

SHORT TITLE: Schools; excepting certain property from calculation of assessed valuation; emergency.

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

SENATE BILL NO. 589

By: Ford

AS INTRODUCED

An Act relating to schools; amending Section 4, Chapter 215, O.S.L. 1996 (70 O.S. Supp. 1996, Section 18-200.1), which relates to school funding; excepting certain property from calculation of assessed valuation of school districts; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 4, Chapter 215, O.S.L. 1996 (70 O.S. Supp. 1996, Section 18-200.1), is amended to read as follows:

Section 18-200.1 A. Beginning with the 1997-98 school year, and each school year thereafter, each school district shall have its initial allocation of State Aid set based on the current year chargeable revenue and the highest weighted average daily membership for the school district of the two (2) preceding years. The State Department of Education shall notify each school district by July 15 of the district's initial allocation level. Each school district shall submit the following data based on the first nine (9) weeks, to be used in the calculation of the average daily membership of the school district:

1. Student enrollment by grade level;
2. Pupil category counts; and
3. Transportation supplement data.

On or before December 15, the State Department of Education shall determine each school district's current year allocation pursuant to subsection C of this section. The State Department of Education shall complete an audit, using procedures established by the Department, of the student enrollment by grade level data, pupil category counts and transportation supplement data to be used in the State Aid Formula pursuant to subsection C of this section by December 1 and by January 1 shall notify each school district of the district's final State Aid allocation for the current school year. The January payment of State Aid and each subsequent payment for the remainder of the school year shall be based on the final State Aid allocation. Except for reductions made due to the assessment of penalties by the State Department of Education according to law, the January payment of State Aid and each subsequent payment for the remainder of the school year shall not decrease by an amount more than the amount the district's current chargeable revenue increases.

B. The State Department of Education shall retain not less than one and one-half percent (1 1/2%) of the total funds appropriated for financial support of schools, to be used to make midyear adjustments in State Aid and which shall be reflected in the final allocations. If the amount of appropriated funds, including the one and one-half percent (1 1/2%) retained, remaining after January 1 of each year is not sufficient to fully fund the final allocations, each school district shall receive a proportionate reduction in funding.

C. For the 1997-98 school year, and each school year thereafter, Foundation Aid, the Transportation Supplement and Salary Incentive Aid shall be calculated as follows:

1. Foundation Aid shall be determined by subtracting the amount of the Foundation Program Income from the cost of the Foundation Program and adding to this difference the Transportation Supplement.

- a. The Foundation Program shall be a district's highest weighted average daily membership based on the first nine (9) weeks of the current school year, the preceding school year or the second preceding school year of a school district, as determined by the provisions of subsection A of Section 6 of this act and paragraphs 1, 2, 3 and 4 of subsection B of Section 6 of this act, multiplied by the Base Foundation Support Level.
- b. The Foundation Program Income shall be the sum of the following:
  - (1) The adjusted assessed valuation of the current school year of the school district multiplied by fifteen (15) mills. For purposes of this subsection, the "adjusted assessed valuation of the current school year" shall be the adjusted assessed valuation on which tax revenues are collected during the current school year, provided that on property for which taxes are paid under protest and held in escrow, the district's assessed valuation shall not include the property on which the tax is being protested until the year during which the district receives the proceeds from the taxes, and
  - (2) Seventy-five percent (75%) of the amount received by the school district from the proceeds of the county levy during the preceding fiscal year, as levied pursuant to subsection (b) of Section 9 of Article X of the Oklahoma Constitution, and
  - (3) Motor Vehicle Collections, and
  - (4) Gross Production Tax, and
  - (5) State Apportionment, and

(6) R.E.A. Tax.

The items listed in divisions (3), (4), (5), and (6) of this subparagraph shall consist of the amounts actually collected from such sources during the preceding fiscal year calculated on a per capita basis on the unit provided for by law for the distribution of each such revenue.

2. The Transportation Supplement shall be equal to the average daily haul times the per capita allowance times the appropriate transportation factor.

a. The average daily haul shall be the number of children in a district who are legally transported and who live one and one-half (1 1/2) miles or more from school.

b. The per capita allowance shall be determined using the following chart:

DENSITY FIGURE	PER CAPITA ALLOWANCE	DENSITY FIGURE	PER CAPITA ALLOWANCE
.3000 - .3083	\$167.00	.9334 - .9599	\$99.00
.3084 - .3249	\$165.00	.9600 - .9866	\$97.00
.3250 - .3416	\$163.00	.9867 - 1.1071	\$95.00
.3417 - .3583	\$161.00	1.1072 - 1.3214	\$92.00
.3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00
.3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00
.3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00
.4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00
.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00
.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00

.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
.9067 - .9333	\$101.00	9.6668 or more	\$33.00

c. The formula transportation factor shall be 1.39.

