



JOY HOFMEISTER

STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT OF EDUCATION

MEMORANDUM

TO: The Honorable Members of the State Board of Education
FROM: Joy Hofmeister
DATE: March 24, 2016
SUBJECT: FY2016 General Fund Balance Penalty

The following public school districts, for the second consecutive school year, exceeded their General Fund Balance (GFB) allowable amount for the 2014-15 school year ending June 30, 2015. The GFB penalty for these districts is at the discretion of the State Board of Education, since all districts qualify on the statute below:

Pursuant to 70 O.S. § 18-200.1(G)

5. If a school district does not receive Foundation and/or Salary Incentive Aid during the preceding fiscal year, the State Board of Education may waive the penalty assessed in this subsection if the penalty would result in a loss of more than forty percent (40%) of the remaining State Aid to be allocated to the school district between April 1 and the remainder of the school year and if the Board determines the penalty will cause the school district not to meet remaining financial obligations.

<u>District</u>	<u>County</u>	<u>Penalty Amount</u>	<u>No Foundation &/or Incentive</u>	<u>Loss of more than 40%</u>	<u>Congressional District</u>
<u>Districts submitting correspondence requesting a State Board of Education waiver</u>					
Sayre (05I031)	Beckham	\$19,148	Yes	Yes	3
Fargo (23I002)	Ellis	\$ 5,281	Yes	Yes	3
Frontier (52I004)	Noble	\$12,225	Yes	Yes	3
Kiowa (61I014)	Pittsburg	\$10,205	Yes	Yes	2
Hammon (65I066)	Roger Mills	\$ 6,034	Yes	Yes	3
Waynoka (76I003)	Woods	\$ 7,085	Yes	Yes	3
Freedom (76I006)	Woods	\$ 1,820	Yes	Yes	3
<u>District with no response to the GFB penalty correspondence</u>					
Taloga (22I010)	Dewey	\$ 1,495	Yes	Yes	3

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Attachments

State Superintendent of Public Instruction
Oklahoma State Department of Education

County	District	Congressional District	FY2016	FY2016	FY2016	Lessor of	Previous Years Waivered &/or Accepted Penalty	2nd Year Exceeded	No Foundation &/or Incentive Aid	Waiver Eligible	Request Waiver	No Response	
			General	Estimated	Estimated	or State Aid							
			Fund	Balance after	40% of	Balance after							
			Balance	March	April 1, 2016	the March							
			Penalty	Payment	Balance	Payment							
DISTRICTS REQUESTING STATE BOARD OF EDUCATION WAIVER													
05	BECKHAM	I031	SAYRE	3	7,598,166.68	19,148	7,659	19,148	4	1	1	1	1
23	ELLIS	I002	FARGO	3	1,028,852.83	5,281	2,112	5,281	1	1	1	1	1
52	NOBLE	I004	FRONTIER	3	1,285,483.98	12,225	4,890	12,225	1	1	1	1	1
61	PITTSBURG	I014	KIOWA	2	1,952,169.63	10,205	4,082	10,205	8	1	1	1	1
65	ROGER MILLS	I066	HAMMON	3	360,727.72	6,034	2,414	6,034	5	1	1	1	1
76	WOODS	I003	WAYNOKA	3	1,200,499.26	7,085	2,834	7,085	1	1	1	1	1
76	WOODS	I006	FREEDOM	3	160,162.12	1,820	728	1,820	2	1	1	1	1
DISTRICTS ELIGIBLE FOR WAIVER BUT NO RESPONSE TO CORRESPONDENCE													
22	DEWEY	I010	TALOGA	3	1,226,681.52	1,495	598	1,495	2	1	1	1	1
TOTAL BREAKDOWN													
							State Total	8					
							Board Requested Waivers	7					
							No Response	1					

Joy Hofmeister
State Superintendent of Public Instruction
Oklahoma State Department of Education

General Fund Balance Penalty Statute

70 O.S. § 18-200.1:

Paragraph G:

