

1 ENGROSSED HOUSE  
2 BILL NO. 1696

By: Denney and Jordan of the  
House

3 and

4 Jolley of the Senate

5  
6  
7 [ schools - modifying the Oklahoma Charter Schools

8 Act - ~~effective date~~ -

9 ~~emergency~~ ]

10

11

12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY 70 O.S. 2011, Section 3-132, as  
14 last amended by Section 1, Chapter 212, O.S.L. 2013 (70 O.S. Supp.  
15 2014, Section 3-132), is amended to read as follows:

16 Section 3-132. A. The Oklahoma Charter Schools Act shall apply  
17 only to charter schools formed and operated under the provisions of  
18 the act. Charter schools shall be sponsored only as follows:

19 1. By a any school district ~~with an average daily membership of~~  
20 ~~five thousand (5,000) or more and which all or part of the school~~  
21 ~~district is located in a county having more than five hundred~~  
22 ~~thousand (500,000) population according to the latest Federal~~  
23 ~~Decennial Census;~~

24

1       ~~2. By a school district which has a school site that has been~~  
2 ~~identified as in need of improvement by the State Board of Education~~  
3 ~~pursuant to the Elementary and Secondary Education Act of 1965, as~~  
4 ~~amended or reauthorized~~ if the charter school is located within the  
5 geographical boundaries of the school district;

6       ~~3. 2. By a technology center school district if the charter~~  
7 ~~school is located in a school district served by the technology~~  
8 ~~center school district and the school district has an average daily~~  
9 ~~membership of five thousand (5,000) or more and which all or part of~~  
10 ~~the school district is located in a county having more than five~~  
11 ~~hundred thousand (500,000) population according to the latest~~  
12 ~~Federal Decennial Census;~~

13       ~~4. By a technology center school district if the charter school~~  
14 ~~is located in a school district served by the technology center~~  
15 ~~school district and the school district has a school site that has~~  
16 ~~been identified as in need of improvement by the State Board of~~  
17 ~~Education pursuant to the Elementary and Secondary Education Act of~~  
18 ~~1965, as amended or reauthorized;~~

19       ~~5. 3. By a~~ an accredited comprehensive or regional institution  
20 that is a member of The Oklahoma State System of Higher Education or  
21 community college if the charter school is located in a school  
22 district ~~that has an average daily membership of five thousand~~  
23 ~~(5,000) or more and which all or part of the school district is~~  
24 ~~located in a county having more than five hundred thousand (500,000)~~

1 ~~population according to the latest Federal Decennial Census. In~~  
2 ~~addition, the institution shall have a teacher education program~~  
3 ~~accredited by the Oklahoma Commission for Teacher Preparation and~~  
4 ~~have a branch campus or constituent agency physically located within~~  
5 ~~the school district in which the charter school is located;~~

6 ~~6. By a comprehensive or regional institution that is a member~~  
7 ~~of The Oklahoma State System of Higher Education if the charter~~  
8 ~~school is located in a school district that has a school site that~~  
9 ~~has been identified as in need of improvement by the State Board of~~  
10 ~~Education pursuant to the Elementary and Secondary Education Act of~~  
11 ~~1965, as amended or reauthorized. In addition, the institution~~  
12 ~~shall have a teacher education program accredited by the Oklahoma~~  
13 ~~Commission for Teacher Preparation and have a branch campus or~~  
14 ~~constituent agency physically located within the school district in~~  
15 ~~which the charter school is located in the state;~~

16 ~~7.~~ 4. By a federally recognized Indian tribe, operating a high  
17 school under the authority of the Bureau of Indian Affairs as of  
18 November 1, 2010, if the charter school is for the purpose of  
19 demonstrating native language immersion instruction, and is located  
20 within its former reservation or treaty area boundaries. For  
21 purposes of this paragraph, native language immersion instruction  
22 shall require that educational instruction and other activities  
23 conducted at the school site are primarily conducted in the native  
24 language; ~~or~~

1       ~~8.~~ 5. By the State Board of Education when the applicant of the  
2 charter school is the Office of Juvenile Affairs or the applicant  
3 has a contract with the Office of Juvenile Affairs to provide a  
4 fixed rate level E, D, or D+ group home service and the charter  
5 school is for the purpose of providing education services to youth  
6 in the custody or supervision of the state. Not more than two  
7 charter schools shall be sponsored by the Board as provided for in  
8 this paragraph during the period of time beginning July 1, 2010,  
9 through July 1, 2016; or

10       6. By the State Board of Education when the applicant has first  
11 been denied a charter by the school district in which it seeks to  
12 operate and files an appeal as provided for in subsection J of  
13 Section 3-134 of this title. In counties with fewer than five  
14 hundred thousand (500,000) population according to the latest  
15 Federal Decennial Census, the Board shall not sponsor more than five  
16 charter schools per year each year for the next five (5) years. The  
17 Board shall not sponsor more than one charter school in a single  
18 school district per year. In order to authorize a charter school  
19 pursuant to this paragraph, the Board shall find evidence of the  
20 following:

21       a. a thorough and high-quality charter school application  
22               from the applicant based on the authorizing standards  
23               in subsection B of Section 3-134 of this title, and  
24

1           b. a clear demonstration of community support for the  
2           charter school.

