

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 58th Legislature (2021)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2078

By: **Hilbert** and **Hasenbeck**

and

Taylor of the Senate

7
8
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10 COMMITTEE SUBSTITUTE

11 An Act relating to school funding; amending 70 O.S.
12 2011, Sections 18-200.1, as amended by Section 1,
13 Chapter 128, O.S.L. 2020 and 18-201.1, as last
14 amended by Section 3, Chapter 61, O.S.L. 2020 (70
15 O.S. Supp. 2020, Sections 18-200.1 and 18-201.1),
16 which relate to State Aid; modifying calculation for
17 initial allocation of State Aid; adjusting years of
18 data to be used in calculating average daily
19 membership; modifying the July calculation of per
20 pupil revenue; revising calculation for Foundation
21 Aid; altering calculation for Salary Incentive Aid;
22 increasing percentages of allowable general fund
23 carryover; prohibiting assessment of carryover
24 penalty in certain fiscal years; adjusting weighted
calculations for weighted average daily membership;
revising July and December calculations for projected
per pupil revenue; providing an effective date; and
providing for conditional effect.

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

1 SECTION 1. AMENDATORY 70 O.S. 2011, Section 18-200.1, as
2 amended by Section 1, Chapter 128, O.S.L. 2020 (70 O.S. Supp. 2020,
3 Section 18-200.1), is amended to read as follows:

4 Section 18-200.1 A. Beginning with the ~~1997-98~~ 2022-2023
5 school year, and each school year thereafter, each school district
6 shall have its initial allocation of State Aid calculated based on
7 the state dedicated revenues actually collected during the preceding
8 fiscal year, the adjusted assessed valuation of the preceding year
9 and the ~~highest~~ weighted average daily membership for the school
10 district of the ~~two (2)~~ preceding school years; ~~however, the~~
11 ~~weighted membership of nonresident, transferred pupils enrolled in~~
12 ~~online courses shall be based on the weighted average daily~~
13 ~~membership of the preceding school year.~~ Each school district shall
14 submit the following data based on the first nine (9) weeks, to be
15 used in the calculation of the average daily membership of the
16 school district:

- 17 1. Student enrollment by grade level;
- 18 2. Pupil category counts; and
- 19 3. Transportation supplement data.

20 On or before December 30, the State Department of Education
21 shall determine each school district's current year allocation
22 pursuant to subsection D of this section. The State Department of
23 Education shall complete an audit, using procedures established by
24 the Department, of the student enrollment by grade level data, pupil

1 category counts and transportation supplement data to be used in the
2 State Aid Formula pursuant to subsection D of this section by
3 December 1 and by January 15 shall notify each school district of
4 the district's final State Aid allocation for the current school
5 year. The January payment of State Aid and each subsequent payment
6 for the remainder of the school year shall be based on the final
7 State Aid allocation as calculated in subsection D of this section.
8 Except for reductions made due to the assessment of penalties by the
9 State Department of Education according to law, the January payment
10 of State Aid and each subsequent payment for the remainder of the
11 school year shall not decrease by an amount more than the amount
12 that the current chargeable revenue increases for that district.

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

23 C. On and after July 1, 1997, the amount of State Aid each
24 district shall receive shall be the sum of the Foundation Aid, the

1 Salary Incentive Aid and the Transportation Supplement, as adjusted
2 pursuant to the provisions of subsection G of this section and
3 Section 18-112.2 of this title; provided, no district having per
4 pupil revenue in excess of three hundred percent (300%) of the
5 average per pupil revenue of all districts shall receive any State
6 Aid or Supplement in State Aid.

