

1 **SENATE FLOOR VERSION**

2 March 1, 2023

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 359

By: Pugh of the Senate

and

6 Lowe (Dick) of the House

7
8
9 [school funding - State Aid funding formula -
10 effective date]

11
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY 70 O.S. 2021, Section 18-107, is
14 amended to read as follows:

15 Section 18-107. As used in this title:

16 1. ~~"Average Daily Attendance"~~ "Average daily attendance" (ADA)
17 means the legal average number of pupils, early childhood education
18 programs through grade twelve, in a school district during a school
19 year as determined pursuant to the provisions of Section 18-111 of
20 this title. A day of school for early childhood education programs
21 and kindergarten shall be at least two and one-half (2 1/2) hours
22 and, for early childhood education, may be six (6) hours;i

23 2. ~~"Average Daily Membership"~~ "Average daily membership" (ADM)
24 means the average number of pupils present and absent in a school

1 district during a school year. Average ~~Daily Membership~~ daily
2 membership shall be calculated by dividing the sum of the pupil's
3 total days present and total days absent by the number of days
4 taught.

5 a. A pupil who has been absent without excuse ten (10)
6 consecutive days shall be taken off the roll beginning
7 the eleventh day and thereafter shall not be
8 considered in a district's ~~average daily membership~~
9 ADM calculation until the pupil is placed on the roll
10 in the district. For the purpose of this ~~paragraph~~
11 subparagraph, consecutive days means days for which
12 enrollment is recorded.

13 b. A pupil enrolled in a statewide virtual charter school
14 who is behind pace and has not completed instructional
15 activity as defined by Section 3-145.8 of this title
16 for a fifteen-school-day period, without excuse as
17 authorized by Section 10-105 of this title, shall be
18 taken off the roll beginning the sixteenth day and
19 thereafter shall not be considered in the virtual
20 charter school's ~~Average Daily Membership~~ ADM
21 calculation until the pupil is placed on the roll in
22 the virtual charter school; and

23 3. ~~"Total Adjusted Assessed Valuation" means the sum of public~~
24 ~~service property assessed valuation, personal property assessed~~

1 ~~valuation and real property assessed valuation as adjusted pursuant~~
2 ~~to the provisions of Section 18-109.1 of this title.~~

3 4. "Eighty-five percent (85%) of maximum allowable", for the
4 purpose of assessing class size penalty pursuant to Sections 18-
5 113.1 and 18-113.2 of this title, means eighty-five percent (85%) of
6 ten percent (10%) of the preceding year's net assessed valuation of
7 a school district. The calculation of indebtedness as provided for
8 in paragraph a of subsection G F of Section 18-113.1 and
9 subparagraph a of paragraph 4 of subsection A of Section 18-113.2 of
10 this title shall include the outstanding principal amount of bonds
11 issued by the school district plus the principal amount of any bonds
12 authorized by a vote of the people for issuance but not yet issued
13 by the school district.

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

17 Section 18-200.1. A. Beginning with the ~~2022-2023~~ 2024-2025
18 school year, and each school year thereafter, each school district
19 shall have its initial allocation of State Aid calculated based on
20 the ad valorem tax and state dedicated revenues actually collected
21 during the preceding fiscal year, ~~the adjusted assessed valuation of~~
22 ~~the preceding year~~ and the weighted average daily membership for the
23 school district of the preceding school year. Each school district
24 shall submit the following data based on the first nine (9) weeks,

1 to be used in the calculation of the average daily membership of the
2 school district:

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

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

23 B. The State Department of Education shall retain not less than
24 ~~one and one-half percent (1 1/2%)~~ four percent (4%) of the total

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

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

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

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

8 D. For the ~~1997-98~~ 2024-25 school year, and each school year
9 thereafter, Foundation Aid, the Transportation Supplement, and
10 Salary Incentive Aid shall be calculated as follows:

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

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

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

9 b. The Foundation Program Income shall be the sum of the
10 following:

