

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 HOUSE BILL 1086

By: Lowe (Dick)

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5  
6 AS INTRODUCED

7 An Act relating to school funding; amending 70 O.S.  
8 2021, Section 1-117, which relates to school district  
9 general funds; updating statutory reference; removing  
10 language exempting certain funds from calculation of  
11 general fund carryover; amending 70 O.S. 2021,  
12 Section 18-200.1, as amended by Section 1, Chapter  
13 280, O.S.L. 2023 (70 O.S. Supp. 2024, Section 18-  
14 200.1), which relates to State Aid; modifying certain  
15 calculation of per pupil revenue; modifying  
16 limitations on school district general fund  
17 carryover; providing an exception for carryover of  
18 certain gross production revenue apportionment;  
19 updating statutory language; providing an effective  
20 date; and declaring an emergency.

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22  
23 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

24 SECTION 1. AMENDATORY 70 O.S. 2021, Section 1-117, is  
amended to read as follows:

Section 1-117. A. The general fund of any school district is  
hereby defined as a current expense fund and shall consist of all  
revenue or monies that can legally be expended within a certain  
specified fiscal year, but shall not be considered as including any  
money derived from a special building fund levy made in accordance  
with the provisions of Section 10 of Article X of the Oklahoma

1 Constitution, nor shall it include any monies derived from the sale  
2 of bonds issued under the provisions of Section 26 of Article X of  
3 the Oklahoma Constitution. All monies derived from the proceeds of  
4 the school levies made pursuant to the provisions of Section 9 of  
5 Article X of the Oklahoma Constitution shall be placed in the  
6 general fund provided by this section. Expenditures from the  
7 general fund shall be noncapital in nature. All monies derived from  
8 state-dedicated revenue, state-appropriated revenue unless otherwise  
9 provided for by law, and county sources shall be placed in the  
10 general fund provided for by this section. Except as provided for  
11 in subsections F, K, and L of this section, a district shall not be  
12 authorized to make capital expenditures as defined by this section  
13 from the general fund.

14 B. For purposes of this section, state-dedicated revenue shall  
15 be any registration or license fees, taxes, or penalties collected  
16 at the state level and distributed to common school districts.  
17 County sources shall be all funds collected by the county and  
18 distributed to common school districts but shall not include any  
19 funds derived from the building fund levy made in accordance with  
20 the provisions of Section 10 of Article X of the Oklahoma  
21 Constitution or funds derived from the sinking fund levy made in  
22 accordance with the provisions of Section 26 of Article X of the  
23 Oklahoma Constitution.

24

1 C. For the purposes of this section, a capital expenditure  
2 shall be an expenditure which results in the acquisition of fixed  
3 assets or additions to fixed assets. Capital expenditures shall  
4 include, but shall not be limited to, purchases of land or existing  
5 buildings, purchases of real property, improvements of grounds and  
6 sites for construction purposes, all expenditures for construction  
7 of buildings unless authorized by the State Board of Education or  
8 the State Board of Career and Technology Education upon application  
9 to the appropriate state board pursuant to subsection F of this  
10 section, additions to buildings, remodeling of buildings if such  
11 remodeling involves changes to roof structures or load-bearing  
12 walls, professional services, salaries and expenses of architects  
13 and engineers hired or assigned to capital projects except for such  
14 services, salaries, and expenses as are applicable in preparation  
15 for a bond issue, expenditures for the initial installation and  
16 extension of service systems and built-in heat or air equipment to  
17 existing buildings, expenditures for the replacement of a building  
18 which has been destroyed, installments and lease payments on  
19 property, including interest, that have a terminal date and result  
20 in the acquisition of property, and expenditures for preliminary  
21 studies made prior to the time that authority to proceed with a  
22 construction project is given if authority is received within the  
23 same fiscal year that the expenditure was made.

24

1 D. Noncapital expenditures shall include, but shall not be  
2 limited to, expenditures for maintenance, repair, and replacement of  
3 property and equipment, initial or additional purchases of furniture  
4 and equipment, direct expenses for maintenance of plant, including  
5 grounds, salaries for maintenance of plant, including salaries for  
6 the upkeep of grounds, and repair and replacement of building  
7 structures which do not add to existing facilities and which do not  
8 involve changes in roof structures or load-bearing walls and which  
9 are not classified as a capital expenditure by this section.

10 E. The State Board of Education shall adopt and amend  
11 regulations regarding the classification, definition, and financial  
12 administration of funds, accounts, and expenditures in accordance  
13 with the requirements of this section.

