

An Act

ENROLLED SENATE
BILL NO. 929

By: Stanislawski of the Senate

and

Baker of the House

An Act relating to the State Aid Formula; amending 70 O.S. 2011, Section 18-109.5, which relates to definitions; modifying terms; adding and removing definitions; amending 70 O.S. 2011, Section 18-201.1, which relates to calculating a school district's weighted membership; modifying references; adding certain pupil category; providing an effective date; and declaring an emergency.

SUBJECT: State Aid Formula

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 18-109.5, is amended to read as follows:

Section 18-109.5. A. As used in ~~Sections 18-201 and~~ Section 18-201.1 of this title:

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

2. "~~Children with Specific learning disabilities~~ disability" means a disorder in one or more of the basic psychological processes involved in understanding or in using language, ~~written or~~ spoken or

written, which that may manifest itself in an the imperfect ability to listen, think, speak, read, write, spell or to do mathematical calculations. The term includes, including conditions such conditions as perceptual handicaps disabilities, brain injury, minimal brain dysfunction, dyslexia and developmental aphasia. The term does not include learning problems that are primarily the result of visual, hearing or motor disabilities, of intellectual disability, of emotional disturbance or of environmental, cultural or economic disadvantage;

3. "~~Deaf or hard-of-hearing~~ Deafness" means a hearing impairment, ~~whether permanent or fluctuating, which that is so severe that the child is impaired in processing linguistic information through hearing, with or without amplification, that adversely affects a child's educational performance;~~

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

5. "~~Educable mentally handicapped~~ Intellectual disability" means significantly subaverage general intellectual functioning, existing concurrently with deficits in adaptive behavior and manifested during the development period, ~~which that~~ adversely affects a child's educational performance;

6. "~~Emotionally disturbed~~ Emotional disturbance" means ~~emotional problems preventing adjustment in regular class including a condition exhibiting one or more of the following characteristics over a long period of time and to a marked degree that adversely affects a child's educational 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. ~~"Multiple handicapped~~ 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 ~~mentally retarded/blind, mentally retarded/orthopedically impaired, and other combinations~~ intellectual disability - blindness or intellectual disability - orthopedic impairment, the combination of which causes such severe educational ~~problems~~ needs that they cannot be accommodated in special education programs solely for one of the impairments. The term does not include ~~deaf/blind children~~ deaf-blindness;

~~9. "Physically handicapped~~

10. "Orthopedic impairment" means a severe orthopedic impairment ~~or an autistic condition which is manifested by severe communication and other developmental and educational problems; or having limited strength, vitality or alertness, due to chronic or acute health problems such as a heart condition, tuberculosis, rheumatic fever, nephritis, asthma, sickle cell anemia, hemophilia, epilepsy, lead poisoning, leukemia, or diabetes, which that~~ adversely affects a child's educational performance. The term includes impairments caused by a congenital anomaly, impairments caused by disease such as poliomyelitis and bone tuberculosis, and impairments from other causes such as cerebral palsy, amputations and fractures or burns that cause contractures;

~~10.~~ 11. "Other health impairment" means having limited strength, vitality or alertness, including a heightened alertness to

environmental stimuli, that results in limited alertness with respect to the educational environment that adversely affects a child's educational performance and is due to chronic or acute health problems such as asthma, attention deficit disorder or attention deficit hyperactivity disorder, diabetes, epilepsy, a heart condition, hemophilia, lead poisoning, leukemia, nephritis, rheumatic fever, sickle cell anemia and Tourette syndrome;

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

~~11. "Trainable mentally handicapped" means significantly subaverage general intellectual functioning existing concurrently with deficits in adaptive behavior and manifested during the development period, which adversely affects a child's educational performance;~~

~~12.~~ 13. "Deaf/Blind Deaf-blindness" means concomitant hearing and visual impairments, the combination of which causes such severe communication and other developmental and educational problems that they cannot be accommodated in special education programs solely for deaf or blind children with deafness or children with blindness;

~~13.~~ 14. "Autism" means a developmental disability significantly affecting verbal and nonverbal communication and social interaction, generally evident before age three (3), that adversely affects a child's educational performance. Other characteristics often associated with autism are engagement in repetitive activities and stereotyped movements, resistance to environmental change or change in daily routines, and unusual responses to sensory experiences. Autism does not apply if a child's educational performance is adversely affected primarily because the child has an emotional disturbance, as defined in this subsection;

15. "Traumatic brain injury" means an acquired injury to the brain caused by an external physical force, resulting in total or partial functional disability or psychosocial impairment, or both, that adversely affects a child's educational performance. Traumatic brain injury applies to open or closed head injuries resulting in impairments in one or more areas such as cognition; language;

memory; attention; reasoning; abstract thinking; judgment; problem-solving; sensory, perceptual, and motor abilities; psychosocial behavior; physical functions; information processing; and speech. Traumatic brain injury does not apply to brain injuries that are congenital or degenerative or to brain injuries induced by birth trauma;

16. "Bilingual" means those students who have limited English speaking abilities or who come from homes where English is not the dominant language as reported on the current year application for accreditation;

~~14.~~ 17. "Special Education Summer Program" means those summer school programs which school districts may provide for children who are severely or profoundly multiple-handicapped if their individualized education program states the need for a continuing educational experience to prevent loss of educational achievement or basic life skills. Any school district receiving funds for such special education summer programs shall provide services as provided in Section 13-101 of this title; and

~~15.~~ 18. "Optional Extended School Year Program" means the program defined in Section 1-109.1 of this title.

