

1 ENGROSSED SENATE
2 BILL NO. 527

By: Pugh of the Senate

3 and

4 Martinez of the House
5

6 An Act relating to school funding; amending 70 O.S.
7 2021, Section 18-109.5, which relates to State Aid
8 definitions; updating certain definition; amending 70
9 O.S. 2021, Section 18-200.1, as last amended by
10 Section 2, Chapter 488, O.S.L. 2021, which relates to
11 allocation of State Aid; updating statutory language;
12 increasing transportation factor; amending 70 O.S.
13 2021, Section 18-201.1, which relates to calculation
14 of weighted membership; modifying certain grade level
15 and category weights; updating reference to certain
16 category; updating statutory language; requiring
17 school districts to allocate certain funds to provide
18 instruction and services to certain students;
19 requiring reporting of expenditures using certain
20 system; providing an effective date; and declaring an
21 emergency.

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

23 SECTION 1. AMENDATORY 70 O.S. 2021, Section 18-109.5, is
24 amended to read as follows:

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

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

1 2. "Specific learning disability" means a disorder in one or
2 more of the basic psychological processes involved in understanding
3 or in using language, spoken or written, that may manifest itself in
4 the imperfect ability to listen, think, speak, read, write, spell,
5 or to do mathematical calculations, including conditions such as
6 perceptual disabilities, brain injury, minimal brain dysfunction,
7 dyslexia, and developmental aphasia. The term does not include
8 learning problems that are primarily the result of visual, hearing,
9 or motor disabilities, of intellectual disability, of emotional
10 disturbance or of environmental, cultural, or economic disadvantage;

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

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

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

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

- a. an inability to learn which cannot be explained by intellectual, sensory, or health factors,
- b. an inability to build or maintain satisfactory interpersonal relationships with peers and teachers,
- c. inappropriate types of behavior or feelings under normal circumstances,
- d. a general pervasive mood of unhappiness or depression, or
- e. a tendency to develop physical symptoms or fears associated with personal or school problems.

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

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

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

9. "Multiple disabilities" means concomitant impairments, such as intellectual disability - blindness or intellectual disability - orthopedic impairment, the combination of which causes such severe educational needs that they cannot be accommodated in special

1 education programs solely for one of the impairments. The term does
2 not include deaf-blindness;

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

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

18 12. "Speech or language impairment" means a communication
19 disorder, such as stuttering, impaired articulation, a language
20 impairment, or a voice impairment, that adversely affects a child's
21 educational performance;

22 13. "Deaf-blindness" means concomitant hearing and visual
23 impairments, the combination of which causes such severe
24 communication and other developmental and educational problems that

1 they cannot be accommodated in special education programs solely for
2 children with deafness or children with blindness;

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

13 15. "Traumatic brain injury" means an acquired injury to the
14 brain caused by an external physical force, resulting in total or
15 partial functional disability or psychosocial impairment, or both,
16 that adversely affects a child's educational performance. Traumatic
17 brain injury applies to open or closed head injuries resulting in
18 impairments in one or more areas such as cognition; language;
19 memory; attention; reasoning; abstract thinking; judgment; problem-
20 solving; sensory, perceptual, and motor abilities; psychosocial
21 behavior; physical functions; information processing; and speech.
22 Traumatic brain injury does not apply to brain injuries that are
23 congenital or degenerative or to brain injuries induced by birth
24 trauma;

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

a. (1) was not born in the United States or whose native
language is a language other than English,

(2) is a Native American or Alaska Native or a native resident of the outlying areas and who comes from an environment where a language other than English has had a significant impact on the individual's level of English language proficiency, or

(3) is migratory, whose native language is a language other than English and who comes from an environment where a language other than English is dominant, and

b. whose difficulties in speaking, reading, writing, or understanding the English language may be sufficient 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.

