

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED  
5 SENATE BILL NO. 1820

By: Halligan of the Senate

and

6 Denney of the House

7  
8  
9 COMMITTEE SUBSTITUTE

10 An Act relating to calculation of foundation aid;  
11 amending 70 O.S. 2011, Sections 18-200.1 and 18-  
12 201.1, which relate to state aid and the calculation  
13 of foundation aid; modifying calculation of initial  
14 allocation for certain students in online courses;  
15 modifying determination of current year allocations;  
16 requiring the State Department of Education to audit  
17 certain enrollment and recalculate current year  
18 allocations; requiring certain notification;  
19 specifying basis for certain State Aid payments;  
20 modifying process for retaining appropriated funds  
21 for making midyear adjustments; modifying  
22 determination of weighted average daily membership  
23 for certain students in online courses for certain  
24 calculations; modifying basis for weighted  
calculations for certain students in online courses;  
providing an effective date; and declaring an  
emergency.

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 18-200.1, is  
amended to read as follows:

1 Section 18-200.1 A. Beginning with the 1997-98 school year,  
2 and each school year thereafter, each school district shall have its  
3 initial allocation of State Aid calculated based on the state  
4 dedicated revenues actually collected during the preceding fiscal  
5 year, the adjusted assessed valuation of the preceding year and the  
6 highest weighted average daily membership for the school district of  
7 the two (2) preceding school years; however, the weighted membership  
8 of nonresident, transferred pupils enrolled in online courses shall  
9 ~~be based on the weighted average daily membership of the preceding~~  
10 ~~school year~~ determined by multiplying the actual enrollment as of  
11 August 1 by a 1.333 weight. No other weights as provided for in  
12 subsection B of Section 18-201.1 of this title and assigned to the  
13 nonresident, transferred students enrolled in online courses shall  
14 be used in determining the initial allocation. Each school district  
15 shall submit the following data based on the first nine (9) weeks,  
16 to be used in the calculation of the average daily membership of the  
17 school district:

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

21 On or before December 30, the State Department of Education  
22 shall determine each school district's current year allocation  
23 pursuant to subsection D of this section. The State Department of  
24 Education shall complete an audit, using procedures established by

1 the Department, of the student enrollment by grade level data, pupil  
2 category counts and transportation supplement data to be used in the  
3 State Aid Formula pursuant to subsection D of this section by  
4 December 1 and by January 15 shall notify each school district of  
5 the district's ~~final~~ State Aid allocation for the current school  
6 year. The January ~~payment~~, February and March payments of State Aid  
7 ~~and each subsequent payment for the remainder of the school year~~  
8 shall be based on the ~~final~~ State Aid allocation as calculated in  
9 subsection D of this section and as determined by December 30 as  
10 provided for in this subsection. On or before February 28, the  
11 State Department of Education shall audit the enrollment of  
12 nonresident, transferred students in online courses as counted on  
13 February 1 and recalculate the remaining allocations for each school  
14 district. By March 15 the Department shall notify each school  
15 district of the recalculated State Aid allocation for the district  
16 for the current school year. The April payment of State Aid and  
17 each subsequent payment for the remainder of the school year shall  
18 be based on the recalculated current-year State Aid allocation as  
19 calculated in subsection D of this section and as determined by  
20 February 28. Except for reductions made due to the assessment of  
21 penalties by the State Department of Education according to law, the  
22 January payment of State Aid and each subsequent payment for the  
23 remainder of the school year shall not decrease by an amount more  
24

1 than the amount that the current chargeable revenue increases for  
2 that district.

3 B. The State Department of Education shall retain not less than  
4 one and one-half percent (1 1/2%) of the total funds appropriated  
5 for financial support of schools, to be used to make midyear  
6 adjustments in State Aid as determined by December 30 and by  
7 February 28 and which shall be reflected in the final allocations.

8 If the amount of appropriated funds, including the one and one-half  
9 percent (1 1/2%) retained, remaining after January 1 and after April  
10 1 of each year is not sufficient to fully fund the final  
11 allocations, the Department shall recalculate each school district's  
12 remaining allocation pursuant to subsection D of this section using  
13 the reduced amount of appropriated funds.

