

1 ENGROSSED HOUSE AMENDMENTS  
TO  
2 ENGROSSED SENATE BILL NO. 359

By: Pugh of the Senate

3 and

4 Lowe (Dick) of the House

5  
6 [ school funding - State Aid funding formula -  
7 effective date ]  
8  
9

10 AMENDMENT NO. 1. Page 1, Line 9, strike the enacting clause

11  
12 Passed the House of Representatives the 26th day of April, 2023.

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15 \_\_\_\_\_  
Presiding Officer of the House of  
Representatives

16  
17 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2023.

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19  
20 \_\_\_\_\_  
Presiding Officer of the Senate

1 ENGROSSED SENATE  
2 BILL NO. 359

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

10 SECTION 1. AMENDATORY 70 O.S. 2021, Section 18-107, is  
11 amended to read as follows:

12 Section 18-107. As used in this title:

13 1. ~~"Average Daily Attendance"~~ "Average daily attendance" (ADA)  
14 means the legal average number of pupils, early childhood education  
15 programs through grade twelve, in a school district during a school  
16 year as determined pursuant to the provisions of Section 18-111 of  
17 this title. A day of school for early childhood education programs  
18 and kindergarten shall be at least two and one-half (2 1/2) hours  
19 and, for early childhood education, may be six (6) hours;

20 2. ~~"Average Daily Membership"~~ "Average daily membership" (ADM)  
21 means the average number of pupils present and absent in a school  
22 district during a school year. ~~Average Daily Membership~~ daily  
23 membership shall be calculated by dividing the sum of the pupil's  
24

1 total days present and total days absent by the number of days  
2 taught.

3 a. A pupil who has been absent without excuse ten (10)  
4 consecutive days shall be taken off the roll beginning  
5 the eleventh day and thereafter shall not be  
6 considered in a district's ~~average daily membership~~  
7 ADM calculation until the pupil is placed on the roll  
8 in the district. For the purpose of this ~~paragraph~~  
9 subparagraph, consecutive days means days for which  
10 enrollment is recorded.

11 b. A pupil enrolled in a statewide virtual charter school  
12 who is behind pace and has not completed instructional  
13 activity as defined by Section 3-145.8 of this title  
14 for a fifteen-school-day period, without excuse as  
15 authorized by Section 10-105 of this title, shall be  
16 taken off the roll beginning the sixteenth day and  
17 thereafter shall not be considered in the virtual  
18 charter school's ~~Average Daily Membership~~ ADM  
19 calculation until the pupil is placed on the roll in  
20 the virtual charter school; and

21 3. ~~"Total Adjusted Assessed Valuation" means the sum of public~~  
22 ~~service property assessed valuation, personal property assessed~~  
23 ~~valuation and real property assessed valuation as adjusted pursuant~~  
24 ~~to the provisions of Section 18-109.1 of this title.~~

1       4. "Eighty-five percent (85%) of maximum allowable", for the  
2 purpose of assessing class size penalty pursuant to Sections 18-  
3 113.1 and 18-113.2 of this title, means eighty-five percent (85%) of  
4 ten percent (10%) of the preceding year's net assessed valuation of  
5 a school district. The calculation of indebtedness as provided for  
6 in paragraph a of subsection G F of Section 18-113.1 and  
7 subparagraph a of paragraph 4 of subsection A of Section 18-113.2 of  
8 this title shall include the outstanding principal amount of bonds  
9 issued by the school district plus the principal amount of any bonds  
10 authorized by a vote of the people for issuance but not yet issued  
11 by the school district.

