as prescribed by the Tax Commission.

G. Every person making payments of winnings subject to withholding shall furnish to each

recipient on or before January 31 of the succeeding year a written statement in a form as prescribed by the Tax Commission. Every person making such reports shall also furnish a copy of such report to the Tax Commission in a manner and at a time as shall be prescribed by the Tax Commission.

SECTION 31. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

The provisions of Section 30 of this act are for the purpose of providing a funding source for the substantive provisions of this act, and are directly related to and necessary for the implementation of the substantive provisions of this act. It is the intent of the Legislature to utilize the revenue derived from the provisions of Section 30 of this act in order to provide an appropriation for the fiscal year ending June 30, 2000, to fund the Flexible Benefit Allowance for other personnel as provided by Section 26-101 et seq. of Title 70 of the Oklahoma Statutes.

SECTION 32. AMENDATORY 70 O.S. 1991, Section 18-124, is amended to read as follows:

~~Section 18-124. A. Any school district with an average daily attendance (ADA) of more than one thousand five hundred (1,500) students for the preceding year which, in school year 1986-87, expends for administrative services, less expenditures for legal services, more than eight percent (8%) of the amount it expends for total expenditures, less expenditures for legal services, shall have the amount which exceeds the eight percent (8%) withheld from 1987-88 Foundation and Salary Incentive Aid.~~

~~B.~~ Any school district with an average daily attendance (ADA) of more than one thousand five hundred (1,500) students for the preceding year which, in school year 1987-88 or any school year thereafter, expends for administrative services, less expenditures for legal services, more than six percent (6%) of the amount it expends for total expenditures, less expenditures for legal services, shall have the amount which exceeds the six percent (6%) withheld from the following year's Foundation and Salary Incentive Aid.

~~C.~~ B. Any school district with an average daily attendance (ADA) of more than five hundred (500) students but not more than one thousand five hundred (1,500) students for the preceding year which, in school year 1987-88 or any school year thereafter, expends for administrative services, less expenditures for legal services, more than eight percent (8%) of the amount it expends for total expenditures, less expenditures for legal services, shall have the amount which

exceeds the eight percent (8%) withheld from the following year's Foundation and Salary Incentive Aid.

~~D. C.~~ Any school district with an average daily attendance (ADA) of five hundred (500) or fewer students for the preceding year which, in school year 1987-88 or any school year thereafter, expends for administrative services, less expenditures for legal services, more than ten percent (10%) of the amount it expends for total expenditures, less expenditures for legal services, shall have the amount which exceeds the ten percent (10%) withheld from the following year's Foundation and Salary Incentive Aid; ~~provided, for districts having average daily attendance (ADA) of two hundred (200) or fewer students in the 1986-87 school year, the amount withheld in the 1988-89 school year for excess administrative expenditures in the 1987-88 school year shall be the amount in excess of twelve percent (12%).~~

D. For purposes of subsections A, B and C of this section, administrative services means costs associated with staff for the board of education, the secretary/clerk for the board of education, and staff relations, negotiations staff, the superintendent, and staff for the superintendent.

E. Each school site within a school district shall take steps to ensure that the administrative costs for the school comply with the expenditure limits established for school districts in this section.

E. Funds withheld pursuant to the provisions of this section shall be distributed through the State Aid formula to the districts not so penalized.

SECTION 33. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-144 of Title 70, unless there is created a duplication in numbering, reads as follows:

Upon the arrest of a person on a felony warrant, if the law enforcement officer making the arrest is aware that the person arrested is a student or employee of a school district, the arresting officer shall notify the superintendent of the district of the arrest of the student or employee.

SECTION 34. AMENDATORY 70 O.S. 1991, Section 6-114, as amended by Section 2, Chapter 241, O.S.L. 1995 (70 O.S. Supp. 1998, Section 6-114), is amended to read as follows:

Section 6-114. A. Each district board of education shall adopt a policy for the control and discipline of all children attending public school in that district. Such policy shall provide options for the methods of control and discipline of the students and shall define standards of conduct to which students are expected to conform. In developing the policy, the district board of education shall make an effort to involve the teachers, parents, and students affected. The students, teachers, and parents or guardian of every child residing within a school district shall be notified by the district board of education of its adoption of the policy and shall receive a copy upon request. Provided, the teacher of a child attending a public school shall have the same right as a parent or guardian to control and discipline such child according to local policies during the time the child is in attendance or in transit to or from the school or any other school function authorized by the school district or classroom presided over by the teacher.

B. Except concerning students on individualized education plans (IEP) pursuant to the Individuals with Disabilities Education Act (IDEA), P.L. No. 101-476, the State Board of Education shall not have authority to prescribe student disciplinary policies for school districts or to proscribe corporal punishment in the public schools. The State Board of Education shall not have authority to require school districts to file student disciplinary action reports more often than once each year and shall not use disciplinary action reports in determining a school district's or school site's eligibility for program assistance including competitive grants.

C. The board of education of each school district in this state may adopt a dress code to be incorporated as a part of the discipline policy of the school. Any rules concerning the dress code of a school adopted by the board of education shall have a reasonable connection with the education function entrusted to the board and shall not censure the political opinions of the students or unreasonably interfere with common clothing fads of students. However, nothing in this section shall prevent a school district from instituting a uniform dress code.

