

1 STATE OF OKLAHOMA

2 2nd Session of the 54th Legislature (2014)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 SENATE BILL NO. 1462

By: Stanislawski of the Senate

and

6 Denney of the House

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10 COMMITTEE SUBSTITUTE

11 An Act relating to school funding; amending 70 O.S.
12 2011, Section 18-201.1, which relates to calculation
13 of Foundation Aid; directing certain statewide
14 virtual charter schools and full-time virtual
15 education providers to annually conduct a random
16 income verification; requiring schools to submit
17 certain signed income verification data; directing
18 results to be submitted to the State Department of
19 Education; and providing an effective date.

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

23 SECTION 1. AMENDATORY 70 O.S. 2011, Section 18-201.1, is
24 amended to read as follows:

Section 18-201.1 A. Beginning with the 1997-98 school year,
and each school year thereafter, the weighted membership of a school
district for calculation of Foundation Aid purposes pursuant to
paragraph 1 of subsection D of Section 18-200.1 of this title shall

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

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

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

5	GRADE LEVEL	WEIGHT
6	a. Half-day early childhood programs	.7
7	b. Full-day early childhood programs	1.3
8	c. Half-day kindergarten	1.3
9	d. Full-day kindergarten	1.5
10	e. First and second grade	1.351
11	f. Third grade	1.051
12	g. Fourth through sixth grade	1.0
13	h. Seventh through twelfth grade	1.2
14	i. Out-of-home placement	1.50

15 Multiply the membership of each subparagraph of this paragraph by
16 the weight assigned to such subparagraph of this paragraph and add
17 the totals together to determine the weighted pupil grade level
18 calculation for a school district. Determination of the pupils
19 eligible for the early childhood program weight shall be pursuant to
20 the provisions of Section 1-114 of this title. The pupils eligible
21 for the out-of-home placement pupil weight shall be students who are
22 not residents of the school district in which they are receiving
23 education pursuant to the provisions of subsection D of Section 1-
24 113 of this title. Such weight may be claimed by the district

1 providing educational services to such student for the days that
2 student is enrolled in that district. If claimed, the out-of-home
3 placement weight shall be in lieu of the pupil grade level and any
4 pupil category weights for that student. Provided, if a student
5 resides in a juvenile detention center that is restricted to less
6 than twelve (12) beds, the out-of-home placement pupil weight for
7 such students shall be calculated as follows: for a center with six
8 (6) beds - 3.0; for a center with eight (8) beds - 2.3 and for a
9 center with ten (10) beds - 1.80.

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

12	CATEGORY	WEIGHT
13	a. Vision Impaired	3.8
14	b. Learning Disabilities	.4
15	c. Deaf or Hard-of-Hearing	2.9
16	d. Deaf and Blind	3.8
17	e. Educable Mentally Handicapped	1.3
18	f. Emotionally Disturbed	2.5
19	g. Gifted	.34
20	h. Multiple Handicapped	2.4
21	i. Physically Handicapped	1.2
22	j. Speech Impaired	.05
23	k. Trainable Mentally Handicapped	1.3
24	l. Bilingual	.25

1 of the number of students who scored in the top three percent (3%)
2 on any national standardized test of intellectual ability plus the
3 number of students identified as gifted pursuant to subparagraphs a
4 through d of paragraph 1 of Section 1210.301 of this title, or (2)
5 the sum of the number of students who scored in the top three
6 percent (3%) on any national standardized test of intellectual
7 ability plus eight percent (8%) of the total average daily
8 membership of the school district for the first nine (9) weeks of
9 the school year.

10 3. The weighted district calculation shall be determined by
11 determining the calculations for each school district for both the
12 small school district formula and the district sparsity - isolation
13 formula, applying whichever is the greater of the calculations of
14 the two formulas and then applying the restrictions pursuant to
15 subparagraph c of this paragraph.

16 a. Small school district formula: $529 \text{ minus the average}$
17 $\text{daily membership divided by } 529 \text{ times } .2 \text{ times total}$
18 $\text{average daily membership.}$

19 The small school district formula calculation shall apply
20 only to school districts whose highest average daily
21 membership is less than 529 pupils. School districts which
22 are consolidated or annexed after July 1, 2003, pursuant to
23 the Oklahoma School Voluntary Consolidation and Annexation
24 Act shall have the weighted district size calculation for

1 the three (3) school years following the fiscal year in
2 which such consolidation occurred calculated to be the sum
3 of the individual consolidated districts computed as if the
4 consolidation had not taken place. Thereafter, any such
5 district which is consolidated pursuant to the Oklahoma
6 School Voluntary Consolidation and Annexation Act shall not
7 qualify for the weighted district calculation unless the
8 district can satisfy the specifications herein. Subject to
9 the provisions of subparagraph c of this paragraph, the
10 resulting number shall be counted as additional students
11 for the purpose of calculating State Aid.

12 b. District sparsity - isolation formula:

13 The district sparsity - isolation formula calculation shall
14 apply only to school districts:

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

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

23 The district sparsity - isolation formula calculation shall
24 be calculated as follows:

1 The school district student cost factor multiplied by
2 the school district area factor. The resulting
3 product shall be multiplied by the school district's
4 average daily membership. Subject to the provisions
5 of subparagraph c of this paragraph, the resulting
6 number shall be counted as additional students for the
7 purpose of calculating State Aid.

