

1 **SENATE FLOOR VERSION**

2 February 19, 2025

3 SENATE BILL NO. 240

By: Pugh

4
5
6 An Act relating to school funding; amending 70 O.S.
7 2021, Sections 18-107, 18-200.1, as amended by
8 Section 1, Chapter 280, O.S.L. 2023, and 18-201.1, as
9 amended by Section 2, Chapter 280, O.S.L. 2023 (70
10 O.S. Supp. 2024, Sections 18-200.1 and 18-201.1),
11 which relate to the allocation of State Aid; removing
12 certain definition; modifying calculation of State
13 Aid beginning in certain school year; increasing
14 percentage of certain funds to be retained; modifying
15 calculation of Foundation Program Income; modifying
16 calculation of Salary Incentive Aid; removing
17 language directing the State Department of Education
18 to develop certain student identification system;
19 removing language providing for calculation of
20 uncollectible ad valorem taxes; removing language
21 providing for calculation of insufficient
22 reimbursements from the Ad Valorem Reimbursement
23 Fund; removing outdated language; modifying
24 information to be reported monthly by the Oklahoma
Tax Commission; removing requirement for reporting of
certain county levy apportionment; removing
requirement for reporting of certain ad valorem tax
protest amounts; updating statutory language;
updating statutory references; and providing an
effective date.

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

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

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

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

8 2. ~~"Average Daily Membership"~~ "Average daily membership" (ADM)
9 means the average number of pupils present and absent in a school
10 district during a school year. ~~Average Daily Membership~~ daily
11 membership shall be calculated by dividing the sum of the pupil's
12 total days present and total days absent by the number of days
13 taught.

14 a. A pupil who has been absent without excuse ten (10)
15 consecutive days shall be taken off the roll beginning
16 the eleventh day and thereafter shall not be
17 considered in a district's ~~average daily membership~~
18 ADM calculation until the pupil is placed on the roll
19 in the district. For the purpose of this ~~paragraph~~
20 subparagraph, consecutive days means days for which
21 enrollment is recorded.

22 b. A pupil enrolled in a statewide virtual charter school
23 who is behind pace and has not completed instructional
24 activity as defined by Section 3-145.8 of this title

1 for a fifteen-school-day period, without excuse as
2 authorized by Section 10-105 of this title, shall be
3 taken off the roll beginning the sixteenth day and
4 thereafter shall not be considered in the virtual
5 charter school's ~~Average Daily Membership~~ ADM
6 calculation until the pupil is placed on the roll in
7 the virtual charter school-; and

8 3. ~~"Total Adjusted Assessed Valuation" means the sum of public~~
9 ~~service property assessed valuation, personal property assessed~~
10 ~~valuation and real property assessed valuation as adjusted pursuant~~
11 ~~to the provisions of Section 18-109.1 of this title.~~

12 4. ~~"Eighty-five percent (85%) of maximum allowable", for the~~
13 ~~purpose of assessing class size penalty pursuant to Sections 18-~~
14 ~~113.1 and 18-113.2 of this title, means eighty-five percent (85%) of~~
15 ~~ten percent (10%) of the preceding year's net assessed valuation of~~
16 ~~a school district. The calculation of indebtedness as provided for~~
17 ~~in paragraph a of subsection G F of Section 18-113.1 and~~
18 ~~subparagraph a of paragraph 4 of subsection A of Section 18-113.2 of~~
19 ~~this title shall include the outstanding principal amount of bonds~~
20 ~~issued by the school district plus the principal amount of any bonds~~
21 ~~authorized by a vote of the people for issuance but not yet issued~~
22 ~~by the school district.~~

1 SECTION 2. AMENDATORY 70 O.S. 2021, Section 18-200.1, as
2 amended by Section 1, Chapter 280, O.S.L. 2023 (70 O.S. Supp. 2024,
3 Section 18-200.1), is amended to read as follows:

4 Section 18-200.1. A. Beginning with the ~~2022-2023~~ 2026-2027
5 school year, and each school year thereafter, each school district
6 shall have its initial allocation of State Aid calculated based on
7 the ad valorem tax and state dedicated revenues actually collected
8 during the preceding fiscal year, ~~the adjusted assessed valuation of~~
9 ~~the preceding year,~~ and the weighted average daily membership (ADM)
10 for the school district of the preceding school year. Each school
11 district shall submit the following data based on the first nine (9)
12 weeks, to be used in the calculation of the average daily membership
13 of the school district:

- 14 1. Student enrollment by grade level;
- 15 2. Pupil category counts; and
- 16 3. Transportation supplement data.