3           B. Except for a school district sponsor, a sponsor shall give  
4 priority to opening charter schools that serve at-risk student  
5 populations or students from low-performing traditional public  
6 schools.

7           C. A sponsor shall give priority to applicants that have  
8 demonstrated a record of operating at least one school or similar  
9 program that demonstrates academic success and organizational  
10 viability and serves student populations similar to those the  
11 proposed charter school seeks to serve. In assessing the potential  
12 for quality replication of a charter school, a sponsor shall  
13 consider the following factors before approving a new site or  
14 school:

15           1. Evidence of a strong and reliable record of academic success  
16 based primarily on student-performance data as well as on other  
17 viable indicators, including financial and operational success;

18           2. Evidence of a sound, detailed and well-supported growth  
19 plan;

20           3. Evidence of the ability to transfer successful practices to  
21 a potentially different context that includes replicating critical  
22 cultural, organizational and instructional characteristics;

23           4. Any management organization involved in a potential  
24 replication is fully vetted and the academic, financial and

1 operational records of schools operated by the applicant are found  
2 to be satisfactory;

3 5. Evidence the program seeking to be replicated has the  
4 capacity to do so successfully without diminishing or putting at  
5 risk its current operations; and

6 6. A financial structure that ensures that funds attributable  
7 to each charter school within a network and required by law to be  
8 utilized by a school remain with and are used to benefit that  
9 school.

10 D. For purposes of the Oklahoma Charter Schools Act, "charter  
11 school" means a public school chartered, converted or established as  
12 a charter school by contract with a board of education of a school  
13 district, an area vocational-technical school district, a higher  
14 education institution, a federally recognized Indian tribe, or the  
15 State Board of Education pursuant to the Oklahoma Charter Schools  
16 Act to provide learning that will improve student achievement and as  
17 defined in the Elementary and Secondary Education Act of 1965, 20  
18 U.S.C. 8065.

19 ~~C.~~ E. A charter school may consist of a new school site, new  
20 school sites or all or any portion of an existing school site. An  
21 entire school district may not become a charter school site.

22 SECTION 2. AMENDATORY 70 O.S. 2011, Section 3-134, is  
23 amended to read as follows:

24

1 Section 3-134. A. For written applications filed after January  
2 1, 2008, prior to submission of the application to a proposed  
3 sponsor seeking to establish a charter school, the applicant shall  
4 be required to complete training which shall not exceed ten (10)  
5 hours provided by the State Department of Education on the process  
6 and requirements for establishing a charter school. The Department  
7 shall develop and implement the training by January 1, 2008. The  
8 Department may provide the training in any format and manner that  
9 the Department determines to be efficient and effective including,  
10 but not limited to, web-based training.

11 B. Except as otherwise provided for in Section 3-137 of this  
12 title, an applicant seeking to establish a charter school shall  
13 submit a written application to the proposed sponsor as prescribed  
14 in subsection E of this section. The application shall include:

15 1. A mission statement for the charter school;

16 2. A description, including, but not limited to, background  
17 information, of the organizational structure and the governing body  
18 of the charter school;

19 3. A financial plan for the first three (3) years of operation  
20 of the charter school and a description of the treasurer or other  
21 officers or persons who shall have primary responsibility for the  
22 finances of the charter school. Such person shall have demonstrated  
23 experience in school finance or the equivalent thereof;

24 4. A description of the hiring policy of the charter school;

- 1           5. The name of the applicant or applicants and requested  
2 sponsor;
- 3           6. A description of the facility and location of the charter  
4 school;
- 5           7. A description of the grades being served;
- 6           8. An outline of criteria designed to measure the effectiveness  
7 of the charter school;
- 8           9. A demonstration of support for the charter school from  
9 residents of the school district which may include but is not  
10 limited to a survey of the school district residents or a petition  
11 signed by residents of the school district; ~~and~~
- 12           10. Documentation that the applicants completed charter school  
13 training as set forth in subsection A of this section;
- 14           11. A description of the minimum and maximum enrollment planned  
15 per year for each term of the charter contract;
- 16           12. The proposed calendar for the charter school and sample  
17 daily schedule;
- 18           13. Unless otherwise authorized by law or regulation, a  
19 description of the academic program aligned with state standards;
- 20           14. A description of the instructional design of the charter  
21 school, including the type of learning environment, class size and  
22 structure, curriculum overview and teaching methods;
- 23  
24



1        15. The plan for using internal and external assessments to  
2 measure and report student progress on the performance framework  
3 developed by the applicant;

4        16. The plans for identifying and successfully serving students  
5 with disabilities, students who are English-language learners and  
6 students who are academically behind;

7        17. A description of cocurricular or extracurricular programs  
8 and how they will be funded and delivered;

9        18. Plans and timelines for student recruitment and enrollment,  
10 including lottery procedures;

11        19. The student discipline policies for the charter school,  
12 including those for special-education students;