SECTION 35. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-150 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The State Board of Education shall develop an Academic Performance Index (API) to be used to measure performance of schools, including the academic performance of students. The index shall consist of a variety of indicators including, but not limited to:

1. Attendance rates for students and school personnel;

2. Dropout rates;

3. Results of the Oklahoma School Testing Program administered pursuant to Section 1210.508 of Title 70 of the Oklahoma Statutes;

4. Advanced Placement participation;

5. Graduation rates for secondary school students;

6. Scores of the American College Test (ACT); and

7. College remediation rates.

B. The data collected for the API shall be disaggregated by socioeconomic status and ethnic group. Oklahoma School Testing Program results shall constitute no less than sixty percent (60%) of the value of the index.

C. Based on the API, the State Board of Education shall adopt expected annual percentage growth targets for the state level, school districts, and all school sites based on their API baseline score as measured in July after implementation of this section. The minimum percentage growth target shall be five percent (5%) annually. However, the State Board of Education may set differential growth targets based on grade level of instruction.

SECTION 36. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-151 of Title 70, unless there is created a duplication in numbering, reads as follows:

On or before December 31, 1999, after implementation of this section, the State Board of Education shall file a report with the Governor and the Legislature setting out the plan for establishing the Academic Performance Index. Thereafter, on or before December 31 and every year thereafter the Board shall file a report with the Governor and the Legislature on the state, districts, and site results of this implemented program.

SECTION 37. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2610 of Title 70, unless there is created a duplication in numbering, reads as follows:

Sections 38 through 43 of this act shall be known and may be cited as the Oklahoma Tuition Scholarship Act.

SECTION 38. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2611 of Title 70, unless there is created a duplication in numbering, reads as follows:

There is hereby created the Oklahoma Tuition Scholarship Program. The purpose of the Program is to ensure that students who meet the criteria set forth in the Oklahoma Tuition Scholarship Act and who have completed a college preparatory curriculum upon graduation from high school and are intending to pursue studies at an institution of higher education in The Oklahoma State System of Higher Education or a private institution of higher learning leading to an associate or baccalaureate degree, or are pursuing studies in a postsecondary vocational-technical program or course offered pursuant to a duly approved cooperative agreement between an area vocational-technical school and an institution of The Oklahoma State System of Higher Education, are rewarded by having the first two (2) years of general enrollment fees for enrollment at an institution in The Oklahoma State System of Higher Education paid for by the state.

SECTION 39. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2612 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. To be eligible to participate in the Oklahoma Tuition Scholarship Program and qualify for payment of general enrollment fees pursuant to Section 40 of this act, a student shall:

1. Be a resident of this state for a minimum of two (2) calendar years immediately prior to high school graduation. Provided, a student who is a dependent of a member of the armed services stationed in Oklahoma shall be eligible as a resident of the state for purposes of this section as long as the member is stationed in the state in full-time military service and under military orders;

2. Have graduated from a high school accredited by the State Board of Education or the Oklahoma School of Science and Mathematics and have been awarded a diploma of honor as provided for in Section 11-103.2c of Title 70 of the Oklahoma Statutes;

3. Have obtained a score of 22 or higher on the American College Test;

4. Have a total adjusted gross family income from taxable and nontaxable sources of not more than Seventy Thousand Dollars (\$70,000.00);

5. Have satisfied admission standards as determined by the Oklahoma State Regents for Higher Education for first-time-entering students for the appropriate type of institution or, if attending a private institution of higher learning located within the state and accredited pursuant to Section 4103 of Title 70 of the Oklahoma Statutes or a postsecondary vocational-technical program or course offered pursuant to a duly approved cooperative agreement between an area vocational-technical school and an institution of The Oklahoma State System of Higher Education, have satisfied the admission standards for that private institution or vocational-technical program;

6. Have secured admission to, and enrolled in, an institution which is a member of The Oklahoma State System of Higher Education, a postsecondary vocational-technical program or course offered pursuant to a duly approved cooperative agreement between an area vocational-technical school and an institution of The Oklahoma State System of Higher Education, or a private institution of higher learning located within this state and accredited pursuant to Section 4103 of Title 70 of the Oklahoma Statutes;

7. Have made application for state and federal tuition aid programs; and

8. Not have been adjudicated as a delinquent for an offense defined in Section 571 of Title 57 of the Oklahoma Statutes as an exception to a nonviolent offense or convicted as an adult of an offense defined in Section 571 of Title 57 of the Oklahoma Statutes as an exception to a nonviolent offense.

B. To retain eligibility while pursuing the program of higher learning in which enrolled, the student shall:

1. Maintain a minimum 2.75 cumulative grade point average on a 4.0 scale;

2. Maintain good academic standing and satisfactory academic progress according to standards of the Oklahoma State Regents for Higher Education; and

3. Comply with the standards related to maintenance of eligibility as promulgated by the Oklahoma State Regents for Higher Education.

C. The Oklahoma State Regents for Higher Education shall promulgate rules relating to maintenance of eligibility under the Oklahoma Tuition Scholarship Program by a student.

SECTION 40. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2613 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Subject to the availability of funds, the general enrollment fees which a student who is eligible under the Oklahoma Tuition Scholarship Act is obligated to pay at an institution in The Oklahoma State System of Higher Education shall be satisfied by allocation from the Oklahoma Tuition Scholarship Trust Fund.

