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An Act relating to schools; amending 70 O.S. 2011, Sections 3-135, as amended by Section 3, Chapter 170, O.S.L. 2015, 3-136, as amended by Section 1, Chapter 277, O.S.L. 2014, 3-137, as last amended by Section 1, Chapter 42, O.S.L. 2016 and 3-142, as last amended by Section 9 of Enrolled Senate Bill No. 1064 of the 1st Session of the 58th Oklahoma Legislature (70 O.S. Supp. 2020, Sections 3-135, 3-136 and 3-137), which relate to the Oklahoma Charter Schools Act; requiring charter school to provide certain notice to sponsor; directing sponsor to use performance framework for charter school evaluation; authorizing development of certain separate framework; adding minimum requirements for framework; mandating annual evaluation; directing presentation of results to certain governing boards; defining term; subjecting charter school to certain spending limitations; prohibiting charter school from providing instruction to certain students; directing charter school governing board to comply with certain acts; subjecting charter school sponsor governing board to certain conflict of interest requirements; modifying procedures for charter school contracts; requiring sponsor to develop a corrective action plan; authorizing nonrenewal of contract in certain cases; specifying how sponsor fee should be used; requiring sponsor to publish certain report on its website; amending Section 5, Chapter 367, O.S.L. 2012, as last amended by Section 2, Chapter 27, O.S.L. 2020 (70 O.S. Supp. 2020, Section 3-145.3), which relates to duties of the Statewide Virtual Charter School Board; requiring compliance with the Oklahoma Charter Schools Act; modifying limitation on fee for administrative expenses and support; subjecting certain charter schools to the same purchasing

1 procedures and compliance requirements as school  
2 districts; prohibiting commingling of certain school  
3 funds; modifying instruction and continuing education  
4 obligations for certain governing board members;  
5 establishing requirements for governing boards which  
6 contract with educational management organizations;  
7 prescribing duties for board membership; requiring  
8 State Department of Education and sponsor to publish  
9 certain contracts on their websites; directing  
10 Department to publish list of fees paid; subjecting  
11 certain board members to instruction and continuing  
12 education requirements; prohibiting certain conflicts  
13 of interest and pecuniary gain; disallowing certain  
14 appointments or selections of members; requiring  
15 sponsor board members to complete instruction and  
16 continuing education requirements; specifying entity  
17 to pay for instruction and continuing education;  
18 prescribing requirements for instruction and  
19 continuing education; defining term; designating  
20 certain funds as public funds; prohibiting transfer  
21 or conversion of state funds to private funds;  
22 clarifying provision; requiring payments from charter  
23 schools to comply with certain provisions; directing  
24 organization to provide certain documents; subjecting  
certain funds to audit, transparency, oversight and  
financial reporting; requiring certain funds to  
remain public funds; prescribing grade for  
participation in certain extracurricular or  
educational activities; declaring certain property to  
remain public property of the charter school;  
mandating an operating agreement review of certain  
charter schools; establishing procedures for review;  
requiring written agreement for certain expenditures;  
mandating criminal history record checks for certain  
personnel; prescribing process and payment of checks;  
prohibiting certain activities by educational  
management organizations; amending Section 2, Chapter  
272, O.S.L. 2019 (70 O.S. Supp. 2020, Section 5-200),  
which relates to educational management  
organizations; requiring amounts paid to certain  
organizations be pursuant to contract terms;  
mandating disclosure pursuant to certain guidelines;  
amending 70 O.S. 2011, Section 18-124, which relates  
to limitations on administrative services  
expenditures; providing applicability of limitation  
to certain charter schools; clarifying calculation  
for specified schools; modifying definition;

1 providing for codification; providing an effective  
2 date; and declaring an emergency.

3  
4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

5 SECTION 1. AMENDATORY 70 O.S. 2011, Section 3-135, as  
6 amended by Section 3, Chapter 170, O.S.L. 2015 (70 O.S. Supp. 2020,  
7 Section 3-135), is amended to read as follows:

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

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

16 2. Admission policies and procedures;

17 3. Management and administration of the charter school,  
18 including that a majority of the charter governing board members are  
19 residents of the State of Oklahoma and meet no less than quarterly  
20 in a public meeting within the boundaries of the school district in  
21 which the charter school is located or within the State of Oklahoma  
22 in the instance of multiple charter school locations by the same  
23 sponsor;

- 1        4. Requirements and procedures for program and financial  
2 audits;
- 3        5. A description of how the charter school will comply with the  
4 charter requirements set forth in the Oklahoma Charter Schools Act;
- 5        6. Assumption of liability by the charter school;
- 6        7. The term of the contract;
- 7        8. A description of the high standards of expectation and rigor  
8 for charter school plans and assurance that charter school plans  
9 adopted meet at least those standards;
- 10       9. Policies that require that the charter school be as equally  
11 free and open to all students as traditional public schools;
- 12       10. Procedures that require students enrolled in the charter  
13 school to be selected by lottery to ensure fairness if more students  
14 apply than a school has the capacity to accommodate;
- 15       11. Policies that require the charter school to be subject to  
16 the same academic standards and expectations as existing public  
17 schools; ~~and~~
- 18       12. A description of the requirements and procedures for the  
19 charter school to receive funding in accordance with statutory  
20 requirements and guidelines for existing public schools; and
- 21       13. A requirement to promptly notify the sponsor in the  
22 instance of any significant adverse actions, material findings of  
23 noncompliance, or pending actions, claims or proceedings in this  
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1 state relating to the charter school or an educational management  
2 organization with which the charter school has a contract.

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

17 Upon contracting with any teacher or other personnel, the  
18 governing ~~body~~ board of the charter school shall, in writing,  
19 disclose employment rights of the employees in the event the charter  
20 school closes or the charter is not renewed.

