

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 HOUSE BILL 1696

By: Denney and Jordan of the
House

6 and

7 Jolley of the Senate

8
9 COMMITTEE SUBSTITUTE

10 [charter schools - Oklahoma Charter Schools Act -
11 school sponsors - definition - rejected application -
12 binding arbitration pursuant to certain rules -
13 certain sponsorship - powers and duties - liability
14 to sponsors for certain activities - serving students
15 without certain contract - criteria - performance
16 framework - multiple schools - renewal with certain
17 terms - deadline for response - State Board of
18 Education - calculation under certain conditions -
19 uphold or overturn certain decision - conditions -
20 certain application - restricting certain enrollment
21 - borrowing contracts - repayment - ~~effective date~~ -
22 emergency]

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

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

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

4 1. By a any school district ~~with an average daily membership of~~
5 ~~five thousand (5,000) or more and which all or part of the school~~
6 ~~district is located in a county having more than five hundred~~
7 ~~thousand (500,000) population according to the latest Federal~~
8 ~~Decennial Census~~ in the State of Oklahoma, provided such charter
9 school shall only be located within the geographical boundaries of
10 the sponsoring district and subject to the restrictions of Section
11 3-145.6 of this title;

12 2. ~~By a school district which has a school site that has been~~
13 ~~identified as in need of improvement by the State Board of Education~~
14 ~~pursuant to the Elementary and Secondary Education Act of 1965, as~~
15 ~~amended or reauthorized;~~

16 ~~3.~~ 3. By a technology center school district if the charter school
17 is located in a school district served by the technology center
18 school district ~~and the school district has an average daily~~
19 ~~membership of five thousand (5,000) or more and~~ in which all or part
20 of the school district is located in a county having more than five
21 hundred thousand (500,000) population according to the latest
22 Federal Decennial Census;

23 ~~4.~~ 3. By a technology center school district if the charter
24 school is located in a school district served by the technology

1 center school district and the school district has a school site
2 that has been identified as in need of improvement by the State
3 Board of Education pursuant to the Elementary and Secondary
4 Education Act of 1965, as amended or reauthorized;

5 ~~5.~~ 4. By ~~a~~ an accredited comprehensive or regional institution
6 that is a member of The Oklahoma State System of Higher Education or
7 a community college if the charter school is located in a school
8 district ~~that has an average daily membership of five thousand~~
9 ~~(5,000) or more and~~ in which all or part of the school district is
10 located in a county having more than five hundred thousand (500,000)
11 population according to the latest Federal Decennial Census. ~~In~~
12 ~~addition, the institution shall have a teacher education program~~
13 ~~accredited by the Oklahoma Commission for Teacher Preparation and~~
14 ~~have a branch campus or constituent agency physically located within~~
15 ~~the school district in which the charter school is located;~~

16 ~~6.~~ 5. By a comprehensive or regional institution that is a
17 member of The Oklahoma State System of Higher Education if the
18 charter school is located in a school district that has a school
19 site that has been identified as in need of improvement by the State
20 Board of Education pursuant to the Elementary and Secondary
21 Education Act of 1965, as amended or reauthorized. In addition, the
22 institution shall have a teacher education program accredited by the
23 Oklahoma Commission for Teacher Preparation and have a branch campus

24

1 or constituent agency physically located within the school district
2 in which the charter school is located in the State of Oklahoma;

3 ~~7.~~ 6. By a federally recognized Indian tribe, operating a high
4 school under the authority of the Bureau of Indian Affairs as of
5 November 1, 2010, if the charter school is for the purpose of
6 demonstrating native language immersion instruction, and is located
7 within its former reservation or treaty area boundaries. For
8 purposes of this paragraph, native language immersion instruction
9 shall require that educational instruction and other activities
10 conducted at the school site are primarily conducted in the native
11 language; ~~or~~

