

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 55th Legislature (2015)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1696

By: Denney and Jordan of the
House

and

Jolley of the Senate

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10 COMMITTEE SUBSTITUTE

11 An Act relating to schools; amending 70 O.S. 2011,
12 Sections 3-132, as last amended by Section 1, Chapter
13 212, O.S.L. 2013, 3-134, 3-135, 3-137, 3-140, as last
14 amended by Section 2, Chapter 212, O.S.L. 2013 and 3-
15 142, as amended by Section 3, Chapter 212, O.S.L.
16 2013 (70 O.S. Supp. 2014, Sections 3-132, 3-140 and
17 3-142), which relate to the Oklahoma Charter Schools
18 Act; modifying list of authorized sponsors of charter
19 schools; deleting certain conditions on certain
20 sponsors; allowing the State Board of Education to
21 sponsor charter schools under certain conditions;
22 mandating that priority be given to certain charter
23 schools serving certain students; mandating that
24 priority be given to charter school applicants that
 meet certain conditions; listing factors for
 approving a new site or school; modifying definition;
 adding information to be included in the application;
 limiting location of certain charter schools;
 deleting mediation criteria; stating powers and
 duties of a sponsor; directing sponsors to establish
 procedures for accepting, approving and disapproving
 applications; specifying certain time schedule for
 the application process; requiring sponsors to
 develop and maintain chartering policies and
 practices that are consistent with certain principles
 and standards; limiting liability of sponsors; adding
 provisions required in the charter contract;

1 prohibiting a charter school to serve students
2 without a contract; allowing sponsors to establish
3 preopening requirements and conditions; specifying
4 basis for performance provisions of a contract;
5 allowing submission of data in certain format;
6 listing performance framework categories; limiting
7 requests for metric or data; allowing applicants and
8 sponsors to have multiple contracts or one contract
9 for multiple schools; allowing for renewal for
10 successive terms; requiring sponsors to issue
11 performance reports and application renewal guidance
12 before a certain time; specifying contents of
13 performance reports; listing steps to be allowed
14 under the application renewal guidance; requiring the
15 application renewal guidance to include certain
16 criteria; requiring charter renewal decisions to
17 include certain criteria and actions; directing the
18 State Board of Education to rank schools by school
19 grades and identify certain schools; allowing closure
20 of a charter school identified at bottom of ranking;
21 providing process for ranking under certain
22 conditions; providing for review of sponsor's
23 decision by the State Board of Education; exempting
24 certain charter schools from closure requirements;
listing considerations for closure; providing for
suspension of certain charter school authorization;
providing protocol for closing a charter school;
directing sponsors to develop revocation and
nonrenewal processes; requiring sponsors to state
reasons for revocation or nonrenewal in a resolution;
requiring review of certain charter school proposal
by the Board; prohibiting the sponsor of a charter
school from restricting the number of students
enrolled in a charter school; requiring the governing
body of the charter school to determine capacity;
specifying considerations; modifying type of funds
that may be reserved; allowing a charter school to
enter into private contracts for certain purposes;
establishing responsibility for debt; providing an
effective date; and declaring an emergency.

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

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

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

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

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~~ if the charter school is located within the
16 geographical boundaries of the school district;

17 3. 2. By a technology center school district if the charter
18 school is located in a school district served by the technology
19 center school district ~~and the school district has an average daily~~
20 ~~membership of five thousand (5,000) or more and which all or part of~~
21 ~~the school district is located in a county having more than five~~
22 ~~hundred thousand (500,000) population according to the latest~~
23 ~~Federal Decennial Census;~~

24

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 ~~4. By a technology center school district if the charter school~~
2 ~~is located in a school district served by the technology center~~
3 ~~school district and the school district has a school site that has~~
4 ~~been identified as in need of improvement by the State Board of~~
5 ~~Education pursuant to the Elementary and Secondary Education Act of~~
6 ~~1965, as amended or reauthorized;~~