B. Subject to the availability of funds, for students enrolled in a private institution of higher learning located within this state and accredited pursuant to Section 4103 of Title 70 of the Oklahoma Statutes, the Oklahoma State Regents shall award to the institution, on behalf of the student, an amount equivalent to the amount of general enrollment fees for which the student would be eligible if the student were enrolled in a comparable program at a comparable institution of The Oklahoma State System of Higher Education. Comparability will be determined by the State Regents.

C. Subject to the availability of funds, the tuition for eligible students enrolled in a postsecondary vocational-technical program or course offered pursuant to a duly approved cooperative agreement between an area vocational-technical school and an institution of The Oklahoma State System of Higher Education shall be satisfied by allocation from the Oklahoma Tuition Scholarship Trust Fund.

D. The maximum limit on the number of courses or other postsecondary units for which general enrollment fees or tuition will be satisfied as provided for by this section shall not exceed sixty (60) credit hours, with not more than thirty (30) credit hours in any one year.

E. No benefits shall be awarded under the Oklahoma Tuition Scholarship Program for payment of general enrollment fees or tuition for remedial courses.

F. Benefits awarded under the Oklahoma Tuition Scholarship Program shall be awarded to all eligible applicants without any limitation on the number of awards in any year other than the amount of funds available for the Program and the number of eligible applicants. If funds are not sufficient to provide awards for all eligible applicants, the Oklahoma State Regents for Higher Education shall make awards on the basis of need. The Regents shall take into consideration other grants and scholarships received by an eligible applicant when making awards. If an eligible

applicant receives state or federal tuition aid which pays for all or part of the general enrollment fee obligation of the applicant, the Regents shall adjust the award to cover only the remaining unpaid portion, if any, of the general enrollment fee obligation after the state or federal aid is applied.

SECTION 41. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3953.2 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created a trust fund to be known as the Oklahoma Tuition Scholarship Trust Fund. The Oklahoma State Regents for Higher Education shall be the trustee of the Trust Fund.

B. The State Regents shall utilize the Trust Fund to implement the provisions of the Oklahoma Tuition Scholarship Act.

C. The Trust Fund principal shall consist of monies the Legislature appropriates or transfers to the Oklahoma State Regents for Higher Education for the Trust Fund and any monies or assets contributed to the Trust Fund from any other source, public or private.

D. Notwithstanding other provisions of law, income and investment return on Trust Fund principal shall accrue to the Trust Fund for use as provided by authorization of the trustees for the purposes provided in the Oklahoma Tuition Scholarship Act. The State Regents may also utilize the Trust Fund principal for purposes provided in the Oklahoma Tuition Scholarship Act. Except as otherwise provided by law, no such income or investment return or principal shall be used for administrative expenses. Expenses incurred by the State Regents in the administration of the Trust Fund and the Oklahoma Tuition Scholarship Program established by the act shall be paid from monies appropriated to the State Regents coordinating board for their general operating budget.

E. The State Regents shall adopt rules for accomplishing transfer of funds from the Oklahoma Tuition Scholarship Trust Fund to the appropriate institutional Education and General Operations Revolving Funds, as established in Section 3901 of Title 70 of the Oklahoma Statutes, to private institutions of higher learning, and to the appropriate vocational-technical school to cover general enrollment fees or tuition for eligible students pursuant to the Oklahoma Tuition Scholarship Act. Allocations from the Trust Fund may be made only for the purpose of covering the general enrollment fees or tuition of eligible students. No portion of the Trust Fund may be used or allocated for administrative or operating expenses of any higher education or

vocational-technical institution.

SECTION 42. AMENDATORY 70 O.S. 1991, Section 3954, as last amended by Section 16, Chapter 99, O.S.L. 1997 (70 O.S. Supp. 1998, Section 3954), is amended to read as follows:

Section 3954. A. The Oklahoma State Regents for Higher Education shall discharge their duties as trustees of the Oklahoma State Regents' Endowment Trust Fund, as trustees of the Oklahoma State Regents' Academic Scholars Trust Fund, ~~and~~ as trustees of the Oklahoma Higher Learning Access Trust Fund, and as trustees of the Oklahoma Tuition Scholarship Trust Fund, hereafter "Trust Funds":

1. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

2. By diversifying the investments of the Trust Funds so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

3. In accordance with the laws, documents and instruments governing the Trust Funds.

B. The State Regents may procure insurance indemnifying the members of the State Regents from personal loss or accountability from liability resulting from a member's action or inaction as a trustee.

C. The State Regents may establish an investment committee for any of the Trust Funds or any combination of such Trust Funds. Such investment committee shall be composed of members of the State Regents appointed by the chairman of the State Regents. The committee shall make recommendations to the entire membership of the State Regents on all matters related to the choice of custodians and managers of the assets of the Trust Funds, on the establishment of investment and fund management guidelines, and in planning future investment policy. The committee shall have no authority to act on behalf of the State Regents in any circumstances whatsoever. No recommendation of the committee shall have effect as an action of the State Regents nor take effect without the approval of the State Regents.

D. The State Regents may retain qualified investment managers to provide for the investment of the monies of the Trust Funds and may pay the fees for the services of such

investment managers from the investment proceeds attributable to each of the Trust Funds. The investment managers shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the State Regents. Subject to the overall investment guidelines set by the State Regents, the investment managers shall have full discretion in the management of those monies of the Trust Funds allocated to the investment managers. The State Regents shall manage those monies not specifically allocated to the investment managers. The monies of the Trust Funds allocated to the investment managers shall be actively managed by the investment managers, which may include selling investments and realizing losses if such action is considered advantageous to longer term return maximization. Because of the total return objective, no distinction shall be made for management and performance evaluation purposes between realized and unrealized capital gains and losses.

