

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SENATE BILL 192

By: Deevers

AS INTRODUCED

An Act relating to State Aid; amending 70 O.S. 2021, Sections 18-200.1 and 18-201.1, as amended by Sections 1 and 2, Chapter 280, O.S.L. 2023 (70 O.S. Supp. 2024, Sections 18-200.1 and 18-201.1), which relate to calculation of the State Aid funding formula; directing State Aid to be calculated based on the average daily membership of a school district's first nine weeks of the current school year beginning in certain school year; removing language allowing certain calculation based on the higher of certain weighted average daily memberships; removing language regarding calculation of weighted membership of certain students; removing definition related to the weighted calculation for a statewide virtual charter school; updating statutory language and references; directing the State Department of Education to administer certain transitional grant program; establishing criteria for transitional grants, subject to availability of funding; directing the Department to electronically submit certain report by certain date; providing for contents of report; providing for codification; 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 18-200.1, as amended by Section 1, Chapter 280, O.S.L. 2023 (70 O.S. Supp. 2024, Section 18-200.1), is amended to read as follows:

1 Section 18-200.1. A. Beginning with the ~~2022-2023~~ 2026-2027
2 school year, and each school year thereafter, each school district
3 shall have its initial allocation of State Aid calculated based on
4 the state dedicated revenues actually collected during the preceding
5 fiscal year, the adjusted assessed valuation of the preceding year,
6 and the weighted average daily membership (ADM) for the school
7 district based on the first nine (9) weeks of the ~~preceding~~ current
8 school year. Each school district shall submit the following data
9 based on the first nine (9) weeks, to be used in the calculation of
10 the average daily membership of the school district:

- 11 1. Student enrollment by grade level;
- 12 2. Pupil category counts; and
- 13 3. Transportation supplement data.

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

1 State Aid allocation as calculated in subsection D of this section.
2 Except for reductions made due to the assessment of penalties by the
3 State Department of Education according to law, the January payment
4 of State Aid and each subsequent payment for the remainder of the
5 school year shall not decrease by an amount more than the amount
6 that the current chargeable revenue increases for that district.

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

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

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

9 The December calculation of per pupil revenue shall be
10 determined by dividing the district's ~~preceding year's~~ total
11 weighted average daily membership (ADM) for the first nine (9) weeks
12 of the current school year into the district's preceding year's
13 total revenues excluding federal revenue, insurance loss payments,
14 reimbursements, recovery of overpayments and refunds, unused
15 reserves, prior expenditures recovered, prior year surpluses, and
16 less the amount of any transfer fees paid in that year.

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

20 1. Foundation Aid shall be determined by subtracting the amount
21 of the Foundation Program Income from the cost of the Foundation
22 Program and adding to this difference the Transportation Supplement.

23 a. The Foundation Program shall be a district's ~~higher~~
24 weighted average daily membership based on the first
25

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

18 b. The Foundation Program Income shall be the sum of the
19 following:

- 20 (1) ~~The~~ the adjusted assessed valuation of the
21 current school year of the school district, minus
22 the previous year protested ad valorem tax
23 revenues held as prescribed in Section 2884 of
24 Title 68 of the Oklahoma Statutes, multiplied by

1 the mills levied pursuant to subsection (c) of
2 Section 9 of Article X of the Oklahoma
3 Constitution, if applicable, as adjusted in
4 subsection (c) of Section 8A of Article X of the
5 Oklahoma Constitution. For purposes of this
6 subsection, the "adjusted assessed valuation of
7 the current school year" shall be the adjusted
8 assessed valuation on which tax revenues are
9 collected during the current school year, and
10 (2) ~~Seventy-five~~ seventy-five percent (75%) of the
11 amount received by the school district from the
12 proceeds of the county levy during the preceding
13 fiscal year, as levied pursuant to subsection (b)
14 of Section 9 of Article X of the Oklahoma
15 Constitution, ~~and~~

16 (3) motor vehicle collections, ~~and~~

17 (4) gross production tax, ~~and~~

18 (5) state apportionment, and

19 (6) R.E.A. tax.

20 The items listed in divisions (3), (4), (5), and (6)
21 of this subparagraph shall consist of the amounts
22 actually collected from such sources during the
23 preceding fiscal year calculated on a per capita basis
24

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

1	.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
2	.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
3	.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
4	.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
5	.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
6	.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
7	.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
8	.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
9	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
10	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
11	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
12	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
13	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
14	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
15	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
16	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
17	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
18	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
19	.9067 - .9333	\$101.00	9.6668 or more	\$33.00

c. The formula transportation factor shall be 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~~

1 ~~preceding school year of a school district~~, as
2 determined by the provisions of subsection A of
3 Section 18-201.1 of this title and paragraphs 1, 2, 3,
4 and 4 of subsection B of Section 18-201.1 of this
5 title.

