

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2902

By: Wallace and Martinez of the
House

and

Thompson (Roger) and Hall
of the Senate

11 COMMITTEE SUBSTITUTE

12 An Act relating to schools; amending 70 O.S. 2021,
13 Section 18-200.1, as last amended by Section 2,
14 Chapter 488, O.S.L. 2021, which relates to allocation
15 of State Aid; updating statutory language; increasing
16 transportation factor; amending 70 O.S. 2021, Section
17 18-201.1, which relates to calculation of weighted
18 membership; modifying certain category weights;
19 modifying calculation of small school district
20 formula; updating statutory language; providing an
21 effective date; and declaring an emergency.

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

23 SECTION 1. AMENDATORY 70 O.S. 2021, Section 18-200.1, as
24 last amended by Section 2, Chapter 488, O.S.L. 2021, is amended to
 read as follows:

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

- 10 1. Student enrollment by grade level;
- 11 2. Pupil category counts; and
- 12 3. Transportation supplement data.

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

1 Except for reductions made due to the assessment of penalties by the
2 State Department of Education according to law, the January payment
3 of State Aid and each subsequent payment for the remainder of the
4 school year shall not decrease by an amount more than the amount
5 that the current chargeable revenue increases for that district.

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

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

24

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

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

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

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

21 a. The Foundation Program shall be a district's higher
22 weighted average daily membership based on the first
23 nine (9) weeks of the current school year or the
24 preceding school year of a school district, as

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

16 b. The Foundation Program Income shall be the sum of the
17 following:

18 (1) The adjusted assessed valuation of the current
19 school year of the school district, minus the
20 previous year protested ad valorem tax revenues
21 held as prescribed in Section 2884 of Title 68 of
22 the Oklahoma Statutes, multiplied by the mills
23 levied pursuant to subsection (c) of Section 9 of
24 Article X of the Oklahoma Constitution, if

1 applicable, as adjusted in subsection (c) of
2 Section 8A of Article X of the Oklahoma
3 Constitution. For purposes of this subsection,
4 the "adjusted assessed valuation of the current
5 school year" shall be the adjusted assessed
6 valuation on which tax revenues are collected
7 during the current school year, and

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

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

24

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

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

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

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

1	.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
2	.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
3	.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
4	.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
5	.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
6	.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
7	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
8	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
9	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
10	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
11	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
12	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
13	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
14	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
15	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
16	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
17	.9067 - .9333	\$101.00	9.6668 or more	\$33.00

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

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

20 a. Multiply the Incentive Aid guarantee by the district's
21 higher weighted average daily membership based on the
22 first nine (9) weeks of the current school year or the
23 preceding school year of a school district, as
24 determined by the provisions of subsection A of

1 Section 18-201.1 of this title and paragraphs 1, 2, 3,
2 and 4 of subsection B of Section 18-201.1 of this
3 title.

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

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

18 E. By June 30, 1998, the State Department of Education shall
19 develop and the Department and all school districts shall have
20 implemented a student identification system which is consistent with
21 the provisions of subsections C and D of Section 3111 of Title 74 of
22 the Oklahoma Statutes. The student identification system shall be
23 used specifically for the purpose of reporting enrollment data by
24 school sites and by school districts, the administration of the

1 Oklahoma School Testing Program Act, the collection of appropriate
2 and necessary data pursuant to the Oklahoma Educational Indicators
3 Program, determining student enrollment, establishing a student
4 mobility rate, allocation of the State Aid Formula, and midyear
5 adjustments in funding for student growth. This enrollment data
6 shall be submitted to the State Department of Education in
7 accordance with rules promulgated by the State Board of Education.
8 Funding for the development, implementation, personnel training, and
9 maintenance of the student identification system shall be set out in
10 a separate line item in the allocation section of the appropriation
11 bill for the State Board of Education for each year.

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

1 Finance of the State Department of Education the net assessed
2 valuation of the property upon which taxes were determined
3 uncollectible.

4 2. In the event that the amount of funds a school district
5 receives for reimbursement from the Ad Valorem Reimbursement Fund is
6 less than the amount of funds claimed for reimbursement by the
7 school district due to insufficiency of funds as provided in Section
8 193 of Title 62 of the Oklahoma Statutes, then the school district's
9 assessed valuation for the school year that such ad valorem
10 reimbursement is calculated in the State Aid Formula shall be
11 adjusted accordingly.

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

17	Total Amount of	Amount of
18	General Fund Collections,	General Fund
19	Excluding Previous Year	Balance
20	Cash Surplus as of June 30	Allowable
21	Less than \$1,000,000	48%
22	\$1,000,000 - \$2,999,999	42%
23	\$3,000,000 - \$3,999,999	36%
24	\$4,000,000 - \$4,999,999	30%

1	\$5,000,000 - \$5,999,999	24%
2	\$6,000,000 - \$7,999,999	22%
3	\$8,000,000 - \$9,999,999	19%
4	\$10,000,000 or more	17%

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

22 3. Any school district which receives proceeds from a tax
23 settlement or a Federal Emergency Management Agency settlement
24 during the last two (2) months of the preceding fiscal year shall be

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

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

10 5. If a school district does not receive Foundation and/or
11 Salary Incentive Aid during the preceding fiscal year, the State
12 Board of Education may waive the penalty assessed in this subsection
13 if the penalty would result in a loss of more than forty percent
14 (40%) of the remaining State Aid to be allocated to the school
15 district between April 1 and the remainder of the school year and if
16 the Board determines the penalty will cause the school district not
17 to meet remaining financial obligations.