E. Funds and revenues for investment by the investment managers or the State Regents shall be placed with a custodian selected by the State Regents. Payment of the fees for the custodians' services may be paid from the applicable Trust Fund. The custodian shall be a bank or trust company offering pension fund master trustee and master custodial services. The custodian shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the State Regents. In compliance with the investment policy guidelines of the State Regents, the custodian bank or trust company shall be contractually responsible for ensuring that all monies of the Trust Funds are invested in income-producing investment vehicles at all times. If a custodian bank or trust company has not received direction from the investment managers of the Trust Funds as to the investment of the monies of the Trust Funds in specific investment vehicles, the custodian bank or trust company shall be contractually responsible to the State Regents for investing the monies in appropriately collateralized short-term interest-bearing investment vehicles.

F. By November 1, 1989, and prior to August 1 of each year thereafter, the State Regents shall develop written investment plans for the Trust Funds.

G. The State Regents shall compile quarterly financial reports of all the funds and accounts of the Oklahoma State Regents' Endowment Trust Fund, the Oklahoma State Regents' Academic Scholars Trust Fund, and the Oklahoma Higher Learning Access Trust Fund on a fiscal year basis. The reports shall include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The reports shall contain combined and individual rates of returns of the investment managers by category of investment, over periods of time. The reports shall be distributed to the Director of the Legislative Service Bureau and the Chairman of the Joint Committee on Fiscal

Operations.

H. After July 1 and before October 1 of each year, the State Regents shall publish three annual reports presented in simple and easily understood language. The reports shall be submitted to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Director of the Legislative Service Bureau, and the Chairman of the Joint Committee on Fiscal Operations. The annual reports shall cover the operation of the Oklahoma State Regents' Endowment Trust Fund, the Oklahoma State Regents' Academic Scholars Trust Fund, ~~and the Oklahoma Higher Learning Access Trust Fund,~~ and the Oklahoma Tuition Scholarship Trust Fund during the past fiscal year, including income, disbursements, and the financial condition of the Trust Funds at the end of the fiscal year. The annual reports shall also contain the information issued in the quarterly reports required pursuant to subsection G of this section as well as a summary of the results of the most recent actuarial valuation to include total assets, total liabilities, unfunded liability or over-funded status, contributions and any other information deemed relevant by the State Regents.

SECTION 43. AMENDATORY 70 O.S. 1991, Section 3955, as amended by Section 8, Chapter 353, O.S.L. 1992 (70 O.S. Supp. 1998, Section 3955), is amended to read as follows:

Section 3955. A. A fiduciary with respect to the Oklahoma State Regents' Endowment Trust Fund, the Oklahoma State Regents' Academic Scholars Trust Fund, ~~or the Oklahoma Higher Learning Access Trust Fund,~~ or the Oklahoma Tuition Scholarship Trust Fund, hereafter the "Trust Fund," shall not cause the Trust Fund to engage in a transaction if the fiduciary knows or should know that such transaction constitutes a direct or indirect:

1. Sale or exchange, or leasing of any property from the Trust Fund to a party in interest;
2. Lending of money or other extension of credit from the Trust Fund to a party in interest;
3. Furnishing of goods, services, or facilities from the Trust Fund to a party in interest; or
4. Transfer to, or use by or for the benefit of, a party in interest of any assets of the Trust Fund.

B. A fiduciary with respect to the Trust Fund shall not:

1. Deal with the assets of the Trust Fund in the fiduciary's own interest or for the fiduciary's own account;

2. In the fiduciary's individual or any other capacity act in any transaction involving the Trust Fund on behalf of a party whose interests are adverse to the interests of the Trust Fund; or

3. Receive any consideration for the fiduciary's own personal account from any party dealing with the Trust Fund in connection with a transaction involving the assets of the Trust Fund.

C. A fiduciary with respect to the Trust Fund may:

1. Invest all or part of the assets of the Trust Fund in deposits which bear the highest interest rate available for funds with the necessary degree of availability in a bank or similar financial institution supervised by the United States or a state, if such bank or other institution is a fiduciary of such plan; or

2. Provide any ancillary service by a bank or similar financial institution supervised by the United States or a state, if such bank or other institution is a fiduciary of such plan.

D. A person or a financial institution is a fiduciary with respect to the Trust Fund to the extent that the person or the financial institution:

1. Exercises any discretionary authority or discretionary control respecting management of the Trust Fund or exercises any authority or control respecting management or disposition of the assets of the Trust Fund;

2. Renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the Trust Fund, or has any authority or responsibility to do so; or

3. Has any discretionary authority or discretionary responsibility in the administration of the Trust Fund.

SECTION 44. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1210.5E of Title 70, unless there is created a duplication in numbering, reads as follows:

Contingent upon the provision of appropriated funds designated for such purpose, students who do not perform satisfactorily on the mathematics portion of either the norm-referenced or criterion-referenced tests required pursuant to Section 1210.508 of Title 70 of the Oklahoma Statutes shall be provided remediation. The remediation may include but not be limited to tutorial instruction after regular school hours, on Saturdays and during the summer. Such instruction shall not be counted toward the one-hundred-eighty-day school year required in Section 1-109 of Title 70 of the Oklahoma Statutes.

