

1 ENGROSSED SENATE  
2 BILL NO. 527

By: Pugh of the Senate

and

Martinez of the House

3  
4  
5  
6 An Act relating to school funding; amending 70 O.S.  
7 2021, Section 18-109.5, which relates to State Aid  
8 definitions; updating certain definition; amending 70  
9 O.S. 2021, Section 18-200.1, as last amended by  
10 Section 2, Chapter 488, O.S.L. 2021, which relates to  
11 allocation of State Aid; updating statutory language;  
12 increasing transportation factor; amending 70 O.S.  
13 2021, Section 18-201.1, which relates to calculation  
14 of weighted membership; modifying certain grade level  
15 and category weights; updating reference to certain  
16 category; updating statutory language; requiring  
17 school districts to allocate certain funds to provide  
18 instruction and services to certain students;  
19 requiring reporting of expenditures using certain  
20 system; providing an effective date; and declaring an  
21 emergency.

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

23 SECTION 1. AMENDATORY 70 O.S. 2021, Section 18-109.5, is  
24 amended to read as follows:

Section 18-109.5. A. As used in Section 18-201.1 of this  
title:

1. "Visual impairment" means an impairment in vision that, even  
with correction, adversely affects a child's educational  
performance. This includes both partial sight and blindness;

1           2. "Specific learning disability" means a disorder in one or  
2 more of the basic psychological processes involved in understanding  
3 or in using language, spoken or written, that may manifest itself in  
4 the imperfect ability to listen, think, speak, read, write, spell,  
5 or to do mathematical calculations, including conditions such as  
6 perceptual disabilities, brain injury, minimal brain dysfunction,  
7 dyslexia, and developmental aphasia. The term does not include  
8 learning problems that are primarily the result of visual, hearing,  
9 or motor disabilities, of intellectual disability, of emotional  
10 disturbance or of environmental, cultural, or economic disadvantage;

11           3. "Deafness" means a hearing impairment that is so severe that  
12 the child is impaired in processing linguistic information through  
13 hearing, with or without amplification, that adversely affects a  
14 child's educational performance;

15           4. "Economically disadvantaged" means all children who qualify  
16 for free or reduced lunches;

17           5. "Intellectual disability" means significantly subaverage  
18 general intellectual functioning, existing concurrently with  
19 deficits in adaptive behavior and manifested during the development  
20 period, that adversely affects a child's educational performance;

21           6. "Emotional disturbance" means a condition exhibiting one or  
22 more of the following characteristics over a long period of time and  
23 to a marked degree that adversely affects a child's educational  
24 performance:

- a. an inability to learn which cannot be explained by intellectual, sensory, or health factors,
- b. an inability to build or maintain satisfactory interpersonal relationships with peers and teachers,
- c. inappropriate types of behavior or feelings under normal circumstances,
- d. a general pervasive mood of unhappiness or depression, or
- e. a tendency to develop physical symptoms or fears associated with personal or school problems.

The term includes children who are schizophrenic. The term does not include children who are socially maladjusted, unless it is determined that they are seriously emotionally disturbed;

7. "Gifted" means identified students as outlined in Section 1210.301 of this title;

8. "Hearing impairment" means an impairment in hearing, whether permanent or fluctuating, that adversely affects a child's educational performance but that is not included under the definition of "deafness";

9. "Multiple disabilities" means concomitant impairments, such as intellectual disability - blindness or intellectual disability - orthopedic impairment, the combination of which causes such severe educational needs that they cannot be accommodated in special

1 education programs solely for one of the impairments. The term does  
2 not include deaf-blindness;

3 10. "Orthopedic impairment" means a severe orthopedic  
4 impairment that adversely affects a child's educational performance.  
5 The term includes impairments caused by a congenital anomaly,  
6 impairments caused by disease such as poliomyelitis and bone  
7 tuberculosis, and impairments from other causes such as cerebral  
8 palsy, amputations and, fractures, or burns that cause contractures;