7 ~~5. 3. By a an accredited comprehensive or regional institution~~
8 ~~that is a member of The Oklahoma State System of Higher Education or~~
9 ~~community college if the charter school is located in a school~~
10 ~~district that has an average daily membership of five thousand~~
11 ~~(5,000) or more and which all or part of the school district is~~
12 ~~located in a county having more than five hundred thousand (500,000)~~
13 ~~population according to the latest Federal Decennial Census in the~~
14 ~~state. In addition, the institution shall have a teacher education~~
15 ~~program accredited by the Oklahoma Commission for Teacher~~
16 ~~Preparation and have a branch campus or constituent agency~~
17 ~~physically located within the school district in which the charter~~
18 ~~school is located;~~

19 ~~6. By a comprehensive or regional institution that is a member~~
20 ~~of The Oklahoma State System of Higher Education if the charter~~
21 ~~school is located in a school district that has a school site that~~
22 ~~has been identified as in need of improvement by the State Board of~~
23 ~~Education pursuant to the Elementary and Secondary Education Act of~~
24 ~~1965, as amended or reauthorized. In addition, the institution~~

1 ~~shall have a teacher education program accredited by the Oklahoma~~
2 ~~Commission for Teacher Preparation and have a branch campus or~~
3 ~~constituent agency physically located within the school district in~~
4 ~~which the charter school is located;~~

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

14 ~~8.~~ 5. By the State Board of Education when the applicant of the
15 charter school is the Office of Juvenile Affairs or the applicant
16 has a contract with the Office of Juvenile Affairs to provide a
17 fixed rate level E, D, or D+ group home service and the charter
18 school is for the purpose of providing education services to youth
19 in the custody or supervision of the state. Not more than two
20 charter schools shall be sponsored by the Board as provided for in
21 this paragraph during the period of time beginning July 1, 2010,
22 through July 1, 2016; or

23 6. By the State Board of Education when the applicant has first
24 been denied a charter by the school district in which it seeks to

1 operate and files an appeal as provided for in subsection J of
2 Section 3-134 of this title. In counties with fewer than five
3 hundred thousand (500,000) population according to the latest
4 Federal Decennial Census, the Board shall not sponsor more than five
5 charter schools per year each year for the next five (5) years. The
6 Board shall not sponsor more than one charter school in a single
7 school district per year. In order to authorize a charter school
8 pursuant to this paragraph, the Board shall find evidence of the
9 following:

- 10 a. a thorough and high-quality charter school application
11 from the applicant based on the authorizing standards
12 in subsection B of Section 3-134 of this title, and
13 b. a clear demonstration of community support for the
14 charter school.

15 B. Except for a school district sponsor, a sponsor shall give
16 priority to opening charter schools that serve at-risk student
17 populations or students from low-performing traditional public
18 schools.

19 C. A sponsor shall give priority to applicants that have
20 demonstrated a record of operating at least one school or similar
21 program that demonstrates academic success and organizational
22 viability and serves student populations similar to those the
23 proposed charter school seeks to serve. In assessing the potential
24 for quality replication of a charter school, a sponsor shall

1 consider the following factors before approving a new site or
2 school:

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

6 2. Evidence of a sound, detailed and well-supported growth
7 plan;

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

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

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

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

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

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

7 ~~E.~~ E. A charter school may consist of a new school site, new
8 school sites or all or any portion of an existing school site. An
9 entire school district may not become a charter school site.

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

12 Section 3-134. A. For written applications filed after January
13 1, 2008, prior to submission of the application to a proposed
14 sponsor seeking to establish a charter school, the applicant shall
15 be required to complete training which shall not exceed ten (10)
16 hours provided by the State Department of Education on the process
17 and requirements for establishing a charter school. The Department
18 shall develop and implement the training by January 1, 2008. The
19 Department may provide the training in any format and manner that
20 the Department determines to be efficient and effective including,
21 but not limited to, web-based training.

