

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 2775

By: McCall, McBride, Baker,
Bashore, Moore, Humphrey,
Luttrell, Caldwell (Chad),
Maynard, Echols, Hilbert,
and Culver of the House

and

Treat, Daniels, Jett, and
Pugh of the Senate

COMMITTEE SUBSTITUTE

An Act relating to schools; making an appropriation to the State Board of Education; providing purpose; prohibiting use of funds for certain purpose; establishing minimum salary schedule for teachers; defining fringe benefits; specifying certain recognition of college degrees; requiring the State Board of Education to accept certain teaching experience; requiring certain notification; limiting teaching credit for certain service and experience; allowing school district to offer more credit; directing the Board to recognize certain experiences; prohibiting application of minimum salary schedule to certain retired teachers; requiring certain certified personnel to receive certain salary increase above certain level paid during certain school year; making an appropriation; specifying use of funds; creating the Rewarding Excellent Educators Revolving Fund; specifying source of funds; providing for expenditures; providing purpose of fund; defining terms; directing the State Department of Education to create the Rewarding Excellent Educators Grant Program; providing purpose; providing eligibility for grant funds; providing for award of funds on certain basis; directing use of grants; limiting the number of certain teachers and support employees that may

1 receive certain bonuses; providing maximum bonus
2 amount; amending 70 O.S. 2021, Section 18-200.1, as
3 last amended by Section 2, Chapter 488, O.S.L. 2021,
4 which relates to allocation of State Aid; updating
5 statutory language; increasing transportation factor;
6 amending 70 O.S. 2021, Section 18-201.1, which
7 relates to calculation of weighted membership;
8 modifying certain category weights; updating
9 statutory language; providing for codification;
10 providing conditional effective date; providing an
11 effective date; and declaring an emergency.

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

13 SECTION 1. There is hereby appropriated to the State Board of
14 Education from any monies not otherwise appropriated from the
15 General Revenue Fund of the State Treasury for the fiscal year
16 beginning July 1, 2023, the sum of Five Hundred Million Dollars
17 (\$500,000,000.00) for the financial support of public schools.

18 These monies shall be used to implement the provisions of Section 2
19 of this act and to provide student supports. Monies appropriated
20 pursuant to this section shall not be used to provide a bonus or
21 salary increase to an administrator, as defined by Section 6-101.3
22 of Title 70 of the Oklahoma Statutes.

23 SECTION 2. NEW LAW A new section of law to be codified
24 in the Oklahoma Statutes as Section 18-114.15 of Title 70, unless
there is created a duplication in numbering, reads as follows:

A. Beginning with the 2023-2024 school year, certified
personnel, as defined in Section 26-103 of Title 70 of the Oklahoma
Statutes, in the public schools of Oklahoma shall receive in salary

1 and/or fringe benefits not less than the amounts specified in the
2 following schedule:

3 MINIMUM SALARY SCHEDULE

4 National

5	Years of	Bachelor's	Board	Master's	Doctor's
6	Experience	Degree	Certification	Degree	Degree
7	0	\$39,601	\$40,759	\$40,991	\$42,381
8	1	\$40,035	\$41,193	\$41,425	\$42,815
9	2	\$40,469	\$41,628	\$41,859	\$43,249
10	3	\$40,904	\$42,062	\$42,294	\$43,684
11	4	\$41,338	\$42,496	\$42,728	\$44,118
12	5	\$42,810	\$43,968	\$44,200	\$45,590
13	6	\$43,273	\$44,432	\$44,663	\$46,054
14	7	\$43,737	\$44,895	\$45,127	\$46,517
15	8	\$44,200	\$45,358	\$45,590	\$46,980
16	9	\$44,663	\$45,822	\$46,054	\$47,444
17	10	\$46,684	\$47,844	\$48,568	\$50,945
18	11	\$47,177	\$48,336	\$49,061	\$51,438
19	12	\$47,670	\$48,829	\$49,554	\$51,931
20	13	\$48,162	\$49,322	\$50,047	\$52,424
21	14	\$48,655	\$49,815	\$50,539	\$52,916
22	15	\$50,167	\$51,327	\$52,052	\$54,430
23	16	\$50,660	\$51,820	\$52,545	\$54,923
24	17	\$51,153	\$52,313	\$53,038	\$55,416