1 A student shall no longer be an English learner when he or she
2 successfully demonstrates English language proficiency on an
3 assessment designated by the State Department of Education;

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

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

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

18 SECTION 2. AMENDATORY 70 O.S. 2021, Section 18-200.1, as
19 last amended by Section 2, Chapter 488, O.S.L. 2021, is amended to
20 read as follows:

21 Section 18-200.1. A. Beginning with the 2022-2023 school year,
22 and each school year thereafter, each school district shall have its
23 initial allocation of State Aid calculated based on the state
24 dedicated revenues actually collected during the preceding fiscal

1 year, the adjusted assessed valuation of the preceding year, and the
2 weighted average daily membership for the school district of the
3 preceding school year. Each school district shall submit the
4 following data based on the first nine (9) weeks, to be used in the
5 calculation of the average daily membership of the school district:

- 6 1. Student enrollment by grade level;
- 7 2. Pupil category counts; and
- 8 3. Transportation supplement data.

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

1 school year shall not decrease by an amount more than the amount
2 that the current chargeable revenue increases for that district.

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

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

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

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

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

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

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

17 a. The Foundation Program shall be a district's higher
18 weighted average daily membership based on the first
19 nine (9) weeks of the current school year or the
20 preceding school year of a school district, as
21 determined by the provisions of subsection A of
22 Section 18-201.1 of this title and paragraphs 1, 2, 3, and
23 and 4 of subsection B of Section 18-201.1 of this
24 title, multiplied by the Base Foundation Support

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

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

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

1 school year" shall be the adjusted assessed
2 valuation on which tax revenues are collected
3 during the current school year, and

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

9 (3) ~~Motor Vehicle Collections~~ motor vehicle
10 collections, and

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

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

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

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

20 2. The Transportation Supplement shall be equal to the average
21 daily haul times the per capita allowance times the appropriate
22 transportation factor.
23
24

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
.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00

1	.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
2	.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
3	.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
4	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
5	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
6	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
7	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
8	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
9	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
10	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
11	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
12	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
13	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
14	.9067 - .9333	\$101.00	9.6668 or more	\$33.00

15 c. The formula transportation factor shall be ~~1.39~~ 2.0.

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

17 a. Multiply the Incentive Aid guarantee by the district's
18 higher weighted average daily membership based on the
19 first nine (9) weeks of the current school year or the
20 preceding school year of a school district, as
21 determined by the provisions of subsection A of
22 Section 18-201.1 of this title and paragraphs 1, 2, 3,
23 and 4 of subsection B of Section 18-201.1 of this
24 title.

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

8 c. Multiply the number of mills levied for general fund
9 purposes above the fifteen (15) mills required to
10 support Foundation Aid pursuant to division (1) of
11 subparagraph b of paragraph 1 of this subsection, not
12 including the county four-mill levy, by the remainder
13 of subparagraph b of this paragraph. The product
14 shall be the Salary Incentive Aid of the district.

15 E. By June 30, 1998, the State Department of Education shall
16 develop and the Department and all school districts shall have
17 implemented a student identification system which is consistent with
18 the provisions of subsections C and D of Section 3111 of Title 74 of
19 the Oklahoma Statutes. The student identification system shall be
20 used specifically for the purpose of reporting enrollment data by
21 school sites and by school districts, the administration of the
22 Oklahoma School Testing Program Act, the collection of appropriate
23 and necessary data pursuant to the Oklahoma Educational Indicators
24 Program, determining student enrollment, establishing a student

1 mobility rate, allocation of the State Aid Formula, and midyear
2 adjustments in funding for student growth. This enrollment data
3 shall be submitted to the State Department of Education in
4 accordance with rules promulgated by the State Board of Education.
5 Funding for the development, implementation, personnel training, and
6 maintenance of the student identification system shall be set out in
7 a separate line item in the allocation section of the appropriation
8 bill for the State Board of Education for each year.