14 F. A school district shall be authorized to make capital  
15 expenditures from the general fund to defray the cost of rebuilding  
16 a school building only if a school building or facility has been  
17 destroyed by a fire or natural disaster, such as flood, tornado, or  
18 other act of God, or by an act of a public enemy of the United  
19 States or this state and monies received by the district through  
20 insurance coverage, federal reimbursement, contributions, and  
21 allocation from the State Board of Education from the State Public  
22 Common School Building Equalization Fund are insufficient to rebuild  
23 the facility. Capital expenditures from the general fund pursuant  
24 to this subsection shall be limited to an amount necessary to defray

1 the cost of rebuilding the facility which exceeds monies received by  
2 the school district through insurance, federal reimbursement,  
3 contributions, and state allocations.

4 G. Schools which receive gifts ~~or~~, donations, or state-  
5 appropriated monies for the purpose of capital expenditures or  
6 projects shall place such monies in the building fund, as provided  
7 by Section 1-118 of this title, and not in the general fund. School  
8 districts which receive gifts, grants, or donations of monies for  
9 noncapital expenditures may place the monies in the general fund,  
10 and such monies shall not be required to be used during the year in  
11 which the money was received but may accumulate from year to year  
12 ~~and shall not be considered a part of the general fund collections~~  
13 ~~when calculating the general fund carryover as provided for in~~  
14 ~~subsection C of Section 18-200.1 of this title.~~

15 H. School districts which receive monies from rental, sale, or  
16 lease of buildings, impact aid monies, or grants, gifts, or  
17 donations for capital purposes, whether from state, federal, or  
18 other sources, may place such monies in the building fund authorized  
19 by Section 1-118 of this title or the general fund authorized by  
20 this section.

21 I. Any construction of a building included as a capital  
22 expenditure from the general fund of a school district which is  
23 authorized and has had a contractual agreement concerning such  
24 construction executed prior to July 1, 1991, may be proceeded with

1 and completed as authorized prior to July 1, 1991, as a capital  
2 expenditure from such general fund.

3 J. School districts receiving revenues authorized by Section 9B  
4 of Article X of the Oklahoma Constitution shall be authorized to  
5 make capital expenditures from the general revenue fund no greater  
6 than the amount levied by the incentive millage.

7 K. Upon the approval of the State Board of Education, a school  
8 district shall be authorized to make capital expenditures as defined  
9 in this section from its general fund if:

10 1. A bond issue has been rejected at an election by the school  
11 district electors voting on that question within the current school  
12 year, as certified by the secretary of the county election board; or

13 2. The school district has voted indebtedness at any time  
14 within the preceding three (3) school years through the issuance of  
15 bonds or through approval by voters of issuance of new bonds for  
16 more than eighty-five percent (85%) of the maximum allowable  
17 pursuant to the provisions of Section 26 of Article X of the  
18 Oklahoma Constitution as shown on the school district budget filed  
19 with the State Board of Equalization for the current school year and  
20 certifications by the Attorney General prior to April 1 of the  
21 current school year. The State Board of Education shall establish  
22 the rules to administer the provisions of this subsection which  
23 shall include, but not be limited to, specification of a maximum  
24 amount of general fund monies to be used for capital expenditures,

1 the purposes for which such funds may be expended, and the period of  
2 time in which such funds shall be encumbered.

3 L. Other provisions of this section notwithstanding, a school  
4 district shall be authorized to make capital expenditures from the  
5 general fund if the total assessed property valuation per average  
6 daily attendance is less than sixty percent (60%) of the state  
7 average total assessed property valuation per average daily  
8 attendance and if, for each year in which general fund revenue is  
9 used for capital expenditures, the district has voted the five-mill  
10 building fund levy authorized in Section 10 of Article X of the  
11 Oklahoma Constitution and has voted indebtedness through the  
12 issuance of new bonds for at least eighty-five percent (85%) within  
13 the last three (3) years of the maximum allowable pursuant to the  
14 provisions of Section 26 of Article X of the Oklahoma Constitution  
15 as shown on the school district budget filed with the State Board of  
16 Equalization for the current school year and certifications by the  
17 Attorney General prior to April 1 of the school year. Provided, the  
18 maximum amount of general fund revenue used for capital expenditures  
19 pursuant to this subsection shall not exceed five percent (5%) of  
20 the total yearly revenue to the general fund. ~~Said~~ Such fund may  
21 not be used for capital expenditures for more than five (5)  
22 consecutive years and may only be utilized for remodeling or  
23 construction of classroom facilities and such ancillary facilities  
24 to ~~said~~ such classrooms as may be necessary. Provided, further, the

1 ~~State~~ Superintendent of Public Instruction shall certify in writing,  
2 prior to the expenditure of the funds for which provision is made in  
3 this subsection, that such expenditures are in compliance with the  
4 provisions of this subsection.

