

# FundEd: Oklahoma Report

## A Detailed Look at Oklahoma's Funding Policies



## Oklahoma

### Funding Basics

#### Formula Type

Oklahoma has a primarily student-based funding formula. It assigns a cost to the education of a student with no special needs or services, called a base amount. It then accounts for the additional cost of educating specific categories of students mainly by applying multipliers to that amount to generate supplemental funding for those students.

The categories of students generating supplemental funding in Oklahoma are students in certain grade levels, English-language learners, low-income students, students with disabilities, students identified as gifted, and students in small districts. Services for students enrolled in career and technical education programs and for students in sparsely populated districts are funded through program-specific allocations.

#### Base Amount

Oklahoma has a fixed base funding amount per student. For FY2018, the per-student base amount was \$3,042.40.

This means that an average student with no special needs or disadvantages would be funded at that level. This figure for FY2018 is the sum of two kinds of aid: foundation aid in the amount of \$1,583.00, and salary incentive aid in the amount of \$1,459.40.

### Local Revenue

## Expected Local Share

Oklahoma expects both school districts and counties to contribute revenue to the funding of public schools. The amount each district or county is expected to raise for its education costs is based on its property values and its revenue from seven state collections.

Each district is expected to raise \$15.00 for every \$1,000 of assessed local property wealth and is authorized to impose two separate and additional taxes. (See "Property Tax Floors and Ceilings.") Both of these additional taxes are levied as a matter of course at the maximum level in all districts. Each county is expected to impose a tax of \$15.00 for every \$1,000 of assessed local property value, of which \$5.00 is earmarked for the county's school districts, and to impose a separate tax of \$4.00 for every \$1,000 of assessed local property value, all of which is for education. Once the state calculates the total amount of funding necessary to educate students within a district, it subtracts the amount that should be raised by district-imposed \$15.00 tax and 75% of the amount that should be raised by the county-imposed \$4.00 tax. The state also subtracts revenue from a number of state revenue sources which is distributed to counties and school districts. These include motor vehicle collections, gross production collections, Rural Electric Association Cooperative taxes, and earnings on state school lands.

The state also provides Salary Incentive Aid, which supports staff salaries in school districts; the state calculates an amount for each district, subtracts the amount that would be raised by the remaining three taxes combined (\$20.00 for every \$1,000 of assessed local property wealth), and provides the difference in the form of Salary Incentive Aid. Separate from all of the above, districts are empowered to impose two additional taxes: a tax of up to \$5.00 for every \$1,000 of assessed local property wealth for the district's building fund and a tax to support the district's sinking fund, which may be as high as necessary to support the construction bonds issued by the district.

## Property Tax Floors and Ceilings

Oklahoma sets a floor and a ceiling for local property tax rates, as well as a level above which voter approval is required. Counties are required to impose two levies for schools, of which at least \$9.00 for every \$1,000 in assessed local property wealth must be directed to schools. School districts and counties may also impose several other levies, some of which require voter approval and all of which are limited to a maximum level.

Counties and school districts in Oklahoma may impose up to seven different levies for education, including five for operations and a further two for maintenance and construction. Some of these may be imposed without voter approval: School boards may impose up to \$15.00 for every \$1,000 in assessed local property wealth for operations. In addition, counties are required to impose a levy of \$4.00 for every \$1,000 in assessed local property wealth for schools and a levy \$15.00 for every \$1,000 in assessed local property wealth, \$5.00 of which must be directed to schools. Career and technical education districts may also impose four additional taxes to fund their programming.

With the approval of a majority of voters in a referendum, school districts may impose two other levies for operations, one limited at \$10.00 for every \$1,000 of assessed local property wealth and another limited at \$5.00 for every \$1,000 of assessed local property wealth. They may also impose a further levy for school maintenance construction limited at \$5.00 for every \$1,000 of assessed local property wealth. With the support of 60% of voters in a referendum, school districts may also impose a levy to pay principle and interest on a bond issue, which has no limit.

## Other Local Taxes for Education

School districts in Oklahoma may receive local revenue from school district property taxes and from local sales taxes imposed by counties or municipalities.

School districts in Oklahoma may only impose property taxes. However, counties and municipalities in Oklahoma may levy sales and use taxes with the approval of voters in the relevant jurisdiction. These local sales taxes must be designated for a particular purpose, and may be designated for public schools. For instance, between 2002 and 2008, Oklahoma City imposed a 1% sales tax which was divided between the Oklahoma City School District and the area's suburban schools.

School districts also receive revenues from some state revenue sources, which are distributed to counties and school districts. These include motor vehicle collections, gross production collections, Rural Electric Association Cooperative taxes, and earnings on state school lands. Revenue is distributed to school districts based on student count or based on where the revenue was generated, or both.

## District Characteristics

### Grade Level

Oklahoma provides different levels of funding for students in different grade levels. It does so by applying multipliers to the base per-pupil amount for students in four different grade spans within grades K-12.

