THE IMPACT OF OKLAHOMA HOUSE BILL 1017 ON RURAL EDUCATION: A STUDY OF SELECTED SCHOOLS

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ABSTRACT

This study of rural schools focuses on the initial stages of the education reform bill, HB 1017. The study found that rural schools have responded well to the reform mandates of HB 1017. If there is an area of concern for rural schools, it relates to the increasing costs of educational reform as more reform mandates are implemented.

THE IMPACT OF OKLAHOMA HB 1017 ON RURAL EDUCATION:

A Study of Selected Schools

The 1980's proved to be a decade of reform for education. Since the publication of A Nation at Risk (1983), educators have been criticized for the condition of public education. Accountability and effectiveness have become the battle cry from taxpayers nationwide.

Much of the reform necessary to improve schools has been intricately tied to funding. Individual state legislatures have received pressure from educational ranks and the public at large to increase revenues for schools. Recognizing the need for improvement, Oklahoma educators and legislators embarked on a highly controversial, critical, and expensive campaign for educational improvement.

Various educational statistics indicated that Oklahoma was deficient in many areas regarding educational funding, support, and school performance. Information provided through the House Education Committee report, Education Update (1990) revealed that:

In 1988-89, Oklahoma ranked 48th in teacher salaries with an average teacher salary of $22,000.00.

Oklahoma ranked 43rd in their tax effort.

Oklahoma ranked 27th in population, 26th in enrollment, 18th in area but sixth in the number of school districts.

In 1988-89, Oklahoma ranked 46th in estimated current expenditures for public elementary and secondary schools per pupil in Average Daily Attendance.

Oklahoma ranked 24th among the 28 states that use the ACT test and 30th in high school graduation.

Oklahoma ranked 23rd in pupil/teacher ratio.

During the 1988-89 school year, 24.5% of enrolled students were minorities, but only 7.3% of the professional staff were minorities.

These statistics brought the need of educational reform to the forefront for the state. In May, 1989, Governor Henry Bellmon signed HJR 1003 creating "Task Force 2000" to investigate Oklahoma's public education system and to make recommendations for improvement to the Legislature.

During this time, Speaker of the House, Steve Lewis, developed his own reform plan to address the educational issues of the state. In August, 1989, after several meetings with educational and legislative leaders, Lewis proposed his plan, "Education: Challenge 2000," which included ten major reforms and a tax package of $304 million dollars for the first year which would increase to $598 million by 1995. Speaker Lewis' proposal initially lacked sufficient political support for further consideration.

Later that same month, HCR 1002 was approved by the Legislature. This legislation directed "Task Force 2000" to formulate an educational reform proposal that would improve the quality of primary and secondary education in the state. The committee was also charged with developing a funding proposal that would fund the implementation of the reform proposal. Throughout September and October, meetings of the Task Force were held to design an educational plan. Hearings were conducted statewide to obtain input from the public-at-large. On November 6, 1989, the Legislature reconvened in special session to discuss the educational reform proposal and consider the recommendations of "Task Force 2000".

Speaker Lewis' leadership on education reform continued to provide impetus in developing legislation which he subsequently labeled "...the most important legislation we have considered in the past decade" (Education Update, 1990). From this special legislative session, HB 1017 was developed. This Bill included many of the recommendations of "Task Force 2000" with some modifications in the funding procedures. Within seven days, the legislation had been drafted, introduced, passed through two committees, debated fully on the House floor, and passed with bipartisan support. On November 15, 1989, HB 1017 was passed by the House, but the emergency measure which would immediately enact the Bill failed.

On January 8, 1990, the Senate passed HB 1017 and its emergency measure. On January 29, 1990, the House and Senate conferees approved House Bill 1017 which included major education reforms and a $230 million tax package. The House voted to approve HB 1017 on January 31, 1990, but again, the emergency clause failed. On February 13, following much controversy, including a teacher walk-out and massive demonstrations both for and against the measure, the House approved the emergency measure. The measure passed the Senate on April 19, 1990 and Governor Bellmon signed HB 1017 into law on April 25, 1990. A summary of the reforms are found in Table 1 which follows.

Table 1

HOUSE BILL 1017

Reforms Directly Relating to Student Performance

- Early childhood programs for at-risk four-year olds.
- An emphasis on core courses and making high school graduation dependent upon attaining a certain competency level.
- Encourages greater use of technology and innovation in the classroom.
- More appropriate pupil testing to measure pupil skills.
- Reducing class size to 20 students in grades K-6 and limiting the total number of pupils a teacher instructs to 140 by the 1993-94 school year.
- Offering extended school year option to school districts.
- Encouraging parental participation in the education of their children.
- Implementing strong school accreditation standards.

Reforms Relating to the Compensation and Training of Teachers

- A teacher salary increase plan and incentive pay.
- Raising a beginning teacher's salary to $20,460.00 in 1992-93.
- Requiring a study on teacher training to make sure teachers of the future are prepared for the new challenges facing education.
- An alternative certification process for schools to employ professionals with expertise in foreign languages, math, or sciences to teach secondary schools.