12 ~~8.~~ 7. By the State Board of Education when the applicant of the
13 charter school is the Office of Juvenile Affairs or the applicant
14 has a contract with the Office of Juvenile Affairs to provide a
15 fixed rate level E, D, or D+ group home service and the charter
16 school is for the purpose of providing education services to youth
17 in the custody or supervision of the state. Not more than two
18 charter schools shall be sponsored by the Board as provided for in
19 this paragraph during the period of time beginning July 1, 2010,
20 through July 1, 2016; or

21 8. By the State Board of Education when the applicant has first
22 been denied a charter by the local school district in which it seeks
23 to operate. In counties with fewer than five hundred thousand
24 (500,000) population, according to the latest Federal Decennial

1 Census, the State Board of Education shall not sponsor more than
2 five charter schools per year each year for the first five (5) years
3 after the effective date of this act, with not more than one charter
4 school sponsored in a single school district per year. In order to
5 authorize a public charter school under this section, the State
6 Board of Education shall find evidence of all of the following:

- 7 a. a thorough and high-quality public charter school
8 application from the applicant based on the
9 authorizing standards in subsection B of Section 3-134
10 of this title,
- 11 b. a clear demonstration of community support for the
12 public charter school, and
- 13 c. the grounds and basis of objection by the local school
14 district for denying the charter's operation are not
15 supported by the greater weight of evidence and the
16 strength of the application.

17 B. An eligible non-school district sponsor shall give priority
18 to opening public charter schools that serve at-risk student
19 populations or students from low-performing transitional public
20 schools.

21 C. An eligible non-school district sponsor shall give priority
22 to applicants that have demonstrated a record of operating at least
23 one school or similar program that demonstrates academic success and
24 organizational viability and serves student populations similar to

1 those the proposed public charter school seeks to serve. In
2 assessing the potential for quality replication of a public charter
3 school, a sponsor shall consider the following factors before
4 approving a new site or school:

5 1. Evidence of a strong and reliable record of academic success
6 based primarily on student performance data, as well as other viable
7 indicators, including financial and operational success;

8 2. A sound, detailed, and well-supported growth plan;

9 3. Evidence of the ability to transfer successful practices to
10 a potentially different context that includes reproducing critical
11 cultural, organizational, and instructional characteristics;

12 4. Any management organization involved in a potential
13 replication is fully vetted, and the academic, financial, and
14 operational records of the schools it operates are found to be
15 satisfactory;

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

19 6. A financial structure that ensures that funds attributable
20 to each public charter school within a network and required by law
21 to be utilized by a school remain with and are used to benefit that
22 school.

23 D. For purposes of the Oklahoma Charter Schools Act, "charter
24 school" means a public school established by contract with a board

1 of education of a school district, conversion charter school, an
2 area vocational-technical school district, a higher education
3 institution, a federally recognized Indian tribe, or the State Board
4 of Education pursuant to the Oklahoma Charter Schools Act to provide
5 learning that will improve student achievement and as defined in the
6 Elementary and Secondary Education Act of 1965, 20 U.S.C. 8065.

7 E. For the purposes of the Oklahoma Charter Schools Act,
8 "conversion charter school" means a charter school created by
9 converting all or any part of a traditional public school into a
10 public charter school which may be operated by the local school
11 board or by an independent operating board elected by and
12 accountable to the local school board.

13 ~~E.~~ F. A charter school may consist of a new school site, new
14 school sites or all or any portion of an existing school site. An
15 entire school district may not become a charter school site.

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

18 Section 3-134. A. For written applications filed after January
19 1, 2008, prior to submission of the application to a proposed
20 sponsor seeking to establish a charter school, the applicant shall
21 be required to complete training which shall not exceed ten (10)
22 hours provided by the State Department of Education on the process
23 and requirements for establishing a charter school. The Department
24 shall develop and implement the training by January 1, 2008. The

1 Department may provide the training in any format and manner that
2 the Department determines to be efficient and effective including,
3 but not limited to, web-based training.

