

1 **SENATE FLOOR VERSION**

2 March 27, 2023

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL NO. 2775

6 By: McCall, McBride, Baker,
7 Bashore, Moore, Humphrey,
8 Luttrell, Caldwell (Chad),
9 Maynard, Echols, Hilbert,
10 and Culver of the House

11 and

12 Treat, Jett, Pugh, Daniels,
13 Bullard, Rogers, Rosino,
14 Thompson (Kristen),
15 Bergstrom, McCortney,
16 Thompson (Roger), Paxton,
17 Hall, Coleman, Rader,
18 Stephens, Burns, Jech,
19 Newhouse, Stewart, Prieto,
20 Montgomery, Murdock,
21 Pederson, Dugger,
22 Pemberton, Weaver, Stanley,
23 Garvin, Green, Kidd,
24 Seifried, Alvord, Haste,
and Gollihare of the Senate

17 An Act relating to schools; making an appropriation
18 to the State Board of Education; providing purpose;
19 prohibiting use of funds for certain purpose;
20 establishing minimum salary schedule for teachers;
21 defining fringe benefits; specifying certain
22 recognition of college degrees; requiring the State
23 Board of Education to accept certain teaching
24 experience; requiring certain notification; limiting
teaching credit for certain service and experience;
allowing school district to offer more credit;
directing the Board to recognize certain experiences;
prohibiting application of minimum salary schedule to
certain retired teachers; requiring certain certified
personnel to receive certain salary increase above
certain level paid during certain school year; making

1 an appropriation; specifying use of funds; creating
2 the Rewarding Excellent Educators Revolving Fund;
3 specifying source of funds; providing for
4 expenditures; providing purpose of fund; defining
5 terms; directing the State Department of Education to
6 create the Rewarding Excellent Educators Grant
7 Program; providing purpose; providing eligibility for
8 grant funds; providing for award of funds on certain
9 basis; directing use of grants; limiting the number
10 of certain teachers and support employees that may
11 receive certain bonuses; providing maximum bonus
12 amount; amending 70 O.S. 2021, Section 18-200.1, as
13 last amended by Section 2, Chapter 488, O.S.L. 2021,
14 which relates to allocation of State Aid; updating
15 statutory language; increasing transportation factor;
16 amending 70 O.S. 2021, Section 18-201.1, which
17 relates to calculation of weighted membership;
18 modifying certain category weights; updating
19 statutory language; providing for codification;
20 providing conditional effective date; providing an
21 effective date; and declaring an emergency.

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

23 SECTION 1. There is hereby appropriated to the State Board of
24 Education from any monies not otherwise appropriated from the
General Revenue Fund of the State Treasury for the fiscal year
beginning July 1, 2023, the sum of Five Hundred Million Dollars
(\$500,000,000.00) for the financial support of public schools.
These monies shall be used to implement the provisions of Section 2
of this act and to provide student supports. Monies appropriated
pursuant to this section shall not be used to provide a bonus or
salary increase to an administrator, as defined by Section 6-101.3
of Title 70 of the Oklahoma Statutes.

1 SECTION 2. NEW LAW A new section of law to be codified
 2 in the Oklahoma Statutes as Section 18-114.15 of Title 70, unless
 3 there is created a duplication in numbering, reads as follows:

4 A. Beginning with the 2023-2024 school year, certified
 5 personnel, as defined in Section 26-103 of Title 70 of the Oklahoma
 6 Statutes, in the public schools of Oklahoma shall receive in salary
 7 and/or fringe benefits not less than the amounts specified in the
 8 following schedule:

9 MINIMUM SALARY SCHEDULE

10 National

11	Years of	Bachelor's Board	Master's	Doctor's
12	Experience	Degree	Certification Degree	Degree
13	0	\$39,601	\$40,759	\$40,991 \$42,381
14	1	\$40,035	\$41,193	\$41,425 \$42,815
15	2	\$40,469	\$41,628	\$41,859 \$43,249
16	3	\$40,904	\$42,062	\$42,294 \$43,684
17	4	\$41,338	\$42,496	\$42,728 \$44,118
18	5	\$42,810	\$43,968	\$44,200 \$45,590
19	6	\$43,273	\$44,432	\$44,663 \$46,054
20	7	\$43,737	\$44,895	\$45,127 \$46,517
21	8	\$44,200	\$45,358	\$45,590 \$46,980
22	9	\$44,663	\$45,822	\$46,054 \$47,444
23	10	\$46,684	\$47,844	\$48,568 \$50,945
24	11	\$47,177	\$48,336	\$49,061 \$51,438

