

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 3964

By: Caldwell (Chad)

7
8 COMMITTEE SUBSTITUTE

9 An Act relating to schools; amending 70 O.S. 2011,
10 Sections 18-200.1 and 18-201.1, as amended by Section
11 2, Chapter 228, O.S.L. 2018 (70 O.S. Supp. 2019,
12 Section 18-201.1), which relate to State Aid;
13 eliminating requirement that certain entities receive
14 certain notice by mail; modifying applicability of
15 certain small school weight exception; providing an
16 effective date; and declaring an emergency.

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

18 SECTION 1. AMENDATORY 70 O.S. 2011, Section 18-200.1, is
19 amended to read as follows:

20 Section 18-200.1 A. Beginning with the 1997-98 school year,
21 and each school year thereafter, each school district shall have its
22 initial allocation of State Aid calculated based on the state
23 dedicated revenues actually collected during the preceding fiscal
24 year, the adjusted assessed valuation of the preceding year and the
highest weighted average daily membership for the school district of
the two (2) preceding school years; however, the weighted membership

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

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

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

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

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

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

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

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

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

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

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

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

14 b. The Foundation Program Income shall be the sum of the
15 following:

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

1 Constitution. For purposes of this subsection,
2 the "adjusted assessed valuation of the current
3 school year" shall be the adjusted assessed
4 valuation on which tax revenues are collected
5 during the current school year, and

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

11 (3) Motor Vehicle Collections, and

12 (4) Gross Production Tax, and

13 (5) State Apportionment, and

14 (6) R.E.A. Tax.

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

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

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

15 c. The formula transportation factor shall be 1.39.

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

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

24

1 ~~and paragraphs 1, 2, 3 and 4 of subsection B of~~
2 ~~Section 18-201.1 of this title.~~

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

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

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

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

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

1 valuation of the property upon which taxes were determined
2 uncollectible.

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

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

Total Amount of General Fund Collections, Excluding Previous Year Cash Surplus as of June 30	Amount of General Fund Balance Allowable
Less than \$1,000,000	40%
\$1,000,000 - \$2,999,999	35%
\$3,000,000 - \$3,999,999	30%
\$4,000,000 - \$4,999,999	25%
\$5,000,000 - \$5,999,999	20%

1	\$6,000,000 - \$7,999,999	18%
2	\$8,000,000 - \$9,999,999	16%
3	\$10,000,000 or more	14%

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

20 3. Any school district which receives proceeds from a tax
21 settlement or a Federal Emergency Management Agency settlement
22 during the last two (2) months of the preceding fiscal year shall be
23 exempt from the penalties assessed in this subsection, if the
24

1 penalty would occur solely as a result of receiving funds from the
2 tax settlement.

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

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

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

24

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

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

15 9. 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~~ production 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 each school district on forms developed by the
7 State Department of Education.

8 SECTION 2. AMENDATORY 70 O.S. 2011, Section 18-201.1, as
9 amended by Section 2, Chapter 228, O.S.L. 2018 (70 O.S. Supp. 2019,
10 Section 18-201.1), is amended to read as follows:

11 Section 18-201.1 A. Beginning with the 1997-98 school year,
12 and each school year thereafter, the weighted membership of a school
13 district for calculation of Foundation Aid purposes pursuant to
14 paragraph 1 of subsection D of Section 18-200.1 of this title shall
15 be the sum of the weighted pupil grade level calculation, the
16 weighted pupil category calculation, the weighted district
17 calculation and the weighted teacher experience and degree
18 calculation. The weighted membership of a school district for
19 calculation of Salary Incentive Aid purposes pursuant to paragraph 3
20 of subsection D of Section 18-200.1 of this title shall be the sum
21 of the weighted pupil grade level calculation, the weighted pupil
22 category calculation, the weighted district calculation and the
23 weighted teacher experience and degree calculation.