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

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

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

24

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

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

23 b. The Foundation Program Income shall be the sum of the
24 following:

- 1 (1) The adjusted assessed valuation of the current
2 school year of the school district, minus the
3 previous year protested ad valorem tax revenues
4 held as prescribed in Section 2884 of Title 68 of
5 the Oklahoma Statutes, multiplied by the mills
6 levied pursuant to subsection (c) of Section 9 of
7 Article X of the Oklahoma Constitution, if
8 applicable, as adjusted in subsection (c) of
9 Section 8A of Article X of the Oklahoma
10 Constitution. For purposes of this subsection,
11 the "adjusted assessed valuation of the current
12 school year" shall be the adjusted assessed
13 valuation on which tax revenues are collected
14 during the current school year, and
- 15 (2) Seventy-five percent (75%) of the amount received
16 by the school district from the proceeds of the
17 county levy during the preceding fiscal year, as
18 levied pursuant to subsection (b) of Section 9 of
19 Article X of the Oklahoma Constitution, and
- 20 (3) Motor Vehicle Collections, and
21 (4) Gross Production Tax, and
22 (5) State Apportionment, and
23 (6) R.E.A. Tax.
24

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

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	

1	.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
2	.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00
3	.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
4	.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
5	.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
6	.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
7	.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
8	.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
9	.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
10	.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
11	.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
12	.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
13	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
14	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
15	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
16	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
17	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
18	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
19	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
20	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
21	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
22	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
23	.9067 - .9333	\$101.00	9.6668 or more	\$33.00

24 c. The formula transportation factor shall be 1.39.

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

2 a. Multiply the Incentive Aid guarantee by the district's
3 ~~highest~~ higher weighted average daily membership based
4 on the first nine (9) weeks of the current school
5 year, ~~the preceding school year or the second~~ or the
6 preceding school year of a school district, as
7 determined by the provisions of subsection A of
8 Section 18-201.1 of this title and paragraphs 1, 2, 3
9 and 4 of subsection B of Section 18-201.1 of this
10 title.

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

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

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

19 F. 1. In the event that ad valorem taxes of a school district
20 are determined to be uncollectible because of bankruptcy, clerical
21 error, or a successful tax protest, and the amount of such taxes
22 deemed uncollectible exceeds Fifty Thousand Dollars (\$50,000.00) or
23 an amount greater than twenty-five percent (25%) of ad valorem taxes
24 per tax year, or the valuation of a district is lowered by order of

1 the State Board of Equalization, the school district's State Aid,
2 for the school year that such ad valorem taxes are calculated in the
3 State Aid Formula, shall be determined by subtracting the net
4 assessed valuation of the property upon which taxes were deemed
5 uncollectible from the assessed valuation of the school district and
6 the state. Upon request of the local board of education, it shall
7 be the duty of the county assessor to certify to the Director of
8 Finance of the State Department of Education the net assessed
9 valuation of the property upon which taxes were determined
10 uncollectible.

11 2. In the event that the amount of funds a school district
12 receives for reimbursement from the Ad Valorem Reimbursement Fund is
13 less than the amount of funds claimed for reimbursement by the
14 school district due to insufficiency of funds as provided in Section
15 193 of Title 62 of the Oklahoma Statutes, then the school district's
16 assessed valuation for the school year that such ad valorem
17 reimbursement is calculated in the State Aid Formula shall be
18 adjusted accordingly.

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

24 Total Amount of Amount of

General Fund Collections, Excluding Previous Year Cash Surplus as of June 30	General Fund Balance Allowable
Less than \$1,000,000	40% <u>48%</u>
\$1,000,000 - \$2,999,999	35% <u>42%</u>
\$3,000,000 - \$3,999,999	30% <u>36%</u>
\$4,000,000 - \$4,999,999	25% <u>30%</u>
\$5,000,000 - \$5,999,999	20% <u>24%</u>
\$6,000,000 - \$7,999,999	18% <u>22%</u>
\$8,000,000 - \$9,999,999	16% <u>19%</u>
\$10,000,000 or more	14% <u>17%</u>

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

1 district by March 15 of its finding and the final penalty to be
2 assessed to each district. General fund balance penalties shall be
3 assessed to all school districts by April 1.