1	12	\$47,670	\$48,829	\$49,554	\$51,931
2	13	\$48,162	\$49,322	\$50,047	\$52,424
3	14	\$48,655	\$49,815	\$50,539	\$52,916
4	15	\$50,167	\$51,327	\$52,052	\$54,430
5	16	\$50,660	\$51,820	\$52,545	\$54,923
6	17	\$51,153	\$52,313	\$53,038	\$55,416
7	18	\$51,646	\$52,806	\$53,531	\$55,909
8	19	\$52,139	\$53,299	\$54,024	\$56,402
9	20	\$52,652	\$53,813	\$54,538	\$56,917
10	21	\$53,145	\$54,306	\$55,031	\$57,410
11	22	\$53,639	\$54,799	\$55,524	\$57,903
12	23	\$54,132	\$55,292	\$56,018	\$58,397
13	24	\$54,625	\$55,785	\$56,511	\$58,890
14	25	\$56,049	\$57,232	\$57,971	\$60,395

15	Master's Degree +	
16	Years of	National Board
17	Experience	Certification
18	0	\$42,149
19	1	\$42,583
20	2	\$43,018
21	3	\$43,452
22	4	\$43,886
23	5	\$45,358
24	6	\$45,822

1	7	\$46,285
2	8	\$46,749
3	9	\$47,212
4	10	\$49,728
5	11	\$50,221
6	12	\$50,713
7	13	\$51,206
8	14	\$51,699
9	15	\$53,212
10	16	\$53,705
11	17	\$54,198
12	18	\$54,691
13	19	\$55,184
14	20	\$55,698
15	21	\$56,192
16	22	\$56,685
17	23	\$57,178
18	24	\$57,671
19	25	\$59,153

20 B. 1. When determining the Minimum Salary Schedule, "fringe
21 benefits" shall mean all or part of retirement benefits, excluding
22 the contributions made pursuant to subsection A of Section 17-108.1
23 of Title 70 of the Oklahoma Statutes and the flexible benefit
24 allowance pursuant to Section 26-105 of Title 70 of the Oklahoma

1 Statutes from the flexible benefit allowance funds disbursed by the
2 State Board of Education and the State Board of Career and
3 Technology Education pursuant to Section 26-104 of Title 70 of the
4 Oklahoma Statutes.

5 2. If a school district intends to provide retirement benefits
6 to a teacher such that the teacher's salary would be less than the
7 amounts set forth in the minimum salary schedule specified in
8 subsection A of this section, the district shall be required to
9 provide written notification to the teacher prior to his or her
10 employment or, if already employed by the district, no later than
11 thirty (30) days prior to the date the district elects to provide
12 retirement benefits such that the teacher's salary would be less
13 than the minimum salary schedule.

14 C. Any of the degrees referred to in this section shall be from
15 a college recognized by the State Board of Education. The Board
16 shall accept teaching experience from out-of-state school districts
17 that are accredited by the State Board of Education or appropriate
18 state accrediting agency for the districts. The Board shall accept
19 teaching experience from out-of-country schools that are accredited
20 or otherwise endorsed by the appropriate national or regional
21 accrediting or endorsement authority. Out-of-country certification
22 documentation in a language other than English shall be analyzed by
23 an educational credential evaluation service in accordance with
24 industry standards and guidelines and approved by the State

1 Department of Education. The person seeking to have credit granted
2 for out-of-country teaching experience shall be responsible for all
3 costs of the analysis by a credential evaluation service. The Board
4 shall accept teaching experience from primary and secondary schools
5 that are operated by the United States Department of Defense or are
6 affiliated with the United States Department of State.

7 D. For the purpose of state salary increments and retirement,
8 no teacher shall be granted credit for more than five (5) years of
9 active duty in the military service or out-of-state or out-of-
10 country teaching experience as a certified teacher or its
11 equivalent. Nothing in this section shall prohibit boards of
12 education from crediting more years of experience on district salary
13 schedules than those allowed for state purposes.

