

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1522

By: Lowe (Dick) and Boles of
the House

and

Haste of the Senate

7
8
9
10 COMMITTEE SUBSTITUTE

11 An Act relating to schools; amending 70 O.S. 2021,
12 Section 3-160, which relates to implementation of a
13 state student record system; modifying name of
14 system; directing the State Board of Education to
15 issue a request for proposals for the selection of a
16 statewide student information system by certain date;
17 adding certain system compliance elements; directing
18 certain systems to be used by school districts until
19 certain date; authorizing the State Department of
20 Education to define certain requirements until
21 certain date; directing the Board to procure certain
22 system by certain date; specifying use of system;
23 directing the Department to implement certain system
24 by certain date; prohibiting certain fund usage prior
to system implementation; directing the Department to
provide certain assistance and training; amending 70
O.S. 2021, Section 18-116, which relates to
forfeiture or withholding of State Aid; updating
statutory language; making language gender neutral;
directing certain forfeiture of State Aid for certain
noncompliance until certain date; requiring school
districts to use certain student information system
beginning on certain date; amending 70 O.S. 2021,
Section 18-200.1, as amended by Section 1, Chapter
280, O.S.L. 2023 (70 O.S. Supp. 2024, Section 18-
200.1), which relates to the State Aid Formula;
modifying calculation of certain per pupil revenue;

1 removing language providing certain calculation of
2 Foundation Program; directing the Department to
3 implement certain student information system by
4 certain date; updating statutory references; updating
5 statutory language; providing an effective date; and
6 declaring an emergency.

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

8 SECTION 1. AMENDATORY 70 O.S. 2021, Section 3-160, is
9 amended to read as follows:

10 Section 3-160. A. In developing and implementing a state
11 student ~~record~~ information system, as required in ~~Subsection~~
12 subsection E of Section 18-200.1 of this title, and as needed to
13 comply with the tracking and reporting requirements of the
14 Elementary and Secondary Education Act of 1965 (ESEA), P.L. No. 114-
15 95, as reauthorized by the Every Student Succeeds Act (ESSA) ~~of~~
16 2015, the State Department of Education State Board of Education by
17 November 1, 2025, shall construct the issue a request for proposals
18 for the selection of a statewide student information system to. The
19 system shall contain the following elements and comply with the
20 following standards and compliance capabilities:

- 21 1. Extensible Markup Language (XML), which defines common data
22 formats used during communication between disparate systems;
- 23 2. Web services protocol developed by the World Wide Web
24 Consortium, which enables systems that are physically separated but

1 connected to the Internet to be combined to permit complex
2 operations;

3 3. Schools Interoperability Framework (SIF) version ~~1.5~~ 4.3
4 specifications, or any updated versions of the specifications, which
5 enable school district software management systems to communicate
6 with each other. The student ~~record~~ information system shall
7 include, but not be limited to, the specifications for course
8 identifiers, state standard formatting, content formatting, and
9 assessment formatting specification;

10 4. United States Department of Education ED Facts data exchange
11 guidelines with data elements capable of providing reporting on
12 federal educational programs; ~~and~~

13 5. Defined state data codes to ensure consistent reporting from
14 school districts including, but not limited to, data codes for
15 course identifiers, entries, gains, and losses. Current data codes
16 for teacher certification and the Oklahoma Cost Accounting System
17 shall be extended to match other defined data codes; and

18 6. The Student Data Accessibility, Transparency and
19 Accountability Act of 2013 created pursuant to Section 3-168 of this
20 title.

21 B. ~~Any~~ Until July 1, 2027, any student information system and
22 any instructional management system used by school districts in ~~the~~
23 this state shall comply with the Extensible Markup Language (XML)
24 standards and the Schools Interoperability Framework (SIF) version

1 ~~4.5~~ 4.3 specifications, or any updated versions of the
2 specifications.

3 C. ~~The~~ Until July 1, 2027, the State Department of Education
4 shall have the authority to define requirements for the submission
5 of data elements in compliance with the Schools Interoperability
6 Framework (SIF) version ~~1.5~~ 4.3, or any updated versions of the
7 specifications, for the student information systems and
8 instructional management systems used by school districts statewide
9 in compliance with state and federal statutes.