4 3. Any school district which receives proceeds from a tax
5 settlement or a Federal Emergency Management Agency settlement
6 during the last two (2) months of the preceding fiscal year shall be
7 exempt from the penalties assessed in this subsection, if the
8 penalty would occur solely as a result of receiving funds from the
9 tax settlement.

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

16 5. If a school district does not receive Foundation and/or
17 Salary Incentive Aid during the preceding fiscal year, the State
18 Board of Education may waive the penalty assessed in this subsection
19 if the penalty would result in a loss of more than forty percent
20 (40%) of the remaining State Aid to be allocated to the school
21 district between April 1 and the remainder of the school year and if
22 the Board determines the penalty will cause the school district not
23 to meet remaining financial obligations.

24

1 6. Any school district which receives gross production revenue
2 apportionment during the 2002-2003 school year or in any subsequent
3 school year that is greater than the gross production revenue
4 apportionment of the preceding school year shall be exempt from the
5 penalty assessed in this subsection, if the penalty would occur
6 solely as a result of the gross production revenue apportionment, as
7 determined by the State Board of Education.

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

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

22 9. Any school district which has an amount of carryover in the
23 general fund of the district in excess of the limits established in
24 paragraph 1 of this subsection during the fiscal ~~year~~ years

1 beginning July 1, ~~2019~~ 2022, and July 1, 2023, shall not be assessed
2 a general fund balance penalty as provided for in this subsection.

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

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

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

- 23 a. the assessed valuation of property,
- 24 b. motor vehicle collections,

1 c. R.E.A. tax collected, and

2 d. gross productions tax collected.

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

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

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

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

20 SECTION 2. AMENDATORY 70 O.S. 2011, Section 18-201.1, as
21 last amended by Section 3, Chapter 61, O.S.L. 2020 (70 O.S. Supp.
22 2020, Section 18-201.1), is amended to read as follows:

23 Section 18-201.1 A. Beginning with the 2020-21 school year,
24 and each school year thereafter, the weighted membership of a school

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

12 B. ~~The~~ Beginning with the 2022-2023 school year, the weighted
13 calculations provided for in subsection A of this section shall be
14 based on the ~~highest~~ higher weighted average daily membership of the
15 first nine (9) weeks of the current school year, ~~the preceding~~
16 ~~school year or the second~~ or the preceding school year of a school
17 district, unless otherwise specified. The ~~highest~~ higher of the
18 ~~three (3)~~ two (2) weighted average daily memberships shall be used
19 consistently in all of the calculations; however, the weighted
20 calculation for a statewide virtual charter school experiencing a
21 significant decline in membership shall be based on the first nine
22 (9) weeks of the current school year ~~and not on the preceding school~~
23 ~~year or the second preceding school year~~ for the statewide virtual
24 charter school. For purposes of this subsection, "significant

1 decline in membership" means equal to or greater than a fifteen
 2 percent (15%) decrease in average daily membership from the
 3 preceding school year to the average daily membership of the first
 4 nine (9) weeks of the current school year. The average daily
 5 membership data used for all calculations in paragraphs 1, 2, 3 and
 6 4 of this subsection shall be the same as used in the calculation of
 7 the State Aid Formula. The weighted calculations provided for in
 8 subsection A of this section shall be determined as follows:

9 1. The weighted pupil grade level calculation shall be
 10 determined by taking the highest average daily membership and
 11 assigning weights to the pupils according to grade attended as
 12 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

23 Multiply the membership of each subparagraph of this paragraph by
 24 the weight assigned to such subparagraph of this paragraph and add

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

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

20	CATEGORY	WEIGHT
21	a. Visual Impairment	3.8
22	b. Specific Learning Disability	.4
23	c. Deafness or Hearing Impairment	2.9
24	d. Deaf-Blindness	3.8