Reforms Relating to Accountability and Structure of Schools

- Replacing the current tenure system for teachers with a stream-lined due process system.
- A school consolidation plan.
- Requiring school board members to have a high school diploma or GED.
- Abolishing the office of County School Superintendent.
- Enabling the State Board of Education to close schools unable to meet accreditation reform requirements. High schools have until June 30, 1995 to meet the standards and all other levels until June 30, 1999.

Funding Issues

- Earmarks revenue raised from new taxes for mandated education reforms.
- Provides greater equity in school funding.

Some who opposed the Bill began collecting signatures to place HB 1017 before the people for a vote as to whether or not HB 1017 should be repealed. In the summer of 1991, the Governor responded to a referendum petition sponsored by the Oklahoma Taxpayers Union and the STOP New Taxes group by scheduling a vote of the people on HB 1017 for October. The debate over HB 1017 was acrimonious and represented the power of the news media at its best and worst. The vote on State Question 639 on October 15, 1991 found the people of Oklahoma voting to maintain HB 1017 by a 54% margin. The total vote of 789,497 was the largest turnout for a single issue special election in Oklahoma history. Eastern Oklahoma voters generally supported the Bill more than those in the Central or Western part of the state. Media support for HB 1017 interestingly paralleled most voting patterns.

METHODOLOGY OF THE STUDY

In order to ascertain the effect HB 1017 has had on rural Oklahoma districts, a two-phase survey was conducted. The first phase, a fifty-question survey addressing selected portions of the Bill, was disseminated to 214 schools that were members of the Organization of Rural Oklahoma Schools (OROS). These schools are all considered rural and/or small with populations ranging from 100 to 650 students. One hundred sixty-four districts completed and returned the survey for a response rate of 76.6 %. On some questions, the response rate total does not total 100% because not all of the districts answered all of the questions.

The second phase, a five-question survey addressed the adequacy of dollars to meet certain requirements of HB 1017 and was disseminated to 40 schools which were selected on a stratified random sample basis from rural and/or small schools with student populations from 0 - 601 or greater and which were members of OROS. Using a state map divided into four regions with Interstate 35 North/South and Interstate 40 East/West as the region dividers, the schools were then sub-grouped within each region on the basis of size. The size categories were as follows:

0 - 150,
151 - 300,
301 - 450,
451 - 600,
601 or Greater

Ten (10) schools were selected randomly per region. The schools were then plotted geographically on a state map. Twenty-eight (28) out of 40 school districts completed and returned the survey for a response rate of 70%.

This paper represents a compilation of survey responses. The results are reported for each phase of the survey beginning with Phase I of the study.

PHASE I SURVEY RESULTS

Responses from Phase I surveys have been aggregated and tabulated according to the predetermined sections of the summary of HB 1017. The following results have been categorized according to these sections.

Accreditation:

HB 1017 mandated that, effective July 1, 1990, state accreditation would be denied or withdrawn from schools which did not meet the accreditation, minimum salary, curriculum, and class size standards established by the Act. Accreditation standards for public schools were adopted by the State Board of Education on February 1, 1991. These standards would meet or exceed standards set by North Central Association of Colleges and Schools. High schools were required to meet these standards by June 30, 1995 and all other levels by June 30, 1999. According to the surveys returned, 1.8% of the elementary schools, 9.8% of the secondary schools meet or exceed these standards.

Curriculum:

In the area of curriculum, the law mandated that curriculum standards must be at least equivalent to those of North Central to the extent that such standards were consistent with an outcome-oriented approach to accreditation. Prior to this, the Oklahoma State Department of Education required districts to adopt an outcome-based curriculum. This recommendation ensured that all high school students would have access to course offerings that would permit them to enroll at either of the state's two comprehensive universities, without having to enroll in remedial courses. Eighty-two percent (82%) of the schools surveyed reported 20% or less of their students currently attend either of these two universities. The remainder (18%) indicated that 21% or more of their students attend either of the comprehensive universities. Given the locations of the two comprehensive universities, it is conceivable that a majority of students who live in remote areas of the state and who opt to continue their education after graduation, have decided to attend higher education institutions closer to their homes. It is a goal of HB 1017, however, to insure every student the opportunity to attend one of the two comprehensive universities if s/he so desires.

In accordance with the issue of course offerings, HB 1017 mandated that districts must provide students the opportunity to become proficient in computer technology. Sixty-one percent (61%) of the schools reported that they currently provide every student the opportunity to become proficient in computer technology and have sufficient computer equipment to carry out this aspect of the Bill's mandate. The remaining 38% do not have sufficient courses or equipment to comply with this portion of the Bill.

