

THE HOUSE OF REPRESENTATIVES
Tuesday, April 13, 2010

Committee Substitute for
ENGROSSED
Senate Bill No. 2109

COMMITTEE SUBSTITUTE FOR ENGROSSED SENATE BILL NO. 2109 - By:
STANISLAWSKI of the Senate and COODY, CANNADAY AND KERN of the House.

An Act relating to schools; amending 70 O.S. 2001, Sections 18-200.1, as last amended by Section 1, Chapter 90, O.S.L. 2005 and 18-201.1, as last amended by Section 10, Chapter 432, O.S.L. 2005 (70 O.S. Supp. 2009, Sections 18-200.1 and 18-201.1), which relate to the State Aid formula; modifying provisions related to weighted membership for certain courses; requiring transfer of state and federal funds to certain school district for students with individualized education programs; providing for codification; providing an effective date; and declaring an emergency.

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

1 SECTION 1. AMENDATORY 70 O.S. 2001, Section 18-200.1, as last amended
2 by Section 1, Chapter 90, O.S.L. 2005 (70 O.S. Supp. 2009, Section 18-200.1), is amended
3 to read as follows:

4 Section 18-200.1 A. Beginning with the 1997-98 school year, and each school year
5 thereafter, each school district shall have its initial allocation of State Aid calculated
6 based on the state dedicated revenues actually collected during the preceding fiscal year,
7 the adjusted assessed valuation of the preceding year and the highest weighted average
8 daily membership for the school district of the two (2) preceding school years; however,

1 the weighted membership of pupils enrolled in online courses shall be based on the
2 weighted average daily membership of the preceding school year. Each school district
3 shall submit the following data based on the first nine (9) weeks, to be used in the
4 calculation of the average daily membership of the school district:

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

8 On or before December 30, the State Department of Education shall determine each
9 school district's current year allocation pursuant to subsection D of this section. The
10 State Department of Education shall complete an audit, using procedures established by
11 the Department, of the student enrollment by grade level data, pupil category counts and
12 transportation supplement data to be used in the State Aid Formula pursuant to
13 subsection D of this section by December 1 and by January 15 shall notify each school
14 district of the district's final State Aid allocation for the current school year. The
15 January payment of State Aid and each subsequent payment for the remainder of the
16 school year shall be based on the final State Aid allocation as calculated in subsection D
17 of this section. Except for reductions made due to the assessment of penalties by the
18 State Department of Education according to law, the January payment of State Aid and
19 each subsequent payment for the remainder of the school year shall not decrease by an
20 amount more than the amount that the current chargeable revenue increases for that
21 district.

1 B. The State Department of Education shall retain not less than one and one-half
2 percent (1 1/2%) of the total funds appropriated for financial support of schools, to be
3 used to make midyear adjustments in State Aid and which shall be reflected in the final
4 allocations. If the amount of appropriated funds, including the one and one-half percent
5 (1 1/2%) retained, remaining after January 1 of each year is not sufficient to fully fund
6 the final allocations, the Department shall recalculate each school district's remaining
7 allocation pursuant to subsection D of this section using the reduced amount of
8 appropriated funds.

9 C. On and after July 1, 1997, the amount of State Aid each district shall receive
10 shall be the sum of the Foundation Aid, the Salary Incentive Aid and the Transportation
11 Supplement, as adjusted pursuant to the provisions of subsection G of this section and
12 Section 18-112.2 of this title; provided, no district having per pupil revenue in excess of
13 three hundred percent (300%) of the average per pupil revenue of all districts shall
14 receive any State Aid or Supplement in State Aid.

15 The July calculation of per pupil revenue shall be determined by dividing the
16 district's second preceding year's total weighted average daily membership (ADM) into
17 the district's second preceding year's total revenues excluding federal revenue, insurance
18 loss payments, reimbursements, recovery of overpayments and refunds, unused reserves,
19 prior expenditures recovered, prior year surpluses, and less the amount of any transfer
20 fees paid in that year.

