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## A Primer for Understanding Oklahoma's School Funding System (2nd Edition) - Summary\*

This paper is an extensive revision of a paper published in 2015 that explains Oklahoma's school formula funding system. It has been rewritten to provide a more intuitive understanding of that system, with potentially confusing comments on the system and other asides from the first edition removed. A table of contents has been added, along with a new section on initial charter school funding and another explaining a new piece of formula funding. All numbers have been updated to the 2019-2020 school year. The paper:

- 1 Provides a brief overview of total spending and revenues of Oklahoma's common schools, breaking revenues down by local, state, and federal funding totals in 2020,
- 2 Explains Oklahoma's school formula funding system, including:
  - a. The logic that formula funding ensures a guaranteed minimum of funding,
  - b. The funding factors, including some insight into how they are calculated,
  - c. Student counts and weighting, including showing how some of the most complicated elements in the formula drive relatively little funding,
  - d. Adjustments for district population size and low density, and teachers' experience,
  - e. "Chargeables" (local sources of funding that count toward the formula)
  - f. How local property taxes figure into formula funding, and
  - g. Penalties applied against funding for districts where they fall short of various legal requirements,
- 3 Provides an overview of all funding, including that outside the formulas.

The paper includes 18 tables and six figures, representing an

effort to systematically break down the formula system into digestible and intuitive bites.

Mentioned in the paper, here are a few high-level facts of Oklahoma school funding in 2020:

- Districts received \$7.3 billion in new revenue while maintaining \$2.8 billion in fund balances.
- Of that total, \$3.1 billion was local revenue, \$3.5 billion was state, and \$0.77 billion was federal.
- About half of local funding was effectively state appropriated under the formula system.
- Average per-student spending by Oklahoma's common schools in 2020 was \$11,576.
- The lowest-spending schools are charter schools, which have no local funding of their own, but can receive federal grants as well as private contributions.
- Of all funding for schools, only 58 percent is formula driven.