

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 HOUSE BILL 3126

By: West (Kevin)

6 AS INTRODUCED

7 An Act relating to the Commissioners of the Land
8 Office; requiring annual transfer of permanent school
9 funds to fund concurrent enrollment; limiting
10 expenditure to the Oklahoma State Regents for Higher
11 Education; prohibiting use of funds for any other
12 purpose; directing State Regents to determine amount
13 of funds; amending 64 O.S. 2021, Section 1069, which
14 relates to proceeds from bonuses, royalties, and
15 other inducements; creating the Concurrent Enrollment
16 Revolving Fund; providing for deposit of bonuses and
17 delay rental income; making the fund a continuing
18 fund; making deposit of income contingent upon
19 certain determination by the Commissioners; providing
20 for investment of monies in the fund; requiring
21 interest to be credited to the fund; amending 70 O.S.
22 2021, Section 18-200.1, which relates to the State
23 Aid Formula; providing certain exception in
24 calculating state apportionment portion of Foundation
Program Income; providing for codification; providing
an effective date; and declaring an emergency.

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

20 SECTION 1. NEW LAW A new section of law to be codified

21 in the Oklahoma Statutes as Section 18-500 of Title 70, unless there
22 is created a duplication in numbering, reads as follows:

23 A. For the fiscal year ending June 30, 2027, and for each

24 fiscal year thereafter, and pursuant to the provisions of Section 3

1 of Article XI of the Oklahoma Constitution and other applicable
2 provisions of law, the Commissioners of the Land Office shall
3 transfer from the permanent school funds to the Oklahoma State
4 Regents for Higher Education the monies necessary to fund concurrent
5 enrollment in college or university courses for eligible high school
6 students. This money shall be expended by the Oklahoma State
7 Regents for Higher Education exclusively and shall not be used for
8 any other purpose.

9 B. The Oklahoma State Regents for Higher Education shall
10 determine the amount of funds necessary to fund concurrent
11 enrollment based on the performance of the revenues generated by the
12 permanent school fund which are not already allocated for the use
13 and benefit of the common schools.

14 SECTION 2. AMENDATORY 64 O.S. 2021, Section 1069, is
15 amended to read as follows:

16 Section 1069. A. The proceeds derived in bonuses and royalties
17 and from other inducements and considerations for the execution and
18 operation of the oil and gas leases as authorized in this title,
19 except oil and gas leases on state-owned lands set apart and
20 designated for the use, benefit, and occupancy of state educational
21 institutions, shall be for the use and benefit of the lands which
22 were granted by the United States to the State of Oklahoma, and to
23 the territory now comprising the area embraced within the state,
24 under the provisions of the Enabling Act and any and all other Acts

1 of Congress. Bonus and delay rental income received by the
2 Commissioners of the Land Office and other income as designated by
3 the Secretary of the Land Office for transfer and received by the
4 Commissioners of the Land Office may be distributed to current
5 beneficiaries in like manner as lease income received from surface
6 leases, except that if determined to be in the best interest of the
7 trust, the distributions may be made upon a schedule determined by a
8 five-year rolling average of bonus and delay rental income.

9 B. There is hereby created a revolving fund for the
10 Commissioners of the Land Office to be designated the "Multiyear
11 Education Distribution Stabilization Revolving Fund". The fund
12 shall be a continuing fund, not subject to fiscal year limitations,
13 and shall consist of bonus and delay rental income received by the
14 ~~Commission~~ Commissioners of the Land Office, if it is determined by
15 the ~~Commission~~ Commissioners of the Land Office to be in the best
16 interest of the trust to make distributions of the income upon a
17 five-year rolling average schedule as authorized in subsection A of
18 this section. Monies in the fund may be invested by the State
19 Treasurer in the manner prescribed in Section 89.1a et seq. of Title
20 62 of the Oklahoma Statutes. Interest income derived from the
21 investment of monies in the fund shall be credited to and placed in
22 the fund.

23 C. There is hereby created a revolving fund for the
24 Commissioners of the Land Office to be designated the "Concurrent

1 Enrollment Revolving Fund". The fund shall be a continuing fund,
2 not subject to fiscal year limitations, and shall consist of bonus
3 and delay rental income received by the Commissioners of the Land
4 Office, if it is determined by the Commissioners of the Land Office
5 to be in the best interest of the trust to make distributions of the
6 income upon a five-year rolling average schedule as authorized in
7 subsection A of this section. Monies in the fund may be invested by
8 the State Treasurer in the manner prescribed in Section 89.1a et
9 seq. of Title 62 of the Oklahoma Statutes. Interest income derived
10 from the investment of monies in the fund shall be credited to and
11 placed in the fund.

12 SECTION 3. AMENDATORY 70 O.S. 2021, Section 18-200.1, is
13 amended to read as follows:

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

23 1. Student enrollment by grade level;
24 2. Pupil category counts; and

1 3. Transportation supplement data.

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

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

1 each year is not sufficient to fully fund the final allocations, the
2 Department shall recalculate each school district's remaining
3 allocation pursuant to subsection D of this section using the
4 reduced amount of appropriated funds.

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

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

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

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

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

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

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

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

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

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

20 (2) Seventy-five percent (75%) of the amount received
21 by the school district from the proceeds of the
22 county levy during the preceding fiscal year, as
23 levied pursuant to subsection (b) of Section 9 of
24 Article X of the Oklahoma Constitution, and

- (3) Motor Vehicle Collections, and
- (4) Gross Production Tax, and
- (5) State Apportionment, except for monies
distributed by the Commissioners of the Land
Office from the Concurrent Enrollment Revolving
Fund created by Section 2 of this act, and
- (6) R.E.A. Tax.

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

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.

- 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		
22				
23	DENSITY FIGURE	ALLOWANCE	DENSITY FIGURE	ALLOWANCE
24	.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.

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:

	Total Amount of General Fund Collections, Excluding Previous Year	Amount of General Fund Balance
	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.

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~~ districts on forms developed by
5 the State Department of Education.

6 SECTION 4. This act shall become effective July 1, 2026.

7 SECTION 5. 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.

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12 60-2-15270 AQH 12/07/25

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