SECTION 45. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-195.1 of Title 70, unless there is created a duplication in numbering, reads as follows:

It is hereby declared to be the intent of the Legislature to establish a continuing education program whereby teachers employed to teach mathematics may obtain certification in mathematics and teachers certified to teach mathematics in the state may take higher education courses in order to obtain the competencies needed to enable the teacher to successfully complete the subject area examinations and become certified to teach any of the core curriculum mathematics courses recommended by the American College Test. The program shall pay up to One Hundred Dollars (\$100.00) per credit hour up to a maximum of twenty-four (24) credit hours for a teacher to take higher education courses in mathematics. Teachers required to gain certification as provided in Section 4 of this act shall be given priority in the funding for the continuing education program. The purpose of the program is to improve the knowledge and skills of teachers and to ensure that the children of the state are taught by professional educators, fully prepared in the area of mathematics.

SECTION 46. AMENDATORY Section 3, Chapter 181, O.S.L. 1997, as amended by Section 1, Chapter 350, O.S.L. 1998 (70 O.S. Supp. 1998, Section 6-204.2), is amended to read as follows:

Section 6-204.2 A. Subject to the availability of funds, the Oklahoma Commission for Teacher Preparation and the State Board of Education are ~~hereby~~ authorized to establish the Education Leadership Oklahoma program.

B. The purposes of the Education Leadership Oklahoma program are:

1. Provide teachers throughout the state information about National Board certification and the Education Leadership Oklahoma program scholarships and services;

2. Provide technical assistance and National Board certified mentors to all teachers seeking National Board certification upon request;

3. Provide scholarships, pursuant to ~~Section 6-204 et seq. of this title~~ the Education Leadership Oklahoma Act and Oklahoma Commission for Teacher Preparation rules, for teachers seeking National Board certification; ~~and~~

4. Provide a bonus to teachers who achieve National Board certification pursuant to ~~Section 6-204 et seq. of this title~~ the Education Leadership Oklahoma Act and State Board of Education rules;

5. Reward teachers who achieve National Board certification without the financial support of the Education Leadership Oklahoma program by awarding them the application fee and the amount of the scholarship given to Education Leadership Oklahoma participants pursuant to this section and commission rules; and

6. Provide recognition to National Board certified teachers.

C. To fulfill the objectives of ~~Section 6-204 et seq. of this title~~ the Education Leadership Oklahoma Act, the Oklahoma Commission for Teacher Preparation shall:

1. Inform teachers of the Education Leadership Oklahoma program and the scholarships and services it provides to teachers seeking National Board certification;

2. Collect and review applications to the scholarship program from interested teachers;

3. Establish an applicant review committee for the purpose of identifying scholarship recipients pursuant to ~~Section 6-204 et seq. of this title~~ the Education Leadership Oklahoma Act for the Education Leadership Oklahoma program; and

4. Ensure that all scholarship recipients, alternates, and teachers seeking National Board certification independently receive adequate information regarding the level of commitment required to acquire National Board certification.

D. The applicant review committee shall:

1. Consist of:

- a. five classroom teachers appointed by the State Board of Education, at least one of whom shall be a National Board certified teacher, if available,
- b. five classroom teachers appointed by the Oklahoma Commission for Teacher Preparation, at least one of whom shall be a National Board certified teacher, if available,
- c. three classroom teachers appointed by the Oklahoma State Regents for Higher Education, at least one of whom shall be a National Board certified teacher, if available, and
- d. a chair to be designated by the Executive Director of the Oklahoma Commission for Teacher Preparation from among the appointed members; and

2. Select up to two hundred teachers for the ~~1998-99~~ 1999-00 class, up to four hundred teachers beginning with the ~~1999-2000~~ 2000-01 class and every year thereafter, and the appropriate number of alternates, who:

- a. have demonstrated a commitment to excellence in teaching,
- b. meet all eligibility requirements for potential certification as established by the National Board for Professional Teaching Standards,
- c. are employed in an Oklahoma public school, and
- d. meet other requirements of the Commission.

E. Subject to the availability of funds appropriated by the Legislature for the purposes of this subsection, the application fee for National Board certification shall be paid for scholarship recipients by the Commission, and scholarship recipients shall be provided a scholarship in the amount of Five Hundred Dollars (\$500.00) to cover other expenses associated with obtaining National Board certification.

F. It is the intent of the Legislature that the Oklahoma Commission for Teacher Preparation

contract with Southeastern Oklahoma State University to establish Education Leadership Oklahoma program training in higher education teacher preparation programs in the state to assist teachers in meeting the requirements to obtain National Board certification.

G. All teachers seeking National Board certification shall be eligible to participate in Education Leadership Oklahoma program training to assist them in meeting the requirements of the National Board certification process, free of charge.

H. The Oklahoma Commission for Teacher Preparation shall promulgate rules for the selection of scholarship recipients, the selection and utilization of alternates, the payment and reimbursement of application fees, and the issuance of scholarships.

I. Subject to district board of education policy, teachers who have submitted an application for National Board certification shall either be allowed to utilize two (2) of their five (5) professional days for National Board certification portfolio development or be provided an additional two (2) professional days during which a substitute teacher shall be provided by the school district at no cost to the teacher.

