



JANET BARRESI  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION  
STATE OF OKLAHOMA

MEMORANDUM

**TO:** The Honorable Members of the State Board of Education  
**FROM:** Janet C. Barresi  
**DATE:** March 25, 2014  
**SUBJECT:** FY2014 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 2012-13 school year ending June 30, 2013. 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.*

<b>Co/Dist</b>	<b>District Name</b>	<b>Penalty Amount</b>	<b>No Foundation &amp;/or Incentive</b>	<b>Loss of more than 40%</b>	<b>Congressional District</b>
<b><u>Districts submitting correspondence requesting a State Board of Education waiver</u></b>					
05I031	Sayre	\$17,981	Yes	Yes	3
61I014	Kiowa	\$11,028	Yes	Yes	2
65I066	Hammon	\$ 6,364	Yes	Yes	3
76I006	Freedom	\$ 1,365	Yes	Yes	3
<b><u>District with no response to the GFB penalty correspondence</u></b>					
22I010	Taloga	\$ 1,885	Yes	Yes	3

ki

Attachments

**Janet Barresi**  
**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)*

**Janet Barresi**  
**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.

County	District	Congressional District	FY2014			FY2014		FY2014 Estimated Balance April 1, 2014	Lessor of		2nd Year Exceeded	No FY2013 Foundation &or Incentive Aid	No Remaining FY2014 State Aid Funds	Waiver Eligible	Request Waiver	Accept Penalty	No Response	Penalty
			General Fund Balance Penalty	Fund Balance	Penalty	Estimated Balance after March 2014 Payment	Estimated Balance after March 2014 Payment		GFB Penalty or State Aid Balance after March Payment									
05	BECKHAM	1031	SAYRE	3	6,135,258.20	17,981	7,192	17,981	1	1	1	1	1	1				
61	PITTSBURG	1014	KIOWA	2	3,134,619.78	11,028	4,411	11,028	1	1	1	1	1	1				
65	ROGER MILLS	1066	HAMMON	3	1,147,950.70	6,364	2,546	6,364	1	1	1	1	1	1				
76	WOODS	1006	FREEDOM	3	168,043.81	1,365	546	1,365	1	1	1	1	1	1				
22	DEWEY	1010	TALOGA	3	586,116.96	1,885	754	1,885	1	1	1	1	1	1			1	
21	DELAWARE	C006	CLEORA	2	1,126,924.54	2,997	1,199	2,997	1	1	1	1	1	1				
65	ROGER MILLS	1007	CHEYENNE	3	1,473,755.27	11,964	4,786	11,964	1	1	1	1	1	1				
77	WOODWARD	1005	FORT SUPPLY	3	136,422.52	3,770	1,508	3,770	1	1	1	1	1	1				
65	ROGER MILLS	1003	LEEDEY	3	35,896.88	0	0	0	0	1	1	1	1	1				
65	ROGER MILLS	1015	SWEETWATER	3	3,910,946.42	0	0	0	0	1	1	1	1	1				
34	JEFFERSON	C003	TERRAL	4	109,830.27	116,445	46,578	109,830	1								1	
63	POTTAWATOMIE	C032	SOUTH ROCK CREEK	5	8,714.40	453,886	181,554	8,714	1								1	
77	WOODWARD	1002	MOORELAND	3	11,040.34	286,340	114,536	11,040	1								1	



# Sayre Public Schools

Sayre, Oklahoma 73662

*Home of the Eagles*

February 21, 2014

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 State Board of Education:

During the 2012-2013 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. Following a lengthy litigation process (6 years) with multiple companies from the oil/gas industry, we have received the release of protested tax funds being held in escrow.