9 11. "Other health impairment" means having limited strength,  
10 vitality, or alertness, including a heightened alertness to  
11 environmental stimuli, that results in limited alertness with  
12 respect to the educational environment that adversely affects a  
13 child's educational performance and is due to chronic or acute  
14 health problems such as asthma, attention deficit disorder or  
15 attention deficit hyperactivity disorder, diabetes, epilepsy, a  
16 heart condition, hemophilia, lead poisoning, leukemia, nephritis,  
17 rheumatic fever, sickle cell anemia, and Tourette syndrome;

18 12. "Speech or language impairment" means a communication  
19 disorder, such as stuttering, impaired articulation, a language  
20 impairment, or a voice impairment, that adversely affects a child's  
21 educational performance;

22 13. "Deaf-blindness" means concomitant hearing and visual  
23 impairments, the combination of which causes such severe  
24 communication and other developmental and educational problems that

1 they cannot be accommodated in special education programs solely for  
2 children with deafness or children with blindness;

3 14. "Autism" means a developmental disability significantly  
4 affecting verbal and nonverbal communication and social interaction,  
5 generally evident before age three (3), that adversely affects a  
6 child's educational performance. Other characteristics often  
7 associated with autism are engagement in repetitive activities and  
8 stereotyped movements, resistance to environmental change or change  
9 in daily routines, and unusual responses to sensory experiences.  
10 Autism does not apply if a child's educational performance is  
11 adversely affected primarily because the child has an emotional  
12 disturbance, as defined in this subsection;

13 15. "Traumatic brain injury" means an acquired injury to the  
14 brain caused by an external physical force, resulting in total or  
15 partial functional disability or psychosocial impairment, or both,  
16 that adversely affects a child's educational performance. Traumatic  
17 brain injury applies to open or closed head injuries resulting in  
18 impairments in one or more areas such as cognition; language;  
19 memory; attention; reasoning; abstract thinking; judgment; problem-  
20 solving; sensory, perceptual, and motor abilities; psychosocial  
21 behavior; physical functions; information processing; and speech.  
22 Traumatic brain injury does not apply to brain injuries that are  
23 congenital or degenerative or to brain injuries induced by birth  
24 trauma;

1 16. ~~"Bilingual" "English learner" means those students a~~  
2 ~~student who have limited English speaking abilities or who come from~~  
3 ~~homes where English is not the dominant language as reported on the~~  
4 ~~current year application for accreditation:~~

5 a. (1) was not born in the United States or whose native  
6 language is a language other than English,

7 (2) is a Native American or Alaska Native or a native  
8 resident of the outlying areas and who comes from  
9 an environment where a language other than  
10 English has had a significant impact on the  
11 individual's level of English language  
12 proficiency, or

13 (3) is migratory, whose native language is a language  
14 other than English and who comes from an  
15 environment where a language other than English  
16 is dominant, and

17 b. whose difficulties in speaking, reading, writing, or  
18 understanding the English language may be sufficient  
19 to deny the individual the ability to meet the subject  
20 matter standards adopted pursuant to Section 11-103.6  
21 of this title, the ability to successfully achieve in  
22 classrooms where the language of instruction is  
23 English, or the opportunity to participate fully in  
24 society.

1 A student shall no longer be an English learner when he or she  
2 successfully demonstrates English language proficiency on an  
3 assessment designated by the State Department of Education;

4 17. "Special Education Summer Program" means ~~those~~ summer  
5 school programs which school districts may provide for children who  
6 are severely or profoundly multiple-handicapped if their  
7 individualized education program states the need for a continuing  
8 educational experience to prevent loss of educational achievement or  
9 basic life skills. Any school district receiving funds for ~~such~~  
10 special education summer programs shall provide services as provided  
11 in Section 13-101 of this title; and

12 18. "Optional Extended School Year Program" means the program  
13 defined in Section 1-109.1 of this title.

