

1 ENGROSSED SENATE
2 BILL NO. 112

By: Thompson (Roger) of the
Senate

3 and

4 Baker of the House

5
6
7 [State Aid Formula - transportation factor -
8 effective date -
9 emergency]

10

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

12 SECTION 1. AMENDATORY 70 O.S. 2021, Section 18-200.1, as
13 last amended by Section 2, Chapter 488, O.S.L. 2021, is amended to
14 read as follows:

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

24 1. Student enrollment by grade level;

1 2. Pupil category counts; and

2 3. Transportation supplement data.

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

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

1 and one-half percent (1 1/2%) retained, remaining after January 1 of
2 each year is not sufficient to fully fund the final allocations, the
3 Department shall recalculate each school district's remaining
4 allocation pursuant to subsection D of this section using the
5 reduced amount of appropriated funds.

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

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

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

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

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

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

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

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

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

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

21 (2) Seventy-five percent (75%) of the amount received
22 by the school district from the proceeds of the
23 county levy during the preceding fiscal year, as
24

- 1 levied pursuant to subsection (b) of Section 9 of
 2 Article X of the Oklahoma Constitution, and
 3 (3) ~~Motor Vehicle Collections~~ motor vehicle
 4 collections, and
 5 (4) ~~Gross Production Tax~~ gross production tax, and
 6 (5) ~~State Apportionment~~ state apportionment, and
 7 (6) R.E.A. ~~Tax~~ tax.

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

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

- 17 a. The average daily haul shall be the number of children
 18 in a district who are legally transported and who live
 19 one and one-half (1 1/2) miles or more from school.
 20 b. The per capita allowance shall be determined using the
 21 following chart:

	PER CAPITA		PER CAPITA
DENSITY FIGURE	ALLOWANCE	DENSITY FIGURE	ALLOWANCE
.3000 - .3083	\$167.00	.9334 - .9599	\$99.00

1	.3084 - .3249	\$165.00	.9600 - .9866	\$97.00
2	.3250 - .3416	\$163.00	.9867 - 1.1071	\$95.00
3	.3417 - .3583	\$161.00	1.1072 - 1.3214	\$92.00
4	.3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00
5	.3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00
6	.3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00
7	.4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00
8	.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
9	.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00
10	.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
11	.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
12	.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
13	.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
14	.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
15	.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
16	.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
17	.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
18	.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
19	.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
20	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
21	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
22	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
23	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
24	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00

1	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
2	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
3	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
4	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
5	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
6	.9067 - .9333	\$101.00	9.6668 or more	\$33.00

7 c. The formula transportation factor shall be ~~1.39~~ 3.0.

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

9 a. Multiply the Incentive Aid guarantee by the district's
10 higher weighted average daily membership based on the
11 first 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.

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

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

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

1 a separate line item in the allocation section of the appropriation
2 bill for the State Board of Education for each year.

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

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

1 reimbursement is calculated in the State Aid Formula shall be
2 adjusted accordingly.

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

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

20 2. By February 1 the State Department of Education shall send
21 by certified mail, with return receipt requested, to each School
22 District Superintendent, Auditor and Regional Accreditation Officer
23 a notice of and calculation sheet reflecting the general fund
24 balance penalty to be assessed against that school district.

1 Calculation of the general fund balance penalty shall not include
2 federal revenue. Within thirty (30) days of receipt of this written
3 notice the school district shall submit to the Department a written
4 reply either accepting or protesting the penalty to be assessed
5 against the district. If protesting, the school district shall
6 submit with its reply the reasons for rejecting the calculations and
7 documentation supporting those reasons. The Department shall review
8 all school district penalty protest documentation and notify each
9 district by March 15 of its finding and the final penalty to be
10 assessed to each district. General fund balance penalties shall be
11 assessed to all school districts by April 1.

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

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

24

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

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

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

22 8. Any school district which receives proceeds from a sales tax
23 levied by a municipality pursuant to Section 22-159 of Title 11 of
24 the Oklahoma Statutes or proceeds from a sales tax levied by a

1 county pursuant to Section 1370 of Title 68 of the Oklahoma Statutes
2 during the 2003-2004 school year or the 2004-2005 school year shall
3 be exempt from the penalties assessed in this subsection, if the
4 penalty would occur solely as a result of receiving funds from the
5 sales tax levy.

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

12 10. For purposes of calculating the general fund balance
13 penalty, the terms "carryover" and "general fund balance" shall not
14 include federal revenue.

15 H. In order to provide startup funds for the implementation of
16 early childhood programs, State Aid may be advanced to school
17 districts that initially start early childhood instruction at a
18 school site. School districts that desire such advanced funding
19 shall make application to the State Department of Education no later
20 than September 15 of each year and advanced funding shall be awarded
21 to the approved districts no later than October 30. The advanced
22 funding shall not exceed the per pupil amount of State Aid as
23 calculated in subsection D of this section per anticipated Head
24 Start eligible student. The total amount of advanced funding shall

1 be proportionately reduced from the monthly payments of the
2 district's State Aid payments during the last six (6) months of the
3 same fiscal year.

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

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

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

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

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

24

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

6 SECTION 2. This act shall become effective July 1, 2023.

7 SECTION 3. It being immediately necessary for the preservation
8 of the public peace, health or safety, an emergency is hereby
9 declared to exist, by reason whereof this act shall take effect and
10 be in full force from and after its passage and approval.

11 Passed the Senate the 22nd day of March, 2023.

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Presiding Officer of the Senate

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15 Passed the House of Representatives the ____ day of _____,
16 2023.

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Presiding Officer of the House
of Representatives

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