

1 **SENATE FLOOR VERSION**

2 April 10, 2013

3 COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED  
5 HOUSE BILL NO. 1660

By: Denney of the House

and

Ford of the Senate

6  
7  
8  
9 [ schools - State Aid - Foundation Aid - students in  
10 online courses - virtual education - effective date -  
11 emergency ]

12  
13 ~~BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:~~

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

16 Section 18-200.1 A. Beginning with the 1997-98 school year,  
17 and each school year thereafter, each school district shall have its  
18 initial allocation of State Aid calculated based on the state  
19 dedicated revenues actually collected during the preceding fiscal  
20 year, the adjusted assessed valuation of the preceding year and the  
21 highest weighted average daily membership for the school district of  
22 the two (2) preceding school years; however, the weighted membership  
23 of nonresident, transferred pupils enrolled in online courses shall  
24 be ~~based on the weighted average daily membership of the preceding~~

1 school year determined by multiplying the actual enrollment as of  
2 August 1 by a 1.333 weight. No other weights as provided for in  
3 subsection B of Section 18-201.1 of this title and assigned to the  
4 nonresident, transferred students enrolled in online courses shall  
5 be used in determining the initial allocation. Each school district  
6 shall submit the following data based on the first nine (9) weeks,  
7 to be used in the calculation of the average daily membership of the  
8 school district:

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

12 On or before December 30, the State Department of Education  
13 shall determine each school district's current year allocation  
14 pursuant to subsection D of this section. The State Department of  
15 Education shall complete an audit, using procedures established by  
16 the Department, of the student enrollment by grade level data, pupil  
17 category counts and transportation supplement data to be used in the  
18 State Aid Formula pursuant to subsection D of this section by  
19 December 1 and by January 15 shall notify each school district of  
20 the district's final State Aid allocation for the current school  
21 year. The January payment of State Aid and each subsequent payment  
22 for the remainder of the school year shall be based on the ~~final~~  
23 State Aid allocation as calculated in subsection D of this section.  
24 Except for reductions made due to the assessment of penalties by the

1 State Department of Education according to law, the January payment  
2 of State Aid and each subsequent payment for the remainder of the  
3 school year shall not decrease by an amount more than the amount  
4 that the current chargeable revenue increases for that district.

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

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

23 The July calculation of per pupil revenue shall be determined by  
24 dividing the district's second preceding year's total weighted

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

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

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

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

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

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

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

16 (1) ~~The~~ the adjusted assessed valuation of the  
17 current school year of the school district, minus  
18 the previous year protested ad valorem tax  
19 revenues held as prescribed in Section 2884 of  
20 Title 68 of the Oklahoma Statutes, multiplied by  
21 the mills levied pursuant to subsection (c) of  
22 Section 9 of Article X of the Oklahoma  
23 Constitution, if applicable, as adjusted in  
24 subsection (c) of Section 8A of Article X of the

1 Oklahoma Constitution. For purposes of this  
2 subsection, the "adjusted assessed valuation of  
3 the current school year" shall be the adjusted  
4 assessed valuation on which tax revenues are  
5 collected during the current school year, and

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

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

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

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

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

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

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.

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

15 c. Multiply the number of mills levied for general fund  
16 purposes above the fifteen (15) mills required to  
17 support Foundation Aid pursuant to division (1) of  
18 subparagraph b of paragraph 1 of this subsection, not  
19 including the county four-mill levy, by the remainder  
20 of subparagraph b of this paragraph. The product  
21 shall be the Salary Incentive Aid of the district.

22 E. By June 30, 1998, the State Department of Education shall  
23 develop and the Department and all school districts shall have  
24 implemented a student identification system which is consistent with

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

16 F. 1. In the event that ad valorem taxes of a school district  
17 are determined to be uncollectible because of bankruptcy, clerical  
18 error, or a successful tax protest, and the amount of such taxes  
19 deemed uncollectible exceeds Fifty Thousand Dollars (\$50,000.00) or  
20 an amount greater than twenty-five percent (25%) of ad valorem taxes  
21 per tax year, or the valuation of a district is lowered by order of  
22 the State Board of Equalization, the school district's State Aid,  
23 for the school year that such ad valorem taxes are calculated in the  
24 State Aid Formula, shall be determined by subtracting the net

1 assessed valuation of the property upon which taxes were deemed  
2 uncollectible from the assessed valuation of the school district and  
3 the state. Upon request of the local board of education, it shall  
4 be the duty of the county assessor to certify to the Director of  
5 Finance of the State Department of Education the net assessed  
6 valuation of the property upon which taxes were determined  
7 uncollectible.