21 No charter school may begin serving students without a charter  
22 contract executed in accordance with the provisions of the Oklahoma  
23 Charter Schools Act and approved in an open meeting of the sponsor.  
24 The sponsor may establish reasonable preopening requirements or

1 conditions to monitor the start-up progress of newly approved  
2 charter schools and ensure that each school is prepared to open  
3 smoothly on the date agreed and to ensure that each school meets all  
4 building, health, safety, insurance and other legal requirements for  
5 the opening of a school.

6 C. The performance provisions within the charter contract shall  
7 be based on a performance framework that clearly sets forth the  
8 academic and operational performance indicators, ~~measures and~~  
9 ~~metrics that will guide the evaluations of the~~ shall be used by  
10 charter school sponsors to evaluate their respective charter school  
11 by the sponsor schools. The sponsor may develop a separate  
12 performance framework to evaluate a charter school that has been  
13 designated by the State Department of Education as implementing an  
14 alternative education program throughout the charter school. The  
15 sponsor shall require a charter school to submit the data required  
16 in this section in the identical format that is required by the  
17 State Department of Education of all public schools in order to  
18 avoid duplicative administrative efforts or allow a charter school  
19 to provide permission to the Department to share all required data  
20 with the sponsor of the charter school. The performance framework  
21 shall serve as the minimum requirement for charter school  
22 performance evaluation and shall include, but not be limited to, the  
23 following indicators, ~~measures and metrics for, at a minimum:~~

24 1. Student academic proficiency;

- 1        2. Student academic growth;
- 2        3. Achievement gaps in both proficiency and growth between
- 3 major student subgroups;
- 4        4. Student attendance;
- 5        5. Recurrent enrollment from year to year as determined by the
- 6 methodology used for public schools in Oklahoma;
- 7        6. In the case of high schools, graduation rates as determined
- 8 by the methodology used for public schools in Oklahoma;
- 9        7. In the case of high schools, postsecondary readiness;
- 10       8. Financial performance and sustainability and compliance with
- 11 state and Internal Revenue Service financial reporting requirements;
- 12 ~~and~~
- 13       9. Audit findings or deficiencies;
- 14       10. Accreditation and timely reporting; and
- 15       11. Governing board performance and stewardship, including
- 16 compliance with all applicable laws, regulations and terms of the
- 17 charter contract.

18 The sponsor shall annually evaluate its charter schools according to

19 the performance framework. The results of the evaluation shall be

20 presented to the governing board of the charter school and the

21 governing board of the charter school sponsor in an open meeting and

22 posted on the website of the charter school.

23        D. The sponsor shall not request any metric or data from a

24 charter school that it does not produce or publish for all school

1 sites in the district or under its sponsorship, unless the metric or  
2 data is unique to a charter school.

3 E. A charter contract may provide for one or more schools by an  
4 applicant to the extent approved by the sponsor and consistent with  
5 applicable law. An applicant or the governing board of an applicant  
6 may hold one or more charter contracts. Each charter school that is  
7 part of a charter contract shall be separate and distinct from any  
8 other charter school under the same charter contract. For the  
9 purposes of this subsection, "separate and distinct" shall mean a  
10 charter school governing board with oversight of more than one  
11 charter school shall not combine accounting, budgeting,  
12 recordkeeping, admissions, employment or policies and operational  
13 decisions of the charter schools it oversees.

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

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

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



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

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

22           4. A charter school shall participate in the testing as  
23 required by the Oklahoma School Testing Program Act and the  
24 reporting of test results as is required of a school district. A

1 charter school shall also provide any necessary data to the Office  
2 of Accountability;

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

7 6. A charter school, ~~to the extent possible,~~ shall be subject  
8 to the same reporting requirements, financial audits, audit  
9 procedures, and audit requirements as a school district. The State  
10 Department of Education or State Auditor and Inspector may conduct  
11 financial, program, or compliance audits. A charter school shall  
12 use the Oklahoma Cost Accounting System to report financial  
13 transactions to the sponsoring school district or sponsor. The  
14 charter school shall be subject to the limitations on spending  
15 including provisions of the Oklahoma Constitution for any funds  
16 received from the state, either through the State Department of  
17 Education or other sources;

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

21 8. A charter school shall provide for a governing ~~body~~ board  
22 for the school which shall be responsible for the policies and  
23 operational decisions of the charter school;

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1           9. A charter school shall not provide or otherwise supplement  
2 instruction of students enrolled in private schools or be used as a  
3 method of generating revenue for students who are being home  
4 schooled and are not being educated at an organized charter school  
5 site;

6           10. A charter school ~~may~~ shall not charge tuition or fees;

7           11. A charter school shall provide instruction each year for at  
8 least the number of days or hours required in Section 1-109 of this  
9 title;

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

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

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

17          15. A charter school may participate in all health and related  
18 insurance programs available to the employees of the sponsor of the  
19 charter school;

20          16. A charter school and charter school governing board shall  
21 comply with the Oklahoma Open Meeting Act and the Oklahoma Open  
22 Records Act;

23          17. The governing ~~body~~ board of a charter school and the  
24 governing board of a charter school sponsor shall be subject to the

1 same conflict of interest requirements as a member of a local school  
2 board; and

3 18. No later than September 1 of each year, the governing board  
4 of each charter school formed pursuant to the Oklahoma Charter  
5 Schools Act shall prepare a statement of actual income and  
6 expenditures for the charter school for the fiscal year that ended  
7 on the preceding June 30, in a manner compliant with Section 5-135  
8 of this title. The statement of expenditures shall include  
9 functional categories as defined in rules adopted by the State Board  
10 of Education to implement the Oklahoma Cost Accounting System  
11 pursuant to Section 5-145 of this title. Charter schools shall not  
12 be permitted to submit estimates of expenditures or prorated amounts  
13 to fulfill the requirements of this paragraph.

14 B. The charter of a charter school shall include a description  
15 of the personnel policies, personnel qualifications, and method of  
16 school governance, and the specific role and duties of the sponsor  
17 of the charter school.