Regarding the availability of career exploration activities for students, sixty-four percent (64%) of the districts said they provided hands-on career exploration opportunities in cooperation with local vo-tech schools. Sixty-eight percent (68%) stated that 10% or less of their students attend a vo-tech center while attending high school. Thirty percent (30%) of the reporting schools indicated that 20% or more of their high school students attend an area vo-tech center.

HB 1017 mandated that the State Board of Education provide an option for high school graduation based upon attainment of desired levels of competencies in lieu of an established number of course credits earned. Schools were to adopt a promotion system based upon attainment of specified levels of competencies in each area of core curriculum. Students who have individualized education plans in accordance with P.L. 94-142 would be exempt from this promotion plan. Currently, 37% of the schools exempt students on individualized plans while 57% do not. Eighty-nine percent (89%) indicated promotion was based upon passing the core curriculum while 9% indicated they utilized other criteria.

Consolidation/Annexation:

Since Oklahoma ranked sixth in the country in the number of local school districts, consolidation and annexation have often been elements of discussion regarding educational reform. The law addressed this issue through establishing transfer agreements with schools and increasing funding to districts that developed consolidation plans. Currently, 74% of the surveyed rural districts recognize transfer agreements with other districts; 23% have no such agreements. Thirty-eight percent (38%) of the reporting schools reported that a loss of transfer students would have a profound effect on their districts; 63% indicated there would be no long-term or financial consequence from the loss of transfer students.

According to HB 1017, dependent schools which desired to consolidate with independent districts in the transportation district of their choice would be allowed to enter into such contractual agreements. Should these districts decide to consolidate, a three-year moratorium on school site closings of the dependent district would be in effect. Thirty percent (30%) of the surveyed schools reported that there were dependent schools within their transportation areas. Overall, 13.4% of the districts surveyed had initiated some type of consolidation or annexation plan with other districts while 86% had not.

Kindergarten/Early Childhood Education:

Kindergarten and Early Childhood Education were also issues affected by the Bill. The new law allowed for the establishment of early childhood programs to supplement Head Start programs. Teachers hired to teach early childhood programs after January 1, 1993, must have early childhood education certificates. Those teachers hired before this date must be certified as Early Childhood Educators by the 1996-97 school year. Presently, 16% of the schools provide early childhood education programs while 84% of the districts do not provide this service.

Extended School Year Program:

An option to extend the school year in an effort to improve academic achievement is also provided through the Bill. None of the surveyed districts currently extend the school year beyond the traditional nine-month, 180-day school year.

Testing:

The law required the State Department of Education to review existing norm-referenced tests that are commercially available for statewide use and to designate those tests which evaluate the broadest range of identified, age/appropriate competencies. By 1992-93, the State Board of Education must provide districts with additional testing programs to measure additional competencies as part of the Oklahoma School Testing Program. Eighty-seven percent (87%) of the districts revealed they presently administer standardized tests in addition to those which are mandated by the state.

Alternative Teacher Certification:

A procedure which granted Alternative Program teaching certificates to persons with baccalaureate degrees who wish to teach foreign languages, math or science is also provided for in the new law. This issue affected 48% of the districts which reported they have persons in their districts who could qualify to teach under this provision. Forty-seven percent (47%) stated they did not have such persons within their districts and 5% were not aware if there were individuals in their districts who could meet this alternative criteria.

County School Superintendent and Board Members:

The new law provided for the abolishment of the County School Superintendent which 9.8% of the surveyed districts reported would be a loss to the districts. Ninety percent (90%) of the districts said they would not anticipate this action as a loss to the district.

Twenty-five percent (25%) of the districts reported that the mandate which required board members to have a GED or high school diploma would severely limit the availability of otherwise qualified applicants while 75% said this would have no effect. Eleven percent (11%) of the responding districts would be affected by this mandate at the present time.

Class Size Reduction:

As in most states, class size has long been an issue for schools in Oklahoma. The new law stipulated that class size would be calculated by school site as to the average daily membership divided by the number of instructional staff, excluding teachers in self-contained special education resource classes, special education classes, and Chapter 1 classes. Table 2 illustrates the class size requirements.

Table 2

CLASS SIZE REDUCTION PROCESS

Kindergarten	Grades 1-3	Grades 4-6	Grades 7-12
1990-91 = 24 Students Per Class	1990-93 = 21 Students Per Class	1990-91 = 23 Students Per Class	

1991-92 = 23 Students Per Class		1991-92 = 22 Students Per Class	
1992-93 = 22 Students Per Class		1992-93 = 21 Students Per Class	1993-94 = No More Than 140 Students On Any Given 6-Hour Day
1993-94 = 20 Students Per Class	1993-94 = 20 Students Per Class	1993-94 = 20 Students Per Class	1993-94 = No More Than 140 Students On Any Given 6-Hour Day

Coinciding with the issue of decreased class size was the problem some districts face regarding an insufficient number of classrooms to meet the new class size criteria. Seventy-five percent (75%) of the districts reported having sufficient facilities to meet this portion of the mandate while 25% said they do not. Of those who do not have sufficient facilities, approximately 50% lack adequate reserves or bonding capacity to provide facilities to meet the reduced class size space requirements.