1. Notwithstanding the provisions of Section 18-112.2 of this title, a school district shall have its State Aid reduced by an amount equal to the amount of carryover in the general fund of the district as of June 30 of the preceding fiscal year, that is in excess of the following standards for two consecutive years:

Total Amount of General Fund Collections, Excluding Previous Year Cash Surplus as of June 30	Amount of General Fund Balance Available
Less than \$1,000,000	40%
\$1,000,000 - \$2,999,999	35%
\$3,000,000 - \$3,999,999	30%
\$4,000,000 - \$4,999,999	25%
\$5,000,000 - \$5,999,999	20%
\$6,000,000 - \$7,999,999	18%
\$8,000,000 - \$9,999,999	16%
\$10,000,000 or more	14%

2. By February 1 the State Department of Education shall send by certified mail, with return receipt requested, to each School District Superintendent, Auditor and Regional Accreditation Officer a notice of and calculation sheet reflecting the general fund balance penalty to be assessed against that school district. Calculation of the general fund balance penalty **shall not include federal revenue**. Within thirty (30) days of receipt of this written notice the school district shall submit to the Department a written reply either accepting or protesting the penalty to be assessed against the district. If protesting, the school district shall submit with its reply the reasons for rejecting the calculations and documentation supporting those reasons. The Department shall review all school district penalty protest documentation and notify each district by March 15 of its finding and the final penalty to be assessed to each district. General fund balance penalties shall be assessed to all school districts by April 1.
3. Any school district which receives proceeds from a tax settlement or a Federal Emergency Management Agency settlement during the last two (2) months of the preceding fiscal year shall be exempt from the penalties assessed in this subsection, if the penalty would occur solely as a result of receiving funds from the tax settlement.
4. Any school district which receives an increase in State Aid because of a change in Foundation and/or Salary Incentive Aid factors during the last two (2) months of the preceding fiscal year shall be exempt from the penalties assessed in this subsection, if the penalty would occur solely as a result of receiving funds from the increase in State Aid.

(continued next page)

Joy Hofmeister
State Superintendent of Public Instruction
Oklahoma State Department of Education

General Fund Balance Penalty Statute

5. If a school district does not receive Foundation and/or Salary Incentive Aid during the preceding fiscal year, the State Board of Education may waive the penalty assessed in this subsection if the penalty would result in a loss of more than forty percent (40%) of the remaining State Aid to be allocated to the school district between April 1 and the remainder of the school year and if the Board determines the penalty will cause the school district not to meet remaining financial obligations. *(State Board of Education action required.)*
6. Any school district which receives gross production revenue apportionment during the 2002-2003 school year or in any subsequent school year that is greater than the gross production revenue apportionment of the preceding school year shall be exempt from the penalty assessed in this subsection, if the penalty would occur solely as a result of the gross production revenue apportionment, as determined by the State Board of Education.
7. Beginning July 1, 2003, school districts that participate in consolidation or annexation pursuant to the provisions of the Oklahoma School Voluntary Consolidation and Annexation Act shall be exempt from the penalty assessed in this subsection for the school year in which the consolidation or annexation occurs and for the next three (3) fiscal years.
8. Any school district which receives proceeds from a sales tax levied by a municipality pursuant to Section 22-159 of Title 11 of the Oklahoma Statutes or proceeds from a sales tax levied by a county pursuant to Section 1370 of Title 68 of the Oklahoma Statutes during the 2003-2004 school year or the 2004-2005 school year shall be exempt from the penalties assessed in this subsection, if the penalty would occur solely as a result of receiving funds from the sales tax levy.
9. For purposes of calculating the general fund balance penalty, the terms “carryover” and “general fund balance” shall not include federal revenue.

Title 70, Section 1-117:

- G. Schools which receive gifts or donations or state-appropriated monies for the purpose of capital expenditures or projects shall place such monies in the building fund, as provided by Section 1-118 of this title, and not in the general fund. School districts which receive gifts, grants, or donations of monies for noncapital expenditures **may place the monies in the general fund**, and such monies shall not be required to be used during the year in which the money was received but may accumulate from year to year and **shall not be considered a part of the general fund collections when calculating the general fund carryover** as provided in subsection G of Section 18-200.1 of this title.