18 C. The charter of a charter school may be amended at the  
19 request of the governing ~~body~~ board of the charter school and upon  
20 the approval of the sponsor.

21 D. A charter school may enter into contracts and sue and be  
22 sued.

23 E. The governing ~~body~~ board of a charter school ~~may~~ shall not  
24 levy taxes or issue bonds.

1 F. The charter of a charter school shall include a provision  
2 specifying the method or methods to be employed for disposing of  
3 real and personal property acquired by the charter school upon  
4 expiration or termination of the charter or failure of the ~~charter~~  
5 school to continue operations. Except as otherwise provided, any  
6 real or personal property purchased with state or local funds shall  
7 be retained by the sponsoring school district or sponsor of the  
8 charter school. If a charter school that was previously sponsored  
9 by the board of education of a school district continues operation  
10 within the school district under a new charter sponsored by an  
11 entity authorized pursuant to Section 3-132 of this title, the  
12 charter school may retain any personal property purchased with state  
13 or local funds for use in the operation of the charter school until  
14 termination of the new charter or failure of the charter school to  
15 continue operations.

16 SECTION 3. AMENDATORY 70 O.S. 2011, Section 3-137, as  
17 last amended by Section 1, Chapter 42, O.S.L. 2016 (70 O.S. Supp.  
18 2020, Section 3-137), is amended to read as follows:

19 Section 3-137. A. ~~An~~ The first approved contract ~~for~~ between a  
20 charter school and its sponsor shall be effective for five (5) years  
21 from the first day of operation. A charter contract may be renewed  
22 for successive five-year terms of duration, although the sponsor may  
23 vary the term based on the performance, demonstrated capacities and  
24 particular circumstances of each charter school. A sponsor may

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

3 B. Prior to the beginning of the fourth year of operation of a  
4 charter school, the sponsor shall issue a charter school performance  
5 report and charter renewal application guidance to the school and  
6 the charter school board. The performance report shall summarize  
7 the performance record to date of the charter school, based on the  
8 data required by the Oklahoma Charter Schools Act, the annual  
9 performance framework evaluation, the operating agreement review if  
10 the charter school contracts with an educational management  
11 organization and the charter contract and taking into consideration  
12 the percentage of at-risk students enrolled in the school, ~~and~~. The  
13 performance report shall provide notice of any weaknesses ~~or~~,  
14 concerns, violations or deficiencies perceived by the sponsor  
15 concerning the charter school that may jeopardize its position in  
16 seeking renewal if not timely rectified, and the charter school  
17 sponsor shall develop a corrective action plan and corresponding  
18 timeline to remedy any violations or deficiencies. The charter  
19 school shall have forty-five (45) days to respond to the performance  
20 report and submit any corrections or clarifications for the report.  
21 If the charter school does not substantially complete a corrective  
22 action plan developed by the sponsor, the sponsor may nonrenew the  
23 charter contract pursuant to the requirements of this section.

24

1 C. 1. Prior to the beginning of the fifth year of operation,  
2 the 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 charter school to:

- 5 a. present additional evidence, beyond the data contained  
6 in the performance report, supporting its case for  
7 charter renewal,
- 8 b. describe improvements undertaken or planned for the  
9 school, and
- 10 c. detail the plan for the next charter term for the  
11 school.

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

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

1 1. Ground decisions on evidence of the performance of the  
2 school over the term of the charter contract in accordance with the  
3 performance framework set forth in the charter contract and shall  
4 take into consideration the percentage of at-risk students enrolled  
5 in the school;

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

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

12 4. Provide a public report summarizing the evidence used as the  
13 basis for each decision.

14 E. If a sponsor denies a request for renewal, the governing  
15 board of the sponsor may, if requested by the charter school,  
16 proceed to binding arbitration as provided for in subsection G of  
17 Section 3-134 of this title.

18 F. A sponsor may terminate a contract during the term of the  
19 contract for failure to meet the requirements for student  
20 performance contained in the contract and performance framework,  
21 failure to meet the standards of fiscal management, violations of  
22 the law or other good cause. The sponsor shall give at least ninety  
23 (90) days' written notice to the governing board prior to  
24 terminating the contract. The governing board may request, in



1 writing, an informal hearing before the sponsor within fourteen (14)  
2 days of receiving notice. The sponsor shall conduct an informal  
3 hearing before taking action. If a sponsor decides to terminate a  
4 contract, the governing board may, if requested by the charter  
5 school, proceed to binding arbitration as provided for in subsection  
6 G of Section 3-134 of this title.

7 G. 1. Beginning in the 2016-2017 school year, the State Board  
8 of Education shall identify charter schools in the state that are  
9 ranked in the bottom five percent (5%) of all public schools as  
10 determined pursuant to Section 1210.545 of this title.

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

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

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

- 8           a. transfer the sponsorship of the charter school  
9           identified in this paragraph to another sponsor,
- 10          b. order the closure of the charter school identified in  
11          this paragraph at the end of the current school year,  
12          or
- 13          c. order the reduction of any administrative fee  
14          collected by the sponsor that is applicable to the  
15          charter school identified in this paragraph. The  
16          reduction shall become effective at the beginning of  
17          the month following the month the hearing of the  
18          sponsor is held by the State Board of Education.

19           5. A charter school that is closed by the State Board of  
20 Education pursuant to paragraph 4 of this subsection shall not be  
21 granted a charter by any other sponsor.

