

1 **SENATE FLOOR VERSION**

2 March 1, 2023

3 **AS AMENDED**

4 SENATE BILL NO. 527

By: Pugh of the Senate

and

Martinez of the House

5 [ school funding - State Aid - transportation factor  
6 - weighted membership - grade level and category  
7 weights - effective date -  
8 emergency ]

9  
10  
11  
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY 70 O.S. 2021, Section 18-109.5, is  
14 amended to read as follows:

15 Section 18-109.5. A. As used in Section 18-201.1 of this  
16 title:

17 1. "Visual impairment" means an impairment in vision that, even  
18 with correction, adversely affects a child's educational  
19 performance. This includes both partial sight and blindness;

20 2. "Specific learning disability" means a disorder in one or  
21 more of the basic psychological processes involved in understanding  
22 or in using language, spoken or written, that may manifest itself in  
23 the imperfect ability to listen, think, speak, read, write, spell,  
24 or to do mathematical calculations, including conditions such as

1 perceptual disabilities, brain injury, minimal brain dysfunction,  
2 dyslexia, and developmental aphasia. The term does not include  
3 learning problems that are primarily the result of visual, hearing,  
4 or motor disabilities, of intellectual disability, of emotional  
5 disturbance or of environmental, cultural, or economic disadvantage;

6 3. "Deafness" means a hearing impairment that is so severe that  
7 the child is impaired in processing linguistic information through  
8 hearing, with or without amplification, that adversely affects a  
9 child's educational performance;

10 4. "Economically disadvantaged" means all children who qualify  
11 for free or reduced lunches;

12 5. "Intellectual disability" means significantly subaverage  
13 general intellectual functioning, existing concurrently with  
14 deficits in adaptive behavior and manifested during the development  
15 period, that adversely affects a child's educational performance;

16 6. "Emotional disturbance" means a condition exhibiting one or  
17 more of the following characteristics over a long period of time and  
18 to a marked degree that adversely affects a child's educational  
19 performance:

20 a. an inability to learn which cannot be explained by  
21 intellectual, sensory, or health factors,

22 b. an inability to build or maintain satisfactory  
23 interpersonal relationships with peers and teachers,

24

- 1 c. inappropriate types of behavior or feelings under  
2 normal circumstances,  
3 d. a general pervasive mood of unhappiness or depression,  
4 or  
5 e. a tendency to develop physical symptoms or fears  
6 associated with personal or school problems.

7 The term includes children who are schizophrenic. The term does not  
8 include children who are socially maladjusted, unless it is  
9 determined that they are seriously emotionally disturbed;

10 7. "Gifted" means identified students as outlined in Section  
11 1210.301 of this title;

12 8. "Hearing impairment" means an impairment in hearing, whether  
13 permanent or fluctuating, that adversely affects a child's  
14 educational performance but that is not included under the  
15 definition of "deafness";

16 9. "Multiple disabilities" means concomitant impairments, such  
17 as intellectual disability - blindness or intellectual disability -  
18 orthopedic impairment, the combination of which causes such severe  
19 educational needs that they cannot be accommodated in special  
20 education programs solely for one of the impairments. The term does  
21 not include deaf-blindness;

22 10. "Orthopedic impairment" means a severe orthopedic  
23 impairment that adversely affects a child's educational performance.  
24 The term includes impairments caused by a congenital anomaly,

1 impairments caused by disease such as poliomyelitis and bone  
2 tuberculosis, and impairments from other causes such as cerebral  
3 palsy, amputations ~~and~~, fractures, or burns that cause contractures;

4 11. "Other health impairment" means having limited strength,  
5 vitality, or alertness, including a heightened alertness to  
6 environmental stimuli, that results in limited alertness with  
7 respect to the educational environment that adversely affects a  
8 child's educational performance and is due to chronic or acute  
9 health problems such as asthma, attention deficit disorder or  
10 attention deficit hyperactivity disorder, diabetes, epilepsy, a  
11 heart condition, hemophilia, lead poisoning, leukemia, nephritis,  
12 rheumatic fever, sickle cell anemia, and Tourette syndrome;

13 12. "Speech or language impairment" means a communication  
14 disorder, such as stuttering, impaired articulation, a language  
15 impairment, or a voice impairment, that adversely affects a child's  
16 educational performance;

17 13. "Deaf-blindness" means concomitant hearing and visual  
18 impairments, the combination of which causes such severe  
19 communication and other developmental and educational problems that  
20 they cannot be accommodated in special education programs solely for  
21 children with deafness or children with blindness;

22 14. "Autism" means a developmental disability significantly  
23 affecting verbal and nonverbal communication and social interaction,  
24 generally evident before age three (3), that adversely affects a