21 The December calculation of per pupil revenue shall be determined by dividing the
22 district's preceding year's total weighted average daily membership (ADM) into the

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1 district's preceding year's total revenues excluding federal revenue, insurance loss
2 payments, reimbursements, recovery of overpayments and refunds, unused reserves,
3 prior expenditures recovered, prior year surpluses, and less the amount of any transfer
4 fees paid in that year.

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

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

10 a. The Foundation Program shall be a district's highest weighted average
11 daily membership based on the first nine (9) weeks of the current
12 school year, the preceding school year or the second preceding school
13 year of a school district, as determined by the provisions of subsection
14 A of Section 18-201.1 of this title and paragraphs 1, 2, 3 and 4 of
15 subsection B of Section 18-201.1 of this title, multiplied by the Base
16 Foundation Support Level. However, for the portion of weighted
17 membership derived from pupils enrolled in online courses, the
18 Foundation Program shall be a district's weighted average daily
19 membership of the preceding school year, as determined by the
20 provisions of subsection A of Section 18-201.1 of this title and
21 paragraphs 1, 2, 3 and 4 of subsection B of Section 18-201.1 of this
22 title, multiplied by the Base Foundation Support Level.

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- 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, minus the previous year protested ad valorem tax revenues held as prescribed in Section 2884 of Title 68 of the Oklahoma Statutes, multiplied by the mills levied pursuant to subsection (c) of Section 9 of Article X of the Oklahoma Constitution, if applicable, as adjusted in subsection (c) of Section 8A of Article X of the Oklahoma Constitution. 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, 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

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1 during the preceding fiscal year calculated on a per capita basis on the
 2 unit provided for by law for the distribution of each such revenue.

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

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

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

	PER CAPITA		PER CAPITA
DENSITY FIGURE	ALLOWANCE	DENSITY FIGURE	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

1	.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
2	.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
3	.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
4	.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
5	.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
6	.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
7	.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
8	.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
9	.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
10	.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
11	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
12	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
13	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
14	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
15	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
16	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
17	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
18	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
19	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
20	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
21	.9067 - .9333	\$101.00	9.6668 or more	\$33.00

22 c. The formula transportation factor shall be 1.39.

1 3. Salary Incentive Aid shall be determined as follows:

- 2 a. Multiply the Incentive Aid guarantee by the district's highest weighted
3 average daily membership based on the first nine (9) weeks of the
4 current school year, the preceding school year or the second preceding
5 school year of a school district, as determined by the provisions of
6 subsection A of Section 18-201.1 of this title and paragraphs 1, 2, 3 and
7 4 of subsection B of Section 18-201.1 of this title.
- 8 b. Divide the district's adjusted assessed valuation of the current school
9 year minus the previous year's protested ad valorem tax revenues held
10 as prescribed in Section 2884 of Title 68 of the Oklahoma Statutes, by
11 one thousand (1,000) and subtract the quotient from the product of
12 subparagraph a of this paragraph. The remainder shall not be less
13 than zero (0).
- 14 c. Multiply the number of mills levied for general fund purposes above
15 the fifteen (15) mills required to support Foundation Aid pursuant to
16 division (1) of subparagraph b of paragraph 1 of this subsection, not
17 including the county four-mill levy, by the remainder of subparagraph
18 b of this paragraph. The product shall be the Salary Incentive Aid of
19 the district.

20 E. By June 30, 1998, the State Department of Education shall develop and the
21 Department and all school districts shall have implemented a student identification
22 system which is consistent with the provisions of subsections C and D of Section 3111 of

1 Title 74 of the Oklahoma Statutes. The student identification system shall be used
2 specifically for the purpose of reporting enrollment data by school sites and by school
3 districts, the administration of the Oklahoma School Testing Program Act, the collection
4 of appropriate and necessary data pursuant to the Oklahoma Educational Indicators
5 Program, determining student enrollment, establishing a student mobility rate,
6 allocation of the State Aid Formula and mid-year adjustments in funding for student
7 growth. This enrollment data shall be submitted to the State Department of Education
8 in accordance with rules promulgated by the State Board of Education. Funding for the
9 development, implementation, personnel training and maintenance of the student
10 identification system shall be set out in a separate line item in the allocation section of
11 the appropriation bill for the State Board of Education for each year.

