



Oklahoma State Senate

Legislative Brief July 1998

1998 Legislative Actions and Budget Analysis for Common Education (K-12)

Issue Background

A strong education program is essential to a state's economic and social development, according to national and local research institutions. With fewer per capita dollars to spend on education than the average state and a modest budget surplus, Oklahoma legislators faced a difficult task of setting education priorities that maximize the educational return on scarce state dollars. This Legislative Brief will provide an overview of the policy priorities for common education set by the Oklahoma Legislature this year with highlights of the more encompassing legislation and an analysis of the budget.

Legislative Overview

Early Childhood Education

Although introduced in the 1997 Legislative Session, it was not until the last days of the 1998 Legislative Session that HB 1657 (Eddins/Williams) passed. After much research and deliberation, the Legislature finally reached an agreement on how to expand access to early childhood programs and close a loop-hole that may have encouraged the enrollment of underage children into kindergarten before they were developmentally ready. In sum, the bill removed the income requirement that restricted access to early childhood programs to only those children of families that were Head Start eligible and makes early childhood education programs available to all students who have reached the age of at least four years old before September 1 of the ensuing school year. The bill also raised the grade-level formula weight for early childhood programs to 1.3 for full day programs and specified a that .7 grade weight will be provided for half-day programs. State aid will no longer be provided for underage students enrolled in kindergarten and the 1st grade.

Literacy

The Legislature showed an interest and a commitment to literacy in Oklahoma over the past two sessions. With the passage of SB 81 (Hendrick/Vaughn) and HB 2017 (Boyd B./Williams) some major policy initiatives to increase literacy levels and improve student learning were launched.

SB 81, passed in 1997, requires all persons under the age of eighteen to be proficient in reading at the eighth grade level. The bill also requires a reading assessment of juvenile delinquents and recipients of Temporary Assistance to Needy Families along with plans to improve reading abilities of these persons who display reading deficiencies. In 1998, HB 2889 (Staggs/Hendrick) modified the reading requirements established by SB 81 by allowing students to meet the eighth grade reading requirement through the use of an alternative reading test approved by the State Board of Education. Previously only special education students or students with a specific learning disability were able to meet the reading requirement with an alternative reading test. HB 2889 also provides greater access to testing facilities by requiring school sites to offer the reading tests at least four times per year and allowing tests to be offered by area vocational-technical school districts, Regional Education Service Centers, colleges, accredited private schools and other sites approved by the State Board of Education.

HB 2017, The Reading Sufficiency Act, that was enacted in 1997 required that, beginning in the 1998-99 school year, second and third grade students be assessed for grade appropriate reading skills and a prescribed program of instruction. Reading assessment of students was expanded to kindergarten and first-grade students in HB 2878 (Boyd B./Williams) during the 1998 Legislative Session and an appropriation of \$4.2 million in the FY-99 budget was made for the implementation of The Reading Sufficiency Act.

School Residency

HB 1557 (Hager/Williams) made important changes to school residency. Among other things, the bill eliminated the bill-back system for all out-of-home children except therapeutic foster care children. The bill-back system is a system by which the school district in which a child is placed in a residential treatment facility bills the student's home district for the costs associated with providing educational services for the child. The new system provides the school district in which

the child is placed the state aid funds directly through the formula by establishing a pupil weight of 1.45 for out-of-home placement students.

In the 1998 session, the Legislature made further improvements in school residency through HB 2433 (Hager/Williams) that removed therapeutic foster care children from the bill-back process, thereby eliminating the bill-back system entirely. The bill also expands the access to the Special Education Assistance Fund, increases the out-of-home-placement pupil weight in the State Aid Formula from 1.45 to 1.5, and allows school districts to contract with large regimented juvenile training facilities for the provision of educational services to students residing at the facility.

