

1 ENGROSSED HOUSE
2 BILL NO. 2755

By: Echols of the House

3 and

4 David of the Senate

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6
7 [schools - requiring school districts to give
8 charter schools the opportunity to submit capital
9 projects for bond proposals - modifying charter
10 school authority to issue bonds - effective date]
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13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 1. AMENDATORY 70 O.S. 2011, Section 15-101, is
15 amended to read as follows:

16 Section 15-101. A. Whenever it shall become necessary for the
17 board of education of any school district to raise sufficient funds
18 for the purchase of a school site or sites, or to erect or purchase
19 and equip a suitable school building or buildings, either or both,
20 or for the purpose of making repairs to an existing school building
21 or buildings, or for the purchase of school furniture and fixtures,
22 or for making improvements to any school site or sites, either or
23 both, it shall be lawful for such board of education to borrow money
24 for which it is hereby authorized and empowered to issue bonds

1 bearing a rate of interest not exceeding seven percent (7%) per
2 annum, payable semiannually, at such place as may be shown on the
3 face of such bonds, which bonds shall be payable serially as
4 otherwise provided by law in not more than twenty-five (25) years
5 from date; and the board of education is hereby authorized and
6 empowered to sell such bonds at not less than their par value;
7 provided, before any bonds shall be issued, the board of education
8 shall cause an election to be held in such district as herein
9 provided; provided, further, bonds may be voted in one issue and at
10 the same election for any or all of the purposes hereinbefore
11 enumerated.

12 B. Prior to causing an election on a bond proposal to be held,
13 any school district that sponsors a charter school pursuant to
14 paragraph 1 of subsection A of Section 3-132 of this title shall
15 give its sponsored charter schools the opportunity to submit capital
16 projects beneficial to the charter school for inclusion in the bond
17 proposal. If a sponsored charter school submits capital projects
18 for inclusion in the bond proposal, the board of education of the
19 school district and the charter school shall collaborate to ensure
20 that the value of the charter school's capital projects in the bond
21 proposal is at least proportional, as a percentage of the value of
22 the entire bond proposal, to the percentage of total students that
23 are enrolled in the charter school.

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1 C. Any property purchased as the result of a capital project
2 submitted by a sponsored charter school shall be owned by the school
3 district that issued the bonds. Except as otherwise provided in
4 this subsection, the charter school submitting the capital project
5 shall maintain possession and control of such property until
6 termination of or failure to renew the charter school contract as
7 provided in Section 3-137 of this title or the charter school fails
8 to continue operations. Provided that, if a charter continues
9 operation within the physical boundaries of the original school
10 district sponsor under a new charter sponsored by an entity
11 authorized pursuant to Section 3-132 of this title, the charter
12 school may maintain possession and control of the property for use
13 in the operation of the charter school until termination of or
14 failure to renew the subsequent charter school contract or the
15 charter school fails to continue operations. Upon termination of or
16 failure to renew the subsequent charter school contract or failure
17 to continue operations, possession and control of all property
18 purchased with bond proceeds shall be assumed by the school district
19 that owns the property.

20 D. For purposes of this section:

21 1. "Capital project" shall mean purchasing a school site or
22 sites, erecting or purchasing and equipping a suitable school
23 building or buildings, making repairs to an existing school building
24 or buildings, purchasing school furniture and fixtures, making

1 improvements to any school site or sites, or purchasing school
2 equipment including such equipment as enumerated in Sections 15-106
3 and 15-106.1 of this title; and

4 2. "Total students" shall mean the sum of the number of
5 students enrolled in traditional schools within the school district
6 plus the number of students enrolled in charter schools sponsored by
7 the school district.

8 SECTION 2. AMENDATORY 70 O.S. 2011, Section 3-136, as
9 amended by Section 1, Chapter 277, O.S.L. 2014 (70 O.S. Supp. 2020,
10 Section 3-136), is amended to read as follows:

11 Section 3-136. A. A charter school shall adopt a charter which
12 will ensure compliance with the following:

13 1. A charter school shall comply with all federal regulations
14 and state and local rules and statutes relating to health, safety,
15 civil rights and insurance. By January 1, 2000, the State
16 Department of Education shall prepare a list of relevant rules and
17 statutes which a charter school must comply with as required by this
18 paragraph and shall annually provide an update to the list;

19 2. A charter school shall be nonsectarian in its programs,
20 admission policies, employment practices, and all other operations.
21 A sponsor may not authorize a charter school or program that is
22 affiliated with a nonpublic sectarian school or religious
23 institution;

