

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 SENATE BILL 240

By: Pugh

5 AS INTRODUCED

6 An Act relating to school funding; amending 70 O.S.  
7 2021, Sections 18-107, 18-200.1, as amended by  
8 Section 1, Chapter 280, O.S.L. 2023, and 18-201.1, as  
9 amended by Section 2, Chapter 280, O.S.L. 2023 (70  
10 O.S. Supp. 2024, Sections 18-200.1 and 18-201.1),  
11 which relate to the allocation of State Aid; removing  
12 certain definition; modifying calculation of State  
13 Aid beginning in certain school year; increasing  
14 percentage of certain funds to be retained; modifying  
15 calculation of Foundation Program Income; modifying  
16 calculation of Salary Incentive Aid; removing  
17 language directing the State Department of Education  
18 to develop certain student identification system;  
removing language providing for calculation of  
uncollectible ad valorem taxes; removing language  
providing for calculation of insufficient  
reimbursements from the Ad Valorem Reimbursement  
Fund; removing outdated language; modifying  
information to be reported monthly by the Oklahoma  
Tax Commission; removing requirement for reporting of  
certain county levy apportionment; removing  
requirement for reporting of certain ad valorem tax  
protest amounts; updating statutory language;  
updating statutory references; and providing an  
effective date.

19  
20 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

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

8       2. "Average Daily Membership" "Average daily membership" (ADM)  
9 means the average number of pupils present and absent in a school  
10 district during a school year. Average Daily Membership daily  
11 membership shall be calculated by dividing the sum of the pupil's  
12 total days present and total days absent by the number of days  
13 taught.

14       a. A pupil who has been absent without excuse ten (10)  
15 consecutive days shall be taken off the roll beginning  
16 the eleventh day and thereafter shall not be  
17 considered in a district's average daily membership  
18 ADM calculation until the pupil is placed on the roll  
19 in the district. For the purpose of this paragraph  
20 subparagraph, consecutive days means days for which  
21 enrollment is recorded.

22       b. A pupil enrolled in a statewide virtual charter school  
23 who is behind pace and has not completed instructional  
24 activity as defined by Section 3-145.8 of this title

1                   for a fifteen-school-day period, without excuse as  
2                   authorized by Section 10-105 of this title, shall be  
3                   taken off the roll beginning the sixteenth day and  
4                   thereafter shall not be considered in the virtual  
5                   charter school's ~~Average Daily Membership~~ ADM  
6                   calculation until the pupil is placed on the roll in  
7                   the virtual charter school; and

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

12         4. "Eighty-five percent (85%) of maximum allowable", for the  
13                  purpose of assessing class size penalty pursuant to Sections 18-  
14                  113.1 and 18-113.2 of this title, means eighty-five percent (85%) of  
15                  ten percent (10%) of the preceding year's net assessed valuation of  
16                  a school district. The calculation of indebtedness as provided for  
17                  in paragraph a of subsection ~~E~~ F of Section 18-113.1 and  
18                   subparagraph a of paragraph 4 of subsection A of Section 18-113.2 of  
19                  this title shall include the outstanding principal amount of bonds  
20                  issued by the school district plus the principal amount of any bonds  
21                  authorized by a vote of the people for issuance but not yet issued  
22                  by the school district.

1 SECTION 2. AMENDATORY 70 O.S. 2021, Section 18-200.1, as  
2 amended by Section 1, Chapter 280, O.S.L. 2023 (70 O.S. Supp. 2024,  
3 Section 18-200.1), is amended to read as follows:

4 Section 18-200.1. A. Beginning with the ~~2022-2023~~ 2026-2027  
5 school year, and each school year thereafter, each school district  
6 shall have its initial allocation of State Aid calculated based on  
7 the ad valorem tax and state dedicated revenues actually collected  
8 during the preceding fiscal year, ~~the adjusted assessed valuation of~~  
9 ~~the preceding year,~~ and the weighted average daily membership (ADM)  
10 for the school district of the preceding school year. Each school  
11 district shall submit the following data based on the first nine (9)  
12 weeks, to be used in the calculation of the average daily membership  
13 of the school district:

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

17 On or before December 30, the State Department of Education  
18 shall determine each school district's current year allocation  
19 pursuant to subsection D of this section. The State Department of  
20 Education shall complete an audit, using procedures established by  
21 the Department, of the student enrollment by grade level data, pupil  
22 category counts, and transportation supplement data to be used in  
23 the State Aid Formula pursuant to subsection D of this section by  
24 December 1 and by January 15 shall notify each school district of

1 the district's final State Aid allocation for the current school  
2 year. The January payment of State Aid and each subsequent payment  
3 for the remainder of the school year shall be based on the final  
4 State Aid allocation as calculated in subsection D of this section.  
5 Except for reductions made due to the assessment of penalties by the  
6 State Department of Education according to law, the January payment  
7 of State Aid and each subsequent payment for the remainder of the  
8 school year shall not decrease by an amount more than the amount  
9 that the current chargeable revenue increases for that district.