JOY HOFMEISTER
STATE SUPERINTENDENT *of* PUBLIC INSTRUCTION
OKLAHOMA STATE DEPARTMENT *of* EDUCATION

January 27, 2016

, Superintendent
Public School
Address
City Oklahoma Zip

Superintendent,

This letter shall serve as official notification to your school district from the Oklahoma State Department of Education, that the General Fund Balance of your school district, as reported, exceeded the allowable amount as outlined in Paragraph G. of Title 70, Section 18-200.1 (*see statutory attachment; also note instructions in bold below*). Revenue figures used for the general fund balance calculation were gathered from the 2015 Oklahoma Cost Accounting System (OCAS) for the fiscal year ending June 30, 2015.

Title 70, Section 18-200.1, states: *“Notwithstanding the provisions of Section 18-112.2 of this title, a school district shall have its State Aid reduced by an amount equal to the amount of carryover in the general fund of the district as of June 30 of the preceding fiscal year, that is in excess of the following standards **for two consecutive years:**”*

- (1) Your school district exceeded the allowable carryover limit as of June 30, 2014.
- (2) Your school district exceeded the allowable carryover limit as of June 30, 2015.

As stated in law, you are requested to respond in writing no later than Monday, February 29, 2016, on behalf of the school district to the State Aid Section, Oklahoma State Department of Education. Such written response shall indicate the acceptance of the calculated amount, or provide documentation of reasons for rejecting that amount. *To reduce your calculated penalty amount, we have already applied numbers two, four, and six as listed on the statutory attachment (Title 70, Section 18-200.1, Paragraph G.). If applicable, you may be able to apply numbers three, five, or eight (State Board of Education action is required for item five) from Title 70, Section 18-200.1 as reasons of protest (this process may further reduce or eliminate any exceeded carryover amount). Your letter of protest should state the applicable numerical items from Paragraph G.* We have also applied to our calculation, the provisions of Title 70, Section 1-117 (*see attached statute*). The Department shall review all school district protest documentation and notify your district by Friday, March 11, 2016, of its finding.

In 70 O.S. 18-200.1, item number five (attached), you may want to ask for a waiver of this penalty from the State Board of Education at its next scheduled meeting on **Thursday, March 24, 2016 at 1:00 p.m.** The Board will determine if the penalty will cause the school district not to meet remaining financial obligations for the 2015-16 school year. Please contact me if you want to pursue this option; documentation *may* be required.

Public School
Page 2
January 27, 2016

The "Exceeded Carryover Allowance Amount After Exclusions" is indicated on the attached calculation sheet on Line 12. If you have questions regarding this penalty calculation, please contact me at (405) 521-3460.

Sincerely,

Renée McWaters
Executive Director,
State Aid Section

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Attachments

c: State Superintendent Joy Hofmeister
, Auditor
, Regional Accreditation Officer

Fargo Public Schools

P.O. Box 200
Fargo, Oklahoma 73840

RECEIVED

FEB 18 2016

STATE DEPT. OF EDUCATION
STATE AID SECTION

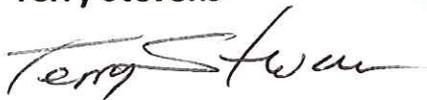
Oklahoma State Department of Education

State Aid Section

To whom it may concern:

Fargo Public School has exceeded the allowable carryover limit for two years because we think that schools need to save money for when times get tough. Because of the drop in oil and gas, Fargo Schools will receive about \$500,000 less in our budget from Gross Production and the drop in the Vehicle Tax. This year we will dip into the carryover for at least \$300,000. We will be making cuts to staff and other areas next year to try and reduce that amount, but at least we have some money in savings to fall back on so that we don't have to face closing our doors, as some local schools will have to do. We consider the carryover as our rainy day fund.

