



State Auditor & Inspector Cindy Byrd

April 2022

ON LOCATION IN OKLAHOMA

AND, WE'RE ROLLING! It's a little cliché and it aptly describes Oklahoma's booming film and television industry.

After minor success following the initial passage of *The Compete with Canada Act* in 2001, the Oklahoma Film and Music Office (OF+MO) appears poised for record breaking years ahead.

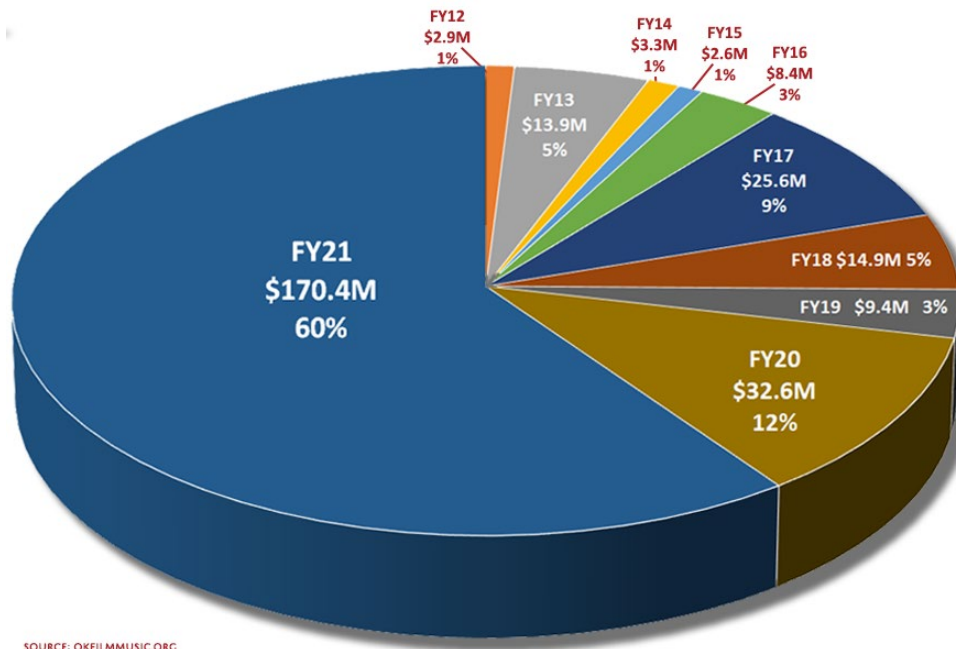
For almost two decades, Oklahoma as a destination for filmmaking remained largely a dream. Regardless, the effort to turn it into a reality never stopped. The OF+MA continued efforts to entice both Hollywood and Independent production companies to the Sooner state.

From 2001-2005, only four major movies took advantage of Oklahoma's initial incentive package of \$150,000 for films with a budget of \$1 million or more. Other states, like New Mexico and Louisiana offered greater incentive packages and the film industry in Oklahoma floundered.

At one point in 2012, a couple of bills in the legislature sought to dissolve or significantly reduce the state's film incentive program. Those efforts failed and lawmakers instead continued to modify and improve what Oklahoma would offer.

The legislature made numerous changes since 2001 to entice and incentivize both Hollywood and Independent production companies to go on location in the Sooner state.

OKLAHOMA ECONOMIC IMPACT



SOURCE: OKFILMMUSIC.ORG

In FY20, the long efforts to tell the domestic and international film industry that Oklahoma was here and ready to make movies blossomed into its own field of dreams.

OF+MO recruited 34 film and

television projects in FY20 utilizing the state's film incentive program that created a direct fiscal impact of more than \$32.8 million while employing 3,960 Oklahomans.

That's substantial and yet, it pales by comparison with FY21 when OF+MO went from good to great! For the period of July 1, 2020, to June 30, 2021, OF+MA reported that 32 film and television productions utilized the state's incentive program generating a direct fiscal impact of \$170.4 million and 11,004 jobs with wages for below-the-line crew topping \$35 million.