1	e.	Intellectual Disability	1.3
2	f.	Emotional Disturbance	2.5
3	g.	Gifted	.34
4	h.	Multiple Disabilities	2.4
5	i.	Orthopedic Impairment	1.2
6	j.	Speech or Language Impairment	.05
7	k.	Bilingual	.25
8	l.	Special Education Summer Program	1.2
9	m.	Economically Disadvantaged	.25
10	n.	Optional Extended School Year	
11		Program	As determined by
12			the State Board
13			of Education
14	o.	Autism	2.4
15	p.	Traumatic Brain Injury	2.4
16	q.	Other Health Impairment	1.2

17 Except as otherwise provided, multiply the number of pupils approved
18 in the school year with the highest average daily membership in each
19 category by the weight assigned to such category and add the totals
20 together to determine the weighted pupil category calculation for a
21 school district. ~~For the 1996-97 school year, the number to be~~
22 ~~multiplied by the weight assigned to the gifted category in~~
23 ~~subparagraph g of this paragraph shall be the lesser of (1) the sum~~
24 ~~of the number of students who scored in the top three percent (3%)~~

1 ~~on any national standardized test of intellectual ability plus the~~
2 ~~number of students identified as gifted pursuant to subparagraphs a~~
3 ~~through d of paragraph 1 of Section 1210.301 of this title or (2)~~
4 ~~the sum of the number of students who scored in the top three~~
5 ~~percent (3%) on any national standardized test of intellectual~~
6 ~~ability plus eight percent (8%) of the total average daily~~
7 ~~membership of the school district for the preceding school year.~~
8 For the 1997-98 school year and subsequent school years, the number
9 to be multiplied by the weight assigned to the gifted category in
10 subparagraph g of this paragraph shall be the lesser of (1) the sum
11 of the number of students who scored in the top three percent (3%)
12 on any national standardized test of intellectual ability plus the
13 number of students identified as gifted pursuant to subparagraphs a
14 through d of paragraph 1 of Section 1210.301 of this title, or (2)
15 the sum of the number of students who scored in the top three
16 percent (3%) on any national standardized test of intellectual
17 ability plus eight percent (8%) of the total average daily
18 membership of the school district for the first nine (9) weeks of
19 the school year.

20 3. The weighted district calculation shall be determined by
21 determining the calculations for each school district for both the
22 small school district formula and the district sparsity - isolation
23 formula, applying whichever is the greater of the calculations of
24

1 the two formulas and then applying the restrictions pursuant to
2 subparagraph c of this paragraph.

3 a. Small school district formula: 529 minus the average
4 daily membership divided by 529 times .2 times total
5 average daily membership.

6 The small school district formula calculation shall apply
7 only to school districts whose highest average daily
8 membership is less than 529 pupils. School districts which
9 are consolidated or annexed after July 1, 2003, pursuant to
10 the Oklahoma School Voluntary Consolidation and Annexation
11 Act shall have the weighted district size calculation for
12 the three (3) school years following the fiscal year in
13 which such consolidation occurred calculated to be the sum
14 of the individual consolidated districts computed as if the
15 consolidation had not taken place. Thereafter, any such
16 district which is consolidated pursuant to the Oklahoma
17 School Voluntary Consolidation and Annexation Act shall not
18 qualify for the weighted district calculation unless the
19 district can satisfy the specifications herein. Subject to
20 the provisions of subparagraph c of this paragraph, the
21 resulting number shall be counted as additional students
22 for the purpose of calculating State Aid.

23 b. District sparsity - isolation formula:
24

1 The district sparsity - isolation formula calculation shall
2 apply only to school districts:

3 (1) whose total area in square miles is greater than
4 the average number of square miles for all school
5 districts in this state; and

6 (2) whose areal density is less than one-fourth (1/4)
7 of the state average areal density. Areal
8 density shall be determined by dividing the
9 school district's average daily membership by the
10 school district's total area in square miles.

11 The district sparsity - isolation formula calculation shall
12 be calculated as follows:

13 The school district student cost factor multiplied by
14 the school district area factor. The resulting
15 product shall be multiplied by the school district's
16 average daily membership. Subject to the provisions
17 of subparagraph c of this paragraph, the resulting
18 number shall be counted as additional students for the
19 purpose of calculating State Aid.