Parental Involvement:

The new law also designated specific methods by which parental involvement would be increased. The law urges districts to utilize school buildings for the benefit of the community before and after the school day. Ninety-nine percent (99%) of the districts provide this service at the present time while 60% charge some type of rental fee. Additional means to increase parental involvement was also encouraged. The Bill directed the State Board of Education to establish a program to encourage local employers to give their employees with school-age children time off to attend parent-teacher conferences at least once a semester. This suggestion was important because 98% of the surveyed districts stated they conduct teacher conferences during the school day. Developing parent/educator programs was also addressed through HB 1017. All districts are required to provide parent/educator workshops for teachers. Thirty-eight percent (38%) provide a program/course for parents emphasizing their role in the education of their children.

Restructuring the Learning Environment:

The law also addressed the restructuring of the learning environment by providing innovative pilot projects to replace the traditional organizational structure of teaching and learning. According to the survey results, 54% of the districts were utilizing some type of site-based management and shared decision-making program which assisted in meeting the mandates of this section. Forty-two percent (42%) of the districts reported no use of this approach.

Student Discipline:

Regarding student discipline, the State Department of Education was charged with preparing educational materials for local districts which provided effective classroom discipline

alternatives to corporal punishment. This requirement would directly influence 99% of the responding districts which currently allow corporal punishment.

Teacher Salaries and Incentive Pay:

Teacher salaries and incentive pay programs received abundant recognition in the new law. A new minimum state salary schedule of $17,000.00 became effective with the 1990-91 school term. Minimum salaries would increase to $24,060.00 by 1994-95. Currently, 44% of the districts surveyed exceed the minimum salary base for the second year of HB 1017 with the remaining schools meeting the state mandated minimum salary. The State Board of Education was required to develop not less than five model incentive pay plans and distribute them to the local school boards. Seven percent (7%) of the surveyed schools presently have such plans while 93% reported the absence of any plan. Funds for the reform Bill would come from several sources. Twenty-eight percent (28%) of the surveyed school districts compensate teachers for continuing education courses in their certification field while 71% do not. This represents a type of incentive pay for teachers. Table 3 provides a brief review of the funding process.

Table 3

HOW WILL THE REFORMS BE FUNDED?

Source	Revenues
10% Increase in State Personal Income Tax Collections *	$104 Million
Corporate Income Tax increase from Current 5% to 6%	$ 22 Million
Sales and Use Increase from Current 4% to 4.5% **	$104 Million

- Most taxpayers' tax liability will increase considerably less than 10%. Persons, for example, whose adjusted taxable income is less than $8,000.00 will not have any tax increase.
- * HB 1857 provides for a rebate on sales tax paid by families with an income level below $12,000.00 per year.

Staff Development:

The law also permitted districts to reimburse one-half of the cost of tuition to teachers and administrators who participate in college courses which meet staff development qualifications. Educators receiving this reimbursement must successfully complete the course work with a 3.0 or better. Twenty-eight percent (28%) of the schools already provide an incentive for staff who wish to improve their skills. HB 1017 continued to address this issue by encouraging districts to develop compensation schedules to reflect the district's particular circumstances and to provide subject area differential as well a incentive pay for districts with specific geographical attributes.

Minority Educators:

The law directed the State Board of Education to work with the State Regents for Higher Education in developing a model program for recruiting, training, and placing minority educators in public schools. Forty-five percent (45%) of the districts responded that they currently have racial minority applicants who apply for teaching positions.

Training of School Administrators:

The law mandated that State Board study programs using models and expertise from the private sector, targeted at the development of leadership skills for school administrators, if funds were available. Forty-five percent (45%) of the administrators surveyed utilized the application of business models of leadership while 52% do not.

Teaching Principals' Certification:

Fifty-six percent (56%) of the surveyed districts have teaching principals. The law required that these persons be fully certified as administrators by July 1, 1993. Sixty-one percent (61%) of those who currently serve as teaching principals have the required certification while 39% will be required to gain the appropriate administrative certificate.

Duplication in Education Systems:

A concerted effort was made through the law to examine the educational service delivery system in Oklahoma to determine areas of duplication and overlap in the provision of education services. Thirty-three percent (33%) of the schools reported some duplication between the local school site and the vocational center serving the district. Sixty-five percent (65%) reported no duplication of services.

Student Records:

Student retention has long been an issue confronting educators and parents alike. The law provided that no student shall be advanced to the next grade level after the recommendation of a teacher that the child should be retained unless a written statement is signed by the parent or guardian. Eighty-six percent (86%) of the districts revealed that parental approval was a factor in retention while 12% stated that parental approval did not play an important role in a promotional decision.