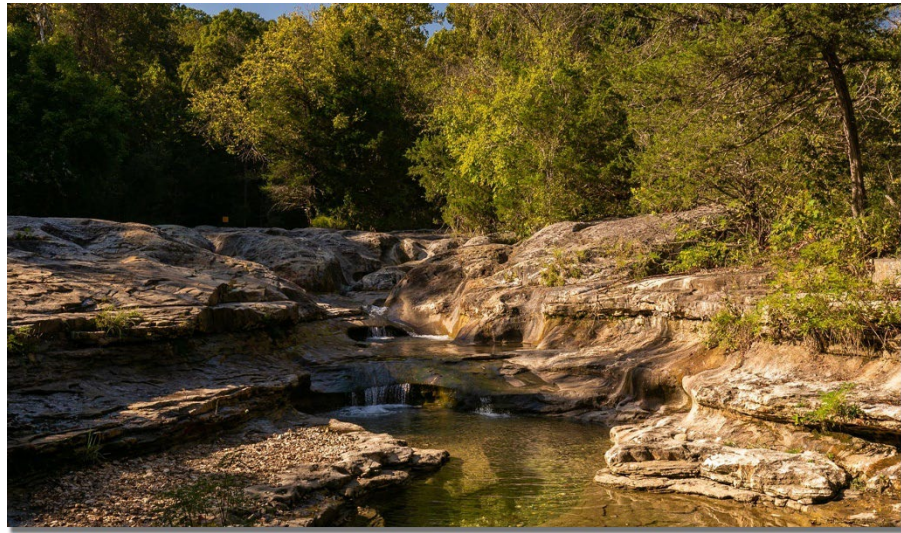
The OF+MO generated more activity in FY21 than the previous nine fiscal years combined.

Last year, Governor Kevin Stitt signed the *Filmed in Oklahoma Act of 2021* which created a new rebate program and raised the annual incentive cap from \$8 million to \$30 million. The new program is expected to increase economic impact from film and television industries across the state over the next decade.

LOCATION! LOCATION! LOCATION!

As with business, finding the right location for film and TV production is critical. To that end, the OF+MA has developed its [Locations Directory](#) ranging from agriculture to businesses, and auditoriums to landscapes, lakes, and rivers.

OF+MA established its Oklahoma Film Friendly Community Program in 2010 to help communities develop the necessary permits and protocol to address film and television production in their areas.



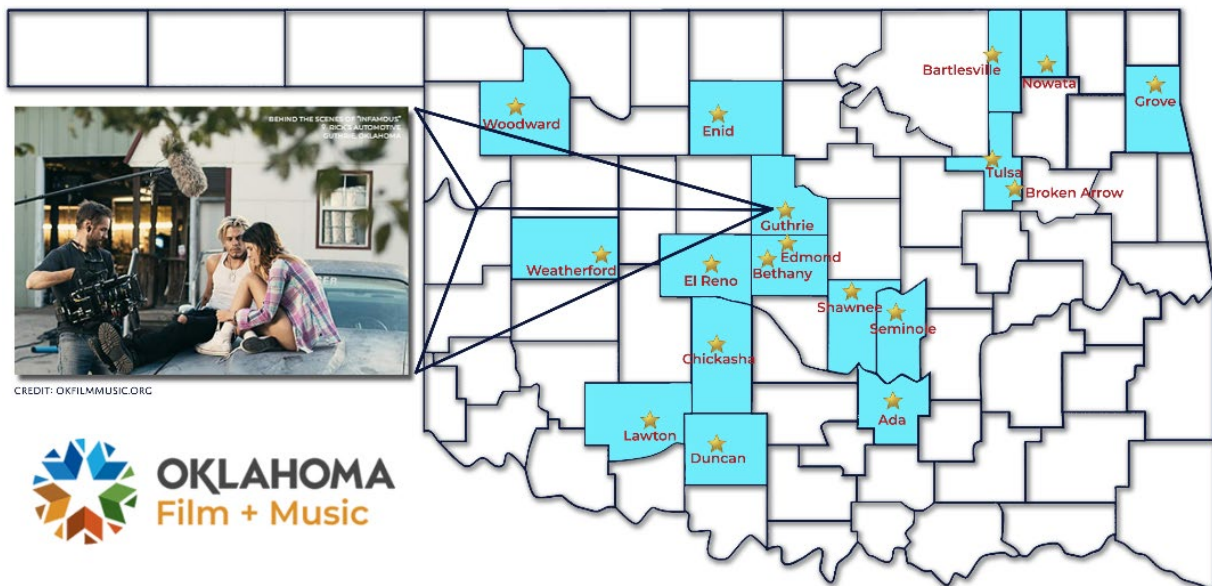
CREDIT: OKFILMMUSIC.ORG - BATHTUB ROCKS, TAHLEQUAH

