

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

COMMITTEE SUBSTITUTE  
FOR ENGROSSED  
SENATE BILL NO. 1257

By: Pugh and Garvin of the  
Senate

and

Lowe (Dick) of the House

COMMITTEE SUBSTITUTE

An Act relating to school funding; amending 70 O.S. 2021, Section 1-117, which relates to school district general funds; updating statutory reference; removing language exempting certain funds from calculation of general fund carryover; amending 70 O.S. 2021, Section 18-200.1, as amended by Section 1, Chapter 280, O.S.L. 2023 (70 O.S. Supp. 2023, Section 18-200.1), which relates to State Aid; modifying certain calculation of per pupil revenue; modifying limitations on school district general fund carryover; providing an exception for carryover of certain gross production revenue apportionment; updating statutory language; repealing 70 O.S. 2021, Section 18-200.1, as amended by Section 1, Chapter 488, O.S.L. 2021, which relates to State Aid; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 2021, Section 1-117, is amended to read as follows:

1       Section 1-117. A. The general fund of any school district is  
2 hereby defined as a current expense fund and shall consist of all  
3 revenue or monies that can legally be expended within a certain  
4 specified fiscal year, but shall not be considered as including any  
5 money derived from a special building fund levy made in accordance  
6 with the provisions of Section 10 of Article X of the Oklahoma  
7 Constitution, nor shall it include any monies derived from the sale  
8 of bonds issued under the provisions of Section 26 of Article X of  
9 the Oklahoma Constitution. All monies derived from the proceeds of  
10 the school levies made pursuant to the provisions of Section 9 of  
11 Article X of the Oklahoma Constitution shall be placed in the  
12 general fund provided by this section. Expenditures from the  
13 general fund shall be noncapital in nature. All monies derived from  
14 state-dedicated revenue, state-appropriated revenue unless otherwise  
15 provided for by law, and county sources shall be placed in the  
16 general fund provided for by this section. Except as provided for  
17 in subsections F, K, and L of this section, a district shall not be  
18 authorized to make capital expenditures as defined by this section  
19 from the general fund.

20       B. For purposes of this section, state-dedicated revenue shall  
21 be any registration or license fees, taxes, or penalties collected  
22 at the state level and distributed to common school districts.  
23 County sources shall be all funds collected by the county and  
24 distributed to common school districts but shall not include any

1 funds derived from the building fund levy made in accordance with  
2 the provisions of Section 10 of Article X of the Oklahoma  
3 Constitution or funds derived from the sinking fund levy made in  
4 accordance with the provisions of Section 26 of Article X of the  
5 Oklahoma Constitution.

6 C. For the purposes of this section, a capital expenditure  
7 shall be an expenditure which results in the acquisition of fixed  
8 assets or additions to fixed assets. Capital expenditures shall  
9 include, but shall not be limited to, purchases of land or existing  
10 buildings, purchases of real property, improvements of grounds and  
11 sites for construction purposes, all expenditures for construction  
12 of buildings unless authorized by the State Board of Education or  
13 the State Board of Career and Technology Education upon application  
14 to the appropriate state board pursuant to subsection F of this  
15 section, additions to buildings, remodeling of buildings if such  
16 remodeling involves changes to roof structures or load-bearing  
17 walls, professional services, salaries and expenses of architects  
18 and engineers hired or assigned to capital projects except for such  
19 services, salaries, and expenses as are applicable in preparation  
20 for a bond issue, expenditures for the initial installation and  
21 extension of service systems and built-in heat or air equipment to  
22 existing buildings, expenditures for the replacement of a building  
23 which has been destroyed, installments and lease payments on  
24 property, including interest, that have a terminal date and result

1 in the acquisition of property, and expenditures for preliminary  
2 studies made prior to the time that authority to proceed with a  
3 construction project is given if authority is received within the  
4 same fiscal year that the expenditure was made.

5 D. Noncapital expenditures shall include, but shall not be  
6 limited to, expenditures for maintenance, repair, and replacement of  
7 property and equipment, initial or additional purchases of furniture  
8 and equipment, direct expenses for maintenance of plant, including  
9 grounds, salaries for maintenance of plant, including salaries for  
10 the upkeep of grounds, and repair and replacement of building  
11 structures which do not add to existing facilities and which do not  
12 involve changes in roof structures or load-bearing walls and which  
13 are not classified as a capital expenditure by this section.