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

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

20 E. By June 30, 1998, the State Department of Education shall
21 develop and the Department and all school districts shall have
22 implemented a student identification system which is consistent with
23 the provisions of subsections ~~C~~ D and ~~D~~ E of Section 3111 of Title
24 74 of the Oklahoma Statutes. The student identification system

1 shall be used specifically for the purpose of reporting enrollment
2 data by school sites and by school districts, the administration of
3 the Oklahoma School Testing Program Act, the collection of
4 appropriate and necessary data pursuant to the Oklahoma Educational
5 Indicators Program, determining student enrollment, establishing a
6 student mobility rate, allocation of the State Aid Formula, and
7 midyear adjustments in funding for student growth. This enrollment
8 data shall be submitted to the State Department of Education in
9 accordance with rules promulgated by the State Board of Education.
10 Funding for the development, implementation, personnel training, and
11 maintenance of the student identification system shall be set out in
12 a separate line item in the allocation section of the appropriation
13 bill for the State Board of Education for each year.

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

1 the state. Upon request of the local board of education, it shall
2 be the duty of the county assessor to certify to the Director of
3 Finance of the State Department of Education the net assessed
4 valuation of the property upon which taxes were determined
5 uncollectible.

6 2. In the event that the amount of funds a school district
7 receives for reimbursement from the Ad Valorem Reimbursement Fund is
8 less than the amount of funds claimed for reimbursement by the
9 school district due to insufficiency of funds as provided in Section
10 193 of Title 62 of the Oklahoma Statutes, then the school district's
11 assessed valuation for the school year that such ad valorem
12 reimbursement is calculated in the State Aid Formula shall be
13 adjusted accordingly.

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

19	Total Amount of	Amount of
20	General Fund Collections,	General Fund
21	Excluding Previous Year	Balance
22	Cash Surplus as of June 30	Allowable
23	Less than \$1,000,000	48%
24	\$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, auditor, and 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

1 during the last two (2) months of the preceding fiscal year shall be
2 exempt from the penalties assessed in this subsection, if the
3 penalty would occur solely as a result of receiving funds from the
4 tax settlement.

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

11 5. If a school district does not receive Foundation Aid and/or
12 Salary Incentive Aid during the preceding fiscal year, the State
13 Board of Education may waive the penalty assessed in this subsection
14 if the penalty would result in a loss of more than forty percent
15 (40%) of the remaining State Aid to be allocated to the school
16 district between April 1 and the remainder of the school year and if
17 the Board determines the penalty will cause the school district not
18 to meet remaining financial obligations.

19 6. Any school district which receives gross production revenue
20 apportionment during the 2002-2003 school year or in any subsequent
21 school year that is greater than the gross production revenue
22 apportionment of the preceding school year shall be exempt from the
23 penalty assessed in this subsection, if the penalty would occur
24

1 solely as a result of the gross production revenue apportionment, as
2 determined by the State Board of Education.

3 7. Beginning July 1, 2003, school districts that participate in
4 consolidation or annexation pursuant to the provisions of the
5 Oklahoma School Consolidation and Annexation Act shall be exempt
6 from the penalty assessed in this subsection for the school year in
7 which the consolidation or annexation occurs and for the next three
8 (3) fiscal years.

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

17 9. Any school district which has an amount of carryover in the
18 general fund of the district in excess of the limits established in
19 paragraph 1 of this subsection during the fiscal years beginning
20 July 1, 2020, July 1, 2021, July 1, 2022, and July 1, 2023, shall
21 not be assessed a general fund balance penalty as provided for in
22 this subsection.
23
24
25

1 10. For purposes of calculating the general fund balance
2 penalty, the terms "carryover" and "general fund balance" shall not
3 include federal revenue.

4 H. In order to provide startup funds for the implementation of
5 early childhood programs, State Aid may be advanced to school
6 districts that initially start early childhood instruction at a
7 school site. School districts that desire such advanced funding
8 shall make application to the State Department of Education no later
9 than September 15 of each year and advanced funding shall be awarded
10 to the approved districts no later than October 30. The advanced
11 funding shall not exceed the per pupil amount of State Aid as
12 calculated in subsection D of this section per anticipated Head
13 Start eligible student. The total amount of advanced funding shall
14 be proportionately reduced from the monthly payments of the
15 district's State Aid payments during the last six (6) months of the
16 same fiscal year.

