

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

SENATE BILL 527

By: Pugh

AS INTRODUCED

An Act relating to school funding; amending 70 O.S. 2021, Section 18-109.5, which relates to State Aid definitions; updating certain definition; amending 70 O.S. 2021, Section 18-200.1, as last amended by Section 2, Chapter 488, O.S.L. 2021, which relates to allocation of State Aid; updating statutory language; increasing transportation factor; amending 70 O.S. 2021, Section 18-201.1, which relates to calculation of weighted membership; modifying grade level and category weights; updating reference to certain category; updating statutory language; 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 18-109.5, is 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;

2. "Specific learning disability" means a disorder in one or more of the basic psychological processes involved in understanding

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

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

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

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

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

- 23 a. an inability to learn which cannot be explained by
24 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 education programs solely for one of the impairments. The term does not include deaf-blindness;

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

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

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

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

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

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

23 16. ~~"Bilingual"~~ "English learner" means ~~those students a~~
24 student ~~who have limited English speaking abilities or who come from~~

1 ~~homes where English is not the dominant language as reported on the~~
2 ~~current year application for accreditation:~~

- 3 a. (1) was not born in the United States or whose native
4 language is a language other than English,
5 (2) is a Native American or Alaska Native or a native
6 resident of the outlying areas and who comes from
7 an environment where a language other than
8 English has had a significant impact on the
9 individual's level of English language
10 proficiency, or
11 (3) is migratory, whose native language is a language
12 other than English and who comes from an
13 environment where a language other than English
14 is dominant, and
15 b. whose difficulties in speaking, reading, writing, or
16 understanding the English language may be sufficient
17 to deny the individual the ability to meet the subject
18 matter standards adopted pursuant to Section 11-103.6
19 of this title, the ability to successfully achieve in
20 classrooms where the language of instruction is
21 English, or the opportunity to participate fully in
22 society. A student shall no longer be an English
23 learner when he or she successfully demonstrates
24

English language proficiency on an assessment
designated by the State Department of Education;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

valuation on which tax revenues are collected during the current school year, and

- (2) Seventy-five percent (75%) of the amount received by the school district from the proceeds of the county levy during the preceding fiscal year, as levied pursuant to subsection (b) of Section 9 of Article X of the Oklahoma Constitution, and
- (3) ~~Motor Vehicle Collections~~ motor vehicle collections, and
- (4) ~~Gross Production Tax~~ gross production tax, and
- (5) ~~State Apportionment~~ state apportionment, and
- (6) R.E.A. ~~Tax~~ 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
.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
.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00

1	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
2	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
3	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
4	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
5	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
6	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
7	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
8	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
9	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
10	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
11	.9067 - .9333	\$101.00	9.6668 or more	\$33.00

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

3. Salary Incentive Aid shall be determined as follows:

- a. Multiply the Incentive Aid guarantee by the district's higher weighted average daily membership based on the first nine (9) weeks of the current school year or the preceding school year of a school district, as determined by the provisions of subsection A of Section 18-201.1 of this title and paragraphs 1, 2, 3, and 4 of subsection B of Section 18-201.1 of this title.
- b. Divide the district's adjusted assessed valuation of the current school year minus the previous year's protested ad valorem tax revenues held as prescribed

1 in Section 2884 of Title 68 of the Oklahoma Statutes,
2 by one thousand (1,000) and subtract the quotient from
3 the product of subparagraph a of this paragraph. The
4 remainder shall not be less than zero (0).

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

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

1 accordance with rules promulgated by the State Board of Education.
2 Funding for the development, implementation, personnel training, and
3 maintenance of the student identification system shall be set out in
4 a separate line item in the allocation section of the appropriation
5 bill for the State Board of Education for each year.

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

22 2. In the event that the amount of funds a school district
23 receives for reimbursement from the Ad Valorem Reimbursement Fund is
24 less than the amount of funds claimed for reimbursement by the
25

1 school district due to insufficiency of funds as provided in Section
2 193 of Title 62 of the Oklahoma Statutes, then the school district's
3 assessed valuation for the school year that such ad valorem
4 reimbursement is calculated in the State Aid Formula shall be
5 adjusted accordingly.