Currently, 18 communities in 16 Oklahoma counties have been certified as an Oklahoma Film Friendly Community.

In addition to the new rebate program for which approved projects receive a rebate of between 20% to 38%, several communities and one tribal entity have established film offices and additional incentive programs:

- 🏠 Cherokee Nation Film Office
- 🏠 El Reno TV & Film Commission
- 🏠 Shawnee Film & Music Office
- 🏠 Tulsa Office of Film Music, Arts and Culture

OKLAHOMA FILM FRIENDLY COMMUNITIES



The City of Oklahoma City recently approved the Oklahoma City Film Incentive Program offering 5% rebates on qualified expenses including editing, photography, construction, catering, and more.

Productions using local soundstages and conducting post-production work using Oklahoma City residents as more than 50 percent of the crew are eligible for an increased incentive up to 10 percent.

Currently, four TV series, a TV pilot, a documentary, and three feature films have been conditionally prequalified to utilize the Filmed in Oklahoma Act. OF+MA has a list on its [website](#) with contact information where crew members can send their resume for each production.

Working in Film and TV

Whether you're looking for your big break or just the experience, numerous opportunities for extras and stand-ins abound.

OF+MA has a [page](#) dedicated to crew and casting calls. The Paramount+ series *Tulsa King* starring Sylvester Stallone has sought everything from "Dancing Girls" to "Thugs, Ne'er-Do-Wells, Scruffy Dudes" and more as the series shoots in Tulsa and Oklahoma City.

The FX production for Hulu, *Reservoir Dogs*, is currently shooting its second season after premiering in September 2021.

As for crew members, there are currently [postings](#) for King Street Productions, Red Clay Studios, and PBS American Portrait.

Generating the workforce

Key to continued success and access to the state's incentives is availability of a skilled, qualified workforce.

OF+MA is working on that as well. Did education and training drive production companies to Oklahoma because it already had a skilled workforce or did the arrival of production companies lead to growth in education and training?

The answer is probably a little of both.

Certainly, Oklahoma's universities and colleges have offered training in several of these areas for years. Career Technology centers have also developed educational opportunities in digital cinema, film, and interactive media.



The Oklahoma Film & TV Academy was established in 2020 to provide both entry level short courses and advanced training for those beyond the

novice level. These courses are held at Green Pastures Studio in Oklahoma City. Students must be 18 or older.

The Film Education Institute of Oklahoma offers workshops with hands-on experience from costumes to sound, hair and makeup, set decoration, camera, grip, and more.

The OF+MA website has a wealth of information about the movie and music industry in Oklahoma and ways from Oklahomans and Oklahoma communities to get involved.

To keep up with OF+MA, you can subscribe to its newsletter [NOW PLAYING](#) and stay abreast of productions underway, opportunities for extras, crew positions, and more.

AUDITOR'S CORNER: Epic Charter Schools Audit Receives National Award for Excellence

I was thrilled to learn this month that our investigative audit of Epic Charter Schools had been selected by the National State Auditor's Association (NSAA) for its Award for Excellence in the Forensic Report category.



NSAA annually recognizes government audit work in four categories – Performance Audit (large), Performance Audit (small), Special Project, and Forensic Report. State audit professionals from around the country submitted 31 entries for consideration of this year's honor.