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

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

G. 1. Notwithstanding the provisions of Section 18-112.2 of this title, a school district shall have its State Aid reduced by an 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	48%
\$1,000,000 - \$2,999,999	42%
\$3,000,000 - \$3,999,999	36%
\$4,000,000 - \$4,999,999	30%
\$5,000,000 - \$5,999,999	24%
\$6,000,000 - \$7,999,999	22%
\$8,000,000 - \$9,999,999	19%

\$10,000,000 or more

17%

2. By February 1 the State Department of Education shall send by certified mail, with return receipt requested, to each ~~School District Superintendent~~ school district superintendent, ~~Auditor auditor~~, and ~~Regional Accreditation Officer~~ 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 submit with its reply the reasons for rejecting the calculations and documentation supporting those reasons. The Department shall review all school district penalty protest documentation and notify each district by March 15 of its finding and the final penalty to be assessed to each district. General fund balance penalties shall be assessed to all school districts by April 1.

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

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

7 5. If a school district does not receive Foundation and/or
8 Salary Incentive Aid during the preceding fiscal year, the State
9 Board of Education may waive the penalty assessed in this subsection
10 if the penalty would result in a loss of more than forty percent
11 (40%) of the remaining State Aid to be allocated to the school
12 district between April 1 and the remainder of the school year and if
13 the Board determines the penalty will cause the school district not
14 to meet remaining financial obligations.

15 6. Any school district which receives gross production revenue
16 apportionment during the 2002-2003 school year or in any subsequent
17 school year that is greater than the gross production revenue
18 apportionment of the preceding school year shall be exempt from the
19 penalty assessed in this subsection, if the penalty would occur
20 solely as a result of the gross production revenue apportionment, as
21 determined by the State Board of Education.

22 7. Beginning July 1, 2003, school districts that participate in
23 consolidation or annexation pursuant to the provisions of the
24 Oklahoma School ~~Voluntary~~ Consolidation and Annexation Act shall be

1 exempt from the penalty assessed in this subsection for the school
2 year in which the consolidation or annexation occurs and for the
3 next three (3) fiscal years.

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

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

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

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

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

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

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

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

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

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

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

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

12 SECTION 3. AMENDATORY 70 O.S. 2021, Section 18-201.1, is
13 amended to read as follows:

14 Section 18-201.1. A. Beginning with the 2020-21 school year,
15 and each school year thereafter, the weighted membership of a school
16 district for calculation of Foundation Aid purposes pursuant to
17 paragraph 1 of subsection D of Section 18-200.1 of this title shall
18 be the sum of the weighted pupil grade level calculation, the
19 weighted pupil category calculation, the weighted district
20 calculation, and the weighted teacher experience and degree
21 calculation. The weighted membership of a school district for
22 calculation of Salary Incentive Aid purposes pursuant to paragraph 3
23 of subsection D of Section 18-200.1 of this title shall be the sum
24 of the weighted pupil grade level calculation, the weighted pupil

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

3 B. Beginning with the 2022-2023 school year, the weighted
4 calculations provided for in subsection A of this section shall be
5 based on the higher weighted average daily membership of the first
6 nine (9) weeks of the current school year or the preceding school
7 year of a school district, unless otherwise specified. The higher
8 of the two (2) weighted average daily memberships shall be used
9 consistently in all of the calculations; however, the weighted
10 calculation for a statewide virtual charter school experiencing a
11 significant decline in membership shall be based on the first nine
12 (9) weeks of the current school year for the statewide virtual
13 charter school. For purposes of this subsection, "significant
14 decline in membership" means equal to or greater than a fifteen
15 percent (15%) decrease in average daily membership from the
16 preceding school year to the average daily membership of the first
17 nine (9) weeks of the current school year. The average daily
18 membership data used for all calculations in paragraphs 1, 2, 3, and
19 4 of this subsection shall be the same as used in the calculation of
20 the State Aid Formula. The weighted calculations provided for in
21 subsection A of this section shall be determined as follows:

22 1. The weighted pupil grade level calculation shall be
23 determined by taking the highest average daily membership and
24

1 assigning weights to the pupils according to grade attended as
2 follows:

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

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

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

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

10	CATEGORY	WEIGHT
11	a. Visual Impairment	3.8
12	b. Specific Learning Disability	.4 <u>.5</u>
13	c. Deafness or Hearing Impairment	2.9
14	d. Deaf-Blindness	3.8
15	e. Intellectual Disability	1.3 <u>1.5</u>
16	f. Emotional Disturbance	2.5
17	g. Gifted	.34 <u>.35</u>
18	h. Multiple Disabilities	2.4 <u>2.5</u>
19	i. Orthopedic Impairment	1.2
20	j. Speech or Language Impairment	.05 <u>.1</u>
21	k. Bilingual <u>English learner</u>	.25 <u>.3</u>
22	l. Special Education Summer Program	1.2
23	m. Economically Disadvantaged	.25 <u>.5</u>

24

n. Optional Extended School Year

Program

As determined by
the State Board
of Education

o. Autism

~~2.4~~ 2.5

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 1997-98 school year and subsequent school years, 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 first nine (9) weeks of the school year.

1 3. The weighted district calculation shall be determined by
2 determining the calculations for each school district for both the
3 small school district formula and the district sparsity - isolation
4 formula, applying whichever is the greater of the calculations of
5 the two formulas and then applying the restrictions pursuant to
6 subparagraph c of this paragraph.

7 a. Small school district formula: 529 minus the average
8 daily membership divided by 529 times .2 times total
9 average daily membership.

10 The small school district formula calculation shall apply
11 only to school districts whose highest average daily
12 membership is less than 529 pupils. School districts which
13 are consolidated or annexed after July 1, 2003, pursuant to
14 the Oklahoma School ~~Voluntary~~ Consolidation and Annexation
15 Act shall have the weighted district size calculation for
16 the three (3) school years following the fiscal year in
17 which such consolidation occurred calculated to be the sum
18 of the individual consolidated districts computed as if the
19 consolidation had not taken place. Thereafter, any such
20 district which is consolidated pursuant to the Oklahoma
21 School ~~Voluntary~~ Consolidation and Annexation Act shall not
22 qualify for the weighted district calculation unless the
23 district can satisfy the specifications herein. Subject to
24 the provisions of subparagraph c of this paragraph, the

1 resulting number shall be counted as additional students
2 for the purpose of calculating State Aid.

3 b. District sparsity - isolation formula:

4 The district sparsity - isolation formula calculation shall
5 apply only to school districts:

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

9 (2) whose areal density is less than one-fourth (1/4)
10 of the state average areal density. Areal
11 density shall be determined by dividing the
12 school district's average daily membership by the
13 school district's total area in square miles.

14 The district sparsity - isolation formula calculation shall
15 be calculated as follows:

16 The school district student cost factor multiplied by
17 the school district area factor. The resulting
18 product shall be multiplied by the school district's
19 average daily membership. Subject to the provisions
20 of subparagraph c of this paragraph, the resulting
21 number shall be counted as additional students for the
22 purpose of calculating State Aid.

23 The school district student cost factor shall be calculated
24 as follows:

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

Grade Level Group

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

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

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

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

1 The school district area cost factor shall be calculated as
2 follows:

3 Subtract the state average district area from the
4 district area, then divide the remainder by the state
5 average district area;

6 however, the district area cost factor shall not exceed one
7 (1.0).

8 The State Board of Education shall define geographical barriers
9 whose location in a school district would inhibit the district from
10 consolidation or annexation. The Board shall make available an
11 application process, review applications, and for districts the
12 Board deems necessary allow additional square miles to be used for
13 the purposes of calculations used for the weighted district sparsity
14 - isolation formula. Provided, that the additional square miles
15 allowed for geographical barriers shall not exceed thirty percent
16 (30%) of the district's actual size.

