

1 **SENATE FLOOR VERSION**

2 April 6, 2015

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL NO. 1696

By: Denney and Jordan of the
House

and

Jolley of the Senate

8 COMMITTEE SUBSTITUTE

9
10 An Act relating to charter schools; amending 70 O.S.
11 2011, Section 3-132, as last amended by Section 1,
12 Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, Section
13 3-132), which relates to the Oklahoma Charter Schools
14 Act; modifying criteria for charter school sponsors;
15 removing certain sponsor; allowing the State Board of
16 Education to sponsor a certain number of charter
17 schools in counties with certain population; allowing
18 certain priority for charter schools; providing a
19 definition; amending 70 O.S. 2011, Section 3-134,
20 which relates to charter applications; modifying
21 certain financial plan requirement; adding certain
22 information required in application; providing for
23 location of certain charter schools sponsored by the
24 State Board of Education; allowing appeal of rejected
application; modifying option for certain binding
arbitration pursuant to certain rules; providing
option for certain sponsorship; providing powers and
duties of a charter school sponsor; directing charter
school sponsors to establish certain policies and
procedures; providing immunity from liability to
sponsors for certain activities; amending 70 O.S.
2011, Section 3-135, which relates to charter school
contracts; adding certain requirements for charter
school contracts; prohibiting serving students
without certain contract; allowing a sponsor to
establish certain requirements; providing criteria
for the establishment of performance framework;
prohibiting request for certain data; allowing
charter school contracts for multiple schools;

1 amending 70 O.S. 2011, Section 3-137, which relates
2 to contract terms; allowing contract renewal with
3 certain terms; requiring issuance of certain
4 performance report; providing deadline for response;
5 establishing renewal application guidelines;
6 providing for certain consideration in making certain
7 renewal decision; removing option for certain
8 mediation; directing the State Board of Education to
9 establish a charter school ranking list; providing
10 options for certain ranked charter schools; providing
11 for certain calculation under certain conditions;
12 directing the State Board of Education to consider
13 certain information; requiring a charter school
14 sponsor to appear before the State Board of Education
15 after certain decision; allowing the State Board of
16 Education to uphold or overturn certain decision;
17 prohibiting the granting of a charter under certain
18 conditions; exempting certain charter schools from
19 certain application; providing procedures for charter
20 school closure; directing charter school sponsors to
21 develop certain processes; requiring sponsor to state
22 certain reasons; requiring review of certain charter
23 proposal; amending 70 O.S. 2011, Section 3-140, as
24 last amended by Section 2, Chapter 212, O.S.L. 2013
(70 O.S. Supp. 2014, Section 3-140), which relates to
eligibility of students; prohibiting a charter school
sponsor from restricting certain enrollment;
providing mechanism for calculating certain capacity;
amending 70 O.S. 2011, Section 3-142, as amended by
Section 3, Chapter 212, O.S.L. 2013 (70 O.S. Supp.
2014, Section 3-142), which relates to funding;
modifying reference to unexpended funds; prohibiting
levying of taxes and issuance of bonds; allowing
charter schools to enter into certain borrowing
contracts; and directing responsibility for
repayment; ~~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~~ in the State of Oklahoma, provided such charter
12 school shall only be located within the geographical boundaries of
13 the sponsoring district and subject to the restrictions of Section
14 3-145.6 of this title;

15 2. ~~By a school district which has 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;~~

19 ~~3.~~ By a technology center school district if the charter school
20 is located in a school district served by the technology center
21 school district ~~and the school district has an average daily~~
22 ~~membership of five thousand (5,000) or more and~~ in which all or part
23 of the school district is located in a county having more than five
24

1 hundred thousand (500,000) population according to the latest
2 Federal Decennial Census;

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

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

20 ~~6.~~ 5. By a comprehensive or regional institution that is a
21 member of The Oklahoma State System of Higher Education if the
22 charter school is located in a school district that has a school
23 site that has been identified as in need of improvement by the State
24 Board of Education pursuant to the Elementary and Secondary

1 Education Act of 1965, as amended or reauthorized. In addition, the
2 institution shall have a teacher education program accredited by the
3 Oklahoma Commission for Teacher Preparation and have a branch campus
4 or constituent agency physically located within the school district
5 in which the charter school is located in the State of Oklahoma;