8 2. In the event that the amount of funds a school district  
9 receives for reimbursement from the Ad Valorem Reimbursement Fund is  
10 less than the amount of funds claimed for reimbursement by the  
11 school district due to insufficiency of funds as provided in Section  
12 193 of Title 62 of the Oklahoma Statutes, then the school district's  
13 assessed valuation for the school year that such ad valorem  
14 reimbursement is calculated in the State Aid Formula shall be  
15 adjusted accordingly.

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

21	Total Amount of	Amount of
22	General Fund Collections,	General Fund
23	Excluding Previous Year	Balance
24	Cash Surplus as of June 30	Allowable

1	Less than \$1,000,000	40%
2	\$1,000,000 - \$2,999,999	35%
3	\$3,000,000 - \$3,999,999	30%
4	\$4,000,000 - \$4,999,999	25%
5	\$5,000,000 - \$5,999,999	20%
6	\$6,000,000 - \$7,999,999	18%
7	\$8,000,000 - \$9,999,999	16%
8	\$10,000,000 or more	14%

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

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

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

13           5. If a school district does not receive Foundation and/or  
14 Salary Incentive Aid during the preceding fiscal year, the State  
15 Board of Education may waive the penalty assessed in this subsection  
16 if the penalty would result in a loss of more than forty percent  
17 (40%) of the remaining State Aid to be allocated to the school  
18 district between April 1 and the remainder of the school year and if  
19 the Board determines the penalty will cause the school district not  
20 to meet remaining financial obligations.

21           6. Any school district which receives gross production revenue  
22 apportionment during the 2002-2003 school year or in any subsequent  
23 school year that is greater than the gross production revenue  
24 apportionment of the preceding school year shall be exempt from the

1 penalty assessed in this subsection, if the penalty would occur  
2 solely as a result of the gross production revenue apportionment, as  
3 determined by the State Board of Education.

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

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

18 9. For purposes of calculating the general fund balance  
19 penalty, the terms "carryover" and "general fund balance" shall not  
20 include federal revenue.

21 H. In order to provide startup funds for the implementation of  
22 early childhood programs, State Aid may be advanced to school  
23 districts that initially start early childhood instruction at a  
24 school site. School districts that desire such advanced funding

1 shall make application to the State Department of Education no later  
2 than September 15 of each year and advanced funding shall be awarded  
3 to the approved districts no later than October 30. The advanced  
4 funding shall not exceed the per pupil amount of State Aid as  
5 calculated in subsection D of this section per anticipated Head  
6 Start eligible student. The total amount of advanced funding shall  
7 be proportionately reduced from the monthly payments of the  
8 district's State Aid payments during the last six (6) months of the  
9 same fiscal year.

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

- 14 a. the assessed valuation of property,
- 15 b. motor vehicle collections,
- 16 c. R.E.A. tax collected, and
- 17 d. gross productions tax collected.

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

22 3. Beginning July 1, 1996, the Commissioners of the Land  
23 Office, notwithstanding any provision of law to the contrary, shall  
24

1 report monthly to the State Department of Education the monthly  
2 apportionment of state apportionment.

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

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

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

14 Section 18-201.1 A. Beginning with the 1997-98 school year,  
15 and each school year thereafter, the weighted membership of a school  
16 district for calculation of Foundation Aid purposes pursuant to  
17 paragraph 1 of subsection D of Section 18-200.1 of this title shall  
18 be the sum of the weighted pupil grade level calculation, the  
19 weighted pupil category calculation, the weighted district  
20 calculation and the weighted teacher experience and degree  
21 calculation. The weighted membership of a school district for  
22 calculation of Salary Incentive Aid purposes pursuant to paragraph 3  
23 of subsection D of Section 18-200.1 of this title shall be the sum  
24 of the weighted pupil grade level calculation, the weighted pupil

1 category calculation, the weighted district calculation, and the  
2 weighted teacher experience and degree calculation.