13        20. An organization chart that clearly presents the  
14 organizational structure of the charter school, including lines of  
15 authority and reporting between the governing board, staff, any  
16 related bodies, such as advisory bodies or parent and teacher  
17 councils, and any external organizations that will play a role in  
18 managing the charter school;

19        21. A clear description of the roles and responsibilities for  
20 the governing board, the leadership and management team for the  
21 charter school and any other entities shown in the organization  
22 chart;

23        22. The leadership and teacher employment policies for the  
24 charter school;

- 1        23. Proposed governing bylaws;
- 2        24. Explanations of any partnerships or contractual  
3 partnerships central to the operations or mission of the charter  
4 school;
- 5        25. The plans for providing transportation, food service and  
6 all other significant operational or ancillary services;
- 7        26. Opportunities and expectations for parent involvement;
- 8        27. A detailed school start-up plan identifying tasks,  
9 timelines and responsible individuals;
- 10       28. A description of the financial plan and policies for the  
11 charter school, including financial controls and audit requirements;
- 12       29. A description of the insurance coverage the charter school  
13 will obtain;
- 14       30. Start-up and five-year budgets with clearly stated  
15 assumptions;
- 16       31. Start-up and first-year cash-flow projections with clearly  
17 stated assumptions;
- 18       32. Evidence of anticipated fundraising contributions, if  
19 claimed in the application;
- 20       33. A sound facilities plan, including backup or contingency  
21 plans if appropriate; and
- 22       34. A description of the meeting schedule of the governing  
23 board which requires the board to meet at a minimum quarterly in the  
24 state.

1 C. A board of education of a public school district, public  
2 body, public or private college or university, private person, or  
3 private organization may contract with a sponsor to establish a  
4 charter school. A private school shall not be eligible to contract  
5 for a charter school under the provisions of the Oklahoma Charter  
6 Schools Act.

7 D. The sponsor of a charter school is the board of education of  
8 a school district, the board of education of a technology center  
9 school district, a higher education institution, the State Board of  
10 Education, or a federally recognized Indian tribe which meets the  
11 criteria established in Section 3-132 of this title. Any board of  
12 education of a school district in the state may sponsor one or more  
13 charter schools. The physical location of a charter school  
14 sponsored by a board of education of a school district or a  
15 technology center school district shall be within the boundaries of  
16 the sponsoring school district. The physical location of a charter  
17 school sponsored by the State Board of Education when the applicant  
18 of the charter school is the Office of Juvenile Affairs shall be  
19 where an Office of Juvenile Affairs facility for youth is located.  
20 The physical location of a charter school sponsored by the Board  
21 pursuant to paragraph 6 of subsection A of Section 3-132 of this  
22 title shall be in the school district in which the application  
23 originated.  
24

1 E. An applicant for a charter school may submit an application  
2 to a proposed sponsor which shall either accept or reject  
3 sponsorship of the charter school within ninety (90) days of receipt  
4 of the application. If the proposed sponsor rejects the  
5 application, it shall notify the applicant in writing of the reasons  
6 for the rejection. The applicant may submit a revised application  
7 for reconsideration to the proposed sponsor within thirty (30) days  
8 after receiving notification of the rejection. The proposed sponsor  
9 shall accept or reject the revised application within thirty (30)  
10 days of its receipt.

11 F. A board of education of a school district, board of  
12 education of a technology center school district, higher education  
13 institution, or federally recognized Indian tribe sponsor of a  
14 charter school shall notify the State Board of Education when it  
15 accepts sponsorship of a charter school. The notification shall  
16 include a copy of the charter of the charter school.

17 G. If a proposed sponsor rejects the revised application for a  
18 charter school, the applicant may proceed to ~~mediation or binding~~  
19 ~~arbitration or both mediation and binding arbitration as provided in~~  
20 ~~the Dispute Resolution Act and the rules promulgated pursuant~~  
21 ~~thereto. The applicant shall contact the early settlement program~~  
22 ~~for the county in which the charter school would be located. If the~~  
23 ~~parties proceed to binding arbitration, a panel of three arbitrators~~  
24 ~~shall be appointed by the director of the early settlement program~~

1 ~~handling the dispute.~~ The proposed sponsor shall pay the cost for  
2 any ~~mediation or~~ arbitration requested pursuant to this section.

3 H. If a board of education of a technology center school  
4 district, a higher education institution, the State Board of  
5 Education, or a federally recognized Indian tribe accepts  
6 sponsorship of a charter school, the administrative, fiscal and  
7 oversight responsibilities of the technology center school district,  
8 the higher education institution, or the federally recognized Indian  
9 tribe shall be listed in the contract. No responsibilities shall be  
10 delegated to a school district unless the local school district  
11 agrees to assume the responsibilities.