17 c. State Aid funds which a district is calculated to
18 receive as a result of the weighted district
19 calculation shall be restricted as follows:

20 If, after the weighted district calculation is
21 applied, the district's projected per pupil
22 revenue exceeds one hundred fifty percent (150%)
23 of the projected state average per pupil revenue,
24 then the district's State Aid shall be reduced by

1 an amount that will restrict the district's
2 projected per pupil revenue to one hundred fifty
3 percent (150%) of the projected state average per
4 pupil revenue. Provided, in applying the
5 restriction provided in this division, the
6 district's State Aid shall not be reduced by an
7 amount greater than by the amount of State Aid
8 which was generated by the weighted district
9 calculation.

10 The July calculation of the projected per pupil
11 revenue shall be determined by dividing the district's
12 preceding year's average daily membership (ADM) as
13 weighted by the pupil grade level, the pupil category,
14 the district and the teacher experience degree index
15 calculations for projected State Aid into the
16 district's projected total revenues including
17 projected funds for the State Aid Formula for the
18 preceding year, net assessed valuation for the
19 preceding calendar year times thirty-nine (39) mills,
20 county revenues excluding the county four-mills
21 revenues for the second preceding year, other state
22 appropriations for the preceding year, and the
23 collections for the preceding year of state
24

1 apportionment, motor vehicle revenue, gross production
2 tax, and R.E.A. tax.

3 The December calculation of the projected per pupil
4 revenue shall be determined by dividing the higher of
5 the district's first nine (9) weeks of the current
6 school year or the preceding school year's average
7 daily membership (ADM) as weighted by the pupil grade
8 level, the pupil category, the district and the
9 teacher experience degree index calculations for
10 projected State Aid into the district's projected
11 total revenues including funds for the December
12 calculation of the current year State Aid Formula, net
13 assessed valuation for the current calendar year times
14 thirty-nine (39) mills, county revenues excluding the
15 county four-mills revenue for the preceding year,
16 other state appropriations for the preceding year, and
17 the collections for the preceding year of state
18 apportionment, motor vehicle revenue, gross production
19 tax, and R.E.A. tax.

20 The district's projected total revenues for each
21 calculation shall exclude the following collections
22 for the second preceding year: federal revenue,
23 insurance loss payments, reimbursements, recovery of
24 overpayments and refunds, unused reserves, prior

expenditures recovered, prior year surpluses, and
other local miscellaneous revenues.

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

TEACHER EXPERIENCE - DEGREE INDEX

EXPERIENCE	BACHELOR'S DEGREE	MASTER'S DEGREE	DOCTOR'S DEGREE
0 - 2	.7	.9	1.1
3 - 5	.8	1.0	1.2
6 - 8	.9	1.1	1.3
9 - 11	1.0	1.2	1.4
12 - 15	1.1	1.3	1.5
Over 15	1.2	1.4	1.6

The school district teacher index for each school district shall
be determined by subtracting the weighted average state teacher from
the weighted average district teacher. Multiply the school district
teacher index if greater than zero by .7 and then multiply that
product by the sum of the district's weighted pupil grade level
calculation provided in paragraph 1 of this subsection and the
weighted pupil category calculation provided in subparagraph m of

1 paragraph 2 of this subsection to determine the weighted teacher
2 experience and degree calculation.

3 C. Each school district shall allocate funds generated by the
4 pupil category weights provided for in paragraph 2 of subsection B
5 of this section to provide instruction and services to students who
6 generated the pupil category weight(s). Expenditures shall be
7 reported using the Oklahoma Cost Accounting System.

8 SECTION 4. This act shall become effective July 1, 2023.

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

13 Passed the Senate the 23rd day of March, 2023.

14

15

Presiding Officer of the Senate

16

17 Passed the House of Representatives the ____ day of _____,
18 2023.

19

20

Presiding Officer of the House
of Representatives

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22

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