14 E. The State Board of Education shall recognize, for purposes
15 of certification and salary increments, all the years of experience
16 of a:

17 1. Certified teacher who teaches in the educational program of
18 the Department of Corrections, beginning with fiscal year 1981;

19 2. Vocational rehabilitation counselor under the Department of
20 Human Services if the counselor was employed as a certified teacher
21 by the State Department of Education when the Division of Vocational
22 Rehabilitation was transferred from the State Board of Career and
23 Technology Education or the State Board of Education to the Oklahoma
24 Public Welfare Commission on July 1, 1968;

1 3. Vocational rehabilitation counselor which were completed
2 while employed by the Department of Human Services if such counselor
3 was certified as a teacher or was eligible for certification as a
4 teacher in Oklahoma;

5 4. Certified teacher which were completed while employed by the
6 Child Study Center located at University Hospital, if the teacher
7 was certified as a teacher in Oklahoma; and

8 5. Certified school psychologist or psychometrist which were
9 completed while employed as a doctoral intern, psychological
10 assistant, or psychologist with any agency of the State of Oklahoma
11 if the experience primarily involved work with persons of school- or
12 preschool-age and if the person was, at the time the experience was
13 acquired, certified as, or eligible for certification as, a school
14 psychologist or psychometrist.

15 F. The provisions of this section shall not apply to teachers
16 who have entered into postretirement employment with a public school
17 in Oklahoma and are still receiving a monthly retirement benefit.

18 G. If a person employed as certified personnel, as defined in
19 Section 26-103 of Title 70 of the Oklahoma Statutes, by a school
20 district during the 2022-2023 school year was receiving a salary
21 above the step level indicated by the State Minimum Salary Schedule
22 for the 2022-2023 school year, the person shall receive a salary
23 increase amount equal to the amount indicated in subsection A for
24 the step level indicated for the person, provided they remain

1 employed by the same district, unless the hours or the duties of the
2 certified personnel are reduced proportionately.

3 SECTION 3. There is hereby appropriated to the Rewarding
4 Excellent Educators Revolving Fund created in Section 4 of this act
5 from any monies not otherwise appropriated from the General Revenue
6 Fund of the State Treasury for the fiscal year ending June 30, 2024,
7 the sum of Thirty Million Dollars (\$30,000,000.00).

8 SECTION 4. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 18-126 of Title 70, unless there
10 is created a duplication in numbering, reads as follows:

11 There is hereby created in the State Treasury a revolving fund
12 for the State Board of Education to be designated the "Rewarding
13 Excellent Educators Revolving Fund". The fund shall be a continuing
14 fund, not subject to fiscal year limitations, and shall consist of
15 all monies received by the State Board of Education from state
16 appropriations. All monies accruing to the credit of the fund are
17 hereby appropriated and may be budgeted and expended by the State
18 Board of Education for the purpose of implementing the provisions of
19 Section 5 of this act. Expenditures from the fund shall be made
20 upon warrants issued by the State Treasurer against claims filed as
21 prescribed by law with the Director of the Office of Management and
22 Enterprise Services for approval and payment.

1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 18-126.1 of Title 70, unless
3 there is created a duplication in numbering, reads as follows:

4 A. For the purposes of this act:

5 1. "Eligible teacher" means a certified person employed on a
6 full-time basis by a school district to serve as a teacher,
7 supervisor, counselor, librarian, or certified or registered nurse;
8 and

9 2. "Eligible support employee" means a full-time employee of a
10 school district as determined by the standard period of labor which
11 is customarily understood to constitute full-time employment for the
12 type of services performed by the employee who is employed a minimum
13 of one hundred seventy-two (172) days and who provides those
14 services, not performed by professional educators or certified
15 teachers, which are necessary for the efficient and satisfactory
16 functioning of a school district and shall not include adult
17 education instructors or adult coordinators employed by technology
18 center school districts.

19 B. The State Department of Education shall create the Rewarding
20 Excellent Educators Grant Program for the purpose of providing grant
21 funds to school districts to implement qualitative bonus pay plans
22 for eligible teachers and eligible support employees.