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

15       Section 18-200.1. A. Beginning with the ~~2022-2023~~ 2024-2025  
16 school year, and each school year thereafter, each school district  
17 shall have its initial allocation of State Aid calculated based on  
18 the ad valorem tax and state dedicated revenues actually collected  
19 during the preceding fiscal year, ~~the adjusted assessed valuation of~~  
20 ~~the preceding year~~ and the weighted average daily membership for the  
21 school district of the preceding school year. Each school district  
22 shall submit the following data based on the first nine (9) weeks,  
23 to be used in the calculation of the average daily membership of the  
24 school district:

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

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

21 B. The State Department of Education shall retain not less than  
22 ~~one and one-half percent (1 1/2%)~~ four percent (4%) of the total  
23 funds appropriated for financial support of schools, to be used to  
24 make midyear adjustments in State Aid and which shall be reflected

1 in the final allocations. If the amount of appropriated funds,  
2 including the ~~one and one-half percent (1 1/2%)~~ four percent (4%)  
3 retained, remaining after January 1 of each year is not sufficient  
4 to fully fund the final allocations, the Department shall  
5 recalculate each school district's remaining allocation pursuant to  
6 subsection D of this section using the reduced amount of  
7 appropriated funds.

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

16 The July calculation of per pupil revenue shall be determined by  
17 dividing the district's second preceding year's total weighted  
18 average daily membership (ADM) into the district's preceding year's  
19 total revenues excluding federal revenue, insurance loss payments,  
20 reimbursements, recovery of overpayments and refunds, unused  
21 reserves, prior expenditures recovered, prior year surpluses, and  
22 less the amount of any transfer fees paid in that year.

23 The December calculation of per pupil revenue shall be  
24 determined by dividing the district's preceding year's total

1 weighted average daily membership (ADM) into the district's  
2 preceding year's total revenues excluding federal revenue, insurance  
3 loss payments, reimbursements, recovery of overpayments and refunds,  
4 unused reserves, prior expenditures recovered, prior year surpluses,  
5 and less the amount of any transfer fees paid in that year.

6 D. For the ~~1997-98~~ 2024-25 school year, and each school year  
7 thereafter, Foundation Aid, the Transportation Supplement, and  
8 Salary Incentive Aid shall be calculated as follows:

9 1. Foundation Aid shall be determined by subtracting the amount  
10 of the Foundation Program Income from the cost of the Foundation  
11 Program and adding to this difference the Transportation Supplement.

12 a. The Foundation Program shall be a district's higher  
13 weighted average daily membership based on the first  
14 nine (9) weeks of the current school year or the  
15 preceding school year of a school district, as  
16 determined by the provisions of subsection A of  
17 Section 18-201.1 of this title and paragraphs 1, 2, 3, and 4  
18 and 4 of subsection B of Section 18-201.1 of this  
19 title, multiplied by the Base Foundation Support  
20 Level. However, for the portion of weighted  
21 membership derived from nonresident, transferred  
22 pupils enrolled in online courses, the Foundation  
23 Program shall be a district's weighted average daily  
24 membership of the preceding school year or the first

1 nine (9) weeks of the current school year, whichever  
2 is greater, as determined by the provisions of  
3 subsection A of Section 18-201.1 of this title and  
4 paragraphs 1, 2, 3, and 4 of subsection B of Section  
5 18-201.1 of this title, multiplied by the Base  
6 Foundation Support Level.

7 b. The Foundation Program Income shall be the sum of the  
8 following:

9 (1) ~~The adjusted assessed valuation of the current~~  
10 ~~school year of the school district, minus the~~  
11 ~~previous year protested ad valorem tax revenues~~  
12 ~~held as prescribed in Section 2884 of Title 68 of~~  
13 ~~the Oklahoma Statutes, multiplied by the mills~~  
14 ~~levied~~ the amount of ad valorem tax collections  
15 received by the school district from the proceeds  
16 of the levy during the preceding fiscal year, as  
17 levied pursuant to subsection (c) of Section 9 of  
18 Article X of the Oklahoma Constitution, if  
19 applicable, ~~as adjusted in subsection (c) of~~  
20 ~~Section 8A of Article X of the Oklahoma~~  
21 ~~Constitution. For purposes of this subsection,~~  
22 ~~the "adjusted assessed valuation of the current~~  
23 ~~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~~ seventy-five percent (75%) of the  
4 amount received by the school district from the  
5 proceeds of the county levy during the preceding  
6 fiscal year, as levied pursuant to subsection (b)  
7 of Section 9 of Article X of the Oklahoma  
8 Constitution, and

9 (3) ~~Motor Vehicle Collections~~ motor vehicle  
10 collections, and

11 (4) ~~Gross Production Tax~~ gross production tax, and

12 (5) ~~State Apportionment~~ state apportionment, and

13 (6) R.E.A. ~~Tax~~ tax.