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

8 1. A mission statement for the charter school;

9 2. A description including, but not limited to, background
10 information of the organizational structure and the governing body
11 of the charter school;

12 3. A financial plan for the first ~~three (3)~~ five (5) years of
13 operation of the charter school and a description of the treasurer
14 or other officers or persons who shall have primary responsibility
15 for the finances of the charter school. Such person shall have
16 demonstrated experience in school finance or the equivalent thereof;

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

18 5. The name of the applicant or applicants and requested
19 sponsor;

20 6. A description of the facility and location of the charter
21 school;

22 7. A description of the grades being served;

23 8. An outline of criteria designed to measure the effectiveness
24 of the charter school;

1 9. A demonstration of support for the charter school from
2 residents of the school district which may include but is not
3 limited to a survey of the school district residents or a petition
4 signed by residents of the school district; ~~and~~

5 10. Documentation that the applicants completed charter school
6 training as set forth in subsection A of this section;

7 11. A description of the minimum and maximum enrollment planned
8 per year for each term of the charter contract;

9 12. The proposed calendar for the public charter school and
10 sample daily schedule;

11 13. Unless otherwise authorized by law or regulation, a
12 description of the academic program aligned with state standards;

13 14. A description of the instructional design of the public
14 charter school, including the type of learning environment, class
15 size and structure, curriculum overview, and teaching methods;

16 15. The plan for using internal and external assessments to
17 measure and report student progress on the performance framework
18 developed by the applicant in accordance with subsection C of
19 Section 3-135 of this title;

20 16. The plans for identifying and successfully serving students
21 with disabilities, students who are English language learners, and
22 students who are academically behind;

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

1 18. Plans and timelines for student recruitment and enrollment,
2 including lottery procedures;

3 19. The student discipline policies for the public charter
4 school, including those for special education students;

5 20. An organizational chart that clearly presents the
6 organizational structure of the public charter school, including
7 lines of authority and reporting between the governing board, staff,
8 any related bodies such as advisory bodies or parent and teacher
9 councils, and any external organizations that will play a role in
10 managing the school;

11 21. A clear description of the roles and responsibilities for
12 the governing board, the leadership and management team for the
13 public charter school, and any other entities shown in the
14 organizational chart;

15 22. The leadership and teacher employment policies for the
16 public charter school;

17 23. Proposed governing bylaws;

18 24. Explanations of any partnerships or contractual
19 partnerships central to the operations or mission of the public
20 charter school;

21 25. The plans for providing transportation, food service, and
22 all other significant operational or ancillary services;

23 26. Opportunities and expectations for parental involvement;

24

1 27. A detailed school start-up plan that identifies tasks,
2 timelines, and responsible individuals;

3 28. A description of the financial plan and policies for the
4 public charter school, including financial controls and audit
5 requirements;

6 29. A description of the insurance coverage the public charter
7 school will obtain;

8 30. Start-up and five-year budgets with clearly stated
9 assumptions;

10 31. Start-up and first-year cash-flow projections with clearly
11 stated assumptions;

12 32. Evidence of anticipated fundraising contributions, if
13 claimed in the application;

14 33. A sound facilities plan, including backup or contingency
15 plans if appropriate;

16 34. A requirement that the charter school governing board meet
17 at a minimum quarterly in the state and that for those charter
18 schools outside of counties with a population of five hundred
19 thousand (500,000) or more, that a majority of members are residents
20 within the geographic boundary of the sponsoring entity; and

21 35. A requirement that the charter school follow the
22 requirements of the Oklahoma Open Meeting Act and Oklahoma Open
23 Records Act.

24

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 otherwise sponsored by the
21 State Board of Education pursuant to Section 3-132 of this title
22 shall be in the school district in which the application originated.

23 E. An applicant for a charter school may submit an application
24 to a proposed sponsor which shall either accept or reject

1 sponsorship of the charter school within ninety (90) days of receipt
2 of the application. If the proposed sponsor rejects the
3 application, it shall notify the applicant in writing of the reasons
4 for the rejection. The applicant may submit a revised application
5 for reconsideration to the proposed sponsor within thirty (30) days
6 after receiving notification of the rejection. The proposed sponsor
7 shall accept or reject the revised application within thirty (30)
8 days of its receipt. Should the sponsor reject the application on
9 reconsideration, the applicant may appeal the decision to the State
10 Board of Education with the revised application for review pursuant
11 to paragraph 8 of subsection A of Section 3-132 of this title. The
12 State Board of Education shall hear the appeal no later than sixty
13 (60) days from the date received by the Board.