1 child's educational performance. Other characteristics often  
2 associated with autism are engagement in repetitive activities and  
3 stereotyped movements, resistance to environmental change or change  
4 in daily routines, and unusual responses to sensory experiences.  
5 Autism does not apply if a child's educational performance is  
6 adversely affected primarily because the child has an emotional  
7 disturbance, as defined in this subsection;

8 15. "Traumatic brain injury" means an acquired injury to the  
9 brain caused by an external physical force, resulting in total or  
10 partial functional disability or psychosocial impairment, or both,  
11 that adversely affects a child's educational performance. Traumatic  
12 brain injury applies to open or closed head injuries resulting in  
13 impairments in one or more areas such as cognition; language;  
14 memory; attention; reasoning; abstract thinking; judgment; problem-  
15 solving; sensory, perceptual, and motor abilities; psychosocial  
16 behavior; physical functions; information processing; and speech.  
17 Traumatic brain injury does not apply to brain injuries that are  
18 congenital or degenerative or to brain injuries induced by birth  
19 trauma;

20 16. ~~"Bilingual"~~ "English learner" means ~~those students a~~  
21 student ~~who have limited English speaking abilities or who come from~~  
22 ~~homes where English is not the dominant language as reported on the~~  
23 ~~current year application for accreditation:~~  
24

- 1           a. (1) was not born in the United States or whose native  
2                           language is a language other than English,  
3           (2) is a Native American or Alaska Native or a native  
4                           resident of the outlying areas and who comes from  
5                           an environment where a language other than  
6                           English has had a significant impact on the  
7                           individual's level of English language  
8                           proficiency, or  
9           (3) is migratory, whose native language is a language  
10                           other than English and who comes from an  
11                           environment where a language other than English  
12                           is dominant, and  
13           b. whose difficulties in speaking, reading, writing, or  
14                           understanding the English language may be sufficient  
15                           to deny the individual the ability to meet the subject  
16                           matter standards adopted pursuant to Section 11-103.6  
17                           of this title, the ability to successfully achieve in  
18                           classrooms where the language of instruction is  
19                           English, or the opportunity to participate fully in  
20                           society. A student shall no longer be an English  
21                           learner when he or she successfully demonstrates  
22                           English language proficiency on an assessment  
23                           designated by the State Department of Education;  
24

1 17. "Special Education Summer Program" means ~~those~~ summer  
2 school programs which school districts may provide for children who  
3 are severely or profoundly multiple-handicapped if their  
4 individualized education program states the need for a continuing  
5 educational experience to prevent loss of educational achievement or  
6 basic life skills. Any school district receiving funds for ~~such~~  
7 special education summer programs shall provide services as provided  
8 in Section 13-101 of this title; and

9 18. "Optional Extended School Year Program" means the program  
10 defined in Section 1-109.1 of this title.

11 B. The State Board of Education is hereby authorized to modify  
12 and redefine by rule the definitions set out in this section  
13 whenever such modification is required to receive federal assistance  
14 therefor.

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

18 Section 18-200.1. A. Beginning with the 2022-2023 school year,  
19 and each school year thereafter, each school district shall have its  
20 initial allocation of State Aid calculated based on the state  
21 dedicated revenues actually collected during the preceding fiscal  
22 year, the adjusted assessed valuation of the preceding year, and the  
23 weighted average daily membership for the school district of the  
24 preceding school year. Each school district shall submit the

1 following data based on the first nine (9) weeks, to be used in the  
2 calculation of the average daily membership of the 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%) of the total funds appropriated



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

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

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

24

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 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, and  
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 pursuant to subsection (c) of Section 9 of  
17 Article X of the Oklahoma Constitution, if  
18 applicable, as adjusted in subsection (c) of  
19 Section 8A of Article X of the Oklahoma  
20 Constitution. For purposes of this subsection,  
21 the "adjusted assessed valuation of the current  
22 school year" shall be the adjusted assessed  
23 valuation on which tax revenues are collected  
24 during the current school year, and

- 1           (2) Seventy-five percent (75%) of the amount received  
2           by the school district from the proceeds of the  
3           county levy during the preceding fiscal year, as  
4           levied pursuant to subsection (b) of Section 9 of  
5           Article X of the Oklahoma Constitution, and  
6           (3) ~~Motor Vehicle Collections~~ motor vehicle  
7           collections, and  
8           (4) ~~Gross Production Tax~~ gross production tax, and  
9           (5) ~~State Apportionment~~ state apportionment, and  
10          (6) R.E.A. ~~Tax~~ tax.

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

17          2. The Transportation Supplement shall be equal to the average  
18          daily haul times the per capita allowance times the appropriate  
19          transportation factor.

