

1 STATE OF OKLAHOMA

2 1st Session of the 56th Legislature (2017)

3 SENATE BILL 16

By: Loveless

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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, which relate to
9 calculation of school district funding; modifying
10 certain data to be used in school district funding
calculations; modifying reporting guidelines;
providing an effective date; and declaring an
emergency.

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

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

16 Section 18-200.1. A. Beginning with the ~~1997-98~~ 2018-19 school
17 year, and each school year thereafter, each school district shall
18 have its initial allocation of State Aid calculated based on the
19 state dedicated revenues actually collected during the preceding
20 fiscal year, the adjusted assessed valuation of the preceding year
21 and the ~~highest~~ weighted average daily membership for the school
22 district of the ~~two (2)~~ preceding school ~~years; however, the~~ year.
23 The weighted membership of nonresident, transferred pupils enrolled
24 in online courses shall be based on the weighted average daily

1 membership of the preceding school year. Each school district shall
2 submit the following data based on the first nine (9) weeks, to be
3 used in the calculation of the average daily membership of the
4 school district:

- 5 1. Student enrollment by grade level;
- 6 2. Pupil category counts; and
- 7 3. Transportation supplement data.

8 On or before December 30, the State Department of Education
9 shall determine each school district's current year allocation
10 pursuant to subsection D of this section. The State Department of
11 Education shall complete an audit, using procedures established by
12 the Department, of the student enrollment by grade level data, pupil
13 category counts and transportation supplement data to be used in the
14 State Aid Formula pursuant to subsection D of this section by
15 December 1 and by January 15 shall notify each school district of
16 the district's final State Aid allocation for the current school
17 year. The January payment of State Aid and each subsequent payment
18 for the remainder of the school year shall be based on the final
19 State Aid allocation as calculated in subsection D of this section.
20 Except for reductions made due to the assessment of penalties by the
21 State Department of Education according to law, the January payment
22 of State Aid and each subsequent payment for the remainder of the
23 school year shall not decrease by an amount more than the amount
24 that the current chargeable revenue increases for that district.

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

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

19 The July calculation of per pupil revenue shall be determined by
20 dividing the district's ~~second~~ preceding year's total weighted
21 average daily membership (ADM) into the district's second preceding
22 year's total revenues excluding federal revenue, insurance loss
23 payments, reimbursements, recovery of overpayments and refunds,
24

1 unused reserves, prior expenditures recovered, prior year surpluses,
2 and less the amount of any transfer fees paid in that year.

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

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

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

16 a. The Foundation Program shall be a district's highest
17 weighted average daily membership based on the first
18 nine (9) weeks of the current school year, or the
19 preceding school year ~~or the second preceding school~~
20 ~~year~~ of a school district, as determined by the
21 provisions of subsection A of Section 18-201.1 of this
22 title and paragraphs 1, 2, 3 and 4 of subsection B of
23 Section 18-201.1 of this title, multiplied by the Base
24 Foundation Support Level. However, for the portion of

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

11 b. The Foundation Program Income shall be the sum of the
12 following:

13 (1) The adjusted assessed valuation of the current
14 school year of the school district, minus the
15 previous year protested ad valorem tax revenues
16 held as prescribed in Section 2884 of Title 68 of
17 the Oklahoma Statutes, multiplied by the mills
18 levied pursuant to subsection (c) of Section 9 of
19 Article X of the Oklahoma Constitution, if
20 applicable, as adjusted in subsection (c) of
21 Section 8A of Article X of the Oklahoma
22 Constitution. For purposes of this subsection,
23 the "adjusted assessed valuation of the current
24 school year" shall be the adjusted assessed

1 valuation on which tax revenues are collected
2 during the current school year, and

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

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

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

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

b. The per capita allowance shall be determined using the 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	
.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00	
.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00	
.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00	
.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00	
.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00	
.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00	

1	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
2	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
3	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
4	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
5	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
6	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
7	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
8	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
9	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
10	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
11	.9067 - .9333	\$101.00	9.6668 or more	\$33.00

12 c. The formula transportation factor shall be 1.39.

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

14 a. Multiply the Incentive Aid guarantee by the district's
15 highest weighted average daily membership based on the
16 first nine (9) weeks of the current school year, or
17 the preceding school year ~~or the second preceding~~
18 ~~school year~~ of a school district, as determined by the
19 provisions of subsection A of Section 18-201.1 of this
20 title and paragraphs 1, 2, 3 and 4 of subsection B of
21 Section 18-201.1 of this title.

22 b. Divide the district's adjusted assessed valuation of
23 the current school year minus the previous year's
24 protested ad valorem tax revenues held as prescribed

1 in Section 2884 of Title 68 of the Oklahoma Statutes,
2 by one thousand (1,000) and subtract the quotient from
3 the product of subparagraph a of this paragraph. The
4 remainder shall not be less than zero (0).