22           6. The requirements of this subsection shall not apply to a  
23 charter school that has been designated by the State Department of  
24

1 Education as implementing an alternative education program  
2 throughout the charter school.

3 7. In making a school site closure decision, the State Board of  
4 Education shall consider the following:

- 5 a. enrollment of students with special challenges such as  
6 drug or alcohol addiction, prior withdrawal from  
7 school, prior incarceration or other special  
8 circumstances,
- 9 b. high mobility of the student population resulting from  
10 the specific purpose of the charter school,
- 11 c. annual improvement in the performance of students  
12 enrolled in the charter school compared with the  
13 performance of students enrolled in the charter school  
14 in the immediately preceding school year, and
- 15 d. whether a majority of students attending the charter  
16 school under consideration for closure would likely  
17 revert to attending public schools with lower academic  
18 achievement, as demonstrated pursuant to Section  
19 1210.545 of this title.

20 8. If the State Board of Education has closed or transferred  
21 authorization of at least twenty-five percent (25%) of the charter  
22 schools chartered by one sponsor pursuant to paragraph 4 of this  
23 subsection, the authority of the sponsor to authorize new charter  
24 schools may be suspended by the Board until the Board approves the

1 sponsor to authorize new charter schools. A determination under  
2 this paragraph to suspend the authority of a sponsor to authorize  
3 new charter schools shall identify the deficiencies that, if  
4 corrected, will result in the approval of the sponsor to authorize  
5 new charter schools.

6 H. If a sponsor terminates a contract or the charter school is  
7 closed, the closure shall be conducted in accordance with the  
8 following protocol:

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

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

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

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

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

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

7 I. A sponsor shall develop revocation and nonrenewal processes  
8 that are consistent with the Oklahoma Charter Schools Act and that:

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

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

14 3. Provide the charter school with an opportunity to submit  
15 documents and give testimony in a public hearing challenging the  
16 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 charter school access to representation by counsel  
21 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~~ board 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 proposal of the organizer 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 Board shall either approve or deny  
16 the proposal.

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

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

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

3 SECTION 4. AMENDATORY 70 O.S. 2011, Section 3-142, as  
4 last amended by Section 9 of Enrolled Senate Bill No. 1064 of the  
5 1st Session of the 58th Oklahoma Legislature, is amended to read as  
6 follows:

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

1 the fee for administrative services shall be used by the sponsor to  
2 provide oversight and services to the charter schools it sponsors.  
3 A charter school sponsor shall publish a detailed report on its  
4 website listing expenses related to oversight and services provided  
5 by the sponsor to its charter schools. For charter schools  
6 sponsored by the board of education of a technology center school  
7 district, a higher education institution, the State Board of  
8 Education, or a federally recognized Indian tribe and for statewide  
9 virtual charter schools sponsored by the Statewide Virtual Charter  
10 School Board, the State Aid allocation for the charter school shall  
11 be distributed by the State Board of Education and not more than  
12 three percent (3%) of the State Aid allocation may be charged by the  
13 sponsor as a fee for administrative services rendered. The State  
14 Board of Education shall determine the policy and procedure for  
15 making payments to a charter school. The fee for administrative  
16 services as authorized in this subsection shall only be assessed on  
17 the State Aid allocation amount and shall not be assessed on any  
18 other appropriated amounts. A sponsor of a charter school shall not  
19 retain any additional State Aid allocation or charge the charter  
20 school any additional fee above the amounts allowed by this  
21 subsection unless the additional fees are for additional services  
22 rendered. The charter school sponsor shall provide to the State  
23 Department of Education financial records documenting any state  
24



1 funds retained by the sponsor for administrative services rendered  
2 for the previous year.

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 of a full-time  
16 statewide virtual charter school sponsored by the Statewide Virtual  
17 Charter School Board shall be determined initially by multiplying  
18 the actual enrollment of students as of August 1 by 1.333. The  
19 full-time virtual charter school shall receive revenue equal to that  
20 which would be generated by the estimated weighted average daily  
21 membership calculated pursuant to this paragraph. At midyear, the  
22 allocation for the full-time statewide virtual charter school shall  
23 be adjusted using the first quarter weighted average daily  
24

1 membership for the virtual charter school calculated pursuant to  
2 subsection A of this section.

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

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

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

24

1 F. Except as otherwise provided in this subsection, each  
2 charter school shall pay to the Charter School Closure Reimbursement  
3 Revolving Fund created in subsection G of this section an amount  
4 equal to Five Dollars (\$5.00) per student based on average daily  
5 membership, as defined by paragraph 2 of Section 18-107 of this  
6 title, during the first nine (9) weeks of the school year. Each  
7 charter school shall complete the payment every school year within  
8 thirty (30) days after the first nine (9) weeks of the school year.  
9 If the Charter School Closure Reimbursement Revolving Fund has a  
10 balance of One Million Dollars (\$1,000,000.00) or more on July 1, no  
11 payment shall be required the following school year.

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

1 Services for approval and payment. The State Department of  
2 Education may promulgate rules regarding sponsor eligibility for  
3 reimbursement.

4 SECTION 5. AMENDATORY Section 5, Chapter 367, O.S.L.  
5 2012, as last amended by Section 2, Chapter 27, O.S.L. 2020 (70 O.S.  
6 Supp. 2020, Section 3-145.3), is amended to read as follows:

7 Section 3-145.3 A. Subject to the requirements of the Oklahoma  
8 Charter Schools Act, the Statewide Virtual Charter School Board  
9 shall:

10 1. Provide oversight of the operations of statewide virtual  
11 charter schools in this state;

12 2. Establish a procedure for accepting, approving and  
13 disapproving statewide virtual charter school applications and a  
14 process for renewal or revocation of approved charter school  
15 contracts which minimally meet the procedures set forth in the  
16 Oklahoma Charter Schools Act;

17 3. Make publicly available a list of supplemental online  
18 courses which have been reviewed and certified by the Statewide  
19 Virtual Charter School Board to ensure that the courses are high  
20 quality options and are aligned with the subject matter standards  
21 adopted by the State Board of Education pursuant to Section 11-103.6  
22 of this title. The Statewide Virtual Charter School Board shall  
23 give special emphasis on listing supplemental online courses in  
24 science, technology, engineering and math (STEM), foreign language

1 and advanced placement courses. School districts shall not be  
2 limited to selecting supplemental online courses that have been  
3 reviewed and certified by the Statewide Virtual Charter School Board  
4 and listed as provided for in this paragraph; and

5 4. In conjunction with the Office of Management and Enterprise  
6 Services, negotiate and enter into contracts with supplemental  
7 online course providers to offer a state rate price to school  
8 districts for supplemental online courses that have been reviewed  
9 and certified by the Statewide Virtual Charter School Board and  
10 listed as provided for in paragraph 3 of this subsection.