Driver's Education

SB 1429 (Leftwich/Boyd B.), passed during the 1998 session, provides incentives to schools to offer driver's education programs. The bill increases the rate of reimbursement to schools from a cap of \$65 to \$95 for courses offered before or after school and \$82.50 for courses offered during the school day, during the summer or on Saturdays. In order to enroll in driver's education during the school day, students must be enrolled and passing in all core curriculum courses appropriate for their grade level. The bill also reinstates the certification of all expired driver's education teaching certificates and creates a position for a state coordinator of driver's education programs.

Teacher Certification

Teacher Certification received substantial attention in both the 1997 and 1998 sessions. In 1997 SB 202 (Roberts/Begley) established the Education Leadership Oklahoma program to assist teachers in Oklahoma's public schools who seek National Board Certification, a national honor awarded to teachers who display a level of excellence and achievement in the classroom. Teachers interested in seeking National Board certification apply to the Education Leadership Oklahoma program. If selected by the applicant review committee, teachers will be paid a stipend of \$500 and have their application fee for National Board certification paid by Education Leadership Oklahoma.

SB 770 passed during the 1998 Legislative Session amended the Education Leadership Oklahoma program by specifying the membership of the applicant review committee, providing for the reimbursement of expenses of persons who achieve National Board certification without the sponsorship of the Education Leadership Oklahoma program, expanding the number of participants in Education Leadership Oklahoma program, and establishing training programs to assist teachers seeking National Board certification. The bill also requires district boards of education to provide two professional days for portfolio development for program participants and states legislative intent that National Board certification portfolio development be included in master's level degree programs in education. SB 770 also specifies that an annual bonus shall be provided to National Board certified teachers in the amount of \$5,000.

Teacher Pay

In the 1998 Legislative Session, the Legislature passed Senate Bill 902 (Roberts/ Begley) which equalized the step increases in the Minimum Teacher Salary Schedule.

Common Education Budget Analysis

Common education has always been a top priority of the Legislature. The following is an analysis of the FY'99 budget and current trends in education funding.

FY'99 Common Education Budget

Once again the Legislature appropriated the lion's share of the state budget to common education. For FY'99 an additional \$112.2 million was appropriated to the State Department of Education. This brings the total budget to \$1.73 billion. Specific items funded with the additional appropriation are as follows:

- Teacher Salary Increases (\$23 million) - Equalization of the 25 steps in the Minimum Teacher Salary Schedule. All step increases from 1 to 25 are now \$332.
- Employee Health Benefit Allowance (\$52.3 million) - Senate Bill 902 (Roberts/Begley) created the Employee Benefit Allowance for common education personnel. The Benefit Allowance can be used to meet insurance premiums or as an increase in compensation. The Benefit Allowance for full-time support staff is \$1,020 per year and \$684 per year for teachers and administrators.
- Growth Funding (\$17.1 million) - Funding through the State Aid Funding Formula to meet the demands of an increase in student population. It is estimated that there has been an increase of 38,660 new students in Oklahoma public schools since FY'90.
- Reading Sufficiency Act (\$4.2 million) - In accordance with the passage of the Reading Sufficiency Act funding was provided for the on-going multiple assessments of first and second graders in their acquisition of grade level

reading skills.

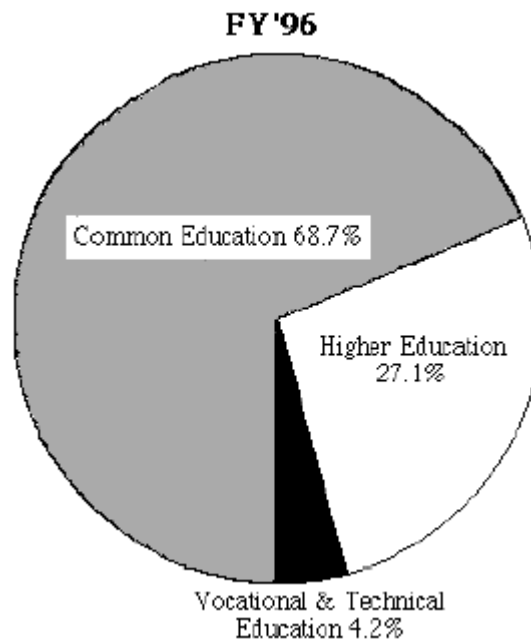
- Other Programs (\$5 million) - Additional funding was provided for federal matching requirements for school lunch and adult education, the Early Intervention Program, alternative education and cost increases in the Criterion Reference Testing Program.
- Technology Access (\$16.4 million from Rainy Day Fund) - The State Department of Education received \$8.2 million to help school districts obtain technology access (Internet capabilities, etc.) and another \$8.2 million to purchase computer hardware for school districts. Companion legislation that outlined the funding parameters was vetoed by the Governor so the State Board of Education is establishing allocation priorities for these funds.

