

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 3964

By: Caldwell (Chad)

4  
5  
6 AS INTRODUCED

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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

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

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

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

1 the "adjusted assessed valuation of the current  
2 school year" shall be the adjusted assessed  
3 valuation on which tax revenues are collected  
4 during the current school year, and

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

10 (3) Motor Vehicle Collections, and

11 (4) Gross Production Tax, and

12 (5) State Apportionment, and

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

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

20 2. The Transportation Supplement shall be equal to the average  
21 daily haul times the per capita allowance times the appropriate  
22 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 and D of Section 3111 of Title 74 of  
21 the Oklahoma Statutes. The student identification system shall be  
22 used specifically for the purpose of reporting enrollment data by  
23 school sites and by school districts, the administration of the  
24 Oklahoma School Testing Program Act, the collection of appropriate

1 and necessary data pursuant to the Oklahoma Educational Indicators  
2 Program, determining student enrollment, establishing a student  
3 mobility rate, allocation of the State Aid Formula and mid-year  
4 adjustments in funding for student growth. This enrollment data  
5 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:

16	Total Amount of	Amount of
17	General Fund Collections,	General Fund
18	Excluding Previous Year	Balance
19	Cash Surplus as of June 30	Allowable
20	Less than \$1,000,000	40%
21	\$1,000,000 - \$2,999,999	35%
22	\$3,000,000 - \$3,999,999	30%
23	\$4,000,000 - \$4,999,999	25%
24	\$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 July 1, 2003, pursuant to~~  
17 ~~the Oklahoma School Voluntary Consolidation and Annexation~~  
18 ~~Act shall have the weighted district size calculation for~~  
19 ~~the three (3) school years following the fiscal year in~~  
20 ~~which such consolidation occurred calculated to be the sum~~  
21 ~~of the individual consolidated districts computed as if the~~  
22 ~~consolidation had not taken place. Thereafter, any such~~  
23 ~~district which is consolidated pursuant to the Oklahoma~~  
24 ~~School Voluntary Consolidation and Annexation Act shall not~~

1 ~~qualify for the weighted district calculation unless the~~  
2 ~~district can satisfy the specifications herein. Subject to~~  
3 ~~the provisions of subparagraph c of this paragraph, the~~  
4 ~~resulting number shall be counted as additional students~~  
5 ~~for the purpose of calculating State Aid.~~

6 b. District sparsity - isolation formula:

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

9 (1) whose total area in square miles is greater than  
10 the average number of square miles for all school  
11 districts in this state<sup>7</sup>, and

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

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

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

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.

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 November 1, 2020.

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