22 B. Except as otherwise provided for in Section 3-137 of this
23 title, an applicant seeking to establish a charter school shall
24

1 submit a written application to the proposed sponsor as prescribed
2 in subsection E of this section. The application shall include:

- 3 1. A mission statement for the charter school;
- 4 2. A description, including, but not limited to, background
5 information, of the organizational structure and the governing body
6 of the charter school;
- 7 3. A financial plan for the first three (3) years of operation
8 of the charter school and a description of the treasurer or other
9 officers or persons who shall have primary responsibility for the
10 finances of the charter school. Such person shall have demonstrated
11 experience in school finance or the equivalent thereof;
- 12 4. A description of the hiring policy of the charter school;
- 13 5. The name of the applicant or applicants and requested
14 sponsor;
- 15 6. A description of the facility and location of the charter
16 school;
- 17 7. A description of the grades being served;
- 18 8. An outline of criteria designed to measure the effectiveness
19 of the charter school;
- 20 9. A demonstration of support for the charter school from
21 residents of the school district which may include but is not
22 limited to a survey of the school district residents or a petition
23 signed by residents of the school district; ~~and~~

24

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

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

5 12. The proposed calendar for the charter school and sample
6 daily schedule;

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

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

12 15. The plan for using internal and external assessments to
13 measure and report student progress on the performance framework
14 developed by the applicant;

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

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

20 18. Plans and timelines for student recruitment and enrollment,
21 including lottery procedures;

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

24

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

7 21. A clear description of the roles and responsibilities for
8 the governing board, the leadership and management team for the
9 charter school and any other entities shown in the organization
10 chart;

11 22. The leadership and teacher employment policies for the
12 charter school;

13 23. Proposed governing bylaws;

14 24. Explanations of any partnerships or contractual
15 partnerships central to the operations or mission of the charter
16 school;

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

19 26. Opportunities and expectations for parent involvement;

20 27. A detailed school start-up plan, identifying tasks,
21 timelines and responsible individuals;

22 28. A description of the financial plan and policies for the
23 charter school, including financial controls and audit requirements;

1 29. A description of the insurance coverage the charter school
2 will obtain;

3 30. Start-up and five-year budgets with clearly stated
4 assumptions;

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

7 32. Evidence of anticipated fundraising contributions, if
8 claimed in the application;

9 33. A sound facilities plan, including back-up or contingency
10 plans if appropriate; and

11 34. A description of the meeting schedule of the governing
12 board which requires the board to meet at a minimum quarterly in the
13 state.

14 C. A board of education of a public school district, public
15 body, public or private college or university, private person, or
16 private organization may contract with a sponsor to establish a
17 charter school. A private school shall not be eligible to contract
18 for a charter school under the provisions of the Oklahoma Charter
19 Schools Act.

20 D. The sponsor of a charter school is the board of education of
21 a school district, the board of education of a technology center
22 school district, a higher education institution, the State Board of
23 Education, or a federally recognized Indian tribe which meets the
24 criteria established in Section 3-132 of this title. Any board of

1 education of a school district in the state may sponsor one or more
2 charter schools. The physical location of a charter school
3 sponsored by a board of education of a school district or a
4 technology center school district shall be within the boundaries of
5 the sponsoring school district. The physical location of a charter
6 school sponsored by the State Board of Education when the applicant
7 of the charter school is the Office of Juvenile Affairs shall be
8 where an Office of Juvenile Affairs facility for youth is located.
9 The physical location of a charter school sponsored by the Board
10 pursuant to paragraph 6 of subsection A of Section 3-132 of this
11 title shall be in the school district in which the application
12 originated.

13 E. An applicant for a charter school may submit an application
14 to a proposed sponsor which shall either accept or reject
15 sponsorship of the charter school within ninety (90) days of receipt
16 of the application. If the proposed sponsor rejects the
17 application, it shall notify the applicant in writing of the reasons
18 for the rejection. The applicant may submit a revised application
19 for reconsideration to the proposed sponsor within thirty (30) days
20 after receiving notification of the rejection. The proposed sponsor
21 shall accept or reject the revised application within thirty (30)
22 days of its receipt.

