

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 362

By: Stanislawski

COMMITTEE SUBSTITUTE

An Act relating to the State Aid Formula; amending 70 O.S. 2011, Section 5-155, which relates to school district budgets; removing reference to salary incentive aid; amending 70 O.S. 2011, Section 18-109.5, as amended by Section 1, Chapter 228, O.S.L. 2018 (70 O.S. Supp. 2018, Section 18-109.5), which relates to definitions; updating definition; amending 70 O.S. 2011, Section 18-112.2, which relates to the Supplement in State Aid; removing language providing for calculation of certain supplement; updating reference to average daily membership; removing reference to Salary Incentive Aid; amending 70 O.S. 2011, Section 18-124, which relates to the withholding of State Aid if certain expenditure limits are exceeded; removing reference to Salary Incentive Aid; amending 70 O.S. 2011, Section 18-200.1, which relates to calculation of State Aid; removing language regarding nonresident pupils in online courses; removing reference to Salary Incentive Aid; removing method of calculating Salary Incentive Aid; updating method of notifying certain school district personnel; amending 70 O.S. 2011, Section 18-201.1, as amended by Section 2, Chapter 228, O.S.L. 2018 (70 O.S. Supp. 2018, Section 18-201.1), which relates to calculation of weighted membership of a school district; removing language regarding certain calculation of Salary Incentive Aid; removing language regarding nonresident pupils in online courses; modifying weights assigned to certain grade levels; modifying certain weights for pupil categories; removing language regarding the calculation of certain weight for certain category; and providing an effective date.

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

2 SECTION 1. AMENDATORY 70 O.S. 2011, Section 5-155, is
3 amended to read as follows:

4 Section 5-155. A. The school district budget shall represent a
5 complete plan for the school district and shall present information
6 necessary and proper to disclose the financial position and
7 condition of the school district and the revenues and expenditures
8 thereof, both past and anticipated.

9 B. A school district budget shall contain a budget summary. It
10 shall also be accompanied by a budget message which shall explain
11 the budget and describe its important features. It shall contain at
12 least the following in tabular form for each fund:

13 1. Actual revenues and expenditures for the immediate prior
14 fiscal year;

15 2. Revenues and expenditures for the current fiscal year as
16 shown by the budget for the current year as adopted or amended; and

17 3. Estimates of revenues and expenditures for the budget year.

18 C. The school district governing body shall hold a public
19 hearing on the proposed budget within forty-five (45) days preceding
20 the beginning of the budget year. Notice of the date, time and
21 place of the hearing, together with the proposed budget summary,
22 shall be published in a newspaper of general circulation in the
23 school district not less than five (5) days before the date of the
24 hearing. The clerk of the board shall make available a sufficient

1 number of copies of the proposed budget as the governing body shall
2 determine and shall have them available for review or for
3 distribution at the office of the chief financial officer. At the
4 public hearing on the budget any person may present to the governing
5 body comments, recommendations or information on any part of the
6 proposed budget.

7 D. The adopted budget shall be in effect no later than the
8 first day of the fiscal year to which it applies. The budget as
9 adopted and filed with the State Auditor and Inspector shall
10 constitute an appropriation for each fund, and the appropriation
11 thus made shall not be used for any other purpose except as provided
12 by law.

13 E. Each school district shall amend the original budget after
14 June 30 of each year after the June financial activity has been
15 recorded, the annual Foundation ~~and Salary Incentive Aid~~ allocation
16 has been released, and the property tax valuations have been
17 certified for all affected counties within the school district. The
18 amended budget shall include all of the following information which
19 is applicable:

20 1. Valuation of the school district by county and
21 classification, excluding homestead exemptions;

22 2. Bonded debt and judgments outstanding, including interest
23 rates by maturity;

24 3. Matured debt and judgments;

1 4. Sinking fund balance, including cash and investments;

2 5. Sinking fund levy calculations, including surplus/deficit,
3 principal accrual, annual interest, judgment installment and
4 interest, total net levy and delinquency;

5 6. Levies in millage for general fund, building fund and
6 sinking fund;

7 7. Millage adjustment factor, if applicable;

8 8. Previous year sinking fund collections, including total
9 proceeds as certified, additions or deductions, reserve for
10 delinquent tax, reserve for protest pending, tax apportioned, net
11 balance in process of collection, and excess collections; and

12 9. Surplus analysis, including itemized sources of excess and
13 deductions.