J. The State Board of Education shall provide all teachers who attain National Board certification a bonus in the amount of ~~Five Thousand Dollars (\$5,000.00)~~ Seven Thousand Dollars (\$7,000.00) annually no later than January 31 for as long as they maintain their National Board certification and are teaching in the classroom full-time in an Oklahoma public school. No school or school district shall be liable for payment of bonuses pursuant to this section.

K. The bonus shall not be included in the calculation of the teacher's salary for purposes of meeting the district or statutory minimum salary schedule or for purposes of compensating Oklahoma Teachers' Retirement System contributions or benefits.

L. The State Board of Education shall promulgate rules for the provision of the bonus pursuant to this section to include, but not be limited to, a process by which a National Board certified teacher will verify that:

1. The National Board certification has not lapsed; and
2. The teacher is still a full-time classroom teacher.

M. It is the intent of the Legislature that the Oklahoma State Regents for Higher Education

incorporate the National Board certification portfolio development into all programs in education leading to a master's level degree.

SECTION 47. AMENDATORY 70 O.S. 1991, Section 698.2, as amended by Section 1, Chapter 232, O.S.L. 1992 (70 O.S. Supp. 1998, Section 698.2), is amended to read as follows:

Section 698.2 A. It is the intent of the Oklahoma Legislature that the Oklahoma State Regents for Higher Education establish a program for making available forgivable loans, as defined in this section, to students enrolled in a major course of study at the third- or fourth-year of undergraduate level or graduate or undergraduate level who declare an intention to serve and who subsequently serve this state by teaching in the public schools of this state in the subject areas of ~~mathematics, science, computer learning, middle school technology education, or foreign languages at the elementary, middle or secondary level in the public schools of this state~~ shortage as determined annually by the State Board of Education. ~~This program may be used by a state institution of higher education to meet any statutorily prescribed duty of providing financial assistance to minority students who intend to become teachers in the above subject areas.~~

B. The Oklahoma State Regents for Higher Education are authorized to provide student loans to persons who are enrolled at institutions of higher education in this state for the purposes specified in subsection A of this section. The loans shall be applied to the cost of said education. It is the intent of the Oklahoma Legislature that only those third- and fourth-year undergraduate and graduate students who are enrolled full time be eligible for said loans.

C. No person shall receive more than three annual loans of such kind. The maximum annual loan amount may be set by the Oklahoma State Regents for Higher Education at an amount not to exceed the normal cost of room, board, tuition, and fees at the state-supported colleges and universities, except that intersession or summer school loans may also be offered in amounts not to exceed one-third (1/3) of the annual loan amount.

D. The Oklahoma State Regents for Higher Education are authorized to forgive loans authorized pursuant to the provisions of subsection A of this section which have been provided to persons who actually render service as teachers in the public schools of this state if not less than seventy-five percent (75%) of the teaching assignment is in a subject area specified in subsection A of this section. Loan forgiveness shall be ~~one (1) year's~~ twenty percent (20%) of the total loan for each school year of service rendered up to a total of five (5) years. ~~One-half~~

~~(1/2) school year of service shall be required for forgiveness of an intersession or summer-session loan.~~

E. Persons failing to complete an appropriate program of studies or to meet any other requirements for full-time teaching employment, including certification in an area of ~~mathematics, science, computer learning, middle school technology education, or foreign languages~~ shortage, shall immediately become liable to the Oklahoma State Regents for Higher Education for the sum of all outstanding loans received pursuant to the provisions of this section. Persons liable for repayment of loans shall also be liable for interest for the entire period of the loans at a rate to be determined at the time each loan is granted. The Oklahoma State Regents for Higher Education may grant forbearance or deferment for justifiable temporary periods of interruption of studies. In the event of a borrower's death or total and permanent disability, the Chancellor of the Oklahoma State Regents for Higher Education may cancel the borrower's indebtedness to this program. The State Regents may utilize the Oklahoma Guaranteed Student Loan Program to undertake collection of any outstanding loans.

F. The Oklahoma State Regents for Higher Education shall require the execution of appropriate contracts and promissory notes with loan recipients. The Chancellor, with approval of the State Regents, may contract with any other appropriate organization or unit of government for the administration of the provisions of this section.

G. All loans and interest repaid to the Oklahoma State Regents for Higher Education pursuant to the provisions of this section may be used for the continuation of this program.

H. If insufficient funds are available for loans to qualified persons during any fiscal year, the Chancellor may make reductions in the loans made to qualifying applicants. Priority consideration may be given to highly qualified persons previously participating and making satisfactory academic progress in the program as determined by the institution.

SECTION 48. AMENDATORY 70 O.S. 1991, Section 1210.553, is amended to read as follows:

Section 1210.553 A. ~~The~~ Contingent upon the provision of appropriated funds designated for such purpose, the State Board of Education shall solicit proposals for, and if funds are available make may award one or more competitive grants to school districts or nonprofit organizations for, pilot projects for the offering of providing academically-oriented activity programs for to students in at-risk or disadvantaged urban school districts needing or desiring structured such programs during before-school, after-school, and summer periods.

B. The State Board of Education shall determine pilot ~~project~~ program criteria and establish a process for the consideration of proposals. Such proposals for pilot ~~projects~~ programs shall be considered on a statewide competitive basis. The State Board of Education is authorized to promulgate rules ~~and regulations~~ for the operation of such ~~projects~~ programs.