14 B. The State Board of Education is hereby authorized to modify  
15 and redefine by rule the definitions set out in this section  
16 whenever such modification is required to receive federal assistance  
17 therefor.

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

21 Section 18-200.1. A. Beginning with the 2022-2023 school year,  
22 and each school year thereafter, each school district shall have its  
23 initial allocation of State Aid calculated based on the state  
24 dedicated revenues actually collected during the preceding fiscal

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

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

9 On or before December 30, the State Department of Education  
10 shall determine each school district's current year allocation  
11 pursuant to subsection D of this section. The State Department of  
12 Education shall complete an audit, using procedures established by  
13 the Department, of the student enrollment by grade level data, pupil  
14 category counts, and transportation supplement data to be used in  
15 the State Aid Formula pursuant to subsection D of this section by  
16 December 1 and by January 15 shall notify each school district of  
17 the district's final State Aid allocation for the current school  
18 year. The January payment of State Aid and each subsequent payment  
19 for the remainder of the school year shall be based on the final  
20 State Aid allocation as calculated in subsection D of this section.  
21 Except for reductions made due to the assessment of penalties by the  
22 State Department of Education according to law, the January payment  
23 of State Aid and each subsequent payment for the remainder of the

24



1 school year shall not decrease by an amount more than the amount  
2 that the current chargeable revenue increases for that district.

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

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

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

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

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

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

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

17 a. The Foundation Program shall be a district's higher  
18 weighted average daily membership based on the first  
19 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, and 4  
23 and 4 of subsection B of Section 18-201.1 of this  
24 title, multiplied by the Base Foundation Support

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

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

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

1 school year" shall be the adjusted assessed  
2 valuation on which tax revenues are collected  
3 during the current school year, and

4 (2) Seventy-five percent (75%) of the amount received  
5 by the school district from the proceeds of the  
6 county levy during the preceding fiscal year, as  
7 levied pursuant to subsection (b) of Section 9 of  
8 Article X of the Oklahoma 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 (3), (4), (5), and (6)  
15 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~~ 2.0.

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,  
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).

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

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

1 mobility rate, allocation of the State Aid Formula, and midyear  
2 adjustments in funding for student growth. This enrollment data  
3 shall be submitted to the State Department of Education in  
4 accordance with rules promulgated by the State Board of Education.  
5 Funding for the development, implementation, personnel training, and  
6 maintenance of the student identification system shall be set out in  
7 a separate line item in the allocation section of the appropriation  
8 bill for the State Board of Education for each year.

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



1           2. In the event that the amount of funds a school district  
 2 receives for reimbursement from the Ad Valorem Reimbursement Fund is  
 3 less than the amount of funds claimed for reimbursement by the  
 4 school district due to insufficiency of funds as provided in Section  
 5 193 of Title 62 of the Oklahoma Statutes, then the school district's  
 6 assessed valuation for the school year that such ad valorem  
 7 reimbursement is calculated in the State Aid Formula shall be  
 8 adjusted accordingly.

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

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

1 \$10,000,000 or more

17%

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

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

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

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

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

22           7. Beginning July 1, 2003, school districts that participate in  
23 consolidation or annexation pursuant to the provisions of the  
24 Oklahoma School ~~Voluntary~~ Consolidation and Annexation Act shall be

1 exempt from the penalty assessed in this subsection for the school  
2 year in which the consolidation or annexation occurs and for the  
3 next three (3) fiscal years.

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

12 9. Any school district which has an amount of carryover in the  
13 general fund of the district in excess of the limits established in  
14 paragraph 1 of this subsection during the fiscal years beginning  
15 July 1, 2020, July 1, 2021, July 1, 2022, and July 1, 2023, shall  
16 not be assessed a general fund balance penalty as provided for in  
17 this subsection.

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

21 H. In order to provide startup funds for the implementation of  
22 early childhood programs, State Aid may be advanced to school  
23 districts that initially start early childhood instruction at a  
24 school site. School districts that desire such advanced funding

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

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

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

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

22 3. Beginning July 1, 1996, the Commissioners of the Land  
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 state apportionment.