14 F. At the time required by law, the county excise board shall
15 levy the taxes necessary for the school district general fund,
16 building fund and sinking fund for the budget year pursuant to
17 Sections 397 and 399 of Title 62 of the Oklahoma Statutes, and for
18 the school district general and building funds for the budget year
19 pursuant to Section 9 of Article X of the Oklahoma Constitution.

20 SECTION 2. AMENDATORY 70 O.S. 2011, Section 18-109.5, as
21 amended by Section 1, Chapter 228, O.S.L. 2018 (70 O.S. Supp. 2018,
22 Section 18-109.5), is amended to read as follows:

23 Section 18-109.5. A. As used in Section 18-201.1 of this
24 title:

1 1. "Visual impairment" means an impairment in vision that, even
2 with correction, adversely affects a child's educational
3 performance. This includes both partial sight and blindness;

4 2. "Specific learning disability" means a disorder in one or
5 more of the basic psychological processes involved in understanding
6 or in using language, spoken or written, that may manifest itself in
7 the imperfect ability to listen, think, speak, read, write, spell or
8 to do mathematical calculations, including conditions such as

9 perceptual disabilities, brain injury, minimal brain dysfunction,
10 dyslexia and developmental aphasia. The term does not include
11 learning problems that are primarily the result of visual, hearing
12 or motor disabilities, of intellectual disability, of emotional
13 disturbance or of environmental, cultural or economic disadvantage;

14 3. "Deafness" means a hearing impairment that is so severe that
15 the child is impaired in processing linguistic information through
16 hearing, with or without amplification, that adversely affects a
17 child's educational performance;

18 4. "Economically disadvantaged" means all children who qualify
19 for free or reduced lunches;

20 5. "Intellectual disability" means significantly subaverage
21 general intellectual functioning, existing concurrently with
22 deficits in adaptive behavior and manifested during the development
23 period, that adversely affects a child's educational performance;

1 6. "Emotional disturbance" means a condition exhibiting one or
2 more of the following characteristics over a long period of time and
3 to a marked degree that adversely affects a child's educational
4 performance:

5 a. an inability to learn which cannot be explained by
6 intellectual, sensory or health factors,

7 b. an inability to build or maintain satisfactory
8 interpersonal relationships with peers and teachers,

9 c. inappropriate types of behavior or feelings under
10 normal circumstances,

11 d. a general pervasive mood of unhappiness or depression,
12 or

13 e. a tendency to develop physical symptoms or fears
14 associated with personal or school problems.

15 The term includes children who are schizophrenic. The term does
16 not include children who are socially maladjusted, unless it is
17 determined that they are seriously emotionally disturbed;

18 7. "Gifted" means identified students as outlined in Section
19 1210.301 of this title;

20 8. "Hearing impairment" means an impairment in hearing, whether
21 permanent or fluctuating, that adversely affects a child's
22 educational performance but that is not included under the
23 definition of "deafness";
24

1 9. "Multiple disabilities" means concomitant impairments, such
2 as intellectual disability-blindness or intellectual disability-
3 orthopedic impairment, the combination of which causes such severe
4 educational needs that they cannot be accommodated in special
5 education programs solely for one of the impairments. The term does
6 not include deaf-blindness;

7 10. "Orthopedic impairment" means a severe orthopedic
8 impairment that adversely affects a child's educational performance.
9 The term includes impairments caused by a congenital anomaly,
10 impairments caused by disease such as poliomyelitis and bone
11 tuberculosis, and impairments from other causes such as cerebral
12 palsy, amputations and fractures or burns that cause contractures;

13 11. "Other health impairment" means having limited strength,
14 vitality or alertness, including a heightened alertness to
15 environmental stimuli, that results in limited alertness with
16 respect to the educational environment that adversely affects a
17 child's educational performance and is due to chronic or acute
18 health problems such as asthma, attention deficit disorder or
19 attention deficit hyperactivity disorder, diabetes, epilepsy, a
20 heart condition, hemophilia, lead poisoning, leukemia, nephritis,
21 rheumatic fever, sickle cell anemia and Tourette syndrome;

22 12. "Speech or language impairment" means a communication
23 disorder, such as stuttering, impaired articulation, a language
24

1 impairment, or a voice impairment, that adversely affects a child's
2 educational performance;