14 The items listed in divisions (1), (3), (4), (5), and  
15 (6) of this subparagraph shall consist of the amounts  
16 actually collected from such sources during the  
17 preceding fiscal year calculated on a per capita basis  
18 on the unit provided for by law for the distribution  
19 of each such revenue.

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

a. The average daily haul shall be the number of children in a district who are legally transported and who live 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	

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

15           c.    The formula transportation factor shall be 1.39.

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

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

1           b. ~~Divide the district's adjusted assessed valuation of~~  
2           ~~the current school year minus the previous year's~~  
3           ~~protested ad valorem tax revenues held as prescribed~~  
4           ~~in Section 2884 of Title 68 of the Oklahoma Statutes,~~  
5           ~~by one thousand (1,000) and subtract the quotient from~~  
6           ~~the product of subparagraph a of this paragraph. The~~  
7           ~~remainder shall not be less than zero (0) Subtract the~~  
8           ~~amount received by the school district from the~~  
9           ~~proceeds of the levy during the preceding fiscal year,~~  
10           ~~as levied pursuant to subsection (c) of Section 9 of~~  
11           ~~Article X of the Oklahoma Constitution above the~~  
12           ~~fifteen (15) mills required to support Foundation Aid~~  
13           ~~pursuant to division (1) of subparagraph b of~~  
14           ~~paragraph 1 of this subsection, not including the~~  
15           ~~county four-mill levy, by the product of subparagraph~~  
16           ~~a of this paragraph. The remainder shall not be less~~  
17           ~~than zero and shall be the Salary Incentive Aid of the~~  
18           ~~district.~~

19           c. ~~Multiply the number of mills levied for general fund~~  
20           ~~purposes above the fifteen (15) mills required to~~  
21           ~~support Foundation Aid pursuant to division (1) of~~  
22           ~~subparagraph b of paragraph 1 of this subsection, not~~  
23           ~~including the county four-mill levy, by the remainder~~

1 ~~of subparagraph b of this paragraph. The product~~  
2 ~~shall be the Salary Incentive Aid of the district.~~

3 E. ~~By June 30, 1998, the State Department of Education shall~~  
4 ~~develop and the Department and all school districts shall have~~  
5 ~~implemented a student identification system which is consistent with~~  
6 ~~the provisions of subsections C and D of Section 3111 of Title 74 of~~  
7 ~~the Oklahoma Statutes. The student identification system shall be~~  
8 ~~used specifically for the purpose of reporting enrollment data by~~  
9 ~~school sites and by school districts, the administration of the~~  
10 ~~Oklahoma School Testing Program Act, the collection of appropriate~~  
11 ~~and necessary data pursuant to the Oklahoma Educational Indicators~~  
12 ~~Program, determining student enrollment, establishing a student~~  
13 ~~mobility rate, allocation of the State Aid Formula and midyear~~  
14 ~~adjustments in funding for student growth. This enrollment data~~  
15 ~~shall be submitted to the State Department of Education in~~  
16 ~~accordance with rules promulgated by the State Board of Education.~~  
17 ~~Funding for the development, implementation, personnel training and~~  
18 ~~maintenance of the student identification system shall be set out in~~  
19 ~~a separate line item in the allocation section of the appropriation~~  
20 ~~bill for the State Board of Education for each year.~~

