

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

HOUSE BILL 2434

By: Roberts (Sean)

AS INTRODUCED

An Act relating to schools; requiring expenditure of certain funds for the purpose of providing a classroom supplies stipend; prohibiting other expenditure of funds; creating the Classroom Supplies Revolving Fund; requiring monies from the Classroom Supplies Revolving Fund to be used for certain purpose; amending 70 O.S. 2011, Section 18-200.1, which relates to the State Aid Formula; providing certain exception in calculating state apportionment portion of Foundation Program Income; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 18-500 of Title 70, unless there is created a duplication in numbering, reads as follows:

For the fiscal year ending June 30, 2020, and for each fiscal year thereafter, and pursuant to the provisions of Section 3 of Article XI of the Oklahoma Constitution and other applicable provisions of law, the Commissioners of the Land Office shall allocate funds from revenue generated by the permanent school fund which are not already allocated for the use and benefit of the

1 common schools to the State Department of Education for the purposes  
2 of funding a stipend in the amount of Five Hundred Dollars (\$500.00)  
3 for every certified classroom teacher in the state which shall be  
4 spent on instructional materials and supplies to be used in the  
5 classroom. The funds shall be expended by those school districts  
6 exclusively and shall not be used for any other purpose.

7 SECTION 2. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 1013A of Title 64, unless there  
9 is created a duplication in numbering, reads as follows:

10 There is hereby created in the State Treasury a revolving fund  
11 for the Commissioners of the Land Office to be designated the  
12 "Classroom Supplies Revolving Fund". The fund shall be a continuing  
13 fund, not subject to fiscal year limitations, and shall consist of  
14 all monies received by the Commissioners of the Land Office as  
15 described in Section 3 of Article XI of the Oklahoma Constitution  
16 and other applicable provisions of law for distribution to the  
17 common schools of the state. All monies accruing to the credit of  
18 said fund are hereby appropriated and shall be used by the  
19 Commissioners of the Land Office for the purpose set forth in  
20 Section 1 of this act.

21 SECTION 3. AMENDATORY 70 O.S. 2011, Section 18-200.1, is  
22 amended to read as follows:

23 Section 18-200.1 A. Beginning with the 1997-98 school year,  
24 and each school year thereafter, each school district shall have its

1 initial allocation of State Aid calculated based on the state  
2 dedicated revenues actually collected during the preceding fiscal  
3 year, the adjusted assessed valuation of the preceding year and the  
4 highest weighted average daily membership for the school district of  
5 the two (2) preceding school years; however, the weighted membership  
6 of nonresident, transferred pupils enrolled in online courses shall  
7 be based on the weighted average daily membership of the preceding  
8 school year. Each school district shall submit the following data  
9 based on the first nine (9) weeks, to be used in the calculation of  
10 the average daily membership of the school district:

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

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

1 State Aid allocation as calculated in subsection D of this section.  
2 Except for reductions made due to the assessment of penalties by the  
3 State Department of Education according to law, the January payment  
4 of State Aid and each subsequent payment for the remainder of the  
5 school year shall not decrease by an amount more than the amount  
6 that the current chargeable revenue increases for that district.

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

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

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

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

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

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

21           a. The Foundation Program shall be a district's highest  
22 weighted average daily membership based on the first  
23 nine (9) weeks of the current school year, the  
24 preceding school year or the second preceding school

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

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

18 (1) ~~The~~ the adjusted assessed valuation of the  
19 current school year of the school district, minus  
20 the previous year protested ad valorem tax  
21 revenues held as prescribed in Section 2884 of  
22 Title 68 of the Oklahoma Statutes, multiplied by  
23 the mills levied pursuant to subsection (c) of  
24 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~~ 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~~ motor vehicle collections, ~~and~~
- (4) ~~Gross Production Tax~~ gross production tax, ~~and~~
- (5) ~~State Apportionment~~ state apportionment, except for monies distributed by the Commissioners of the Land Office from the Classroom Supplies Revolving Fund created by Section 2 of this act, 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.

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
.3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00
.3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00
.3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00
.4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00
.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00



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

c. The formula transportation factor shall be 1.39.

3. Salary Incentive Aid shall be determined as follows:

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

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

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

23          E.   By June 30, 1998, the State Department of Education shall  
24          develop and the Department and all school districts shall have

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

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

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

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

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

22	Total Amount of	Amount of
23	General Fund Collections,	General Fund
24	Excluding Previous Year	Balance

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

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

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1 assessed to each district. General fund balance penalties shall be  
2 assessed to all school districts by April 1.

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

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

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

23 6. Any school district which receives gross production revenue  
24 apportionment during the 2002-2003 school year or in any subsequent

1 school year that is greater than the gross production revenue  
2 apportionment of the preceding school year shall be exempt from the  
3 penalty assessed in this subsection, if the penalty would occur  
4 solely as a result of the gross production revenue apportionment, as  
5 determined by the State Board of Education.

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

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

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

23 H. In order to provide startup funds for the implementation of  
24 early childhood programs, State Aid may be advanced to school

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

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

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

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

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1        3. Beginning July 1, 1996, the Commissioners of the Land  
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 state apportionment.

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

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

14        SECTION 4. This act shall become effective July 1, 2019.

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

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20        57-1-7486        EK        01/05/19  
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