11 B. Except as otherwise provided by law, each statewide virtual  
12 charter school which has been approved and sponsored by the Board  
13 shall be subject to and comply with the requirements of the Oklahoma  
14 Charter Schools Act. Each statewide virtual charter school which  
15 has been approved and sponsored by the Board or any virtual charter  
16 school for which the Board has assumed sponsorship ~~of~~ as provided  
17 for in Section 3-145.5 of this title shall be considered a statewide  
18 virtual charter school and, except as provided in subsection H of  
19 this section, the geographic boundaries of each statewide virtual  
20 charter school shall be the borders of the state.

21 C. Each statewide virtual charter school approved by the  
22 Statewide Virtual Charter School Board shall be eligible to receive  
23 federal funds generated by students enrolled in the charter school  
24 for the applicable year. Each statewide virtual charter school

1 shall be considered a separate local education agency for purposes  
2 of reporting and accountability.

3 D. As calculated as provided for in Section 3-142 of this  
4 title, a statewide virtual charter school shall receive the State  
5 Aid allocation and any other state-appropriated revenue generated by  
6 students enrolled in the virtual charter school for the applicable  
7 year, less up to ~~five percent (5%)~~ three percent (3%) of the State  
8 Aid allocation, which may be retained by the Statewide Virtual  
9 Charter School Board for administrative expenses and to support the  
10 mission of the Board. A statewide virtual charter school shall be  
11 eligible for any other funding any other charter school is eligible  
12 for as provided for in Section 3-142 of this title. ~~Each statewide~~  
13 ~~virtual charter school shall be considered a separate local~~  
14 ~~education agency for purposes of reporting and accountability.~~

15 E. A virtual charter school or a charter school which contracts  
16 with an educational management organization shall be subject to the  
17 same reporting requirements, financial audits, audit procedures and  
18 audit requirements as a school district and the compliance  
19 requirements provided in Section 3-136 of this title. The State  
20 Department of Education or State Auditor and Inspector may conduct  
21 financial, program or compliance audits. A virtual charter school  
22 or a charter school which contracts with an educational management  
23 organization shall use the Oklahoma Cost Accounting System (OCAS) to  
24 report financial transactions to the State Department of Education.

1 An educational management organization, as defined in Section 5-200  
2 of this title, which contracts with more than one school district  
3 shall not commingle funds of the schools.

4 F. A virtual charter school governing ~~body~~ board shall be  
5 responsible for the policies that govern the operational decisions  
6 of the virtual charter school. The governing ~~body~~ board of a  
7 virtual charter school shall be subject to the same conflict of  
8 interest requirements as a member of a local school board including,  
9 but not limited to, Sections 5-113 and 5-124 of this title. Members  
10 appointed to the governing ~~body~~ board of a virtual charter school  
11 ~~after July 1, 2019,~~ shall be subject to the same instruction and  
12 continuing education requirements as a member of a local school  
13 board and pursuant to Section 5-110 of this title, complete twelve  
14 (12) hours of instruction within fifteen (15) months of appointment  
15 to the governing ~~body~~ board, and pursuant to Section 5-110.1 of this  
16 title, attend continuing education. The instruction and continuing  
17 education shall include a minimum of two (2) hours of instruction  
18 and continuing education by the State Auditor and Inspector or an  
19 entity approved by the State Auditor and Inspector. Members  
20 appointed to the governing board of a virtual charter school prior  
21 to July 1, 2019, shall comply with the requirements of this  
22 subsection and, within fifteen (15) months of the effective date of  
23 this act, shall complete twelve (12) hours of instruction pursuant  
24 to Section 5-110 of this title.

1 G. Students enrolled full-time in a statewide virtual charter  
2 school sponsored by the Statewide Virtual Charter School Board shall  
3 not be authorized to participate in any activities administered by  
4 the Oklahoma Secondary Schools Activities Association. However, the  
5 students may participate in intramural activities sponsored by a  
6 statewide virtual charter school, an online provider for the charter  
7 school or any other outside organization.

8 H. 1. Beginning with the 2021-2022 school year, public school  
9 students who wish to enroll in a virtual charter school shall be  
10 considered a transfer student from their resident school district.  
11 A virtual charter school shall pre-enroll any public school student  
12 whose parent expresses intent to enroll in the district. Upon pre-  
13 enrollment, the State Department of Education shall initiate a  
14 transfer on a form to be completed by the receiving virtual charter  
15 school. Upon approval of the receiving virtual charter school, the  
16 student may begin instructional activities. Upon notice that a  
17 public school student has transferred to a virtual charter school,  
18 the resident school district shall transmit the student's records  
19 within three (3) school days.

20 2. The State Department of Education shall notify the  
21 Legislature and Governor if it determines that the information  
22 technology infrastructure necessary to process the transfer of  
23 students to a virtual charter school is inadequate and one (1)  
24 additional school year is needed for implementation.



