PLAINTIFFS’ MEMORANDUM OF AUTHORITIES IN SUPPORT OF MOTION FOR SUMMARY JUDGMENT

This case presents a single question of pure law: whether the funding mechanism of the Charter Schools Act of 2013 (“CSA”) violates the Mississippi Constitution. For the reasons that follow, this question must be answered in the affirmative. Because there is no genuine issue of material fact in this case, Plaintiffs are entitled to summary judgment.

I. INTRODUCTION

The CSA diverts public money to charter schools through two funding streams: ad valorem tax funds from local school districts and per-pupil funds from the Mississippi Department of Education (“MDE”). Both funding streams are unconstitutional and must be struck down.

Section 206 of the Mississippi Constitution provides that a school district’s ad valorem taxes may only be used for the district to maintain its own schools. Under the CSA, public school districts must share ad valorem tax revenue with charter schools that they do not control or
supervise. Requiring a school district to distribute ad valorem tax revenue to a school outside its control is unconstitutional. Therefore, the local funding stream of the CSA is unconstitutional.

Section 208 of the Mississippi Constitution forbids the Legislature from appropriating money to any school that is not operating as a “free school.” Under Mississippi law, a “free school” is not merely a school that charges no tuition; it must also be regulated by the State Superintendent of Education and the local school district superintendent. Charter schools – which are not under the control of the State Board of Education, the State Superintendent of Education, the Mississippi Department of Education, the local school district superintendent, or the local school district – are not “free schools.” Accordingly, the state funding provision of the CSA is unconstitutional.

Two charter schools, Reimagine Prep (“Reimagine Charter”) and Midtown Public Charter School (“Midtown Charter”), operated in Mississippi pursuant to the CSA during the 2015-2016 school year. Both charter schools are located within the boundaries of the Jackson Public School District (“JPS”). During the 2015-2016 school year, both charter schools received (1) per-pupil funding from MDE and (2) ad valorem tax revenue from JPS. Reimagine Charter and Midtown Charter are not under the control of the State Board of Education, MDE, or JPS.

As a result of the funding provisions of the CSA, JPS schoolchildren lost more than $1.85 million in state per-pupil funding and ad valorem tax revenue in the 2015-2016 school year alone. JPS could have spent $1.85 million on 42 teacher salaries,1 18 new school buses,2

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1 According to the most recent data available from MDE, the average salary of a classroom teacher in JPS is $43,744. See Superintendent’s Annual Report, MISSISSIPPI DEPARTMENT OF EDUCATION, http://www.mde.k12.ms.us/MBE/R2016 (follow “Classroom Teacher Count and Average Salary” hyperlink) (last visited July 11, 2016).

guidance counselors for 6,870 students, or vocational education programming for 6,672 students.³

A third charter school has opened within JPS’s geographic boundaries. Accordingly, during the 2016-2017 school year, three charter schools will receive state funds from MDE and local ad valorem tax revenue from JPS. Between these three charter schools, JPS stands to lose more than $4 million during the 2016-2017 school year.

As a direct result of the unconstitutional CSA funding provisions, approximately 28,000⁴ students enrolled in JPS schools will have fewer teachers, books, and educational resources. These schools will no longer be able to provide Mississippi schoolchildren the education that they are constitutionally entitled to receive.

II. BACKGROUND

A. The CSA diverts public taxpayer funds to charter schools.

The CSA was passed by the Mississippi Legislature and signed into law by Governor Bryant in 2013. Codified at Miss. Code § 37-28-1, et seq., the CSA provides for the establishment of charter schools statewide. The CSA provides taxpayer funding to charter schools through two funding streams: per-pupil state funds from MDE and ad valorem tax funds from the local school district where the student attending the charter school resides.