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

21       C. On and after July 1, 1997, the amount of State Aid each  
22 district shall receive shall be the sum of the Foundation Aid, the  
23 Salary Incentive Aid, and the Transportation Supplement, as adjusted  
24 pursuant to the provisions of subsection E of this section and

1      Section 18-112.2 of this title; provided, no district having per  
2      pupil revenue in excess of three hundred percent (300%) of the  
3      average per pupil revenue of all districts shall receive any State  
4      Aid or Supplement in State Aid.

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

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

19           D. For the ~~1997-98~~ 2026-2027 school year, and each school year  
20     thereafter, Foundation Aid, the Transportation Supplement, and  
21     Salary Incentive Aid shall be calculated as follows:

22           1. Foundation Aid shall be determined by subtracting the amount  
23     of the Foundation Program Income from the cost of the Foundation  
24     Program and adding to this difference the Transportation Supplement.

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

20       b. The Foundation Program Income shall be the sum of the  
21          following:

22       (1) ~~The adjusted assessed valuation of the current~~  
23           ~~school year of the school district, minus the~~  
24           ~~previous year protested ad valorem tax revenues~~

held as prescribed in Section 2884 of Title 68 of  
the Oklahoma Statutes, multiplied by the mills  
levied the amount of ad valorem tax collections  
received by the school district from the proceeds  
of the levy during the preceding fiscal year, as  
levied pursuant to subsection (c) of Section 9 of  
Article X of the Oklahoma Constitution, if  
applicable, as adjusted in subsection (c) of  
~~Section 8A of Article X of the Oklahoma~~  
~~Constitution. For purposes of this subsection,~~  
~~the "adjusted assessed valuation of the current~~  
~~school year" shall be the adjusted assessed~~  
~~valuation on which tax revenues are collected~~  
~~during the current school year, and~~

- 15       (2) Seventy-five seventy-five percent (75%) of the  
16       amount received by the school district from the  
17       proceeds of the county levy during the preceding  
18       fiscal year, as levied pursuant to subsection (b)  
19       of Section 9 of Article X of the Oklahoma  
20       Constitution, and
- 21       (3) motor vehicle collections, and
- 22       (4) gross production tax, and
- 23       (5) state apportionment, and
- 24       (6) R.E.A. tax.

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

7       2. The Transportation Supplement shall be equal to the average  
8       daily haul times the per capita allowance times the appropriate  
9       transportation factor.

- 10      a. The average daily haul shall be the number of children  
11       in a district who are legally transported and who live  
12       one and one-half (1 1/2) miles or more from school.  
13      b. The per capita allowance shall be determined using the  
14       following chart:

DENSITY FIGURE	PER CAPITA ALLOWANCE	DENSITY FIGURE	PER CAPITA 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

1	.4250 - .4416	\$150.00	2.1786 - 2.3928	\$81.00
2	.4417 - .4583	\$147.00	2.3929 - 2.6249	\$79.00
3	.4584 - .4749	\$145.00	2.6250 - 2.8749	\$77.00
4	.4750 - .4916	\$143.00	2.8750 - 3.1249	\$75.00
5	.4917 - .5083	\$141.00	3.1250 - 3.3749	\$73.00
6	.5084 - .5249	\$139.00	3.3750 - 3.6666	\$70.00
7	.5250 - .5416	\$136.00	3.6667 - 3.9999	\$68.00
8	.5417 - .5583	\$134.00	4.0000 - 4.3333	\$66.00
9	.5584 - .5749	\$132.00	4.3334 - 4.6666	\$64.00
10	.5750 - .5916	\$130.00	4.6667 - 4.9999	\$62.00
11	.5917 - .6133	\$128.00	5.0000 - 5.5000	\$59.00
12	.6134 - .6399	\$125.00	5.5001 - 6.0000	\$57.00
13	.6400 - .6666	\$123.00	6.0001 - 6.5000	\$55.00
14	.6667 - .6933	\$121.00	6.5001 - 7.0000	\$53.00
15	.6934 - .7199	\$119.00	7.0001 - 7.3333	\$51.00
16	.7200 - .7466	\$117.00	7.3334 - 7.6667	\$48.00
17	.7467 - .7733	\$114.00	7.6668 - 8.0000	\$46.00
18	.7734 - .7999	\$112.00	8.0001 - 8.3333	\$44.00
19	.8000 - .8266	\$110.00	8.3334 - 8.6667	\$42.00
20	.8267 - .8533	\$108.00	8.6668 - 9.0000	\$40.00
21	.8534 - .8799	\$106.00	9.0001 - 9.3333	\$37.00
22	.8800 - .9066	\$103.00	9.3334 - 9.6667	\$35.00
23	.9067 - .9333	\$101.00	9.6668 or more	\$33.00

24                   c.     The formula transportation factor shall be 2.0.

- 1           3. Salary Incentive Aid shall be determined as follows:
- 2           a. Multiply the Incentive Aid guarantee by the district's
- 3           higher weighted average daily membership based on the
- 4           first nine (9) weeks of the current school year or the
- 5           preceding school year of a school district, as
- 6           determined by the provisions of subsection A of
- 7           Section 18-201.1 of this title and paragraphs 1, 2, 3,
- 8           and 4 of subsection B of Section 18-201.1 of this
- 9           title.
- 10          b. ~~Divide the district's adjusted assessed valuation of~~
- 11          ~~the current school year minus the previous year's~~
- 12          ~~protested ad valorem tax revenues held as prescribed~~
- 13          ~~in Section 2884 of Title 68 of the Oklahoma Statutes,~~
- 14          ~~by one thousand (1,000) and subtract the quotient from~~
- 15          ~~the product of subparagraph a of this paragraph. The~~
- 16          ~~remainder shall not be less than zero (0) Subtract the~~
- 17          amount received by the school district from the
- 18          proceeds of the levy during the preceding fiscal year,
- 19          as levied pursuant to subsection (c) of Section 9 of
- 20          Article X of the Oklahoma Constitution above the
- 21          fifteen (15) mills required to support Foundation Aid
- 22          pursuant to division (1) of subparagraph b of
- 23          paragraph 1 of this subsection, not including the
- 24          county four-mill levy, by the product of subparagraph

1           a of this paragraph. The remainder shall not be less  
2           than zero and shall be the Salary Incentive Aid of the  
3           district.

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

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

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

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

21 2. In the event that the amount of funds a school district  
22 receives for reimbursement from the Ad Valorem Reimbursement Fund is  
23 less than the amount of funds claimed for reimbursement by the  
24 school district due to insufficiency of funds as provided in Section

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

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

Total Amount of General Fund Collections, Excluding Previous Year	Amount of General Fund Balance
Cash Surplus as of June 30	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%
\$10,000,000 or more	17%

22           2. By February 1 the State Department of Education shall send  
23       by certified mail, with return receipt requested, to each school  
24       district superintendent, auditor, and regional accreditation officer

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

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

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

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 Aid 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 Consolidation and Annexation Act shall be exempt  
21 from the penalty assessed in this subsection for the school year in  
22 which the consolidation or annexation occurs and for the next three  
23 (3) fiscal years.

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

15      10. 9. For purposes of calculating the general fund balance  
16 penalty, the terms "carryover" and "general fund balance" shall not  
17 include federal revenue.

18      H. F. In order to provide startup funds for the implementation  
19 of early childhood programs, State Aid may be advanced to school  
20 districts that initially start early childhood instruction at a  
21 school site. School districts that desire such advanced funding  
22 shall make application to the State Department of Education no later  
23 than September 15 of each year and advanced funding shall be awarded  
24 to the approved districts no later than October 30. The advanced

1 funding shall not exceed the per pupil amount of State Aid as  
2 calculated in subsection D of this section per anticipated Head  
3 Start eligible student. The total amount of advanced funding shall  
4 be proportionately reduced from the monthly payments of the  
5 district's State Aid payments during the last six (6) months of the  
6 same fiscal year.