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

12 E. By June 30, 1998, the State Department of Education shall
13 develop and the Department and all school districts shall have
14 implemented a student identification system which is consistent with
15 the provisions of subsections C and D of Section 3111 of Title 74 of
16 the Oklahoma Statutes. The student identification system shall be
17 used specifically for the purpose of reporting enrollment data by
18 school sites and by school districts, the administration of the
19 Oklahoma School Testing Program Act, the collection of appropriate
20 and necessary data pursuant to the Oklahoma Educational Indicators
21 Program, determining student enrollment, establishing a student
22 mobility rate, allocation of the State Aid Formula and mid-year
23 adjustments in funding for student growth. This enrollment data
24 shall be submitted to the State Department of Education in

1 accordance with rules promulgated by the State Board of Education.
2 Funding for the development, implementation, personnel training and
3 maintenance of the student identification system shall be set out in
4 a separate line item in the allocation section of the appropriation
5 bill for the State Board of Education for each year.

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

22 2. In the event that the amount of funds a school district
23 receives for reimbursement from the Ad Valorem Reimbursement Fund is
24 less than the amount of funds claimed for reimbursement by the

1 school district due to insufficiency of funds as provided in Section
2 193 of Title 62 of the Oklahoma Statutes, then the school district's
3 assessed valuation for the school year that such ad valorem
4 reimbursement is calculated in the State Aid Formula shall be
5 adjusted accordingly.

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

11	Total Amount of	Amount of
12	General Fund Collections,	General Fund
13	Excluding Previous Year	Balance
14	Cash Surplus as of June 30	Allowable
15	Less than \$1,000,000	40%
16	\$1,000,000 - \$2,999,999	35%
17	\$3,000,000 - \$3,999,999	30%
18	\$4,000,000 - \$4,999,999	25%
19	\$5,000,000 - \$5,999,999	20%
20	\$6,000,000 - \$7,999,999	18%
21	\$8,000,000 - \$9,999,999	16%
22	\$10,000,000 or more	14%

23 2. By February 1 the State Department of Education shall send
24 by certified mail, with return receipt requested, to each School

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

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

21 4. Any school district which receives an increase in State Aid
22 because of a change in Foundation and/or Salary Incentive Aid
23 factors during the last two (2) months of the preceding fiscal year
24 shall be exempt from the penalties assessed in this subsection, if

1 the penalty would occur solely as a result of receiving funds from
2 the increase in State Aid.

3 5. If a school district does not receive Foundation and/or
4 Salary Incentive Aid during the preceding fiscal year, the State
5 Board of Education may waive the penalty assessed in this subsection
6 if the penalty would result in a loss of more than forty percent
7 (40%) of the remaining State Aid to be allocated to the school
8 district between April 1 and the remainder of the school year and if
9 the Board determines the penalty will cause the school district not
10 to meet remaining financial obligations.

11 6. Any school district which receives gross production revenue
12 apportionment during the 2002-2003 school year or in any subsequent
13 school year that is greater than the gross production revenue
14 apportionment of the preceding school year shall be exempt from the
15 penalty assessed in this subsection, if the penalty would occur
16 solely as a result of the gross production revenue apportionment, as
17 determined by the State Board of Education.

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

24

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

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

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

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

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

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

13 3. Beginning ~~July 1, 1996~~ July 1, 2018, the Commissioners of
14 the Land Office, notwithstanding any provision of law to the
15 contrary, shall electronically report monthly to the State
16 Department of Education the monthly apportionment of state
17 apportionment.

18 4. Beginning ~~July 1, 1997~~ July 1, 2018, the county treasurers'
19 offices, notwithstanding any provision of law to the contrary, shall
20 electronically report monthly to the State Department of Education
21 the ad valorem tax protest amounts for each county.

22 5. The information reported by the Tax Commission, the State
23 Auditor and Inspector's Office, the county treasurers' offices and
24 the Commissioners of the Land Office, pursuant to this subsection

1 shall be electronically reported by school district ~~on forms~~ in a
2 form developed by the State Department of Education.

3 SECTION 2. AMENDATORY 70 O.S. 2011, Section 18-201.1, is
4 amended to read as follows:

5 Section 18-201.1. A. Beginning with the ~~1997-98~~ 2018-19 school
6 year, and each school year thereafter, the weighted membership of a
7 school district for calculation of Foundation Aid purposes pursuant
8 to paragraph 1 of subsection D of Section 18-200.1 of this title
9 shall be the sum of the weighted pupil grade level calculation, the
10 weighted pupil category calculation, the weighted district
11 calculation and the weighted teacher experience and degree
12 calculation. The weighted membership of a school district for
13 calculation of Salary Incentive Aid purposes pursuant to paragraph 3
14 of subsection D of Section 18-200.1 of this title shall be the sum
15 of the weighted pupil grade level calculation, the weighted pupil
16 category calculation, the weighted district calculation, and the
17 weighted teacher experience and degree calculation.