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

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

24

1 8. By the State Board of Education when the applicant has first
2 been denied a charter by the local school district in which it seeks
3 to operate. In counties with fewer than five hundred thousand
4 (500,000) population, according to the latest Federal Decennial
5 Census, the State Board of Education shall not sponsor more than
6 five charter schools per year each year for the first five (5) years
7 after the effective date of this act, with not more than one charter
8 school sponsored in a single school district per year. In order to
9 authorize a public charter school under this section, the State
10 Board of Education shall find evidence of all of the following:

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

21 B. An eligible non-school district sponsor shall give priority
22 to opening public charter schools that serve at-risk student
23 populations or students from low-performing transitional public
24 schools.

1 C. An eligible non-school district sponsor shall give priority
2 to applicants that have demonstrated a record of operating at least
3 one school or similar program that demonstrates academic success and
4 organizational viability and serves student populations similar to
5 those the proposed public charter school seeks to serve. In
6 assessing the potential for quality replication of a public charter
7 school, a sponsor shall consider the following factors before
8 approving a new site or school:

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

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

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

16 4. Any management organization involved in a potential
17 replication is fully vetted, and the academic, financial, and
18 operational records of the schools it operates are found to be
19 satisfactory;

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

23 6. A financial structure that ensures that funds attributable
24 to each public charter school within a network and required by law

1 to be utilized by a school remain with and are used to benefit that
2 school.

3 D. For purposes of the Oklahoma Charter Schools Act, "charter
4 school" means a public school established by contract with a board
5 of education of a school district, conversion charter school, an
6 area vocational-technical school district, a higher education
7 institution, a federally recognized Indian tribe, or the State Board
8 of Education pursuant to the Oklahoma Charter Schools Act to provide
9 learning that will improve student achievement and as defined in the
10 Elementary and Secondary Education Act of 1965, 20 U.S.C. 8065.

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

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

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

22 Section 3-134. A. For written applications filed after January
23 1, 2008, prior to submission of the application to a proposed
24 sponsor seeking to establish a charter school, the applicant shall

1 be required to complete training which shall not exceed ten (10)
2 hours provided by the State Department of Education on the process
3 and requirements for establishing a charter school. The Department
4 shall develop and implement the training by January 1, 2008. The
5 Department may provide the training in any format and manner that
6 the Department determines to be efficient and effective including,
7 but not limited to, web-based training.

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

12 1. A mission statement for the charter school;

13 2. A description including, but not limited to, background
14 information of the organizational structure and the governing body
15 of the charter school;

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

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

22 5. The name of the applicant or applicants and requested
23 sponsor;

24

- 1 6. A description of the facility and location of the charter
2 school;
- 3 7. A description of the grades being served;
- 4 8. An outline of criteria designed to measure the effectiveness
5 of the charter school;
- 6 9. A demonstration of support for the charter school from
7 residents of the school district which may include but is not
8 limited to a survey of the school district residents or a petition
9 signed by residents of the school district; ~~and~~
- 10 10. Documentation that the applicants completed charter school
11 training as set forth in subsection A of this section;
- 12 11. A description of the minimum and maximum enrollment planned
13 per year for each term of the charter contract;
- 14 12. The proposed calendar for the public charter school and
15 sample daily schedule;
- 16 13. Unless otherwise authorized by law or regulation, a
17 description of the academic program aligned with state standards;
- 18 14. A description of the instructional design of the public
19 charter school, including the type of learning environment, class
20 size and structure, curriculum overview, and teaching methods;
- 21 15. The plan for using internal and external assessments to
22 measure and report student progress on the performance framework
23 developed by the applicant in accordance with subsection C of
24 Section 3-135 of this title;

1 16. The plans for identifying and successfully serving students
2 with disabilities, students who are English language learners, and
3 students who are academically behind;

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

6 18. Plans and timelines for student recruitment and enrollment,
7 including lottery procedures;

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

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

16 21. A clear description of the roles and responsibilities for
17 the governing board, the leadership and management team for the
18 public charter school, and any other entities shown in the
19 organizational chart;

