

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 HOUSE BILL 2450

By: Conley

4  
5  
6 AS INTRODUCED

7 An Act relating to school funding; amending 70 O.S.  
8 2011, Sections 18-200.1 and 18-201.1, as amended by  
9 Section 2, Chapter 228, O.S.L. 2018 (70 O.S. Supp.  
10 2018, Section 18-201.1), which relate to State Aid;  
11 modifying calculation for highest weighted average  
12 daily membership; revising dates for data submitted  
13 by school district; altering calculation used in  
14 Foundation Aid; modifying calculation for Salary  
15 Incentive Aid; revising weighted pupil category  
16 calculation; and providing an effective date.

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

16 SECTION 1. AMENDATORY 70 O.S. 2011, Section 18-200.1, is  
17 amended to read as follows:

18 Section 18-200.1 A. Beginning with the ~~1997-98~~ 2020-2021  
19 school year, and each school year thereafter, each school district  
20 shall have its initial allocation of State Aid calculated based on  
21 the state dedicated revenues actually collected during the preceding  
22 fiscal year, the adjusted assessed valuation of the preceding year  
23 and the highest weighted average daily membership ~~for the~~ beginning  
24 with October 1 of the preceding school year through October 1 of the

1 current school year of a school district of the two (2) preceding  
2 school years, unless otherwise specified; however, the weighted  
3 membership of nonresident, transferred pupils enrolled in online  
4 courses shall be based on the weighted average daily membership of  
5 the preceding school year. Each school district shall submit the  
6 following data based on ~~the first nine (9) weeks~~ October 1 of the  
7 preceding school year through October 1 of the current school year,  
8 to be used in the calculation of the average daily membership of the  
9 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 the  
19 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 second preceding  
4 year's total revenues excluding federal revenue, insurance loss  
5 payments, reimbursements, recovery of overpayments and refunds,  
6 unused reserves, prior expenditures recovered, prior year surpluses,  
7 and less the amount of any transfer fees paid in that year.

8 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 Salary  
17 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 based on the  
22 district's highest weighted average daily membership  
23 based on the first nine (9) weeks of the current  
24 school year, beginning with October 1 of the preceding

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

18 b. The Foundation Program Income shall be the sum of the  
19 following:

20 (1) The adjusted assessed valuation of the current  
21 school year of the school district, minus the  
22 previous year protested ad valorem tax revenues  
23 held as prescribed in Section 2884 of Title 68 of  
24 the Oklahoma Statutes, multiplied by the mills

1                   levied pursuant to subsection (c) of Section 9 of  
2                   Article X of the Oklahoma Constitution, if  
3                   applicable, as adjusted in subsection (c) of  
4                   Section 8A of Article X of the Oklahoma  
5                   Constitution. For purposes of this subsection,  
6                   the "adjusted assessed valuation of the current  
7                   school year" shall be the adjusted assessed  
8                   valuation on which tax revenues are collected  
9                   during the current school year, and

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

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

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.

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

20           a.    Multiply the Incentive Aid guarantee by the district's  
21                   highest weighted average daily membership ~~based on the~~  
22                   ~~first nine (9) weeks of the current school year,~~  
23                   beginning with October 1 of the preceding school year  
24                   ~~or the second preceding~~ through October 1 of the



1           current school year of a school district, as  
2           determined by the provisions of subsection A of  
3           Section 18-201.1 of this title and paragraphs 1, 2, 3  
4           and 4 of subsection B of Section 18-201.1 of this  
5           title.

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

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

20          E.    By June 30, 1998, the State Department of Education shall  
21          develop and the Department and all school districts shall have  
22          implemented a student identification system which is consistent with  
23          the provisions of subsections C D and D E of Section 3111 of Title  
24          74 of the Oklahoma Statutes. The student identification system

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

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

1 the state. Upon request of the local board of education, it shall  
2 be the duty of the county assessor to certify to the Director of  
3 Finance of the State Department of Education the net assessed  
4 valuation of the property upon which taxes were determined  
5 uncollectible.

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

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

19	Total Amount of	Amount of
20	General Fund Collections,	General Fund
21	Excluding Previous Year	Balance
22	Cash Surplus as of June 30	Allowable
23	Less than \$1,000,000	40%
24	\$1,000,000 - \$2,999,999	35%

1	\$3,000,000 - \$3,999,999	30%
2	\$4,000,000 - \$4,999,999	25%
3	\$5,000,000 - \$5,999,999	20%
4	\$6,000,000 - \$7,999,999	18%
5	\$8,000,000 - \$9,999,999	16%
6	\$10,000,000 or more	14%

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

23       3. Any school district which receives proceeds from a tax  
24 settlement or a Federal Emergency Management Agency settlement

1 during the last two (2) months of the preceding fiscal year shall be  
2 exempt from the penalties assessed in this subsection, if the  
3 penalty would occur solely as a result of receiving funds from the  
4 tax settlement.

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

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

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

1 solely as a result of the gross production revenue apportionment, as  
2 determined by the State Board of Education.

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

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

17 9. For purposes of calculating the general fund balance  
18 penalty, the terms "carryover" and "general fund balance" shall not  
19 include federal revenue.