Terry Stevens



Superintendent

Fargo Public School District – 23i002

FY2016 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 23
DISTRICT NUMBER: I002

COUNTY NAME: ELLIS
DISTRICT NAME: FARGO

1. 2015 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	2,848,384.92
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	35%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	996,934.72
4. GENERAL FUND BALANCE - JUNE 30, 2015 (As reported on the FY2015 Estimate of Needs)	2,110,352.34
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	1,113,417.62
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	84,564.79
7. LINE 5 minus LINE 6 – GENERAL FUND BALANCE PENALTY	1,028,852.83
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
9. LINE 7 minus LINE 8 – GENERAL FUND BALANCE PENALTY	1,028,852.83
<u>EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):</u>	
10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	0
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	1,028,852.83
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	5,281

STATE BOARD OF EDUCATION ACTION REQUIRED:

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fd Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%



Sayre Public Schools

Sayre, Oklahoma 73662

Home of the Eagles



February 24, 2016

Oklahoma State Board of Education
Oklahoma State Department of Education
2500 North Lincoln Boulevard
Oklahoma City, OK 73105-4599

RE: Carryover Waiver

Dear Members of the Oklahoma State Board of Education:

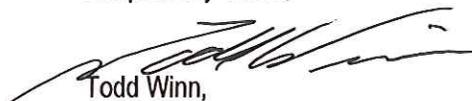
During the 2014-2015 school term, Sayre Public Schools (051031) exceeded the maximum carryover amount for the general fund. We are respectfully requesting that the penalty for exceeding the statutory limit be waived. Please allow me to explain to you a few of the distinguishing factors regarding this request.

- Several years ago, following a lengthy litigation process with multiple companies from the oil/gas industry, we received the release of protested tax funds that were being held in escrow. The uncertain timetable for release of those monies over a period of years by each respective company coupled with the possibility of appeal, made it very difficult to plan for the responsible expenditure of those funds.
- The funds from the settlements, along with revenue generated from other sources (i.e, private prison, natural gas storage facility, gross production) has allowed the district to build a carryover balance that exceeds the statutory limit and placed us in the position of being ineligible to receive Foundation Aid. That balance has been maintained to allow the district to approach campus improvement projects (ms/hs saferoom) and enable us to better manage the cyclical nature of the energy industry and the possible closure of the 2,200-bed private prison (CCA) facility located within district boundaries.
- Within the past six months, the North Fork Correctional Facility has closed, in addition to the Sayre Hospital. Those closures coupled with the slumping oil/gas industry has resulted in the loss of over six hundred jobs to the local economy and the loss of over sixty students. In part, those same factors that contributed to the District's carryover balance, will now work toward depleting it.

As a result, the excess carryover balance will be utilized to ensure that the District is able to meet its financial obligations in the future.

Should you need additional information, please feel free to contact me. We would like to thank you in advance for considering this request.

Respectfully Yours,


Todd Winn,
Superintendent of Schools



Sayre Public Schools

Sayre, Oklahoma 73662

Home of the Eagles



February 24, 2016

Oklahoma State Department of Education

ATTN: State Aid Section

Ms. Renee McWaters, Executive Director

2500 North Lincoln Boulevard

Oklahoma City, OK 73105-4599

RE: Carryover Waiver

Dear Ms. McWaters:

Attached, please find a letter to the Members of the State Board of Education requesting a waiver of the carryover penalty assessed the Sayre Public Schools.

If I need to provide any additional information, please feel free to contact me at (580) 928-5531, x1103. Thank you so much for your assistance.