20 22. The leadership and teacher employment policies for the
21 public charter school;

22 23. Proposed governing bylaws;

1 24. Explanations of any partnerships or contractual
2 partnerships central to the operations or mission of the public
3 charter school;

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

6 26. Opportunities and expectations for parental involvement;

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

9 28. A description of the financial plan and policies for the
10 public charter school, including financial controls and audit
11 requirements;

12 29. A description of the insurance coverage the public charter
13 school will obtain;

14 30. Start-up and five-year budgets with clearly stated
15 assumptions;

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

18 32. Evidence of anticipated fundraising contributions, if
19 claimed in the application;

20 33. A sound facilities plan, including backup or contingency
21 plans if appropriate;

22 34. A requirement that the charter school governing board meet
23 at a minimum quarterly in the state and that for those charter
24 schools outside of counties with a population of five hundred

1 thousand (500,000) or more, that a majority of members are residents
2 within the geographic boundary of the sponsoring entity; and

3 35. A requirement that the charter school follow the
4 requirements of the Oklahoma Open Meeting Act and Oklahoma Open
5 Records Act.

6 C. A board of education of a public school district, public
7 body, public or private college or university, private person, or
8 private organization may contract with a sponsor to establish a
9 charter school. A private school shall not be eligible to contract
10 for a charter school under the provisions of the Oklahoma Charter
11 Schools Act.

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

1 The physical location of a charter school otherwise sponsored by the
2 State Board of Education pursuant to Section 3-132 of this title
3 shall be in the school district in which the application originated.

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

19 F. A board of education of a school district, board of
20 education of a technology center school district, higher education
21 institution, or federally recognized Indian tribe sponsor of a
22 charter school shall notify the State Board of Education when it
23 accepts sponsorship of a charter school. The notification shall
24 include a copy of the charter of the charter school.

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

22 H. If a board of education of a technology center school
23 district, a higher education institution, the State Board of
24 Education, or a federally recognized Indian tribe accepts

1 sponsorship of a charter school, the administrative, fiscal and
2 oversight responsibilities of the technology center school district,
3 the higher education institution, or the federally recognized Indian
4 tribe shall be listed in the contract. No responsibilities shall be
5 delegated to a school district unless the local school district
6 agrees to assume the responsibilities.

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

9 1. Provide oversight of the operations of public charter
10 schools in the state through annual performance reviews of public
11 charter schools and reauthorization of public charter schools for
12 which it is a sponsor;

13 2. Solicit and evaluate charter applications;

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

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

17 5. Negotiate and execute sound charter contracts with each
18 approved public charter school;

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

21 7. Determine whether each charter contract merits renewal,
22 nonrenewal or revocation.

23

24

1 J. Sponsors shall establish a procedure for accepting,
2 approving, and disapproving public charter school applications in
3 accordance with subsection E of this section.

4 K. Sponsors shall be required to develop and maintain
5 chartering policies and practices consistent with recognized
6 principles and standards for quality charter authorizing as
7 established by the State Department of Education in all major areas
8 of authorizing responsibility, including organizational capacity and
9 infrastructure, soliciting and evaluating charter applications,
10 performance contracting, ongoing public charter school oversight and
11 evaluation, and charter renewal decision-making.

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

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

17 Section 3-135. A. The sponsor of a charter school shall enter
18 into a written contract with the governing body of the charter
19 school. The contract shall incorporate the provisions of the
20 charter of the charter school and contain, but shall not be limited
21 to, the following provisions:

22 1. A description of the program to be offered by the school
23 which complies with the purposes outlined in Section ~~11 of this act~~
24 3-136 of this title;

1 2. Admission policies and procedures;

2 3. Management and administration of the charter school,
3 including that a majority of the charter governing board are
4 residents of the State of Oklahoma and meet no less than quarterly
5 in a public meeting within the boundaries of the school district in
6 which the charter school is located or within the State of Oklahoma
7 in the instance of multiple charter school locations by the same
8 sponsor;

9 4. Requirements and procedures for program and financial
10 audits;

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

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

14 7. The term of the contract;

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

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

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

1 11. Policies that require the public charter school to be
2 subject to the same academic standards and expectations as existing
3 public schools; and

4 12. A description of the requirements and procedures for the
5 charter school to receive funding in accordance with statutory
6 requirements and guidelines for existing public schools.