Teacher Contracts and School Personnel Due Process Rights:

Teacher contracts, school personnel rights, and due process rights received an extraordinary amount of attention in the new law. HB 1017 differentiated between career and probationary teachers and addressed their due process rights accordingly. The new law charged the State Board of Education with promulgating standards of performance and conduct of teachers and requires such to be distributed by local boards to teachers by April 10 of each year. Ninety-five percent (95%) of the responding rural districts currently operate under such written

standards. HB 1017 also allowed school board members to admonish teachers who have been identified by their poor performance or conduct if their administrator fails to do so. If the teacher fails to correct the situation, the teacher may be recommended to the superintendent for dismissal or non-reemployment. Seven percent (7%) of the surveyed districts currently allow for school board admonishment while 93% have no provisions for this action.

State Aid Carryover:

Regarding school funding through the state aid formula, 4% of the districts indicated they would be penalized for excessive general fund carryover in accordance with HB 1017. Ninety-eight percent (98%) stated they would not be penalized.

Administrators:

The survey found the 94.5% of the surveyed superintendents were male. Surprisingly, 39% of the superintendents had less than five years experience while another 24% had between six and ten years experience. Only 14.5% of the respondents reported sixteen or more years of experience. Additionally, the survey determined that only 7% of the superintendents had been in the same district for longer than sixteen years. In fact, 67.7% had been in the same district for less than five years. Clearly, many superintendents are reasonably new to the profession and have a relatively short tenure in a school system.

The survey also gathered information that indicated that 44% of the respondents believed that the new Oklahoma Cost Accounting System (OCAS) was not beneficial to the school district. It also found that only 18% had foundations or school/community partnerships. In looking at their schools, it was a surprise to find that 100% have air conditioned classrooms.

Support for HB 1017:

As the election for the repeal of HB 1017 neared, it was important to determine the degree and level of support for HB 1017. The respondents to the survey indicated 52% of their patrons would vote to support HB 1017 while 24% would vote for repeal. The 52% is extremely close to the 54% who eventually voted to support the Bill. The survey also found that in the selected districts, 90% of their teachers supported HB 1017. As administrators, 86% supported HB 1017 while 11% did not.

PHASE II SURVEY RESULTS

Responses from Phase II surveys have been aggregated and tabulated according to certain mandates of HB 1017. The focus of this survey was on three of the mandates along with a category which was included for responses to a perceived financial status of the school district by the end of 1992-93;

1. Class size requirements,
2. Curriculum standard mandates,

3. State minimum teachers' salary and the adequacy of dollars provided pursuant to HB 1017 to meet these requirements, and
4. A perceived financial status of the school district by the end of 1992-93.

With the small size of the survey, results are reported on the basis of total responses to a question without regard to the size or region of the districts. The results are categorized by the four (4) categories enumerated above.

Adequacy of Dollars to Meet Class Size Requirements:

Each year since the passage of HB 1017, class sizes for various grade levels have decreased. As noted previously, Table 2 illustrates these requirements.

All schools responded to the question of adequacy of dollars for class size with 61% of the schools reporting that they did receive adequate dollars and 39% of the schools reporting they did not receive adequate dollars. For those schools which responded that they did not receive adequate monies, the explanations or reasons as identified by the schools included the need for additional building or classroom space and added personnel. Teachers and teacher assistants were identified as personnel needs. This response is supported by the Phase I survey response on this mandate which indicated a need for classroom space as well.

Penalties exist for school districts which do not meet class size requirements. Additionally, the legislature has sought to refine these provisions, eliminating certain statutory provisions for penalty relief and emphasizing compliance.

Adequacy of Dollars to Meet the State Minimum Teacher's Salary Schedule:

The significant minimum teacher salary increases in the state mandated teacher salary schedule have caused concerns for the rural and/or small schools. The schedule increased from $15,060.00 in 1989-90 to $17,000.00 in 1990-91. The schedule will increase to $24,060.00 for a beginning teacher in 1994-95. All schools responded to this question with 43% reporting that they did receive adequate dollars and 57% reporting that they did not.

The responses included various reasons for not receiving sufficient monies. Primarily, the reasons were that the state aid formula did not allocate dollars separately for this mandate. In three school districts, cost differences versus monies received were reported varying from $6,834.00 to $65,000.00 needed in additional monies to meet this mandate. Another district responded that this mandate was met at the expense of not meeting the curriculum mandates.

Penalties exist if school districts do not meet the state minimum teacher salary schedule. Schools must pay the penalty and pay the salary of the teacher if penalized.

Adequacy of Dollars to Meet Curriculum Standard Mandates:

Stringent curriculum standards are to be completed by 1999. All school districts must have submitted a "Plan for Educational Development and Improvement" with annual updates which reflect the status of compliance and cost estimates for implementation of certain curriculum and accreditation standards.