Respectfully Yours,

Todd Winn,
Superintendent of Schools

Central Office
716 N.E. Highway 66
580-928-5531
580-928-5538 Fax

Sayre Elementary School
400 East Hanna
580-928-2013
580-928-3936 Fax
PreSchool to Grade 5

Sayre Middle School
600 East Hanna
580-928-5578
580-928-3045 Fax
Grades 6-8

Sayre High School
600 East Hanna
580-928-5576
580-928-3045 Fax
Grades 9-12

FY2016 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 05
 DISTRICT NUMBER: I031

COUNTY NAME: BECKHAM
 DISTRICT NAME: SAYRE

1. 2015 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	5,434,349.78
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	20%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,086,869.96
4. GENERAL FUND BALANCE - JUNE 30, 2015 (As reported on the FY2015 Estimate of Needs)	9,159,487.94
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	8,072,617.98
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	377,615.30
7. LINE 5 minus LINE 6 – GENERAL FUND BALANCE PENALTY	7,695,002.68
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
9. LINE 7 minus LINE 8 – GENERAL FUND BALANCE PENALTY	7,695,002.68

EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):

10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	1,169
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	95,667
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	7,598,166.68
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	31,660

STATE BOARD OF EDUCATION ACTION REQUIRED:

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fd Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%

Frontier Public School

P.O. Box 130
17750 Valley
Red Rock, OK 74651

Office: (580) 723-4361 Fax: (580) 723-4516

Board of Education
Brad Childs, President
David Beck, Vice-President
Cheryl Lane, Clerk
Scott Kodesh, Member
Cruz Conneywerdy, Member

Administration
Tracy Kincannon
Superintendent of Schools (580) 723-4361
Doug Sinor
High School Principal (580) 723-4360
Jera Kjespert
Middle School Principal (580) 723-4223
Erron Kauk
Elementary Principal (580) 723-4582

February 29, 2016

Renee McWaters
Executive Director
State Aid Section

RE: Carryover penalty

Dear Ms. McWaters:

Frontier Public Schools requests a waiver of this penalty from the State Board of Education, in reference to the notification received February 1, 2016,

This penalty is more than 40% of remaining state aid which was received for transportation.

This penalty would void fiduciary responsibility to the patrons of the district. To refrain from wastefully spending dollars purchasing unwanted items.

Sincerely,



Tracy Kincannon
Superintendent
Frontier Public Schools



Home of the Mustangs

FY2016 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 52 COUNTY NAME: NOBLE
 DISTRICT NUMBER: I004 DISTRICT NAME: FRONTIER

1. 2015 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	5,070,838.32
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	20%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,014,167.66
4. GENERAL FUND BALANCE - JUNE 30, 2015 (As reported on the FY2015 Estimate of Needs)	3,280,183.88
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	2,266,016.22
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	948,245.24
7. LINE 5 minus LINE 6 – GENERAL FUND BALANCE PENALTY	1,317,770.98
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
9. LINE 7 minus LINE 8 – GENERAL FUND BALANCE PENALTY	1,317,770.98

EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):

10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	32,287
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	1,285,483.98
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	12,225

STATE BOARD OF EDUCATION ACTION REQUIRED:

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fd Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%

KIOWA PUBLIC SCHOOLS

PO BOX 6

KIOWA, OK 74553

OFFICE (918)432-5631 FAX (918)432-5683

February 1, 2016

Renee McWaters, Executive Director

OSDE State Aid Section

Re: Carry Over Waiver

Dear Ms. McWaters,

Kiowa Public Schools is requesting a Statutory Waiver with regard to Title 70 Section 18-200.1 **(Paragraph G item #5)**. We have an electric generating power plant in our District that creates an Ad Valorem tax base which causes us to be ineligible to receive Foundation Aid on the top half of the funding formula.

Therefore, at the end of each fiscal year (June 30) we must carry over more than the law allows in order to maintain an adequate balance to finish the 'calendar year' through December. We cannot meet our payroll or pay other bills in the months of October, November, and December without our fund balance exceeding the limit in June of each year. We do not receive the tax from our Ad Valorem until January (midyear) and have no revenue to meet our financial obligations until the next January unless we exceed our carry over amount in June of each year. **(Paragraph G item #5)**

Kiowa Schools would like to thank you in advance for your consideration in this matter. Please let me know if I need to be at the Thursday, March 24, 2016 meeting of the State Board of Education to address this matter.

Sincerely,

Rick Pool, Supt.