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

11	Total Amount of	Amount of
12	General Fund Collections,	General Fund
13	Excluding Previous Year	Balance
14	Cash Surplus as of June 30	Allowable
15	Less than \$1,000,000	48%
16	\$1,000,000 - \$2,999,999	42%
17	\$3,000,000 - \$3,999,999	36%
18	\$4,000,000 - \$4,999,999	30%
19	\$5,000,000 - \$5,999,999	24%
20	\$6,000,000 - \$7,999,999	22%
21	\$8,000,000 - \$9,999,999	19%
22	\$10,000,000 or more	17%

23 2. By February 1 the State Department of Education shall send
24 by certified mail, with return receipt requested, to each ~~School~~

1 ~~District Superintendent~~ school district superintendent, ~~Auditor~~
2 auditor, and ~~Regional Accreditation Officer~~ regional accreditation
3 officer a notice of and calculation sheet reflecting the general
4 fund balance penalty to be assessed against that school district.
5 Calculation of the general fund balance penalty shall not include
6 federal revenue. Within thirty (30) days of receipt of this written
7 notice the school district shall submit to the Department a written
8 reply either accepting or protesting the penalty to be assessed
9 against the district. If protesting, the school district shall
10 submit with its reply the reasons for rejecting the calculations and
11 documentation supporting those reasons. The Department shall review
12 all school district penalty protest documentation and notify each
13 district by March 15 of its finding and the final penalty to be
14 assessed to each district. General fund balance penalties shall be
15 assessed to all school districts by April 1.

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

22 4. Any school district which receives an increase in State Aid
23 because of a change in Foundation and/or Salary Incentive Aid
24 factors during the last two (2) months of the preceding fiscal year
25

1 shall be exempt from the penalties assessed in this subsection, if
2 the penalty would occur solely as a result of receiving funds from
3 the increase in State Aid.

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

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

19 7. Beginning July 1, 2003, school districts that participate in
20 consolidation or annexation pursuant to the provisions of the
21 Oklahoma School ~~Voluntary~~ Consolidation and Annexation Act shall be
22 exempt from the penalty assessed in this subsection for the school
23 year in which the consolidation or annexation occurs and for the
24 next three (3) fiscal years.

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

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

15 10. For purposes of calculating the general fund balance
16 penalty, the terms "carryover" and "general fund balance" shall not
17 include federal revenue.

18 H. In order to provide startup funds for the implementation of
19 early childhood programs, State Aid may be advanced to school
20 districts that initially start early childhood instruction at a
21 school site. School districts that desire such advanced funding
22 shall make application to the State Department of Education no later
23 than September 15 of each year and advanced funding shall be awarded
24 to the approved districts no later than October 30. The advanced

1 funding shall not exceed the per pupil amount of State Aid as
2 calculated in subsection D of this section per anticipated Head
3 Start eligible student. The total amount of advanced funding shall
4 be proportionately reduced from the monthly payments of the
5 district's State Aid payments during the last six (6) months of the
6 same fiscal year.

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

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

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

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

23 4. Beginning July 1, 1997, the county treasurers' offices,
24 notwithstanding any provision of law to the contrary, shall report

1 monthly to the State Department of Education the ad valorem tax
2 protest amounts for each county.

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

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

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

23 B. Beginning with the 2022-2023 school year, the weighted
24 calculations provided for in subsection A of this section shall be

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

18 1. The weighted pupil grade level calculation shall be
19 determined by taking the highest average daily membership and
20 assigning weights to the pupils according to grade attended as
21 follows:

GRADE LEVEL	WEIGHT
a. Half-day early childhood programs	.7 <u>1</u>
b. Full-day early childhood programs	1.3 <u>1</u>

c.	Half-day kindergarten	1.3 <u>1.5</u>
d.	Full-day kindergarten	1.5
e.	First and second grade	1.35 1
f.	Third <u>through third</u> grade	1.05 <u>1.5</u>
g. f.	Fourth through sixth grade	1.0
h.	Seventh through twelfth grade	1.2 <u>1.0</u>
i. g.	Out-of-home placement	1.50