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

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

- 17 1. Student enrollment by grade level;
- 18 2. Pupil category counts; and
- 19 3. Transportation supplement data.

20 On or before December 30, the State Department of Education  
21 shall determine each school district's current year allocation  
22 pursuant to subsection D of this section. The State Department of  
23 Education shall complete an audit, using procedures established by  
24 the Department, of the student enrollment by grade level data, pupil



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

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

23 C. On and after July 1, 1997, the amount of State Aid each  
24 district shall receive shall be the sum of the Foundation Aid, the

1 Salary Incentive Aid, and the Transportation Supplement, as adjusted  
2 pursuant to the provisions of ~~subsection C of this section and~~  
3 Section 18-112.2 of this title; provided, no district having per  
4 pupil revenue in excess of three hundred percent (300%) of the  
5 average per pupil revenue of all districts shall receive any State  
6 Aid or Supplement in State Aid.

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

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

21 D. For the 1997-98 school year, and each school year  
22 thereafter, Foundation Aid, the Transportation Supplement, and  
23 Salary Incentive Aid shall be calculated as follows:  
24

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

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

23           b. The Foundation Program Income shall be the sum of the  
24 following:

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

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

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

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

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

	PER CAPITA		PER CAPITA	
DENSITY FIGURE	ALLOWANCE	DENSITY FIGURE	ALLOWANCE	
3000 - .3083	\$167.00	.9334 - .9599	\$99.00	
3084 - .3249	\$165.00	.9600 - .9866	\$97.00	
3250 - .3416	\$163.00	.9867 - 1.1071	\$95.00	
3417 - .3583	\$161.00	1.1072 - 1.3214	\$92.00	
3584 - .3749	\$158.00	1.3215 - 1.5357	\$90.00	
3750 - .3916	\$156.00	1.5358 - 1.7499	\$88.00	
3917 - .4083	\$154.00	1.7500 - 1.9642	\$86.00	
4084 - .4249	\$152.00	1.9643 - 2.1785	\$84.00	
4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00	

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

23           c.     The formula transportation factor shall be 2.0.

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

1 a. Multiply the Incentive Aid guarantee by the district's  
2 higher weighted average daily membership based on the  
3 first 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.

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

16 c. Multiply the number of mills levied for general fund  
17 purposes above the fifteen (15) mills required to  
18 support Foundation Aid pursuant to division (1) of  
19 subparagraph b of paragraph 1 of this subsection, not  
20 including the county four-mill levy, by the remainder  
21 of subparagraph b of this paragraph. The product  
22 shall be the Salary Incentive Aid of the district.

23 E. By June 30, 1998, the State Department of Education shall  
24 develop and the Department and all school districts shall have

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

17 F. 1. In the event that ad valorem taxes of a school district  
18 are determined to be uncollectible because of bankruptcy, clerical  
19 error, or a successful tax protest, and the amount of such taxes  
20 deemed uncollectible exceeds Fifty Thousand Dollars (\$50,000.00) or  
21 an amount greater than twenty-five percent (25%) of ad valorem taxes  
22 per tax year, or the valuation of a district is lowered by order of  
23 the State Board of Equalization, the school district's State Aid,  
24 for the school year that such ad valorem taxes are calculated in the



1 State Aid Formula, shall be determined by subtracting the net  
2 assessed valuation of the property upon which taxes were deemed  
3 uncollectible from the assessed valuation of the school district and  
4 the state. Upon request of the local board of education, it shall  
5 be the duty of the county assessor to certify to the Director of  
6 Finance of the State Department of Education the net assessed  
7 valuation of the property upon which taxes were determined  
8 uncollectible.