The single, most important thing that makes the State Auditor unique and distinguishes this office from the rest of state and local government is our independence. It's a powerful tool in the search for transparency and accountability.

Our independence affords us the opportunity to stand tall in the face of bias or intimidation, and to reject all attempts to influence the outcome of an audit. It's our independence that enables us to present the fully supported facts on every finding we include in a final audit report and to let the chips fall where they may.

I am blessed and humbled by the number of exceptional professionals who work tirelessly as public servants in this office. The audit process is often long, usually arduous, and painstakingly methodical. It cannot be

performed hastily because we can't afford to publish a mistake – especially when the report includes allegations of fraud, embezzlement, or the waste of public funds.

We spent about 15 months and hundreds of work hours on Part 1 of the Epic Charter Schools investigative audit. Much of the credit for this award goes to Forensic Audit Division Director Brenda Holt and Audit Supervisors Salesha Wilken and Rainer Stachowitz. I am proud of their integrity, professionalism, work ethic, and steadfast determination to identify and present the unvarnished facts in the audits they perform.

I'm also grateful to NSAA who selected this audit report as worthy of this esteemed recognition. It is especially gratifying to be acknowledged by your peers for your devotion to service and the taxpayers of Oklahoma.

CHARTER SCHOOL REFORM LEGISLATION STALLS - AGAIN

For the second year in a row, it appears attempts to change the statutes governing and overseeing the operation of Charter and Virtual Charter Schools in Oklahoma will not be heard by the full Senate.



Two bills authored by retiring Rep. Sheila Dills (R-Tulsa) sailed through the Senate Education Committee on April 12, 2022. Each measure passed the committee unanimously and then failed the April 28th deadline to be heard on the floor of the opposite chamber – the full Senate.

As in 2021, Dills' Charter Reform legislation passed the House only to die in the Senate for failing to meet deadlines for measures to be heard.

The efforts to revise and strengthen Charter School statutes followed in the wake of the October 2020 investigative audit of Epic

Charter Schools by SAI. The measures sought to implement numerous recommendations included in the final audit report.

HB 3643 required 12 hours of instruction for Charter School governing board members. The measure defined a Charter Management Organization (CMO) and prohibited it from comingling funds of school districts.

The audit of Epic Charter Schools identified that Epic Youth Services, hired by Epic Charter Schools as its CMO, regularly comingled funds from Epic One-On-One and Epic Blended despite the schools' designation as separate school districts.

HB3645 modified attendance requirements for virtual charter school alternative education programs.

Another measure, HB3644, was initially scheduled to be heard by the Senate Education Committee before being pulled from its April 12th agenda.

This measure would have required notification of a Charter School sponsor of adverse actions relating to a Charter School or CMO. The bill developed a performance framework for a Charter School's sponsor to evaluate the school and increased minimum requirements for performance evaluation.

In the waning hours before the deadline for measures to be heard on the floor of the opposite chamber, the House took up SB1621 by Sen. Adam Pugh (R-Edmond) of which Dills was the House author.

Dills amended the original measure and substituted new language drawn from the original version of SB1621 along with parts of HB3643 and HB3644.

The House spent an hour and 10 minutes considering the measure before approving it on a vote of 56 aye, 29 nay, and 15 excused.

Many of the nay votes argued the bill was rushed and members only got to see the final version an hour or so before being asked to vote on it.

SB1621 creates the Statewide Charter School Board (SCSB), a new agency converted from the current Statewide Virtual Charter School Board (SVCSB) except for one member who would be on the new board. Other board appointments would come from the governor, speaker of the House, Senate president pro tem, the state school superintendent and the state auditor.