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

20 G. ~~If a proposed sponsor rejects the revised application for a~~
21 ~~charter school, the applicant may proceed to mediation or binding~~
22 ~~arbitration or both mediation and binding arbitration as provided in~~
23 ~~the Dispute Resolution Act and the rules promulgated pursuant~~
24 ~~thereto. The applicant shall contact the early settlement program~~

1 ~~for the county in which the charter school would be located. If the~~
2 ~~parties proceed to binding arbitration, a panel of three arbitrators~~
3 ~~shall be appointed by the director of the early settlement program~~
4 ~~handling the dispute. The proposed sponsor shall pay the cost for~~
5 ~~any mediation or arbitration requested pursuant to this section~~
6 Applicants for charter schools proposed to be sponsored by an entity
7 other than a school district pursuant to paragraph 1 of subsection A
8 of Section 3-132 of this title may, upon rejection of the revised
9 application, proceed to binding arbitration under the rules of the
10 American Arbitration Association with costs of the arbitration to be
11 borne by the proposed sponsor. Applicants for charter schools
12 proposed to be sponsored by school districts pursuant to paragraph 1
13 of subsection A of Section 3-132 of this title may not proceed to
14 binding arbitration but may be sponsored by the State Board of
15 Education as provided in paragraph 8 of subsection A of Section 3-
16 132 of this title.

17 H. If a board of education of a technology center school
18 district, a higher education institution, the State Board of
19 Education, or a federally recognized Indian tribe accepts
20 sponsorship of a charter school, the administrative, fiscal and
21 oversight responsibilities of the technology center school district,
22 the higher education institution, or the federally recognized Indian
23 tribe shall be listed in the contract. No responsibilities shall be
24

1 delegated to a school district unless the local school district
2 agrees to assume the responsibilities.

3 I. A sponsor of a public charter school shall have the
4 following powers and duties:

5 1. Provide oversight of the operations of public charter
6 schools in the state through annual performance reviews of public
7 charter schools and reauthorization of public charter schools for
8 which it is a sponsor;

9 2. Solicit and evaluate charter applications;

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

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

13 5. Negotiate and execute sound charter contracts with each
14 approved public charter school;

15 6. Monitor, in accordance with charter contract terms, the
16 performance and legal compliance of public charter schools; and

17 7. Determine whether each charter contract merits renewal,
18 nonrenewal or revocation.

19 J. Sponsors shall establish a procedure for accepting,
20 approving, and disapproving public charter school applications in
21 accordance with subsection E of Section 3-134 of this title.

22 K. Sponsors shall be required to develop and maintain
23 chartering policies and practices consistent with recognized
24 principles and standards for quality charter authorizing as

1 established by the State Department of Education in all major areas
2 of authorizing responsibility, including: organizational capacity
3 and infrastructure, soliciting and evaluating charter applications,
4 performance contracting, ongoing public charter school oversight and
5 evaluation, and charter renewal decision-making.

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

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

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

16 1. A description of the program to be offered by the school
17 which complies with the purposes outlined in Section ~~11 of this act~~
18 3-136 of this title;

19 2. Admission policies and procedures;

20 3. Management and administration of the charter school,
21 including that a majority of the charter governing board are
22 residents of the State of Oklahoma and meet no less than quarterly
23 in a public meeting within the boundaries of the school district in
24 which the charter school is located or within the State of Oklahoma

1 in the instance of multiple charter school locations by the same
2 sponsor;

3 4. Requirements and procedures for program and financial
4 audits;

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

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

8 7. The term of the contract;

9 8. A description of the high standards of expectation and rigor
10 for public charter school plans and assurance that charter school
11 plans adopted meet at least such standards;

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

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

17 11. Policies that require the public charter school to be
18 subject to the same academic standards and expectations as existing
19 public schools; and

20 12. A description of the requirements and procedures for the
21 charter school to receive funding in accordance with statutory
22 requirements and guidelines for existing public schools.