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

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

22	Total Amount of	Amount of
23	General Fund Collections,	General Fund
24	Excluding Previous Year	Balance

	Cash Surplus as of June 30	Allowable
1		
2	Less than \$1,000,000	<del>48%</del> <u>58%</u>
3	\$1,000,000 - \$2,999,999	<del>42%</del> <u>52%</u>
4	\$3,000,000 - \$3,999,999	<del>36%</del> <u>46%</u>
5	\$4,000,000 - \$4,999,999	<del>30%</del> <u>40%</u>
6	\$5,000,000 - \$5,999,999	<del>24%</del> <u>34%</u>
7	\$6,000,000 - \$7,999,999	<del>22%</del> <u>32%</u>
8	\$8,000,000 - \$9,999,999	<del>19%</del> <u>29%</u>
9	\$10,000,000 or more	<del>17%</del> <u>27%</u>

10        2. By February 1 the State Department of Education shall send  
11 by certified mail, with return receipt requested, to each school  
12 district superintendent, auditor, and regional accreditation officer  
13 a notice of and calculation sheet reflecting the general fund  
14 balance penalty to be assessed against that school district.  
15 Calculation of the general fund balance penalty shall not include  
16 federal revenue. Within thirty (30) days of receipt of this written  
17 notice the school district shall submit to the Department a written  
18 reply either accepting or protesting the penalty to be assessed  
19 against the district. If protesting, the school district shall  
20 submit with its reply the reasons for rejecting the calculations and  
21 documentation supporting those reasons. The Department shall review  
22 all school district penalty protest documentation and notify each  
23 district by March 15 of its finding and the final penalty to be

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1 assessed to each district. General fund balance penalties shall be  
2 assessed to all school districts by April 1.

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

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

15 5. If a school district does not receive Foundation and/or  
16 Salary Incentive Aid during the preceding fiscal year, the State  
17 Board of Education may waive the penalty assessed in this subsection  
18 if the penalty would result in a loss of more than forty percent  
19 (40%) of the remaining State Aid to be allocated to the school  
20 district between April 1 and the remainder of the school year and if  
21 the Board determines the penalty will cause the school district not  
22 to meet remaining financial obligations.

23 6. Any school district which receives gross production revenue  
24 apportionment during the 2002-2003 school year or in any subsequent

1 school year that is greater than the gross production revenue  
2 apportionment of the preceding school year shall be exempt from the  
3 penalty assessed in this subsection, if the penalty would occur  
4 solely as a result of the gross production revenue apportionment, as  
5 determined by the State Board of Education.

6 7. Any school district which receives gross production revenue  
7 apportionment during the 2025-2026 school year or in any subsequent  
8 school year, may carryover up to fifty percent (50%) of the total  
9 amount of the gross production revenue apportionment in addition to  
10 the carryover limitations provided in this subsection and shall be  
11 exempt from the penalty assessed in this subsection, if the penalty  
12 would occur solely as a result of the carried over gross production  
13 revenue apportionment permitted in this paragraph.

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

20 ~~8.~~ 9. Any school district which receives proceeds from a sales  
21 tax levied by a municipality pursuant to Section 22-159 of Title 11  
22 of the Oklahoma Statutes or proceeds from a sales tax levied by a  
23 county pursuant to Section 1370 of Title 68 of the Oklahoma Statutes  
24 during the 2003-2004 school year or the 2004-2005 school year shall

1 be exempt from the penalties assessed in this subsection, if the  
2 penalty would occur solely as a result of receiving funds from the  
3 sales tax levy.

4 ~~9.~~ 10. Any school district which has an amount of carryover in  
5 the general fund of the district in excess of the limits established  
6 in paragraph 1 of this subsection during the fiscal years beginning  
7 July 1, 2020, July 1, 2021, July 1, 2022, and July 1, 2023, shall  
8 not be assessed a general fund balance penalty as provided for in  
9 this subsection.

10 ~~10.~~ 11. For purposes of calculating the general fund balance  
11 penalty, the terms "carryover" and "general fund balance" shall not  
12 include federal revenue.

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

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1 district's State Aid payments during the last six (6) months of the  
2 same fiscal year.

3 I. 1. Beginning July 1, 1996, the Oklahoma Tax Commission,  
4 notwithstanding any provision of law to the contrary, shall report  
5 monthly to the State Department of Education the monthly  
6 apportionment of the following information:

- 7 a. the assessed valuation of property,
- 8 b. motor vehicle collections,
- 9 c. R.E.A. tax collected, and
- 10 d. gross productions tax collected.

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

15 3. Beginning July 1, 1996, the Commissioners of the Land  
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 state apportionment.

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

23 5. The information reported by the Tax Commission, the State  
24 Auditor and Inspector's Office, the county treasurers' offices, and

1 the Commissioners of the Land Office, pursuant to this subsection  
2 shall be reported by a school district on forms developed by the  
3 State Department of Education.

4 SECTION 3. This act shall become effective July 1, 2025.

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

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