24

1 B. The weighted calculations provided for in subsection A of
2 this section shall be based on the highest weighted average daily
3 membership of the first nine (9) weeks of the current school year,
4 the preceding school year or the second preceding school year of a
5 school district, unless otherwise specified. The highest of the
6 three (3) weighted average daily memberships shall be used
7 consistently in all of the calculations; however, the portion of
8 weighted membership derived from nonresident, transferred pupils
9 enrolled in online courses shall be based on the weighted average
10 daily membership of the first nine (9) weeks of the current school
11 year. The average daily membership data used for all calculations
12 in paragraphs 1, 2, 3 and 4 of this subsection shall be the same as
13 used in the calculation of the State Aid Formula. The weighted
14 calculations provided for in subsection A of this section shall be
15 determined as follows:

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

20	GRADE LEVEL	WEIGHT
21	a. Half-day early childhood programs	.7
22	b. Full-day early childhood programs	1.3
23	c. Half-day kindergarten	1.3
24	d. Full-day kindergarten	1.5

1	e.	First and second grade	1.351
2	f.	Third grade	1.051
3	g.	Fourth through sixth grade	1.0
4	h.	Seventh through twelfth grade	1.2
5	i.	Out-of-home placement	1.50

6 Multiply the membership of each subparagraph of this paragraph by
7 the weight assigned to such subparagraph of this paragraph and add
8 the totals together to determine the weighted pupil grade level
9 calculation for a school district. Determination of the pupils
10 eligible for the early childhood program weight shall be pursuant to
11 the provisions of Section 1-114 of this title. The pupils eligible
12 for the out-of-home placement pupil weight shall be students who are
13 not residents of the school district in which they are receiving
14 education pursuant to the provisions of subsection D of Section 1-
15 113 of this title. Such weight may be claimed by the district
16 providing educational services to such student for the days that
17 student is enrolled in that district. If claimed, the out-of-home
18 placement weight shall be in lieu of the pupil grade level and any
19 pupil category weights for that student. Provided, if a student
20 resides in a juvenile detention center that is restricted to less
21 than twelve (12) beds, the out-of-home placement pupil weight for
22 such students shall be calculated as follows: for a center with six
23 (6) beds - 3.0; for a center with eight (8) beds - 2.3 and for a
24 center with ten (10) beds - 1.80.

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

CATEGORY	WEIGHT
a. Visual Impairment	3.8
b. Specific Learning Disability	.4
c. Deafness or Hearing Impairment	2.9
d. Deaf-Blindness	3.8
e. Intellectual Disability	1.3
f. Emotional Disturbance	2.5
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	.25
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

1 Except as otherwise provided, multiply the number of pupils approved
2 in the school year with the highest average daily membership in each
3 category by the weight assigned to such category and add the totals
4 together to determine the weighted pupil category calculation for a
5 school district. For the 1996-97 school year, the number to be
6 multiplied by the weight assigned to the gifted category in
7 subparagraph g of this paragraph shall be the lesser of (1) the sum
8 of the number of students who scored in the top three percent (3%)
9 on any national standardized test of intellectual ability plus the
10 number of students identified as gifted pursuant to subparagraphs a
11 through d of paragraph 1 of Section 1210.301 of this title or (2)
12 the sum of the number of students who scored in the top three
13 percent (3%) on any national standardized test of intellectual
14 ability plus eight percent (8%) of the total average daily
15 membership of the school district for the preceding school year.
16 For the 1997-98 school year and subsequent school years, the number
17 to be multiplied by the weight assigned to the gifted category in
18 subparagraph g of this paragraph shall be the lesser of (1) the sum
19 of the number of students who scored in the top three percent (3%)
20 on any national standardized test of intellectual ability plus the
21 number of students identified as gifted pursuant to subparagraphs a
22 through d of paragraph 1 of Section 1210.301 of this title, or (2)
23 the sum of the number of students who scored in the top three
24 percent (3%) on any national standardized test of intellectual

1 ability plus eight percent (8%) of the total average daily
2 membership of the school district for the first nine (9) weeks of
3 the school year.