23 B. A charter school shall not enter into an employment contract
24 with any teacher or other personnel until the charter school has a

1 contract with a sponsoring school district. The employment contract
2 shall set forth the personnel policies of the charter school,
3 including, but not limited to, policies related to certification,
4 professional development evaluation, suspension, dismissal and
5 nonreemployment, sick leave, personal business leave, emergency
6 leave, and family and medical leave. The contract shall also
7 specifically set forth the salary, hours, fringe benefits, and work
8 conditions. The contract may provide for employer-employee
9 bargaining, but the charter school shall not be required to comply
10 with the provisions of Sections 509.1 through 509.10 of Title 70 of
11 the Oklahoma Statutes. The contract shall conform to all applicable
12 provisions set forth in Section ~~11 of this act~~ 3-136 of this title.

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

17 No public charter school may begin serving students without a
18 charter contract executed in accordance with the provision of this
19 act and approved in an open meeting of the sponsor.

20 The sponsor may establish reasonable preopening requirements or
21 conditions to monitor the start-up progress of newly approved public
22 charter schools and ensure that each school is prepared to open
23 smoothly on the date agreed and to ensure that each school meets all
24

1 building, health, safety, insurance, and other legal requirements
2 for the opening of a school.

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

15 1. Student academic proficiency;

16 2. Student academic growth;

17 3. Achievement gaps in both proficiency and growth between
18 major student subgroups;

19 4. Student attendance;

20 5. Recurrent enrollment from year to year as determined by the
21 methodology used for public schools in Oklahoma;

22 6. In the case of high schools, graduation rates as determined
23 by the methodology used for public schools in Oklahoma;

24 7. In the case of high schools, postsecondary readiness;

1 8. Financial performance and sustainability; and

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

5 D. The sponsor shall not request any metric or data from a
6 charter school that it does not produce or publish for all school
7 sites in the district or under its sponsorship, unless the metric or
8 data is unique to a charter school.

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

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

18 Section 3-137. A. An approved contract for a charter school
19 shall be effective for ~~not longer than~~ five (5) years from the first
20 day of operation. A charter contract may be renewed for successive
21 five-year terms of duration, although the sponsor may vary the term
22 based on the performance, demonstrated capacities, and particular
23 circumstances of each public charter school. A sponsor may grant
24

1 renewal with specific conditions for necessary improvements to a
2 public charter school.

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

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

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

22 2. Describe improvements undertaken or planned for the school;

23 and

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

1 The renewal application guidance shall include or refer
2 explicitly to the criteria that will guide the renewal decisions of
3 the sponsor, which shall be based on the performance framework set
4 forth in the charter contract and consistent with this act.

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

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

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

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

23 4. Provide a public report summarizing the evidence basis for
24 each decision.

1 ~~B.~~ E. If a sponsor denies a request for renewal, the governing
2 board of the sponsor may, if requested by the charter school,
3 proceed to ~~mediation or~~ binding arbitration ~~or both~~ as provided for
4 in subsection G of Section 3-134 of this title.

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

18 G. Beginning in the 2016-2017 school year, the State Board of
19 Education shall identify public charter schools in the state that
20 are ranked in the bottom five percent (5%) of all public schools as
21 determined pursuant to Section 1210.545 of this title.

22 1. 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 public charter school site identified as being among the

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

5 2. If there is a change to the calculation described in Section
6 1210.545 of this title that results in a charter school site that
7 was not ranked in the bottom five percent (5%) being ranked in the
8 bottom five percent (5%), then the sponsor shall use the higher of
9 the two rankings to calculate the ranking of the public charter
10 school site.