Districts were asked to respond to the adequacy of dollars for meeting curriculum standard mandates. Districts responding "Yes" to this question (that they did receive adequate dollars) represented 36%, while 61% reported that there were not adequate dollars received for implementation of the curriculum standards and 3% reported this as an unknown expense. The reasons given were varied. Most responded that foreign language teachers and counselors could not be provided. Others responded that they could not meet the mandates at all because they had utilized state aid monies to pay for teacher salary increases. Another responded that the impact and adequacy of dollars were "unknowns" because the district had chosen not to implement this mandate at this time.

Perceived Financial Status by End of 1992 - 93 School Year:

Summarizing the statements by the superintendents of the rural and/or small schools for this question provided insight into the emotions and concerns which could not be identified through yes/no responses. Eighty-six percent (86%) of the schools responded to this question. Their responses can be categorized as follows:

HB 1017 represents the demise of many small schools.
Most rural schools will have major financial problems.
Annexation and consolidation will occur.
Fund balances will be depleted.
Local funds are utilized in meeting the mandates.

Other costs which impact schools outside of HB 1017 must be considered.
The responses were lengthy because the superintendents had the opportunity to express their feelings. The feelings of frustration and pessimism were clearly evident in their comments.

Some of the responses were:

> "A large percentage, if not all of the small schools will close because their budget will not fund this massive legislation."
>
> "You can't possibly raise salaries and reduce class size with less money, while adding new programs - no way!"
>
> "Many small schools will close this year due to financial problems if the mandates are not relaxed or money is not forthcoming."
>
> "Reserve will be less each year until we are unable to survive."

"Our school will experience drastic cutbacks in programs and personnel over the next two years...I see disaster just over the horizon."

"...more and more districts will be forced to close, annex or consolidate with other districts even though they are providing an excellent education to their students!"

CONCLUSIONS

According to data collected in Phase I of the survey, a majority of the rural schools that responded to the survey had implemented the immediate mandates of HB 1017. In Phase II of the survey, a majority of the schools reported that they did not receive adequate dollars to meet the curriculum standard mandates and the state minimum teacher's salary schedule. A majority of the districts reported that they did receive adequate dollars to meet class size requirements.

The survey responses in Phase II predict that the adequacy of funds for two of the mandates is not sufficient. The legislature, on the other hand, reflects through its projections, that adequate monies are appropriated to meet the mandates outlined in HB 1017. Appendix A includes a Legislative Reform Cost Summary.

In conversations with the State Department of Education, the logic behind the estimates of costs is hypothetical or "best guess" estimates. Based on this information, it appears that the legislature has honored their responsibility of funding without tracking the costs to identify what the mandates have cost versus what has been received by schools. A newly created Office of Accountability is seeking the answers to some of these questions as well, but without success at this time.

It is crucial to the study that an examination of the requirements that are yet to be implemented and the long-term effects of the entire Bill occur over a period of time. A longitudinal study must continue to be conducted regarding the directives of the Bill including those that are yet to be developed and initiated. A number of the Bill's mandates cannot be initiated until the Oklahoma Department of Education, the State Board of Education, and various committees complete the tasks delegated to them by HB 1017. Clearly, as more and more of the reforms come to fruition, the cost to the local school district will dramatically increase.

The burden of compliance and the costs have been and will continue to be felt by the rural/small schools' Boards of Education and administrators in the state because of their size, isolation, and limited finances to implement required mandates. Serious implications for future existence as school districts are evident. Incentive monies to annex or consolidate have interested many of the rural/small schools. In a House Education Subcommittee Report issued in May, 1992, thirty-one annexations/consolidations have occurred since the passage of House Bill 1017. As of July 1, 1992, there are 573 school districts with annexation/consolidation elections in progress for some schools.

A more in-depth examination regarding the repercussions of House Bill 1017 will be necessary in order to thoroughly document the impact the bill has had on the state's public schools. Ultimately, however, the welfare of the students of the state must be the paramount objective of the law.

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Appendix A

Reform Cost Summary

Cost Summary for Provisions of HB 1017 Revised July, 11, 1991					
FISCAL YEAR SCHOOL YEAR	FY '91 1990-91	FY '92 1991-92	FY '93 1992-93	FY '94 1993-94	FY '95 1994-95
1. Teacher salaries	$ 68,100,000.00	$ 68,600,000.00	$ 71,700,000.00	$ 74,900,000.00	$ 1,500,000.00
2. Incentive pay for teacher	$ 0.00	$ 0.00	$ 3,000,000.00	$ 0.00	$ 0.00
3. Support salaries	$ 15,500,000.00	$ 8,400,000.00	$ 8,400,000.00	$ 8,300,000.00	$ 0.00
4. Increase professional staff	$ 3,500,000.00	$ 5,000,000.00	$ 5,000,000.00	$ 5,000,000.00	$ 5,000,000.00
5. Early Childhood Program	$ 4,200,000.00	$ 4,200,000.00	$ 4,200,000.00	$ 0.00	$ 0.00
6. Technology innovation	$ 10,000,000.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
7. Mandatory half-day Kindergarten	$ 0.00	$ 18,600,000.00	$ 0.00	$ 0.00	$ 0.00
8. Class size limits	$ 6,025,000.00	$ 4,200,000.00	$ 5,375,000.00	$ 15,000,000.00	$ 0.00
9. Extended school year program	$ 0.00	$ 0.00	$ 0.00	$ 15,000,000.00	$ 0.00
10. Additional teacher assistants	$ 10,000,000.00	$ 4,600,000.00	$ 6,800,000.00	$ 0.00	$ 4,800,000.00
11. Fully fund economically disadvantaged weight	$ 50,000,000.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
12. Fullv fund	$ 38,000,000.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