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

1 Department of Education the net assessed valuation of the property upon which taxes
2 were determined uncollectible.

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

9 G. 1. Notwithstanding the provisions of Section 18-112.2 of this title, a school
10 district shall have its State Aid reduced by an amount equal to the amount of carryover
11 in the general fund of the district as of June 30 of the preceding fiscal year, that is in
12 excess of the following standards for two (2) consecutive years:

13	Total Amount of	Amount of
14	General Fund Collections,	General Fund
15	Excluding Previous Year	Balance
16	Cash Surplus as of June 30	Allowable
17	Less than \$1,000,000	40%
18	\$1,000,000 - \$2,999,999	35%
19	\$3,000,000 - \$3,999,999	30%
20	\$4,000,000 - \$4,999,999	25%
21	\$5,000,000 - \$5,999,999	20%
22	\$6,000,000 - \$7,999,999	18%

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1	\$8,000,000 - \$9,999,999	16%
2	\$10,000,000 or more	14%

3 2. By February 1 the State Department of Education shall send by certified mail,
4 with return receipt requested, to each School District Superintendent, Auditor and
5 Regional Accreditation Officer a notice of and calculation sheet reflecting the general
6 fund balance penalty to be assessed against that school district. Calculation of the
7 general fund balance penalty shall not include federal revenue. Within thirty (30) days
8 of receipt of this written notice the school district shall submit to the Department a
9 written reply either accepting or protesting the penalty to be assessed against the
10 district. If protesting, the school district shall submit with its reply the reasons for
11 rejecting the calculations and documentation supporting those reasons. The Department
12 shall review all school district penalty protest documentation and notify each district by
13 March 15 of its finding and the final penalty to be assessed to each district. General fund
14 balance penalties shall be assessed to all school districts by April 1.

15 3. Any school district which receives proceeds from a tax settlement or a Federal
16 Emergency Management Agency settlement during the last two (2) months of the
17 preceding fiscal year shall be exempt from the penalties assessed in this subsection, if
18 the penalty would occur solely as a result of receiving funds from the tax settlement.

19 4. Any school district which receives an increase in State Aid because of a change in
20 Foundation and/or Salary Incentive Aid factors during the last two (2) months of the
21 preceding fiscal year shall be exempt from the penalties assessed in this subsection, if

1 the penalty would occur solely as a result of receiving funds from the increase in State
2 Aid.

3 5. If a school district does not receive Foundation and/or Salary Incentive Aid
4 during the preceding fiscal year, the State Board of Education may waive the penalty
5 assessed in this subsection if the penalty would result in a loss of more than forty percent
6 (40%) of the remaining State Aid to be allocated to the school district between April 1 and
7 the remainder of the school year and if the Board determines the penalty will cause the
8 school district not to meet remaining financial obligations.

9 6. Any school district which receives gross production revenue apportionment
10 during the 2002-2003 school year or in any subsequent school year that is greater than
11 the gross production revenue apportionment of the preceding school year shall be exempt
12 from the penalty assessed in this subsection, if the penalty would occur solely as a result
13 of the gross production revenue apportionment, as determined by the State Board of
14 Education.

15 7. Beginning July 1, 2003, school districts that participate in consolidation or
16 annexation pursuant to the provisions of the Oklahoma School Voluntary Consolidation
17 and Annexation Act shall be exempt from the penalty assessed in this subsection for the
18 school year in which the consolidation or annexation occurs and for the next three (3)
19 fiscal years.