12 I. A sponsor of a charter school shall have the following  
13 powers and duties:

14 1. Provide oversight of the operations of charter schools in  
15 the state through annual performance reviews of charter schools and  
16 reauthorization of charter schools for which it is the sponsor;

17 2. Solicit and evaluate charter applications;

18 3. Approve quality charter applications that meet identified  
19 educational needs and promote a diversity of educational choices;

20 4. Decline to approve weak or inadequate charter applications;

21 5. Negotiate and execute sound charter contracts with each  
22 approved charter school;

23 6. Monitor, in accordance with charter contract terms, the  
24 performance and legal compliance of charter schools; and

1 7. Determine whether each charter contract merits renewal,  
2 nonrenewal or revocation.

3 J. Sponsors shall establish a procedure for accepting,  
4 approving and disapproving charter school applications. The  
5 procedure shall include a method by which an applicant for a charter  
6 school may submit an application which shall either be accepted or  
7 rejected within ninety (90) days of receipt of the application. If  
8 the application is rejected, a sponsor shall notify the applicant in  
9 writing of the reasons for the rejection. The applicant may submit  
10 a revised application for reconsideration to the sponsor within  
11 thirty (30) days after receiving notification of the rejection. The  
12 sponsor shall accept or reject the revised application within sixty  
13 (60) days of its receipt. Should the sponsor reject the application  
14 on reconsideration, the applicant may appeal the decision to the  
15 State Board of Education. The Board may review and accept or reject  
16 the revised application. The Board shall hear the appeal and shall  
17 accept or reject the revised application within sixty (60) days of  
18 the date the appeal is filed.

19 K. Sponsors shall be required to develop and maintain  
20 chartering policies and practices consistent with the principles and  
21 standards for authorizing quality charter schools as established by  
22 the Office of Educational Quality and Accountability in all major  
23 areas of authorizing responsibility including organizational  
24 capacity and infrastructure, soliciting and evaluating charter

1 applications, performance contracting, ongoing charter school  
2 oversight and evaluation and charter renewal decision making.

3 L. Sponsors acting in their official capacity shall be immune  
4 from civil and criminal liability with respect to all activities  
5 related to a charter school with which they contract.

6 SECTION 3. AMENDATORY 70 O.S. 2011, Section 3-135, is  
7 amended to read as follows:

8 Section 3-135. A. The sponsor of a charter school shall enter  
9 into a written contract with the governing body of the charter  
10 school. The contract shall incorporate the provisions of the  
11 charter of the charter school and contain, but shall not be limited  
12 to, the following provisions:

13 1. A description of the program to be offered by the school  
14 which complies with the purposes outlined in Section ~~44~~ 3-136 of  
15 this ~~act~~ title;

16 2. Admission policies and procedures;

17 3. Management and administration of the charter school,  
18 including a requirement that a majority of the charter school  
19 governing board are residents of the state and that the board meet  
20 at a minimum quarterly at a location within the boundaries of the  
21 school district in which the charter school is located or within the  
22 state if the board governs multiple charter school locations;

23 4. Requirements and procedures for program and financial  
24 audits;

1 5. A description of how the charter school will comply with the  
2 charter requirements set forth in the Oklahoma Charter Schools Act;

3 6. Assumption of liability by the charter school; ~~and~~

4 7. The term of the contract;

5 8. A description of the high standards of expectation and rigor  
6 for charter school plans and ensure that charter school plans  
7 adopted meet at least certain standards;

8 9. Policies that require the charter school be as equally free  
9 and open to all students as traditional public schools;

10 10. Procedures that require students enrolled in the charter  
11 school to be selected by lottery to ensure fairness if more students  
12 apply than a charter school has the capacity to accommodate;

13 11. Policies that require the charter school to be subject to  
14 the same academic standards and expectations as existing public  
15 schools; and

16 12. A description of the requirements and procedures for the  
17 charter school to receive funding in accordance with statutory  
18 requirements and guidelines for funding existing public schools.

19 B. A charter school shall not enter into an employment contract  
20 with any teacher or other personnel until the charter school has a  
21 contract with a sponsoring school district. The employment contract  
22 shall set forth the personnel policies of the charter school,  
23 including, but not limited to, policies related to certification,  
24



1 professional development evaluation, suspension, dismissal and  
2 nonreemployment, sick leave, personal business leave, emergency  
3 leave, and family and medical leave. The contract shall also  
4 specifically set forth the salary, hours, fringe benefits, and work  
5 conditions. The contract may provide for employer-employee  
6 bargaining, but the charter school shall not be required to comply  
7 with the provisions of Sections 509.1 through 509.10 of ~~Title 70 of~~  
8 ~~the Oklahoma Statutes~~ this title. The contract shall conform to all  
9 applicable provisions set forth in Section ~~41~~ 3-136 of this ~~act~~  
10 title.

11 Upon contracting with any teacher or other personnel, the  
12 governing body of the charter school shall, in writing, disclose  
13 employment rights of the employees in the event the charter school  
14 closes or the charter is not renewed.

15 C. No charter school may begin serving students without a  
16 charter contract executed in accordance with the provisions of the  
17 Oklahoma Charter Schools Act and approved in an open meeting of the  
18 sponsor.