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

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

	PER CAPITA		PER CAPITA	
	DENSITY FIGURE	ALLOWANCE	DENSITY FIGURE	ALLOWANCE
1				
2				
3	.3000 - .3083	\$167.00	.9334 - .9599	\$99.00
4	.3084 - .3249	\$165.00	.9600 - .9866	\$97.00
5	.3250 - .3416	\$163.00	.9867 - 1.1071	\$95.00
6	.3417 - .3583	\$161.00	1.1072 - 1.3214	\$92.00
7	.3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00
8	.3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00
9	.3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00
10	.4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00
11	.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
12	.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00
13	.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
14	.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
15	.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
16	.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
17	.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
18	.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
19	.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
20	.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
21	.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
22	.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
23	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
24	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00

1	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
2	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
3	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
4	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
5	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
6	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
7	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
8	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
9	.9067 - .9333	\$101.00	9.6668 or more	\$33.00

10           c.    The formula transportation factor shall be ~~1.39~~ 2.0.

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

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

20           b.    Divide the district's adjusted assessed valuation of  
21               the current school year minus the previous year's  
22               protested ad valorem tax revenues held as prescribed  
23               in Section 2884 of Title 68 of the Oklahoma Statutes,  
24               by one thousand (1,000) and subtract the quotient from

1 the product of subparagraph a of this paragraph. The  
2 remainder shall not be less than zero (0).

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

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

1 maintenance of the student identification system shall be set out in  
2 a separate line item in the allocation section of the appropriation  
3 bill for the State Board of Education for each year.

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

20 2. In the event that the amount of funds a school district  
21 receives for reimbursement from the Ad Valorem Reimbursement Fund is  
22 less than the amount of funds claimed for reimbursement by the  
23 school district due to insufficiency of funds as provided in Section  
24 193 of Title 62 of the Oklahoma Statutes, then the school district's



1 assessed valuation for the school year that such ad valorem  
 2 reimbursement is calculated in the State Aid Formula shall be  
 3 adjusted accordingly.

4 G. 1. Notwithstanding the provisions of Section 18-112.2 of  
 5 this title, a school district shall have its State Aid reduced by an  
 6 amount equal to the amount of carryover in the general fund of the  
 7 district as of June 30 of the preceding fiscal year, that is in  
 8 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%
\$10,000,000 or more	17%

21 2. By February 1 the State Department of Education shall send  
 22 by certified mail, with return receipt requested, to each ~~School~~  
 23 ~~District Superintendent~~ school district superintendent, ~~Auditor~~  
 24 auditor, and ~~Regional Accreditation Officer~~ regional accreditation

1 officer a notice of and calculation sheet reflecting the general  
2 fund balance penalty to be assessed against that school district.  
3 Calculation of the general fund balance penalty shall not include  
4 federal revenue. Within thirty (30) days of receipt of this written  
5 notice the school district shall submit to the Department a written  
6 reply either accepting or protesting the penalty to be assessed  
7 against the district. If protesting, the school district shall  
8 submit with its reply the reasons for rejecting the calculations and  
9 documentation supporting those reasons. The Department shall review  
10 all school district penalty protest documentation and notify each  
11 district by March 15 of its finding and the final penalty to be  
12 assessed to each district. General fund balance penalties shall be  
13 assessed to all school districts by April 1.

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

20 4. Any school district which receives an increase in State Aid  
21 because of a change in Foundation and/or Salary Incentive Aid  
22 factors during the last two (2) months of the preceding fiscal year  
23 shall be exempt from the penalties assessed in this subsection, if  
24

1 the penalty would occur solely as a result of receiving funds from  
2 the increase in State Aid.

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

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

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

24

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

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

15       10. For purposes of calculating the general fund balance  
16 penalty, the terms "carryover" and "general fund balance" shall not  
17 include federal revenue.

18       H. In order to provide startup funds for the implementation of  
19 early childhood programs, State Aid may be advanced to school  
20 districts that initially start early childhood instruction at a  
21 school site. School districts that desire such advanced funding  
22 shall make application to the State Department of Education no later  
23 than September 15 of each year and advanced funding shall be awarded  
24 to the approved districts no later than October 30. The advanced

1 funding shall not exceed the per pupil amount of State Aid as  
2 calculated in subsection D of this section per anticipated Head  
3 Start eligible student. The total amount of advanced funding shall  
4 be proportionately reduced from the monthly payments of the  
5 district's State Aid payments during the last six (6) months of the  
6 same fiscal year.

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

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

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

19 3. Beginning July 1, 1996, the Commissioners of the Land  
20 Office, notwithstanding any provision of law to the contrary, shall  
21 report monthly to the State Department of Education the monthly  
22 apportionment of state apportionment.

23 4. Beginning July 1, 1997, the county treasurers' offices,  
24 notwithstanding any provision of law to the contrary, shall report

1 monthly to the State Department of Education the ad valorem tax  
2 protest amounts for each county.