3 13. "Deaf-blindness" means concomitant hearing and visual
4 impairments, the combination of which causes such severe
5 communication and other developmental and educational problems that
6 they cannot be accommodated in special education programs solely for
7 children with deafness or children with blindness;

8 14. "Autism" means a developmental disability significantly
9 affecting verbal and nonverbal communication and social interaction,
10 generally evident before age three (3), that adversely affects a
11 child's educational performance. Other characteristics often
12 associated with autism are engagement in repetitive activities and
13 stereotyped movements, resistance to environmental change or change
14 in daily routines, and unusual responses to sensory experiences.
15 Autism does not apply if a child's educational performance is
16 adversely affected primarily because the child has an emotional
17 disturbance, as defined in this subsection;

18 15. "Traumatic brain injury" means an acquired injury to the
19 brain caused by an external physical force, resulting in total or
20 partial functional disability or psychosocial impairment, or both,
21 that adversely affects a child's educational performance. Traumatic
22 brain injury applies to open or closed head injuries resulting in
23 impairments in one or more areas such as cognition; language;
24 memory; attention; reasoning; abstract thinking; judgment; problem-

1 solving; sensory, perceptual, and motor abilities; psychosocial
2 behavior; physical functions; information processing; and speech.
3 Traumatic brain injury does not apply to brain injuries that are
4 congenital or degenerative or to brain injuries induced by birth
5 trauma;

6 16. ~~"Bilingual"~~ "English learner" means ~~those students a~~
7 student ~~who have limited English speaking abilities or who come from~~
8 ~~homes where English is not the dominant language as reported on the~~
9 ~~current year application for accreditation:~~

- 10 a. (1) was not born in the United States or whose native
11 language is a language other than English,
12 (2) is a Native American or Alaska Native or a native
13 resident of the outlying areas and who comes from
14 an environment where a language other than
15 English has had a significant impact on the
16 individual's level of English language
17 proficiency, or
18 (3) is migratory, whose native language is a language
19 other than English and who comes from an
20 environment where a language other than English
21 is dominant, and
22 b. whose difficulties in speaking, reading, writing or
23 understanding the English language may be sufficient
24 to deny the individual the ability to meet the subject

matter standards adopted pursuant to Section 11-103.6
of this title, the ability to successfully achieve in
classrooms where the language of instruction is
English or the opportunity to participate fully in
society;

17. "Special Education Summer Program" means those summer school programs which school districts may provide for children who are severely or profoundly multiple-handicapped if their individualized education program states the need for a continuing educational experience to prevent loss of educational achievement or basic life skills. Any school district receiving funds for such special education summer programs shall provide services as provided in Section 13-101 of this title; and

18. "Optional Extended School Year Program" means the program defined in Section 1-109.1 of this title.

B. The State Board of Education is hereby authorized to modify and redefine by rule the definitions set out in this section whenever such modification is required to receive federal assistance therefor.

SECTION 3. AMENDATORY 70 O.S. 2011, Section 18-112.2, is amended to read as follows:

Section 18-112.2. A. ~~For the 1987-88 school year and for each school year thereafter, each school district which, pursuant to the provisions of Section 18-112 of Title 70 of the Oklahoma Statutes,~~

1 ~~received funding for the 1986-87 school year in excess of the sum of~~
2 ~~Foundation Aid, Salary Incentive Aid, and Transportation Supplement~~
3 ~~otherwise authorized pursuant to Section 18-109.2 of Title 70 of the~~
4 ~~Oklahoma Statutes shall receive a Supplement in State Aid: For the~~
5 ~~1987-88 school year, said Supplement shall be equal to sixty-seven~~
6 ~~percent (67%) of the amount of said excess funding, less the amount~~
7 ~~by which the sum of Foundation Aid, Salary Incentive Aid, and~~
8 ~~Transportation Supplement exceeds said sum for the preceding school~~
9 ~~year; for the 1988-89 2020-2021 school year and thereafter, the~~
10 Supplement in State Aid shall be an amount equal to the previous
11 year's Supplement less the amount by which the sum of Foundation
12 Aid, ~~Salary Incentive Aid,~~ and Transportation Supplement for the
13 school year being considered exceeds said sum for the preceding
14 school year. No school district shall receive for any school year
15 subsequent to the 1987-88 school year a Supplement in State Aid
16 larger than said Supplement received for the year preceding the
17 subsequent year. Districts ~~must~~ shall levy thirty-five (35) General
18 Fund mills to receive this Supplement.