11 ~~(1) The adjusted assessed valuation of the current~~
12 ~~school year of the school district, minus the~~
13 ~~previous year protested ad valorem tax revenues~~
14 ~~held as prescribed in Section 2884 of Title 68 of~~
15 ~~the Oklahoma Statutes, multiplied by the mills~~
16 ~~levied the amount of ad valorem tax collections~~
17 ~~received by the school district from the proceeds~~
18 ~~of the levy during the preceding fiscal year, as~~
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~~ seventy-five percent (75%) of the
5 amount received by the school district from the
6 proceeds of the county levy during the preceding
7 fiscal year, as levied pursuant to subsection (b)
8 of Section 9 of Article X of the Oklahoma
9 Constitution, ~~and~~

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

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

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

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

15 The items listed in divisions (1), (3), (4), (5), and
16 (6) of this subparagraph shall consist of the amounts
17 actually collected from such sources during the
18 preceding fiscal year calculated on a per capita basis
19 on the unit provided for by law for the distribution
20 of each such revenue.

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

a. The average daily haul shall be the number of children in a district who are legally transported and who live one and one-half (1 1/2) miles or more from school.

b. The per capita allowance shall be determined using the following chart:

	PER CAPITA		PER CAPITA	
DENSITY FIGURE	ALLOWANCE	DENSITY FIGURE	ALLOWANCE	
.3000 - .3083	\$167.00	.9334 - .9599	\$99.00	
.3084 - .3249	\$165.00	.9600 - .9866	\$97.00	
.3250 - .3416	\$163.00	.9867 - 1.1071	\$95.00	
.3417 - .3583	\$161.00	1.1072 - 1.3214	\$92.00	
.3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00	
.3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00	
.3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00	
.4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00	
.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00	
.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00	
.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00	
.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00	
.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00	
.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00	
.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00	
.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00	
.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00	

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

15 c. The formula transportation factor shall be 1.39.

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

17 a. Multiply the Incentive Aid guarantee by the district's
18 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) Subtract the~~
8 ~~amount received by the school district from the~~
9 ~~proceeds of the levy during the preceding fiscal year,~~
10 ~~as levied pursuant to subsection (c) of Section 9 of~~
11 ~~Article X of the Oklahoma Constitution above the~~
12 ~~fifteen (15) mills required to support Foundation Aid~~
13 ~~pursuant to division (1) of subparagraph b of~~
14 ~~paragraph 1 of this subsection, not including the~~
15 ~~county four-mill levy, by the product of subparagraph~~
16 ~~a of this paragraph. The remainder shall not be less~~
17 ~~than zero and shall be the Salary Incentive Aid of the~~
18 ~~district.~~

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

1 ~~of subparagraph b of this paragraph. The product~~
2 ~~shall be the Salary Incentive Aid of the district.~~

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

21 F. 1. ~~In the event that ad valorem taxes of a school district~~
22 ~~are determined to be uncollectible because of bankruptcy, clerical~~
23 ~~error, or a successful tax protest, and the amount of such taxes~~
24 ~~deemed uncollectible exceeds Fifty Thousand Dollars (\$50,000.00) or~~

1 ~~an amount greater than twenty five percent (25%) of ad valorem taxes~~
2 ~~per tax year, or the valuation of a district is lowered by order of~~
3 ~~the State Board of Equalization, the school district's State Aid,~~
4 ~~for the school year that such ad valorem taxes are calculated in the~~
5 ~~State Aid Formula, shall be determined by subtracting the net~~
6 ~~assessed valuation of the property upon which taxes were deemed~~
7 ~~uncollectible from the assessed valuation of the school district and~~
8 ~~the state. Upon request of the local board of education, it shall~~
9 ~~be the duty of the county assessor to certify to the Director of~~
10 ~~Finance of the State Department of Education the net assessed~~
11 ~~valuation of the property upon which taxes were determined~~
12 ~~uncollectible.~~

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

21 ~~G.~~ 1. Notwithstanding the provisions of Section 18-112.2 of
22 this title, a school district shall have its State Aid reduced by an
23 amount equal to the amount of carryover in the general fund of the
24

1 district as of June 30 of the preceding fiscal year, that is in
2 excess of the following standards for two (2) consecutive years:

3	Total Amount of	Amount of
4	General Fund Collections,	General Fund
5	Excluding Previous Year	Balance
6	Cash Surplus as of June 30	Allowable
7	Less than \$1,000,000	48%
8	\$1,000,000 - \$2,999,999	42%
9	\$3,000,000 - \$3,999,999	36%
10	\$4,000,000 - \$4,999,999	30%
11	\$5,000,000 - \$5,999,999	24%
12	\$6,000,000 - \$7,999,999	22%
13	\$8,000,000 - \$9,999,999	19%
14	\$10,000,000 or more	17%

15 2. By February 1 the State Department of Education shall send
16 by certified mail, with return receipt requested, to each ~~School~~
17 ~~District Superintendent, Auditor and Regional Accreditation Officer~~
18 school district superintendent, auditor, and regional accreditation
19 officer a notice of and calculation sheet reflecting the general
20 fund balance penalty to be assessed against that school district.
21 Calculation of the general fund balance penalty shall not include
22 federal revenue. Within thirty (30) days of receipt of this written
23 notice the school district shall submit to the Department a written
24 reply either accepting or protesting the penalty to be assessed

1 against the district. If protesting, the school district shall
2 submit with its reply the reasons for rejecting the calculations and
3 documentation supporting those reasons. The Department shall review
4 all school district penalty protest documentation and notify each
5 district by March 15 of its finding and the final penalty to be
6 assessed to each district. General fund balance penalties shall be
7 assessed to all school districts by April 1.

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

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

20 5. If a school district does not receive Foundation Aid and/or
21 Salary Incentive Aid during the preceding fiscal year, the State
22 Board of Education may waive the penalty assessed in this subsection
23 if the penalty would result in a loss of more than forty percent
24 (40%) of the remaining State Aid to be allocated to the school

1 district between April 1 and the remainder of the school year and if
2 the Board determines the penalty will cause the school district not
3 to meet remaining financial obligations.

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

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

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

1 ~~9.~~ Any school district which has an amount of carryover in the
2 general fund of the district in excess of the limits established in
3 paragraph 1 of this subsection during the fiscal years beginning
4 July 1, 2020, July 1, 2021, July 1, 2022, and July 1, 2023, shall
5 not be assessed a general fund balance penalty as provided for in
6 this subsection.

7 ~~10.~~ 9. For purposes of calculating the general fund balance
8 penalty, the terms "carryover" and "general fund balance" shall not
9 include federal revenue.

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

23 ~~I.~~ G. 1. Beginning July 1, 1996, the Oklahoma Tax Commission,
24 notwithstanding any provision of law to the contrary, shall report

1 monthly to the State Department of Education the monthly
2 apportionment of the following information:

- 3 a. the ~~assessed valuation of property~~ ad valorem tax
4 collections,
- 5 b. motor vehicle collections,
- 6 c. R.E.A. tax collected, and
- 7 d. gross productions tax collected.

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

12 ~~3.~~ Beginning July 1, 1996, the Commissioners of the Land
13 Office, notwithstanding any provision of law to the contrary, shall
14 report monthly to the State Department of Education the monthly
15 apportionment of state apportionment.

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

20 ~~5.~~ 3. The information reported by the Tax Commission, ~~the State~~
21 ~~Auditor and Inspector's Office, the county treasurers' offices and~~
22 the Commissioners of the Land Office, pursuant to this subsection
23 shall be reported by school district on forms developed by the State
24 Department of Education.

1 SECTION 3. AMENDATORY 70 O.S. 2021, Section 18-201.1, is
2 amended to read as follows:

3 Section 18-201.1. A. Beginning with the 2020-21 school year,
4 and each school year thereafter, the weighted membership of a school
5 district for calculation of Foundation Aid purposes pursuant to
6 paragraph 1 of subsection D of Section 18-200.1 of this title shall
7 be the sum of the weighted pupil grade level calculation, the
8 weighted pupil category calculation, the weighted district
9 calculation, and the weighted teacher experience and degree
10 calculation. The weighted membership of a school district for
11 calculation of Salary Incentive Aid purposes pursuant to paragraph 3
12 of subsection D of Section 18-200.1 of this title shall be the sum
13 of the weighted pupil grade level calculation, the weighted pupil
14 category calculation, the weighted district calculation, and the
15 weighted teacher experience and degree calculation.