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1 3. The charter school may provide a comprehensive program of
2 instruction for a prekindergarten program, a kindergarten program or
3 any grade between grades one and twelve. Instruction may be
4 provided to all persons between the ages of four (4) and twenty-one
5 (21) years. A charter school may offer a curriculum which
6 emphasizes a specific learning philosophy or style or certain
7 subject areas such as mathematics, science, fine arts, performance
8 arts, or foreign language. The charter of a charter school which
9 offers grades nine through twelve shall specifically address whether
10 the charter school will comply with the graduation requirements
11 established in Section 11-103.6 of this title. No charter school
12 shall be chartered for the purpose of offering a curriculum for deaf
13 or blind students that is the same or similar to the curriculum
14 being provided by or for educating deaf or blind students that are
15 being served by the Oklahoma School for the Blind or the Oklahoma
16 School for the Deaf;

17 4. A charter school shall participate in the testing as
18 required by the Oklahoma School Testing Program Act and the
19 reporting of test results as is required of a school district. A
20 charter school shall also provide any necessary data to the Office
21 of Accountability;

22 5. Except as provided for in the Oklahoma Charter Schools Act
23 and its charter, a charter school shall be exempt from all statutes
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1 and rules relating to schools, boards of education, and school
2 districts;

3 6. A charter school, to the extent possible, shall be subject
4 to the same reporting requirements, financial audits, audit
5 procedures, and audit requirements as a school district. The State
6 Department of Education or State Auditor and Inspector may conduct
7 financial, program, or compliance audits. A charter school shall
8 use the Oklahoma Cost Accounting System to report financial
9 transactions to the sponsoring school district;

10 7. A charter school shall comply with all federal and state
11 laws relating to the education of children with disabilities in the
12 same manner as a school district;

13 8. A charter school shall provide for a governing body for the
14 school which shall be responsible for the policies and operational
15 decisions of the charter school;

16 9. A charter school shall not be used as a method of generating
17 revenue for students who are being home schooled and are not being
18 educated at an organized charter school site;

19 10. A charter school may not charge tuition or fees;

20 11. A charter school shall provide instruction each year for at
21 least the number of days required in Section 1-109 of this title;

22 12. A charter school shall comply with the student suspension
23 requirements provided for in Section 24-101.3 of this title;

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1 13. A charter school shall be considered a school district for
2 purposes of tort liability under The Governmental Tort Claims Act;

3 14. Employees of a charter school may participate as members of
4 the Teachers' Retirement System of Oklahoma in accordance with
5 applicable statutes and rules if otherwise allowed pursuant to law;

6 15. A charter school may participate in all health and related
7 insurance programs available to the employees of the sponsor of the
8 charter school;

9 16. A charter school shall comply with the Oklahoma Open
10 Meeting Act and the Oklahoma Open Records Act;

11 17. The governing body of a charter school shall be subject to
12 the same conflict of interest requirements as a member of a local
13 school board; and

14 18. No later than September 1 each year, the governing board of
15 each charter school formed pursuant to the Oklahoma Charter Schools
16 Act shall prepare a statement of actual income and expenditures for
17 the charter school for the fiscal year that ended on the preceding
18 June 30, in a manner compliant with Section 5-135 of this title.

19 The statement of expenditures shall include functional categories as
20 defined in rules adopted by the State Board of Education to
21 implement the Oklahoma Cost Accounting System pursuant to Section 5-
22 145 of this title. Charter schools shall not be permitted to submit
23 estimates of expenditures or prorated amounts to fulfill the
24 requirements of this paragraph.

1 B. The charter of a charter school shall include a description
2 of the personnel policies, personnel qualifications, and method of
3 school governance, and the specific role and duties of the sponsor
4 of the charter school.

5 C. The charter of a charter school may be amended at the
6 request of the governing body of the charter school and upon the
7 approval of the sponsor.

8 D. A charter school may enter into contracts and sue and be
9 sued.

10 E. The governing body of a charter school may not levy taxes or
11 issue bonds; provided, however, a charter school sponsored by the
12 board of education of a school district may submit capital projects
13 for inclusion in the school district's bond proposal as provided in
14 Section 15-101 of this title.

15 F. The charter of a charter school shall include a provision
16 specifying the method or methods to be employed for disposing of
17 real and personal property acquired by the charter school upon
18 expiration or termination of the charter or failure of the charter
19 school to continue operations. Except as otherwise provided, any
20 real or personal property purchased with state or local funds shall
21 be retained by the sponsoring school district. If a charter school
22 that was previously sponsored by the board of education of a school
23 district continues operation within the school district under a new
24 charter sponsored by an entity authorized pursuant to Section 3-132

1 of this title, the charter school may retain any personal property
2 purchased with state or local funds for use in the operation of the
3 charter school until termination of the new charter or failure of
4 the charter school to continue operations.