19 B. Eligibility of a district for a Supplement in State Aid
20 shall not cause the district to be exempt from penalties required by
21 the provisions of Section 18-113.1 of ~~Title 70 of the Oklahoma~~
22 ~~Statutes~~ this title. Calculation of the Supplement in State Aid
23 shall be based on use of unreduced average daily ~~attendance~~
24 membership for determination of the sum of Foundation Aid, ~~Salary~~

1 ~~Incentive Aid~~, and Transportation Supplement. The actual amount of
2 Foundation Aid, ~~Salary Incentive Aid~~, and Transportation Supplement
3 to be paid, however, shall be subject to the provisions of Section
4 18-113.1 of ~~Title 70 of the Oklahoma Statutes~~ this title.

5 SECTION 4. AMENDATORY 70 O.S. 2011, Section 18-124, is
6 amended to read as follows:

7 Section 18-124. A. Any school district with an average daily
8 attendance (ADA) of more than one thousand five hundred (1,500)
9 students for the preceding year which expends for administrative
10 services in the 2005-06 school year or any school year thereafter,
11 less expenditures for legal services, more than five percent (5%) of
12 the amount it expends for total expenditures, less expenditures for
13 legal services, shall have the amount which exceeds the five percent
14 (5%) withheld the following year from the Foundation ~~and Salary~~
15 ~~Incentive Aid~~ for the school district.

16 B. Any school district with an average daily attendance (ADA)
17 of more than five hundred (500) students but not more than one
18 thousand five hundred (1,500) students for the preceding year which
19 expends for administrative services in the 2005-06 school year or
20 any school year thereafter, less expenditures for legal services,
21 more than seven percent (7%) of the amount it expends for total
22 expenditures, less expenditures for legal services, shall have the
23 amount which exceeds the seven percent (7%) withheld the following
24

1 year from the Foundation ~~and Salary Incentive~~ Aid for the school
2 district.

3 C. Any school district with an average daily attendance (ADA)
4 of five hundred (500) or fewer students for the preceding year which
5 expends for administrative services in the 2005-06 school year or
6 any school year thereafter, less expenditures for legal services,
7 more than eight percent (8%) of the amount it expends for total
8 expenditures, less expenditures for legal services, shall have the
9 amount which exceeds the eight percent (8%) withheld the following
10 year from the Foundation ~~and Salary Incentive~~ Aid for the school
11 district.

12 D. For purposes of this section, "administrative services"
13 means costs associated with:

- 14 1. Staff for the board of education;
- 15 2. The secretary/clerk for the board of education;
- 16 3. Staff relations;
- 17 4. Negotiations staff;
- 18 5. Immediate staff of the superintendent, any elementary
19 superintendent or any assistant superintendent;
- 20 6. Any superintendent, elementary superintendent, or assistant
21 superintendent;
- 22 7. Any employee of a school district employed as a director,
23 coordinator, supervisor, or who has responsibility for
24 administrative functions of a school district; and

1 8. Any consultant hired by the school district.

2 E. If an employee of a school district is employed in a
3 position where part of the employee's time is spent as an
4 administrator and part of the time is spent in nonadministrative
5 functions, the percentage of time spent as an administrator shall be
6 included as administrative services. A superintendent who spends
7 part of the time performing exempted nonadministrative services such
8 as teaching in the classroom, serving as a principal, counselor, or
9 library media specialist, can code up to forty percent (40%) of
10 their salary to other nonadministrative functions. The total amount
11 of time a superintendent of a school district spends performing
12 services for a school district shall be included as administrative
13 services even if part of the time the superintendent is performing
14 nonexempted nonadministrative service functions. The total amount
15 received by a superintendent from the school district as salary, for
16 the performance of administrative and nonexempted nonadministrative
17 services, shall be recorded under the code for superintendent salary
18 as provided for in the Oklahoma Cost Accounting System.

19 F. Each school site within a school district shall take steps
20 to ensure that the administrative costs for the school comply with
21 the expenditure limits established for school districts in this
22 section.

1 G. Funds withheld pursuant to the provisions of this section
2 shall be distributed through the State Aid formula to the districts
3 not so penalized.

4 H. For the 2003-04 and 2004-05 school year, school districts
5 shall report to the State Department of Education the costs
6 associated with administrative services for the school district as
7 defined in subsection D of this section.