3 B. The weighted calculations provided for in subsection A of  
4 this section shall be based on the highest weighted average daily  
5 membership of the first nine (9) weeks of the current school year,  
6 the preceding school year or the second preceding school year of a  
7 school district, unless otherwise specified. The highest of the  
8 three (3) weighted average daily memberships shall be used  
9 consistently in all of the calculations; however, the portion of  
10 weighted membership derived from nonresident, transferred pupils  
11 enrolled in online courses for initial allocations shall be ~~based on~~  
12 ~~the weighted average daily membership of the~~ determined by  
13 multiplying the actual enrollment as of August 1 by a 1.333 weight.  
14 No other weights as provided for in this subsection and assigned to  
15 nonresident, transferred students enrolled in online courses shall  
16 be used in determining the initial allocation. The weighted  
17 membership derived from nonresident, transferred pupils enrolled in  
18 online courses shall be based on the first nine (9) weeks of the  
19 current school year. It is the intent of the Legislature to  
20 maintain per pupil funding for all school districts by making  
21 supplemental funding available to the State Board of Education after  
22 student count adjustments are made. The average daily membership  
23 data used for all calculations in paragraphs 1, 2, 3 and 4 of this  
24 subsection shall be the same as used in the calculation of the State

1 Aid Formula. The weighted calculations provided for in subsection A  
2 of this section shall be determined as follows:

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

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

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

1 education pursuant to the provisions of subsection D of Section 1-  
2 113 of this title. Such weight may be claimed by the district  
3 providing educational services to such student for the days that  
4 student is enrolled in that district. If claimed, the out-of-home  
5 placement weight shall be in lieu of the pupil grade level and any  
6 pupil category weights for that student. Provided, if a student  
7 resides in a juvenile detention center that is restricted to less  
8 than twelve (12) beds, the out-of-home placement pupil weight for  
9 such students shall be calculated as follows: for a center with six  
10 (6) beds - 3.0; for a center with eight (8) beds - 2.3 and for a  
11 center with ten (10) beds - 1.80.

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

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

1	k. Trainable Mentally Handicapped	1.3
2	l. Bilingual	.25
3	m. Special Education Summer Program	1.2
4	n. Economically Disadvantaged	.25
5	o. Optional Extended School Year	
6	Program	As determined by
7		the State Board
8		of Education

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

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

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

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

21 The small school district formula calculation shall apply  
22 only to school districts whose highest average daily  
23 membership is less than 529 pupils. School districts which  
24 are consolidated or annexed after July 1, 2003, pursuant to

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

14 b. District sparsity - isolation formula:

15 The district sparsity - isolation formula calculation shall  
16 apply only to school districts:

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

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

1 The district sparsity - isolation formula calculation shall  
2 be calculated as follows:

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

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

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

16 Grade Level Group

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

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

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

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

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

14 Subtract the state average district area from the  
15 district area, then divide the remainder by the state  
16 average district area;

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

19 The State Board of Education shall define geographical barriers  
20 whose location in a school district would inhibit the district from  
21 consolidation or annexation. The Board shall make available an  
22 application process, review applications, and for districts the  
23 Board deems necessary allow additional square miles to be used for  
24 the purposes of calculations used for the weighted district sparsity

1 - isolation formula. Provided, that the additional square miles  
2 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  
5 receive as a result of the weighted district  
6 calculation shall be restricted as follows:

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

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

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

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

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

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

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

19 TEACHER EXPERIENCE - DEGREE INDEX

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

1	9 - 11	1.0	1.2	1.4
2	12 - 15	1.1	1.3	1.5
3	Over 15	1.2	1.4	1.6

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

13       SECTION 3.       AMENDATORY       Section 7, Chapter 367, O.S.L.  
14 2012 (70 O.S. Supp. 2012, Section 3-145.5), is amended to read as  
15 follows:

16       Section 3-145.5 ~~Each~~ A. By October 1, 2013, and by October 1,  
17 2014, each school district which offers full-time virtual education  
18 to students who are not residents of the school district shall  
19 submit ~~annually, by October 1 of each year,~~ to the Statewide Virtual  
20 Charter School Board, a report on each provider which has entered  
21 into a contract with the school district. The report shall contain  
22 detailed data on the performance of students enrolled with the  
23 district who are receiving full-time instruction through a provider  
24 and do not reside within the school district.

1        B. Notwithstanding any other provision of law to the contrary,  
2 beginning July 1, 2014, no school district shall offer full-time  
3 virtual or online education to students who are not residents of the  
4 school district. The provisions of this subsection shall not affect  
5 the authority of the Statewide Virtual Charter School Board to  
6 provide for the authorization of full-time virtual charter schools.

7        SECTION 4. This act shall become effective July 1, 2013.

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

12 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
13 April 10, 2013 - DO PASS AS AMENDED  
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