19 D. The sponsor may establish reasonable preopening requirements  
20 or conditions to monitor the start-up progress of newly approved  
21 charter schools and ensure that each school is prepared to open  
22 smoothly on the date agreed, and to ensure that each school meets  
23 all building, health, safety, insurance and other legal requirements  
24 for the opening of a school.

1       E. The performance provisions within the charter contract shall  
2 be based on a performance framework that clearly sets forth the  
3 academic and operational performance indicators, measures and  
4 metrics that will guide the evaluations of the charter school by the  
5 sponsor. The sponsor shall require a charter school to submit the  
6 data required in this section in the identical format that is  
7 required by the State Department of Education of all public schools  
8 in order to avoid duplicative administrative efforts or allow a  
9 charter school to provide permission to the Department to share all  
10 required data with the sponsor of the charter school. The  
11 performance framework shall include indicators, measures and metrics  
12 for, at a minimum:

- 13       1. Student academic proficiency;
- 14       2. Student academic growth;
- 15       3. Achievement gaps in both proficiency and growth between  
16 major student subgroups;
- 17       4. Student attendance;
- 18       5. Recurrent enrollment from year to year as determined by the  
19 methodology used for public schools;
- 20       6. In the case of high schools, graduation rates as determined  
21 by the methodology used for public schools;
- 22       7. In the case of high schools, postsecondary readiness;
- 23       8. Financial performance and sustainability; and

24

1 9. Governing board performance and stewardship, including  
2 compliance with all applicable laws, regulations and terms of the  
3 charter contract.

4 F. The sponsor shall not request any metric or data from a  
5 charter school that is not produced or published for all school  
6 sites in the same district or are under the sponsorship of the  
7 sponsor, unless the metric or data is exclusive to charter schools.

8 G. A charter contract may provide for one or more schools by an  
9 applicant to the extent approved by the sponsor and consistent with  
10 applicable law. An applicant or the governing board of an applicant  
11 may hold one or more charter contracts. Each charter school that is  
12 part of a charter contract shall be separate and distinct from any  
13 other charter school under the same charter school contract.

14 SECTION 4. AMENDATORY 70 O.S. 2011, Section 3-137, is  
15 amended to read as follows:

16 Section 3-137. A. An approved contract for a charter school  
17 shall be effective for ~~not longer than~~ five (5) years from the first  
18 day of operation. A charter contract may be renewed for successive  
19 five-year terms, although the sponsor may vary the term based on the  
20 performance, demonstrated capacities and particular circumstances of  
21 each charter school. A sponsor may grant renewal with specific  
22 conditions for necessary improvements to a charter school.

23 B. Prior to the beginning of the fourth year of operation for a  
24 public charter school, the sponsor shall issue a charter school

1 performance report and application renewal guidance to the charter  
2 school and governing board of the charter school. The performance  
3 report shall summarize the performance record to date of the charter  
4 school, based on the data required by this act and the charter  
5 contract, taking into consideration the percentage of at-risk  
6 students enrolled in the school, and shall provide notice of any  
7 weaknesses or concerns perceived by the sponsor concerning the  
8 charter school that may jeopardize its position in seeking renewal  
9 if not timely rectified. The charter school shall have forty-five  
10 (45) days to respond to the performance report and submit any  
11 corrections or clarifications for the report.

12 C. Prior to the beginning of the fifth year of operation, the  
13 charter school may apply for renewal of the contract with the  
14 sponsor. The application renewal guidance shall, at a minimum,  
15 provide an opportunity for the public charter school to:

16 1. Present additional evidence, beyond the data contained in  
17 the performance report, supporting its case for charter renewal;

18 2. Describe improvements undertaken or planned for the charter  
19 school; and

20 3. Detail the plan for the next charter term for the school.

21 The application renewal guidance shall include or refer  
22 explicitly to the criteria that will guide the renewal decisions of  
23 the sponsor, which shall be based on the performance framework set  
24

1 forth in the charter contract and consistent with the Oklahoma  
2 Charter Schools Act.

3 D. The sponsor may deny the request for renewal if it  
4 determines the charter school has failed to complete the obligations  
5 of the contract or comply with the provisions of the Oklahoma  
6 Charter Schools Act. A sponsor shall give written notice of its  
7 intent to deny the request for renewal at least eight (8) months  
8 prior to expiration of the contract. In making charter renewal  
9 decisions, a sponsor shall:

10 1. Ground decisions on evidence of the performance of the  
11 school over the term of the charter contract in accordance with the  
12 performance framework set forth in the charter contract and shall  
13 take into consideration the percentage of at-risk students enrolled  
14 in the school;

15 2. Grant renewal to schools that have achieved the standards,  
16 targets and performance expectations as stated in the charter  
17 contract, are organizationally and fiscally viable and have been  
18 faithful to the terms of the contract and applicable law;

19 3. Ensure that data used in making renewal decisions are  
20 available to the school and the public; and

21 4. Provide a public report summarizing the evidence basis for  
22 each decision.

23 ~~B.~~ E. If a sponsor denies a request for renewal, the governing  
24 board of the sponsor may proceed if requested by the charter school

1 to ~~mediation or binding arbitration or both~~ as provided for in  
2 subsection G of Section 3-134 of this title.

