

1 **SENATE FLOOR VERSION**

2 February 8, 2016

3 SENATE BILL NO. 1268

By: Jolley of the Senate

4 and

5 Denney of the House

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7
8 An Act relating to charter schools; amending 70 O.S.
9 2011, Section 3-137, as amended by Section 4, Chapter
10 170, O.S.L. 2015 (70 O.S. Supp. 2015, Section 3-137),
11 which relates to charter school contracts; correcting
12 a scrivener's error; providing an effective date; and
13 declaring an emergency.

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

15 SECTION 1. AMENDATORY 70 O.S. 2011, Section 3-137, as
16 amended by Section 4, Chapter 170, O.S.L. 2015 (70 O.S. Supp. 2015,
17 Section 3-137), is amended to read as follows:

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

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

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

- 18 a. present additional evidence, beyond the data contained
19 in the performance report, supporting its case for
20 charter renewal,
- 21 b. describe improvements undertaken or planned for the
22 school, and
- 23 c. detail the plan for the next charter term for the
24 school.

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

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

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

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

22 3. Ensure that data used in making renewal decisions are
23 available to the school and the public; and
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1 4. Provide a public report summarizing the evidence used as the
2 basis for each decision.

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

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

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

23 2. At the time of its charter renewal, based on an average of
24 the current year and the two (2) prior operating years, a sponsor

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

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

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

- 19 a. transfer the sponsorship of the charter school
20 identified in this paragraph to another sponsor,
- 21 b. order the closure of the charter school identified in
22 this paragraph at the end of the current school year,
23 or

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1 c. order the reduction of any administrative fee
2 collected by the sponsor that is applicable to the
3 charter school identified in this paragraph. The
4 reduction shall become effective at the beginning of
5 the month following the month the hearing of the
6 sponsor is held by the State Board of Education.

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

10 6. The requirements of this subsection shall not apply to a
11 charter school that has been ~~designed~~ designated by the State
12 Department of Education as implementing an alternative education
13 program throughout the charter school.

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

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

3 d. whether a majority of students attending the charter
4 school under consideration for closure would likely
5 revert to attending public schools with lower academic
6 achievement, as demonstrated pursuant to Section
7 1210.545 of this title.

8 8. If the State Board of Education has closed or transferred
9 authorization of at least twenty-five percent (25%) of the charter
10 schools chartered by one sponsor pursuant to paragraph 4 of this
11 subsection, the authority of the sponsor to authorize new charter
12 schools may be suspended by the Board until the Board approves the
13 sponsor to authorize new charter schools. A determination under
14 this paragraph to suspend the authority of a sponsor to authorize
15 new charter schools shall identify the deficiencies that, if
16 corrected, will result in the approval of the sponsor to authorize
17 new charter schools.

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

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

1 the applicant that will attend to the closure, including the
2 transfer of students, student records and school funds;

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

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

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

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

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

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

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

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

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

11 5. Permit the recording of the proceedings; and

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

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

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

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

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

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

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

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

15 SECTION 2. This act shall become effective July 1, 2016.

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

20 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION
21 February 8, 2016 - DO PASS

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