17 I. 1. Beginning July 1, 1996, the Oklahoma Tax Commission,
18 notwithstanding any provision of law to the contrary, shall report
19 monthly to the State Department of Education the monthly
20 apportionment of the following information:

- 21 a. the assessed valuation of property,
- 22 b. motor vehicle collections,
- 23 c. R.E.A. tax collected, and
- 24 d. gross productions tax collected.

1 2. Beginning July 1, 1997, the ~~State Auditor and Inspector's~~
2 Office of the State Auditor and Inspector, notwithstanding any
3 provision of law to the contrary, shall report monthly to the State
4 Department of Education the monthly apportionment of the proceeds of
5 the county levy.

6 3. Beginning July 1, 1996, the Commissioners of the Land
7 Office, notwithstanding any provision of law to the contrary, shall
8 report monthly to the State Department of Education the monthly
9 apportionment of state apportionment.

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

14 5. The information reported by the Tax Commission, the ~~State~~
15 ~~Auditor and Inspector's~~ Office of the State Auditor and Inspector,
16 the county treasurers' offices, and the Commissioners of the Land
17 Office, pursuant to this subsection shall be reported by a school
18 district on forms developed by the State Department of Education.

19 SECTION 2. AMENDATORY 70 O.S. 2021, Section 18-201.1, as
20 amended by Section 2, Chapter 280, O.S.L. 2023 (70 O.S. Supp. 2024,
21 Section 18-201.1), is amended to read as follows:

22 Section 18-201.1. A. Beginning with the 2020-21 school year,
23 and each school year thereafter, the weighted membership of a school
24 district for calculation of Foundation Aid purposes pursuant to

1 paragraph 1 of subsection D of Section 18-200.1 of this title shall
2 be the sum of the weighted pupil grade level calculation, the
3 weighted pupil category calculation, the weighted district
4 calculation, and the weighted teacher experience and degree
5 calculation. The weighted membership of a school district for
6 calculation of Salary Incentive Aid purposes pursuant to paragraph 3
7 of subsection D of Section 18-200.1 of this title shall be the sum
8 of the weighted pupil grade level calculation, the weighted pupil
9 category calculation, the weighted district calculation, and the
10 weighted teacher experience and degree calculation.

11 B. Beginning with the ~~2022-2023~~ 2026-2027 school year, the
12 weighted calculations provided for in subsection A of this section
13 shall be based on the ~~higher~~ weighted average daily membership of
14 the first nine (9) weeks of the current school year ~~or the preceding~~
15 ~~school year of a school district~~, unless otherwise specified. The
16 ~~higher of the two (2) weighted average daily memberships~~ membership
17 shall be used consistently in all of the calculations; ~~however, the~~
18 ~~weighted calculation for a statewide virtual charter school~~
19 ~~experiencing a significant decline in membership shall be based on~~
20 ~~the first nine (9) weeks of the current school year for the~~
21 ~~statewide virtual charter school. For purposes of this subsection,~~
22 ~~"significant decline in membership" means equal to or greater than a~~
23 ~~fifteen percent (15%) decrease in average daily membership from the~~
24 ~~preceding school year to the average daily membership of the first~~

~~nine (9) weeks of the current school year.~~ The average daily membership data used for all calculations in paragraphs 1, 2, 3, and 4 of this subsection shall be the same as used in the calculation of the State Aid Formula. The weighted calculations provided for in subsection A of this section shall be determined as follows:

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

GRADE LEVEL	WEIGHT
a. Half-day early childhood programs	.7
b. Full-day early childhood programs	1.3
c. Half-day kindergarten	1.3
d. Full-day kindergarten	1.5
e. First and second grade	1.351
f. Third grade	1.051
g. Fourth through sixth grade	1.0
h. Seventh through twelfth grade	1.2
i. 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

1 the provisions of Section 1-114 of this title. The pupils eligible
2 for the out-of-home placement pupil weight shall be students who are
3 not residents of the school district in which they are receiving
4 education pursuant to the provisions of subsection D of Section 1-
5 113 of this title. Such weight may be claimed by the district
6 providing educational services to such student for the days that
7 student is enrolled in that district. If claimed, the out-of-home
8 placement weight shall be in lieu of the pupil grade level and any
9 pupil category weights for that student. Provided, if a student
10 resides in a juvenile detention center that is restricted to less
11 than twelve (12) beds, the out-of-home placement pupil weight for
12 such students shall be calculated as follows: for a center with six
13 (6) beds - 3.0; for a center with eight (8) beds - 2.3; and for a
14 center with ten (10) beds - 1.80.

