# HOUSE OF REPRESENTATIVES - FLOOR VERSION 

STATE OF OKLAHOMA<br>1st Session of the 58th Legislature (2021)

COMMITTEE SUBSTITUTE

FOR
HOUSE BILL NO. 2673

By: Echols of the House
and
Treat and Standridge of the Senate

## COMMITTEE SUBSTITUTE

An Act relating to schools; reallocating State Aid for certain transfer students; authorizing transfer allowance to private school for students enrolled in certain F-graded schools; providing transfer allowance requirements; authorizing transfer allowance for certain time period; requiring certain financial responsibility; requiring certain notice of under certain wait list circumstances; defining term; providing approved private school requirements; providing transferring student requirements; providing payments procedure for transfer allowance; authorizing revocation of private school approval; eliminating liability; prohibiting certain additional regulation of private schools; amending 70 O.S. 2011, Section 18-201.1, as last amended by Section 3, Chapter 61, O.S.L. 2020 (70 O.S. Supp. 2020, Section 18-201.1), which relates to State Aid; adding certain student weight for State Aid; amending 70 O.S. 2011, Section 8-104, as amended by Section 1, Chapter 85, O.S.L. 2013 (70 O.S. Supp. 2020, Section 8-104), which relates to student transfers; adding reason for emergency transfer; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8-114 of Title 70, unless there is created a duplication in numbering, reads as follows:

If a student transfers to a school district other than the district of residence pursuant to paragraph 9 of subsection $A$ of Section 8-104 of Title 70 of the Oklahoma Statutes, upon approval of the transfer, the receiving district shall claim the student in the average daily membership for state and federal funding purposes and shall assume all responsibility for education of the student. For state funding purposes, the State Department of Education shall include the appropriate grade level weight and all category weights to which the pupil is assigned pursuant to the provisions of Section 18-201.1 of Title 70 of the Oklahoma Statutes when calculating State Aid pursuant to the provisions of Section 18-200.1 of Title 70 of the Oklahoma Statutes.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8-115 of Title 70, unless there is created a duplication in numbering, reads as follows:
A. If a student is enrolled at resident school that has received an "F" school grade pursuant to Section 1210.545 of this title in each of the last three (3) immediately preceding years intends to transfer to a private school, the parent or legal guardian of the student may exercise his or her parental option and
request to have a transfer allowance awarded for the child to enroll in and attend a private school in accordance with this section.
B. A transfer allowance shall be awarded pursuant to this section if the parent or legal guardian has obtained acceptance for admission of the student to an approved private school pursuant to subsection $C$ of this section and has notified the state Department of Education of the request for a transfer allowance.

1. Requests for a transfer allowance made after December 1 shall be granted, but funding for transfer allowances requested after December 1 shall not be available until the beginning of the next school year. The request shall be through a communication directly to the Department in a manner that creates a written or electronic record of the request and shall include the date of receipt of the request. The Department shall notify the school district upon receipt of the request.
2. For purposes of continuity of educational choice, the transfer allowance shall remain in force until the student returns to a public school, graduates from high school or reaches the age of twenty-two (22), whichever occurs first. At any time, the parent or legal guardian of the student may remove the student from the private school and place the student in another private school approved by the State Department of Education as provided in subsection $C$ of this section or place the student in a public school.
3. Upon acceptance of a transfer allowance, the parent or legal guardian shall assume full financial responsibility for the education of the student, including, but not limited to, transportation to and from the private school.
4. If the parent or legal guardian requests a transfer allowance and the student is accepted by the private school pending the availability of a space for the student, the parent or legal guardian of the student shall notify the State Department of Education before entering the private school and before December 1 in order to be eligible for the transfer allowance during the school year when a space becomes available for the student in the private school. If notification is made after December 1, payment of the transfer allowance shall not begin until the next school year.
C. For purposes of this section, "private school" shall mean a school approved by the State Department of Education. The State Department of Education shall approve a private school upon request by the private school and determination that the private school:
5. Meets the accreditation requirements set by the State Board of Education or another accrediting association approved by the State Board of Education. The State Department of Education shall list on its website all accrediting associations approved by the Board;
6. Demonstrates fiscal soundness by having been in operation for one (1) school year or providing the State Department of