23 F. A board of education of a school district, board of
24 education of a technology center school district, higher education

1 institution, or federally recognized Indian tribe sponsor of a
2 charter school shall notify the State Board of Education when it
3 accepts sponsorship of a charter school. The notification shall
4 include a copy of the charter of the charter school.

5 G. If a proposed sponsor rejects the revised application for a
6 charter school, the applicant may proceed to ~~mediation or~~ binding
7 arbitration ~~or both mediation and binding arbitration as provided in~~
8 ~~the Dispute Resolution Act and the rules promulgated pursuant~~
9 ~~thereto. The applicant shall contact the early settlement program~~
10 ~~for the county in which the charter school would be located. If the~~
11 ~~parties proceed to binding arbitration, a panel of three arbitrators~~
12 ~~shall be appointed by the director of the early settlement program~~
13 ~~handling the dispute.~~ The proposed sponsor shall pay the cost for
14 any ~~mediation or~~ arbitration requested pursuant to this section.

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

24

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

3 1. Provide oversight of the operations of charter schools in
4 the state through annual performance reviews of charter schools and
5 reauthorization of charter schools for which it is the sponsor;

6 2. Solicit and evaluate charter applications;

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

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

10 5. Negotiate and execute sound charter contracts with each
11 approved charter school;

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

14 7. Determine whether each charter contract merits renewal,
15 nonrenewal or revocation.

16 J. Sponsors shall establish a procedure for accepting,
17 approving and disapproving charter school applications. The
18 procedure shall include a method by which an applicant for a charter
19 school may submit an application which shall either be accepted or
20 rejected within ninety (90) days of receipt of the application. If
21 the application is rejected, a sponsor shall notify the applicant in
22 writing of the reasons for the rejection. The applicant may submit
23 a revised application for reconsideration to the sponsor within
24 thirty (30) days after receiving notification of the rejection. The

1 sponsor shall accept or reject the revised application within sixty
2 (60) days of its receipt. Should the sponsor reject the application
3 on reconsideration, the applicant may appeal the decision to the
4 State Board of Education. The Board may review and accept or reject
5 the revised application. The Board shall hear the appeal and shall
6 accept or reject the revised application within sixty (60) days of
7 the date the appeal is filed.

8 K. Sponsors shall be required to develop and maintain
9 chartering policies and practices consistent with the principles and
10 standards for authorizing quality charter schools as established by
11 the Office of Educational Quality and Accountability in all major
12 areas of authorizing responsibility including organizational
13 capacity and infrastructure, soliciting and evaluating charter
14 applications, performance contracting, ongoing charter school
15 oversight and evaluation and charter renewal decision making.

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

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

21 Section 3-135. A. The sponsor of a charter school shall enter
22 into a written contract with the governing body of the charter
23 school. The contract shall incorporate the provisions of the
24

1 charter of the charter school and contain, but shall not be limited
2 to, the following provisions:

3 1. A description of the program to be offered by the school
4 which complies with the purposes outlined in Section ~~41~~ 3-136 of
5 this ~~act~~ title;

6 2. Admission policies and procedures;

7 3. Management and administration of the charter school,
8 including a requirement that a majority of the charter school
9 governing board are residents of the state and that the board meet
10 at a minimum quarterly at a location within the boundaries of the
11 school district in which the charter school is located or within the
12 state if the board governs multiple charter school locations;

13 4. Requirements and procedures for program and financial
14 audits;

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

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

18 7. The term of the contract;

19 8. A description of the high standards of expectation and rigor
20 for charter school plans and ensure that charter school plans
21 adopted meet at least certain standards;

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

24

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

4 11. Policies that require the charter school to be subject to
5 the same academic standards and expectations as existing public
6 schools; and

7 12. A description of the requirements and procedures for the
8 charter school to receive funding in accordance with statutory
9 requirements and guidelines for funding existing public schools.