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

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

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

14 Section 18-201.1. A. Beginning with the 2020-21 school year,  
15 and each school year thereafter, the weighted membership of a school  
16 district for calculation of Foundation Aid purposes pursuant to  
17 paragraph 1 of subsection D of Section 18-200.1 of this title shall  
18 be the sum of the weighted pupil grade level calculation, the  
19 weighted pupil category calculation, the weighted district  
20 calculation, and the weighted teacher experience and degree  
21 calculation. The weighted membership of a school district for  
22 calculation of Salary Incentive Aid purposes pursuant to paragraph 3  
23 of subsection D of Section 18-200.1 of this title shall be the sum  
24 of the weighted pupil grade level calculation, the weighted pupil

1 category calculation, the weighted district calculation, and the  
2 weighted teacher experience and degree calculation.

3 B. Beginning with the 2022-2023 school year, the weighted  
4 calculations provided for in subsection A of this section shall be  
5 based on the higher weighted average daily membership of the first  
6 nine (9) weeks of the current school year or the preceding school  
7 year of a school district, unless otherwise specified. The higher  
8 of the two (2) weighted average daily memberships shall be used  
9 consistently in all of the calculations; however, the weighted  
10 calculation for a statewide virtual charter school experiencing a  
11 significant decline in membership shall be based on the first nine  
12 (9) weeks of the current school year for the statewide virtual  
13 charter school. For purposes of this subsection, "significant  
14 decline in membership" means equal to or greater than a fifteen  
15 percent (15%) decrease in average daily membership from the  
16 preceding school year to the average daily membership of the first  
17 nine (9) weeks of the current school year. The average daily  
18 membership data used for all calculations in paragraphs 1, 2, 3, and  
19 4 of this subsection shall be the same as used in the calculation of  
20 the State Aid Formula. The weighted calculations provided for in  
21 subsection A of this section shall be determined as follows:

22 1. The weighted pupil grade level calculation shall be  
23 determined by taking the highest average daily membership and  
24

1 assigning weights to the pupils according to grade attended as  
2 follows:

3	GRADE LEVEL	WEIGHT
4	a. Half-day early childhood programs	<del>.7</del> <u>.6</u>
5	b. Full-day early childhood programs	<del>1.3</del> <u>1.2</u>
6	c. Half-day kindergarten	<del>1.3</del> <u>.7</u>
7	d. Full-day kindergarten	1.5
8	e. First and second grade	<del>1.351</del> <u>1.5</u>
9	f. Third grade	<del>1.051</del> <u>1.3</u>
10	g. Fourth through <del>sixth</del> grade	<del>1.0</del>
11	<del>h.</del> <del>Seventh through</del> twelfth grade	<del>1.2</del> <u>1.0</u>
12	<del>i.</del> <u>h.</u> Out-of-home placement	1.50

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



1 placement weight shall be in lieu of the pupil grade level and any  
 2 pupil category weights for that student. Provided, if a student  
 3 resides in a juvenile detention center that is restricted to less  
 4 than twelve (12) beds, the out-of-home placement pupil weight for  
 5 such students shall be calculated as follows: for a center with six  
 6 (6) beds - 3.0; for a center with eight (8) beds - 2.3; and for a  
 7 center with ten (10) beds - 1.80.

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

10	CATEGORY	WEIGHT
11	a. Visual Impairment	3.8
12	b. Specific Learning Disability	<del>.4</del> <u>.5</u>
13	c. Deafness or Hearing Impairment	2.9
14	d. Deaf-Blindness	3.8
15	e. Intellectual Disability	<del>1.3</del> <u>1.5</u>
16	f. Emotional Disturbance	2.5
17	g. Gifted	<del>.34</del> <u>.35</u>
18	h. Multiple Disabilities	<del>2.4</del> <u>2.5</u>
19	i. Orthopedic Impairment	1.2
20	j. Speech or Language Impairment	<del>.05</del> <u>.1</u>
21	k. <del>Bilingual</del> <u>English learner</u>	<del>.25</del> <u>.3</u>
22	l. Special Education Summer Program	1.2
23	m. Economically Disadvantaged	<del>.25</del> <u>.5</u>