18 6. Any school district which receives gross production revenue
19 apportionment during the 2002-2003 school year or in any subsequent
20 school year that is greater than the gross production revenue
21 apportionment of the preceding school year shall be exempt from the
22 penalty assessed in this subsection, if the penalty would occur
23 solely as a result of the gross production revenue apportionment, as
24 determined by the State Board of Education.

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

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

15 9. Any school district which has an amount of carryover in the
16 general fund of the district in excess of the limits established in
17 paragraph 1 of this subsection during the fiscal years beginning
18 July 1, 2020, July 1, 2021, July 1, 2022, and July 1, 2023, shall
19 not be assessed a general fund balance penalty as provided for in
20 this subsection.

21 10. For purposes of calculating the general fund balance
22 penalty, the terms "carryover" and "general fund balance" shall not
23 include federal revenue.

24

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

14 I. 1. Beginning July 1, 1996, the Oklahoma Tax Commission,
15 notwithstanding any provision of law to the contrary, shall report
16 monthly to the State Department of Education the monthly
17 apportionment of the following information:

- 18 a. the assessed valuation of property,
- 19 b. motor vehicle collections,
- 20 c. R.E.A. tax collected, and
- 21 d. gross productions tax collected.

22 2. Beginning July 1, 1997, the State Auditor and Inspector's
23 Office, notwithstanding any provision of law to the contrary, shall
24

1 report monthly to the State Department of Education the monthly
2 apportionment of the proceeds of the county levy.

3 3. Beginning July 1, 1996, the Commissioners of the Land
4 Office, notwithstanding any provision of law to the contrary, shall
5 report monthly to the State Department of Education the monthly
6 apportionment of state apportionment.

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

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

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

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

1 calculation. The weighted membership of a school district for
2 calculation of Salary Incentive Aid purposes pursuant to paragraph 3
3 of subsection D of Section 18-200.1 of this title shall be the sum
4 of the weighted pupil grade level calculation, the weighted pupil
5 category calculation, the weighted district calculation, and the
6 weighted teacher experience and degree calculation.

7 B. Beginning with the 2022-2023 school year, the weighted
8 calculations provided for in subsection A of this section shall be
9 based on the higher weighted average daily membership of the first
10 nine (9) weeks of the current school year or the preceding school
11 year of a school district, unless otherwise specified. The higher
12 of the two (2) weighted average daily memberships shall be used
13 consistently in all of the calculations; however, the weighted
14 calculation for a statewide virtual charter school experiencing a
15 significant decline in membership shall be based on the first nine
16 (9) weeks of the current school year for the statewide virtual
17 charter school. For purposes of this subsection, "significant
18 decline in membership" means equal to or greater than a fifteen
19 percent (15%) decrease in average daily membership from the
20 preceding school year to the average daily membership of the first
21 nine (9) weeks of the current school year. The average daily
22 membership data used for all calculations in paragraphs 1, 2, 3, and
23 4 of this subsection shall be the same as used in the calculation of
24

1 the State Aid Formula. The weighted calculations provided for in
2 subsection A of this section shall be determined as follows:

3 1. The weighted pupil grade level calculation shall be
4 determined by taking the highest average daily membership and
5 assigning weights to the pupils according to grade attended as
6 follows:

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

17 Multiply the membership of each subparagraph of this paragraph by
18 the weight assigned to such subparagraph of this paragraph and add
19 the totals together to determine the weighted pupil grade level
20 calculation for a school district. Determination of the pupils
21 eligible for the early childhood program weight shall be pursuant to
22 the provisions of Section 1-114 of this title. The pupils eligible
23 for the out-of-home placement pupil weight shall be students who are
24 not residents of the school district in which they are receiving

1 education pursuant to the provisions of subsection D of Section 1-
2 113 of this title. Such weight may be claimed by the district
3 providing educational services to such student for the days that
4 student is enrolled in that district. If claimed, the out-of-home
5 placement weight shall be in lieu of the pupil grade level and any
6 pupil category weights for that student. Provided, if a student
7 resides in a juvenile detention center that is restricted to less
8 than twelve (12) beds, the out-of-home placement pupil weight for
9 such students shall be calculated as follows: for a center with six
10 (6) beds - 3.0; for a center with eight (8) beds - 2.3; and for a
11 center with ten (10) beds - 1.80.