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

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

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

5 The December calculation of per pupil revenue shall be  
6 determined by dividing the district's preceding year's total  
7 weighted average daily membership (ADM) into the district's  
8 preceding year's total revenues excluding federal revenue, insurance  
9 loss payments, reimbursements, recovery of overpayments and refunds,  
10 unused reserves, prior expenditures recovered, prior year surpluses,  
11 and less the amount of any transfer fees paid in that year.

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

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

18 a. The Foundation Program shall be a district's highest  
19 weighted average daily membership based on the first  
20 nine (9) weeks of the current school year, the  
21 preceding school year or the second preceding school  
22 year of a school district, as determined by the  
23 provisions of subsection A of Section 18-201.1 of this  
24 title and paragraphs 1, 2, 3 and 4 of subsection B of

1 Section 18-201.1 of this title, multiplied by the Base  
2 Foundation Support Level. However, for the portion of  
3 weighted membership derived from nonresident,  
4 transferred pupils enrolled in online courses, the  
5 Foundation Program shall be a district's weighted  
6 average daily membership of ~~the preceding school year~~  
7 ~~or~~ the first nine (9) weeks of the current school  
8 year, ~~whichever is greater,~~ or the weighted average  
9 daily membership as of February 1 of the current  
10 school year as determined by the provisions of  
11 subsection A of Section 18-201.1 of this title and  
12 paragraphs 1, 2, 3 and 4 of subsection B of Section  
13 18-201.1 of this title, multiplied by the Base  
14 Foundation Support Level.

15 b. The Foundation Program Income shall be the sum of the  
16 following:

17 (1) ~~The~~ the adjusted assessed valuation of the  
18 current school year of the school district, minus  
19 the previous year protested ad valorem tax  
20 revenues held as prescribed in Section 2884 of  
21 Title 68 of the Oklahoma Statutes, multiplied by  
22 the mills levied pursuant to subsection (c) of  
23 Section 9 of Article X of the Oklahoma  
24 Constitution, if applicable, as adjusted in

1 subsection (c) of Section 8A of Article X of the  
2 Oklahoma Constitution. For purposes of this  
3 subsection, the "adjusted assessed valuation of  
4 the current school year" shall be the adjusted  
5 assessed valuation on which tax revenues are  
6 collected during the current school year, and

7 (2) ~~Seventy-five~~ seventy-five percent (75%) of the  
8 amount received by the school district from the  
9 proceeds of the county levy during the preceding  
10 fiscal year, as levied pursuant to subsection (b)  
11 of Section 9 of Article X of the Oklahoma  
12 Constitution, and

13 (3) ~~Motor Vehicle Collections~~ motor vehicle  
14 collections, and

15 (4) ~~Gross Production Tax~~ gross production tax, and

16 (5) ~~State Apportionment~~ state apportionment, and

17 (6) R.E.A. ~~Tax~~ tax.

18 The items listed in divisions (3), (4), (5), and (6)  
19 of this subparagraph shall consist of the amounts  
20 actually collected from such sources during the  
21 preceding fiscal year calculated on a per capita basis  
22 on the unit provided for by law for the distribution  
23 of each such revenue.  
24

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

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

7           b. The per capita allowance shall be determined using the  
 8 following 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	
.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	

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

18           c.    The formula transportation factor shall be 1.39.

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

20           a.    Multiply the Incentive Aid guarantee by the district's  
21                   highest weighted average daily membership based on the  
22                   first nine (9) weeks of the current school year, the  
23                   preceding school year or the second preceding school  
24                   year of a school district, as determined by the

1 provisions of subsection A of Section 18-201.1 of this  
2 title and paragraphs 1, 2, 3 and 4 of subsection B of  
3 Section 18-201.1 of this title. However, the portion  
4 of weighted membership derived from nonresident,  
5 transferred pupils enrolled in online courses shall be  
6 a district's weighted average daily membership of the  
7 first nine (9) weeks of the current school year or the  
8 weighted average daily membership as of February 1 of  
9 the current school year as determined by the  
10 provisions of subsection A of Section 18-201.1 of this  
11 title and paragraphs 1, 2, 3 and 4 of subsection B of  
12 Section 18-201.1 of this title.