Education with a statement by a certified public accountant confirming that the private school is insured and the owner or owners have sufficient capital or credit to operate the school for the upcoming year by serving the number of students anticipated with expected revenues from tuition and other sources that may be reasonably expected. In lieu of a statement, a surety bond or letter of credit for the amount equal to the transfer allowance funds for any quarter may be filed with the Department;
3. Complies with the antidiscrimination provisions of 42 U.S.C., Section 2000d;
4. Meets state and local health and safety laws and codes;
5. Will be academically accountable to the parent or legal guardian for meeting the educational needs of the student;
6. Employs or contracts with teachers who hold baccalaureate or higher degrees, or have at least three (3) years of teaching experience in public or private schools, or have special skills, knowledge or expertise that qualifies them to provide instruction in subjects taught;
7. Complies with all state laws relating to general regulation of private schools; and
8. Adheres to the tenets of its published disciplinary procedures prior to the expulsion of a student.
D. Upon approval of a private school, the state Department of Education shall provide on its website all information and material
submitted by the private school with its application. Students transferring pursuant to this section shall comply with the following:

1. The parent or legal guardian shall select the private school from the schools approved pursuant to subsection $C$ of this section and apply for the admission of the child;
2. The parent or legal guardian shall request the transfer allowance no later than December 1 of the school year during which the transfer allowance is requested;
3. Any student receiving a transfer allowance pursuant to this section shall attend the school throughout the school year, unless excused by the school for illness or other good cause, and shall comply fully with the code of conduct for the school;
4. The parent or legal guardian shall fully comply with the parental involvement requirements of the private school, unless excused by the school for illness or other good cause; and
5. Upon issuance of a transfer allowance, the parent or legal guardian to whom the allowance is made shall restrictively endorse the funds to the private school for deposit into the account of the private school. The parent or legal guardian may not designate any entity or individual associated with the private school as the attorney in fact for the parent or legal guardian to endorse an allowance. A parent or legal guardian who fails to comply with this paragraph shall forfeit the transfer allowance.
E. Provisions governing payment of a transfer allowance shall be as follows:
6. The State Department of Education shall calculate the total cost of all transfer allowances for all eligible students in the state. The State Department of Education shall then reserve or retain from the total amount appropriated to the State Board of Education for State Aid purposes and any other revenue available for allocation for State Aid purposes the total cost for all transfer allowance payments;
7. The maximum transfer allowance granted for an eligible student shall be a calculated amount equivalent to the total State Aid factors for the applicable school year multiplied by the grade and disability weights, if applicable, generated by that student for the applicable school year. The maximum transfer allowance amount shall be calculated by the State Board of Education for each year the student receives a transfer allowance;
8. The amount of the transfer allowance shall be the amount calculated in paragraph 2 of this subsection or the amount of tuition and fees for the private school, whichever is less, minus up to two and one-half percent (2 $1 / 2 \%$ ) of the transfer allowance amount which may be retained by the State Department of Education as a fee for administrative services rendered. The amount of the transfer allowance shall be prorated to reflect the number of days
remaining in the current school year, if the transfer allowance request is granted after the beginning of the school year;
9. The State Department of Education shall notify the private school of the amount of the transfer allowance within ten (10) days after receiving the request for a transfer allowance, when the total State Aid factors have been determined for the current fiscal year. The initial payment shall be made after the Department verifies admission acceptance and enrollment. Quarterly payments shall be made upon verification of continued enrollment and attendance at the private school. Payment shall be made by the Department with an individual warrant made payable to the parent or legal guardian of the student and mailed by the Department to the private school that the parent or legal guardian chooses. The parent or legal guardian shall restrictively endorse the warrant to the private school for deposit into the account of the private school;
10. The State Department of Education shall require an annual, notarized, sworn compliance statement by participating private schools certifying compliance with state laws and shall retain all records received from a participating private school. The State Department of Education shall post on its website the annual compliance statement for each participating private school; and
11. The State Department of Education shall cross-check the list of participating students with the public school enrollments prior to each transfer allowance payment to avoid duplication.
F. The State Board of Education shall deny, suspend or revoke the approval of a private school granted in subsection $C$ of this section if it is determined that the private school has failed to comply with the provisions of this section.
G. No liability shall arise on the part of the state, the State Board of Education, the State Department of Education or a school district based on the award or use of any transfer allowance provided pursuant to this section.
H. The inclusion of private schools within options available to public school students in Oklahoma shall not expand the regulatory authority of the state or any school district to impose any additional regulation of private schools beyond those reasonably necessary to enforce the requirements expressly set forth in this section.