18 B. The weighted calculations provided for in subsection A of
19 this section shall be based on the highest weighted average daily
20 membership of the first nine (9) weeks of the current school year,
21 or the preceding school year ~~or the second preceding school year~~ of
22 a school district, unless otherwise specified. The highest of the
23 ~~three (3)~~ two (2) weighted average daily memberships shall be used
24 consistently in all of the calculations; however, the portion of

1 weighted membership derived from nonresident, transferred pupils
2 enrolled in online courses shall be based on the weighted average
3 daily membership of the first nine (9) weeks of the current school
4 year. The average daily membership data used for all calculations
5 in paragraphs 1, 2, 3 and 4 of this subsection shall be the same as
6 used in the calculation of the State Aid Formula. The weighted
7 calculations provided for in subsection A of this section shall be
8 determined as follows:

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

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

23 Multiply the membership of each subparagraph of this paragraph by
24 the weight assigned to such subparagraph of this paragraph and add

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

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

20	CATEGORY	WEIGHT
21	a. Vision Impaired	3.8
22	b. Learning Disabilities	.4
23	c. Deaf or Hard-of-Hearing	2.9
24	d. Deaf and Blind	3.8

1	e.	Educable Mentally Handicapped	1.3
2	f.	Emotionally Disturbed	2.5
3	g.	Gifted	.34
4	h.	Multiple Handicapped	2.4
5	i.	Physically Handicapped	1.2
6	j.	Speech Impaired	.05
7	k.	Trainable Mentally Handicapped	1.3
8	l.	Bilingual	.25
9	m.	Special Education Summer Program	1.2
10	n.	Economically Disadvantaged	.25
11	o.	Optional Extended School Year	

12	Program	As determined by
13		the State Board
14		of Education

15 Except as otherwise provided, multiply the number of pupils approved
16 in the school year with the highest average daily membership in each
17 category by the weight assigned to such category and add the totals
18 together to determine the weighted pupil category calculation for a
19 school district. For the 1996-97 school year, the number to be
20 multiplied by the weight assigned to the gifted category in
21 subparagraph g of this paragraph shall be the lesser of (1) the sum
22 of the number of students who scored in the top three percent (3%)
23 on any national standardized test of intellectual ability plus the
24 number of students identified as gifted pursuant to subparagraphs a

1 through d of paragraph 1 of Section 1210.301 of this title or (2)
2 the sum of the number of students who scored in the top three
3 percent (3%) on any national standardized test of intellectual
4 ability plus eight percent (8%) of the total average daily
5 membership of the school district for the preceding school year.
6 For the 1997-98 school year and subsequent school years, the number
7 to be multiplied by the weight assigned to the gifted category in
8 subparagraph g of this paragraph shall be the lesser of (1) the sum
9 of the number of students who scored in the top three percent (3%)
10 on any national standardized test of intellectual ability plus the
11 number of students identified as gifted pursuant to subparagraphs a
12 through d of paragraph 1 of Section 1210.301 of this title, or (2)
13 the sum of the number of students who scored in the top three
14 percent (3%) on any national standardized test of intellectual
15 ability plus eight percent (8%) of the total average daily
16 membership of the school district for the first nine (9) weeks of
17 the school year.

18 3. The weighted district calculation shall be determined by
19 determining the calculations for each school district for both the
20 small school district formula and the district sparsity - isolation
21 formula, applying whichever is the greater of the calculations of
22 the two formulas and then applying the restrictions pursuant to
23 subparagraph c of this paragraph.

24

1 a. Small school district formula: 529 minus the average
2 daily membership divided by 529 times .2 times total
3 average daily membership.

4 The small school district formula calculation shall apply
5 only to school districts whose highest average daily
6 membership is less than 529 pupils. School districts which
7 are consolidated or annexed after July 1, 2003, pursuant to
8 the Oklahoma School Voluntary Consolidation and Annexation
9 Act shall have the weighted district size calculation for
10 the three (3) school years following the fiscal year in
11 which such consolidation occurred calculated to be the sum
12 of the individual consolidated districts computed as if the
13 consolidation had not taken place. Thereafter, any such
14 district which is consolidated pursuant to the Oklahoma
15 School Voluntary Consolidation and Annexation Act shall not
16 qualify for the weighted district calculation unless the
17 district can satisfy the specifications herein. Subject to
18 the provisions of subparagraph c of this paragraph, the
19 resulting number shall be counted as additional students
20 for the purpose of calculating State Aid.