1           3. A public school student may transfer to one statewide  
2 virtual charter school at any time during a school year. For  
3 purposes of this subsection, "school year" shall mean July 1 through  
4 the following June 30. After one statewide virtual charter school  
5 transfer during a school year, no public school student shall be  
6 permitted to transfer to any other statewide virtual charter school  
7 without the concurrence of both the resident school district and the  
8 receiving virtual charter school. A student shall have a grace  
9 period of fifteen (15) school days from the first day of enrollment  
10 in a statewide virtual charter school to withdraw without academic  
11 penalty and shall continue to have the option of one virtual charter  
12 school transfer without the concurrence of both districts during  
13 that same school year. A statewide virtual charter school student  
14 that has utilized the allowable one transfer pursuant to this  
15 subsection shall not be permitted to transfer to another district or  
16 other statewide virtual charter school without first notifying his  
17 or her resident district and initiating a new transfer. Upon  
18 cancellation of a transfer the virtual charter school shall transmit  
19 the student's records to the student's new school district within  
20 three (3) school days. Students enrolled in a statewide virtual  
21 charter school shall not be required to submit a virtual charter  
22 transfer for consecutive years of enrollment. Any student enrolled  
23 in a statewide virtual charter school the year prior to the  
24

1 implementation of this section shall not be required to submit a  
2 transfer in order to remain enrolled.

3 4. For purposes of this subsection, "parent" shall mean the  
4 parent of the student or person having custody of the student as  
5 provided for in paragraph 1 of subsection A of Section 1-113 of this  
6 title.

7 I. A virtual charter school shall not accept or deny a transfer  
8 based on ethnicity, national origin, gender, income level, disabling  
9 condition, proficiency in the English language, measure of  
10 achievement, aptitude or athletic ability.

11 J. The decision of the Statewide Virtual Charter School Board  
12 to deny, nonrenew or terminate the charter contract of a statewide  
13 virtual charter school may be appealed to the State Board of  
14 Education within thirty (30) days of the decision by the Statewide  
15 Virtual Charter School Board. The State Board of Education shall  
16 act on the appeal within sixty (60) days of receipt of the request  
17 from the statewide virtual charter school applicant. The State  
18 Board of Education may reverse the decision of the Statewide Virtual  
19 Charter School Board or may remand the matter back to the Statewide  
20 Virtual Charter School Board for further proceeding as directed.

21 SECTION 6. NEW LAW A new section of law to be codified  
22 in the Oklahoma Statutes as Section 3-145.10 of Title 70, unless  
23 there is created a duplication in numbering, reads as follows:

24

1       A. Beginning with the 2021-2022 school year, any governing  
2 board of a charter school which contracts with an educational  
3 management organization as defined in Section 5-200 of Title 70 of  
4 the Oklahoma Statutes shall:

5       1. Consist of a minimum of five (5) members, including one  
6 member who shall be a parent, grandparent, legal guardian or  
7 learning coach of a student who attends the charter school. As used  
8 in this paragraph, "learning coach" means a designated person who  
9 has the primary responsibility of being actively involved in all  
10 school-related work and activities of a student. The bylaws of the  
11 charter school shall set specific terms of service for charter  
12 school governing board members;

13       2. Meet at least one time per month;

14       3. Adopt a charter which shall ensure compliance with the same  
15 requirements and guidelines as provided in Section 3-136 of Title 70  
16 of the Oklahoma Statutes;

17       4. Appoint a board clerk, minute clerk and encumbrance clerk as  
18 provided in Section 5-119 of Title 70 of the Oklahoma Statutes and a  
19 treasurer as provided in Section 5-114 of Title 70 of the Oklahoma  
20 Statutes. Upon appointment, the board clerk, minute clerk,  
21 encumbrance clerk and treasurer shall attend and complete at least  
22 eight (8) hours of instruction offered by the Office of the State  
23 Auditor and Inspector or other organizations or associations  
24 representing school administrators or district boards of education

1 in this state as approved by the State Auditor and Inspector. Each  
2 year the encumbrance clerk and treasurer shall complete at least  
3 three (3) hours of continuing education offered by the Office of the  
4 State Auditor and Inspector or other organizations or associations  
5 representing school administrators or district boards of education  
6 in this state as approved by the State Auditor and Inspector. If  
7 the board clerk, minute clerk, encumbrance clerk or treasurer is  
8 also a member of the charter school governing board, his or her  
9 completed instruction and continuing education requirements from  
10 this paragraph shall count toward the board instruction and  
11 continuing education requirements provided in subsection F of  
12 Section 3-145.3 of Title 70 of the Oklahoma Statutes; and

13 5. Submit to the State Department of Education copies of any  
14 contract executed between the charter school governing board or  
15 charter school sponsor governing board and an educational management  
16 organization. The Department and the sponsor shall publish the  
17 contracts on their websites and the Department shall publish a list  
18 of all the management fees paid by charter schools or charter school  
19 sponsors to educational management organizations.

20 B. Beginning with the 2021-2022 school year, members of a  
21 charter school governing board which contracts with an educational  
22 management organization shall:

23  
24

1 1. Be subject to the instruction and continuing education  
2 requirements as provided in subsection F of Section 3-145.3 of Title  
3 70 of the Oklahoma Statutes;

4 2. Be subject to the same conflict of interest requirements as  
5 a member of a local school board including, but not limited to,  
6 Sections 5-113 and 5-124 of Title 70 of the Oklahoma Statutes. No  
7 member shall receive pecuniary gain, incidentally or otherwise, from  
8 the earnings of the educational management organization or school;  
9 and

10 3. Not be appointed or selected by any person affiliated with  
11 the educational management organization.

12 SECTION 7. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 3-145.11 of Title 70, unless  
14 there is created a duplication in numbering, reads as follows:

15 A. Beginning with the 2021-2022 school year, members of a  
16 charter school sponsor governing board of a charter school which  
17 contracts with an educational management organization shall complete  
18 instruction and continuing education.

19 1. The instruction and continuing education shall be provided  
20 in accordance with Sections 5-110 and 5-110.1 of Title 70 of the  
21 Oklahoma Statutes and shall include a minimum of two (2) hours of  
22 instruction and continuing education by the Office of the State  
23 Auditor and Inspector or an entity approved by the State Auditor and  
24 Inspector.