(918)432-5631 ext. 2

rpool@kiowa.k12.ok.us

Renee McWaters

From: Rick Pool <rpool@kiowa.k12.ok.us>
Sent: Monday, February 01, 2016 10:35 AM
To: Renee McWaters
Subject: Carry over waiver
Attachments: Kiowa Carry Over Waiver.docx

Mrs. McWaters,

Kiowa School is applying for a waiver of carry-over penalty for FY 15. The attached letter addresses this issue. Please email confirmation of receipt.

Rick Pool, Supt.
Kiowa Public Schools
(918)432-5631 ext 2 office
(918)576-3588 cell

FY2016 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 61
 DISTRICT NUMBER: I014

COUNTY NAME: PITTSBURG
 DISTRICT NAME: KIOWA

1. 2015 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	3,795,994.51
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	30%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,138,798.35
4. GENERAL FUND BALANCE - JUNE 30, 2015 (As reported on the FY2015 Estimate of Needs)	3,334,093.25
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	2,195,294.90
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	243,125.27
7. LINE 5 minus LINE 6 – GENERAL FUND BALANCE PENALTY	1,952,169.63
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
9. LINE 7 minus LINE 8 – GENERAL FUND BALANCE PENALTY	1,952,169.63

EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):

10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	0
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	1,952,169.63
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	10,205

STATE BOARD OF EDUCATION ACTION REQUIRED:

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fd Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%



HAMMON PUBLIC SCHOOLS

P.O. Box 279 • Hammon, Oklahoma 73650-0279

February 9, 2016

Oklahoma State Board of Education
Oklahoma State Department of Education
2500 North Lincoln Boulevard
Oklahoma City, OK 73105-4599

Dear Members of the State Board of Education:

During the 2014-2015 school year Hammon Public Schools (65I066) exceeded the maximum carryover for the general fund. We humbly are requesting that the penalty for exceeding the carryover be waived for last year's excess carryover. We are using the excess money for a lease-purchase agreement to partially fund a new cafeteria building, Early Childhood classrooms, and a tornado shelter. The facility replaced facilities that were over 50 years old. The project was recently completed and we have been making lease-purchase payments.

Our school does meet the exception of Paragraph G: Number 5 regarding receipt of Foundation and/or Salary Incentive Aid and the loss of more than 40% of the remaining State Aid. The project that was completed has significantly depleted the amount of carryover that Hammon Public Schools have. However, the safety of the students of Hammon Schools is paramount. Should you need additional information, please feel free to contact me. We thank you in advance for considering this request.

Respectfully yours,

Wade Stafford

RECEIVED
FEB 09, 2016
STATE DEPT. OF EDUCATION
STATE AID SECTION

FY2016 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 65
DISTRICT NUMBER: I066

COUNTY NAME: ROGER MILLS
DISTRICT NAME: HAMMON

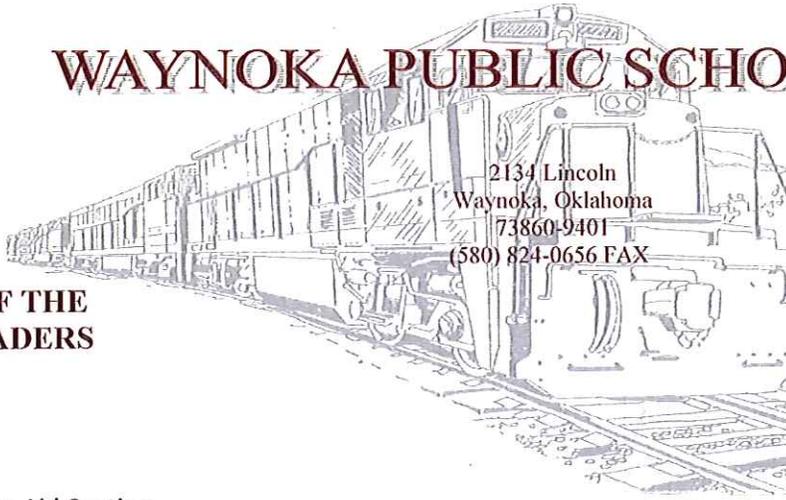
1. 2015 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	4,519,301.26
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	25%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,129,825.32
4. GENERAL FUND BALANCE - JUNE 30, 2015 (As reported on the FY2015 Estimate of Needs)	1,818,045.68
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	688,220.36
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	203,167.64
7. LINE 5 minus LINE 6 – GENERAL FUND BALANCE PENALTY	485,052.72
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
9. LINE 7 minus LINE 8 – GENERAL FUND BALANCE PENALTY	485,052.72
<u>EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):</u>	
10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	124,325
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	360,727.72
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	6,034