13 b. Divide the district's adjusted assessed valuation of  
14 the current school year minus the previous year's  
15 protested ad valorem tax revenues held as prescribed  
16 in Section 2884 of Title 68 of the Oklahoma Statutes,  
17 by one thousand (1,000) and subtract the quotient from  
18 the product of subparagraph a of this paragraph. The  
19 remainder shall not be less than zero (0).

20 c. Multiply the number of mills levied for general fund  
21 purposes above the fifteen (15) mills required to  
22 support Foundation Aid pursuant to division (1) of  
23 subparagraph b of paragraph 1 of this subsection, not  
24 including the county four-mill levy, by the remainder

1 of subparagraph b of this paragraph. The product  
2 shall be the Salary Incentive Aid of the district.

3 E. By June 30, 1998, the State Department of Education shall  
4 develop and the Department and all school districts shall have  
5 implemented a student identification system which is consistent with  
6 the provisions of subsections C and D of Section 3111 of Title 74 of  
7 the Oklahoma Statutes. The student identification system shall be  
8 used specifically for the purpose of reporting enrollment data by  
9 school sites and by school districts, the administration of the  
10 Oklahoma School Testing Program Act, the collection of appropriate  
11 and necessary data pursuant to the Oklahoma Educational Indicators  
12 Program, determining student enrollment, establishing a student  
13 mobility rate, allocation of the State Aid Formula and mid-year  
14 adjustments in funding for student growth. This enrollment data  
15 shall be submitted to the State Department of Education in  
16 accordance with rules promulgated by the State Board of Education.  
17 Funding for the development, implementation, personnel training and  
18 maintenance of the student identification system shall be set out in  
19 a separate line item in the allocation section of the appropriation  
20 bill for the State Board of Education for each year.

21 F. 1. In the event that ad valorem taxes of a school district  
22 are determined to be uncollectible because of bankruptcy, clerical  
23 error, or a successful tax protest, and the amount of such taxes  
24 deemed uncollectible exceeds Fifty Thousand Dollars (\$50,000.00) or

1 an amount greater than twenty-five percent (25%) of ad valorem taxes  
2 per tax year, or the valuation of a district is lowered by order of  
3 the State Board of Equalization, the school district's State Aid,  
4 for the school year that such ad valorem taxes are calculated in the  
5 State Aid Formula, shall be determined by subtracting the net  
6 assessed valuation of the property upon which taxes were deemed  
7 uncollectible from the assessed valuation of the school district and  
8 the state. Upon request of the local board of education, it shall  
9 be the duty of the county assessor to certify to the Director of  
10 Finance of the State Department of Education the net assessed  
11 valuation of the property upon which taxes were determined  
12 uncollectible.

13 2. In the event that the amount of funds a school district  
14 receives for reimbursement from the Ad Valorem Reimbursement Fund is  
15 less than the amount of funds claimed for reimbursement by the  
16 school district due to insufficiency of funds as provided in Section  
17 193 of Title 62 of the Oklahoma Statutes, then the school district's  
18 assessed valuation for the school year that such ad valorem  
19 reimbursement is calculated in the State Aid Formula shall be  
20 adjusted accordingly.

21 G. 1. Notwithstanding the provisions of Section 18-112.2 of  
22 this title, a school district shall have its State Aid reduced by an  
23 amount equal to the amount of carryover in the general fund of the  
24

1 district as of June 30 of the preceding fiscal year, that is in  
2 excess of the following standards for two (2) consecutive years:

3	Total Amount of	Amount of
4	General Fund Collections,	General Fund
5	Excluding Previous Year	Balance
6	Cash Surplus as of June 30	Allowable
7	Less than \$1,000,000	40%
8	\$1,000,000 - \$2,999,999	35%
9	\$3,000,000 - \$3,999,999	30%
10	\$4,000,000 - \$4,999,999	25%
11	\$5,000,000 - \$5,999,999	20%
12	\$6,000,000 - \$7,999,999	18%
13	\$8,000,000 - \$9,999,999	16%
14	\$10,000,000 or more	14%

15 2. By February 1 the State Department of Education shall send  
16 by certified mail, with return receipt requested, to each School  
17 District Superintendent, Auditor and Regional Accreditation Officer  
18 a notice of and calculation sheet reflecting the general fund  
19 balance penalty to be assessed against that school district.