14 E. The State Board of Education shall adopt and amend  
15 regulations regarding the classification, definition, and financial  
16 administration of funds, accounts, and expenditures in accordance  
17 with the requirements of this section.

18 F. A school district shall be authorized to make capital  
19 expenditures from the general fund to defray the cost of rebuilding  
20 a school building only if a school building or facility has been  
21 destroyed by a fire or natural disaster, such as flood, tornado, or  
22 other act of God, or by an act of a public enemy of the United  
23 States or this state and monies received by the district through  
24 insurance coverage, federal reimbursement, contributions, and

1 allocation from the State Board of Education from the State Public  
2 Common School Building Equalization Fund are insufficient to rebuild  
3 the facility. Capital expenditures from the general fund pursuant  
4 to this subsection shall be limited to an amount necessary to defray  
5 the cost of rebuilding the facility which exceeds monies received by  
6 the school district through insurance, federal reimbursement,  
7 contributions, and state allocations.

8 G. Schools which receive gifts ~~or~~, donations, or state-  
9 appropriated monies for the purpose of capital expenditures or  
10 projects shall place such monies in the building fund, as provided  
11 by Section 1-118 of this title, and not in the general fund. School  
12 districts which receive gifts, grants, or donations of monies for  
13 noncapital expenditures may place the monies in the general fund,  
14 and such monies shall not be required to be used during the year in  
15 which the money was received but may accumulate from year to year  
16 ~~and shall not be considered a part of the general fund collections~~  
17 ~~when calculating the general fund carryover as provided for in~~  
18 ~~subsection G of Section 18-200.1 of this title.~~

19 H. School districts which receive monies from rental, sale, or  
20 lease of buildings, impact aid monies, or grants, gifts, or  
21 donations for capital purposes, whether from state, federal, or  
22 other sources, may place such monies in the building fund authorized  
23 by Section 1-118 of this title or the general fund authorized by  
24 this section.

1 I. Any construction of a building included as a capital  
2 expenditure from the general fund of a school district which is  
3 authorized and has had a contractual agreement concerning such  
4 construction executed prior to July 1, 1991, may be proceeded with  
5 and completed as authorized prior to July 1, 1991, as a capital  
6 expenditure from such general fund.

7 J. School districts receiving revenues authorized by Section 9B  
8 of Article X of the Oklahoma Constitution shall be authorized to  
9 make capital expenditures from the general revenue fund no greater  
10 than the amount levied by the incentive millage.

11 K. Upon the approval of the State Board of Education, a school  
12 district shall be authorized to make capital expenditures as defined  
13 in this section from its general fund if:

14 1. A bond issue has been rejected at an election by the school  
15 district electors voting on that question within the current school  
16 year, as certified by the secretary of the county election board; or

17 2. The school district has voted indebtedness at any time  
18 within the preceding three (3) school years through the issuance of  
19 bonds or through approval by voters of issuance of new bonds for  
20 more than eighty-five percent (85%) of the maximum allowable  
21 pursuant to the provisions of Section 26 of Article X of the  
22 Oklahoma Constitution as shown on the school district budget filed  
23 with the State Board of Equalization for the current school year and  
24 certifications by the Attorney General prior to April 1 of the

1 current school year. The State Board of Education shall establish  
2 the rules to administer the provisions of this subsection which  
3 shall include, but not be limited to, specification of a maximum  
4 amount of general fund monies to be used for capital expenditures,  
5 the purposes for which such funds may be expended, and the period of  
6 time in which such funds shall be encumbered.

7 L. Other provisions of this section notwithstanding, a school  
8 district shall be authorized to make capital expenditures from the  
9 general fund if the total assessed property valuation per average  
10 daily attendance is less than sixty percent (60%) of the state  
11 average total assessed property valuation per average daily  
12 attendance and if, for each year in which general fund revenue is  
13 used for capital expenditures, the district has voted the five-mill  
14 building fund levy authorized in Section 10 of Article X of the  
15 Oklahoma Constitution and has voted indebtedness through the  
16 issuance of new bonds for at least eighty-five percent (85%) within  
17 the last three (3) years of the maximum allowable pursuant to the  
18 provisions of Section 26 of Article X of the Oklahoma Constitution  
19 as shown on the school district budget filed with the State Board of  
20 Equalization for the current school year and certifications by the  
21 Attorney General prior to April 1 of the school year. Provided, the  
22 maximum amount of general fund revenue used for capital expenditures  
23 pursuant to this subsection shall not exceed five percent (5%) of  
24 the total yearly revenue to the general fund. ~~Said~~ Such fund may