21 F. 1. ~~In the event that ad valorem taxes of a school district~~  
22 ~~are determined to be uncollectible because of bankruptcy, clerical~~  
23 ~~error, or a successful tax protest, and the amount of such taxes~~  
24 ~~deemed uncollectible exceeds Fifty Thousand Dollars (\$50,000.00) or~~

1 ~~an amount greater than twenty five percent (25%) of ad valorem taxes~~  
2 ~~per tax year, or the valuation of a district is lowered by order of~~  
3 ~~the State Board of Equalization, the school district's State Aid,~~  
4 ~~for the school year that such ad valorem taxes are calculated in the~~  
5 ~~State Aid Formula, shall be determined by subtracting the net~~  
6 ~~assessed valuation of the property upon which taxes were deemed~~  
7 ~~uncollectible from the assessed valuation of the school district and~~  
8 ~~the state. Upon request of the local board of education, it shall~~  
9 ~~be the duty of the county assessor to certify to the Director of~~  
10 ~~Finance of the State Department of Education the net assessed~~  
11 ~~valuation of the property upon which taxes were determined~~  
12 ~~uncollectible.~~

13 ~~2. In the event that the amount of funds a school district~~  
14 ~~receives for reimbursement from the Ad Valorem Reimbursement Fund is~~  
15 ~~less than the amount of funds claimed for reimbursement by the~~  
16 ~~school district due to insufficiency of funds as provided in Section~~  
17 ~~193 of Title 62 of the Oklahoma Statutes, then the school district's~~  
18 ~~assessed valuation for the school year that such ad valorem~~  
19 ~~reimbursement is calculated in the State Aid Formula shall be~~  
20 ~~adjusted accordingly.~~

21 ~~G. 1. Notwithstanding the provisions of Section 18-112.2 of~~  
22 ~~this title, a school district shall have its State Aid reduced by an~~  
23 ~~amount equal to the amount of carryover in the general fund of the~~  
24

1 district as of June 30 of the preceding fiscal year, that is in  
2 excess of the following standards for two (2) consecutive years:

3	Total Amount of	Amount of
4	General Fund Collections,	General Fund
5	Excluding Previous Year	Balance
6	Cash Surplus as of June 30	Allowable
7	Less than \$1,000,000	48%
8	\$1,000,000 - \$2,999,999	42%
9	\$3,000,000 - \$3,999,999	36%
10	\$4,000,000 - \$4,999,999	30%
11	\$5,000,000 - \$5,999,999	24%
12	\$6,000,000 - \$7,999,999	22%
13	\$8,000,000 - \$9,999,999	19%
14	\$10,000,000 or more	17%

15 2. By February 1 the State Department of Education shall send  
16 by certified mail, with return receipt requested, to each ~~School~~  
17 ~~District Superintendent, Auditor and Regional Accreditation Officer~~  
18 school district superintendent, auditor, and regional accreditation  
19 officer a notice of and calculation sheet reflecting the general  
20 fund balance penalty to be assessed against that school district.  
21 Calculation of the general fund balance penalty shall not include  
22 federal revenue. Within thirty (30) days of receipt of this written  
23 notice the school district shall submit to the Department a written  
24 reply either accepting or protesting the penalty to be assessed

1 against the district. If protesting, the school district shall  
2 submit with its reply the reasons for rejecting the calculations and  
3 documentation supporting those reasons. The Department shall review  
4 all school district penalty protest documentation and notify each  
5 district by March 15 of its finding and the final penalty to be  
6 assessed to each district. General fund balance penalties shall be  
7 assessed to all school districts by April 1.

8 3. Any school district which receives proceeds from a tax  
9 settlement or a Federal Emergency Management Agency settlement  
10 during the last two (2) months of the preceding fiscal year shall be  
11 exempt from the penalties assessed in this subsection, if the  
12 penalty would occur solely as a result of receiving funds from the  
13 tax settlement.