5 SECTION 3. AMENDATORY 70 O.S. 2011, Section 3-142, as
6 last amended by Section 1, Chapter 122, O.S.L. 2020 (70 O.S. Supp.
7 2020, Section 3-142), is amended to read as follows:

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

1 for administrative services rendered. For charter schools sponsored
2 by the board of education of a technology center school district, a
3 higher education institution, the State Board of Education, or a
4 federally recognized Indian tribe and for statewide virtual charter
5 schools sponsored by the Statewide Virtual Charter School Board, the
6 State Aid allocation for the charter school shall be distributed by
7 the State Board of Education and not more than three percent (3%) of
8 the State Aid allocation may be charged by the sponsor as a fee for
9 administrative services rendered. The State Board of Education
10 shall determine the policy and procedure for making payments to a
11 charter school. The fee for administrative services as authorized
12 in this subsection shall only be assessed on the State Aid
13 allocation amount and shall not be assessed on any other
14 appropriated amounts. A sponsor of a charter school shall not
15 retain any additional State Aid allocation or charge the charter
16 school any additional fee above the amounts allowed by this
17 subsection unless the additional fees are for additional services
18 rendered. The charter school sponsor shall provide to the State
19 Department of Education financial records documenting any state
20 funds retained by the sponsor for administrative services rendered
21 for the previous year.

22 B. 1. The weighted average daily membership for the first year
23 of operation of a charter school shall be determined initially by
24 multiplying the actual enrollment of students as of August 1 by

1 1.333. The charter school shall receive revenue equal to that which
2 would be generated by the estimated weighted average daily
3 membership calculated pursuant to this paragraph. At midyear, the
4 allocation for the charter school shall be adjusted using the first
5 quarter weighted average daily membership for the charter school
6 calculated pursuant to subsection A of this section.

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

20 C. A charter school shall be eligible to receive any other aid,
21 grants or revenues allowed to other schools. A charter school
22 sponsored by the 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 shall be

1 considered a local education agency for purposes of funding. A
2 charter school sponsored by a board of education of a school
3 district shall be considered a local education agency for purposes
4 of federal funding.

5 D. A charter school, in addition to the money received from the
6 state, may receive money from any other source. Any unexpended
7 funds may be reserved and used for future purposes. The governing
8 body of a charter school shall not levy taxes or issue bonds;
9 provided, however, a charter school sponsored by the board of
10 education of a school district may submit capital projects for
11 inclusion in the school district's bond proposal as provided in
12 Section 15-101 of this title. If otherwise allowed by law, the
13 governing body of a charter school may enter into private contracts
14 for the purposes of borrowing money from lenders. If the governing
15 body of the charter school borrows money, the charter school shall
16 be solely responsible for repaying the debt, and the state or the
17 sponsor shall not in any way be responsible or obligated to repay
18 the debt.

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

21 F. Except as otherwise provided in this subsection, each
22 charter school shall pay to the Charter School Closure Reimbursement
23 Revolving Fund created in subsection G of this section an amount
24 equal to Five Dollars (\$5.00) per student based on average daily

1 membership, as defined by paragraph 2 of Section 18-107 of this
2 title, during the first nine (9) weeks of the school year. Each
3 charter school shall complete the payment every school year within
4 thirty (30) days after the first nine (9) weeks of the school year.
5 If the Charter School Closure Reimbursement Revolving Fund has a
6 balance of One Million Dollars (\$1,000,000.00) or more on July 1, no
7 payment shall be required the following school year.

8 G. There is hereby created in the State Treasury a revolving
9 fund for the State Department of Education to be designated the
10 "Charter School Closure Reimbursement Revolving Fund". The fund
11 shall be a continuing fund, not subject to fiscal year limitations,
12 and shall consist of all monies received by the State Department of
13 Education from charter schools as provided in subsection F of this
14 section. All monies accruing to the credit of said fund are hereby
15 appropriated and may be budgeted and expended by the State
16 Department of Education for the purpose of reimbursing charter
17 school sponsors for costs incurred due to the closure of a charter
18 school. Expenditures from said fund shall be made upon warrants
19 issued by the State Treasurer against claims filed as prescribed by
20 law with the Director of the Office of Management and Enterprise
21 Services for approval and payment. The State Department of
22 Education may promulgate rules regarding sponsor eligibility for
23 reimbursement.

24 SECTION 4. This act shall become effective November 1, 2021.

1 Passed the House of Representatives the 9th day of March, 2021.

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4 Presiding Officer of the House
of Representatives

5 Passed the Senate the ____ day of _____, 2021.

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9 Presiding Officer of the Senate