10 B. A charter school shall not enter into an employment contract
11 with any teacher or other personnel until the charter school has a
12 contract with a sponsoring school district. The employment contract
13 shall set forth the personnel policies of the charter school,
14 including, but not limited to, policies related to certification,
15 professional development evaluation, suspension, dismissal and
16 nonreemployment, sick leave, personal business leave, emergency
17 leave, and family and medical leave. The contract shall also
18 specifically set forth the salary, hours, fringe benefits, and work
19 conditions. The contract may provide for employer-employee
20 bargaining, but the charter school shall not be required to comply
21 with the provisions of Sections 509.1 through 509.10 of ~~Title 70 of~~
22 ~~the Oklahoma Statutes~~ this title. The contract shall conform to all
23 applicable provisions set forth in Section ~~41~~ 3-136 of this ~~act~~
24 title.

1 Upon contracting with any teacher or other personnel, the
2 governing body of the charter school shall, in writing, disclose
3 employment rights of the employees in the event the charter school
4 closes or the charter is not renewed.

5 C. No charter school may begin serving students without a
6 charter contract executed in accordance with the provisions of the
7 Oklahoma Charter Schools Act and approved in an open meeting of the
8 sponsor.

9 D. The sponsor may establish reasonable preopening requirements
10 or conditions to monitor the start-up progress of newly approved
11 charter schools and ensure that each school is prepared to open
12 smoothly on the date agreed, and to ensure that each school meets
13 all building, health, safety, insurance and other legal requirements
14 for the opening of a school.

15 E. The performance provisions within the charter contract shall
16 be based on a performance framework that clearly sets forth the
17 academic and operational performance indicators, measures and
18 metrics that will guide the evaluations of the charter school by the
19 sponsor. The sponsor shall require a charter school to submit the
20 data required in this section in the identical format that is
21 required by the State Department of Education of all public schools
22 in order to avoid duplicative administrative efforts or allow a
23 charter school to provide permission to the Department to share all
24 required data with the sponsor of the charter school. The

1 performance framework shall include indicators, measures and metrics
2 for, at a minimum:

3 1. Student academic proficiency;

4 2. Student academic growth;

5 3. Achievement gaps in both proficiency and growth between
6 major student subgroups;

7 4. Student attendance;

8 5. Recurrent enrollment from year to year as determined by the
9 methodology used for public schools;

10 6. In the case of high schools, graduation rates as determined
11 by the methodology used for public schools;

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

13 8. Financial performance and sustainability; and

14 9. Governing board performance and stewardship, including
15 compliance with all applicable laws, regulations and terms of the
16 charter contract.

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

21 G. A charter contract may provide for one or more schools by an
22 applicant to the extent approved by the sponsor and consistent with
23 applicable law. An applicant or the governing board of an applicant
24 may hold one or more charter contracts. Each charter school that is

1 part of a charter contract shall be separate and distinct from any
2 other charter school under the same charter school contract.

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

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

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

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

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

7 2. Describe improvements undertaken or planned for the charter
8 school; and

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

10 The application renewal guidance shall include or refer
11 explicitly to the criteria that will guide the renewal decisions of
12 the sponsor, which shall be based on the performance framework set
13 forth in the charter contract and consistent with the Oklahoma
14 Charter Schools Act.

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

22 1. Ground decisions on evidence of the performance of the
23 school over the term of the charter contract in accordance with the
24 performance framework set forth in the charter contract and shall

1 take into consideration the percentage of at-risk students enrolled
2 in the school;

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

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

9 4. Provide a public report summarizing the evidence basis for
10 each decision.

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

15 ~~C. F.~~ A sponsor may terminate a contract during the term of the
16 contract for failure to meet the requirements for student
17 performance contained in the contract, failure to meet the standards
18 of fiscal management, violations of the law, or other good cause.
19 The sponsor shall give at least ninety (90) days' written notice to
20 the governing board prior to terminating the contract. The
21 governing board may request, in writing, an informal hearing before
22 the sponsor within fourteen (14) days of receiving notice. The
23 sponsor shall conduct an informal hearing before taking action. If
24 a sponsor decides to terminate a contract, the governing board may,

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~~Strike thru~~ language denotes deletion from present Statutes.