11 3. In the event that a sponsor fails to close a public charter
12 school site consistent with this subsection, the sponsor shall
13 appear before the State Board of Education to provide support for
14 its decision. The State Board of Education may, by majority vote,
15 uphold or overturn the sponsor's decision. If the sponsor's
16 decision is overturned by the State Board of Education, the State
17 Board of Education may implement one of the following actions:

- 18 a. transfer the sponsorship of the charter school
19 identified in this paragraph to another sponsor,
20 b. order the closure of the charter school identified in
21 this paragraph at the end of the current school year,
22 or
23 c. order the reduction of any administrative fee
24 collected by the sponsor that is applicable to the

1 charter school identified in this paragraph. The
2 reduction shall become effective at the beginning of
3 the month following the month of the sponsor's hearing
4 before the State Board of Education.

5 A charter school that is closed by the State Board of Education
6 pursuant to this paragraph may not be granted a charter by any other
7 sponsor.

8 4. The requirements of this subsection shall not apply to a
9 public charter school that has been designed by the State Department
10 of Education as implementing an alternative education program
11 throughout the public charter school.

12 5. In making a school site closure decision, the State Board of
13 Education shall consider the following:

- 14 a. enrollment of students with special challenges such as
15 drug or alcohol addiction, prior withdrawal from
16 school, prior incarceration or other special
17 circumstances,
- 18 b. high mobility of the student population resulting from
19 the specific purpose of the charter school,
- 20 c. annual improvement in the performance of students
21 enrolled in the charter school compared with the
22 performance of students enrolled in the charter school
23 in the immediately preceding school year, and

1 d. whether a majority of students attending the charter
2 school under consideration for closure would likely
3 revert to attending public schools with lower academic
4 achievement, as demonstrated pursuant to Section
5 1210.545 of this title.

6 6. If the State Board of Education has closed or transferred
7 authorization of at least twenty-five percent (25%) of the charter
8 schools chartered by one sponsor pursuant to paragraph 3 of this
9 subsection, the sponsor's authority to authorize new charter schools
10 may be suspended by the State Board of Education until the State
11 Board of Education approves the sponsor to authorize new charter
12 schools. A determination under this paragraph to suspend a
13 sponsor's authority to authorize new charter schools shall identify
14 the deficiencies that, if corrected, will result in the approval of
15 the sponsor to authorize new charter schools.

16 H. If a sponsor terminates a contract or the public charter
17 school is closed, the closure shall be conducted in accordance with
18 the following protocol:

19 1. Within two (2) calendar weeks of a final closure
20 determination, the sponsor shall meet with the governing board and
21 leadership of the public charter school to establish a transition
22 team composed of school staff, applicant staff, and others
23 designated by the applicant that will attend to the closure,

1 including the transfer of students, student records, and school
2 funds;

3 2. The sponsor and transition team shall communicate regularly
4 and effectively with families of students enrolled in the public
5 charter school, as well as with school staff and other stakeholders,
6 to keep them apprised of key information regarding the closure of
7 the school and their options and risks;

8 3. The sponsor and transition team shall ensure that current
9 instruction of students enrolled in the public charter school
10 continues per the charter agreement for the remainder of the school
11 year;

12 4. The sponsor and transition team shall ensure that all
13 necessary and prudent notifications are issued to agencies,
14 employees, insurers, contractors, creditors, debtors, and management
15 organizations; and

16 5. The governing board of the public charter school shall
17 continue to meet as necessary to take actions needed to wind down
18 school operations, manage school finances, allocate resources, and
19 facilitate all aspects of closure.

20 I. A sponsor shall develop revocation and nonrenewal processes
21 that are consistent with this act and that:

22 1. Provide the public charter school with a timely notification
23 of the prospect of revocation or nonrenewal and of the reasons for
24 such possible closure;

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

3 3. Provide the public charter school with an opportunity to
4 submit documents and give testimony in a public hearing challenging
5 the rationale for closure and in support of the continuation of the
6 school at an orderly proceeding held for that purpose and prior to
7 taking any final nonrenewal or revocation decision related to the
8 school;

9 4. Allow the public charter school access to representation by
10 counsel to call witnesses on its behalf;

11 5. Permit the recording of the proceedings; and

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

14 J. If a sponsor revokes or does not renew a charter, the
15 sponsor shall clearly state in a resolution the reasons for the
16 revocation or nonrenewal.