10 D. 1. By March 1, 2026, the State Board of Education shall
11 procure a statewide student information system which all school
12 districts in this state shall use for school district operations and
13 the reporting of enrollment data by school sites and school
14 districts, the administration of the Oklahoma School Testing Program
15 Act, the collection of appropriate and necessary data pursuant to
16 the Oklahoma Educational Indicators Program, establishing a student
17 mobility rate, allocation of the State Aid Formula, and midyear
18 adjustments in funding for student growth.

19 2. By July 1, 2027, the State Department of Education shall
20 implement the procured statewide student information system. No new
21 funds shall be encumbered prior to full implementation of the
22 procured statewide student information system and instructional
23 management system. Prior to full implementation, the Department
24 shall provide project management, data conversion assistance, and

1 training to appropriate school district personnel in the use of the
2 statewide student information system.

3 SECTION 2. AMENDATORY 70 O.S. 2021, Section 18-116, is
4 amended to read as follows:

5 Section 18-116. A. Any school district which willfully
6 operates school buses contrary to the rules and regulations
7 prescribed by the State Board of Education shall forfeit its State
8 Aid for the time of noncompliance. All State Aid funds shall be
9 withheld from any school district that does not comply with the
10 standards of the State Board of Education for accrediting.

11 B. Any school district that willfully pays a teacher less than
12 the minimum salary required by law including the five percent (5%)
13 increments for special education or alternative education shall
14 forfeit a portion of its State Aid equal to the amount that the
15 teacher was underpaid. The amount to be forfeited shall be deducted
16 from the State Aid payment following confirmation of the
17 underpayment by the State Department of Education.

18 C. 1. No more than fifty percent (50%) of the funds
19 apportioned to school districts under the provisions of this ~~article~~
20 section shall be paid by the state unless and until there has been
21 filed with the State Board of Education on forms prescribed by such
22 Board an itemized sworn account of the expenditures and revenues of
23 the school district during the next preceding fiscal year and a
24 teacher personnel report for the current year.

1 2. All State Aid paid to a district whose district budget, as
2 filed with the Office of the State Auditor and Inspector, shows that
3 the appropriations of the district, plus the State Aid and other
4 cash funds for which the district qualifies, will not enable it to
5 maintain a full term of school as defined by this ~~article~~ section,
6 shall be credited against the State Aid of the district or districts
7 to which the first district shall be annexed, if annexation is
8 required. It is intended that the balance of any unexpended State
9 Aid or other revenue originally allocated to an annexed district
10 shall be paid to the receiving district.

11 D. School districts receiving State Aid shall not spend any of
12 these funds except by regularly issued warrants. The warrants shall
13 be issued against properly approved encumbrances in the manner
14 provided by law. All encumbrances shall be approved by the board of
15 education of the school district at a regular meeting or a special
16 meeting called for that purpose. All original copies of
17 encumbrances as represented by purchase orders~~7~~ shall be filed in
18 either numerical or alphabetical order~~7~~ with the original paid
19 invoice or invoices attached, accompanied by a signed and dated
20 receiving copy verifying receipt of goods or services. It shall be
21 unlawful to register or pay the warrant unless such warrant conforms
22 to the statutes regulating the allowance and issuance thereof. ~~Said~~
23 The school district treasurer shall purchase, by treasurer's check,
24 all warrants issued.

1 E. All board of education members, employees, or other
2 officials of school districts required to make reports to the State
3 Board of Education or other agencies under the provisions of this
4 ~~article~~ section, and all persons lawfully charged with the duty of
5 making records of original entry, such as teachers' registers,
6 transportation records, and financial records, which form the basis,
7 in whole or in part, of ~~said~~ the reports, shall exercise the highest
8 degree of diligence, accuracy, and good faith in making ~~said~~ the
9 records and reports reflect the truth. Teachers' registers shall be
10 marked daily in ink, by the teacher or principal in charge of rooms
11 or groups of pupils. Provided, the State Board of Education may
12 authorize alternate systems of accounting for pupils' attendance in
13 districts using data processing methods.