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

10 a. Small school district formula: $529 \text{ minus the average}$
11 $\text{daily membership divided by } 529 \text{ times } .2 \text{ times total}$
12 $\text{average daily membership.}$

13 The small school district formula calculation shall apply
14 only to school districts whose highest average daily
15 membership is less than 529 pupils. School districts which
16 are consolidated or annexed ~~after~~ before July 1, ~~2003~~ 2020,
17 pursuant to the Oklahoma School Voluntary Consolidation and
18 Annexation Act shall have the weighted district size
19 calculation for the three (3) school years following the
20 fiscal year in which such consolidation occurred calculated
21 to be the sum of the individual consolidated districts
22 computed as if the consolidation had not taken place.
23 Thereafter, any such district which is consolidated
24 pursuant to the Oklahoma School Voluntary Consolidation and

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

7 b. District sparsity - isolation formula:

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

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

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

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

20 The school district student cost factor multiplied by
21 the school district area factor. The resulting
22 product shall be multiplied by the school district's
23 average daily membership. Subject to the provisions
24 of subparagraph c of this paragraph, the resulting

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

3 The school district student cost factor shall be calculated
4 as follows:

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

9 Grade Level Group

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

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

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

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

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

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

10 however, the district area cost factor shall not exceed one
11 (1.0).

12 The State Board of Education shall define geographical barriers
13 whose location in a school district would inhibit the district from
14 consolidation or annexation. The Board shall make available an
15 application process, review applications, and for districts the
16 Board deems necessary allow additional square miles to be used for
17 the purposes of calculations used for the weighted district sparsity
18 - isolation formula. Provided, that the additional square miles
19 allowed for geographical barriers shall not exceed thirty percent
20 (30%) of the district's actual size.

21 c. State Aid funds which a district is calculated to
22 receive as a result of the weighted district
23 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 highest of
17 the district's preceding two (2) years average daily
18 membership (ADM) as weighted by the pupil grade level,
19 the pupil category, the district and the teacher
20 experience degree index calculations for projected
21 State Aid into the district's projected total revenues
22 including projected funds for the State Aid Formula
23 for the preceding year, net assessed valuation for the
24 preceding calendar year times thirty-nine (39) mills,

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

7 The December calculation of the projected per pupil
8 revenue shall be determined by dividing the highest of
9 the district's first nine (9) weeks of the current
10 school year or the two (2) preceding school years
11 average daily membership (ADM) as weighted by the
12 pupil grade level, the pupil category, the district
13 and the teacher experience degree index calculations
14 for projected State Aid into the district's projected
15 total revenues including funds for the December
16 calculation of the current year State Aid Formula, net
17 assessed valuation for the current calendar year times
18 thirty-nine (39) mills, county revenues excluding the
19 county four-mills revenue for the preceding year,
20 other state appropriations for the preceding year and
21 the collections for the preceding year of state
22 apportionment, motor vehicle revenue, gross production
23 tax and R.E.A. tax.

24

1 The district's projected total revenues for each
2 calculation shall exclude the following collections
3 for the second preceding year: federal revenue,
4 insurance loss payments, reimbursements, recovery of
5 overpayments and refunds, unused reserves, prior
6 expenditures recovered, prior year surpluses, and
7 other local miscellaneous revenues.

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

14 TEACHER EXPERIENCE - DEGREE INDEX

15 EXPERIENCE	BACHELOR'S	MASTER'S	DOCTOR'S
16	DEGREE	DEGREE	DEGREE
17 0 - 2	.7	.9	1.1
18 3 - 5	.8	1.0	1.2
19 6 - 8	.9	1.1	1.3
20 9 - 11	1.0	1.2	1.4
21 12 - 15	1.1	1.3	1.5
22 Over 15	1.2	1.4	1.6

23 The school district teacher index for each school district shall
24 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. This act shall become effective July 1, 2020.

9 SECTION 4. It being immediately necessary for the preservation
10 of the public peace, health or safety, an emergency is hereby
11 declared to exist, by reason whereof this act shall take effect and
12 be in full force from and after its passage and approval.

13

14 COMMITTEE REPORT BY: COMMITTEE ON COMMON EDUCATION, dated 02/26/2020
15 - DO PASS, As Amended.

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