21 b. District sparsity - isolation formula:

22 The district sparsity - isolation formula calculation shall
23 apply only to school districts:
24

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

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

9 The district sparsity - isolation formula calculation shall
10 be calculated as follows:

11 The school district student cost factor multiplied by
12 the school district area factor. The resulting
13 product shall be multiplied by the school district's
14 average daily membership. Subject to the provisions
15 of subparagraph c of this paragraph, the resulting
16 number shall be counted as additional students for the
17 purpose of calculating State Aid.

18 The school district student cost factor shall be calculated
19 as follows:

20 The school district's average daily membership shall
21 be categorized into the following grade level groups
22 and applied to the appropriate formulas as computed
23 below:

24 Grade Level Group

1 Grades K-5 Divide 74 by the sum of the Grade
2 Level ADM plus 23,
3 add .85 to the quotient, then
4 multiply the sum by the Grade
5 Level ADM.

6 Grades 6-8 Divide 122 by the sum of the Grade
7 Level ADM plus 133,
8 add .85 to the quotient, then
9 multiply the sum by the Grade
10 Level ADM.

11 Grades 9-12 Divide 292 by the sum of the Grade
12 Level ADM plus 128,
13 add .78 to the quotient, then
14 multiply the sum by the Grade
15 Level ADM.

16 The sum of the grade level group's average daily
17 membership shall be divided by the school district's
18 average daily membership. The number one (1.0) shall
19 be subtracted from the resulting quotient.

20 The school district area cost factor shall be calculated as
21 follows:

22 Subtract the state average district area from the
23 district area, then divide the remainder by the state
24 average district area;

1 however, the district area cost factor shall not exceed one
2 (1.0).

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

12 c. State Aid funds which a district is calculated to
13 receive as a result of the weighted district
14 calculation shall be restricted as follows:

15 If, after the weighted district calculation is
16 applied, the district's projected per pupil
17 revenue exceeds one hundred fifty percent (150%)
18 of the projected state average per pupil revenue,
19 then the district's State Aid shall be reduced by
20 an amount that will restrict the district's
21 projected per pupil revenue to one hundred fifty
22 percent (150%) of the projected state average per
23 pupil revenue. Provided, in applying the
24 restriction provided in this division, the

1 district's State Aid shall not be reduced by an
2 amount greater than by the amount of State Aid
3 which was generated by the weighted district
4 calculation.

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

21 The December calculation of the projected per pupil
22 revenue shall be determined by dividing the highest of
23 the district's first nine (9) weeks of the current
24 school year or the ~~two~~ preceding school ~~years~~ year

1 average daily membership (ADM) as weighted by the
2 pupil grade level, the pupil category, the district
3 and the teacher experience degree index calculations
4 for projected State Aid into the district's projected
5 total revenues including funds for the December
6 calculation of the current year State Aid Formula, net
7 assessed valuation for the current calendar year times
8 thirty-nine (39) mills, county revenues excluding the
9 county four-mills revenue for the preceding year,
10 other state appropriations for the preceding year and
11 the collections for the preceding year of state
12 apportionment, motor vehicle revenue, gross production
13 tax and R.E.A. tax.

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

21 4. The weighted teacher experience and degree calculation shall
22 be determined in accordance with the teacher experience and degree
23 index. The State Department of Education shall determine an index
24 for each state teacher by using data supplied in the school

1 district's teacher personnel reports of the preceding year and
2 utilizing the index as follows:

3 TEACHER EXPERIENCE - DEGREE INDEX

4 EXPERIENCE	BACHELOR'S	MASTER'S	DOCTOR'S
5	DEGREE	DEGREE	DEGREE
6 0 - 2	.7	.9	1.1
7 3 - 5	.8	1.0	1.2
8 6 - 8	.9	1.1	1.3
9 9 - 11	1.0	1.2	1.4
10 12 - 15	1.1	1.3	1.5
11 Over 15	1.2	1.4	1.6

12 The school district teacher index for each school district shall
13 be determined by subtracting the weighted average state teacher from
14 the weighted average district teacher. Multiply the school district
15 teacher index if greater than zero by .7 and then multiply that
16 product by the sum of the district's weighted pupil grade level
17 calculation provided in paragraph 1 of this subsection and the
18 weighted pupil category calculation provided in subparagraph n of
19 paragraph 2 of this subsection to determine the weighted teacher
20 experience and degree calculation.

21 SECTION 3. This act shall become effective July 1, 2017.

22 SECTION 4. It being immediately necessary for the preservation
23 of the public peace, health or safety, an emergency is hereby
24

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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