SECTION 3. AMENDATORY 70 O.S. 2011, Section 18-201.1, as last amended by Section 3, Chapter 61, O.S.L. 2020 (70 O.S. Supp. 2020, Section 18-201.1), is amended to read as follows:

Section 18-201.1 A. Beginning with the 2020-21 school year, and each school year thereafter, the weighted membership of a school district for calculation of Foundation Aid purposes pursuant to paragraph 1 of subsection $D$ of Section 18-200.1 of this title shall be the sum of the weighted pupil grade level calculation, the weighted pupil category calculation, the weighted district calculation and the weighted teacher experience and degree
calculation. The weighted membership of a school district for calculation of Salary Incentive Aid purposes pursuant to paragraph 3 of subsection $D$ of Section $18-200.1$ of this title shall be the sum of the weighted pupil grade level calculation, the weighted pupil category calculation, the weighted district calculation and the weighted teacher experience and degree calculation.
B. The weighted calculations provided for in subsection $A$ of this section shall be based on the highest weighted average daily membership of the first nine (9) weeks of the current school year, the preceding school year or the second preceding school year of a school district, unless otherwise specified. The highest of the three (3) weighted average daily memberships shall be used consistently in all of the calculations; however, the weighted calculation for a statewide virtual charter school experiencing a significant decline in membership shall be based on the first nine (9) weeks of the current school year and not on the preceding school year or the second preceding school year for the statewide virtual charter school. For purposes of this subsection, "significant decline in membership" means equal to or greater than a fifteen percent (15\%) decrease in average daily membership from the preceding school year to the average daily membership of the first nine (9) weeks of the current school year. The average daily membership data used for all calculations in paragraphs 1, 2, 3 and 4 of this subsection shall be the same as used in the calculation of
the State Aid Formula. The weighted calculations provided for in subsection $A$ of this section shall be determined as follows:

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

GRADE LEVEL
a. Half-day early childhood programs

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

Multiply the membership of each subparagraph of this paragraph by the weight assigned to such subparagraph of this paragraph and add the totals together to determine the weighted pupil grade level calculation for a school district. Determination of the pupils eligible for the early childhood program weight shall be pursuant to the provisions of Section $1-114$ of this title. The pupils eligible for the out-of-home placement pupil weight shall be students who are not residents of the school district in which they are receiving
education pursuant to the provisions of subsection $D$ of Section $1-$ 113 of this title. Such weight may be claimed by the district providing educational services to such student for the days that student is enrolled in that district. If claimed, the out-of-home placement weight shall be in lieu of the pupil grade level and any pupil category weights for that student. Provided, if a student resides in a juvenile detention center that is restricted to less than twelve (12) beds, the out-of-home placement pupil weight for such students shall be calculated as follows: for a center with six (6) beds - 3.0; for a center with eight (8) beds - 2.3 and for a center with ten (10) beds - 1.80.
2. The weighted pupil category calculation shall be determined by assigning a weight to the pupil category as follows:

WEIGHT 3.8
b. Specific Learning Disability . 4
C. Deafness or Hearing Impairment 2.9
d. Deaf-Blindness 3.8
e. Intellectual Disability 1.3
f. Emotional Disturbance 2.5
g. Gifted . 34
h. Multiple Disabilities 2.4
i. Orthopedic Impairment 1.2
j. Speech or Language Impairment