1 not be used for capital expenditures for more than five (5)  
2 consecutive years and may only be utilized for remodeling or  
3 construction of classroom facilities and such ancillary facilities  
4 to ~~said~~ such classrooms as may be necessary. Provided, further, the  
5 ~~State~~ Superintendent of Public Instruction shall certify in writing,  
6 prior to the expenditure of the funds for which provision is made in  
7 this subsection, that such expenditures are in compliance with the  
8 provisions of this subsection.

9 SECTION 2. AMENDATORY 70 O.S. 2021, Section 18-200.1, as  
10 amended by Section 1, Chapter 280, O.S.L. 2023 (70 O.S. Supp. 2023,  
11 Section 18-200.1), is amended to read as follows:

12 Section 18-200.1. A. Beginning with the 2022-2023 school year,  
13 and each school year thereafter, each school district shall have its  
14 initial allocation of State Aid calculated based on the state  
15 dedicated revenues actually collected during the preceding fiscal  
16 year, the adjusted assessed valuation of the preceding year, and the  
17 weighted average daily membership for the school district of the  
18 preceding school year. Each school district shall submit the  
19 following data based on the first nine (9) weeks, to be used in the  
20 calculation of the average daily membership of the school district:

- 21 1. Student enrollment by grade level;
- 22 2. Pupil category counts; and
- 23 3. Transportation supplement data.

24



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

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

1 Department shall recalculate each school district's remaining  
2 allocation pursuant to subsection D of this section using the  
3 reduced amount of appropriated funds.

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

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

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

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

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

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

- 6       (1)   ~~The~~ the adjusted assessed valuation of the  
7           current school year of the school district, minus  
8           the previous year protested ad valorem tax  
9           revenues held as prescribed in Section 2884 of  
10          Title 68 of the Oklahoma Statutes, multiplied by  
11          the mills levied pursuant to subsection (c) of  
12          Section 9 of Article X of the Oklahoma  
13          Constitution, if applicable, as adjusted in  
14          subsection (c) of Section 8A of Article X of the  
15          Oklahoma Constitution. For purposes of this  
16          subsection, the "adjusted assessed valuation of  
17          the current school year" shall be the adjusted  
18          assessed valuation on which tax revenues are  
19          collected during the current school year, ~~and~~  
20       (2)   ~~Seventy-five~~ seventy-five percent (75%) of the  
21          amount received by the school district from the  
22          proceeds of the county levy during the preceding  
23          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.

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

1	3250 - .3416	\$163.00	.9867 - 1.1071	\$95.00
2	3417 - .3583	\$161.00	1.1072 - 1.3214	\$92.00
3	3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00
4	3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00
5	3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00
6	4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00
7	4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
8	4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00
9	4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
10	4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
11	4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
12	5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
13	5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
14	5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
15	5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
16	5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
17	5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
18	6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
19	6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
20	6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
21	6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
22	7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
23	7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
24	7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00

1	8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
2	8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
3	8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
4	8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
5	9067 - .9333	\$101.00	9.6668 or more	\$33.00

6           c.    The formula transportation factor shall be 2.0.

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

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

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

23          c.   Multiply the number of mills levied for general fund  
24               purposes above the fifteen (15) mills required to

1 support Foundation Aid pursuant to division (1) of  
2 subparagraph b of paragraph 1 of this subsection, not  
3 including the county four-mill levy, by the remainder  
4 of subparagraph b of this paragraph. The product  
5 shall be the Salary Incentive Aid of the district.