STATE BOARD OF EDUCATION ACTION REQUIRED:

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fd Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%

WAYNOKA PUBLIC SCHOOLS



2134 Lincoln
Waynoka, Oklahoma
73860-9401
(580) 824-0656 FAX

**HOME OF THE
RAILROADERS**

RECEIVED

FEB 24 2016

STATE DEPT. OF EDUCATION
STATE AID SECTION

Loren Tackett, Superintendent
(580) 824-6561

Michael Meriwether, Principal
(580) 824-4341

Attn. State Aid Section
State Department of Education
2500 North Lincoln Boulevard
Oklahoma City, OK 73105

Renee McWaters
Executive Director, State Aid Section

General Fund Balance, Exceeded Carryover

I understand that we exceeded the allowable amount. We have been very careful about taking care of our money the past 5 years. We were very fortunate when oil and gas prices were high but knew this might not last. We do not receive Foundation and Salary Incentive Aid money, most of our revenue is Ad Valorem and Gross Production money. We are down \$581,278.70 in Gross Production and we estimate an \$800,000.00 short fall by the end of the year.

We are a 4.0 school, we make sure our students and teachers have what they need to succeed. We have been very careful with our budget and because of this we can get through the difficult financial times we are facing in the next few years.

Our carryover will take a major hit due to the decrease in oil and gas prices. Will you please consider this when calculating our penalty.

Thank You

A handwritten signature in black ink that reads "Loren Tackett".

Loren Tackett, Superintendent

FY2016 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 76
 DISTRICT NUMBER: I003

COUNTY NAME: WOODS
 DISTRICT NAME: WAYNOKA

1. 2015 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	4,268,548.79
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	25%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,067,137.20
4. GENERAL FUND BALANCE - JUNE 30, 2015 (As reported on the FY2015 Estimate of Needs)	2,715,625.33
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	1,648,488.13
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	75,539.35
7. LINE 5 minus LINE 6 – GENERAL FUND BALANCE PENALTY	1,572,948.78
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	750.52
9. LINE 7 minus LINE 8 – GENERAL FUND BALANCE PENALTY	1,572,198.26

EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):

10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	371,699
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	1,200,499.26
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	7,085

STATE BOARD OF EDUCATION ACTION REQUIRED:

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fd Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%



FREEDOM PUBLIC SCHOOLS
P.O. BOX 5/1138 EAGLE PASS
FREEDOM, OK 73842
PHONE (580) 621-3271 - FAX (580) 621-3699
www.freedom.k12.ok.us

Superintendent - Danny McCuiston Principal - Brett Hill

To: Renee McWaters
Executive Director
State Aid Section

From: Danny McCuiston
Superintendent
Freedom Public Schools

RECEIVED
FEB 04 2016
STATE DEPT. OF EDUCATION
STATE AID SECTION

Dear Mrs. McWaters & State Board of Education

On behalf the Freedom Public School District (I-006) of Woods (76) county, I am requesting a waiver of 70, § 18-200. 1; district exhibits excessive carryover in the General Fund account for two (2) consecutive years.

Freedom is a small isolated district which has traditionally struggled financially in the past. Recently, the energy sector has added an element of volatility to the budgeting process of the district. During the beginning FY'15 budgeting year Crude was selling in the \$105.00 to \$110.00 per barrel range. By the conclusion of the fiscal year we all know the financial disaster the energy sector resides in. The prospects of reaching the expanded prices seen in FY'14-15 once again are not good. The district had an Advalorum decrease of approximately 2.5 million for the FY'15 budgeting year and due to energy sector decreases that trend possibly shall continue.