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

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

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

23 B. Beginning with the 2022-2023 school year, the weighted  
24 calculations provided for in subsection A of this section shall be

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

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

	GRADE LEVEL	WEIGHT
23	a. Half-day early childhood programs	<del>.7</del> <u>1</u>
24	b. Full-day early childhood programs	<del>1.3</del> <u>1</u>

1	c.	Half-day kindergarten	<del>1.3</del> <u>1.5</u>
2	d.	Full-day kindergarten	1.5
3	e.	First <del>and second</del> grade	<del>1.351</del>
4	<del>f.</del>	<u>Third through third</u> grade	<del>1.051</del> <u>1.5</u>
5	<del>g.</del> <u>f.</u>	Fourth through <del>sixth</del> grade	<del>1.0</del>
6	<del>h.</del>	<del>Seventh through</del> twelfth grade	<del>1.2</del> <u>1.0</u>
7	<del>i.</del> <u>g.</u>	Out-of-home placement	1.50

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



1 (6) beds - 3.0; for a center with eight (8) beds - 2.3; and for a  
 2 center with ten (10) beds - 1.80.

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

5	CATEGORY	WEIGHT
6	a. Visual Impairment	<del>3.8</del> <u>4.0</u>
7	b. Specific Learning Disability	<del>.4</del> <u>.5</u>
8	c. Deafness or Hearing Impairment	<del>2.9</del> <u>3.0</u>
9	d. Deaf-Blindness	<del>3.8</del> <u>4.0</u>
10	e. Intellectual Disability	<del>1.3</del> <u>1.5</u>
11	f. Emotional Disturbance	2.5
12	g. Gifted	<del>.34</del> <u>.35</u>
13	h. Multiple Disabilities	<del>2.4</del> <u>2.5</u>
14	i. Orthopedic Impairment	<del>1.2</del> <u>1.25</u>
15	j. Speech or Language Impairment	<del>.05</del> <u>.1</u>
16	k. <del>Bilingual</del> <u>English learner</u>	.25
17	l. Special Education Summer Program	<del>1.2</del> <u>1.25</u>
18	m. Economically Disadvantaged	<del>.25</del> <u>.5</u>
19	n. Optional Extended School Year	
20	Program	As determined by
21		the State Board
22		of Education
23	o. Autism	<del>2.4</del> <u>2.5</u>
24	p. Traumatic Brain Injury	<del>2.4</del> <u>2.5</u>

1 q. Other Health Impairment ~~1.2~~ 1.25

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

18 3. The weighted district calculation shall be determined by  
19 determining the calculations for each school district for both the  
20 small school district formula and the district sparsity - isolation  
21 formula, applying whichever is the greater of the calculations of  
22 the two formulas and then applying the restrictions pursuant to  
23 subparagraph c of this paragraph.

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

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

21 b. District sparsity - isolation formula:

22 The district sparsity - isolation formula calculation shall  
23 apply only to school districts:  
24

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

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

9 The district sparsity - isolation formula calculation shall  
10 be calculated as follows:

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

18 The school district student cost factor shall be calculated  
19 as follows:

20 The school district's average daily membership shall  
21 be categorized into the following grade level groups  
22 and applied to the appropriate formulas as computed  
23 below:

24 Grade Level Group

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

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

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

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

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

22                                        Subtract the state average district area from the  
23                                        district area, then divide the remainder by the state  
24                                        average district area;

1           however, the district area cost factor shall not exceed one  
2           (1.0).

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

12           c. State Aid funds which a district is calculated to  
13 receive as a result of the weighted district  
14 calculation shall be restricted as follows:

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

1 district's State Aid shall not be reduced by an  
2 amount greater than by the amount of State Aid  
3 which was generated by the weighted district  
4 calculation.

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

21 The December calculation of the projected per pupil  
22 revenue shall be determined by dividing the higher of  
23 the district's first nine (9) weeks of the current  
24 school year or the preceding school year's average

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

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

21 4. The weighted teacher experience and degree calculation shall  
22 be determined in accordance with the teacher experience and degree  
23 index. The State Department of Education shall determine an index  
24 for each state teacher by using data supplied in the school



1 district's teacher personnel reports of the preceding year and  
2 utilizing the index as follows:

3 TEACHER EXPERIENCE - DEGREE INDEX

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

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

21 **C. Each school district shall allocate funds generated by the**  
22 **pupil category weights provided for in paragraph 2 of subsection B**  
23 **of this section to provide instruction and services to students who**

24

1 generated the pupil category weight(s). Expenditures shall be  
2 reported using the Oklahoma Cost Accounting System.

3 SECTION 4. This act shall become effective July 1, 2023.

4 SECTION 5. It being immediately necessary for the preservation  
5 of the public peace, health, or safety, an emergency is hereby  
6 declared to exist, by reason whereof this act shall take effect and  
7 be in full force from and after its passage and approval.

8 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS  
9 March 1, 2023 - DO PASS AS AMENDED

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