1           2. The governing board of a charter school sponsor shall pay  
2 for the costs of instruction and continuing education for its board  
3 members.

4           3. Each member shall complete at least twelve (12) hours of  
5 instruction within the first year of his or her appointment or  
6 within fifteen (15) months after the effective date of this act.

7           4. Each member shall complete at least three (3) hours of  
8 continuing education in each year thereafter.

9           B. As used in this section, "educational management  
10 organization" shall have the same meaning as in Section 5-200 of  
11 Title 70 of the Oklahoma Statutes.

12           SECTION 8.       NEW LAW       A new section of law to be codified  
13 in the Oklahoma Statutes as Section 3-145.12 of Title 70, unless  
14 there is created a duplication in numbering, reads as follows:

15           A. 1. State funds appropriated to any charter school which  
16 contracts with an educational management organization as defined in  
17 Section 5-200 of Title 70 of the Oklahoma Statutes, including the  
18 State Aid allocation and any other state-appropriated revenue  
19 pursuant to Section 3-142 of Title 70 of the Oklahoma Statutes,  
20 shall remain public funds maintained in public accounts subject to  
21 audit, transparency, oversight and financial reporting and shall not  
22 be transferred or converted in any way to private funds except for  
23 funds which are paid for charter school expenses and funds which are  
24 paid to the educational management organization from the charter

1 school pursuant to the terms of the contract and in accordance with  
2 state law and Internal Revenue Service requirements. If there is  
3 any question or potential discrepancy regarding use of funds paid to  
4 the educational management organization by the State Department of  
5 Education, charter school governing board or charter school sponsor,  
6 the educational management organization shall provide invoices and  
7 financial documentation to the requesting entity proving the  
8 educational management organization is following the terms of the  
9 contract and is in compliance with the law.

10 2. Any state funds which are designated as student learning  
11 funds are appropriated for the benefit of the student, including  
12 extracurricular and educational activity funds, and shall remain  
13 public funds maintained in public accounts subject to audit,  
14 transparency, oversight and financial reporting and expended in  
15 accordance with purchasing requirements provided in Section 5-135 of  
16 Title 70 of the Oklahoma Statutes. Students shall receive a grade  
17 for participation in extracurricular or educational activities as  
18 described in this subsection.

19 3. Any property purchased with public funds pursuant to this  
20 section may be assigned to employees or students of the charter  
21 school for charter school employment, extracurricular or educational  
22 purposes, but shall remain public property of the charter school.

23 B. In the third year of the charter school contract term, the  
24 State Auditor and Inspector or an auditor selected from a list of

1 auditors approved and maintained by the State Auditor and Inspector  
2 shall conduct an operating agreement review of each charter school  
3 which contracts with an educational management organization to  
4 verify that the charter school and the educational management  
5 organization are following the terms of the contract and complying  
6 with state law and Internal Revenue Service requirements. The  
7 auditor may request additional documentation from the charter school  
8 or educational management organization to address any question or  
9 potential discrepancy. The charter school sponsor shall pay for the  
10 expenses related to the review, oversee the review and provide a  
11 full report of the review to the governing boards of the charter  
12 school and the charter school sponsor.

13 C. Every provider or entity that contracts with a charter  
14 school for expenditure of state funds pursuant to paragraph 2 of  
15 subsection A of this section shall:

16 1. Have an agreement in writing with the charter school which  
17 clearly states the goods or services being provided by the provider  
18 or entity pursuant to the contract and the costs thereof and that  
19 such goods, services and employees of the provider or entity comply  
20 with federal and state laws; and

21 2. Have on file with the State Department of Education a  
22 current Oklahoma criminal history record check from the Oklahoma  
23 State Bureau of Investigation or equivalent criminal history record  
24 check from another state as well as a national criminal history



1 record check as defined in Section 150.9 of Title 74 of the Oklahoma  
2 Statutes for every owner and employee of the provider or entity who  
3 will have contact with students pursuant to the contract. Upon  
4 receipt of the Oklahoma criminal history record check or equivalent  
5 criminal history record check from another state, the provider or  
6 entity may begin extracurricular or educational activities until  
7 receipt of the national criminal history record check. The provider  
8 or entity shall be responsible for the cost of the criminal history  
9 record checks. Results of the checks shall be included as a  
10 requirement of the contract and reported to the governing board of  
11 the charter school.

12 D. An educational management organization shall not:

13 1. Manage or control the governing board of a charter school,  
14 including, but not limited to, setting meeting agendas, adopting  
15 charter school policies or making budget decisions on behalf of the  
16 charter school;

17 2. Employ a charter school superintendent who is also an owner  
18 of the educational management organization, unless the ownership  
19 stake of the superintendent is less than ten percent (10%);

20 3. Employ legal counsel who also represents the charter school  
21 or charter school governing board which has an agreement with the  
22 educational management organization; and

23 4. Request public employees, including, but not limited to,  
24 teachers and other charter school employees to complete tasks or

1 perform duties that the educational management organization has been  
2 contracted to fulfill.

3 SECTION 9. AMENDATORY Section 2, Chapter 272, O.S.L.  
4 2019 (70 O.S. Supp. 2020, Section 5-200), is amended to read as  
5 follows:

6 Section 5-200. A. As used in this section, "educational  
7 management organization" means a for-profit or nonprofit  
8 organization that receives public funds to provide administration  
9 and management services for a charter school, statewide virtual  
10 charter school or traditional public school.

11 B. A charter school that contracts with an educational  
12 management organization shall use the Oklahoma Cost Accounting  
13 System (OCAS) to report the total amount paid to an educational  
14 management organization pursuant to the terms of the contract as  
15 well as actual itemized expenditure information for the goods or  
16 services provided by the management organization as defined by OCAS  
17 expenditure codes, including the total compensation package of the  
18 superintendent including the base salary, insurance, retirement and  
19 other fringe benefits.