SECTION 49. AMENDATORY Section 44, Chapter 247, O.S.L. 1996, as amended by Section 1, Chapter 175, O.S.L. 1997 (70 O.S. Supp. 1998, Section 1210.568), is amended to read as follows:

Section 1210.568 A. Beginning with the first semester of the 1996-1997 school year, the State Board of Education shall implement a statewide system of alternative education programs which shall be phased-in within five (5) years. The statewide system shall include but not be limited to Alternative Approaches grant programs, funded pursuant to Section 1210.561 of this title, Alternative Education Academies pilot programs, funded pursuant to Section 1210.563 of this title and alternative academies or alternative programs implemented pursuant to this section. The funding for Alternative Education Academies pilot programs, after the third year of funding provided pursuant to Section 1210.563 of this title, shall be provided from funds appropriated for the statewide system.

B. Beginning with the first semester of the 2000-2001 school year, all school districts of this state shall provide alternative education programs that conform to the requirements of statutes and rules applicable to alternative education. A program shall:

1. Allow class sizes and student/teacher ratios which are conducive to effective learning for at-risk students;
2. Incorporate appropriate structure, curriculum, and interaction and reinforcement strategies designed to provide effective instruction;
3. Include an intake and screening process to determine eligibility of students;
4. Demonstrate that teaching faculty are appropriately certified teachers;
5. Demonstrate that teaching faculty have been selected on the basis of a record of successful work with at-risk students or personal and educational factors that qualify them for work with at-risk students;

6. Reflect appropriate collaborative efforts with state agencies and local agencies serving youth;

7. Provide courses that meet the curricula standards adopted by the State Board of Education and remedial courses;

8. Offer individualized instruction;

9. State clear and measurable program goals and objectives;

10. Include counseling and social services components with the provision that providers of services are not required to be certified as school counselors;

11. Require a plan leading to graduation be developed for each child in the program;

12. Offer life skills instruction;

13. Provide opportunities for arts education to students, including Artists in Residence programs coordinated with the Oklahoma Arts Council;

14. Provide a proposed annual budget;

15. Include an evaluation component including an annual written self-evaluation; and

16. Be appropriately designed to serve middle school, junior high school and secondary school students in grades six through twelve who are most at-risk of not completing a high school education for a reason other than that identified in Section 13-101 of this title.

C. Contingent upon the provision of appropriated funds designated for such purpose, all school districts in the state providing alternative education programs as required in subsection B of this section shall expand the programs to include middle school grade students. The program shall conform to the requirements of subsection B of this section.

D. Contingent upon the provision of appropriated funds designated for such purpose, each urban school district identified by the State Department of Education as having a high population of elementary grade students who are at-risk and in need of alternative education shall provide elementary level alternative education programs. The State Department of Education

shall establish requirements for the programs. For purposes of this section, urban school district means a school district with an average daily membership of thirty thousand (30,000) or more.

~~E.~~ By September 15 of each school year, all revenue received and expended for students participating in an alternative education program shall be reported to the State Department of Education by major object codes and by program classifications pursuant to the Oklahoma Cost Accounting System as adopted by the State Board of Education pursuant to Section 5-135 of this title.

~~D.~~ ~~E.~~ 1. The State Board of Education shall contract for technical assistance for operation of an Alternative Education Technical Assistance Center. The technical assistance provider shall be an entity located in Oklahoma that has been officially recognized by the United States Department of Education to assess and facilitate dissemination of validated educational programs in Oklahoma. The technical assistance provider shall have priority, if its operations are deemed satisfactory by the State Board of Education and if funds are available, for annual renewal of the contract.

2. The duties of the technical assistance provider shall include, but shall not be limited to:

- a. providing initial and ongoing training of personnel who will educate at-risk populations through alternative education programs,
- b. providing technical assistance to school districts to enhance the probability of success of their alternative education programs,
- c. evaluating state-funded alternative education programs,
- d. reporting to the State Board of Education the evaluation results of state-funded alternative education programs, and
- e. providing in-depth program analysis and evaluation of state-funded alternative education programs.

~~E.~~ ~~G.~~ All alternative education programs shall be subject to statutes and rules applicable to alternative education, including any exemptions from statutory or regulatory requirements authorized by statutes or rule.

F. H. An alternative education program may be offered by an individual school district or may be offered jointly by school districts that have formed interlocal cooperative agreements pursuant to Section 5-117b of ~~Title 70 of the Oklahoma Statutes~~ this title.

SECTION 50. AMENDATORY Section 1, Chapter 348, O.S.L. 1997 (70 O.S. Supp. 1998, Section 1210.569), is amended to read as follows:

Section 1210.569 A. Beginning with the 1997-98 school year, each school district shall be required to update and submit on an annual basis the student needs assessment and alternative education plan outlined in Section 1210.566 of Title 70 of the Oklahoma Statutes. The alternative education plan of each school district shall provide for specific professional development programs for the teachers teaching in or working with an alternative education program. The annual needs assessment data shall be incorporated by the State Board of Education into an annual report which shall be submitted to the Speaker of the House of Representatives, the President Pro Tempore of the Senate and the Governor. The report shall also include a listing by school district of the number of students funded and the reported number of students served in an alternative education program.