16 B. Beginning with the 2022-2023 school year, the weighted
17 calculations provided for in subsection A of this section shall be
18 based on the higher weighted average daily membership of the first
19 nine (9) weeks of the current school year or the preceding school
20 year of a school district, unless otherwise specified. The higher
21 of the two (2) weighted average daily memberships shall be used
22 consistently in all of the calculations; however, the weighted
23 calculation for a statewide virtual charter school experiencing a
24 significant decline in membership shall be based on the first nine

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

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

15	GRADE LEVEL	WEIGHT
16	a. Half-day early childhood programs	.7
17	b. Full-day early childhood programs	1.3
18	c. Half-day kindergarten	1.3
19	d. Full-day kindergarten	1.5
20	e. First and second grade	1.351
21	f. Third grade	1.051
22	g. Fourth through sixth grade	1.0
23	h. Seventh through twelfth grade	1.2
24	i. Out-of-home placement	1.50

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

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

CATEGORY	WEIGHT
a. Visual Impairment	3.8
b. Specific Learning Disability	.4

1	c.	Deafness or Hearing Impairment	2.9
2	d.	Deaf-Blindness	3.8
3	e.	Intellectual Disability	1.3
4	f.	Emotional Disturbance	2.5
5	g.	Gifted	.34
6	h.	Multiple Disabilities	2.4
7	i.	Orthopedic Impairment	1.2
8	j.	Speech or Language Impairment	.05
9	k.	Bilingual	.25
10	l.	Special Education Summer Program	1.2
11	m.	Economically Disadvantaged	.25
12	n.	Optional Extended School Year	
13		Program	As determined by
14			the State Board
15			of Education
16	o.	Autism	2.4
17	p.	Traumatic Brain Injury	2.4
18	q.	Other Health Impairment	1.2

19 Except as otherwise provided, multiply the number of pupils approved
20 in the school year with the highest average daily membership in each
21 category by the weight assigned to such category and add the totals
22 together to determine the weighted pupil category calculation for a
23 school district. For the 1997-98 school year and subsequent school
24 years, the number to be multiplied by the weight assigned to the

1 gifted category in subparagraph g of this paragraph shall be the
2 lesser of (1) the sum of the number of students who scored in the
3 top three percent (3%) on any national standardized test of
4 intellectual ability plus the number of students identified as
5 gifted pursuant to subparagraphs a through d of paragraph 1 of
6 Section 1210.301 of this title, or (2) the sum of the number of
7 students who scored in the top three percent (3%) on any national
8 standardized test of intellectual ability plus eight percent (8%) of
9 the total average daily membership of the school district for the
10 first nine (9) weeks of the school year.

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

17 a. Small school district formula: $529 \text{ minus the average}$
18 $\text{daily membership divided by } 529 \text{ times } .2 \text{ times total}$
19 $\text{average daily membership.}$

20 The small school district formula calculation shall apply
21 only to school districts whose highest average daily
22 membership is less than 529 pupils. School districts which
23 are consolidated or annexed after July 1, 2003, pursuant to
24 the Oklahoma School ~~Voluntary~~ Consolidation and Annexation

1 Act shall have the weighted district size calculation for
2 the three (3) school years following the fiscal year in
3 which such consolidation occurred calculated to be the sum
4 of the individual consolidated districts computed as if the
5 consolidation had not taken place. Thereafter, any such
6 district which is consolidated pursuant to the Oklahoma
7 School ~~Voluntary~~ Consolidation and Annexation Act shall not
8 qualify for the weighted district calculation unless the
9 district can satisfy the specifications herein. Subject to
10 the provisions of subparagraph c of this paragraph, the
11 resulting number shall be counted as additional students
12 for the purpose of calculating State Aid.

13 b. District sparsity - isolation formula:

14 The district sparsity - isolation formula calculation shall
15 apply only to school districts:

- 16 (1) whose total area in square miles is greater than
17 the average number of square miles for all school
18 districts in this state; and
- 19 (2) whose areal density is less than one-fourth (1/4)
20 of the state average areal density. Areal
21 density shall be determined by dividing the
22 school district's average daily membership by the
23 school district's total area in square miles.

1 The district sparsity - isolation formula calculation shall
2 be calculated as follows:

3 The school district student cost factor multiplied by
4 the school district area factor. The resulting
5 product shall be multiplied by the school district's
6 average daily membership. Subject to the provisions
7 of subparagraph c of this paragraph, the resulting
8 number shall be counted as additional students for the
9 purpose of calculating State Aid.