on any national standardized test of intellectual ability plus the number of students identified as gifted pursuant to subparagraphs a through d of paragraph 1 of Section 1210.301 of this title or (2) the sum of the number of students who scored in the top three percent (3\%) on any national standardized test of intellectual ability plus eight percent (8\%) of the total average daily membership of the school district for the preceding school year. For the 1997-98 school year and subsequent school years, the number to be multiplied by the weight assigned to the gifted category in subparagraph $g$ of this paragraph shall be the lesser of (1) the sum of the number of students who scored in the top three percent (3\%) on any national standardized test of intellectual ability plus the number of students identified as gifted pursuant to subparagraphs a through d of paragraph 1 of Section 1210.301 of this title, or (2) the sum of the number of students who scored in the top three percent (3\%) on any national standardized test of intellectual ability plus eight percent (8\%) of the total average daily membership of the school district for the first nine (9) weeks of the school year.
3. The weighted district calculation shall be determined by determining the calculations for each school district for both the small school district formula and the district sparsity - isolation formula, applying whichever is the greater of the calculations of
the two formulas and then applying the restrictions pursuant to subparagraph $c$ of this paragraph.
a. Small school district formula: 529 minus the average daily membership divided by 529 times . 2 times total average daily membership.

The small school district formula calculation shall apply only to school districts whose highest average daily membership is less than 529 pupils. School districts which are consolidated or annexed after July 1, 2003, pursuant to the Oklahoma School Voluntary Consolidation and Annexation Act shall have the weighted district size calculation for the three (3) school years following the fiscal year in which such consolidation occurred calculated to be the sum of the individual consolidated districts computed as if the consolidation had not taken place. Thereafter, any such district which is consolidated pursuant to the Oklahoma School Voluntary Consolidation and Annexation Act shall not qualify for the weighted district calculation unless the district can satisfy the specifications herein. Subject to the provisions of subparagraph $c$ of this paragraph, the resulting number shall be counted as additional students for the purpose of calculating state Aid.
b. District sparsity - isolation formula:

The district sparsity - isolation formula calculation shall apply only to school districts:
(1) whose total area in square miles is greater than the average number of square miles for all school districts in this state; and
(2) whose areal density is less than one-fourth (1/4) of the state average areal density. Areal density shall be determined by dividing the school district's average daily membership by the school district's total area in square miles. The district sparsity - isolation formula calculation shall be calculated as follows:

The school district student cost factor multiplied by the school district area factor. The resulting product shall be multiplied by the school district's average daily membership. Subject to the provisions of subparagraph $c$ of this paragraph, the resulting number shall be counted as additional students for the purpose of calculating State Aid. The school district student cost factor shall be calculated as follows:

The school district's average daily membership shall be categorized into the following grade level groups

| 1 | and applied to the appropriate formulas as computed |  |
| :---: | :---: | :---: |
| 2 | below: |  |
| 3 | Grade Level Group |  |
| 4 | Grades K-5 | Divide 74 by the sum of the Grade |
| 5 |  | Level ADM plus 23, |
| 6 |  | add . 85 to the quotient, then |
| 7 |  | multiply the sum by the Grade |
| 8 |  | Level ADM. |
| 9 | Grades 6-8 | Divide 122 by the sum of the Grade |
| 10 |  | Level ADM plus 133, |
| 11 |  | add . 85 to the quotient, then |
| 12 |  | multiply the sum by the Grade |
| 13 |  | Level ADM. |
| 14 | Grades 9-12 | Divide 292 by the sum of the Grade |
| 15 |  | Level ADM plus 128, |
| 16 |  | add . 78 to the quotient, then |
| 17 |  | multiply the sum by the Grade |
| 18 |  | Level ADM. |
| 19 | The sum of the grade level group's average daily |  |
| 20 | membership shall be divided by the school district's |  |
| 21 | average daily membership. The number one (1.0) shall |  |
| 22 | be subtracted from the resulting quotient. |  |
| 23 | The school district area cost factor shall be calculated as |  |
| 24 | follows: |  |

Subtract the state average district area from the district area, then divide the remainder by the state average district area;
however, the district area cost factor shall not exceed one (1.0).