20 8. Any school district which receives proceeds from a sales tax levied by a
21 municipality pursuant to Section 22-159 of Title 11 of the Oklahoma Statutes or proceeds
22 from a sales tax levied by a county pursuant to Section 1370 of Title 68 of the Oklahoma

1 Statutes during the 2003-2004 school year or the 2004-2005 school year shall be exempt
2 from the penalties assessed in this subsection, if the penalty would occur solely as a
3 result of receiving funds from the sales tax levy.

4 9. For purposes of calculating the general fund balance penalty, the terms
5 “carryover” and “general fund balance” shall not include federal revenue.

6 H. In order to provide startup funds for the implementation of early childhood
7 programs, State Aid may be advanced to school districts that initially start early
8 childhood instruction at a school site. School districts that desire such advanced funding
9 shall make application to the State Department of Education no later than September 15
10 of each year and advanced funding shall be awarded to the approved districts no later
11 than October 30. The advanced funding shall not exceed the per pupil amount of State
12 Aid as calculated in subsection D of this section per anticipated Head Start eligible
13 student. The total amount of advanced funding shall be proportionately reduced from
14 the monthly payments of the district’s State Aid payments during the last six (6) months
15 of the same fiscal year.

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

- 19 a. the assessed valuation of property,
- 20 b. motor vehicle collections,
- 21 c. R.E.A. tax collected, and
- 22 d. gross productions tax collected.

1 2. Beginning July 1, 1997, the State Auditor and Inspector's Office,
2 notwithstanding any provision of law to the contrary, shall report monthly to the
3 ~~Oklahoma~~ State Department of Education the monthly apportionment of the proceeds of
4 the county levy.

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

8 4. Beginning July 1, 1997, the county treasurers' offices, notwithstanding any
9 provision of law to the contrary, shall report monthly to the ~~Oklahoma~~ State Department
10 of Education the ad valorem tax protest amounts for each county.

11 5. The information reported by the Tax Commission, the State Auditor and
12 Inspector's Office, the county treasurers' offices and the Commissioners of the Land
13 Office, pursuant to this subsection shall be reported by school district on forms developed
14 by the State Department of Education.

15 SECTION 2. AMENDATORY 70 O.S. 2001, Section 18-201.1, as last amended
16 by Section 10, Chapter 432, O.S.L. 2005 (70 O.S. Supp. 2009, Section 201.1), is amended
17 to read as follows:

18 Section 18-201.1 A. Beginning with the 1997-98 school year, and each school year
19 thereafter, the weighted membership of a school district for calculation of Foundation Aid
20 purposes pursuant to paragraph 1 of subsection D of Section 18-200.1 of this title shall be
21 the sum of the weighted pupil grade level calculation, the weighted pupil category
22 calculation, the weighted district calculation and the weighted teacher experience and

1 degree calculation. The weighted membership of a school district for calculation of
2 Salary Incentive Aid purposes pursuant to paragraph 3 of subsection D of Section 18-
3 200.1 of this title shall be the sum of the weighted pupil grade level calculation, the
4 weighted pupil category calculation, the weighted district calculation, and the weighted
5 teacher experience and degree calculation.

6 B. The weighted calculations provided for in subsection A of this section shall be
7 based on the highest weighted average daily membership of the first nine (9) weeks of
8 the current school year, the preceding school year or the second preceding school year of
9 a school district, unless otherwise specified. The highest of the three (3) weighted
10 average daily memberships shall be used consistently in all of the calculations; however,
11 the portion of weighted membership derived from pupils enrolled in online courses shall
12 be based on the weighted average daily membership of the preceding school year. The
13 average daily membership data used for all calculations in paragraphs 1, 2, 3 and 4 of
14 this subsection shall be the same as used in the calculation of the State Aid Formula.
15 The weighted calculations provided for in subsection A of this section shall be determined
16 as follows:

17 1. The weighted pupil grade level calculation shall be determined by taking the
18 highest average daily membership and assigning weights to the pupils according to grade
19 attended as follows:

	GRADE LEVEL	WEIGHT
20		
21	a. Half-day early childhood programs	.7
22	b. Full-day early childhood programs	1.3

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1	c.	Half-day kindergarten	1.3
2	d.	Full-day kindergarten	1.5
3	e.	First and second grade	1.351
4	f.	Third grade	1.051
5	g.	Fourth through sixth grade	1.0
6	h.	Seventh through twelfth grade	1.2
7	i.	Out-of-home placement	1.50

8 Multiply the membership of each subparagraph of this paragraph by the weight assigned
9 to such subparagraph of this paragraph and add the totals together to determine the
10 weighted pupil grade level calculation for a school district. Determination of the pupils
11 eligible for the early childhood program weight shall be pursuant to the provisions of
12 Section 1-114 of this title. The pupils eligible for the out-of-home placement pupil weight
13 shall be students who are not residents of the school district in which they are receiving
14 education pursuant to the provisions of subsection D of Section 1-113 of this title. Such
15 weight may be claimed by the district providing educational services to such student for
16 the days that student is enrolled in that district. If claimed, the out-of-home placement
17 weight shall be in lieu of the pupil grade level and any pupil category weights for that
18 student. Provided, if a student resides in a juvenile detention center that is restricted to
19 less than twelve (12) beds, the out-of-home placement pupil weight for such students
20 shall be calculated as follows: for a center with six (6) beds - 3.0; for a center with eight
21 (8) beds - 2.3 and for a center with ten (10) beds - 1.80.

1 2. The weighted pupil category calculation shall be determined by assigning a
2 weight to the pupil category as follows:

3	CATEGORY	WEIGHT
4	a. Vision Impaired	3.8
5	b. Learning Disabilities	.4
6	c. Deaf or Hard-of-Hearing	2.9
7	d. Deaf and Blind	3.8
8	e. Educable Mentally Handicapped	1.3
9	f. Emotionally Disturbed	2.5
10	g. Gifted	.34
11	h. Multiple Handicapped	2.4
12	i. Physically Handicapped	1.2
13	j. Speech Impaired	.05
14	k. Trainable Mentally Handicapped	1.3
15	l. Bilingual	.25
16	m. Special Education Summer Program	1.2
17	n. Economically Disadvantaged	.25
18	o. Optional Extended School Year	
19	Program	As determined by
20		the State Board
21		of Education

1 Except as otherwise provided, multiply the number of pupils approved in the school year
2 with the highest average daily membership in each category by the weight assigned to
3 such category and add the totals together to determine the weighted pupil category
4 calculation for a school district. For the 1996-97 school year, the number to be multiplied
5 by the weight assigned to the gifted category in subparagraph g of this paragraph shall
6 be the lesser of (1) the sum of the number of students who scored in the top three percent
7 (3%) on any national standardized test of intellectual ability plus the number of students
8 identified as gifted pursuant to subparagraphs a through d of paragraph 1 of Section
9 1210.301 of this title or (2) the sum of the number of students who scored in the top three
10 percent (3%) on any national standardized test of intellectual ability plus eight percent
11 (8%) of the total average daily membership of the school district for the preceding school
12 year. For the 1997-98 school year and subsequent school years, the number to be
13 multiplied by the weight assigned to the gifted category in subparagraph g of this
14 paragraph shall be the lesser of (1) the sum of the number of students who scored in the
15 top three percent (3%) on any national standardized test of intellectual ability plus the
16 number of students identified as gifted pursuant to subparagraphs a through d of
17 paragraph 1 of Section 1210.301 of this title, or (2) the sum of the number of students
18 who scored in the top three percent (3%) on any national standardized test of intellectual
19 ability plus eight percent (8%) of the total average daily membership of the school district
20 for the first nine (9) weeks of the school year.