10 The school district student cost factor shall be calculated
11 as follows:

12 The school district's average daily membership shall
13 be categorized into the following grade level groups
14 and applied to the appropriate formulas as computed
15 below:

16 Grade Level Group

17 Grades K-5 Divide 74 by the sum of the Grade
18 Level ADM plus 23,
19 add .85 to the quotient, then
20 multiply the sum by the Grade
21 Level ADM.

22 Grades 6-8 Divide 122 by the sum of the Grade
23 Level ADM plus 133,
24 add .85 to the quotient, then

1 multiply the sum by the Grade
2 Level ADM.
3 Grades 9-12 Divide 292 by the sum of the Grade
4 Level ADM plus 128,
5 add .78 to the quotient, then
6 multiply the sum by the Grade
7 Level ADM.

8 The sum of the grade level group's average daily
9 membership shall be divided by the school district's
10 average daily membership. The number one (1.0) shall
11 be subtracted from the resulting quotient.

12 The school district area cost factor shall be calculated as
13 follows:

14 Subtract the state average district area from the
15 district area, then divide the remainder by the state
16 average district area;

17 however, the district area cost factor shall not exceed one
18 (1.0).

19 The State Board of Education shall define geographical barriers
20 whose location in a school district would inhibit the district from
21 consolidation or annexation. The Board shall make available an
22 application process, review applications, and for districts the
23 Board deems necessary allow additional square miles to be used for
24 the purposes of calculations used for the weighted district sparsity

1 - isolation formula. Provided, that the additional square miles
2 allowed for geographical barriers shall not exceed thirty percent
3 (30%) of the district's actual size.

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

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

21 The July calculation of the projected per pupil
22 revenue shall be determined by dividing the district's
23 preceding year's average daily membership (ADM) as
24 weighted by the pupil grade level, the pupil category,

1 the district and the teacher experience degree index
2 calculations for projected State Aid into the
3 district's projected total revenues including
4 projected funds for the State Aid Formula for the
5 preceding year, ~~net assessed valuation~~ the amount
6 received by the school district from ad valorem tax
7 collections for the preceding calendar year ~~times~~
8 ~~thirty-nine (39) mills~~, county revenues excluding the
9 county four-mills revenues for the second preceding
10 year, other state appropriations for the preceding
11 year, and the collections for the preceding year of
12 state apportionment, motor vehicle revenue, gross
13 production tax, and R.E.A. tax.

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

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

9 The district's projected total revenues for each
10 calculation shall exclude the following collections
11 for the second preceding year: federal revenue,
12 insurance loss payments, reimbursements, recovery of
13 overpayments and refunds, unused reserves, prior
14 expenditures recovered, prior year surpluses, and
15 other local miscellaneous revenues.

16 4. The weighted teacher experience and degree calculation shall
17 be determined in accordance with the teacher experience and degree
18 index. The State Department of Education shall determine an index
19 for each state teacher by using data supplied in the school
20 district's teacher personnel reports of the preceding year and
21 utilizing the index as follows:

22 TEACHER EXPERIENCE - DEGREE INDEX

23 EXPERIENCE	BACHELOR'S	MASTER'S	DOCTOR'S
24	DEGREE	DEGREE	DEGREE

1	0 - 2	.7	.9	1.1
2	3 - 5	.8	1.0	1.2
3	6 - 8	.9	1.1	1.3
4	9 - 11	1.0	1.2	1.4
5	12 - 15	1.1	1.3	1.5
6	Over 15	1.2	1.4	1.6

7 The school district teacher index for each school district shall
8 be determined by subtracting the weighted average state teacher from
9 the weighted average district teacher. Multiply the school district
10 teacher index if greater than zero by .7 and then multiply that
11 product by the sum of the district's weighted pupil grade level
12 calculation provided in paragraph 1 of this subsection and the
13 weighted pupil category calculation provided in subparagraph m of
14 paragraph 2 of this subsection to determine the weighted teacher
15 experience and degree calculation.

16 SECTION 4. This act shall become effective November 1, 2023.

17 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
18 March 1, 2023 - DO PASS AS AMENDED BY CS

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