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



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

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

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

6	Total Amount of	Amount of
7	General Fund Collections,	General Fund
8	Excluding Previous Year	Balance
9	Cash Surplus as of June 30	Allowable
10	Less than \$1,000,000	<del>48%</del> <u>53%</u>
11	\$1,000,000 - \$2,999,999	<del>42%</del> <u>47%</u>
12	\$3,000,000 - \$3,999,999	<del>36%</del> <u>41%</u>
13	\$4,000,000 - \$4,999,999	<del>30%</del> <u>35%</u>
14	\$5,000,000 - \$5,999,999	<del>24%</del> <u>29%</u>
15	\$6,000,000 - \$7,999,999	<del>22%</del> <u>27%</u>
16	\$8,000,000 - \$9,999,999	<del>19%</del> <u>24%</u>
17	\$10,000,000 or more	<del>17%</del> <u>22%</u>

18 2. By February 1 the State Department of Education shall send  
19 by certified mail, with return receipt requested, to each school  
20 district superintendent, auditor, and regional accreditation officer  
21 a notice of and calculation sheet reflecting the general fund  
22 balance penalty to be assessed against that school district.  
23 Calculation of the general fund balance penalty shall not include  
24 federal revenue. Within thirty (30) days of receipt of this written

1 notice the school district shall submit to the Department a written  
2 reply either accepting or protesting the penalty to be assessed  
3 against the district. If protesting, the school district shall  
4 submit with its reply the reasons for rejecting the calculations and  
5 documentation supporting those reasons. The Department shall review  
6 all school district penalty protest documentation and notify each  
7 district by March 15 of its finding and the final penalty to be  
8 assessed to each district. General fund balance penalties shall be  
9 assessed to all school districts by April 1.

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

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

22 5. If a school district does not receive Foundation and/or  
23 Salary Incentive Aid during the preceding fiscal year, the State  
24 Board of Education may waive the penalty assessed in this subsection

1 if the penalty would result in a loss of more than forty percent  
2 (40%) of the remaining State Aid to be allocated to the school  
3 district between April 1 and the remainder of the school year and if  
4 the Board determines the penalty will cause the school district not  
5 to meet remaining financial obligations.

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

13 7. Any school district which receives gross production revenue  
14 apportionment during the 2024-2025 school year or in any subsequent  
15 school year, may carryover up to fifty percent (50%) of the total  
16 amount of the gross production revenue apportionment in addition to  
17 the carryover limitations provided in this subsection and shall be  
18 exempt from the penalty assessed in this subsection, if the penalty  
19 would occur solely as a result of the carried over gross production  
20 revenue apportionment permitted in this paragraph.

21 8. Beginning July 1, 2003, school districts that participate in  
22 consolidation or annexation pursuant to the provisions of the  
23 Oklahoma School Consolidation and Annexation Act shall be exempt  
24 from the penalty assessed in this subsection for the school year in

1 which the consolidation or annexation occurs and for the next three  
2 (3) fiscal years.

3 ~~8.~~ 9. Any school district which receives proceeds from a sales  
4 tax levied by a municipality pursuant to Section 22-159 of Title 11  
5 of the Oklahoma Statutes or proceeds from a sales tax levied by a  
6 county pursuant to Section 1370 of Title 68 of the Oklahoma Statutes  
7 during the 2003-2004 school year or the 2004-2005 school year shall  
8 be exempt from the penalties assessed in this subsection, if the  
9 penalty would occur solely as a result of receiving funds from the  
10 sales tax levy.

11 ~~9.~~ 10. Any school district which has an amount of carryover in  
12 the general fund of the district in excess of the limits established  
13 in paragraph 1 of this subsection during the fiscal years beginning  
14 July 1, 2020, July 1, 2021, July 1, 2022, and July 1, 2023, shall  
15 not be assessed a general fund balance penalty as provided for in  
16 this subsection.

17 ~~10.~~ 11. For purposes of calculating the general fund balance  
18 penalty, the terms "carryover" and "general fund balance" shall not  
19 include federal revenue.

20 H. In order to provide startup funds for the implementation of  
21 early childhood programs, State Aid may be advanced to school  
22 districts that initially start early childhood instruction at a  
23 school site. School districts that desire such advanced funding  
24 shall make application to the State Department of Education no later

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

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

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

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

21 3. Beginning July 1, 1996, the Commissioners of the Land  
22 Office, notwithstanding any provision of law to the contrary, shall  
23 report monthly to the State Department of Education the monthly  
24 apportionment of state apportionment.

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

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

10       SECTION 3.       REPEALER       70 O.S. 2021, Section 18-200.1, as  
11 amended by Section 1, Chapter 488, O.S.L. 2021, is hereby repealed.

12       SECTION 4. This act shall become effective July 1, 2024.

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

17  
18       59-2-11007       JM       04/18/24  
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