17 On or before December 30, the State Department of Education
18 shall determine each school district's current year allocation
19 pursuant to subsection D of this section. The State Department of
20 Education shall complete an audit, using procedures established by
21 the Department, of the student enrollment by grade level data, pupil
22 category counts, and transportation supplement data to be used in
23 the State Aid Formula pursuant to subsection D of this section by
24 December 1 and by January 15 shall notify each school district of

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

10 B. The State Department of Education shall retain not less than
11 ~~one and one-half percent (1 1/2%)~~ four percent (4%) of the total
12 funds appropriated for financial support of schools, to be used to
13 make midyear adjustments in State Aid and which shall be reflected
14 in the final allocations. If the amount of appropriated funds,
15 including the ~~one and one-half percent (1 1/2%)~~ four percent (4%)
16 retained, remaining after January 1 of each year is not sufficient
17 to fully fund the final allocations, the Department shall
18 recalculate each school district's remaining allocation pursuant to
19 subsection D of this section using the reduced amount of
20 appropriated funds.

21 C. On and after July 1, 1997, the amount of State Aid each
22 district shall receive shall be the sum of the Foundation Aid, the
23 Salary Incentive Aid, and the Transportation Supplement, as adjusted
24 pursuant to the provisions of subsection ~~G~~ E of this section and

1 Section 18-112.2 of this title; provided, no district having per
2 pupil revenue in excess of three hundred percent (300%) of the
3 average per pupil revenue of all districts shall receive any State
4 Aid or Supplement in State Aid.

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

12 The December calculation of per pupil revenue shall be
13 determined by dividing the district's preceding year's total
14 weighted average daily membership (ADM) into the district's
15 preceding year's total revenues excluding federal revenue, insurance
16 loss 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 D. For the ~~1997-98~~ 2026-2027 school year, and each school year
20 thereafter, Foundation Aid, the Transportation Supplement, and
21 Salary Incentive Aid shall be calculated as follows:

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

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

20 b. The Foundation Program Income shall be the sum of the
21 following:

22 (1) ~~The adjusted assessed valuation of the current~~
23 ~~school year of the school district, minus the~~
24 ~~previous year protested ad valorem tax revenues~~

1 ~~held as prescribed in Section 2884 of Title 68 of~~
2 ~~the Oklahoma Statutes, multiplied by the mills~~
3 ~~levied~~ the amount of ad valorem tax collections
4 received by the school district from the proceeds
5 of the levy during the preceding fiscal year, as
6 levied pursuant to subsection (c) of Section 9 of
7 Article X of the Oklahoma Constitution, if
8 applicable, ~~as adjusted in subsection (c) of~~
9 ~~Section 8A of Article X of the Oklahoma~~
10 ~~Constitution. For purposes of this subsection,~~
11 ~~the "adjusted assessed valuation of the current~~
12 ~~school year" shall be the adjusted assessed~~
13 ~~valuation on which tax revenues are collected~~
14 ~~during the current school year, and~~

15 (2) ~~Seventy-five~~ seventy-five percent (75%) of the
16 amount received by the school district from the
17 proceeds of the county levy during the preceding
18 fiscal year, as levied pursuant to subsection (b)
19 of Section 9 of Article X of the Oklahoma
20 Constitution, ~~and~~

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

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

23 (5) state apportionment, and

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

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

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

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

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

PER CAPITA		PER CAPITA	
DENSITY FIGURE	ALLOWANCE	DENSITY FIGURE	ALLOWANCE
.3000 - .3083	\$167.00	.9334 - .9599	\$99.00
.3084 - .3249	\$165.00	.9600 - .9866	\$97.00
.3250 - .3416	\$163.00	.9867 - 1.1071	\$95.00
.3417 - .3583	\$161.00	1.1072 - 1.3214	\$92.00
.3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00
.3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00
.3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00
.4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00

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

24 c. The formula transportation factor shall be 2.0.

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

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

10 ~~b. Divide the district's adjusted assessed valuation of~~
11 ~~the current school year minus the previous year's~~
12 ~~protested ad valorem tax revenues held as prescribed~~
13 ~~in Section 2884 of Title 68 of the Oklahoma Statutes,~~
14 ~~by one thousand (1,000) and subtract the quotient from~~
15 ~~the product of subparagraph a of this paragraph. The~~
16 ~~remainder shall not be less than zero (0) Subtract the~~
17 ~~amount received by the school district from the~~
18 ~~proceeds of the levy during the preceding fiscal year,~~
19 ~~as levied pursuant to subsection (c) of Section 9 of~~
20 ~~Article X of the Oklahoma Constitution above the~~
21 ~~fifteen (15) mills required to support Foundation Aid~~
22 ~~pursuant to division (1) of subparagraph b of~~
23 ~~paragraph 1 of this subsection, not including the~~
24 ~~county four-mill levy, by the product of subparagraph~~

1 a of this paragraph. The remainder shall not be less
2 than zero and shall be the Salary Incentive Aid of the
3 district.