B. Each urban school district as defined in Section 1210.568 of this title and as identified by the State Department of Education as having a high population of elementary grade students who are at-risk and in need of alternative education shall expand the annual student needs assessment and alternative education plan as required in subsection A of this section to include a needs assessment and education plan for elementary students who are at-risk and in need of alternative education.

SECTION 51. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1210.710 of Title 70, unless there is created a duplication in numbering, reads as follows:

It is hereby the intent of the Oklahoma Legislature to provide funding to urban school districts to hire school counselors at the elementary level. Preference for funding shall be given to those urban school districts that have the highest number of elementary students at-risk and in need of alternative education. For purposes of this section, urban school district means a school district with an average daily membership of thirty thousand (30,000) or more.

SECTION 52. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-152 of Title 70, unless there is created a duplication in numbering, reads as

follows:

The State Board of Education shall develop an Academic Performance Award Program for school districts and individual school sites who meet or exceed the expected growth targets as established by the Board. Those districts or sites who have not met their expected growth targets, but demonstrate significant growth as determined by the Board, shall be included in the performance award program, but receive a decreased award amount.

SECTION 53. AMENDATORY 70 O.S. 1991, Section 18-108, as amended by Section 3, Chapter 220, O.S.L. 1994 (70 O.S. Supp. 1998, Section 18-108), is amended to read as follows:

~~Section 18-108. It is the intention of the Legislature to provide a free public kindergarten for every five-year-old child in this state.~~

~~1. Each day during which a child attends a kindergarten for two and one-half hours or more shall be counted as one hundred percent (100%) of one (1) day of average daily attendance. Each day a kindergarten student is on the membership roll in a school district shall be counted as one hundred percent (100%) of one (1) day of average daily membership.~~

~~2. It A. Except as otherwise provided for in this section, it shall be the duty of every school district in this state to provide and offer a full six-hour day of kindergarten free of tuition for every child residing in such district who attains the age of five (5) years on or before the first day of September during the school year such kindergarten is offered or who is under age and is admitted to kindergarten classes as provided for in Section 1-114 of this title, provided that this duty may be satisfied by transferring kindergarten children to other school districts which accept them and provide kindergarten for such children. The requirement to attend kindergarten provided in Section 10-105 of this title may be satisfied by attendance in either a half-day or full-day program. Membership in a kindergarten for either two and one-half (2 1/2) hours or six (6) hours per school day shall be counted as one (1) day for average daily membership purposes. For purposes of State Aid, the pupil grade level weight for a two and one-half hour half-day of kindergarten shall be 1.3, and for a six-hour full day of kindergarten shall be 1.5.~~

~~B. The requirement to offer a full six-hour day of kindergarten as provided for in subsection A of this section shall not become effective until three (3) years after the provisions of this section are implemented as provided for in Section 56 of this act.~~

SECTION 54. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1210.508E of Title 70, unless there is created a duplication in numbering, reads as follows:

A. A teacher who determines a third-grade student is unable to meet competencies required for completion of third grade and promotion to fourth grade, shall have the authority to recommend that the promotion of the student to the fourth grade is contingent upon the participation in and successful completion of the required competencies by the student at a summer academy. If the student does not successfully complete the competencies in the summer academy, the student shall be retained in the third grade. Summer academy programs shall be designed to ensure that participating students successfully complete the competencies necessary for promotion to fourth grade and to enhance next-grade readiness.

B. Beginning one (1) year after implementation of this section as provided for in Section 56 of this act, the requirements of subsection A of this section shall be expanded to apply to fourth-grade students being promoted to fifth grade. Each year thereafter the requirements shall be expanded by one grade level until the requirements apply to third-grade students through eighth-grade students. Summer academy programs shall be designed for each grade level.

SECTION 55. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

The provisions of Section 30 of this act shall become effective only if all of the provisions in House Bill No. 1513 of the 1st Session of the 47th Oklahoma Legislature becomes law. If the provisions of Section 30 of this act become effective pursuant to this section, said section shall become operative on July 1, 1999.

SECTION 56. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

Implementation of Sections 37 through 54 of this act shall be delayed until the current expenditure per pupil in average daily attendance in public elementary and secondary schools in unadjusted dollars for the 1998-99 school year or any school year thereafter for Oklahoma as reported by the National Center for Education Statistics annually in the Digest of Education Statistics reaches at least ninety percent (90%) of the regional average expenditure for that same year, and funds are provided. For purposes of this section, the regional average expenditure shall consist of the current expenditure per pupil in average daily attendance in public elementary

and secondary schools in unadjusted dollars for each of the following states: Arkansas, Colorado, Kansas, Missouri, New Mexico, Oklahoma, and Texas, averaged together. By January 1 of each year the State Board of Education shall report whether or not the ninety-percent expenditure level has been reached based on information reported annually in the Digest of Education Statistics by the National Center for Education Statistics. Sections 37 through 54 of this act shall be implemented on July 1 after the first January 1 report verifies that the ninety-percent expenditure level has been reached and funds have been provided.

SECTION 57. REPEALER 70 O.S. 1991, Section 8-102, as amended by Section 34, Chapter 239, O.S.L. 1993 (70 O.S. Supp. 1998, Section 8-102), is hereby repealed.

SECTION 58. This act shall become effective July 1, 1999.

SECTION 59. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 27th day of May, 1999.

Speaker
of the House of
Representatives

Passed the Senate the 27th day of May, 1999.

President of the Senate