20 The school district student cost factor shall be calculated
21 as follows:

22 The school district's average daily membership shall
23 be categorized into the following grade level groups
24

1 and applied to the appropriate formulas as computed
2 below:

3 Grade Level Group

4 Grades K-5 Divide 74 by the sum of the Grade
5 Level ADM plus 23,
6 add .85 to the quotient, then
7 multiply the sum by the Grade
8 Level ADM.

9 Grades 6-8 Divide 122 by the sum of the Grade
10 Level ADM plus 133,
11 add .85 to the quotient, then
12 multiply the sum by the Grade
13 Level ADM.

14 Grades 9-12 Divide 292 by the sum of the Grade
15 Level ADM plus 128,
16 add .78 to the quotient, then
17 multiply the sum by the Grade
18 Level ADM.

19 The sum of the grade level group's average daily
20 membership shall be divided by the school district's
21 average daily membership. The number one (1.0) shall
22 be subtracted from the resulting quotient.

23 The school district area cost factor shall be calculated as
24 follows:

1 Subtract the state average district area from the
2 district area, then divide the remainder by the state
3 average district area;

4 however, the district area cost factor shall not exceed one
5 (1.0).

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

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

18 If, after the weighted district calculation is
19 applied, the district's projected per pupil
20 revenue exceeds one hundred fifty percent (150%)
21 of the projected state average per pupil revenue,
22 then the district's State Aid shall be reduced by
23 an amount that will restrict the district's
24 projected per pupil revenue to one hundred fifty

1 percent (150%) of the projected state average per
2 pupil revenue. Provided, in applying the
3 restriction provided in this division, the
4 district's State Aid shall not be reduced by an
5 amount greater than by the amount of State Aid
6 which was generated by the weighted district
7 calculation.

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

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

18 The district's projected total revenues for each
19 calculation shall exclude the following collections
20 for the ~~second~~ preceding year: federal revenue,
21 insurance loss payments, reimbursements, recovery of
22 overpayments and refunds, unused reserves, prior
23 expenditures recovered, prior year surpluses, and
24 other local miscellaneous revenues.

1 4. The weighted teacher experience and degree calculation shall
 2 be determined in accordance with the teacher experience and degree
 3 index. The State Department of Education shall determine an index
 4 for each state teacher by using data supplied in the school
 5 district's teacher personnel reports of the preceding year and
 6 utilizing the index as follows:

7 TEACHER EXPERIENCE - DEGREE INDEX

8 EXPERIENCE	BACHELOR'S	MASTER'S	DOCTOR'S
9	DEGREE	DEGREE	DEGREE
10 0 - 2	.7	.9	1.1
11 3 - 5	.8	1.0	1.2
12 6 - 8	.9	1.1	1.3
13 9 - 11	1.0	1.2	1.4
14 12 - 15	1.1	1.3	1.5
15 Over 15	1.2	1.4	1.6

16 The school district teacher index for each school district shall
 17 be determined by subtracting the weighted average state teacher from
 18 the weighted average district teacher. Multiply the school district
 19 teacher index if greater than zero by .7 and then multiply that
 20 product by the sum of the district's weighted pupil grade level
 21 calculation provided in paragraph 1 of this subsection and the
 22 weighted pupil category calculation provided in subparagraph m of
 23 paragraph 2 of this subsection to determine the weighted teacher
 24 experience and degree calculation.

1 SECTION 3. This act shall become effective July 1, 2022.

2 SECTION 4. The provisions of this act shall be contingent upon
3 the enactment of the provisions of either House Bill No. 2074 or
4 Senate Bill No. 783 of the 1st Session of the 58th Oklahoma
5 Legislature and shall not become operative as law otherwise.

6
7 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
8 02/22/2021 - DO PASS, As Amended and Coauthored.