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

20 5. If a school district does not receive Foundation Aid and/or  
21 Salary Incentive Aid during the preceding fiscal year, the State  
22 Board of Education may waive the penalty assessed in this subsection  
23 if the penalty would result in a loss of more than forty percent  
24 (40%) of the remaining State Aid to be allocated to the school



1 district between April 1 and the remainder of the school year and if  
2 the Board determines the penalty will cause the school district not  
3 to meet remaining financial obligations.

4 6. Any school district which receives gross production revenue  
5 apportionment during the 2002-2003 school year or in any subsequent  
6 school year that is greater than the gross production revenue  
7 apportionment of the preceding school year shall be exempt from the  
8 penalty assessed in this subsection, if the penalty would occur  
9 solely as a result of the gross production revenue apportionment, as  
10 determined by the State Board of Education.

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

17 ~~8. Any school district which receives proceeds from a sales tax~~  
18 ~~levied by a municipality pursuant to Section 22-159 of Title 11 of~~  
19 ~~the Oklahoma Statutes or proceeds from a sales tax levied by a~~  
20 ~~county pursuant to Section 1370 of Title 68 of the Oklahoma Statutes~~  
21 ~~during the 2003-2004 school year or the 2004-2005 school year shall~~  
22 ~~be exempt from the penalties assessed in this subsection, if the~~  
23 ~~penalty would occur solely as a result of receiving funds from the~~  
24 ~~sales tax levy.~~

1       ~~9.~~ Any school district which has an amount of carryover in the  
2 general fund of the district in excess of the limits established in  
3 paragraph 1 of this subsection during the fiscal years beginning  
4 July 1, 2020, July 1, 2021, July 1, 2022, and July 1, 2023, shall  
5 not be assessed a general fund balance penalty as provided for in  
6 this subsection.

7       ~~10.~~ 9. For purposes of calculating the general fund balance  
8 penalty, the terms "carryover" and "general fund balance" shall not  
9 include federal revenue.

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

23       ~~I.~~ G. 1. Beginning July 1, 1996, the Oklahoma Tax Commission,  
24 notwithstanding any provision of law to the contrary, shall report

1 monthly to the State Department of Education the monthly  
2 apportionment of the following information:

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

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

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

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

20 ~~5.~~ 3. The information reported by the Tax Commission, ~~the State~~  
21 ~~Auditor and Inspector's Office, the county treasurers' offices and~~  
22 the Commissioners of the Land Office, pursuant to this subsection  
23 shall be reported by school district on forms developed by the State  
24 Department of Education.

1 SECTION 3. AMENDATORY 70 O.S. 2021, Section 18-201.1, is  
2 amended to read as follows:

3 Section 18-201.1. A. Beginning with the 2020-21 school year,  
4 and each school year thereafter, the weighted membership of a school  
5 district for calculation of Foundation Aid purposes pursuant to  
6 paragraph 1 of subsection D of Section 18-200.1 of this title shall  
7 be the sum of the weighted pupil grade level calculation, the  
8 weighted pupil category calculation, the weighted district  
9 calculation, and the weighted teacher experience and degree  
10 calculation. The weighted membership of a school district for  
11 calculation of Salary Incentive Aid purposes pursuant to paragraph 3  
12 of subsection D of Section 18-200.1 of this title shall be the sum  
13 of the weighted pupil grade level calculation, the weighted pupil  
14 category calculation, the weighted district calculation, and the  
15 weighted teacher experience and degree calculation.

16 B. Beginning with the 2022-2023 school year, the weighted  
17 calculations provided for in subsection A of this section shall be  
18 based on the higher weighted average daily membership of the first  
19 nine (9) weeks of the current school year or the preceding school  
20 year of a school district, unless otherwise specified. The higher  
21 of the two (2) weighted average daily memberships shall be used  
22 consistently in all of the calculations; however, the weighted  
23 calculation for a statewide virtual charter school experiencing a  
24 significant decline in membership shall be based on the first nine