The sum total of those back tax monies has placed us in the position of being ineligible to receive Foundation Aid. As a result, the excess carryover balance will be utilized to ensure that the District be 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

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

RECEIVED

FEB 25 2014

STATE DEPT. OF EDUCATION  
STATE AID SECTION

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

051031 5002  
 TODD WINN, SUPT  
 SAYRE PUBLIC SCHOOLS  
 716 NORTHEAST HIGHWAY 66  
 SAYRE OK 73662

2. Article Number  
 (Transfer from service label)

91 7108 2133 3932 9097 2113

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X 

- 
- Agent
- 
- 
- Addressee

B. Received by (Printed Name)

Todd Winn

C. Date of Delivery

1-30-14

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type

- 
- Certified Mail
- 
- Express Mail
- 
- 
- Registered
- 
- Return Receipt for Merchandise
- 
- 
- Insured Mail
- 
- C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes



**JANET BARRESI**  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION  
STATE OF OKLAHOMA

January 28, 2014

Todd Winn, Superintendent  
Sayre Public Schools  
716 Northeast Highway 66  
Sayre, Oklahoma 73662

Dear: 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 2013 Oklahoma Cost Accounting System (OCAS) for the fiscal year ending June 30, 2013.

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, 2012.
- (2) Your school district exceeded the allowable carryover limit as of June 30, 2013.

As stated in law, you are requested to respond in writing no later than Friday, February 28, 2014, 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 14, 2014, 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 27, 2014 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 2013-14 school year. Please contact me if you want to pursue this option; documentation may be required.

Superintendent  
Page 2  
January 28, 2014

The "Exceeded Carryover Allowance Amount After Exclusions" is indicated on the attached calculation sheet on Line 11. If you have questions regarding this penalty calculation, please contact me at (405) 521-3460.

Sincerely,



Kimberly A. Ivester  
Assistant Deputy Director,  
Financial Services, State Aid Section

ki

Attachments

c: State Superintendent Janet Barresi  
Britton, Kuykendall & Miller, CPAs, PC  
Kevin McKinley, Regional Accreditation Officer



**FY2014 GENERAL FUND BALANCE CALCULATION**

COUNTY NUMBER: 5  
 DISTRICT NUMBER: I031

COUNTY NAME: BECKHAM  
 DISTRICT NAME: SAYRE

1. 2013 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)	5,803,638.02
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	20%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,160,727.60
4. GENERAL FUND BALANCE - JUNE 30, 2013 (As reported on the FY2014 Estimate of Needs)	7,730,607.06
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	6,569,879.46
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	398,367.44
7. LINE 6 minus LINE 5 – GENERAL FUND BALANCE PENALTY	6,171,512.02
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	4,623.82
9. LINE 8 minus LINE 7 – GENERAL FUND BALANCE PENALTY	6,166,888.20

**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	31,630.00
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	6,135,258.20
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	17,981

**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. Fund**

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

DISTRICT I-14  
P.O. Box 6  
Kiowa, OK 74553

PHONE (918) 432-5631  
FAX (918) 432-5683  
E-MAIL [mkellogg@kiowa.k12.ok.us](mailto:mkellogg@kiowa.k12.ok.us)  
WEB SITE <http://www.kiowa.k12.ok.us>

February 06, 2014

Kimberly A. Ivester  
Oklahoma State Department of Education  
2500 North Lincoln Boulevard  
Oklahoma City, OK 73105-4599

Re: Carry Over Waiver

Dear Ms. Ivester,

Kiowa Public School is requesting a Statutory Waiver with regard to Title 70 Section 18-200.1. We have an electric generating power plant in our District that creates an Ad Valorem tax base that causes us to be ineligible to receive Foundation Aid.

Therefore, at the end of the fiscal year we must carry over more than the law allows in order to maintain an adequate balance to finish the calendar year.

Kiowa School would like to thank you in advance for your consideration in the matter.

Sincerely,



Michael W. Kellogg, Superintendent

RECEIVED

FEB 10 2014

STATE DEPT. OF EDUCATION  
STATE AID SECTION

#### ADMINISTRATION

Mike Kellogg, Superintendent  
Ron Lawson, HS Principal  
Gary Rind, Elem. Principal

#### BOARD OF EDUCATION

Greg Shores, President  
Rick Sartor, Member  
Karla Hall, Vice President  
Joe Wills, Member  
John Doyle, Clerk