20 Calculation of the general fund balance penalty shall not include  
21 federal revenue. Within thirty (30) days of receipt of this written  
22 notice the school district shall submit to the Department a written  
23 reply either accepting or protesting the penalty to be assessed  
24 against the district. If protesting, the school district shall

1 submit with its reply the reasons for rejecting the calculations and  
2 documentation supporting those reasons. The Department shall review  
3 all school district penalty protest documentation and notify each  
4 district by March 15 of its finding and the final penalty to be  
5 assessed to each district. General fund balance penalties shall be  
6 assessed to all school districts by April 1.

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

13 4. Any school district which receives an increase in State Aid  
14 because of a change in Foundation and/or Salary Incentive Aid  
15 factors during the last two (2) months of the preceding fiscal year  
16 shall be exempt from the penalties assessed in this subsection, if  
17 the penalty would occur solely as a result of receiving funds from  
18 the increase in State Aid.

19 5. If a school district does not receive Foundation and/or  
20 Salary Incentive Aid during the preceding fiscal year, the State  
21 Board of Education may waive the penalty assessed in this subsection  
22 if the penalty would result in a loss of more than forty percent  
23 (40%) of the remaining State Aid to be allocated to the school  
24 district between April 1 and the remainder of the school year and if

1 the Board determines the penalty will cause the school district not  
2 to meet remaining financial obligations.

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

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

16 8. Any school district which receives proceeds from a sales tax  
17 levied by a municipality pursuant to Section 22-159 of Title 11 of  
18 the Oklahoma Statutes or proceeds from a sales tax levied by a  
19 county pursuant to Section 1370 of Title 68 of the Oklahoma Statutes  
20 during the 2003-2004 school year or the 2004-2005 school year shall  
21 be exempt from the penalties assessed in this subsection, if the  
22 penalty would occur solely as a result of receiving funds from the  
23 sales tax levy.

24

1       9. For purposes of calculating the general fund balance  
2 penalty, the terms "carryover" and "general fund balance" shall not  
3 include federal revenue.

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

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

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

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

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

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

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

18           SECTION 2.           AMENDATORY           70 O.S. 2011, Section 18-201.1, is  
19 amended to read as follows:

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

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

9 B. The weighted calculations provided for in subsection A of  
10 this section shall be based on the highest weighted average daily  
11 membership of the first nine (9) weeks of the current school year,  
12 the preceding school year or the second preceding school year of a  
13 school district, unless otherwise specified. The highest of the  
14 three (3) weighted average daily memberships shall be used  
15 consistently in all of the calculations; however, the portion of  
16 weighted membership derived from nonresident, transferred pupils  
17 enrolled in online courses for initial allocations shall be ~~based on~~  
18 ~~the weighted average daily membership of the~~ determined by  
19 multiplying the actual enrollment as of August 1 by a 1.333 weight.  
20 No other weights as provided for in this subsection and assigned to  
21 nonresident, transferred students enrolled in online courses shall  
22 be used in determining the initial allocation. The weighted  
23 membership derived from nonresident, transferred pupils enrolled in  
24 online courses for January, February and March allocations shall be

1 based on the first nine (9) weeks of the current school year and the  
2 April and subsequent allocations shall be based on the weighted  
3 average daily membership as of February 1 of the current school  
4 year. The average daily membership data used for all calculations  
5 in paragraphs 1, 2, 3 and 4 of this subsection shall be the same as  
6 used in the calculation of the State Aid Formula. The weighted  
7 calculations provided for in subsection A of this section shall be  
8 determined as follows:

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

13	GRADE LEVEL	WEIGHT
14	a. Half-day early childhood programs	.7
15	b. Full-day early childhood programs	1.3
16	c. Half-day kindergarten	1.3
17	d. Full-day kindergarten	1.5
18	e. First and second grade	1.351
19	f. Third grade	1.051
20	g. Fourth through sixth grade	1.0
21	h. Seventh through twelfth grade	1.2
22	i. Out-of-home placement	1.50

23 Multiply the membership of each subparagraph of this paragraph by  
24 the weight assigned to such subparagraph of this paragraph and add

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

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

20	CATEGORY	WEIGHT
21	a. Vision Impaired	3.8
22	b. Learning Disabilities	.4
23	c. Deaf or Hard-of-Hearing	2.9
24	d. Deaf and Blind	3.8

1	e. Educable Mentally Handicapped	1.3
2	f. Emotionally Disturbed	2.5
3	g. Gifted	.34
4	h. Multiple Handicapped	2.4
5	i. Physically Handicapped	1.2
6	j. Speech Impaired	.05
7	k. Trainable Mentally Handicapped	1.3
8	l. Bilingual	.25
9	m. Special Education Summer Program	1.2
10	n. Economically Disadvantaged	.25
11	o. Optional Extended School Year	

12	Program	As determined by
13		the State Board
14		of Education

15 Except as otherwise provided, multiply the number of pupils approved  
16 in the school year with the highest average daily membership in each  
17 category by the weight assigned to such category and add the totals  
18 together to determine the weighted pupil category calculation for a  
19 school district. For the 1996-97 school year, the number to be  
20 multiplied by the weight assigned to the gifted category in  
21 subparagraph g of this paragraph shall be the lesser of (1) the sum  
22 of the number of students who scored in the top three percent (3%)  
23 on any national standardized test of intellectual ability plus the  
24 number of students identified as gifted pursuant to subparagraphs a

1 through d of paragraph 1 of Section 1210.301 of this title or (2)  
2 the sum of the number of students who scored in the top three  
3 percent (3%) on any national standardized test of intellectual  
4 ability plus eight percent (8%) of the total average daily  
5 membership of the school district for the preceding school year.  
6 For the 1997-98 school year and subsequent school years, the number  
7 to be multiplied by the weight assigned to the gifted category in  
8 subparagraph g of this paragraph shall be the lesser of (1) the sum  
9 of the number of students who scored in the top three percent (3%)  
10 on any national standardized test of intellectual ability plus the  
11 number of students identified as gifted pursuant to subparagraphs a  
12 through d of paragraph 1 of Section 1210.301 of this title, or (2)  
13 the sum of the number of students who scored in the top three  
14 percent (3%) on any national standardized test of intellectual  
15 ability plus eight percent (8%) of the total average daily  
16 membership of the school district for the first nine (9) weeks of  
17 the school year.

18 3. The weighted district calculation shall be determined by  
19 determining the calculations for each school district for both the  
20 small school district formula and the district sparsity - isolation  
21 formula, applying whichever is the greater of the calculations of  
22 the two formulas and then applying the restrictions pursuant to  
23 subparagraph c of this paragraph.

24

1 a. Small school district formula: 529 minus the average  
2 daily membership divided by 529 times .2 times total  
3 average daily membership.

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

21 b. District sparsity - isolation formula:

22 The district sparsity - isolation formula calculation shall  
23 apply only to school districts:  
24

1 (1) whose total area in square miles is greater than  
2 the average number of square miles for all school  
3 districts in this state; and

4 (2) whose areal density is less than one-fourth (1/4)  
5 of the state average areal density. Areal  
6 density shall be determined by dividing the  
7 school district's average daily membership by the  
8 school district's total area in square miles.

9 The district sparsity - isolation formula calculation shall  
10 be calculated as follows:

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

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

20 The school district's average daily membership shall  
21 be categorized into the following grade level groups  
22 and applied to the appropriate formulas as computed  
23 below:

24 Grade Level Group

1        Grades K-5                    Divide 74 by the sum of the Grade  
2    Level ADM plus 23,  
3    add .85 to the quotient, then  
4    multiply the sum by the Grade  
5    Level ADM.