8 SECTION 5. AMENDATORY 70 O.S. 2011, Section 18-200.1, is
9 amended to read as follows:

10 Section 18-200.1. A. Beginning with the ~~1997-98~~ 2020-2021
11 school year, and each school year thereafter, each school district
12 shall have its initial allocation of State Aid calculated based on
13 the state dedicated revenues actually collected during the preceding
14 fiscal year, the adjusted assessed valuation of the preceding year
15 and the highest weighted average daily membership for the school
16 district of the two (2) preceding school years; ~~however, the~~
17 ~~weighted membership of nonresident, transferred pupils enrolled in~~
18 ~~online courses shall be based on the weighted average daily~~
19 ~~membership of the preceding school year.~~ Each school district shall
20 submit the following data based on the first nine (9) weeks, to be
21 used in the calculation of the average daily membership of the
22 school district:

- 23 1. Student enrollment by grade level;
- 24 2. Pupil category counts; and

1 3. Transportation supplement data.

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

19 B. The State Department of Education shall retain not less than
20 one and one-half percent (1 1/2%) of the total funds appropriated
21 for financial support of schools, to be used to make midyear
22 adjustments in State Aid and which shall be reflected in the final
23 allocations. If the amount of appropriated funds, including the one
24 and one-half percent (1 1/2%) retained, remaining after January 1 of

1 each year is not sufficient to fully fund the final allocations, the
2 Department shall recalculate each school district's remaining
3 allocation pursuant to subsection D of this section using the
4 reduced amount of appropriated funds.

5 C. On and after ~~July 1, 1997~~ July 1, 2020, the amount of State
6 Aid each district shall receive shall be the sum of the Foundation
7 Aid, ~~the Salary Incentive Aid~~ and the Transportation Supplement, as
8 adjusted pursuant to the provisions of subsection G of this section
9 and Section 18-112.2 of this title; provided, no district having per
10 pupil revenue in excess of three hundred percent (300%) of the
11 average per pupil revenue of all districts shall receive any State
12 Aid or Supplement in State Aid.

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

20 The December calculation of per pupil revenue shall be
21 determined by dividing the district's preceding year's total
22 weighted average daily membership (ADM) into the district's
23 preceding year's total revenues excluding federal revenue, insurance
24 loss payments, reimbursements, recovery of overpayments and refunds,

1 unused reserves, prior expenditures recovered, prior year surpluses,
2 and less the amount of any transfer fees paid in that year.

3 D. For the ~~1997-98~~ 2020-2021 school year, and each school year
4 thereafter, Foundation Aid, and the Transportation Supplement ~~and~~
5 ~~Salary Incentive Aid~~ shall be calculated as follows:

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

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

~~title and paragraphs 1, 2, 3 and 4 of subsection B of
Section 18-201.1 of this title, multiplied by the Base
Foundation Support Level.~~

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

- (1) The adjusted assessed valuation of the current
school year of the school district, minus the
previous year protested ad valorem tax revenues
held as prescribed in Section 2884 of Title 68 of
the Oklahoma Statutes, multiplied by the general
fund mills levied pursuant to subsection (c) of
Section 9 of Article X of the Oklahoma
Constitution, if applicable, as adjusted in
subsection (c) of Section 8A of Article X of the
Oklahoma Constitution. For purposes of this
subsection, the "adjusted assessed valuation of
the current school year" shall be the adjusted
assessed valuation on which tax revenues are
collected during the current school year, and
- (2) Seventy-five percent (75%) of the amount received
by the school district from the proceeds of the
county levy during the preceding fiscal year, as
levied pursuant to subsection (b) of Section 9 of
Article X of the Oklahoma Constitution, and

- (3) Motor Vehicle Collections, and
(4) Gross Production Tax, and
(5) State Apportionment, and
(6) R.E.A. Tax.

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

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

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

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

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

1	.3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00
2	.3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00
3	.3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00
4	.4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00
5	.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
6	.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00
7	.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
8	.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
9	.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
10	.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
11	.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
12	.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
13	.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
14	.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
15	.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
16	.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
17	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
18	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
19	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
20	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
21	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
22	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
23	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
24	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00

1	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
2	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
3	.9067 - .9333	\$101.00	9.6668 or more	\$33.00

4 c. The formula transportation factor shall be 1.39.