Due to the limited size of the district's budget and the fact the district receives no Foundation, Salary / Incentive Aid from the state, Freedom Public School must position itself financially during times of growth to carry through times of economic downturns. The district relies on local revenue; heavily weighted towards Gross Production and Advalorum. Both of these two revenue categories will suffer a significant financial downturn as the district enters into a new fiscal budgeting year and the district has placed itself in a financial position to withstand the financial downturn. The waiver is being requested due to the fact the carryover will soon deplete as the revenue sources are in periods of severe economic stress. And, the district anticipated the period of revenue stress and prepared financially for the event and should not be penalized for that preparation.

Danny McCuiston

Superintendent
Freedom Public Schools

FY2016 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 76
 DISTRICT NUMBER: I006

COUNTY NAME: WOODS
 DISTRICT NAME: FREEDOM

1. 2015 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	1,660,565.20
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	35%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	581,197.82
4. GENERAL FUND BALANCE - JUNE 30, 2015 (As reported on the FY2015 Estimate of Needs)	932,788.35
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	351,590.53
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	65,916.06
7. LINE 5 minus LINE 6 – GENERAL FUND BALANCE PENALTY	285,674.47
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	692.35
9. LINE 7 minus LINE 8 – GENERAL FUND BALANCE PENALTY	284,982.12

EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):

10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	248
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	124,572
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	160,162.12
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	1,820

STATE BOARD OF EDUCATION ACTION REQUIRED:

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fd Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%

FY2016 GENERAL FUND BALANCE CALCULATION

COUNTY NUMBER: 22
 DISTRICT NUMBER: I010

COUNTY NAME: DEWEY
 DISTRICT NAME: TALOGA

1. 2015 GENERAL FUND REVENUE (Fund 11, Source of Revenue 1000 through 4999, plus 5150, 5160, 5190, 6130, 6140, 6200 less Expenditures for Fund 11, Function 5800, Object 970)	2,165,284.93
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	35%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	757,849.73
4. GENERAL FUND BALANCE - JUNE 30, 2015 (As reported on the FY2015 Estimate of Needs)	2,022,487.25
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	1,264,637.52
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	37,956.00
7. LINE 5 minus LINE 6 – GENERAL FUND BALANCE PENALTY	1,226,681.52
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0.00
9. LINE 7 minus LINE 8 – GENERAL FUND BALANCE PENALTY	1,226,681.52

EXCLUSIONS APPLIED FROM 70 O.S. 18-200.1 (PARAGRAPH G.):

10. LESS INCREASE IN STATE AID BECAUSE OF STATE AID FACTOR ADJUSTMENT DURING LAST TWO MONTHS OF THE PRECEDING FISCAL YEAR	0
11. GROSS PRODUCTION GROWTH GREATER THAN PRECEDING YEAR	0
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	1,226,681.52
13. DISTRICT EXCEEDED TWO CONSECUTIVE YEARS	YES
14. EXEMPTION FOR ANNEXATION/CONSOLIDATION	NO
15. AMOUNT OF STATE AID TO BE REDUCED AFTER THE MARCH PAYMENT	1,495

STATE BOARD OF EDUCATION ACTION REQUIRED:

A. NO FOUNDATION AND/OR SALARY INCENTIVE AID IN PRECEDING YEAR	YES
B. PENALTY IS MORE THAN FORTY PERCENT (40%) OF REMAINING STATE AID	YES

Total Amount of Gen. Fd Collections, Excl. Previous Yr. Cash Surplus as of June 30	Amt. of Gen. Fd. Balance Allowable
Less than \$1,000,000	40%
\$1,000,000–\$2,999,999	35%
\$3,000,000–\$3,999,999	30%
\$4,000,000–\$4,999,999	25%
\$5,000,000–\$5,999,999	20%
\$6,000,000–\$7,999,999	18%
\$8,000,000–\$9,999,999	16%
\$10,000,000 or More	14%