- All sponsorship contracts, power, duties, responsibilities, and more transfer from the SVCSB to SCSB on July 1, 2023
- The bill includes the audit's position that Charter Management Organization fees are administrative fees that fall within the 5% spending limit currently in law

- The measure retains the 3% fee paid to the sponsor if the sponsor is not the SCSB
- The SCSB has ultimate responsibility for the charter schools it sponsors and to ensure compliance with state laws and training requirements for all charter and virtual charter schools as of July 1, 2023
- Beginning July 1, 2023, only the SCSB may sponsor statewide virtual charter schools
- Requires up to 10 hours of training for charter school board members provided by SCSB for applicants of a new charter or virtual charter school on the process & requirements to establish such school. After July 1, 2023, charter/virtual charter school board members shall be required to complete SCSB training on oversight duties of the sponsor
- Initial contract approval for a new Charter School would be for a period of five years. Renewal of the contract, if all requirements are met, would expand the term of the contract to 10 years

The measure now returns to the Senate for possible consideration of the House amendment.

EMS Districts Benefit from CARES Act Funds

Perhaps for many ambulance services, any additional funding would be considered a blessing, especially in rural Oklahoma.

A *Tulsa World* [article](#) from 2018 sites shrinking tax bases, low Medicare and insurance reimbursements, and a state law requiring the closest ambulance to respond to an emergency as hurting these life-saving businesses.



The Southwest Ledger [reported](#) last November that COVID-19 created delays in response times while paramedics waited at hospitals with limited hospital bed availability for the patient they transported to be accepted. A shortage of qualified personnel, dwindling supplies, and rising costs are making it difficult to remain open.

Title 10, Section 9C of the Oklahoma Constitution permits residents in a county, school district, city, or town to create a Constitutional [522] Emergency Medical Services (EMS) District. There are currently 65 such districts in Oklahoma supported, in part, by ad valorem taxes.

A county's Board of County Commissioners establishes a board to oversee a [522] EMS District for a school district or county. The funding is disbursed by the County Treasurer(s) in the county or counties in which the EMS District is located.

FY20 HHS Provider Relief Funds	
TOP FIVE	
Muskogee County EMS	235,986.00
Creek County Ambulance	206,608.00
Le Flore County EMS	131,127.00
McCurtain County EMS	76,902.00
Bryan County Ambulance Authority	58,855.00
BOTTOM FIVE	
Community Ambulance	2,737.00
Vici-Carmargo EMS	1,946.00
Canton-Longdale EMS	1,917.00
Okeene EMS	1,645.00
Leedey EMS	616.00

Thirty of the state's 65 Constitutional Emergency Medical Service (EMS) Districts benefited from COVID-19 related funds in fiscal years 2020 and 2021. Collectively, the EMS districts shared in \$6.3 million in CARES Act funding.

For FY20, the US Department of Health and Human Services disbursed \$1.1 million directly to 22 of these EMS districts.

CARES Act fund disbursements were proportional to the size of the EMS district. Muskogee County EMS, the largest (522)

EMS district received the most funds followed by Creek County Ambulance, and Le Flore County EMS ranging from \$130,000 to \$240,000.