17 K. 1. Before a sponsor may issue a charter to a charter school
18 governing body that has had its charter terminated or has been
19 informed that its charter will not be renewed by the current
20 sponsor, the sponsor shall request to have the proposal reviewed by
21 the State Board of Education at a hearing. The State Board of
22 Education shall conduct a hearing in which the sponsor shall present
23 information indicating that the organizer's proposal is
24 substantively different in the areas of deficiency identified by the

1 current sponsor from the current proposal as set forth within the
2 charter with its current sponsor.

3 2. After the State Board of Education conducts a hearing
4 pursuant to this subsection, the State Board of Education shall
5 either approve or deny the proposal.

6 3. If the proposal is denied, no sponsor may issue a charter to
7 the charter school governing body.

8 ~~D.~~ L. If a contract is not renewed, the governing board of the
9 charter school may submit an application to a proposed new sponsor
10 as provided for in Section 3-134 of this title.

11 ~~E.~~ M. If a contract is not renewed or is terminated according
12 to this section, a student who attended the charter school may
13 enroll in the resident school district of the student or may apply
14 for a transfer in accordance with Section 8-103 of this title.

15 SECTION 5. AMENDATORY 70 O.S. 2011, Section 3-140, as
16 last amended by Section 2, Chapter 212, O.S.L. 2013 (70 O.S. Supp.
17 2014, Section 3-140), is amended to read as follows:

18 Section 3-140. A. Except for a charter school sponsored by the
19 State Board of Education, a charter school shall enroll those
20 students whose legal residence is within the boundaries of the
21 school district in which the charter school is located and who
22 submit a timely application, or those students who transfer to the
23 district in which the charter school is located in accordance with
24 Section 8-103 or 8-104 of this title, unless the number of

1 applications exceeds the capacity of a program, class, grade level,
2 or building. Students who reside in a school district where a
3 charter school is located shall not be required to obtain a transfer
4 in order to attend a charter school in the school district of
5 residence. If capacity is insufficient to enroll all eligible
6 students, the charter school shall select students through a lottery
7 selection process. Except for a charter school sponsored by the
8 State Board of Education, a charter school shall give enrollment
9 preference to eligible students who reside within the boundaries of
10 the school district in which the charter school is located. Except
11 for a charter school sponsored by the State Board of Education, a
12 charter school created after ~~the effective date of this act~~ November
13 1, 2010, shall give enrollment preference to eligible students who
14 reside within the boundaries of the school district in which the
15 charter school is located and who attend a school site that has been
16 identified as in need of improvement by the State Board of Education
17 pursuant to the Elementary and Secondary Education Act of 1965, as
18 amended or reauthorized. A charter school may limit admission to
19 students within a given age group or grade level. A charter school
20 sponsored by the State Board of Education when the applicant of the
21 charter school is the Office of Juvenile Affairs shall limit
22 admission to youth that are in the custody or supervision of the
23 Office of Juvenile Affairs.

24

1 B. Except for a charter school sponsored by the State Board of
2 Education, a charter school shall admit students who reside in the
3 attendance area of a school or in a school district that is under a
4 court order of desegregation or that is a party to an agreement with
5 the United States Department of Education Office for Civil Rights
6 directed towards mediating alleged or proven racial discrimination
7 unless notice is received from the resident school district that
8 admission of the student would violate the court order or agreement.

9 C. A charter school may designate a specific geographic area
10 within the school district in which the charter school is located as
11 an academic enterprise zone and may limit admissions to students who
12 reside within that area. An academic enterprise zone shall be a
13 geographic area in which sixty percent (60%) or more of the children
14 who reside in the area qualify for the free or reduced school lunch
15 program.