21 3. The weighted district calculation shall be determined by determining the
22 calculations for each school district for both the small school district formula and the

1 district sparsity - isolation formula, applying whichever is the greater of the calculations
2 of the two formulas and then applying the restrictions pursuant to subparagraph c of this
3 paragraph.

4 a. Small school district formula: 529 minus the average daily
5 membership divided by 529 times .2 times total average daily
6 membership.

7 The small school district formula calculation shall apply only to school
8 districts whose highest average daily membership is less than 529 pupils.
9 School districts which are consolidated or annexed after July 1, 2003,
10 pursuant to the Oklahoma School Voluntary Consolidation and Annexation
11 Act shall have the weighted district size calculation for the three (3) school
12 years following the fiscal year in which such consolidation occurred
13 calculated to be the sum of the individual consolidated districts computed as
14 if the consolidation had not taken place. Thereafter, any such district which
15 is consolidated pursuant to the Oklahoma School Voluntary Consolidation
16 and Annexation Act shall not qualify for the weighted district calculation
17 unless the district can satisfy the specifications herein. Subject to the
18 provisions of subparagraph c of this paragraph, the resulting number shall be
19 counted as additional students for the purpose of calculating State Aid.

20 b. District sparsity - isolation formula:
21 The district sparsity - isolation formula calculation shall apply only to school
22 districts:

- 1 (1) whose total area in square miles is greater than the average
- 2 number of square miles for all school districts in this state; and
- 3 (2) whose areal density is less than one-fourth (1/4) of the state
- 4 average areal density. Areal density shall be determined by
- 5 dividing the school district's average daily membership by the
- 6 school district's total area in square miles.

7 The district sparsity - isolation formula calculation shall be calculated as
8 follows:

9 The school district student cost factor multiplied by the school district
10 area factor. The resulting product shall be multiplied by the school
11 district's average daily membership. Subject to the provisions of
12 subparagraph c of this paragraph, the resulting number shall be
13 counted as additional students for the purpose of calculating State Aid.

14 The school district student cost factor shall be calculated as follows:

15 The school district's average daily membership shall be categorized
16 into the following grade level groups and applied to the appropriate
17 formulas as computed below:

18	Grade Level Group	
19	Grades K-5	Divide 74 by the sum of the Grade
20		Level ADM plus 23,
21		add .85 to the quotient, then
22		multiply the sum by the Grade

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1 Level ADM.

2 Grades 6-8 Divide 122 by the sum of the Grade

3 Level ADM plus 133,

4 add .85 to the quotient, then

5 multiply the sum by the Grade

6 Level ADM.

7 Grades 9-12 Divide 292 by the sum of the Grade

8 Level ADM plus 128,

9 add .78 to the quotient, then

10 multiply the sum by the Grade

11 Level ADM.

12 The sum of the grade level group's average daily membership shall be

13 divided by the school district's average daily membership. The number

14 one (1.0) shall be subtracted from the resulting quotient.

15 The school district area cost factor shall be calculated as follows:

16 Subtract the state average district area from the district area, then

17 divide the remainder by the state average district area;

18 however, the district area cost factor shall not exceed one (1.0).

19 The State Board of Education shall define geographical barriers whose location in a

20 school district would inhibit the district from consolidation or annexation. The Board

21 shall make available an application process, review applications, and for districts the

22 Board deems necessary allow additional square miles to be used for the purposes of

1 calculations used for the weighted district sparsity - isolation formula. Provided, that the
2 additional square miles allowed for geographical barriers shall not exceed thirty percent
3 (30%) of the district's actual size.

4 c. State Aid funds which a district is calculated to receive as a result of
5 the weighted district calculation shall be restricted as follows:

6 If, after the weighted district calculation is applied, the district's
7 projected per pupil revenue exceeds one hundred fifty percent
8 (150%) of the projected state average per pupil revenue, then the
9 district's State Aid shall be reduced by an amount that will
10 restrict the district's projected per pupil revenue to one hundred
11 fifty percent (150%) of the projected state average per pupil
12 revenue. Provided, in applying the restriction provided in this
13 division, the district's State Aid shall not be reduced by an
14 amount greater than by the amount of State Aid which was
15 generated by the weighted district calculation.