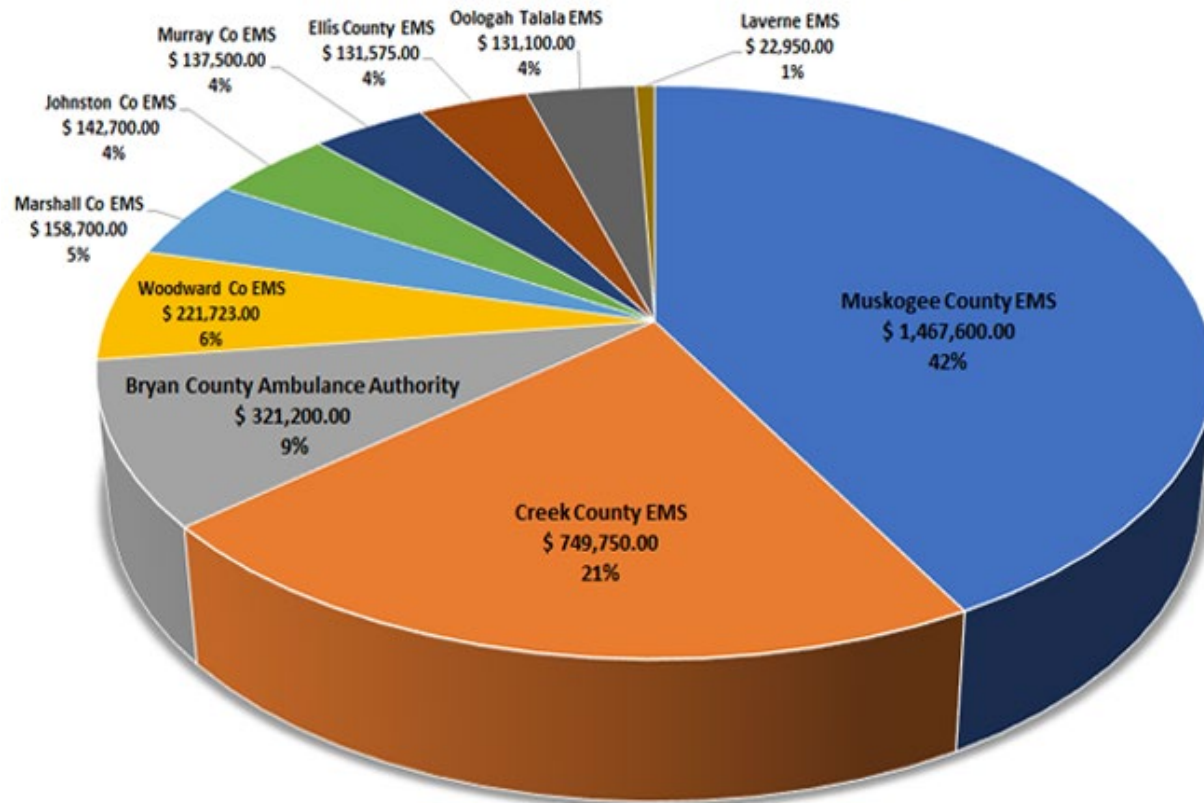
From there, the awards drop off from Leedey EMS at \$616 to McCurtain County EMS at \$76,902. The top five and bottom five are reflected in the chart.

Ten EMS Districts received \$3.48 million in FY20 Paycheck Protection Program (PPP) Loans through the Small Business Administration to provide up to eight weeks of payroll costs including benefits during the height of the pandemic. The money could also be used to pay interest on mortgages, rent, and utilities.

The loan was fully forgiven if the recipient followed the guidelines which state at least 60 percent of the funds are to be used for payroll costs and up to 40 percent for interest on mortgages, rent, and utilities during the 24-week period after receiving the PPP Loan. All ten recipients had these loans forgiven.

As with other federal funds, Muskogee County EMS qualified for the largest FY20 PPP Loan at \$1.467 million. Creek County was next second on the list receiving \$749,750.00 from the forgivable loan program.

FY20 CARES Act Paycheck Protection Program Loans



Choctaw County EMS, Marshall County EMS, Ellis County EMS, and Cimarron County EMS shared in \$792,753 of forgivable FY21 PPP loans.

On December 22, 2020, the Oklahoma Ambulance Association (OKAMA) received \$5 million from the State of Oklahoma in CARES Act money.

Licensed ambulance services that provide ground emergency medical transportation were eligible to apply for the funds. OKAMA paid out \$6,475 per licensed ambulance totaling \$958,344.41 to Constitutional [522]EMS Districts.

Muskogee County EMS, with 22 licensed ambulances, received \$142,456.61. The smallest award of \$12,950.60 went to five EMS districts with two licensed ambulances each.

The remaining CARES Act funds disbursed by OKAMA fall outside our review of these Constitutional [522] EMS districts which are not inclusive of all EMS or ambulance services in the state.

Byrd's Eye View is a digital newsletter publication of the Office of the State Auditor & Inspector. If you have an inquiry about how your tax dollars are spent, safeguarded, or distributed, please contact Trey Davis, tdavis@sai.ok.gov and suggest a topic you'd like to read more about.

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