Multiply the membership of each subparagraph of this paragraph by the weight assigned to such subparagraph of this paragraph and add the totals together to determine the weighted pupil grade level calculation for a school district. Determination of the pupils eligible for the early childhood program weight shall be pursuant to the provisions of Section 1-114 of this title. The pupils eligible for the out-of-home placement pupil weight shall be students who are not residents of the school district in which they are receiving education pursuant to the provisions of subsection D of Section 1-113 of this title. Such weight may be claimed by the district providing educational services to such student for the days that student is enrolled in that district. If claimed, the out-of-home placement weight shall be in lieu of the pupil grade level and any pupil category weights for that student. Provided, if a student resides in a juvenile detention center that is restricted to less than twelve (12) beds, the out-of-home placement pupil weight for such students shall be calculated as follows: for a center with six

(6) beds - 3.0; for a center with eight (8) beds - 2.3; and for a center with ten (10) beds - 1.80.

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

CATEGORY	WEIGHT
a. Visual Impairment	3.8 <u>4.0</u>
b. Specific Learning Disability	.4 <u>.5</u>
c. Deafness or Hearing Impairment	2.9 <u>3.0</u>
d. Deaf-Blindness	3.8 <u>4.0</u>
e. Intellectual Disability	1.3 <u>1.5</u>
f. Emotional Disturbance	2.5
g. Gifted	.34 <u>.35</u>
h. Multiple Disabilities	2.4 <u>2.5</u>
i. Orthopedic Impairment	1.2 <u>1.25</u>
j. Speech or Language Impairment	.05 <u>.1</u>
k. Bilingual <u>English learner</u>	.25
l. Special Education Summer Program	1.2 <u>1.25</u>
m. Economically Disadvantaged	.25 <u>.5</u>
n. Optional Extended School Year Program	As determined by the State Board of Education
o. Autism	2.4 <u>2.5</u>
p. Traumatic Brain Injury	2.4 <u>2.5</u>

q. Other Health Impairment

~~1.2~~ 1.25

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.

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

1 a. Small school district formula: 529 minus the average
2 daily membership divided by 529 times .2 times total
3 average daily membership.

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

21 b. District sparsity - isolation formula:

22 The district sparsity - isolation formula calculation shall
23 apply only to school districts:
24

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

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

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

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

The school district student cost factor shall be calculated 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.

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

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

1 however, the district area cost factor shall not exceed one
2 (1.0).

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

12 c. State Aid funds which a district is calculated to
13 receive as a result of the weighted district
14 calculation shall be restricted as follows:

15 If, after the weighted district calculation is
16 applied, the district's projected per pupil
17 revenue exceeds one hundred fifty percent (150%)
18 of the projected state average per pupil revenue,
19 then the district's State Aid shall be reduced by
20 an amount that will restrict the district's
21 projected per pupil revenue to one hundred fifty
22 percent (150%) of the projected state average per
23 pupil revenue. Provided, in applying the
24 restriction provided in this division, the

1 district's State Aid shall not be reduced by an
2 amount greater than by the amount of State Aid
3 which was generated by the weighted district
4 calculation.

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

21 The December calculation of the projected per pupil
22 revenue shall be determined by dividing the higher of
23 the district's first nine (9) weeks of the current
24 school year or the preceding school year's average

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

14 The district's projected total revenues for each
15 calculation shall exclude the following collections
16 for the second preceding year: federal revenue,
17 insurance loss payments, reimbursements, recovery of
18 overpayments and refunds, unused reserves, prior
19 expenditures recovered, prior year surpluses, and
20 other local miscellaneous revenues.

21 4. The weighted teacher experience and degree calculation shall
22 be determined in accordance with the teacher experience and degree
23 index. The State Department of Education shall determine an index
24 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 paragraph 2 of this subsection to determine the weighted teacher experience and degree calculation.

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

SECTION 5. It being immediately necessary for the preservation of the public peace, health, or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.
3

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