3 ~~E.~~ F. A sponsor may terminate a contract during the term of the  
4 contract for failure to meet the requirements for student  
5 performance contained in the contract, failure to meet the standards  
6 of fiscal management, violations of the law, or other good cause.  
7 The sponsor shall give at least ninety (90) days' written notice to  
8 the governing board prior to terminating the contract. The  
9 governing board may request, in writing, an informal hearing before  
10 the sponsor within fourteen (14) days of receiving notice. The  
11 sponsor shall conduct an informal hearing before taking action. If  
12 a sponsor decides to terminate a contract, the governing board may,  
13 if requested by the charter school, proceed to ~~mediation or binding~~  
14 ~~arbitration or both~~ as provided for in subsection G of Section 3-134  
15 of this title.

16 ~~D.~~ G. 1. Beginning in the 2016-2017 school year, the State  
17 Board of Education shall establish a list of public schools ranked  
18 from top to bottom by school grades, as determined pursuant to  
19 Section 1210.545 of this title and using the school grades for the  
20 2014-2015 school year, and identify charter schools in the state  
21 that are ranked in the bottom five percent (5%) of all schools.

22 2. At the time of its charter renewal, based on an average of  
23 the current year and the two (2) prior operating years, a sponsor  
24 may close a charter school site identified as being among the bottom

1 five percent (5%) of public schools in the state. The average of  
2 the current year and two (2) prior operating years shall be  
3 calculated by using the percentage ranking for each year as  
4 determined pursuant to paragraph 1 of this subsection divided by  
5 three.

6 3. If the school grading system is changed by the Legislature,  
7 pursuant to Section 1210.545 of this title, and a charter school  
8 site that was not ranked in the bottom five percent (5%) prior to  
9 the change is then ranked in the bottom five percent (5%) following  
10 the change, the higher of the two rankings shall be used to  
11 calculate the ranking of the charter school site.

12 4. In the event that a sponsor fails to close a charter school  
13 consistent with this subsection, the sponsor shall appear before the  
14 State Board of Education to provide support for its decision. The  
15 Board may by majority vote uphold or overturn the decision of the  
16 sponsor. If the decision of the sponsor is overturned by the Board,  
17 the charter school in question shall be closed.

18 5. The requirements of this subsection shall not apply to a  
19 charter school that has been designated by the State Department of  
20 Education as implementing an alternative education program  
21 throughout the charter school.

22 H. In making a school site closure decision pursuant to  
23 subsection G of this section, the Board shall consider the  
24 following:

1       1. Enrollment of students with special challenges such as drug  
2 or alcohol addiction, prior withdrawal from school, prior  
3 incarceration or other special circumstances;

4       2. High mobility of the student population resulting from the  
5 specific purpose of the charter school;

6       3. Annual improvement in the performance of students enrolled  
7 in the charter school compared with the performance of students  
8 enrolled in the charter school in the immediately preceding school  
9 year; and

10       4. Whether a majority of students attending the charter school  
11 under consideration for closure would likely revert to attending  
12 public schools with lower academic achievement, as determined by the  
13 school site grade on the school report card issued pursuant to  
14 Section 1210.545 of this title.

15       I. If the Board has closed or transferred authorization of at  
16 least twenty-five percent (25%) of the charter schools chartered by  
17 one sponsor under subsection G of this section, the authority of the  
18 sponsor to authorize new charter schools may be suspended by the  
19 Board until the Board approves the sponsor to authorize new charter  
20 schools. A determination under this section to suspend the  
21 authority of a sponsor to authorize new charter schools shall  
22 identify the deficiencies that, if corrected, will result in the  
23 approval of the sponsor to authorize new charter schools.

24



1 J. If a sponsor terminates a contract or the charter school is  
2 closed as provided for in subsection G of this section, the closure  
3 and winding down of operations shall be conducted in accordance with  
4 the following protocol:

5 1. Within two (2) calendar weeks of a final closure  
6 determination, the sponsor shall meet with the governing board and  
7 leadership of the charter school to establish a transition team  
8 composed of school staff, applicant staff and others designated by  
9 the applicant that will attend to the closure, including:

- 10 a. the transfer of students,  
11 b. student records, and  
12 c. school funds;

13 2. The sponsor and transition team shall communicate regularly  
14 and effectively with families of students enrolled in the charter  
15 school, as well as with school staff and other stakeholders, to keep  
16 them apprised of key information regarding the closure of the school  
17 and their options and risks;

18 3. The sponsor and transition team shall ensure that current  
19 instruction of students enrolled in the charter school continues per  
20 the charter agreement for the remainder of the school year;

21 4. The sponsor and transition team shall ensure that all  
22 necessary and prudent notifications are issued to agencies,  
23 employees, insurers, contractors, creditors, debtors and management  
24 organizations; and

1       5. The governing board of the charter school shall continue to  
2 meet as necessary to take actions needed to wind down school  
3 operations, manage school finances, allocate resources and  
4 facilitate all aspects of closure.