16 The July calculation of the projected per pupil revenue shall be
17 determined by dividing the highest of the district's preceding two years
18 average daily membership (ADM) as weighted by the pupil grade level,
19 the pupil category, the district and the teacher experience degree index
20 calculations for projected State Aid into the district's projected total
21 revenues including projected funds for the State Aid Formula for the
22 preceding year, net assessed valuation for the preceding calendar year

1 times thirty-nine (39) mills, county revenues excluding the county four-
2 mills revenues for the second preceding year, other state
3 appropriations for the preceding year and the collections for the
4 preceding year of state apportionment, motor vehicle revenue, gross
5 production tax and R.E.A. tax.

6 The December calculation of the projected per pupil revenue shall be
7 determined by dividing the highest of the district's first nine (9) weeks
8 of the current school year or the two preceding school years average
9 daily membership (ADM) as weighted by the pupil grade level, the
10 pupil category, the district and the teacher experience degree index
11 calculations for projected State Aid into the district's projected total
12 revenues including funds for the December calculation of the current
13 year State Aid Formula, net assessed valuation for the current
14 calendar year times thirty-nine (39) mills, county revenues excluding
15 the county four-mills revenue for the preceding year, other state
16 appropriations for the preceding year and the collections for the
17 preceding year of state apportionment, motor vehicle revenue, gross
18 production tax and R.E.A. tax.

19 The district's projected total revenues for each calculation shall exclude
20 the following collections for the second preceding year: federal revenue,
21 insurance loss payments, reimbursements, recovery of overpayments

1 and refunds, unused reserves, prior expenditures recovered, prior year
2 surpluses, and other local miscellaneous revenues.

3 4. The weighted teacher experience and degree calculation shall be determined in
4 accordance with the teacher experience and degree index. The State Department of
5 Education shall determine an index for each state teacher by using data supplied in the
6 school district's teacher personnel reports of the preceding year and utilizing the index as
7 follows:

8 **TEACHER EXPERIENCE - DEGREE INDEX**

9 EXPERIENCE	BACHELOR'S	MASTER'S	DOCTOR'S
10	DEGREE	DEGREE	DEGREE
11 0 - 2	.7	.9	1.1
12 3 - 5	.8	1.0	1.2
13 6 - 8	.9	1.1	1.3
14 9 - 11	1.0	1.2	1.4
15 12 - 15	1.1	1.3	1.5
16 Over 15	1.2	1.4	1.6

17 The school district teacher index for each school district shall be determined by
18 subtracting the weighted average state teacher from the weighted average district
19 teacher. Multiply the school district teacher index if greater than zero by .7 and then
20 multiply that product by the sum of the district's weighted pupil grade level calculation
21 provided in paragraph 1 of this subsection and the weighted pupil category calculation

1 provided in subparagraph n of paragraph 2 of this subsection to determine the weighted
2 teacher experience and degree calculation.

3 SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma
4 Statutes as Section 1-111.1 of Title 70, unless there is created a duplication in
5 numbering, reads as follows:

6 If a student who has an individualized education program pursuant to the
7 Individuals with Disabilities Education Act (IDEA) enrolls on a full-time basis in online
8 courses offered by a school district that is not the district of residence for that student
9 and that school district provides special education and related services for the student,
10 the district of residence shall transfer all state and federal funds associated with
11 providing special education and related services to that student to the school district
12 offering the online courses.

13 SECTION 4. This act shall become effective July 1, 2010.

14 SECTION 5. It being immediately necessary for the preservation of the public
15 peace, health and safety, an emergency is hereby declared to exist, by reason whereof
16 this act shall take effect and be in full force from and after its passage and approval.

17 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
18 dated 04-12-10 - DO PASS, As Amended and Coauthored.

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.