6        Grades 6-8                    Divide 122 by the sum of the Grade  
7    Level ADM plus 133,  
8    add .85 to the quotient, then  
9    multiply the sum by the Grade  
10    Level ADM.

11       Grades 9-12                    Divide 292 by the sum of the Grade  
12    Level ADM plus 128,  
13    add .78 to the quotient, then  
14    multiply the sum by the Grade  
15    Level ADM.

16    The sum of the grade level group's average daily  
17    membership shall be divided by the school district's  
18    average daily membership. The number one (1.0) shall  
19    be subtracted from the resulting quotient.

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

22    Subtract the state average district area from the  
23    district area, then divide the remainder by the state  
24    average district area;

1           however, the district area cost factor shall not exceed one  
2           (1.0).

3           The State Board of Education shall define geographical barriers  
4 whose location in a school district would inhibit the district from  
5 consolidation or annexation. The Board shall make available an  
6 application process, review applications, and for districts the  
7 Board deems necessary allow additional square miles to be used for  
8 the purposes of calculations used for the weighted district sparsity  
9 - isolation formula. Provided, that the additional square miles  
10 allowed for geographical barriers shall not exceed thirty percent  
11 (30%) of the district's actual size.

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

15                   If, after the weighted district calculation is  
16 applied, the district's projected per pupil  
17 revenue exceeds one hundred fifty percent (150%)  
18 of the projected state average per pupil revenue,  
19 then the district's State Aid shall be reduced by  
20 an amount that will restrict the district's  
21 projected per pupil revenue to one hundred fifty  
22 percent (150%) of the projected state average per  
23 pupil revenue. Provided, in applying the  
24 restriction provided in this division, the

1 district's State Aid shall not be reduced by an  
2 amount greater than by the amount of State Aid  
3 which was generated by the weighted district  
4 calculation.

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

21 The December calculation of the projected per pupil  
22 revenue shall be determined by dividing the highest of  
23 the district's first nine (9) weeks of the current  
24 school year or the two preceding school years average

1 daily membership (ADM) as weighted by the pupil grade  
2 level, the pupil category, the district and the  
3 teacher experience degree index calculations for  
4 projected State Aid into the district's projected  
5 total revenues including funds for the December  
6 calculation of the current year State Aid Formula, net  
7 assessed valuation for the current calendar year times  
8 thirty-nine (39) mills, county revenues excluding the  
9 county four-mills revenue for the preceding year,  
10 other state appropriations for the preceding year and  
11 the collections for the preceding year of state  
12 apportionment, motor vehicle revenue, gross production  
13 tax and R.E.A. tax.

14 The district's projected total revenues for each  
15 calculation shall exclude the following collections  
16 for the second preceding year: federal revenue,  
17 insurance loss payments, reimbursements, recovery of  
18 overpayments and refunds, unused reserves, prior  
19 expenditures recovered, prior year surpluses, and  
20 other local miscellaneous revenues.

21 4. The weighted teacher experience and degree calculation shall  
22 be determined in accordance with the teacher experience and degree  
23 index. The State Department of Education shall determine an index  
24 for each state teacher by using data supplied in the school

1 district's teacher personnel reports of the preceding year and  
2 utilizing the index as follows:

3 TEACHER EXPERIENCE - DEGREE INDEX

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

12 The school district teacher index for each school district shall  
13 be determined by subtracting the weighted average state teacher from  
14 the weighted average district teacher. Multiply the school district  
15 teacher index if greater than zero by .7 and then multiply that  
16 product by the sum of the district's weighted pupil grade level  
17 calculation provided in paragraph 1 of this subsection and the  
18 weighted pupil category calculation provided in subparagraph n of  
19 paragraph 2 of this subsection to determine the weighted teacher  
20 experience and degree calculation.

21 SECTION 3. This act shall become effective July 1, 2012.

22 SECTION 4. It being immediately necessary for the preservation  
23 of the public peace, health and safety, an emergency is hereby  
24

1 declared to exist, by reason whereof this act shall take effect and  
2 be in full force from and after its passage and approval.

3

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