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

21 Upon contracting with any teacher or other personnel, the
22 governing body of the charter school shall, in writing, disclose
23 employment rights of the employees in the event the charter school
24 closes or the charter is not renewed.

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

4 The sponsor may establish reasonable preopening requirements or
5 conditions to monitor the start-up progress of newly approved public
6 charter schools and ensure that each school is prepared to open
7 smoothly on the date agreed and to ensure that each school meets all
8 building, health, safety, insurance, and other legal requirements
9 for the opening of a school.

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

22 1. Student academic proficiency;

23 2. Student academic growth;

- 1 3. Achievement gaps in both proficiency and growth between
2 major student subgroups;
- 3 4. Student attendance;
- 4 5. Recurrent enrollment from year to year as determined by the
5 methodology used for public schools in Oklahoma;
- 6 6. In the case of high schools, graduation rates as determined
7 by the methodology used for public schools in Oklahoma;
- 8 7. In the case of high schools, postsecondary readiness;
- 9 8. Financial performance and sustainability; and
- 10 9. Governing board performance and stewardship, including
11 compliance with all applicable laws, regulations, and terms of the
12 charter contract.

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

17 E. A charter contract may provide for one or more schools by an
18 applicant, to the extent approved by the sponsor and consistent with
19 applicable law. An applicant or the governing board of an applicant
20 may hold one or more charter contracts. Each public charter school
21 that is part of a charter contract shall be separate and distinct
22 from any other public charter school under the same charter
23 contract.

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

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

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

24

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 renewal application 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 school;

8 and

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

10 The renewal application 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 this act.

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

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

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, if requested by the charter school,
13 proceed to ~~mediation or binding arbitration or both~~ as provided for
14 in 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,

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

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

15 2. If there is a change to the calculation described in Section
16 1210.545 of this title that results in a charter school site that
17 was not ranked in the bottom five percent (5%) being ranked in the
18 bottom five percent (5%), then the sponsor shall use the higher of
19 the two rankings to calculate the ranking of the public charter
20 school site.

21 3. In the event that a sponsor fails to close a public charter
22 school site consistent with this subsection, the sponsor shall
23 appear before the State Board of Education to provide support for
24 its decision. The State Board of Education may, by majority vote,

1 uphold or overturn the sponsor's decision. If the sponsor's
2 decision is overturned by the State Board of Education, the State
3 Board of Education may implement one of the following actions:

4 a. transfer the sponsorship of the charter school
5 identified in this paragraph to another sponsor,

6 b. order the closure of the charter school identified in
7 this paragraph at the end of the current school year,
8 or

9 c. order the reduction of any administrative fee
10 collected by the sponsor that is applicable to the
11 charter school identified in this paragraph. The
12 reduction shall become effective at the beginning of
13 the month following the month of the sponsor's hearing
14 before the State Board of Education.

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

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

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

- 1 a. enrollment of students with special challenges such as
2 drug or alcohol addiction, prior withdrawal from
3 school, prior incarceration or other special
4 circumstances,
- 5 b. high mobility of the student population resulting from
6 the specific purpose of the charter school,
- 7 c. annual improvement in the performance of students
8 enrolled in the charter school compared with the
9 performance of students enrolled in the charter school
10 in the immediately preceding school year, and
- 11 d. whether a majority of students attending the charter
12 school under consideration for closure would likely
13 revert to attending public schools with lower academic
14 achievement, as demonstrated pursuant to Section
15 1210.545 of this title.

16 6. If the State Board of Education has closed or transferred
17 authorization of at least twenty-five percent (25%) of the charter
18 schools chartered by one sponsor pursuant to paragraph 3 of this
19 subsection, the sponsor's authority to authorize new charter schools
20 may be suspended by the State Board of Education until the State
21 Board of Education approves the sponsor to authorize new charter
22 schools. A determination under this paragraph to suspend a
23 sponsor's authority to authorize new charter schools shall identify
24

1 the deficiencies that, if corrected, will result in the approval of
2 the sponsor to authorize new charter schools.