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

21 E. A sponsor may not restrict the number of students a public
22 charter school may enroll. The capacity of the public charter
23 school shall be determined annually by the governing board of the
24 public charter school based on the public charter school's ability

1 to facilitate the academic success of its students, to achieve the
2 other objectives specified in the charter contract, and to ensure
3 that its student enrollment does not exceed the capacity of its
4 facility or site.

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

8 Section 3-142. A. For purposes of funding, a charter school
9 sponsored by a board of education of a school district shall be
10 considered a site within the school district in which the charter
11 school is located. The student membership of the charter school
12 shall be considered separate from the student membership of the
13 district in which the charter school is located for the purpose of
14 calculating weighted average daily membership pursuant to Section
15 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of
16 this title. For charter schools sponsored by a board of education
17 of a school district, the sum of the separate calculations for the
18 charter school and the school district shall be used to determine
19 the total State Aid allocation for the district in which the charter
20 school is located. A charter school shall receive from the
21 sponsoring school district, the State Aid allocation and any other
22 state-appropriated revenue generated by its students for the
23 applicable year, less up to five percent (5%) of the State Aid
24 allocation, which may be retained by the school district as a fee

1 for administrative services rendered. For charter schools sponsored
2 by the board of education of a technology center school district, a
3 higher education institution, the State Board of Education, or a
4 federally recognized Indian tribe and for statewide virtual charter
5 schools sponsored by the Statewide Virtual Charter School Board, the
6 State Aid allocation for the charter school shall be distributed by
7 the State Board of Education and not more than five percent (5%) of
8 the State Aid allocation may be charged by the sponsor as a fee for
9 administrative services rendered. The State Board of Education
10 shall determine the policy and procedure for making payments to a
11 charter school. The fee for administrative services as authorized
12 in this subsection shall only be assessed on the State Aid
13 allocation amount and shall not be assessed on any other
14 appropriated amounts.

15 B. 1. The weighted average daily membership for the first year
16 of operation of a charter school shall be determined initially by
17 multiplying the actual enrollment of students as of August 1 by
18 1.333. The charter school shall receive revenue equal to that which
19 would be generated by the estimated weighted average daily
20 membership calculated pursuant to this paragraph. At midyear, the
21 allocation for the charter school shall be adjusted using the first
22 quarter weighted average daily membership for the charter school
23 calculated pursuant to subsection A of this section.

24

1 2. For the purpose of calculating weighted average daily
2 membership pursuant to Section 18-201.1 of this title and State Aid
3 pursuant to Section 18-200.1 of this title, the weighted average
4 daily membership for the first year of operation and each year
5 thereafter of a full-time virtual charter school shall be determined
6 by multiplying the actual enrollment of students as of August 1 by
7 1.333. The full-time virtual charter school shall receive revenue
8 equal to that which would be generated by the estimated weighted
9 average daily membership calculated pursuant to this paragraph. At
10 midyear, the allocation for the full-time virtual charter school
11 shall be adjusted using the first quarter weighted average daily
12 membership for the virtual charter school calculated pursuant to
13 subsection A of this section.

14 C. A charter school shall be eligible to receive any other aid,
15 grants or revenues allowed to other schools. A charter school
16 sponsored by the board of education of a technology center school
17 district, a higher education institution, the State Board of
18 Education, or a federally recognized Indian tribe shall be
19 considered a local education agency for purposes of funding. A
20 charter school sponsored by a board of education of a school
21 district shall be considered a local education agency for purposes
22 of federal funding.

23 D. A charter school, in addition to the money received from the
24 state, may receive money from any other source. Any unexpended

1 ~~nonstate funds, excluding local revenue,~~ may be reserved and used
2 for future purposes. The governing body of a public charter school
3 may not levy taxes or issue bonds. If otherwise allowed by law, the
4 governing body of a public charter school may enter into private
5 contracts for the purposes of borrowing money from lenders. If the
6 governing body of the public charter school borrows money, the
7 public charter school shall be solely responsible for repaying the
8 debt, and the state or the sponsor is not in any way responsible or
9 obligated to repay the debt.

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

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

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

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