Leadership

\*

Scholarship

\*

Sportsmanship

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

611014 5002  
 MICHAEL KELLOGG, SUPT  
 KIOWA PUBLIC SCHOOLS  
 406 EAST 8TH STREET  
 KIOWA OK 74553

2. Article Number

*(Transfer from service label)*

91 7108 2133 3932 9097 2304

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*X D. L. Anasa*  Agent  
 Addressee

B. Received by (*Printed Name*)

C. Date of Delivery

2/5/14

D. Is delivery address different from item 1?  YesIf YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (*Extra Fee*) Yes



JANET BARRESI  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION  
STATE OF OKLAHOMA

January 28, 2014

Michael Kellogg, Superintendent  
Kiowa Public Schools  
406 East 8Th Street  
Kiowa, Oklahoma 74553

Dear: 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 2013 Oklahoma Cost Accounting System (OCAS) for the fiscal year ending June 30, 2013.

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, 2012.
- (2) Your school district exceeded the allowable carryover limit as of June 30, 2013.

**As stated in law, you are requested to respond in writing no later than Friday, February 28, 2014**, 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 14, 2014, 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 27, 2014 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 2013-14 school year. Please contact me if you want to pursue this option; documentation may be required.

Superintendent  
Page 2  
January 28, 2014

The "Exceeded Carryover Allowance Amount After Exclusions" is indicated on the attached calculation sheet on Line 11. If you have questions regarding this penalty calculation, please contact me at (405) 521-3460.

Sincerely,



Kimberly A. Ivester  
Assistant Deputy Director,  
Financial Services, State Aid Section

ki

Attachments

c: State Superintendent Janet Barresi  
Kerry John Patten, CPA  
Shellie Gammill, Regional Accreditation Officer

**FY2014 GENERAL FUND BALANCE CALCULATION**

COUNTY NUMBER: 61  
 DISTRICT NUMBER: I014

COUNTY NAME: PITTSBURG  
 DISTRICT NAME: KIOWA

1. 2013 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)	4,013,323.43
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	25%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,003,330.86
4. GENERAL FUND BALANCE - JUNE 30, 2013 (As reported on the FY2014 Estimate of Needs)	4,409,382.75
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	3,406,051.89
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	271,432.11
7. LINE 6 minus LINE 5 – GENERAL FUND BALANCE PENALTY	3,134,619.78
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0
9. LINE 8 minus LINE 7 – GENERAL FUND BALANCE PENALTY	3,134,619.78

**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)	3,134,619.78
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	11,028

**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. Fund

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%

RANDY ANN STICKNEY, SUPERINTENDENT

High School 580-473-2737

580-473-2221

Elementary 580-473-2289

\* HAMMON

# HAMMON PUBLIC SCHOOLS

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

February 21, 2014

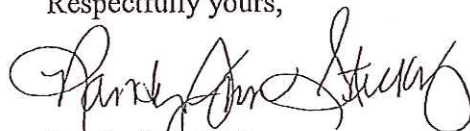
Oklahoma State Board of Education  
Oklahoma State Department of Education  
2500 North Lincoln Boulevard  
Oklahoma City, Ok 73105-4599

Dear Members of the State Board of Education:

During the 2012-2013 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 new facility replaced facilities that were over 50 years old. We just have recently completed the project and 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 just completed has significantly depleted the amount of carryover that Hammon 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,



Randy Ann Stickney

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

651066 5002  
RANDY ANN STICKNEY, SUPT  
HAMMON PUBLIC SCHOOLS  
802 SHOCKEY ST.  
HAMMON OK 73650

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature  Agent  
 Addressee  
X *Kathy Mead*
- B. Received by (Printed Name) *Kathy Mead* C. Date of Delivery *1/30/14*
- D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type
- Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number (Transfer from service label) **91 7108 2133 3932 9097 2366**





JANET BARRESI  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION  
STATE OF OKLAHOMA

January 28, 2014

Randy Ann Stickney, Superintendent  
Hammon Public Schools  
802 Shockey St.  
Hammon, Oklahoma 73650

Dear: 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 2013 Oklahoma Cost Accounting System (OCAS) for the fiscal year ending June 30, 2013.

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, 2012.
- (2) Your school district exceeded the allowable carryover limit as of June 30, 2013.