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

6 1. Within two (2) calendar weeks of a final closure
7 determination, the sponsor shall meet with the governing board and
8 leadership of the public charter school to establish a transition
9 team composed of school staff, applicant staff, and others
10 designated by the applicant that will attend to the closure,
11 including the transfer of students, student records, and school
12 funds;

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

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

22 4. The sponsor and transition team shall ensure that all
23 necessary and prudent notifications are issued to agencies,
24

1 employees, insurers, contractors, creditors, debtors, and management
2 organizations; and

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

7 1. A sponsor shall develop revocation and nonrenewal processes
8 that are consistent with this act and that:

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

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

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

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

22 5. Permit the recording of the proceedings; and

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

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

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

14 2. After the State Board of Education conducts a hearing
15 pursuant to this subsection, the State Board of Education shall
16 either approve or deny the proposal.

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

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

22 ~~E.~~ M. If a contract is not renewed or is terminated according
23 to this section, a student who attended the charter school may
24

1 enroll in the resident school district of the student or may apply
2 for a transfer in accordance with Section 8-103 of this title.

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

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

1 1, 2010, shall give enrollment preference to eligible students who
2 reside within the boundaries of the school district in which the
3 charter school is located and who attend a school site that has been
4 identified as in need of improvement by the State Board of Education
5 pursuant to the Elementary and Secondary Education Act of 1965, as
6 amended or reauthorized. A charter school may limit admission to
7 students within a given age group or grade level. A charter school
8 sponsored by the State Board of Education when the applicant of the
9 charter school is the Office of Juvenile Affairs shall limit
10 admission to youth that are in the custody or supervision of the
11 Office of Juvenile Affairs.

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

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

1 who reside in the area qualify for the free or reduced school lunch
2 program.

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

8 E. A sponsor may not restrict the number of students a public
9 charter school may enroll. The capacity of the public charter
10 school shall be determined annually by the governing board of the
11 public charter school based on the public charter school's ability
12 to facilitate the academic success of its students, to achieve the
13 other objectives specified in the charter contract, and to ensure
14 that its student enrollment does not exceed the capacity of its
15 facility or site.

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

19 Section 3-142. A. For purposes of funding, a charter school
20 sponsored by a board of education of a school district shall be
21 considered a site within the school district in which the charter
22 school is located. The student membership of the charter school
23 shall be considered separate from the student membership of the
24 district in which the charter school is located for the purpose of

1 calculating weighted average daily membership pursuant to Section
2 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of
3 this title. For charter schools sponsored by a board of education
4 of a school district, the sum of the separate calculations for the
5 charter school and the school district shall be used to determine
6 the total State Aid allocation for the district in which the charter
7 school is located. A charter school shall receive from the
8 sponsoring school district, the State Aid allocation and any other
9 state-appropriated revenue generated by its students for the
10 applicable year, less up to five percent (5%) of the State Aid
11 allocation, which may be retained by the school district as a fee
12 for administrative services rendered. For charter schools sponsored
13 by the board of education of a technology center school district, a
14 higher education institution, the State Board of Education, or a
15 federally recognized Indian tribe and for statewide virtual charter
16 schools sponsored by the Statewide Virtual Charter School Board, the
17 State Aid allocation for the charter school shall be distributed by
18 the State Board of Education and not more than five percent (5%) of
19 the State Aid allocation may be charged by the sponsor as a fee for
20 administrative services rendered. The State Board of Education
21 shall determine the policy and procedure for making payments to a
22 charter school. The fee for administrative services as authorized
23 in this subsection shall only be assessed on the State Aid

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1 allocation amount and shall not be assessed on any other
2 appropriated amounts.

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

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

1 C. A charter school shall be eligible to receive any other aid,
2 grants or revenues allowed to other schools. A charter school
3 sponsored by the board of education of a technology center school
4 district, a higher education institution, the State Board of
5 Education, or a federally recognized Indian tribe shall be
6 considered a local education agency for purposes of funding. A
7 charter school sponsored by a board of education of a school
8 district shall be considered a local education agency for purposes
9 of federal funding.

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

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

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

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

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