1 (9) weeks of the current school year for the statewide virtual  
2 charter school. For purposes of this subsection, "significant  
3 decline in membership" means equal to or greater than a fifteen  
4 percent (15%) decrease in average daily membership from the  
5 preceding school year to the average daily membership of the first  
6 nine (9) weeks of the current school year. The average daily  
7 membership data used for all calculations in paragraphs 1, 2, 3, and  
8 4 of this subsection shall be the same as used in the calculation of  
9 the State Aid Formula. The weighted calculations provided for in  
10 subsection A of this section shall be determined as follows:

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

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

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

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

CATEGORY	WEIGHT
a. Visual Impairment	3.8
b. Specific Learning Disability	.4

1	c.	Deafness or Hearing Impairment	2.9
2	d.	Deaf-Blindness	3.8
3	e.	Intellectual Disability	1.3
4	f.	Emotional Disturbance	2.5
5	g.	Gifted	.34
6	h.	Multiple Disabilities	2.4
7	i.	Orthopedic Impairment	1.2
8	j.	Speech or Language Impairment	.05
9	k.	Bilingual	.25
10	l.	Special Education Summer Program	1.2
11	m.	Economically Disadvantaged	.25
12	n.	Optional Extended School Year	
13		Program	As determined by
14			the State Board
15			of Education
16	o.	Autism	2.4
17	p.	Traumatic Brain Injury	2.4
18	q.	Other Health Impairment	1.2

19 Except as otherwise provided, multiply the number of pupils approved  
20 in the school year with the highest average daily membership in each  
21 category by the weight assigned to such category and add the totals  
22 together to determine the weighted pupil category calculation for a  
23 school district. For the 1997-98 school year and subsequent school  
24 years, the number to be multiplied by the weight assigned to the

1 gifted category in subparagraph g of this paragraph shall be the  
2 lesser of (1) the sum of the number of students who scored in the  
3 top three percent (3%) on any national standardized test of  
4 intellectual ability plus the number of students identified as  
5 gifted pursuant to subparagraphs a through d of paragraph 1 of  
6 Section 1210.301 of this title, or (2) the sum of the number of  
7 students who scored in the top three percent (3%) on any national  
8 standardized test of intellectual ability plus eight percent (8%) of  
9 the total average daily membership of the school district for the  
10 first nine (9) weeks of the school year.

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

17 a. Small school district formula:  $529 \text{ minus the average}$   
18  $\text{daily membership divided by } 529 \text{ times } .2 \text{ times total}$   
19  $\text{average daily membership.}$

20 The small school district formula calculation shall apply  
21 only to school districts whose highest average daily  
22 membership is less than 529 pupils. School districts which  
23 are consolidated or annexed after July 1, 2003, pursuant to  
24 the Oklahoma School ~~Voluntary~~ Consolidation and Annexation



1 Act shall have the weighted district size calculation for  
2 the three (3) school years following the fiscal year in  
3 which such consolidation occurred calculated to be the sum  
4 of the individual consolidated districts computed as if the  
5 consolidation had not taken place. Thereafter, any such  
6 district which is consolidated pursuant to the Oklahoma  
7 School ~~Voluntary~~ Consolidation and Annexation Act shall not  
8 qualify for the weighted district calculation unless the  
9 district can satisfy the specifications herein. Subject to  
10 the provisions of subparagraph c of this paragraph, the  
11 resulting number shall be counted as additional students  
12 for the purpose of calculating State Aid.

13 b. District sparsity - isolation formula:

14 The district sparsity - isolation formula calculation shall  
15 apply only to school districts:

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

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

1 The district sparsity - isolation formula calculation shall  
2 be calculated as follows:

3 The school district student cost factor multiplied by  
4 the school district area factor. The resulting  
5 product shall be multiplied by the school district's  
6 average daily membership. Subject to the provisions  
7 of subparagraph c of this paragraph, the resulting  
8 number shall be counted as additional students for the  
9 purpose of calculating State Aid.