20 H. In order to provide startup funds for the implementation of  
21 early childhood programs, State Aid may be advanced to school  
22 districts that initially start early childhood instruction at a  
23 school site. School districts that desire such advanced funding  
24 shall make application to the State Department of Education no later

1 than September 15 of each year and advanced funding shall be awarded  
2 to the approved districts no later than October 30. The advanced  
3 funding shall not exceed the per pupil amount of State Aid as  
4 calculated in subsection D of this section per anticipated Head  
5 Start eligible student. The total amount of advanced funding shall  
6 be proportionately reduced from the monthly payments of the  
7 district's State Aid payments during the last six (6) months of the  
8 same fiscal year.

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

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

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

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

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

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

10 SECTION 2. AMENDATORY 70 O.S. 2011, Section 18-201.1, as  
11 amended by Section 2, Chapter 228, O.S.L. 2018 (70 O.S. Supp. 2018,  
12 Section 18-201.1), is amended to read as follows:

13 Section 18-201.1 A. Beginning with the 1997-98 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. The weighted calculations provided for in subsection A of  
4 this section shall be based on the highest weighted average daily  
5 membership ~~of the first nine (9) weeks of the current school year,~~  
6 beginning with October 1 of the preceding school year or the second  
7 preceding through October 1 of the current school year of a school  
8 district, unless otherwise specified. The highest ~~of the three (3)~~  
9 weighted average daily ~~memberships~~ membership shall be used  
10 consistently in all of the calculations; however, the portion of  
11 weighted membership derived from nonresident, transferred pupils  
12 enrolled in online courses shall be based on the weighted average  
13 daily membership of the first nine (9) weeks of the current school  
14 year. The average daily membership data used for all calculations  
15 in paragraphs 1, 2, 3 and 4 of this subsection shall be the same as  
16 used in the calculation of the State Aid Formula. The weighted  
17 calculations provided for in subsection A of this section shall be  
18 determined as follows:

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

GRADE LEVEL	WEIGHT
a. Half-day early childhood programs	.7

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

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

1 such students shall be calculated as follows: for a center with six  
2 (6) beds - 3.0~~7~~2 for a center with eight (8) beds - 2.3 and for a  
3 center with ten (10) beds - 1.80.

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

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



1 the sum of the number of students who scored in the top three  
2 percent (3%) on any national standardized test of intellectual  
3 ability plus eight percent (8%) of the total average daily  
4 membership of the school district ~~for the first nine (9) weeks of~~  
5 ~~the school year.~~

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

12 a. Small school district formula:  $529 \text{ minus the average}$   
13  $\text{daily membership divided by } 529 \text{ times } .2 \text{ times total}$   
14  $\text{average daily membership.}$

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

1 district which is consolidated pursuant to the Oklahoma  
2 School Voluntary Consolidation and Annexation Act shall not  
3 qualify for the weighted district calculation unless the  
4 district can satisfy the specifications herein. Subject to  
5 the provisions of subparagraph c of this paragraph, the  
6 resulting number shall be counted as additional students  
7 for the purpose of calculating State Aid.

8 b. District sparsity - isolation formula:

9 The district sparsity - isolation formula calculation shall  
10 apply only to school districts:

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

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

19 The district sparsity - isolation formula calculation shall  
20 be calculated as follows:

21 The school district student cost factor multiplied by  
22 the school district area factor. The resulting  
23 product shall be multiplied by the school district's  
24 average daily membership. Subject to the provisions

1 of subparagraph c of this paragraph, the resulting  
2 number shall be counted as additional students for the  
3 purpose of calculating State Aid.

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

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

10 Grade Level Group

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

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

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

1 Level ADM.

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

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

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

11 however, the district area cost factor shall not exceed one  
12 (1.0).

13 The State Board of Education shall define geographical barriers  
14 whose location in a school district would inhibit the district from  
15 consolidation or annexation. The Board shall make available an  
16 application process, review applications, and for districts the  
17 Board deems necessary allow additional square miles to be used for  
18 the purposes of calculations used for the weighted district sparsity  
19 - isolation formula. Provided, that the additional square miles  
20 allowed for geographical barriers shall not exceed thirty percent  
21 (30%) of the district's actual size.

22 c. State Aid funds which a district is calculated to  
23 receive as a result of the weighted district  
24 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~~  
11 subparagraph, the district's State Aid shall not  
12 be reduced by an amount greater than by the  
13 amount of State Aid which was generated by the  
14 weighted district calculation.

15 The July calculation of the projected per pupil  
16 revenue shall be determined by dividing the highest of  
17 the district's preceding two (2) years average daily  
18 membership (ADM) as weighted by the pupil grade level,  
19 the pupil category, the district and the teacher  
20 experience degree index calculations for projected  
21 State Aid into the district's projected total revenues  
22 including projected funds for the State Aid Formula  
23 for the 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 highest of  
9 the district's ~~first nine (9) weeks of the current~~  
10 ~~school year or the two (2) preceding school years~~  
11 average daily membership (ADM) as weighted by the  
12 pupil grade level, the pupil category, the district  
13 and the teacher experience degree index calculations  
14 for 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.

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

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

14 TEACHER EXPERIENCE - DEGREE INDEX

15 EXPERIENCE	BACHELOR'S	MASTER'S	DOCTOR'S
	DEGREE	DEGREE	DEGREE
17 0 - 2	.7	.9	1.1
18 3 - 5	.8	1.0	1.2
19 6 - 8	.9	1.1	1.3
20 9 - 11	1.0	1.2	1.4
21 12 - 15	1.1	1.3	1.5
22 Over 15	1.2	1.4	1.6

23 The school district teacher index for each school district shall  
 24 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 November 1, 2019.

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