1	18	\$51,646	\$52,806	\$53,531	\$55,909
2	19	\$52,139	\$53,299	\$54,024	\$56,402
3	20	\$52,652	\$53,813	\$54,538	\$56,917
4	21	\$53,145	\$54,306	\$55,031	\$57,410
5	22	\$53,639	\$54,799	\$55,524	\$57,903
6	23	\$54,132	\$55,292	\$56,018	\$58,397
7	24	\$54,625	\$55,785	\$56,511	\$58,890
8	25	\$56,049	\$57,232	\$57,971	\$60,395

9 Master's Degree +

10 Years of National Board
11 Experience Certification

12	0	\$42,149
13	1	\$42,583
14	2	\$43,018
15	3	\$43,452
16	4	\$43,886
17	5	\$45,358
18	6	\$45,822
19	7	\$46,285
20	8	\$46,749
21	9	\$47,212
22	10	\$49,728
23	11	\$50,221
24	12	\$50,713

1	13	\$51,206
2	14	\$51,699
3	15	\$53,212
4	16	\$53,705
5	17	\$54,198
6	18	\$54,691
7	19	\$55,184
8	20	\$55,698
9	21	\$56,192
10	22	\$56,685
11	23	\$57,178
12	24	\$57,671
13	25	\$59,153

14 B. 1. When determining the Minimum Salary Schedule, "fringe
15 benefits" shall mean all or part of retirement benefits, excluding
16 the contributions made pursuant to subsection A of Section 17-108.1
17 of Title 70 of the Oklahoma Statutes and the flexible benefit
18 allowance pursuant to Section 26-105 of Title 70 of the Oklahoma
19 Statutes from the flexible benefit allowance funds disbursed by the
20 State Board of Education and the State Board of Career and
21 Technology Education pursuant to Section 26-104 of Title 70 of the
22 Oklahoma Statutes.

23 2. If a school district intends to provide retirement benefits
24 to a teacher such that the teacher's salary would be less than the

1 amounts set forth in the minimum salary schedule specified in
2 subsection A of this section, the district shall be required to
3 provide written notification to the teacher prior to his or her
4 employment or, if already employed by the district, no later than
5 thirty (30) days prior to the date the district elects to provide
6 retirement benefits such that the teacher's salary would be less
7 than the minimum salary schedule.

8 C. Any of the degrees referred to in this section shall be from
9 a college recognized by the State Board of Education. The Board
10 shall accept teaching experience from out-of-state school districts
11 that are accredited by the State Board of Education or appropriate
12 state accrediting agency for the districts. The Board shall accept
13 teaching experience from out-of-country schools that are accredited
14 or otherwise endorsed by the appropriate national or regional
15 accrediting or endorsement authority. Out-of-country certification
16 documentation in a language other than English shall be analyzed by
17 an educational credential evaluation service in accordance with
18 industry standards and guidelines and approved by the State
19 Department of Education. The person seeking to have credit granted
20 for out-of-country teaching experience shall be responsible for all
21 costs of the analysis by a credential evaluation service. The Board
22 shall accept teaching experience from primary and secondary schools
23 that are operated by the United States Department of Defense or are
24 affiliated with the United States Department of State.

1 D. For the purpose of state salary increments and retirement,
2 no teacher shall be granted credit for more than five (5) years of
3 active duty in the military service or out-of-state or out-of-
4 country teaching experience as a certified teacher or its
5 equivalent. Nothing in this section shall prohibit boards of
6 education from crediting more years of experience on district salary
7 schedules than those allowed for state purposes.