special education weight					
13. Minority needs assessment	$ 250,000.00	$ 0.00	$ 50,000.00	$ 0.00	$ 100,000.00
14. Parent training program	$ 0.00	$ 600,000.00	$ 500,000.00	$ 500,000.00	$ 500,000.00
15. Accreditation Standards for High Schools	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 3,050,000.00
16. Supplemental Testing	$ 0.00	$ 0.00	$ 400,000.00	$ 800,000.00	$ 800,000.00
17. Education of public on student testing	$ 50,000.00	$ 7,000.00	$ - 57,000.00	$ 0.00	$ 0.00
18. Committees Required by HB 1017	$ 44,500.00	$ - 44,500.00	$ 0.00	$ 0.00	$ 0.00
19. Implementation of SB 183	$ 802,000.00	$ 685,990.00	$ 85,000.00	$ 40,000.00	$ 0.00
20. Office of Accountability	$ 205,454.00	$ 13,600.00	$ 0.00	$ 0.00	$ 0.00
21. Curriculum Distribution	$ 0.00	$ 234,700.00	$ - 234,700.00	$ 0.00	$ 0.00
22. Health/Living Skills	$ 0.00	$ 0.00	$ 0.00	$ 1,700,000.00	$ 0.00
TOTAL ADDITIONAL ANNUAL COST	$206,676,954.00	$115,095,790.00	$105,218,300.00	$121,240,000.00	$ 25,750,000.00
CUMULATIVE ADDITIONAL ANNUAL COST	$206,676,954.00	$321,772,744.00	$426,991,044.00	$548,231,044.00	$573,981,044.0

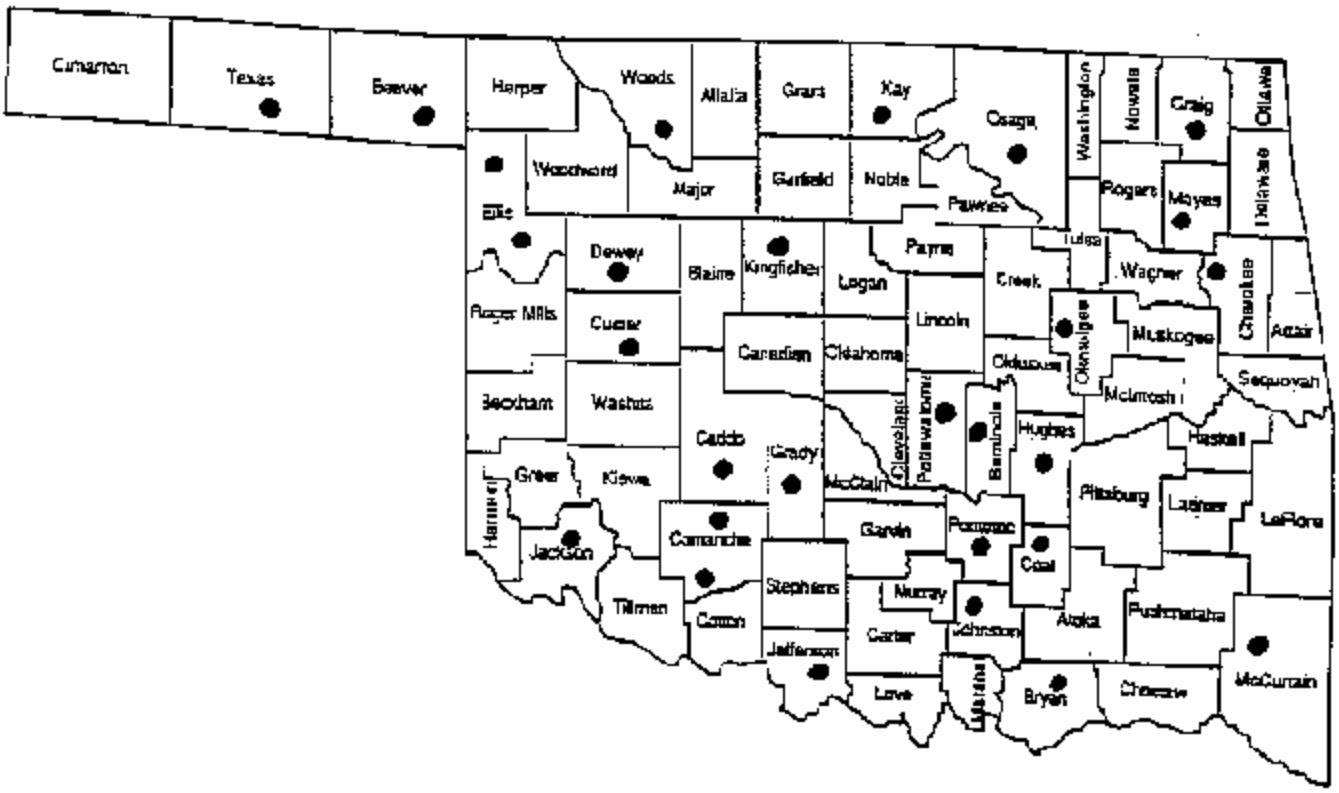
* Funding is delayed one year from previous cost projection. Specific Legislative authorization is