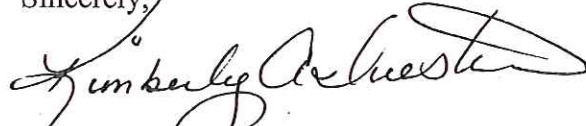
As stated in law, you are requested **to respond in writing no later than Friday, February 28, 2014**, on behalf of the school district to the State Aid Section, Oklahoma State Department of Education. Such written response shall indicate the acceptance of the calculated amount, or provide documentation 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 14, 2014, 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 27, 2014 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 2013-14 school year. Please contact me if you want to pursue this option; documentation may be required.

Superintendent  
Page 2  
January 28, 2014

The "Exceeded Carryover Allowance Amount After Exclusions" is indicated on the attached calculation sheet on Line 11. If you have questions regarding this penalty calculation, please contact me at (405) 521-3460.

Sincerely,



Kimberly A. Ivester  
Assistant Deputy Director,  
Financial Services, State Aid Section

ki

Attachments

c: State Superintendent Janet Barresi  
Britton, Kuykendall & Miller, CPAs, PC  
Kim Hale, Regional Accreditation Officer

**FY2014 GENERAL FUND BALANCE CALCULATION**

COUNTY NUMBER: 65  
DISTRICT NUMBER: I066

COUNTY NAME: ROGER MILLS  
DISTRICT NAME: HAMMON

1. 2013 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)	4,531,360.85
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	25%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	1,132,840.21
4. GENERAL FUND BALANCE - JUNE 30, 2013 (As reported on the FY2014 Estimate of Needs)	2,469,720.36
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	1,336,880.15
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	159,194.45
7. LINE 6 minus LINE 5 – GENERAL FUND BALANCE PENALTY	1,177,685.70
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0
9. LINE 8 minus LINE 7 – GENERAL FUND BALANCE PENALTY	1,177,685.70

**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	29,735.00
12. EXCEEDED CARRYOVER AMOUNT AFTER EXCLUSIONS (Line 9 minus [Lines 10 and 11] equals Adjusted General Fund Balance Penalty)	1,147,950.70
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	6,364

**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. Fund

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

---

03/13/2014

To: Ms. Kimberly A. Ivester  
Assistant Deputy Director  
Financial Services, State Aid Section

From: Danny McCuiston  
Superintendent  
Freedom Public Schools

Ms. Ivester,

Please carry this request on behalf of the Freedom Public School District to the State Board of Education to consider a waive of the penalty assessed for an excessive Cash Forward Balance in the proceeding school year. In a district such as Freedom which deals with such extreme demographic challenges, the standard "norms" cannot always be applied in an equitable manner.

Freedom Public Schools is a district which receives no Foundation, Salary and Incentive Aid. Freedom Public Schools receives only Transportation Funding from the state, in an amount just over \$3,600.00 in the current fiscal year. Freedom Public Schools has a small operation budget and revenues that fluctuates with the energy industry. As a necessity, the district must develop and maintain an adequate cash balance to protect the district from the current fiscal year's shifts in revenues which have been experienced many times in the past. Also, at the beginning of FY'13 the district closed out a prior year encumbrance of \$150,000.00 and returned these revenues to the General Budget which accounted for the large majority of the excess carryover.

Since the bulk of the penalty was the results of a prior encumbrance and considering the amount of State Aid the district receives, I request the State Board of Education waive the penalty for Freedom Public Schools.

Sincerely,

Danny McCuiston

A handwritten signature in black ink that reads "Danny McCuiston". The signature is written in a cursive style and is positioned over the typed name.

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

761006 5002  
DANNY MCCUISTON, SUPT  
FREEDOM PUBLIC SCHOOLS  
1138 EAGLE PASS  
FREEDOM OK 73842

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X Patricia Dauphin

- Agent  
 Addressee

B. Received by (Printed Name)

Patricia Dauphin

C. Date of Delivery

1-30-17

- D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)

- Yes

2. Article Number

(Transfer from service label)

91 7108 2133 3932 9097 2441

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



**JANET BARRESI**  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION  
STATE OF OKLAHOMA

January 28, 2014

Danny Mccuiston, Superintendent  
Freedom Public Schools  
1138 Eagle Pass  
Freedom, Oklahoma 73842

Dear: 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 2013 Oklahoma Cost Accounting System (OCAS) for the fiscal year ending June 30, 2013.