With respect to the state funding stream, the CSA provides, “[t]he State Department of Education shall make payments to charter schools for each student in average daily attendance at the charter school equal to the state share of the adequate education program payments for each


⁴ According to the Mississippi Department of Education, 28,019 students were enrolled in the Jackson Public School District during the 2015-2016 school year. See Public Reports, MISSISSIPPI DEPARTMENT OF EDUCATION, http://reports.mde.k12.ms.us/data/ (follow “State, District, or School Data” and choose “Jackson Public School District” from the drop-down menu next to “District”) (last visited August 18, 2016).
student in average daily attendance at the school district in which the charter school is located.” Miss. Code § 37-28-55(1)(a).

As for the local funding stream, the CSA provides two methods for allocating ad valorem tax revenue depending on where the student resides. For a student enrolled in a charter school located within the geographic boundaries of the school district where he resides, “[t]he school district in which a charter school is located shall pay directly to the charter school an amount for each student enrolled in the charter school equal to the ad valorem tax receipts and in-lieu payments received per pupil for the support of the local school district in which the student resides.” Miss. Code § 37-28-55(2). For a student who attends a charter school located outside the geographic boundaries of the school district where he resides, the CSA provides that “the State Department of Education shall pay to the charter school in which the student is enrolled . . . the pro rata ad valorem receipts and in-lieu payments per pupil for the support of the local school district in which the student resides.” Miss. Code § 37-28-55(3).

Regardless of whether the local school district or the State Department of Education allocates the ad valorem tax revenue to the charter school, the result is the same: the public school district loses a portion of its ad valorem tax revenue to charter schools.

B. Charter schools are not subject to the same oversight and rules that govern traditional public schools.

Charter schools in Mississippi are funded by public taxpayer dollars, but are not subject to the same oversight and rules that govern traditional public schools. Under the CSA, neither the State Board of Education nor the State Department of Education may exercise regulatory or oversight authority over any charter school. Miss. Code § 37-28-45(5) (“A charter school is not subject to any rule, regulation, policy or procedure adopted by the State Board of Education or the State Department of Education unless otherwise required by the authorizer or in the charter
A charter school is not part of the school district or local education agency in which it is located. Miss. Code § 37-28-45(3). In fact, each charter school in Mississippi is its own local education agency. Miss. Code § 37-28-39.

Instead, the Charter Authorizer Board has exclusive jurisdiction over all charter schools in the state. Miss. Code § 37-28-9(1)(a)(iv). Established by the CSA, the Authorizer Board must “review applications, decide whether to approve or reject applications, enter into charter contracts with applicants, oversee charter schools, and decide whether to renew, not renew, or revoke charter contracts.” Miss. Code § 37-28-5(c). Although charter schools only serve elementary and secondary school students, the Authorizer Board is located at the administrative offices of the Institution of Higher Learning, not within MDE. See Miss. Code § 37-28-7(10).

The Authorizer Board is comprised of seven appointed members: three appointed by the Governor, three by the Lieutenant Governor, and one by the State Superintendent of Education. Miss. Code § 37-28-7(3). The Authorizer Board keeps three percent of the annual state and local per-pupil funds received by each charter school that it authorizes. Miss. Code § 37-28-11(1).

In contrast, traditional public schools are controlled by the local school board where the traditional public school is located, Miss. Code § 37-7-301, and are subject to regulation by the State Board of Education and the State Department of Education. Miss. Code § 37-3-5.


As many as 25 percent of teachers in a charter school may be exempt from state teacher licensure requirements at the time the initial charter application is approved. Miss. Code § 37-
28-47(1)(a). In contrast, 95 percent of traditional public school teachers must meet state teacher licensure requirements. Miss. Code § 37-3-2(6)(e).

Charter school teachers are exempt from state minimum salary requirements. Miss. Code § 37-28-47(2). In contrast, traditional public schools must pay their teachers in accordance with a state salary scale that establishes salary minimums based on years of experience and licensure type. Miss. Code § 37-19-7(1).

C. As a result of the unconstitutional funding provisions in the CSA, JPS lost more than $1.85 million to charter schools during Fiscal Year 2016.