1 if requested by the charter school, proceed to mediation or binding
2 arbitration or both as provided for in subsection G of Section 3-134
3 of this title.

4 D. G. 1. Beginning in the 2016-2017 school year, the State
5 Board of Education shall establish a list of public schools ranked
6 from top to bottom by school grades, as determined pursuant to
7 Section 1210.545 of this title and using the school grades for the
8 2014-2015 school year, and identify charter schools in the state
9 that are ranked in the bottom five percent (5%) of all schools.

10 2. At the time of its charter renewal, based on an average of
11 the current year and the two (2) prior operating years, a sponsor
12 may close a charter school site identified as being among the bottom
13 five percent (5%) of public schools in the state. The average of
14 the current year and two (2) prior operating years shall be
15 calculated by using the percentage ranking for each year as
16 determined pursuant to paragraph 1 of this subsection divided by
17 three.

18 3. If the school grading system is changed by the Legislature,
19 pursuant to Section 1210.545 of this title, and a charter school
20 site that was not ranked in the bottom five percent (5%) prior to
21 the change is then ranked in the bottom five percent (5%) following
22 the change, the higher of the two rankings shall be used to
23 calculate the ranking of the charter school site.

24

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

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

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

11 H. In making a school site closure decision pursuant to
12 subsection G of this section, the Board shall consider the
13 following:

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

17 2. High mobility of the student population resulting from the
18 specific purpose of the charter school;

19 3. Annual improvement in the performance of students enrolled
20 in the charter school compared with the performance of students
21 enrolled in the charter school in the immediately preceding school
22 year; and

23 4. Whether a majority of students attending the charter school
24 under consideration for closure would likely revert to attending

1 public schools with lower academic achievement, as determined by the
2 school site grade on the school report card issued pursuant to
3 Section 1210.545 of this title.

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

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

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

- 22 a. the transfer of students,
- 23 b. student records, and
- 24 c. school funds;

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

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

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

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

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

19 1. Provide the public charter school with a timely notification
20 of the prospect of revocation or nonrenewal and of the reasons for
21 such possible closure;

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

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

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

9 5. Permit the recording of the proceedings; and

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

12 L. If a sponsor revokes or does not renew a charter, the
13 sponsor shall clearly state in a resolution the reasons for the
14 revocation or nonrenewal.

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

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

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

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

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

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

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

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

22 B. Except for a charter school sponsored by the State Board of
23 Education, a charter school shall admit students who reside in the
24 attendance area of a school or in a school district that is under a

1 court order of desegregation or that is a party to an agreement with
2 the United States Department of Education Office for Civil Rights
3 directed towards mediating alleged or proven racial discrimination
4 unless notice is received from the resident school district that
5 admission of the student would violate the court order or agreement.

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

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

18 E. The sponsor of a charter school shall not restrict the
19 number of students the charter school may enroll. The capacity of
20 the charter school shall be determined annually by the governing
21 board of the charter school, taking into consideration the ability
22 of the charter school to facilitate the academic success of the
23 students, to achieve the other objectives specified in the charter

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1 contract and to ensure that student enrollment does not exceed the
2 capacity of the facility or site.

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

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

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

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

22 2. For the purpose of calculating weighted average daily
23 membership pursuant to Section 18-201.1 of this title and State Aid
24 pursuant to Section 18-200.1 of this title, the weighted average

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

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

20 D. A charter school, in addition to the money received from the
21 state, may receive money from any other source. Any unexpended
22 ~~nonstate funds, excluding local revenue,~~ may be reserved and used
23 for future purposes. If otherwise allowed by law, the governing
24 body of a charter school may enter into private contracts for the

1 purposes of borrowing money from lenders. If the governing body of
2 the charter school borrows money, the charter school shall be solely
3 responsible for repaying the debt. The state or the sponsor of the
4 charter school shall not in any way be responsible or obligated to
5 repay the debt of the charter school.

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

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

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

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14 COMMITTEE REPORT BY: COMMITTEE ON COMMON EDUCATION, dated 02/25/2015
15 - DO PASS, As Amended and Coauthored.

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