required before the expenditure of any funds for this program (see HB 1017, Section 18).
Senate Fiscal Staff

Appendix B

Sample Population Plotted by County for Phase II Survey

Sample Population Plotted by County



Appendix C

Summary of Survey Results

SUMMARY OF SURVEY RESULTS
Question #2: What is the size (ADM) of the school district?
Question #3: Did House Bill 1017 provide adequate dollars to meet the requirements for state minimum teacher salaries?
Question #4: Did Hose Bill 1017 provide adequate dollars to meet the requirements for curriculum standard mandates?
Question #5: What do you perceive the financial status of rural/small schools will be by the end of school year 1992-93?

SIZE **0-150**	**QUADRANT**	**QUESTION #2:** CLASS SIZE	**QUESTION #3:** **MINIMUM SALARY**	**QUESTION #4:** **CURRICULUM**	**QUESTION #5:** **PERCEIVED STATUS**
#111	Southeast	No, Building needs added personnel.	No, dollars spent by students, not teachers	No, small schools have greater expenses	Demise of small schools
SIZE: 151-300					
#113	Southeast	NO, no explanation	NO, cost was $42,000.00, exceeds state aid by $12,000.00	No	Most rural schools will have major financial problems
#114	Southeast	Yes	No, cost was $41,400.00, exceeds state aid by $6,834.00	Yes	No response
#132	Northwest	No, 1017 did not pay for	No, forced annex	No, dollars not received	More small school closings
#134	Northwest		No, staff is reduced due to loss in 1017 dollars	No, fewer programs offered	Dropping programs in small schools, closing of small schools
#135	Northwest	Yes		No, additional staff is to	Consolidation of small schools

				expensive. Isn't covered	
#103	Northwest	No, building need added personnel	No	No, operate sufficiently without 1017 dollars	C/O limits are hurting administration flexibility. Budgets must be adjusted
#121	Southeast	Yes	No	No	Paying too heavily from local funds. Worried about 93-94.
#133	Northwest	Yes	Yes	No	No Response
#122	Southeast	Yes	No	No, foreign languages not covered	Small schools can't stay ahead in funding
#124	Southeast	Yes	No, needs $35,000.00	Yes	More money needed for salaries and teachers' retirement
#123	Southwest	Yes	Yes	Yes	Declining reserve will hurt survival
SIZE: **301-450**					
#115	Southeast	No, local dollars are providing	Yes, 1017 dollars are placed in teachers' salaries	No, can't meet curriculum requirements	Close due financial problems. C/O may help some small schools survive
#116	Southeast	Yes	No, support personnel have needs	No, can't meet standards	No response
#117	Southeast	Yes	Yes	Yes	Declining population will hurt future ability to meet mandates
#138	Northwest	Yes	Yes	Yes	Small school factor must stay in place to be in good shape
#136	Northwest	No	No	No	Supplement district in the past, will

					continue to lag behind in excellence
#137	Northwest	Yes	Yes	No, counselor and library mandates	Rural schools are losing students. Oil field revenues are slipping
#105	Northeast	No	No	No	Local funds are meeting the mandates
#104	Northeast	Yes	Yes	No, foreign language teachers needed	Need full funding. Growing in ADA coop. program
#12	Southwest	Yes	Yes	Yes	Must consider teachers' retirement costs. District will be ok. Special Education costs
#108	Northeast	No, not enough teachers' aide	No, cost was $90,000.00, received $65,000.00	No, councilors not provided	C/O must be used. Schools will go broke
#139	Northwest	Yes	Yes	Yes	District is ok, foresaw budget problems and adjusted. No increase in state aid will hurt in future
SIZE: **601 or greater**					
#119	Southeast	No, need classrooms	Yes, to the expense of curriculum mandates	Unknown	Bankruptcy, could be good from some students, question consolidation
#120	Southeast	No, need classrooms	Yes	Yes	Ok, growing district
#109	Northeast	Yes	Yes	Yes	Small schools may close. Minimum salary schedule will close schools

#110	Northeast	No	No	No	No response
#129	Southwest	Yes	No	Yes	Disaster, drastic cutbacks