24

1	n. Optional Extended School Year	
2	Program	As determined by
3		the State Board
4		of Education
5	o. Autism	<del>2.4</del> <u>2.5</u>
6	p. Traumatic Brain Injury	2.4
7	q. Other Health Impairment	1.2

8 Except as otherwise provided, multiply the number of pupils  
9 approved in the school year with the highest average daily  
10 membership in each category by the weight assigned to such category  
11 and add the totals together to determine the weighted pupil category  
12 calculation for a school district. For the 1997-98 school year and  
13 subsequent school years, the number to be multiplied by the weight  
14 assigned to the gifted category in subparagraph g of this paragraph  
15 shall be the lesser of (1) the sum of the number of students who  
16 scored in the top three percent (3%) on any national standardized  
17 test of intellectual ability plus the number of students identified  
18 as gifted pursuant to subparagraphs a through d of paragraph 1 of  
19 Section 1210.301 of this title, or (2) the sum of the number of  
20 students who scored in the top three percent (3%) on any national  
21 standardized test of intellectual ability plus eight percent (8%) of  
22 the total average daily membership of the school district for the  
23 first nine (9) weeks of the school year.

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

7           a. Small school district formula:  $529 \text{ minus the average}$   
8            $\text{daily membership divided by } 529 \text{ times } .2 \text{ times total}$   
9            $\text{average daily membership.}$

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

1 resulting number shall be counted as additional students  
2 for the purpose of calculating State Aid.

3 b. District sparsity - isolation formula:

4 The district sparsity - isolation formula calculation shall  
5 apply only to school districts:

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

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

14 The district sparsity - isolation formula calculation shall  
15 be calculated as follows:

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

23 The school district student cost factor shall be calculated  
24 as follows:

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

5 Grade Level Group

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

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

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

21 The sum of the grade level group's average daily  
22 membership shall be divided by the school district's  
23 average daily membership. The number one (1.0) shall  
24 be subtracted from the resulting quotient.

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

3 Subtract the state average district area from the  
4 district area, then divide the remainder by the state  
5 average district area;

6 however, the district area cost factor shall not exceed one  
7 (1.0).

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

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

20 If, after the weighted district calculation is  
21 applied, the district's projected per pupil  
22 revenue exceeds one hundred fifty percent (150%)  
23 of the projected state average per pupil revenue,  
24 then the district's State Aid shall be reduced by

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

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

1           apportionment, motor vehicle revenue, gross production  
2           tax, and R.E.A. tax.

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

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



1 expenditures recovered, prior year surpluses, and  
2 other local miscellaneous revenues.

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

9 TEACHER EXPERIENCE - DEGREE INDEX

10 EXPERIENCE	BACHELOR'S	MASTER'S	DOCTOR'S
	DEGREE	DEGREE	DEGREE
12 0 - 2	.7	.9	1.1
13 3 - 5	.8	1.0	1.2
14 6 - 8	.9	1.1	1.3
15 9 - 11	1.0	1.2	1.4
16 12 - 15	1.1	1.3	1.5
17 Over 15	1.2	1.4	1.6

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

1 paragraph 2 of this subsection to determine the weighted teacher  
2 experience and degree calculation.

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

8 SECTION 4. This act shall become effective July 1, 2023.

9 SECTION 5. It being immediately necessary for the preservation  
10 of the public peace, health, or safety, an emergency is hereby  
11 declared to exist, by reason whereof this act shall take effect and  
12 be in full force from and after its passage and approval.

13 Passed the Senate the 23rd day of March, 2023.

14

15

\_\_\_\_\_  
Presiding Officer of the Senate

16

17 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,

18 2023.

19

20

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

21

22

23

24