7 ~~H. G.~~ 1. Beginning July 1, 1996, the Oklahoma Tax Commission,  
8 notwithstanding any provision of law to the contrary, shall report  
9 monthly to the State Department of Education the monthly  
10 apportionment of the following information:

- 11 a. the ~~assessed valuation of property~~ ad valorem tax  
12 collections,
- 13 b. motor vehicle collections,
- 14 c. R.E.A. tax collected, and
- 15 d. gross productions tax collected.

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

20 3. Beginning July 1, 1996, the Commissioners of the Land  
21 Office, notwithstanding any provision of law to the contrary, shall  
22 report monthly to the State Department of Education the monthly  
23 apportionment of state apportionment.

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

5       5. 3. The information reported by the Tax Commission, the ~~State~~  
6 ~~Auditor and Inspector's Office of the State Auditor and Inspector,~~  
7 the county treasurers' offices, and the Commissioners of the Land  
8 Office, pursuant to this subsection shall be reported by a school  
9 district on forms developed by the State Department of Education.

10      SECTION 3.     AMENDATORY       70 O.S. 2021, Section 18-201.1, as  
11 amended by Section 2, Chapter 280, O.S.L. 2023 (70 O.S. Supp. 2024,  
12 Section 18-201.1), is amended to read as follows:

13      Section 18-201.1. A. Beginning with the 2020-21 school year,  
14 and each school year thereafter, the weighted membership of a school  
15 district for calculation of Foundation Aid purposes pursuant to  
16 paragraph 1 of subsection D of Section 18-200.1 of this title shall  
17 be the sum of the weighted pupil grade level calculation, the  
18 weighted pupil category calculation, the weighted district  
19 calculation, and the weighted teacher experience and degree  
20 calculation. The weighted membership of a school district for  
21 calculation of Salary Incentive Aid purposes pursuant to paragraph 3  
22 of subsection D of Section 18-200.1 of this title shall be the sum  
23 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 (ADM) of the  
6 first nine (9) weeks of the current school year or the preceding  
7 school year of a school district, unless otherwise specified. The  
8 higher of the two (2) weighted average daily memberships shall be  
9 used 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:

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

13 Multiply the membership of each subparagraph of this paragraph by  
14 the weight assigned to such subparagraph of this paragraph and add  
15 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:

CATEGORY	WEIGHT
a. Visual Impairment	3.8
b. Specific Learning Disability	.4
c. Deafness or Hearing Impairment	2.9
d. Deaf-Blindness	3.8
e. Intellectual Disability	1.3
f. Emotional Disturbance	2.5
g. Gifted	.34
h. Multiple Disabilities	2.4
i. Orthopedic Impairment	1.2
j. Speech or Language Impairment	.05
k. Bilingual	.25
l. Special Education Summer Program	1.2
m. Economically Disadvantaged	.3

n. Optional Extended School Year  
Program As determined by  
the State Board  
of Education

o. Autism 2.4

p. Traumatic Brain Injury 2.4

q. Other Health Impairment 1.2

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

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: 750 minus the average  
8                    daily membership divided by 750 times .2 times total  
9                    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 750 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:  
25

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.  
25

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~~ the amount  
19                  received by the school district from ad valorem tax  
20                  collections for the preceding calendar year ~~times~~  
21                  , county revenues excluding the  
22                  county four-mills revenues for the second preceding  
23                  year, other state appropriations for the preceding  
24                  year, and the collections for the preceding year of

1 state apportionment, motor vehicle revenue, gross  
2 production 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~~ the amount received by the school  
14 district from ad valorem tax collections for the  
15 ~~current calendar~~ preceding fiscal year ~~times thirty-~~  
16 ~~nine (39) mills~~, county revenues excluding the county  
17 four-mills revenue for the preceding year, other state  
18 appropriations for the preceding year, and the  
19 collections for the preceding year of state  
20 apportionment, motor vehicle revenue, gross production  
21 tax, and R.E.A. tax.

22 The district's projected total revenues for each  
23 calculation shall exclude the following collections  
24 for the second preceding year: federal revenue,  
25

1                   insurance loss payments, reimbursements, recovery of  
2 overpayments and refunds, unused reserves, prior  
3 expenditures recovered, prior year surpluses, and  
4 other local miscellaneous revenues.

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

11                   TEACHER EXPERIENCE - DEGREE INDEX

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

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

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

5 SECTION 4. This act shall become effective November 1, 2025.  
6

7 60-1-261

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