5       K. A sponsor shall develop revocation and nonrenewal processes  
6 that are consistent with the Oklahoma Charter Schools Act and that:

7       1. Provide the public charter school with a timely notification  
8 of the prospect of revocation or nonrenewal and of the reasons for  
9 such possible closure;

10       2. Allow the charter school a reasonable amount of time in  
11 which to prepare a response;

12       3. Provide the charter school with an opportunity to submit  
13 documents and give testimony in a public hearing challenging the  
14 rationale for closure and in support of the continuation of the  
15 school at an orderly proceeding held for that purpose and which  
16 shall be held prior to taking any final nonrenewal or revocation  
17 decision related to the charter school;

18       4. Allow the charter school access to representation by counsel  
19 and to call witnesses on its behalf;

20       5. Permit the recording of the proceedings; and

21       6. After a reasonable period for deliberation, require a final  
22 determination be made and conveyed in writing to the charter school.

1 L. If a sponsor revokes or does not renew a charter, the  
2 sponsor shall clearly state in a resolution the reasons for the  
3 revocation or nonrenewal.

4 M. 1. Before a sponsor may issue a charter to a charter school  
5 governing body that has had its charter terminated or has been  
6 informed that its charter will not be renewed by the current  
7 sponsor, the sponsor shall request to have the proposal reviewed by  
8 the State Board of Education at a hearing. The Board shall conduct  
9 a hearing in which the sponsor shall present information indicating  
10 the proposal is substantively different in the areas of deficiency  
11 identified by the current sponsor from the current proposal as set  
12 forth within the charter with the current sponsor.

13 2. After conducting a hearing pursuant to this subsection, the  
14 Board shall either approve or deny the proposal.

15 3. If the proposal is denied by the Board, a charter shall not  
16 be issued by a sponsor to the charter school governing body.

17 N. If a contract is revoked or not renewed, the governing board  
18 of the charter school may submit an application to a proposed new  
19 sponsor as provided for in Section 3-134 of this title.

20 ~~E.~~ O. If a contract is not renewed or is terminated according  
21 to this section, a student who attended the charter school may  
22 enroll in the resident school district of the student or may apply  
23 for a transfer in accordance with ~~Section 8-103 of this title~~ state  
24 law.

1 SECTION 5. AMENDATORY 70 O.S. 2011, Section 3-140, as  
2 last amended by Section 2, Chapter 212, O.S.L. 2013 (70 O.S. Supp.  
3 2014, Section 3-140), is amended to read as follows:

4 Section 3-140. A. Except for a charter school sponsored by the  
5 State Board of Education, a charter school shall enroll those  
6 students whose legal residence is within the boundaries of the  
7 school district in which the charter school is located and who  
8 submit a timely application, or those students who transfer to the  
9 district in which the charter school is located in accordance with  
10 Section 8-103 or 8-104 of this title, unless the number of  
11 applications exceeds the capacity of a program, class, grade level,  
12 or building. Students who reside in a school district where a  
13 charter school is located shall not be required to obtain a transfer  
14 in order to attend a charter school in the school district of  
15 residence. If capacity is insufficient to enroll all eligible  
16 students, the charter school shall select students through a lottery  
17 selection process. Except for a charter school sponsored by the  
18 State Board of Education, a charter school shall give enrollment  
19 preference to eligible students who reside within the boundaries of  
20 the school district in which the charter school is located. Except  
21 for a charter school sponsored by the State Board of Education, a  
22 charter school created after the effective date of this act shall  
23 give enrollment preference to eligible students who reside within  
24 the boundaries of the school district in which the charter school is

1 located and who attend a school site that has been identified as in  
2 need of improvement by the State Board of Education pursuant to the  
3 Elementary and Secondary Education Act of 1965, as amended or  
4 reauthorized. A charter school may limit admission to students  
5 within a given age group or grade level. A charter school sponsored  
6 by the State Board of Education when the applicant of the charter  
7 school is the Office of Juvenile Affairs shall limit admission to  
8 youth that are in the custody or supervision of the Office of  
9 Juvenile Affairs.

10 B. Except for a charter school sponsored by the State Board of  
11 Education, a charter school shall admit students who reside in the  
12 attendance area of a school or in a school district that is under a  
13 court order of desegregation or that is a party to an agreement with  
14 the United States Department of Education Office for Civil Rights  
15 directed towards mediating alleged or proven racial discrimination  
16 unless notice is received from the resident school district that  
17 admission of the student would violate the court order or agreement.

18 C. A charter school may designate a specific geographic area  
19 within the school district in which the charter school is located as  
20 an academic enterprise zone and may limit admissions to students who  
21 reside within that area. An academic enterprise zone shall be a  
22 geographic area in which sixty percent (60%) or more of the children  
23 who reside in the area qualify for the free or reduced school lunch  
24 program.

1 D. Except as provided in subsections B and C of this section, a  
2 charter school shall not limit admission based on ethnicity,  
3 national origin, gender, income level, disabling condition,  
4 proficiency in the English language, measures of achievement,  
5 aptitude, or athletic ability.