23 C. To receive grant funds, a school district board of education
24 shall approve and submit to the State Department of Education a

1 qualitative bonus pay plan to reward high-performing eligible
2 teachers and eligible support employees. The plan shall include,
3 but not be limited to, the following components:

- 4 1. Student growth, as defined by the school district board of
5 education;
- 6 2. Peer evaluations;
- 7 3. Administrator evaluations;
- 8 4. Mentorship participation; and
- 9 5. Participation in extra responsibilities or duties.

10 D. The State Department of Education shall award grant funds to
11 school districts from the Rewarding Excellent Educators Revolving
12 Fund created in Section 4 of this act on a first-come, first-served
13 basis until funds appropriated pursuant to Section 3 of this act are
14 exhausted.

15 E. Grants awarded pursuant to this section shall be used to
16 provide one-time bonuses to eligible teachers and eligible support
17 employees. No more than ten percent (10%) of a school district's
18 eligible teachers and eligible support employees may be provided
19 one-time bonuses for the school year. No bonus shall exceed Five
20 Thousand Dollars (\$5,000.00).

21 SECTION 6. AMENDATORY 70 O.S. 2021, Section 18-200.1, as
22 last amended by Section 2, Chapter 488, O.S.L. 2021, is amended to
23 read as follows:

24

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.

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 7. 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
18 by the weight assigned to such subparagraph of this paragraph and
19 add 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 <u>.5</u>
17	c. Deafness or Hearing Impairment	2.9
18	d. Deaf-Blindness	3.8
19	e. Intellectual Disability	1.3 <u>1.5</u>
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 <u>.1</u>

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
12 approved in the school year with the highest average daily
13 membership in each category by the weight assigned to such category
14 and add the totals together to determine the weighted pupil category
15 calculation for a school district. For the 1997-98 school year and
16 subsequent school years, the number to be multiplied by the weight
17 assigned to the gifted category in subparagraph g of this paragraph
18 shall be the lesser of (1) the sum of the number of students who
19 scored in the top three percent (3%) on any national standardized
20 test of intellectual ability plus the number of students identified
21 as 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: $529 \text{ minus the average}$
10 $\text{daily membership divided by } 529 \text{ times } .2 \text{ times total}$
11 $\text{average daily membership.}$

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

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

5 b. District sparsity - isolation formula:

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

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

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

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

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

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

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

7 Grade Level Group

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

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

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

23 The sum of the grade level group's average daily
24 membership shall be divided by the school district's

1 average daily membership. The number one (1.0) shall
2 be subtracted from the resulting quotient.

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

5 Subtract the state average district area from the
6 district area, then divide the remainder by the state
7 average district area;

8 however, the district area cost factor shall not exceed one
9 (1.0).

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

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

22 If, after the weighted district calculation is
23 applied, the district's projected per pupil
24 revenue exceeds one hundred fifty percent (150%)

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

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

1 collections for the preceding year of state
2 apportionment, motor vehicle revenue, gross production
3 tax, and R.E.A. tax.

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

21 The district's projected total revenues for each
22 calculation shall exclude the following collections
23 for the second preceding year: federal revenue,
24 insurance loss payments, reimbursements, recovery of

1 overpayments and refunds, unused reserves, prior
2 expenditures recovered, prior year surpluses, and
3 other local miscellaneous revenues.

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

19 The school district teacher index for each school district shall
20 be determined by subtracting the weighted average state teacher from
21 the weighted average district teacher. Multiply the school district
22 teacher index if greater than zero by .7 and then multiply that
23 product by the sum of the district's weighted pupil grade level
24 calculation provided in paragraph 1 of this subsection and the

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

4 C. Each school district shall allocate funds generated by the
5 pupil category weights provided for in paragraph 2 of subsection B
6 of this section to provide instruction and services to students who
7 generated the pupil category weight(s). Expenditures shall be
8 reported using the Oklahoma Cost Accounting System.

9 SECTION 8. The provisions of this act shall not become
10 effective as law unless Enrolled House Bill No. 1935 of the 1st
11 Session of the 59th Oklahoma Legislature becomes effective as law.

12 SECTION 9. This act shall become effective July 1, 2023.

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

17 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
18 March 27, 2023 - DO PASS AS AMENDED BY CS

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