8 E. The State Board of Education shall recognize, for purposes
9 of certification and salary increments, all the years of experience
10 of a:

11 1. Certified teacher who teaches in the educational program of
12 the Department of Corrections, beginning with fiscal year 1981;

13 2. Vocational rehabilitation counselor under the Department of
14 Human Services if the counselor was employed as a certified teacher
15 by the State Department of Education when the Division of Vocational
16 Rehabilitation was transferred from the State Board of Career and
17 Technology Education or the State Board of Education to the Oklahoma
18 Public Welfare Commission on July 1, 1968;

19 3. Vocational rehabilitation counselor which were completed
20 while employed by the Department of Human Services if such counselor
21 was certified as a teacher or was eligible for certification as a
22 teacher in Oklahoma;

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1 4. Certified teacher which were completed while employed by the
2 Child Study Center located at University Hospital, if the teacher
3 was certified as a teacher in Oklahoma; and

4 5. Certified school psychologist or psychometrist which were
5 completed while employed as a doctoral intern, psychological
6 assistant, or psychologist with any agency of the State of Oklahoma
7 if the experience primarily involved work with persons of school- or
8 preschool-age and if the person was, at the time the experience was
9 acquired, certified as, or eligible for certification as, a school
10 psychologist or psychometrist.

11 F. The provisions of this section shall not apply to teachers
12 who have entered into postretirement employment with a public school
13 in Oklahoma and are still receiving a monthly retirement benefit.

14 G. If a person employed as certified personnel, as defined in
15 Section 26-103 of Title 70 of the Oklahoma Statutes, by a school
16 district during the 2022-2023 school year was receiving a salary
17 above the step level indicated by the State Minimum Salary Schedule
18 for the 2022-2023 school year, the person shall receive a salary
19 increase amount equal to the amount indicated in subsection A for
20 the step level indicated for the person, provided they remain
21 employed by the same district, unless the hours or the duties of the
22 certified personnel are reduced proportionately.

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1 SECTION 3. There is hereby appropriated to the Rewarding
2 Excellent Educators Revolving Fund created in Section 4 of this act
3 from any monies not otherwise appropriated from the General Revenue
4 Fund of the State Treasury for the fiscal year ending June 30, 2024,
5 the sum of Thirty Million Dollars (\$30,000,000.00).

6 SECTION 4. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 18-126 of Title 70, unless there
8 is created a duplication in numbering, reads as follows:

9 There is hereby created in the State Treasury a revolving fund
10 for the State Board of Education to be designated the "Rewarding
11 Excellent Educators Revolving Fund". The fund shall be a continuing
12 fund, not subject to fiscal year limitations, and shall consist of
13 all monies received by the State Board of Education from state
14 appropriations. All monies accruing to the credit of the fund are
15 hereby appropriated and may be budgeted and expended by the State
16 Board of Education for the purpose of implementing the provisions of
17 Section 5 of this act. Expenditures from the fund shall be made
18 upon warrants issued by the State Treasurer against claims filed as
19 prescribed by law with the Director of the Office of Management and
20 Enterprise Services for approval and payment.

21 SECTION 5. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 18-126.1 of Title 70, unless
23 there is created a duplication in numbering, reads as follows:

24 A. For the purposes of this act:

1 1. "Eligible teacher" means a certified person employed on a
2 full-time basis by a school district to serve as a teacher,
3 supervisor, counselor, librarian, or certified or registered nurse;
4 and

5 2. "Eligible support employee" means a full-time employee of a
6 school district as determined by the standard period of labor which
7 is customarily understood to constitute full-time employment for the
8 type of services performed by the employee who is employed a minimum
9 of one hundred seventy-two (172) days and who provides those
10 services, not performed by professional educators or certified
11 teachers, which are necessary for the efficient and satisfactory
12 functioning of a school district and shall not include adult
13 education instructors or adult coordinators employed by technology
14 center school districts.

15 B. The State Department of Education shall create the Rewarding
16 Excellent Educators Grant Program for the purpose of providing grant
17 funds to school districts to implement qualitative bonus pay plans
18 for eligible teachers and eligible support employees.

19 C. To receive grant funds, a school district board of education
20 shall approve and submit to the State Department of Education a
21 qualitative bonus pay plan to reward high-performing eligible
22 teachers and eligible support employees. The plan shall include,
23 but not be limited to, the following components:

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- 1 1. Student growth, as defined by the school district board of
- 2 education;
- 3 2. Peer evaluations;
- 4 3. Administrator evaluations;
- 5 4. Mentorship participation; and
- 6 5. Participation in extra responsibilities or duties.

7 D. The State Department of Education shall award grant funds to
8 school districts from the Rewarding Excellent Educators Revolving
9 Fund created in Section 4 of this act on a first-come, first-served
10 basis until funds appropriated pursuant to Section 3 of this act are
11 exhausted.