Reimagine Charter, located at 309 West McDowell Road in Jackson, Mississippi, enrolled 121 students during the 2015-2016 school year. Rec. Doc. 13 at ¶ 43; Rec. Doc. 14 at ¶ 43. In compliance with the CSA, JPS surrendered $317,487.06 in ad valorem tax revenue to Reimagine Charter during the 2015-2016 school year. Ex. 1. See also Rec. Doc. 13 at ¶ 44. In compliance with the CSA, MDE surrendered $643,027.00 in state funds to Reimagine Charter for Fiscal Year 2016. Ex. 2. Accordingly, MDE and JPS remitted a total of $960,514.06 to Reimagine Charter in the 2015-2016 school year. Ex. 1; Ex. 2. But for the CSA, those funds would have been spent on JPS schoolchildren.

Midtown Charter, located at 301 Adelle Street in Jackson, Mississippi, enrolled 106 students during the 2015-2016 school year. Rec. Doc. 13 at ¶ 47; Rec. Doc. 14 at ¶ 47. In compliance with the CSA, JPS surrendered $278,129.16 in ad valorem tax revenue to Midtown Charter during the 2015-2016 school year. Ex. 1; see also Rec. Doc. 13 at ¶ 48. In compliance with the CSA, MDE surrendered $618,189.00 in state funds to Midtown Charter for Fiscal Year 2016. Ex. 3. Accordingly, MDE and JPS remitted a total of $896,318.16 to Midtown Charter in the 2015-2016 school year. Ex. 1; Ex. 3. But for the CSA, those funds would have been spent on JPS schoolchildren.
As a result of the funding provisions of the CSA, JPS lost more than $1.85 million to Reimagine Charter and Midtown Charter during the 2015-2016 school year. Ex. 1; Ex. 2; Ex. 3.

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<th>State per-pupil funds surrendered by MDE</th>
<th>Ad valorem tax funds surrendered by JPS</th>
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<td>Reimagine Charter</td>
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Table 1: Public funding received by charter schools during the 2015-2016 school year.

JPS stands to lose even more funding to charter schools during the 2016-2017 school year. Rec. Doc. 13 at ¶ 52. Both Reimagine Charter and Midtown Charter anticipate substantial growth in enrollment. Ex. 4; Ex. 5; see also Rec. Doc. 13 at ¶ 52. Additionally, a new charter school, Smilow Prep (“Smilow Prep Charter”), opened within JPS’s boundaries for the 2016-2017 school year, with an anticipated enrollment of 119 students. Ex. 6; see also Rec. Doc. 13 at ¶ 52. Based on the expected enrollment of these three charter schools, JPS will lose more than $4 million to charter schools in the 2016-2017 school year. This expansion of charter schools will deplete public funds from traditional public school districts across the state, and will do so without any oversight from the State Board of Education, MDE, or the local school district.

III. STATEMENT OF UNCONTESTED MATERIAL FACTS


2. During the 2015-2016 academic year, JPS paid a portion of its ad valorem tax revenue to Reimagine Charter and Midtown Charter. Ex. 1; Rec. Doc. 13 at ¶¶ 44, 48.
3. In Fiscal Year 2016, the Mississippi Department of Education remitted public taxpayer funds to Reimagine Charter and Midtown Charter. Ex. 2; Ex. 3.

4. Reimagine Charter and Midtown Charter will continue operating within JPS’s geographic boundaries during the 2016-2017 school year. Ex. 4; Ex. 5.


6. All three charter schools are overseen by the Charter Authorizer Board. See Miss. Code § 37-28-9(1)(a)(iv).

7. Plaintiffs are residents of Jackson, Mississippi. Ex. 7 at ¶ 1; Ex. 8 at ¶ 1; Ex. 9 at ¶ 1; Ex. 10 at ¶ 1; Ex. 11 at ¶ 1; Ex. 12 at ¶ 1; Ex. 13 at ¶ 1.

8. Plaintiffs pay local ad valorem taxes and state taxes. Ex. 7 at ¶ 6, Ex. 7(a); Ex. 8 at ¶ 4, Ex. 8(a); Ex. 9 at ¶ 6, Ex. 9(a); Ex. 10 at ¶ 5, Ex. 10(a); Ex. 11 at ¶ 5, Ex. 11(a); Ex. 12 at ¶ 5, Ex. 12(a); Ex. 13 at ¶ 5, Ex. 13(a).