10 The school district student cost factor shall be calculated  
11 as follows:

12 The school district's average daily membership shall  
13 be categorized into the following grade level groups  
14 and applied to the appropriate formulas as computed  
15 below:

16 Grade Level Group

17 Grades K-5 Divide 74 by the sum of the Grade  
18 Level ADM plus 23,  
19 add .85 to the quotient, then  
20 multiply the sum by the Grade  
21 Level ADM.

22 Grades 6-8 Divide 122 by the sum of the Grade  
23 Level ADM plus 133,  
24 add .85 to the quotient, then

1 multiply the sum by the Grade  
2 Level ADM.  
3 Grades 9-12 Divide 292 by the sum of the Grade  
4 Level ADM plus 128,  
5 add .78 to the quotient, then  
6 multiply the sum by the Grade  
7 Level ADM.

8 The sum of the grade level group's average daily  
9 membership shall be divided by the school district's  
10 average daily membership. The number one (1.0) shall  
11 be subtracted from the resulting quotient.

12 The school district area cost factor shall be calculated as  
13 follows:

14 Subtract the state average district area from the  
15 district area, then divide the remainder by the state  
16 average district area;

17 however, the district area cost factor shall not exceed one  
18 (1.0).

19 The State Board of Education shall define geographical barriers  
20 whose location in a school district would inhibit the district from  
21 consolidation or annexation. The Board shall make available an  
22 application process, review applications, and for districts the  
23 Board deems necessary allow additional square miles to be used for  
24 the purposes of calculations used for the weighted district sparsity

1 - isolation formula. Provided, that the additional square miles  
2 allowed for geographical barriers shall not exceed thirty percent  
3 (30%) of the district's actual size.

4 c. State Aid funds which a district is calculated to  
5 receive as a result of the weighted district  
6 calculation shall be restricted as follows:

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

21 The July calculation of the projected per pupil  
22 revenue shall be determined by dividing the district's  
23 preceding year's average daily membership (ADM) as  
24 weighted by the pupil grade level, the pupil category,

1 the district and the teacher experience degree index  
2 calculations for projected State Aid into the  
3 district's projected total revenues including  
4 projected funds for the State Aid Formula for the  
5 preceding year, ~~net assessed valuation~~ the amount  
6 received by the school district from ad valorem tax  
7 collections for the preceding calendar year ~~times~~  
8 ~~thirty-nine (39) mills~~, county revenues excluding the  
9 county four-mills revenues for the second preceding  
10 year, other state appropriations for the preceding  
11 year, and the collections for the preceding year of  
12 state apportionment, motor vehicle revenue, gross  
13 production tax, and R.E.A. tax.

14 The December calculation of the projected per pupil  
15 revenue shall be determined by dividing the higher of  
16 the district's first nine (9) weeks of the current  
17 school year or the preceding school year's average  
18 daily membership (ADM) as weighted by the pupil grade  
19 level, the pupil category, the district and the  
20 teacher experience degree index calculations for  
21 projected State Aid into the district's projected  
22 total revenues including funds for the December  
23 calculation of the current year State Aid Formula, ~~net~~  
24 ~~assessed valuation~~ the amount received by the school

1 district from ad valorem tax collections for the  
2 ~~current calendar~~ preceding fiscal year ~~times thirty-~~  
3 ~~nine (39) mills~~, county revenues excluding the county  
4 four-mills revenue for the preceding year, other state  
5 appropriations for the preceding year, and the  
6 collections for the preceding year of state  
7 apportionment, motor vehicle revenue, gross production  
8 tax, and R.E.A. tax.

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

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

22 TEACHER EXPERIENCE - DEGREE INDEX

23 EXPERIENCE	BACHELOR'S	MASTER'S	DOCTOR'S
24	DEGREE	DEGREE	DEGREE

1	0 - 2	.7	.9	1.1
2	3 - 5	.8	1.0	1.2
3	6 - 8	.9	1.1	1.3
4	9 - 11	1.0	1.2	1.4
5	12 - 15	1.1	1.3	1.5
6	Over 15	1.2	1.4	1.6

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

16       SECTION 4. This act shall become effective November 1, 2023.

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