14 F. The State Board of Education shall revoke the certificate of
15 any teacher, principal, or superintendent who knowingly or willfully
16 violates any of the provisions of this ~~article~~ section.

17 G. Any official involved in the execution of this ~~article~~
18 section who shall fail or refuse to carry out any of the provisions
19 thereof shall be liable on his or her official bond, if any, for the
20 monetary damages resulting from ~~said~~ the failure to act, and in
21 addition thereto shall be subject to removal from office for neglect
22 of duty under the provisions of law relating to the removal of
23 public officials.

24

1 H. Any person or firm who shall knowingly or willfully violate
2 any of the provisions of this ~~article~~ section shall be guilty of a
3 misdemeanor. Any public official or public employee violating any
4 of the provisions of this ~~article~~ section shall be subject to the
5 penalties for a misdemeanor and in addition thereto shall forfeit
6 his or her position or office. Any officer or employee of the State
7 Board of Education who knowingly or willfully apports or
8 disburses any monies appropriated by this ~~article~~ section contrary
9 to the provisions of this ~~article~~ section shall be subject to the
10 penalties for a misdemeanor and in addition shall forfeit his or her
11 office or position.

12 I. The State Board of Education shall prescribe the form of all
13 records, reports, and applications for State Aid necessary ~~to~~ for
14 the proper administration of this ~~article~~ section, and it shall be
15 the duty of all~~r~~ school district superintendents~~r~~ and boards of
16 education of school districts to make such reports fully and
17 completely at the time and in the manner prescribed by the State
18 Board of Education. The State Board of Education shall also have
19 authority and it shall be its duty to promulgate rules and
20 regulations, not inconsistent with the provisions hereof, relative
21 to the distribution of funds and for the administration of this
22 ~~article~~ section. Such regulations and rules shall apply alike to
23 all school districts.

24

1 J. ~~Any~~ Until July 1, 2027, any school district that is not in
2 compliance with the standards and requirements established by the
3 State Board of Education related to the state student ~~record~~
4 information system as provided in Section 3-160 of this title shall
5 forfeit its State Aid for the time of noncompliance. Beginning July
6 1, 2027, each school district in this state shall use a statewide
7 student information system selected by the Board pursuant to Section
8 3-160 of this title.

9 SECTION 3. AMENDATORY 70 O.S. 2021, Section 18-200.1, as
10 amended by Section 1, Chapter 280, O.S.L. 2023 (70 O.S. Supp. 2024,
11 Section 18-200.1), is amended to read as follows:

12 Section 18-200.1. A. Beginning with the 2022-2023 school year,
13 and each school year thereafter, each school district shall have its
14 initial allocation of State Aid calculated based on the state
15 dedicated revenues actually collected during the preceding fiscal
16 year, the adjusted assessed valuation of the preceding year, and the
17 weighted average daily membership (ADM) for the school district of
18 the preceding school year. Each school district shall submit the
19 following data based on the first nine (9) weeks, to be used in the
20 calculation of the average daily membership of the school district:

- 21 1. Student enrollment by grade level;
- 22 2. Pupil category counts; and
- 23 3. Transportation supplement data.

24

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

18 B. The State Department of Education shall retain not less than
19 one and one-half percent (1 1/2%) of the total funds appropriated
20 for financial support of schools, to be used to make midyear
21 adjustments in State Aid and which shall be reflected in the final
22 allocations. If the amount of appropriated funds, including the one
23 and one-half percent (1 1/2%) retained, remaining after January 1 of
24 each year is not sufficient to fully fund the final allocations, the

1 Department shall recalculate each school district's remaining
2 allocation pursuant to subsection D of this section using the
3 reduced amount of appropriated funds.