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

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

1 ~~Funding for the development, implementation, personnel training, and~~
2 ~~maintenance of the student identification system shall be set out in~~
3 ~~a separate line item in the allocation section of the appropriation~~
4 ~~bill for the State Board of Education 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:

Total Amount of	Amount of
General Fund Collections,	General Fund
Excluding Previous Year	Balance
Cash Surplus as of June 30	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%

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.~~ 9. 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.~~ F. In order to provide startup funds for the implementation
19 of 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 ~~F.~~ G. 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~~ ad valorem tax
12 collections,
- 13 b. motor vehicle collections,
- 14 c. R.E.A. tax collected, and
- 15 d. gross productions tax collected.

16 2. ~~Beginning July 1, 1997, the State Auditor and Inspector's~~
17 ~~Office, notwithstanding any provision of law to the contrary, shall~~
18 ~~report monthly to the State Department of Education the monthly~~
19 ~~apportionment of the proceeds of 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. 3.~~ 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 3. AMENDATORY 70 O.S. 2021, Section 18-201.1, as
11 amended by Section 2, Chapter 280, O.S.L. 2023 (70 O.S. Supp. 2024,
12 Section 18-201.1), is amended to read as follows:

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

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

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

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

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

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

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

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

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

10	CATEGORY	WEIGHT
11	a. Visual Impairment	3.8
12	b. Specific Learning Disability	.4
13	c. Deafness or Hearing Impairment	2.9
14	d. Deaf-Blindness	3.8
15	e. Intellectual Disability	1.3
16	f. Emotional Disturbance	2.5
17	g. Gifted	.34
18	h. Multiple Disabilities	2.4
19	i. Orthopedic Impairment	1.2
20	j. Speech or Language Impairment	.05
21	k. Bilingual	.25
22	l. Special Education Summer Program	1.2
23	m. Economically Disadvantaged	.3

24

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

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

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

7 a. Small school district formula: 750 minus the average
8 daily membership divided by 750 times .2 times total
9 average daily membership.

10 The small school district formula calculation shall apply
11 only to school districts whose highest average daily
12 membership is less than 750 pupils. School districts which
13 are consolidated or annexed after July 1, 2003, pursuant to
14 the Oklahoma School ~~Voluntary~~ Consolidation and Annexation
15 Act shall have the weighted district size calculation for
16 the three (3) school years following the fiscal year in
17 which such consolidation occurred calculated to be the sum
18 of the individual consolidated districts computed as if the
19 consolidation had not taken place. Thereafter, any such
20 district which is consolidated pursuant to the Oklahoma
21 School ~~Voluntary~~ Consolidation and Annexation Act shall not
22 qualify for the weighted district calculation unless the
23 district can satisfy the specifications herein. Subject to
24 the provisions of subparagraph c of this paragraph, the

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

3 b. District sparsity - isolation formula:

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

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

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

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

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

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

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

5 Grade Level Group

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 The district's projected total revenues for each
23 calculation shall exclude the following collections
24 for the second preceding year: federal revenue,

1 insurance loss payments, reimbursements, recovery of
 2 overpayments and refunds, unused reserves, prior
 3 expenditures recovered, prior year surpluses, and
 4 other local miscellaneous revenues.

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

11 TEACHER EXPERIENCE - DEGREE INDEX

12 EXPERIENCE	BACHELOR'S	MASTER'S	DOCTOR'S
	DEGREE	DEGREE	DEGREE
14 0 - 2	.7	.9	1.1
15 3 - 5	.8	1.0	1.2
16 6 - 8	.9	1.1	1.3
17 9 - 11	1.0	1.2	1.4
18 12 - 15	1.1	1.3	1.5
19 Over 15	1.2	1.4	1.6

20 The school district teacher index for each school district shall
 21 be determined by subtracting the weighted average state teacher from
 22 the weighted average district teacher. Multiply the school district
 23 teacher index if greater than zero by .7 and then multiply that
 24 product by the sum of the district's weighted pupil grade level

1 calculation provided in paragraph 1 of this subsection and the
2 weighted pupil category calculation provided in subparagraph m of
3 paragraph 2 of this subsection to determine the weighted teacher
4 experience and degree calculation.

5 SECTION 4. This act shall become effective November 1, 2025.

6 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION
7 February 19, 2025 - DO PASS
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