12 E. Grants awarded pursuant to this section shall be used to
13 provide one-time bonuses to eligible teachers and eligible support
14 employees. No more than ten percent (10%) of a school district's
15 eligible teachers and eligible support employees may be provided
16 one-time bonuses for the school year. No bonus shall exceed Five
17 Thousand Dollars (\$5,000.00).

18 SECTION 6. AMENDATORY 70 O.S. 2021, Section 18-200.1, as
19 last amended by Section 2, Chapter 488, O.S.L. 2021, is amended to
20 read as follows:

21 Section 18-200.1. A. Beginning with the 2022-2023 school year,
22 and each school year thereafter, each school district shall have its
23 initial allocation of State Aid calculated based on the state
24 dedicated revenues actually collected during the preceding fiscal

1 year, the adjusted assessed valuation of the preceding year, and the
2 weighted average daily membership for the school district of the
3 preceding school year. Each school district shall submit the
4 following data based on the first nine (9) weeks, to be used in the
5 calculation of 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
15 the 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 preceding year's
24 total revenues excluding federal revenue, insurance loss payments,

1 reimbursements, recovery of overpayments and refunds, unused
2 reserves, prior expenditures recovered, prior year surpluses, and
3 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
13 Salary 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 higher
18 weighted average daily membership based on the first
19 nine (9) weeks of the current school year or the
20 preceding school year of a school district, as
21 determined by the provisions of subsection A of
22 Section 18-201.1 of this title and paragraphs 1, 2, 3, and
23 and 4 of subsection B of Section 18-201.1 of this
24 title, multiplied by the Base Foundation Support

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

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

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

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

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

9 (3) ~~Motor Vehicle Collections~~ motor vehicle
10 collections, and

11 (4) ~~Gross Production Tax~~ gross production tax, and

12 (5) ~~State Apportionment~~ state apportionment, and

13 (6) R.E.A. ~~Tax~~ 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~~ 2.0.

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

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

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

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

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

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

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

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

9 G. 1. Notwithstanding the provisions of Section 18-112.2 of
 10 this title, a school district shall have its State Aid reduced by an
 11 amount equal to the amount of carryover in the general fund of the
 12 district as of June 30 of the preceding fiscal year, that is in
 13 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	48%
\$1,000,000 - \$2,999,999	42%
\$3,000,000 - \$3,999,999	36%
\$4,000,000 - \$4,999,999	30%
\$5,000,000 - \$5,999,999	24%
\$6,000,000 - \$7,999,999	22%
\$8,000,000 - \$9,999,999	19%

1 \$10,000,000 or more

17%

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

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

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

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

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

22 7. Beginning July 1, 2003, school districts that participate in
23 consolidation or annexation pursuant to the provisions of the
24 Oklahoma School ~~Voluntary~~ Consolidation and Annexation Act shall be

1 exempt from the penalty assessed in this subsection for the school
2 year in which the consolidation or annexation occurs and for the
3 next three (3) fiscal years.

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

12 9. Any school district which has an amount of carryover in the
13 general fund of the district in excess of the limits established in
14 paragraph 1 of this subsection during the fiscal years beginning
15 July 1, 2020, July 1, 2021, July 1, 2022, and July 1, 2023, shall
16 not be assessed a general fund balance penalty as provided for in
17 this subsection.

18 10. For purposes of calculating the general fund balance
19 penalty, the terms "carryover" and "general fund balance" shall not
20 include federal revenue.

21 H. In order to provide startup funds for the implementation of
22 early childhood programs, State Aid may be advanced to school
23 districts that initially start early childhood instruction at a
24 school site. School districts that desire such advanced funding

1 shall make application to the State Department of Education no later
2 than September 15 of each year and advanced funding shall be awarded
3 to the approved districts no later than October 30. The advanced
4 funding shall not exceed the per pupil amount of State Aid as
5 calculated in subsection D of this section per anticipated Head
6 Start eligible student. The total amount of advanced funding shall
7 be proportionately reduced from the monthly payments of the
8 district's State Aid payments during the last six (6) months of the
9 same fiscal year.