The State Board of Education shall define geographical barriers whose location in a school district would inhibit the district from consolidation or annexation. The Board shall make available an application process, review applications, and for districts the Board deems necessary allow additional square miles to be used for the purposes of calculations used for the weighted district sparsity - isolation formula. Provided, that the additional square miles allowed for geographical barriers shall not exceed thirty percent ( $30 \%$ ) of the district's actual size.
c. State Aid funds which a district is calculated to receive as a result of the weighted district calculation shall be restricted as follows: If, after the weighted district calculation is applied, the district's projected per pupil revenue exceeds one hundred fifty percent (150\%) of the projected state average per pupil revenue, then the district's State Aid shall be reduced by an amount that will restrict the district's projected per pupil revenue to one hundred fifty
percent (150\%) of the projected state average per pupil revenue. Provided, in applying the restriction provided in this division, the district's State Aid shall not be reduced by an amount greater than by the amount of State Aid which was generated by the weighted district calculation.

The July calculation of the projected per pupil revenue shall be determined by dividing the highest of the district's preceding two (2) years average daily membership (ADM) as weighted by the pupil grade level, the pupil category, the district and the teacher experience degree index calculations for projected State Aid into the district's projected total revenues including projected funds for the State Aid Formula for the preceding year, net assessed valuation for the preceding calendar year times thirty-nine (39) mills, county revenues excluding the county four-mills
revenues for the second preceding year, other state appropriations for the preceding year and the collections for the preceding year of state apportionment, motor vehicle revenue, gross production tax and R.E.A. tax.

The December calculation of the projected per pupil revenue shall be determined by dividing the highest of the district's first nine (9) weeks of the current school year or the two (2) preceding school years average daily membership (ADM) as weighted by the pupil grade level, the pupil category, the district and the teacher experience degree index calculations for projected State Aid into the district's projected total revenues including funds for the December calculation of the current year State Aid Formula, net assessed valuation for the current calendar year times thirty-nine (39) mills, county revenues excluding the county four-mills revenue for the preceding year, other state appropriations for the preceding year and the collections for the preceding year of state apportionment, motor vehicle revenue, gross production 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 MASTER'S DOCTOR'S
DEGREE
DEGREE
DEGREE
0 -
.7
. 9
1.1

3-5
. 8
1.0
1.2

| $6-8$ | .9 | 1.1 |
| :---: | :---: | :---: | :---: |

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

SECTION 4. AMENDATORY 70 O.S. 2011, Section 8-104, as amended by Section 1, Chapter 85, O.S.L. 2013 (70 O.S. Supp. 2020, Section 8-104), is amended to read as follows:

Section 8-104. A. In addition to the transfer process provided in Section 8-103 of this title, students may be transferred on an emergency basis. A written application for an emergency transfer designating the district to which the transfer is desired shall be made by the parent and filed with the superintendent of the receiving school district. On an adequate showing of emergency the superintendent of the receiving school district may make and order a transfer, subject to approval by the State Board of Education. An emergency shall include only:

1. The destruction or partial destruction of a school building;
2. The inability to offer the subject a pupil desires to pursue, if the pupil becomes a legal resident of a school district after February 1 of the school year immediately prior to the school year for which the pupil is seeking the transfer;
3. A catastrophic medical problem of a student, which for purposes of this section shall mean an acute or chronic serious illness, disease, disorder or injury which has a permanently detrimental effect on the body's system or renders the risk unusually hazardous;
4. The total failure of transportation facilities;
5. The concurrence of both the sending and receiving school districts;
6. The unavailability of remote or on-site Internet-based instruction by course title in the district of residence for a student identified as in need of drop-out recovery or alternative education services, provided such student was enrolled at any time in a public school in this state during the previous three (3) school years;
7. The unavailability of a specialized deaf education program for a student who is deaf or hearing impaired; or
8. When a student has been the victim of harassment, intimidation and bullying as defined in Section 24-100.3 of this title, upon verification by the receiving school district that the student has been the victim of harassment, intimidation or bullying and that the sending school district was notified of the incident or incidents prior to the filing of the application for transfer; or
9. Enrollment at a resident school that has received an "F" school grade pursuant to Section 1210.545 of this title in each of the last three (3) immediately preceding years prior to the year the student submits the emergency transfer application.
B. An emergency transfer previously made may be canceled, with the concurrence of the board of the receiving district and the parent.
COMMITTEE REPORT BY: COMMITTEE ON COMMON EDUCATION, dated 02/25/2021 - DO PASS, As Amended and Coauthored.

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 SECTION 5. This act shall become effective November 1, 2021. - DO PASS, As Amended and Coauthored.