9. Plaintiffs are parents of children enrolled in JPS schools. Ex. 7 at ¶ 7; Ex. 8 at ¶ 5; Ex. 9 at ¶ 6; Ex. 10 at ¶ 6; Ex. 11 at ¶ 6; Ex. 12 at ¶ 5; Ex. 13 at ¶ 6.

IV. LEGAL AUTHORITY

A. Standard of Review on a Motion for Summary Judgment

Summary judgment is required under Miss. R. Civ. P. 56 where the evidence in the record shows that no genuine issue of material fact exists, and the moving party is entitled to judgment as a matter of law. See Miss. R. Civ. P. 56(c); Brown v. Credit Ctr., Inc., 444 So. 2d 358, 362 (Miss. 1983). After viewing all the evidence “in the light most favorable to the party against whom the motion has been made,” summary judgment must be granted when “the
moving party is entitled to judgment as a matter of law.” *Pitts v. Watkins*, 905 So. 2d 553, 555 (Miss. 2005) (quoting *Aetna Cas. & Sur. Co. v. Berry*, 669 So. 2d 56, 70 (Miss. 1996)). Statutory interpretation is a matter of law which the Mississippi Supreme Court reviews *de novo*. *Wallace v. Town of Raleigh*, 815 So. 2d 1203, 1206 (Miss. 2002). Summary judgment is appropriate where, as here, the only issue before the Court is a pure question of law. *See Cooper v. Gen. Motors Corp.*, 702 So. 2d 428, 442 (Miss. 1997).

**B. Burden of Proof**

Under Mississippi law, a party challenging the constitutionality of a statute must prove beyond a reasonable doubt that the law is in “palpable conflict with some plain provision of the constitution.” *Oxford Asset Partners, LLC v. City of Oxford*, 970 So. 2d 116, 120 (Miss. 2007). “Nonetheless, no citation of authority is needed for the universally accepted principle that if there be a clash between the edicts of the constitution and the legislative enactment, the latter must yield.” *State v. Bd. of Levee Comm’rs for Yazoo-Mississippi Delta*, 932 So. 2d 12, 26 (Miss. 2006) (citation and internal quotation marks omitted).

The Mississippi Supreme Court has counseled that “[i]n interpreting the Mississippi Constitution[,] we seek the intent of the draftsmen, keeping in mind, the object desired to be accomplished and the evils sought to be prevented or remedied.” *Myers v. City of McComb*, 943 So. 2d 1, 7 (Miss. 2006) (citations and internal quotation marks omitted). Accordingly, the only issue before the Court is whether the funding provision of the CSA, codified at Miss. Code § 37-28-55, conflicts with the language of the state constitution.
V. DISCUSSION


Article 8, Section 206 of the Mississippi Constitution provides:

There shall be a state common-school fund, to be taken from the General Fund in the State Treasury, which shall be used for the maintenance and support of the common schools. Any county or separate school district may levy an additional tax, as prescribed by general law, to maintain its schools.

Miss. Const. art. VIII, § 206 (emphasis added). By its plain language, Section 206 allows a public school district to raise ad valorem taxes, or property taxes, for the maintenance and operation of its own schools.

This interpretation of Section 206 was affirmed by the Mississippi Supreme Court in Pascagoula School District v. Tucker, 91 So. 3d 598 (Miss. 2012). In that case, a 2007 state law mandated that ad valorem tax revenue collected by a school district on liquefied natural gas terminals and crude oil refineries be distributed to all school districts in the county where the terminals and refineries were located. The Pascagoula School District’s (“PSD”) ad valorem tax base included both a crude oil refinery and a liquefied natural gas terminal. Concerned that it would lose a portion of its ad valorem tax revenue to the three other school districts located in Jackson County, PSD filed suit in chancery court challenging the constitutionality of the statute.