5 ~~3. Salary Incentive Aid shall be determined as follows:~~

6 ~~a. Multiply the Incentive Aid guarantee by the district's~~
7 ~~highest weighted average daily membership based on the~~
8 ~~first nine (9) weeks of the current school year, the~~
9 ~~preceding school year or the second preceding school~~
10 ~~year of a school district, as determined by the~~
11 ~~provisions of subsection A of Section 18-201.1 of this~~
12 ~~title and paragraphs 1, 2, 3 and 4 of subsection B of~~
13 ~~Section 18-201.1 of this title.~~

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

21 ~~c. Multiply the number of mills levied for general fund~~
22 ~~purposes above the fifteen (15) mills required to~~
23 ~~support Foundation Aid pursuant to division (1) of~~
24 ~~subparagraph b of paragraph 1 of this subsection, not~~

~~including the county four mill levy, by the remainder
of subparagraph b of this paragraph. The product
shall be the Salary Incentive Aid of the district.~~

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

F. 1. In the event that ad valorem taxes of a school district are determined to be uncollectible because of bankruptcy, clerical error, or a successful tax protest, and the amount of such taxes

1 deemed uncollectible exceeds Fifty Thousand Dollars (\$50,000.00) or
2 an amount greater than twenty-five percent (25%) of ad valorem taxes
3 per tax year, or the valuation of a district is lowered by order of
4 the State Board of Equalization, the school district's State Aid,
5 for the school year that such ad valorem taxes are calculated in the
6 State Aid Formula, shall be determined by subtracting the net
7 assessed valuation of the property upon which taxes were deemed
8 uncollectible from the assessed valuation of the school district and
9 the state. Upon request of the local board of education, it shall
10 be the duty of the county assessor to certify to the Director of
11 Finance of the State Department of Education the net assessed
12 valuation of the property upon which taxes were determined
13 uncollectible.

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

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

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

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

2. By February 1 the State Department of Education shall ~~send~~
~~by certified mail, with return receipt requested, to~~ notify each
School District Superintendent, Auditor and Regional Accreditation
Officer a notice of and calculation sheet reflecting the general
fund balance penalty to be assessed against that school district.
Calculation of the general fund balance penalty shall not include
federal revenue. Within thirty (30) days of receipt of this written
notice the school district shall submit to the Department a written
reply either accepting or protesting the penalty to be assessed
against the district. If protesting, the school district shall

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.

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 6. AMENDATORY 70 O.S. 2011, Section 18-201.1, as
19 amended by Section 2, Chapter 228, O.S.L. 2018 (70 O.S. Supp. 2018,
20 Section 18-201.1), is amended to read as follows:

21 Section 18-201.1. A. Beginning with the 1997-98 school year,
22 and each school year thereafter, the weighted membership of a school
23 district for calculation of Foundation Aid purposes pursuant to
24 ~~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 <u>.6</u>
7	b. Full-day early childhood programs	1.3 <u>1.2</u>
8	c. Half-day kindergarten	1.3 <u>.6</u>
9	d. Full-day kindergarten	1.5 <u>1.0</u>
10	e. First and second grade	1.35 <u>1</u>
11	f. Third grade	1.05 <u>1</u>
12	g. Fourth through sixth grade	1.0
13	h. Seventh through twelfth grade	1.2 <u>1.0</u>
14	i. f. 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

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

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

CATEGORY	WEIGHT
a. Visual Impairment	3.8
b. Specific Learning Disability	.4
c. Deafness or Hearing Impairment	2.9
d. Deaf-Blindness	3.8
e. Intellectual Disability	1.3
f. Emotional Disturbance	2.5
g. Gifted	.34
h. Multiple Disabilities	2.4
i. Orthopedic Impairment	1.2
j. Speech or Language Impairment	-.05 .15
k. Bilingual <u>English learner</u>	-.25 .42
l. Special Education Summer Program	1.2

m.	Economically Disadvantaged	.25 <u>.30</u>
n.	Optional Extended School Year	
	Program	As determined by
		the State Board
		of Education
o.	Autism	2.4
p.	Traumatic Brain Injury	2.4
q.	Other Health Impairment	1.2

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

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 minus the average
19 daily membership divided by 529 times .2 times total
20 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 (2) 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 (2) preceding school years
17 average daily membership (ADM) as weighted by the
18 pupil grade level, the pupil category, the district
19 and the teacher experience degree index calculations
20 for 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
21	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 m of
11 paragraph 2 of this subsection to determine the weighted teacher
12 experience and degree calculation.

13 SECTION 7. This act shall become effective July 1, 2020.

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