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

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

Section 18-201.1. A. Beginning with the 1997-98 school year, and each school year thereafter, the weighted membership of a school district for calculation of Foundation Aid purposes pursuant to paragraph 1 of subsection D of Section 18-200.1 of this title shall be the sum of the weighted pupil grade level calculation, the weighted pupil category calculation, the weighted district calculation and the weighted teacher experience and degree calculation. The weighted membership of a school district for calculation of Salary Incentive Aid purposes pursuant to paragraph 3 of subsection D of Section 18-200.1 of this title shall be the sum

of the weighted pupil grade level calculation, the weighted pupil category calculation, the weighted district calculation, and the weighted teacher experience and degree calculation.

B. The weighted calculations provided for in subsection A of this section shall be based on the highest weighted average daily membership of the first nine (9) weeks of the current school year, the preceding school year or the second preceding school year of a school district, unless otherwise specified. The highest of the three (3) weighted average daily memberships shall be used consistently in all of the calculations; however, the portion of weighted membership derived from nonresident, transferred pupils enrolled in online courses shall be based on the weighted average daily membership of the first nine (9) weeks of the current school year. The average daily membership data used for all calculations in paragraphs 1, 2, 3 and 4 of this subsection shall be the same as used in the calculation of the State Aid Formula. The weighted calculations provided for in subsection A of this section shall be determined as follows:

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

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

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

	CATEGORY	WEIGHT
a.	Vision Impaired <u>Visual Impairment</u>	3.8
b.	<u>Specific Learning Disabilities</u> Disabilities <u>Disability</u>	.4
c.	Deaf or Hard of Hearing	
	<u>Deafness or Hearing Impairment</u>	2.9
d.	Deaf and Blind <u>Deaf-Blindness</u>	3.8
e.	Educable Mentally Handicapped	
	<u>Intellectual Disability</u>	1.3

f.	Emotionally Disturbed <u>Emotional Disturbance</u>	2.5
g.	Gifted	.34
h.	Multiple Handicapped <u>Disabilities</u>	2.4
i.	Physically Handicapped <u>Orthopedic Impairment</u>	1.2
j.	Speech Impaired <u>or Language Impairment</u>	.05
k.	Trainable Mentally Handicapped	1.3
l.	Bilingual	.25
m.		
<u>l.</u>	Special Education Summer Program	1.2
n.		
<u>m.</u>	Economically Disadvantaged	.25
o.		
<u>n.</u>	Optional Extended School Year Program	As determined by the State Board of Education
<u>o.</u>	<u>Autism</u>	<u>2.4</u>
<u>p.</u>	<u>Traumatic Brain Injury</u>	<u>2.4</u>
<u>q.</u>	<u>Other Health Impairment</u>	<u>1.2</u>

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 1996-97 school year, 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 preceding school year. 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.

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

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

The small school district formula calculation shall apply only to school districts whose highest average daily membership is less than 529 pupils. School districts which

are consolidated or annexed after July 1, 2003, pursuant to the Oklahoma School Voluntary Consolidation and Annexation Act shall have the weighted district size calculation for the three (3) school years following the fiscal year in which such consolidation occurred calculated to be the sum of the individual consolidated districts computed as if the consolidation had not taken place. Thereafter, any such district which is consolidated pursuant to the Oklahoma School Voluntary Consolidation and Annexation Act shall not qualify for the weighted district calculation unless the district can satisfy the specifications herein. Subject to the provisions of subparagraph c of this paragraph, the resulting number shall be counted as additional students for the purpose of calculating State Aid.

b. District sparsity - isolation formula:

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

- (1) whose total area in square miles is greater than the average number of square miles for all school districts in this state; and
- (2) whose areal density is less than one-fourth (1/4) of the state average areal density. Areal density shall be determined by dividing the school district's average daily membership by the school district's total area in square miles.

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

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

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

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

Grade Level Group

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

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

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

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

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

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

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

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

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

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

If, after the weighted district calculation is applied, the district's projected per pupil revenue exceeds one hundred fifty percent (150%) of the projected state average per pupil revenue, then the district's State Aid shall be reduced by an amount that will restrict the district's projected per pupil revenue to one hundred fifty percent (150%) of the projected state average per pupil revenue. Provided, in applying the restriction provided in this division, the district's State Aid shall not be reduced by an amount greater than by the amount of State Aid which was generated by the weighted district calculation.

The July calculation of the projected per pupil revenue shall be determined by dividing the highest of the district's preceding two (2) years average daily membership (ADM) as weighted by the pupil grade level, the pupil category, the district and the teacher experience degree index calculations for projected State Aid into the district's projected total revenues including projected funds for the State Aid Formula for the preceding year, net assessed valuation for the preceding calendar year times thirty-nine (39) mills, county revenues excluding the county four-mills revenues for the second preceding year, other state appropriations for the preceding year and the collections for the preceding year of state apportionment, motor vehicle revenue, gross production tax and R.E.A. tax.

The December calculation of the projected per pupil revenue shall be determined by dividing the highest of the district's first nine (9) weeks of the current school year or the two (2) preceding school years average daily membership (ADM) as weighted by the pupil grade level, the pupil category, the district and the teacher experience degree index calculations for projected State Aid into the district's projected total revenues including funds for the December calculation of the current year State Aid Formula, net assessed valuation for the current calendar year times thirty-nine (39) mills, county revenues excluding the county four-mills revenue for the preceding year, other state appropriations for the preceding year and the collections for the preceding year of state apportionment, motor vehicle revenue, gross production tax and R.E.A. tax.

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

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

TEACHER EXPERIENCE - DEGREE INDEX

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

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

SECTION 3. This act shall become effective July 1, 2018.

SECTION 4. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the Senate the 30th day of April, 2018.

Presiding Officer of the Senate

Passed the House of Representatives the 25th day of April, 2018.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____