On appeal, the Mississippi Supreme Court held that the Legislature cannot require a school district to share its ad valorem tax revenue with schools outside its district. The Court explained:

The plain language of Section 206 grants the PSD the authority to levy an ad valorem tax and mandates that the revenue collected be used to maintain only its schools. Conversely, no such authority is given for the PSD to levy an ad valorem tax to maintain schools outside its district.
Id. at 604. In so holding, the Court rejected the defendants’ argument that the statute was a legitimate exercise of the Legislature’s broad plenary power to regulate school finance. Instead, the Court stated:

The Legislature’s plenary power does not include the power to enact a statute that – on its face – directly conflicts with a provision of our Constitution. Section 206 specifically limits the use of the tax revenue from a school district’s tax levy to the maintenance of “its schools,” and the Legislature’s plenary taxation power does not authorize it to ignore this restriction. The Legislature has no authority to mandate how the funds are distributed, as Section 206 clearly states that the purpose of the tax is to maintain the levying school district’s schools.

Id. at 604-05. The Court reasoned that upholding the law as a legitimate exercise of legislative power would render the phrase “to maintain its schools” in Section 206 “a complete nullity.” Id. at 605 (emphasis added). While the Legislature’s plenary authority includes establishing the method by which a district may levy ad valorem taxes; it does not extend to mandating how those funds are distributed. Id. at 605.

In Mississippi, a charter school is not part of the school district where it is geographically located. See Miss. Code § 37-28-45(3) (“Although a charter school is geographically located within the boundaries of a particular school district and enrolls students who reside within the school district, the charter school may not be considered a school within that district under the purview of the school district’s school board.”). Instead, each charter school operates as its own local education agency, which is another name for a local school district. Miss. Code § 37-28-39; see also Miss. Code § 37-135-31 (defining “local education agency” as a public authority legally constituted by the state as an administrative agency to provide control of and direction for Kindergarten through 12th grade public educational institutions). Regardless of whether charter schools receive ad valorem tax revenue directly from JPS or if JPS’ ad valorem funds are distributed by MDE, the resulting constitutional violation is the same. Therefore, under Section 206, a school district’s ad valorem tax revenue may not be distributed to charter schools.

Article 8, Section 208 of the Mississippi Constitution provides:

No religious or other sect or sects shall ever control any part of the school or other educational funds of this state; nor shall any funds be appropriated toward the support of any sectarian school, or to any school that at the time of receiving such appropriation is not conducted as a free school.

Miss. Const. art. VIII, § 208 (emphasis added). Pursuant to the plain language of Section 208, state education funds may only be allocated to a school that is “conducted as a free school.”

1. A “free school” is not merely a school that charges no tuition; it must also be regulated by the State and local superintendent of education.

A “free school” is not merely a school that charges no tuition. The Mississippi Supreme Court defined “free school” in Otken v. Lamkin, 56 Miss. 758, 764 (1879), where it struck down a state law appropriating public funds to private high schools. Finding that private schools are ineligible to receive public funding, the Lamkin Court established the following definition of “free public schools”:

No portion of the school fund can be diverted to the support of schools which, in their organization and conduct, contravene the general scheme prescribed. That is to say, the fund must be applied to such schools only as come within the uniform system devised, and under the general supervision of the State superintendent and the local supervision of the county superintendent, are free from all sectarian religious control, and ever open to all children within the ages of five and twenty-one years . . .

Id. at 764 (emphasis added). The Court reasoned that public funds may only be spent on “free schools” because “the general supervision of the common schools, and of the education interests of the State, are confided to the State superintendent of education.” Id.

The Mississippi Supreme Court reaffirmed Lamkin in State Teachers’ College v. Morris, 144 So. 374, 376 (1932), where it determined that a demonstration school run by a state teacher’s college was not a “free school” because it was regulated by the “administrative authority of the
major state institutions of learning,” not by the State Board of Education. The Court reasoned
that:

These teachers’ demonstration and practice schools are not within the control of
the common school authorities, but the power to establish them and regulate the
affairs thereof is conferred on the administrative authorities of the major state
institutions of learning. In order for a school to be within the system of free public
schools required by section 201 of the Constitution, the establishment and control
thereof must be vested in the public officials charged with the duty of establishing
and supervising that system of schools.