6 E. The sponsor of a charter school shall not restrict the  
7 number of students the charter school may enroll. The capacity of  
8 the charter school shall be determined annually by the governing  
9 board of the charter school, taking into consideration the ability  
10 of the charter school to facilitate the academic success of the  
11 students, to achieve the other objectives specified in the charter  
12 contract and to ensure that student enrollment does not exceed the  
13 capacity of the facility or site.

14 SECTION 6. AMENDATORY 70 O.S. 2011, Section 3-142, as  
15 amended by Section 3, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014,  
16 Section 3-142), is amended to read as follows:

17 Section 3-142. A. For purposes of funding, a charter school  
18 sponsored by a board of education of a school district shall be  
19 considered a site within the school district in which the charter  
20 school is located. The student membership of the charter school  
21 shall be considered separate from the student membership of the  
22 district in which the charter school is located for the purpose of  
23 calculating weighted average daily membership pursuant to Section  
24 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of

1 this title. For charter schools sponsored by a board of education  
2 of a school district, the sum of the separate calculations for the  
3 charter school and the school district shall be used to determine  
4 the total State Aid allocation for the district in which the charter  
5 school is located. A charter school shall receive from the  
6 sponsoring school district, the State Aid allocation and any other  
7 state-appropriated revenue generated by its students for the  
8 applicable year, less up to five percent (5%) of the State Aid  
9 allocation, which may be retained by the school district as a fee  
10 for administrative services rendered. For charter schools sponsored  
11 by the board of education of a technology center school district, a  
12 higher education institution, the State Board of Education, or a  
13 federally recognized Indian tribe and for statewide virtual charter  
14 schools sponsored by the Statewide Virtual Charter School Board, the  
15 State Aid allocation for the charter school shall be distributed by  
16 the State Board of Education and not more than five percent (5%) of  
17 the State Aid allocation may be charged by the sponsor as a fee for  
18 administrative services rendered. The State Board of Education  
19 shall determine the policy and procedure for making payments to a  
20 charter school. The fee for administrative services as authorized  
21 in this subsection shall only be assessed on the State Aid  
22 allocation amount and shall not be assessed on any other  
23 appropriated amounts.

24

1 B. 1. The weighted average daily membership for the first year  
2 of operation of a charter school shall be determined initially by  
3 multiplying the actual enrollment of students as of August 1 by  
4 1.333. The charter school shall receive revenue equal to that which  
5 would be generated by the estimated weighted average daily  
6 membership calculated pursuant to this paragraph. At midyear, the  
7 allocation for the charter school shall be adjusted using the first  
8 quarter weighted average daily membership for the charter school  
9 calculated pursuant to subsection A of this section.

10 2. For the purpose of calculating weighted average daily  
11 membership pursuant to Section 18-201.1 of this title and State Aid  
12 pursuant to Section 18-200.1 of this title, the weighted average  
13 daily membership for the first year of operation and each year  
14 thereafter of a full-time virtual charter school shall be determined  
15 by multiplying the actual enrollment of students as of August 1 by  
16 1.333. The full-time virtual charter school shall receive revenue  
17 equal to that which would be generated by the estimated weighted  
18 average daily membership calculated pursuant to this paragraph. At  
19 midyear, the allocation for the full-time virtual charter school  
20 shall be adjusted using the first quarter weighted average daily  
21 membership for the virtual charter school calculated pursuant to  
22 subsection A of this section.

23 C. A charter school shall be eligible to receive any other aid,  
24 grants or revenues allowed to other schools. A charter school



1 sponsored by the board of education of a technology center school  
2 district, a higher education institution, the State Board of  
3 Education, or a federally recognized Indian tribe shall be  
4 considered a local education agency for purposes of funding. A  
5 charter school sponsored by a board of education of a school  
6 district shall be considered a local education agency for purposes  
7 of federal funding.

8 D. A charter school, in addition to the money received from the  
9 state, may receive money from any other source. Any unexpended  
10 ~~nonstate funds, excluding local revenue,~~ may be reserved and used  
11 for future purposes. If otherwise allowed by law, the governing  
12 body of a charter school may enter into private contracts for the  
13 purposes of borrowing money from lenders. If the governing body of  
14 the charter school borrows money, the charter school shall be solely  
15 responsible for repaying the debt. The state or the sponsor of the  
16 charter school shall not in any way be responsible or obligated to  
17 repay the debt of the charter school.

18 E. Any charter school which chooses to lease property shall be  
19 eligible to receive current government lease rates.

20 ~~SECTION 7. This act shall become effective July 1, 2015.~~

21 ~~SECTION 8. It being immediately necessary for the preservation~~  
22 ~~of the public peace, health and safety, an emergency is hereby~~  
23 ~~declared to exist, by reason whereof this act shall take effect and~~  
24 ~~be in full force from and after its passage and approval.~~

1 Passed the House of Representatives the 10th day of March, 2015.

2  
3 \_\_\_\_\_  
4 Presiding Officer of the House  
of Representatives

5 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2015.

6  
7  
8 \_\_\_\_\_  
9 Presiding Officer of the Senate