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

10 The school district's average daily membership shall
11 be categorized into the following grade level groups
12 and applied to the appropriate formulas as computed
13 below:

14 Grade Level Group

15 Grades K-5 Divide 74 by the sum of the Grade
16 Level ADM plus 23,
17 add .85 to the quotient, then
18 multiply the sum by the Grade
19 Level ADM.

20 Grades 6-8 Divide 122 by the sum of the Grade
21 Level ADM plus 133,
22 add .85 to the quotient, then
23 multiply the sum by the Grade
24 Level ADM.

1 Grades 9-12 Divide 292 by the sum of the Grade
2 Level ADM plus 128,
3 add .78 to the quotient, then
4 multiply the sum by the Grade
5 Level ADM.

6 The sum of the grade level group's average daily
7 membership shall be divided by the school district's
8 average daily membership. The number one (1.0) shall
9 be subtracted from the resulting quotient.

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

12 Subtract the state average district area from the
13 district area, then divide the remainder by the state
14 average district area;

15 however, the district area cost factor shall not exceed one
16 (1.0).

17 The State Board of Education shall define geographical barriers
18 whose location in a school district would inhibit the district from
19 consolidation or annexation. The Board shall make available an
20 application process, review applications, and for districts the
21 Board deems necessary allow additional square miles to be used for
22 the purposes of calculations used for the weighted district sparsity
23 - isolation formula. Provided, that the additional square miles
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1 allowed for geographical barriers shall not exceed thirty percent
2 (30%) of the district's actual size.

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

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

20 The July calculation of the projected per pupil
21 revenue shall be determined by dividing the highest of
22 the district's preceding two years average daily
23 membership (ADM) as weighted by the pupil grade level,
24 the pupil category, the district and the teacher

1 experience degree index calculations for projected
2 State Aid into the district's projected total revenues
3 including projected funds for the State Aid Formula
4 for the preceding year, net assessed valuation for the
5 preceding calendar year times thirty-nine (39) mills,
6 county revenues excluding the county four-mills
7 revenues for the second preceding year, other state
8 appropriations for the preceding year and the
9 collections for the preceding year of state
10 apportionment, motor vehicle revenue, gross production
11 tax and R.E.A. tax.

12 The December calculation of the projected per pupil
13 revenue shall be determined by dividing the highest of
14 the district's first nine (9) weeks of the current
15 school year or the two preceding school years average
16 daily membership (ADM) as weighted by the pupil grade
17 level, the pupil category, the district and the
18 teacher experience degree index calculations for
19 projected State Aid into the district's projected
20 total revenues including funds for the December
21 calculation of the current year State Aid Formula, net
22 assessed valuation for the current calendar year times
23 thirty-nine (39) mills, county revenues excluding the
24 county four-mills revenue for the preceding year,

1 other state appropriations for the preceding year and
2 the collections for the preceding year of state
3 apportionment, motor vehicle revenue, gross production
4 tax and R.E.A. tax.

5 The district's projected total revenues for each
6 calculation shall exclude the following collections
7 for the second preceding year: federal revenue,
8 insurance loss payments, reimbursements, recovery of
9 overpayments and refunds, unused reserves, prior
10 expenditures recovered, prior year surpluses, and
11 other local miscellaneous revenues.

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

18 TEACHER EXPERIENCE - DEGREE INDEX

19 EXPERIENCE	BACHELOR'S	MASTER'S	DOCTOR'S
	DEGREE	DEGREE	DEGREE
21 0 - 2	.7	.9	1.1
22 3 - 5	.8	1.0	1.2
23 6 - 8	.9	1.1	1.3
24 9 - 11	1.0	1.2	1.4

1	12 - 15	1.1	1.3	1.5
2	Over 15	1.2	1.4	1.6

3 The school district teacher index for each school district shall
4 be determined by subtracting the weighted average state teacher from
5 the weighted average district teacher. Multiply the school district
6 teacher index if greater than zero by .7 and then multiply that
7 product by the sum of the district's weighted pupil grade level
8 calculation provided in paragraph 1 of this subsection and the
9 weighted pupil category calculation provided in subparagraph n of
10 paragraph 2 of this subsection to determine the weighted teacher
11 experience and degree calculation.

12 C. Statewide virtual charter schools approved by the Statewide
13 Virtual Charter School Board and virtual education providers
14 offering full-time virtual education that receive the economically
15 disadvantaged weight provided pursuant to subparagraph n of
16 paragraph 2 of subsection B of this section shall annually verify
17 the income levels of three percent (3%) of the parents or guardians
18 of students eligible for the economically disadvantaged weight. The
19 income verification shall be conducted on a random sampling.
20 Schools shall be required to produce and submit to the State
21 Department of Education for each student included in the random
22 sample a submission of income verification data electronically or
23 originally signed by the parent or guardian of the student that

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1 attests that the information is true and accurate. Findings of the
2 verification shall be submitted to the Department.

3 SECTION 2. This act shall become effective June 1, 2015.

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