The base amount is multiplied by 1.5 for students in kindergarten (or 1.3 for students in half-day kindergarten); by 1.351 for students in grades 1-2; by 1.051 for students in grade 3; and by 1.2 for students in grades 7-12. Students in grades 4-6 are funded at the base amount.

The state also provides program-based allocations in the amount of \$56.13 per student in grades K-3 to support reading instruction and \$6.16 per student in grades 8-12 for technology funding for FY2017. In addition, the state specifically provides funding for sparsely populated districts that is partially dependent on grade level. (See "Sparsity" for a description of this allocation.)

### English-Language Learner

Oklahoma provides increased funding for English-language learners (ELLs). It does so by applying a multiplier of 1.25 to the base per-pupil amount for these students.

ELLs are defined as students who has limited English speaking abilities or who come from homes where English is not the dominant language.

The funding is actually provided in an amount equal to 0.25 times the per-pupil base amount, distributed in addition to the student's own base amount funding, which is first adjusted for grade level.

### Poverty

Oklahoma provides increased funding for students from low-income households. It does so by applying a multiplier of 1.25 to the base per-pupil amount for these students.

Students are eligible for this supplemental funding if they qualify for free or reduced-price lunch under the National School Lunch Program. The funding is actually provided in an amount equal to 0.25 times the per-pupil base amount, distributed in addition to the student's own base amount funding, which is first adjusted for grade level.

## Special Education

Oklahoma funds special education using a multiple student weights system, providing different levels of funding for different categories of students. Students are assigned to thirteen different categories based on their specific disabilities.

It does so by applying different multipliers to the base per-pupil amount for students in these categories. The multipliers range from 1.05 to 4.80, depending on a student's primary disability. Students may also be assigned to a secondary disability category from the same list. Secondary disabilities generate the same amount of supplemental funds as primary disabilities, but do not include the base funding, so weights range from 0.05 to 3.80. A student's education plan may also list required related services connected to a disability category (such as audiology services, which are related to the Hearing Impairment disability category). When a student receives a service, he or she may generate additional funding for the disability with which that service is connected.

When a student has all three (a primary disability, a secondary disability, and related services), the student's funding will first be adjusted for the primary disability; then, the state will review the secondary disability and the related service to determine which of the two entries is associated with a higher funding amount, and only that amount will be added to the Primary Disability weight. If a student's related service relates to his or her primary disability, the student is only weighted once for that disability. The state also provides scholarships for disabled students whose parents send them to approved private schools.

## Gifted

Oklahoma provides increased funding for gifted and talented students. It does so by applying a multiplier of 1.34 to the base per-pupil for these students.

The number of students generating funding for this purpose is the lesser of the sum of the number of students scoring in the top 3% on any national standardized test of intellectual ability and the number of students formally identified as gifted, or the sum of the number of students who scored in the top 3% on any national standardized test of intellectual ability plus 8% of the total enrollment of the school district.

The funding is actually provided in an amount equal to 0.34 times the per-pupil base amount, distributed in addition to the student's own base amount funding, which is first adjusted for grade level.

## Career and Technical Education

Oklahoma provides increased funding for career and technical education (CTE) programs. It does so through its Department of Career and Technology Education, which oversees a system of CTE centers and administers grants.

In FY2018, Oklahoma appropriated about \$118 million for the Department of Career and Technology Education, which oversees CTE centers offering instructions to both adult and high school students. The Oklahoma Department of Career and Technology Education also distributes grants, like a \$1.4 million grant to implement or upgrade instructional and training technology.

Career and technical education districts may also impose four additional taxes to fund their programs.

## Sparsity and/or Small Size

Oklahoma provides increased funding for sparse or small school districts. It does so through its transportation funding system and by providing supplemental funding for sparse or small districts. Supplemental funding is calculated through either a formula that inflates the student count for sparse districts to generate extra funding or one that does the same for small school districts, whichever would produce the larger amount.

Oklahoma's transportation system provides districts with an allowance per transported pupil that is then multiplied by a sparsity factor of \$33 to \$167, depending on the density of the district. The formula for sparse districts applies only to districts with above-average square mileage and a number of students per mile that is one-fourth of the state average or less. For these districts, a district cost factor is determined based on the district's enrollments in different grade bands, an area cost factor is determined based on the district's area relative to the state average area, and the two factors are multiplied by each other to produce the multiplier to be applied to the district's total enrollment to inflate the student count. This inflated student count generates extra funding for the district.

The formula for small districts applies only to districts with fewer than 529 students. The amount of funding to which each small district is determined is calculated by subtracting the district's enrollment from 529, dividing the difference by 529, and multiplying the quotient by 0.2 to produce a multiplier to be applied to the district's total enrollment to inflate the student count. This inflated student count generates extra funding for the district.

For a complete list of primary sources, please see the appropriate state page at [funded.edbuild.org](http://funded.edbuild.org)