10 I. 1. Beginning July 1, 1996, the Oklahoma Tax Commission,
11 notwithstanding any provision of law to the contrary, shall report
12 monthly to the State Department of Education the monthly
13 apportionment of the following information:

- 14 a. the assessed valuation of property,
- 15 b. motor vehicle collections,
- 16 c. R.E.A. tax collected, and
- 17 d. gross productions tax collected.

18 2. Beginning July 1, 1997, the State Auditor and Inspector's
19 Office, notwithstanding any provision of law to the contrary, shall
20 report monthly to the State Department of Education the monthly
21 apportionment of the proceeds of the county levy.

22 3. Beginning July 1, 1996, the Commissioners of the Land
23 Office, notwithstanding any provision of law to the contrary, shall

24

1 report monthly to the State Department of Education the monthly
2 apportionment of state apportionment.

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

7 5. The information reported by the Tax Commission, the State
8 Auditor and Inspector's Office, the county treasurers' offices, and
9 the Commissioners of the Land Office, pursuant to this subsection
10 shall be reported by school district on forms developed by the State
11 Department of Education.

12 SECTION 7. AMENDATORY 70 O.S. 2021, Section 18-201.1, is
13 amended to read as follows:

14 Section 18-201.1. A. Beginning with the 2020-21 school year,
15 and each school year thereafter, the weighted membership of a school
16 district for calculation of Foundation Aid purposes pursuant to
17 paragraph 1 of subsection D of Section 18-200.1 of this title shall
18 be the sum of the weighted pupil grade level calculation, the
19 weighted pupil category calculation, the weighted district
20 calculation, and the weighted teacher experience and degree
21 calculation. The weighted membership of a school district for
22 calculation of Salary Incentive Aid purposes pursuant to paragraph 3
23 of subsection D of Section 18-200.1 of this title shall be the sum
24 of the weighted pupil grade level calculation, the weighted pupil

1 category calculation, the weighted district calculation, and the
2 weighted teacher experience and degree calculation.

3 B. Beginning with the 2022-2023 school year, the weighted
4 calculations provided for in subsection A of this section shall be
5 based on the higher weighted average daily membership of the first
6 nine (9) weeks of the current school year or the preceding school
7 year of a school district, unless otherwise specified. The higher
8 of the two (2) weighted average daily memberships shall be used
9 consistently in all of the calculations; however, the weighted
10 calculation for a statewide virtual charter school experiencing a
11 significant decline in membership shall be based on the first nine
12 (9) weeks of the current school year for the statewide virtual
13 charter school. For purposes of this subsection, "significant
14 decline in membership" means equal to or greater than a fifteen
15 percent (15%) decrease in average daily membership from the
16 preceding school year to the average daily membership of the first
17 nine (9) weeks of the current school year. The average daily
18 membership data used for all calculations in paragraphs 1, 2, 3, and
19 4 of this subsection shall be the same as used in the calculation of
20 the State Aid Formula. The weighted calculations provided for in
21 subsection A of this section shall be determined as follows:

22 1. The weighted pupil grade level calculation shall be
23 determined by taking the highest average daily membership and
24

1 assigning weights to the pupils according to grade attended as
2 follows:

3	GRADE LEVEL	WEIGHT
4	a. Half-day early childhood programs	.7
5	b. Full-day early childhood programs	1.3
6	c. Half-day kindergarten	1.3
7	d. Full-day kindergarten	1.5
8	e. First and second grade	1.351
9	f. Third grade	1.051
10	g. Fourth through sixth grade	1.0
11	h. Seventh through twelfth grade	1.2
12	i. Out-of-home placement	1.50

13 Multiply the membership of each subparagraph of this paragraph
14 by the weight assigned to such subparagraph of this paragraph and
15 add the totals together to determine the weighted pupil grade level
16 calculation for a school district. Determination of the pupils
17 eligible for the early childhood program weight shall be pursuant to
18 the provisions of Section 1-114 of this title. The pupils eligible
19 for the out-of-home placement pupil weight shall be students who are
20 not residents of the school district in which they are receiving
21 education pursuant to the provisions of subsection D of Section 1-
22 113 of this title. Such weight may be claimed by the district
23 providing educational services to such student for the days that
24 student is enrolled in that district. If claimed, the out-of-home

1 placement weight shall be in lieu of the pupil grade level and any
2 pupil category weights for that student. Provided, if a student
3 resides in a juvenile detention center that is restricted to less
4 than twelve (12) beds, the out-of-home placement pupil weight for
5 such students shall be calculated as follows: for a center with six
6 (6) beds - 3.0; for a center with eight (8) beds - 2.3; and for a
7 center with ten (10) beds - 1.80.