3. Salary Incentive Aid shall be determined as follows:

- a. Multiply the Incentive Aid guarantee by the district's highest weighted average daily membership based on the first nine (9) weeks of the current school year, the preceding school year or the second preceding school year of a school year, as determined by the provisions of subsection A of Section 6 of this act and paragraphs 1, 2, 3 and 4 of subsection B of Section 6 of this act.
- b. Divide the district's adjusted assessed valuation of the current school year by one thousand (1,000) and subtract the quotient from the product of subparagraph a of this paragraph. The remainder shall not be less than zero (0).

c. Multiply the number of mills levied for general fund purposes above the fifteen (15) mills required to support Foundation Aid, not including the county four-mill levy, by the remainder of subparagraph b of this paragraph. The product shall be the Salary Incentive Aid of the district.

D. 1. In the event that ad valorem taxes of a school district are determined to be uncollectible because of bankruptcy, clerical error, or a successful tax protest, and the amount of such taxes deemed uncollectible exceeds Fifty Thousand Dollars (\$50,000.00) or an amount greater than twenty-five percent (25%) of ad valorem taxes per tax year, or the valuation of a district is lowered by order of the State Board of Equalization, the school district's State Aid, for the school year that such ad valorem taxes are calculated in the State Aid Formula, shall be determined by subtracting the net assessed valuation of the property upon which taxes were deemed uncollectible from the assessed valuation of the school district and the state. Upon request of the local board of education, it shall be the duty of the county assessor to certify to the Director of Finance of the State Department of Education the net assessed valuation of the property upon which taxes were determined uncollectible.

2. In the event that the amount of funds a school district receives for reimbursement from the Ad Valorem Reimbursement Fund is less than the amount of funds claimed for reimbursement by the school district due to insufficiency of funds as provided in Section 193 of Title 62 of the Oklahoma Statutes, then the school district's assessed valuation for the school year that such ad valorem reimbursement is calculated in the State Aid Formula shall be adjusted accordingly.

E. Notwithstanding the provisions of Section 18-112.2 of Title 70 of the Oklahoma Statutes, a school district shall have its State

Aid reduced by an amount equal to the amount of carryover in the district's general fund as of June 30 of the preceding fiscal year, that is in excess of the following standards:

Total Amount of General Fund Collections, Excluding Previous Year Cash Surplus as of June 30	Amount of General Fund 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	16%
\$8,000,000 - \$10,000,000	12%
More than \$10,000,000	8%

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. 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. For the 1996-97 school year, any school district which receives proceeds from a tax settlement during the last two (2) months of the fiscal year ending June 30, 1996,

shall be exempt from the penalties assessed in this paragraph, if the penalty would occur solely as a result of receiving funds from the tax settlement.

F. In order to provide startup funds for the implementation of early childhood programs, State Aid may be advanced to school districts that initially start early childhood instruction at a school site. School districts that desire such advanced funding shall make application to the State Department of Education no later than September 15 of each year and advanced funding shall be awarded to the approved districts no later than October 30. Such advanced funding shall not exceed One Thousand One Hundred Forty-seven Dollars and sixty cents (\$1,147.60) per anticipated Head Start eligible student. The total amount of advanced funding shall be proportionately reduced from the monthly payments of the district's State Aid payments during the last six (6) months of the same fiscal year.

G. 1. Beginning July 1, 1996, the Oklahoma Tax Commission, notwithstanding any provision of law to the contrary, shall report monthly to the Oklahoma State Department of Education the monthly apportionment of the following information:

- a. the assessed valuation of property,
- b. the proceeds of the county levy,
- c. motor vehicle collections,
- d. R.E.A. tax collected, and
- e. gross productions tax collected.

2. Beginning July 1, 1996, the Commissioners of the Land Office, notwithstanding any provision of law to the contrary, shall report monthly to the State Department of Education the monthly apportionment of state apportionment.

3. The information reported by the Tax Commission and the Commissioners of the Land Office, pursuant to this subsection shall

be reported by school district on forms developed by the State Department of Education.

SECTION 2. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

46-1-0367

PHB