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

14	CATEGORY	WEIGHT
15	a. Visual Impairment	3.8
16	b. Specific Learning Disability	.4
17	c. Deafness or Hearing Impairment	2.9
18	d. Deaf-Blindness	3.8
19	e. Intellectual Disability	1.3
20	f. Emotional Disturbance	2.5
21	g. Gifted	.34
22	h. Multiple Disabilities	2.4
23	i. Orthopedic Impairment	1.2
24	j. Speech or Language Impairment	.05

1	k. Bilingual	.25
2	l. Special Education Summer Program	1.2
3	m. Economically Disadvantaged	.25 <u>.3</u>
4	n. Optional Extended School Year	
5	Program	As determined by
6		the State Board
7		of Education
8	o. Autism	2.4
9	p. Traumatic Brain Injury	2.4
10	q. Other Health Impairment	1.2

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

1 the total average daily membership of the school district for the
2 first nine (9) weeks of the school year.

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

9 a. Small school district formula: ~~529~~ 750 minus the
10 average daily membership divided by ~~529~~ 750 times .2
11 times total average daily membership.

12 The small school district formula calculation shall apply
13 only to school districts whose highest average daily
14 membership is less than ~~529~~ 750 pupils. School districts
15 which are consolidated or annexed after July 1, 2003,
16 pursuant to the Oklahoma School Voluntary Consolidation and
17 Annexation Act shall have the weighted district size
18 calculation for the three (3) school years following the
19 fiscal year in which such consolidation occurred calculated
20 to be the sum of the individual consolidated districts
21 computed as if the consolidation had not taken place.
22 Thereafter, any such district which is consolidated
23 pursuant to the Oklahoma School Voluntary Consolidation and
24 Annexation Act shall not qualify for the weighted district

1 calculation unless the district can satisfy the
2 specifications herein. Subject to the provisions of
3 subparagraph c of this paragraph, the resulting number
4 shall be counted as additional students for the purpose of
5 calculating State Aid.

6 b. District sparsity - isolation formula:

7 The district sparsity - isolation formula calculation shall
8 apply only to school districts:

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

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

17 The district sparsity - isolation formula calculation shall
18 be calculated as follows:

19 The school district student cost factor multiplied by
20 the school district area factor. The resulting
21 product shall be multiplied by the school district's
22 average daily membership. Subject to the provisions
23 of subparagraph c of this paragraph, the resulting
24

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

3 The school district student cost factor shall be calculated
4 as follows:

5 The school district's average daily membership shall
6 be categorized into the following grade level groups
7 and applied to the appropriate formulas as computed
8 below:

9 Grade Level Group

10 Grades K-5 Divide 74 by the sum of the Grade
11 Level ADM plus 23,
12 add .85 to the quotient, then
13 multiply the sum by the Grade
14 Level ADM.

15 Grades 6-8 Divide 122 by the sum of the Grade
16 Level ADM plus 133,
17 add .85 to the quotient, then
18 multiply the sum by the Grade
19 Level ADM.

20 Grades 9-12 Divide 292 by the sum of the Grade
21 Level ADM plus 128,
22 add .78 to the quotient, then
23 multiply the sum by the Grade
24 Level ADM.

1 The sum of the grade level group's average daily
2 membership shall be divided by the school district's
3 average daily membership. The number one (1.0) shall
4 be subtracted from the resulting quotient.

5 The school district area cost factor shall be calculated as
6 follows:

7 Subtract the state average district area from the
8 district area, then divide the remainder by the state
9 average district area;

10 however, the district area cost factor shall not exceed one
11 (1.0).

12 The State Board of Education shall define geographical barriers
13 whose location in a school district would inhibit the district from
14 consolidation or annexation. The Board shall make available an
15 application process, review applications, and for districts the
16 Board deems necessary allow additional square miles to be used for
17 the purposes of calculations used for the weighted district sparsity
18 - isolation formula. Provided, that the additional square miles
19 allowed for geographical barriers shall not exceed thirty percent
20 (30%) of the district's actual size.

21 c. State Aid funds which a district is calculated to
22 receive as a result of the weighted district
23 calculation shall be restricted as follows:

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

15 The July calculation of the projected per pupil
16 revenue shall be determined by dividing the district's
17 preceding year's average daily membership (ADM) as
18 weighted by the pupil grade level, the pupil category,
19 the district and the teacher experience degree index
20 calculations for projected State Aid into the
21 district's projected total revenues including
22 projected funds for the State Aid Formula for the
23 preceding year, net assessed valuation for the
24 preceding calendar year times thirty-nine (39) mills,

1 county revenues excluding the county four-mills
2 revenues for the second preceding year, other state
3 appropriations for the preceding year, and the
4 collections for the preceding year of state
5 apportionment, motor vehicle revenue, gross production
6 tax, and R.E.A. tax.

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

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

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

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

The school district teacher index for each school district shall be determined by subtracting the weighted average state teacher from

1 the weighted average district teacher. Multiply the school district
2 teacher index if greater than zero by .7 and then multiply that
3 product by the sum of the district's weighted pupil grade level
4 calculation provided in paragraph 1 of this subsection and the
5 weighted pupil category calculation provided in subparagraph m of
6 paragraph 2 of this subsection to determine the weighted teacher
7 experience and degree calculation.

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

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

13

14 COMMITTEE REPORT BY: COMMITTEE ON JOINT COMMITTEE ON APPROPRIATIONS
15 AND BUDGET, dated 05/16/2023 - DO PASS, As Amended.

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