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

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

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

24

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

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

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

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

1 ~~paragraphs 1, 2, 3, and 4 of subsection B of Section~~
2 ~~18-201.1 of this title, multiplied by the Base~~
3 ~~Foundation Support Level.~~

4 b. The Foundation Program Income shall be the sum of the
5 following:

6 (1) ~~The~~ the adjusted assessed valuation of the
7 current school year of the school district, minus
8 the previous year protested ad valorem tax
9 revenues held as prescribed in Section 2884 of
10 Title 68 of the Oklahoma Statutes, multiplied by
11 the mills levied pursuant to subsection (c) of
12 Section 9 of Article X of the Oklahoma
13 Constitution, if applicable, as adjusted in
14 subsection (c) of Section 8A of Article X of the
15 Oklahoma Constitution. For purposes of this
16 subsection, the "adjusted assessed valuation of
17 the current school year" shall be the adjusted
18 assessed valuation on which tax revenues are
19 collected during the current school year, ~~and~~

20 (2) ~~Seventy-five~~ seventy-five percent (75%) of the
21 amount received by the school district from the
22 proceeds of the county levy during the preceding
23 fiscal year, as levied pursuant to subsection (b)

24

1 of Section 9 of Article X of the Oklahoma
2 Constitution, ~~and~~

3 (3) motor vehicle collections, ~~and~~

4 (4) gross production tax, ~~and~~

5 (5) state apportionment, and

6 (6) R.E.A. tax.

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

13 2. The Transportation Supplement shall be equal to the average
14 daily haul times the per capita allowance times the appropriate
15 transportation factor.

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

19 b. The per capita allowance shall be determined using the
20 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

1	.3250 - .3416	\$163.00	.9867 - 1.1071	\$95.00
2	.3417 - .3583	\$161.00	1.1072 - 1.3214	\$92.00
3	.3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00
4	.3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00
5	.3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00
6	.4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00
7	.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
8	.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00
9	.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
10	.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
11	.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
12	.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
13	.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
14	.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
15	.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
16	.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
17	.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
18	.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
19	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
20	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
21	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
22	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
23	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
24	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00

1	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
2	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
3	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
4	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
5	.9067 - .9333	\$101.00	9.6668 or more	\$33.00

6 c. The formula transportation factor shall be 2.0.

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

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

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

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

9 E. By ~~June 30, 1998~~ July 1, 2027, the State Department of
10 Education shall ~~develop and the Department and all school districts~~
11 ~~shall have implemented~~ implement a student ~~identification~~
12 information system which is consistent with the provisions of
13 subsections ~~C~~ D and ~~D~~ E of Section 3111 of Title 74 of the Oklahoma
14 Statutes. The student ~~identification~~ information 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~~
22 Enrollment data shall be submitted to the State Department of
23 Education in accordance with rules promulgated by the State Board of
24 Education. Funding for the ~~development~~, implementation, personnel

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

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

21 2. In the event that the amount of funds a school district
22 receives for reimbursement from the Ad Valorem Reimbursement Fund is
23 less than the amount of funds claimed for reimbursement by the
24 school district due to insufficiency of funds as provided in Section

1 193 of Title 62 of the Oklahoma Statutes, then the school district's
2 assessed valuation for the school year that such ad valorem
3 reimbursement is calculated in the State Aid Formula shall be
4 adjusted accordingly.

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

10	Total Amount of	Amount of
11	General Fund Collections,	General Fund
12	Excluding Previous Year	Balance
13	Cash Surplus as of June 30	Allowable
14	Less than \$1,000,000	48%
15	\$1,000,000 - \$2,999,999	42%
16	\$3,000,000 - \$3,999,999	36%
17	\$4,000,000 - \$4,999,999	30%
18	\$5,000,000 - \$5,999,999	24%
19	\$6,000,000 - \$7,999,999	22%
20	\$8,000,000 - \$9,999,999	19%
21	\$10,000,000 or more	17%

22 2. By February 1 the State Department of Education shall send
23 by certified mail, with return receipt requested, to each school
24 district superintendent, auditor, and regional accreditation officer

1 a notice of and calculation sheet reflecting the general fund
2 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 Aid 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 Aid 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 Consolidation and Annexation Act shall be exempt
21 from the penalty assessed in this subsection for the school year in
22 which the consolidation or annexation occurs and for the next three
23 (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 of the State Auditor and Inspector, notwithstanding any
17 provision of law to the contrary, shall report monthly to the State
18 Department of Education the monthly apportionment of the proceeds of
19 the county levy.

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

24

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

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

10 SECTION 4. This act shall become effective July 1, 2025.

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

15
16 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION OVERSIGHT, dated
17 03/05/2025 - DO PASS, As Amended and Coauthored.

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