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, 2012.
- (2) Your school district exceeded the allowable carryover limit as of June 30, 2013.

As stated in law, you are requested **to respond in writing no later than Friday, February 28, 2014**, 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 14, 2014, 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 27, 2014 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 2013-14 school year. Please contact me if you want to pursue this option; documentation may be required.

Superintendent  
Page 2  
January 28, 2014

The "Exceeded Carryover Allowance Amount After Exclusions" is indicated on the attached calculation sheet on Line 11. If you have questions regarding this penalty calculation, please contact me at (405) 521-3460.

Sincerely,

A handwritten signature in black ink, appearing to read "Kimberly A. Ivester". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kimberly A. Ivester  
Assistant Deputy Director,  
Financial Services, State Aid Section

ki

Attachments

c: State Superintendent Janet Barresi  
Charles W. Carroll, P.A.  
Kim Hale, Regional Accreditation Officer

**FY2014 GENERAL FUND BALANCE CALCULATION**

COUNTY NUMBER: 76  
 DISTRICT NUMBER: I006

COUNTY NAME: WOODS  
 DISTRICT NAME: FREEDOM

1. 2013 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)	1,363,405.13
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	35%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	477,191.80
4. GENERAL FUND BALANCE - JUNE 30, 2013 (As reported on the FY2014 Estimate of Needs)	668,105.35
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	190,913.55
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	22,369.74
7. LINE 6 minus LINE 5 – GENERAL FUND BALANCE PENALTY	168,543.81
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	500
9. LINE 8 minus LINE 7 – GENERAL FUND BALANCE PENALTY	168,043.81

**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)	168,043.81
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	1,365

**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. Fund

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%



## Kimberly Ivester

---

**From:** Kimberly Ivester  
**Sent:** Friday, March 14, 2014 12:49 PM  
**To:** 'dlingle@taloga.k12.ok.us'  
**Cc:** Renee McWaters  
**Subject:** FW: OSDE: General Fund Balance Penalty - Correspondence  
**Attachments:** 201403131038.pdf

**Importance:** High

Ms. Lingle,

I have been unable to reach the district by phone this morning, but parent/teacher conference days are chaotic. Taloga will be submitted in the State Board (agenda packets) with no response. If correspondence (accepting, protesting or request of waiver) is received prior to the March 25<sup>th</sup> board meeting, it will be presented to the State Board office for consideration.

*Kimberly A. Ivester*

Assistant Director, State Aid Section  
Oklahoma State Department of Education  
2500 N Lincoln Blvd., Rm 427  
Oklahoma City, Oklahoma 73105  
(405) 522-0119 Direct Line, (405) 521-3460 Office  
(405) 522-3559 Fax  
[Kimberly.Ivester@sde.ok.gov](mailto:Kimberly.Ivester@sde.ok.gov)  
(My office hours are 7:30-4:00 CST)

---

**From:** Kimberly Ivester  
**Sent:** Thursday, March 13, 2014 12:59 PM  
**To:**  
**Cc:** Renee McWaters  
**Subject:** FW: OSDE: General Fund Balance Penalty - Correspondence

Let me try again with the attachment.

---

**From:** Kimberly Ivester  
**Sent:** Thursday, March 13, 2014 12:52 PM  
**To:** 'dlingle@taloga.k12.ok.us'  
**Cc:** Renee McWaters  
**Subject:** OSDE: General Fund Balance Penalty - Correspondence

Ms. Lingle,

I phoned and was told that you are out of the office today, but normally read you email correspondence. Attached is the original correspondence submitted to Taloga for the General Fund Balance Penalty. This penalty is being submitted tomorrow for the State Board agenda/packets for the next State Board meeting on Tuesday, March 25, 2014 at 1:00 p.m. Your district meets the criteria for the State Board's discretion to waiver, but we did not receive a district reply pursuant to the below statutory requirement. If no correspondence is received from your district by noon tomorrow, then Taloga's documentation will be submitted to Board without the required response.