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

10	CATEGORY	WEIGHT
11	a. Visual Impairment	3.8
12	b. Specific Learning Disability	.4 <u>.5</u>
13	c. Deafness or Hearing Impairment	2.9
14	d. Deaf-Blindness	3.8
15	e. Intellectual Disability	1.3 <u>1.5</u>
16	f. Emotional Disturbance	2.5
17	g. Gifted	.34
18	h. Multiple Disabilities	2.4
19	i. Orthopedic Impairment	1.2
20	j. Speech or Language Impairment	.05 <u>.1</u>
21	k. Bilingual	.25
22	l. Special Education Summer Program	1.2
23	m. Economically Disadvantaged	.25 <u>.5</u>

24

1	n. Optional Extended School Year	
2	Program	As determined by
3		the State Board
4		of Education
5	o. Autism	2.4
6	p. Traumatic Brain Injury	2.4
7	q. Other Health Impairment	1.2

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

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

7 a. Small school district formula: 529 minus the average
8 daily membership divided by 529 times .2 times total
9 average daily membership.

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

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

3 b. District sparsity - isolation formula:

4 The district sparsity - isolation formula calculation shall
5 apply only to school districts:

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

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

14 The district sparsity - isolation formula calculation shall
15 be calculated as follows:

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

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

1 The school district's average daily membership shall
2 be categorized into the following grade level groups
3 and applied to the appropriate formulas as computed
4 below:

5 Grade Level Group

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

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

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

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

1 The school district area cost factor shall be calculated as
2 follows:

3 Subtract the state average district area from the
4 district area, then divide the remainder by the state
5 average district area;

6 however, the district area cost factor shall not exceed one
7 (1.0).

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

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

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

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

10 The July calculation of the projected per pupil
11 revenue shall be determined by dividing the district's
12 preceding year's average daily membership (ADM) as
13 weighted by the pupil grade level, the pupil category,
14 the district and the teacher experience degree index
15 calculations for projected State Aid into the
16 district's projected total revenues including
17 projected funds for the State Aid Formula for the
18 preceding year, net assessed valuation for the
19 preceding calendar year times thirty-nine (39) mills,
20 county revenues excluding the county four-mills
21 revenues for the second preceding year, other state
22 appropriations for the preceding year, and the
23 collections for the preceding year of state
24

1 apportionment, motor vehicle revenue, gross production
2 tax, and R.E.A. tax.

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

20 The district's projected total revenues for each
21 calculation shall exclude the following collections
22 for the second preceding year: federal revenue,
23 insurance loss payments, reimbursements, recovery of
24 overpayments and refunds, unused reserves, prior

1 expenditures recovered, prior year surpluses, and
2 other local miscellaneous revenues.

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

9 TEACHER EXPERIENCE - DEGREE INDEX

10 EXPERIENCE	BACHELOR'S	MASTER'S	DOCTOR'S
	DEGREE	DEGREE	DEGREE
12 0 - 2	.7	.9	1.1
13 3 - 5	.8	1.0	1.2
14 6 - 8	.9	1.1	1.3
15 9 - 11	1.0	1.2	1.4
16 12 - 15	1.1	1.3	1.5
17 Over 15	1.2	1.4	1.6

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

1 paragraph 2 of this subsection to determine the weighted teacher
2 experience and degree calculation.

3 C. Each school district shall allocate funds generated by the
4 pupil category weights provided for in paragraph 2 of subsection B
5 of this section to provide instruction and services to students who
6 generated the pupil category weight(s). Expenditures shall be
7 reported using the Oklahoma Cost Accounting System.

8 SECTION 8. The provisions of this act shall not become
9 effective as law unless Enrolled House Bill No. 1935 of the 1st
10 Session of the 59th Oklahoma Legislature becomes effective as law.

11 SECTION 9. This act shall become effective July 1, 2023.

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

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