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

17	CATEGORY	WEIGHT
18	a. Visual Impairment	3.8
19	b. Specific Learning Disability	.4
20	c. Deafness or Hearing Impairment	2.9
21	d. Deaf-Blindness	3.8
22	e. Intellectual Disability	1.3
23	f. Emotional Disturbance	2.5
24	g. Gifted	.34

h.	Multiple Disabilities	2.4
i.	Orthopedic Impairment	1.2
j.	Speech or Language Impairment	.05
k.	Bilingual	.25
l.	Special Education Summer Program	1.2
m.	Economically Disadvantaged	.3
n.	Optional Extended School Year	
	Program	As determined by
		the State Board
		of Education
o.	Autism	2.4
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

1 Section 1210.301 of this title, or (2) the sum of the number of
2 students who scored in the top three percent (3%) on any national
3 standardized test of intellectual ability plus eight percent (8%) of
4 the total average daily membership of the school district for the
5 first nine (9) weeks of the school year.

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

12 a. Small school district formula: 750 minus the average
13 daily membership divided by 750 times .2 times total
14 average daily membership.

15 The small school district formula calculation shall apply
16 only to school districts whose highest average daily
17 membership is less than 750 pupils. School districts which
18 are consolidated or annexed after July 1, 2003, pursuant to
19 the Oklahoma School Voluntary Consolidation and Annexation
20 Act shall have the weighted district size calculation for
21 the three (3) school years following the fiscal year in
22 which such consolidation occurred calculated to be the sum
23 of the individual consolidated districts computed as if the
24 consolidation had not taken place. Thereafter, any such

1 district which is consolidated pursuant to the Oklahoma
2 School Voluntary Consolidation and Annexation Act shall not
3 qualify for the weighted district calculation unless the
4 district can satisfy the specifications herein. Subject to
5 the provisions of subparagraph c of this paragraph, the
6 resulting number shall be counted as additional students
7 for the purpose of calculating State Aid.

8 b. District sparsity - isolation formula:

9 The district sparsity - isolation formula calculation shall
10 apply only to school districts:

11 (1) whose total area in square miles is greater than
12 the average number of square miles for all school
13 districts in this state~~+~~1 and

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

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

21 The school district student cost factor multiplied by
22 the school district area factor. The resulting
23 product shall be multiplied by the school district's
24 average daily membership. Subject to the provisions
25

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;

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

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

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

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

15 The July calculation of the projected per pupil
16 revenue shall be determined by dividing the district's
17 ~~preceding year's~~ average daily membership (ADM) for
18 the first nine (9) weeks of the current school year as
19 weighted by the pupil grade level, the pupil category,
20 the district and the teacher experience degree index
21 calculations for projected State Aid into the
22 district's projected total revenues including
23 projected funds for the State Aid Formula for the
24 preceding year, net assessed valuation for the

1 preceding calendar year times thirty-nine (39) mills,
2 county revenues excluding the county four-mills
3 revenues for the second preceding year, other state
4 appropriations for the preceding year, and the
5 collections for the preceding year of state
6 apportionment, motor vehicle revenue, gross production
7 tax, and R.E.A. tax.

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

The district's projected total revenues for each calculation shall exclude the following collections for the second preceding year: federal revenue, insurance loss payments, reimbursements, recovery of 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~~ first nine (9) weeks of the current school 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

1 the weighted average district teacher. Multiply the school district
2 teacher index if greater than zero by .7 and then multiply that
3 product by the sum of the district's weighted pupil grade level
4 calculation provided in paragraph 1 of this subsection and the
5 weighted pupil category calculation provided in subparagraph m of
6 paragraph 2 of this subsection to determine the weighted teacher
7 experience and degree calculation.

8 SECTION 3. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 18-201.2 of Title 70, unless
10 there is created a duplication in numbering, reads as follows:

11 A. The State Department of Education shall administer a
12 transitional grant program to provide transition grants to public
13 school districts in this state that receive a five percent (5%)
14 reduction in State Aid allocations between the 2025-2026 school year
15 and the 2026-2027 school year. Grants shall be provided subject to
16 availability of funding.

17 B. By December 31, 2026, the Department shall electronically
18 submit a report to the Governor, the President Pro Tempore of the
19 Senate, and the Speaker of the House of Representatives a report
20 evaluating:

21 1. The financial impact of the funding reforms implemented
22 pursuant to Sections 18-200.1 and 18-201.1 of Title 70 of the
23 Oklahoma Statutes in the 2026-2027 school year;
24

1 2. Changes in educational outcomes correlated with the funding
2 reforms implemented pursuant to Sections 18-200.1 and 18-201.1 of
3 Title 70 of the Oklahoma Statutes in the 2026-2027 school year; and

4 3. Recommendations for further improvements to the State Aid
5 funding formula.

6 SECTION 4. This act shall become effective July 1, 2025.

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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