20 C. ~~Any~~ Pursuant to Internal Revenue Service guidelines, any  
21 owner of an educational management organization shall be required to  
22 disclose to the governing board of the school in a public meeting  
23 any ownership position in any business that contracts or proposes to  
24

1 contract with the same public school that the educational management  
2 organization is managing.

3 D. Whenever any person shall enter into a contract with any  
4 school district or public charter school in the state to teach in  
5 such school district or public charter school the contract shall be  
6 binding on the teacher and on the board of education until the  
7 teacher legally has been discharged from the teaching position or  
8 released by the board of education from the contract. Except as  
9 provided in Section 5-106A of ~~Title 70 of the Oklahoma Statutes~~ this  
10 title, until such teacher has been thus discharged or released, the  
11 teacher shall not have authority to enter into a contract with any  
12 other board of education in Oklahoma for the same time covered by  
13 the original contract. If upon written complaint by the board of  
14 education in a district any teacher is reported to have failed to  
15 obey the terms of the contract previously made and to have entered  
16 into a contract with another board of education, including a public  
17 charter school board of education, without having been released from  
18 the former contract except as provided in Section 5-106A of ~~Title 70~~  
19 ~~of the Oklahoma Statutes~~ this title, the teacher, upon being found  
20 to be employed full-time for another public school, including a  
21 public charter school in the state, at a hearing held before the  
22 State Board of Education, shall have such teacher's certificate  
23 suspended for the remainder of the term for which the contract was  
24 made.

1 SECTION 10. AMENDATORY 70 O.S. 2011, Section 18-124, is  
2 amended to read as follows:

3 Section 18-124. A. Any school district with an average daily  
4 attendance (ADA) of more than one thousand five hundred (1,500)  
5 students for the preceding year which expends for administrative  
6 services in the 2005-06 school year or any school year thereafter,  
7 less expenditures for legal services, more than five percent (5%) of  
8 the amount it expends for total expenditures, less expenditures for  
9 legal services, shall have the amount which exceeds the five percent  
10 (5%) withheld the following year from the Foundation and Salary  
11 Incentive Aid for the school district.

12 B. Any school district with an average daily attendance (ADA)  
13 of more than five hundred (500) students but not more than one  
14 thousand five hundred (1,500) students for the preceding year which  
15 expends for administrative services in the 2005-06 school year or  
16 any school year thereafter, less expenditures for legal services,  
17 more than seven percent (7%) of the amount it expends for total  
18 expenditures, less expenditures for legal services, shall have the  
19 amount which exceeds the seven percent (7%) withheld the following  
20 year from the Foundation and Salary Incentive Aid for the school  
21 district.

22 C. Any school district with an average daily attendance (ADA)  
23 of five hundred (500) or fewer students for the preceding year which  
24 expends for administrative services in the 2005-06 school year or

1 any school year thereafter, less expenditures for legal services,  
2 more than eight percent (8%) of the amount it expends for total  
3 expenditures, less expenditures for legal services, shall have the  
4 amount which exceeds the eight percent (8%) withheld the following  
5 year from the Foundation and Salary Incentive Aid for the school  
6 district.

7 D. The provisions of this section shall apply to charter  
8 schools which contract with an educational management organization,  
9 as defined in Section 5-200 of this title. The expenditure limits  
10 shall not exceed the percentages prescribed in subsections A, B and  
11 C of this section, and the calculation of administrative services  
12 for schools which contract with an educational management  
13 organization shall be the combined amount of administrative services  
14 expended by the charter school and the educational management  
15 organization.

16 E. For purposes of this section, "administrative services"  
17 means costs associated with:

- 18 1. Staff for the board of education;
- 19 2. The secretary/clerk for the board of education;
- 20 3. Staff relations;
- 21 4. Negotiations staff;
- 22 5. Immediate staff of the superintendent, any elementary  
23 superintendent or any assistant superintendent;

24

1       6. Any superintendent, elementary superintendent, or assistant  
2 superintendent;

3       7. Any employee of a school district employed as a director,  
4 coordinator, supervisor, or who has responsibility for  
5 administrative functions of a school district; ~~and~~

6       8. Any consultant hired by the school district; and

7       9. Any costs for administrative services paid to an educational  
8 management organization as defined in Section 5-200 of this title.

9       ~~E.~~ F. If an employee of a school district is employed in a  
10 position where part of the employee's time is spent as an  
11 administrator and part of the time is spent in nonadministrative  
12 functions, the percentage of time spent as an administrator shall be  
13 included as administrative services. A superintendent who spends  
14 part of the time performing exempted nonadministrative services such  
15 as teaching in the classroom, serving as a principal, counselor, or  
16 library media specialist, can code up to forty percent (40%) of  
17 their salary to other nonadministrative functions. The total amount  
18 of time a superintendent of a school district spends performing  
19 services for a school district shall be included as administrative  
20 services even if part of the time the superintendent is performing  
21 nonexempted nonadministrative service functions. The total amount  
22 received by a superintendent from the school district as salary, for  
23 the performance of administrative and nonexempted nonadministrative  
24

1 services, shall be recorded under the code for superintendent salary  
2 as provided for in the Oklahoma Cost Accounting System.

3 ~~F.~~ G. Each school site within a school district shall take  
4 steps to ensure that the administrative costs for the school comply  
5 with the expenditure limits established for school districts in this  
6 section.

7 ~~G.~~ H. Funds withheld pursuant to the provisions of this section  
8 shall be distributed through the State Aid formula to the districts  
9 not so penalized.

10 ~~H.~~ I. For the 2003-04 and 2004-05 school year, school districts  
11 shall report to the State Department of Education the costs  
12 associated with administrative services for the school district as  
13 defined in subsection ~~D~~ E of this section.

14 SECTION 11. This act shall become effective July 1, 2021.

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

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1 Passed the House of Representatives the 24th day of May, 2021.

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

5 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2021.

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