

OKLAHOMA STATE BOARD OF EDUCATION

RESOLUTION

WHEREAS, the Oklahoma State Board of Education (“SBE”) deems it in the best interest of the Board and the schoolchildren of the State of Oklahoma that the following actions be taken pursuant to this Resolution;

WHEREAS, the State Board of Education desires to resolve and settle its disputes with the Oklahoma Public Charter School Association (“OPCSA”) in the litigation styled, OPCSA v. State of Oklahoma ex. rel. Oklahoma State Board of Education, CV-2017-1330, in the District Court of Oklahoma County, Oklahoma (the “Litigation”);

WHEREAS, the Oklahoma Constitution grants the Legislature with the authority to establish and maintain a system of free public schools wherein all children of the State of Oklahoma may be educated and provides the Legislature with the authority to raise and distribute funds to public school districts in the manner and by the distributing agency designated by the Legislature;

WHEREAS, based on its constitutional powers, the Legislature adopted statutes to address the funding of public schools to include 70 O.S. §18-101, for the general improvement of public schools, to provide the best possible educational opportunities for every child in Oklahoma and to have a more beneficial use of public funds expended for education;

WHEREAS, the Legislature expressed its intent that the state support of public schools through the funding formula should assure equal educational opportunities and provide for as large a measure of equalization as possible for Oklahoma schoolchildren;

WHEREAS, the Legislature, at 70 O.S. §3-132, also expressed its intent that charter schools are public schools;

WHEREAS, the Legislature in the Oklahoma Charter Schools Act (the “Act”) provides, in part, that charter schools shall be eligible to receive any other aid, grants or revenues allowed to other schools. The Act also provides that a charter school, in addition to money received from the State of Oklahoma, may receive money from any other source. *See* 70 O.S. §3-142;

WHEREAS, presently, charter schools in Oklahoma only receive State-Appropriated Revenue, but do not receive Local Revenue or State-Dedicated Revenue as defined herein;

WHEREAS, local sources of revenue at issue in the Litigation are: (1) General Fund levies of 35 mills (the “General Fund”), as provided in Article X, §9 of the Oklahoma Constitution; (2) Building Fund levies of 5 mills (the “Building Fund”), as provided in Article X, §10 of the Oklahoma Constitution; (3) County 4-mill, as provided in Article X, §9 of the Oklahoma Constitution; (4) County apportionment; and (5) other local miscellaneous revenues (collectively, “Local Revenue”);

WHEREAS, State-dedicated sources of revenue at issue in the Litigation are: (1) Gross Production Tax (“GPT”), as provided in 68 O.S. §1004; (2) Motor Vehicle Collections (“MVC”), as provided in 47 O.S. §1104; (3) Rural Electrification Association (R.E.A.) tax (“REA Tax”); and (4) State School Land Earnings (“Land Earnings”), as provided in Article XI, §3 of the Oklahoma Constitution, (collectively “State-Dedicated Revenue”);

WHEREAS, State-Appropriated Revenue may generally include: (1) Foundation and Salary incentive aid (i.e., State Aid) distributed through the state funding formula; (2) flexible benefit allowance (collectively “State-Appropriated Revenue”); (3) Advanced Placement; (4) Textbooks; (5) School Consolidation Assistance; (6) National Board Certified Bonus; (7) Driver Education, Vehicle Tax Stamp; (8) Alternative and At-Risk Education; (9) Instructional,

Cooperative and Technology Education; (10) Arts-in-Education; (11) Child Nutrition State-Match Programs; and, (12) Staff Development;

WHEREAS, the Act provides that charter schools sponsored by a local school district board of education shall be considered a site within the school district in which the charter school is located for the purposes of funding except for federal funds (“District Sponsored Charter Schools”) and the student membership of District Sponsored Charter Schools are to be separate from the student membership of the districts in which the charter school is located.

WHEREAS, the Act provides that charter schools may also be sponsored by a technology center board of education, a higher education institution, the State Board of Education, a federally recognized Indian Tribe, or the statewide virtual charter school board (“Non-District Sponsored Charter Schools”) and these Non-District Sponsored Charter Schools are considered a local education agency, or, in other words, a school district, for purposes of funding;

NOW THEREFORE, in furtherance of the intent of the Legislature to provide for the largest measure of equalization as possible between public schools, to include charter schools, the SBE stipulates that the interpretation and implementation of laws regarding funding for charter schools shall be as set forth herein:

BE IT RESOLVED that charter schools shall be funded as a public-school district and in furtherance of the Legislative intent to provide the greatest measure of equalization of funding between public schools;

BE IT FURTHER RESOLVED that as a site within the school district in which the charter school is located, a District Sponsored Charter School shall receive from its sponsoring local school district board of education its proportionate share of the General Fund, the Building Fund, all other Local Revenue and all State Dedicated Revenue;

BE IT FURTHER RESOLVED that a District Sponsored Charter School shall receive from its sponsoring local school district board of education its proportionate share of the General Fund and the Building Fund revenues based on the proportion of the charter school's separate student membership in relation to the total student membership within the same tax base;

BE IT FURTHER RESOLVED that a District Sponsored Charter School shall receive from its sponsoring local school district board of education its proportionate share of the Local Revenue based on the proportion of the charter school's average daily attendance to the total student average daily attendance within the same tax base;

BE IT FURTHER RESOLVED that a District Sponsored Charter School shall receive from its sponsoring local school district board of education its proportionate share of the State Dedicated Revenue based on the proportion of the charter school's average daily attendance so long as any years of instruction requirements in the laws are satisfied for gross production tax and motor vehicle collections revenues;

BE IT FURTHER RESOLVED that a Non-District Sponsored Charter School, as a local education agency, or school district, shall receive its proportionate share of the General Fund, Building Fund, all other Local Revenue and all State Dedicated Revenue;

BE IT FURTHER RESOLVED that a Non-District Sponsored Charter School shall receive its proportionate share of the General Fund and the Building Fund revenues based on the proportion of the charter school's separate student membership in relation to the total student membership within the same tax base;

BE IT FURTHER RESOLVED that a Non-District Sponsored Charter School shall receive its proportionate share of the remaining Local Revenue based on the proportion of the charter school's average daily attendance to the total student average daily attendance within the same tax base;

BE IT FURTHER RESOLVED that a Non-District Sponsored Charter School shall receive its proportionate share of the State Dedicated Revenue based on the proportion of the charter school's average daily attendance so long as any years of instruction requirements in the laws are satisfied for gross production tax and motor vehicle collections revenues;

BE IT FURTHER RESOLVED that the Oklahoma State Board of Education directs the Oklahoma State Department of Education to include charter schools on any school district list as required to fulfill the intent of this Resolution, to provide notice to any county and / or state official to further effectuate the intent of this Resolution, and to take any other actions necessary to implement the terms of this Resolution;

BE IT FURTHER RESOLVED that to provide the administrative time necessary to fully and properly implement this Resolution, this Resolution shall be effective July 1, 2021; and

BE IT FURTHER RESOLVED that the Oklahoma Public Charter School Association by and through its members, have agreed to waive, release and forever forego any claims, causes of action, or demands upon the Oklahoma State Board of Education, the Oklahoma State Department of Education, and any school districts for any funding that charter schools may have been entitled to for the period of time prior to July 1, 2021 so long as this Resolution is fully implemented and charter schools receive the additional sources of revenues provided for herein.

Approved and Authorized this ____ day of March 2021.

Joy Hofmeister
State Superintendent of Public Instruction
Board Chair