144 So. 374 at 376 (citing Lamkin, 56 Miss. at 758) (internal quotation marks omitted).

Accordingly, by definition, a “free public school” must be supervised by the public officials
charged with establishing and supervising “that system of schools,” meaning the public officials
who oversee “the system of free public schools.”

The Mississippi Supreme Court has clearly established that a “free school” is not merely
a school that charges no tuition. Rather, a “free school” is a school that is (1) non-sectarian,
(2) open to all, (3) “under the general supervision of the State superintendent,” and (4)
“under . . . the local supervision of the county superintendent.” Lamkin, 56 Miss. at 764. A school must
satisfy all four criteria in order to receive public funding.

2. Charter schools are not “free schools” because they are not regulated by
the State superintendent of education and the local superintendent of
education.

Mississippi’s charter schools are not “free schools” because they cannot satisfy the third
or fourth requirements of the Lamkin test. Namely, charter schools are not under the supervision
of the State superintendent of education and the local superintendent of education. Charter
schools are not “under the general supervision of the State superintendent” because the CSA
explicitly exempts charter schools from “any rule, regulation, policy or procedure adopted by the
State Board of Education or the State Department of Education.” Miss. Code § 37-28-45(5).
Charter schools are not “under . . . the local supervision of the county superintendent” because they are also expressly exempted from any local school district oversight. Miss. Code § 37-28-45(3). In fact, as stated above, each charter school serves as its own local education agency. Miss. Code § 37-28-39. Because charter schools are not under the general supervision of the State superintendent of education and the local superintendent of education, they are not “free schools” within the meaning of Section 208. They are therefore ineligible to receive public funds.

A similar issue was recently decided by the Washington Supreme Court. The Washington Constitution limits public funding to “the support of the common schools.” Wash. Const. art. IX, § 2. Similar to Mississippi’s “free schools,” Washington’s “common schools” are those that are “common to all children of proper age and capacity, free, and subject to and under the control of the qualified voters of the school district.” League of Women Voters of Washington v. State, 355 P.3d 1131, 1137 (Wash. 2015). Washington’s charter schools, however, were “governed by a charter school board” and were “exempt from all school district policies” and nearly “all . . . state statutes and rules applicable to school districts.” Id. at 1136. Since they are not under the control of the local school district, the Court concluded that charter schools are not common schools and cannot receive public funding. Id. at 1141.

This case demands the same outcome. Based on the clear language of the CSA, charter schools are not “free schools” because they are exempt from regulation by local school districts, the State Board of Education and the State Department of Education. As a result, charter schools are not eligible to receive state education funds.
VI. CONCLUSION

Plaintiffs ultimately seek to permanently enjoin Defendants Governor Bryant, MDE, and JPS from enforcing or implementing Miss. Code § 37-28-55. However, Plaintiffs will refrain from seeking this remedy pending the likely appeal of this Court’s Order on the instant motion.

For the reasons set forth herein, this case presents no genuine issue of material fact. Plaintiffs are entitled to judgment as a matter of law that Miss. Code § 37-28-55 violates Section 206 and Section 208 of the Mississippi Constitution. Plaintiffs respectfully request that the Court enter an Order granting its Motion for Summary Judgment and for such other and further relief as the Court deems proper.

RESPECTFULLY SUBMITTED this 22nd day of August, 2016.

/s/ Lydia Wright
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CERTIFICATE OF SERVICE

I, Lydia Wright, hereby certify that a true and correct copy of the foregoing document was filed electronically. Notice of this filing will be sent by electronic mail to all parties by the Court’s electronic filing system. Parties may access this filing through the Court’s MEC/ECF System.

SO CERTIFIED, this 22nd day of August, 2016.

/s/ Lydia Wright
Lydia Wright, MS Bar # 105186