Overview of Common Education Funding

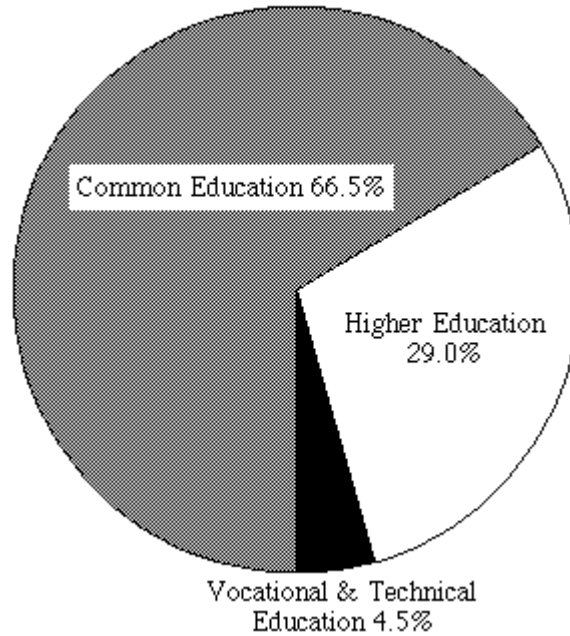
Largely due to the impact of the Education Reform Bill (HB 1017) passed in 1990, common education experienced a 97.8% increase in appropriations from FY'90 to FY'99 . The actual funding years of HB 1017 (FY'91 to FY'95) increased common education's budget by approximately \$558 million. During this time other areas of state government often experienced budget reductions or standstill budgets.

Although common education still receives the largest portion of the state budget, other areas of education and public safety have been provided increased shares of the state budget. For example, since FY'96 common education's budget has increased 21.18%; however, vo-tech and higher education have had increases of 34.1% and 33.25% respectively.

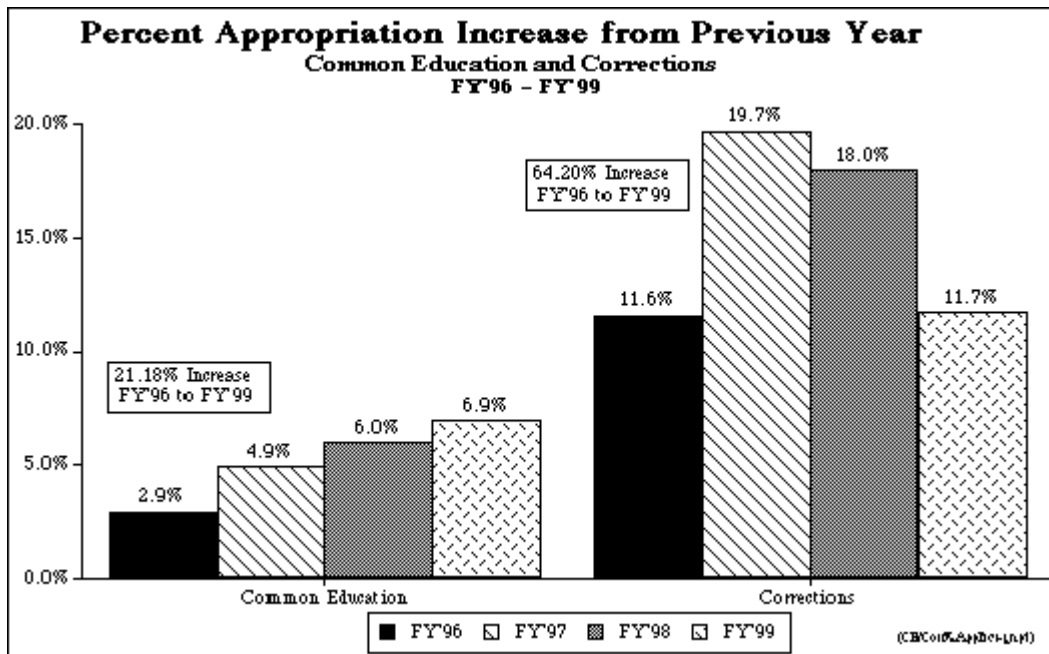
An analysis of the total education budget (common education, vo-tech and higher education combined) shows common education's share decreasing in proportion to vo-tech and higher education. Common education has decreased 2.4%, going from 68.7% in FY'96 to 66.5% in FY'99. During this same period vo-tech's share of the education budget has increased from 4.2% to 4.47%. Higher education has experienced an increase of 2%, going from 27% to 29%