**70 O.S. § 18-200.1 (G) Allocation of State Aid - Formula for State Aid**

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.

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.

*Kimberly A. Ivester*

Assistant Director, State Aid Section  
Oklahoma State Department of Education  
2500 N Lincoln Blvd., Rm 427  
Oklahoma City, Oklahoma 73105  
(405) 522-0119 Direct Line, (405) 521-3460 Office  
(405) 522-3559 Fax  
[Kimberly.Ivester@sde.ok.gov](mailto:Kimberly.Ivester@sde.ok.gov)  
(My office hours are 7:30-4:00 CST)

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>■ Print your name and address on the reverse so that we can return the card to you.</li> <li>■ Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <input checked="" type="checkbox"/> <i>Ellen Steers</i> <div style="float: right;"> <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee         </div>	
1. Article Addressed to:  <div style="border: 1px solid black; padding: 5px; text-align: center;">             221010 5002              DARCI LINGLE, SUPT              TALOGA PUBLIC SCHOOLS              500 WEST RUBLE              TALOGA OK 73667           </div>	B. Received by ( <i>Printed Name</i> )	C. Date of Delivery
2. Article Number <i>(Transfer from service label)</i>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
	4. Restricted Delivery? ( <i>Extra Fee</i> ) <input type="checkbox"/> Yes	
91 7108 2133 3932 9097 2199		
PS Form 3811, February 2004	Domestic Return Receipt	102595-02-M-1540



JANET BARRESI  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION  
STATE OF OKLAHOMA

January 28, 2014

Darci Lingle, Superintendent  
Taloga Public Schools  
500 West Ruble  
Taloga, Oklahoma 73667

Dear: 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 2013 Oklahoma Cost Accounting System (OCAS) for the fiscal year ending June 30, 2013.

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, 2012.
- (2) Your school district exceeded the allowable carryover limit as of June 30, 2013.

**As stated in law, you are requested to respond in writing no later than Friday, February 28, 2014**, 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 14, 2014, 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 27, 2014 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 2013-14 school year. Please contact me if you want to pursue this option; documentation may be required.

Superintendent  
Page 2  
January 28, 2014

The "Exceeded Carryover Allowance Amount After Exclusions" is indicated on the attached calculation sheet on Line 11. If you have questions regarding this penalty calculation, please contact me at (405) 521-3460.

Sincerely,



Kimberly A. Ivester  
Assistant Deputy Director,  
Financial Services, State Aid Section

ki

Attachments

c: State Superintendent Janet Barresi  
Charles W. Carroll, P.A.  
Kim Hale, Regional Accreditation Officer

**FY2014 GENERAL FUND BALANCE CALCULATION**

COUNTY NUMBER: 22  
DISTRICT NUMBER: I010

COUNTY NAME: DEWEY  
DISTRICT NAME: TALOGA

1. 2013 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)	2,054,590.70
2. ALLOWABLE PERCENTAGE OF GENERAL FUND BALANCE (See below)	35%
3. GENERAL FUND BALANCE ALLOWABLE (Line 1 times Line 2)	719,106.75
4. GENERAL FUND BALANCE - JUNE 30, 2013 (As reported on the FY2014 Estimate of Needs)	1,327,413.38
5. LINE 4 minus LINE 3 – GENERAL FUND BALANCE PENALTY	608,306.63
6. FEDERAL REVENUE (Fund 11, Source of Revenue 4000 through 4999, plus Fund 22, Source 5150 [rolled to Fund 11])	22,189.67
7. LINE 6 minus LINE 5 – GENERAL FUND BALANCE PENALTY	586,116.96
8. GIFTS AND ENDOWMENTS (Fund 11, Source of Revenue 1610 and 1640)	0
9. LINE 8 minus LINE 7 – GENERAL FUND BALANCE PENALTY	586,116.96

**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)	586,116.96
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	1,885

**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. Fund

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%