FY'99

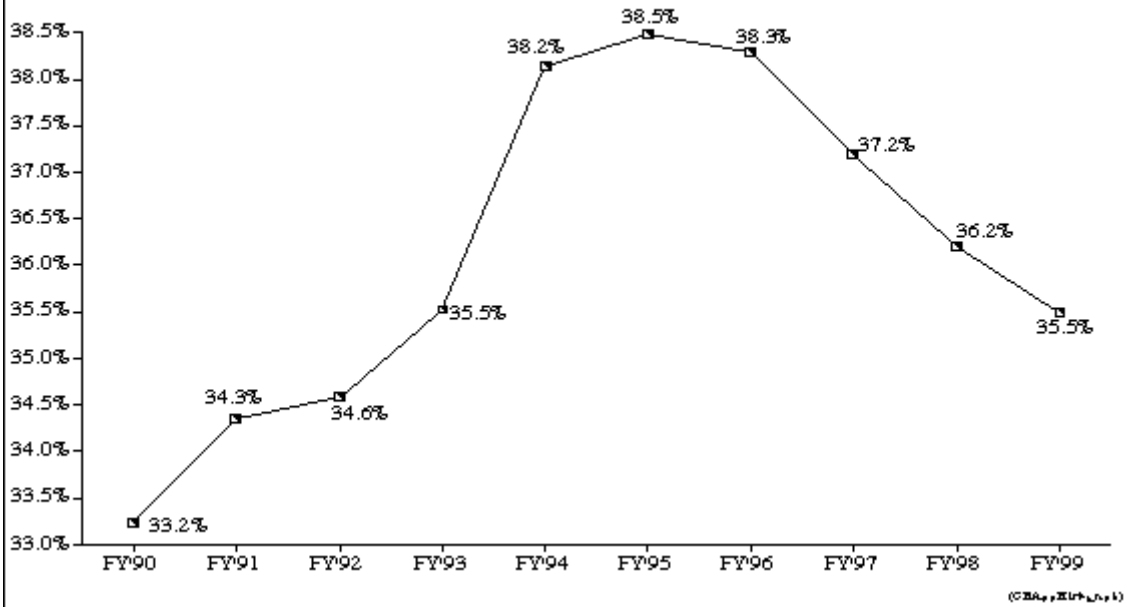


Partially to make-up for stagnate budgets during the funding of HB 1017, in recent years common education's total appropriation increases are less than other government areas. As the graph below illustrates, over the last four years, the Department of Corrections has experienced appropriation percentage increases almost three times that of common education.



Common education has also experienced a decrease as a percent of the state's total budget. As the graph below illustrates, common education was at its zenith during the last years of HB 1017. Since then, its share of the budget has slowly returned to FY'93 levels. If the Legislature tried to maintain the same percentage when the funding percentage was at its highest (38.5% in FY'95), the Legislature would need to appropriate an additional \$142.5 million to common education.

Common Education Share of Total Appropriation FY'90 - FY'99



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