

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 COMMITTEE SUBSTITUTE  
4 FOR  
5 HOUSE BILL NO. 1696

By: Denney

6  
7 COMMITTEE SUBSTITUTE

8 An Act relating to schools; amending 70 O.S. 2011,  
9 Sections 3-132, as last amended by Section 1, Chapter  
10 212, O.S.L. 2013, 3-134, 3-135, 3-137, 3-140, as last  
11 amended by Section 2, Chapter 212, O.S.L. 2013 and 3-  
12 142, as amended by Section 3, Chapter 212, O.S.L.  
13 2013 (70 O.S. Supp. 2014, Sections 3-132, 3-140 and  
14 3-142), which relate to the Oklahoma Charter Schools  
15 Act; modifying list of authorized sponsors of charter  
16 schools; deleting certain conditions on certain  
17 sponsors; allowing the State Board of Education to  
18 sponsor charter schools under certain conditions;  
19 mandating that priority be given to certain charter  
20 schools serving certain students; mandating that  
21 priority be given to charter school applicants that  
22 meet certain conditions; listing factors for  
23 approving a new site or school; modifying definition;  
24 adding information to be included in the application;  
limiting location of certain charter schools;  
deleting mediation criteria; stating powers and  
duties of a sponsor; directing sponsors to establish  
procedures for accepting, approving and disapproving  
applications; specifying certain time schedule for  
the application process; requiring sponsors to  
develop and maintain chartering policies and  
practices that are consistent with certain principles  
and standards; limiting liability of sponsors; adding  
provisions required in the charter contract;  
prohibiting a charter school to serve students  
without a contract; allowing sponsors to establish  
preopening requirements and conditions; specifying  
basis for performance provisions of a contract;  
allowing submission of data in certain format;  
listing performance framework categories; limiting

1 requests for metric or data; allowing applicants and  
2 sponsors to have multiple contracts or one contract  
3 for multiple schools; allowing for renewal for  
4 successive terms; requiring sponsors to issue  
5 performance reports and application renewal guidance  
6 before a certain time; specifying contents of  
7 performance reports; listing steps to be allowed  
8 under the application renewal guidance; requiring the  
9 application renewal guidance to include certain  
10 criteria; requiring charter renewal decisions to  
11 include certain criteria and actions; directing the  
12 State Board of Education to rank schools by school  
13 grades and identify certain schools; allowing closure  
14 of a charter school identified at bottom of ranking;  
15 providing process for ranking under certain  
16 conditions; providing for review of sponsor's  
17 decision by the State Board of Education; exempting  
18 certain charter schools from closure requirements;  
19 listing considerations for closure; providing for  
20 suspension of certain charter school authorization;  
21 providing protocol for closing a charter school;  
22 directing sponsors to develop revocation and  
23 nonrenewal processes; requiring sponsors to state  
24 reasons for revocation or nonrenewal in a resolution;  
requiring review of certain charter school proposal  
by the Board; prohibiting the sponsor of a charter  
school from restricting the number of students  
enrolled in a charter school; requiring the governing  
body of the charter school to determine capacity;  
specifying considerations; modifying type of funds  
that may be reserved; allowing a charter school to  
enter into private contracts for certain purposes;  
establishing responsibility for debt; providing an  
effective date; and declaring an emergency.

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

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

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

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

9 2. ~~By a school district which has a school site that has been~~  
10 ~~identified as in need of improvement by the State Board of Education~~  
11 ~~pursuant to the Elementary and Secondary Education Act of 1965, as~~  
12 ~~amended or reauthorized~~ if the charter school is located within the  
13 geographical boundaries of the school district;

14 ~~3.~~ 2. By a technology center school district if the charter  
15 school is located in a school district served by the technology  
16 center school district ~~and the school district has an average daily~~  
17 ~~membership of five thousand (5,000) or more and which all or part of~~  
18 ~~the school district is located in a county having more than five~~  
19 ~~hundred thousand (500,000) population according to the latest~~  
20 ~~Federal Decennial Census;~~

21 4. ~~By a technology center school district if the charter school~~  
22 ~~is located in a school district served by the technology center~~  
23 ~~school district and the school district has a school site that has~~  
24 ~~been identified as in need of improvement by the State Board of~~

1 ~~Education pursuant to the Elementary and Secondary Education Act of~~  
2 ~~1965, as amended or reauthorized;~~

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

15     ~~6. By a comprehensive or regional institution that is a member~~  
16 ~~of The Oklahoma State System of Higher Education if the charter~~  
17 ~~school is located in a school district that has a school site that~~  
18 ~~has been identified as in need of improvement by the State Board of~~  
19 ~~Education pursuant to the Elementary and Secondary Education Act of~~  
20 ~~1965, as amended or reauthorized. In addition, the institution~~  
21 ~~shall have a teacher education program accredited by the Oklahoma~~  
22 ~~Commission for Teacher Preparation and have a branch campus or~~  
23 ~~constituent agency physically located within the school district in~~  
24 ~~which the charter school is located;~~

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

10       ~~8.~~ 5. By the State Board of Education when the applicant of the  
11 charter school is the Office of Juvenile Affairs or the applicant  
12 has a contract with the Office of Juvenile Affairs to provide a  
13 fixed rate level E, D, or D+ group home service and the charter  
14 school is for the purpose of providing education services to youth  
15 in the custody or supervision of the state. Not more than two  
16 charter schools shall be sponsored by the Board as provided for in  
17 this paragraph during the period of time beginning July 1, 2010,  
18 through July 1, 2016; or

19       6. By the State Board of Education when the applicant has first  
20 been denied a charter by the school district in which it seeks to  
21 operate and files an appeal as provided for in subsection J of  
22 Section 3-134 of this title. In counties with fewer than five  
23 hundred thousand (500,000) population according to the latest  
24 Federal Decennial Census, the Board shall not sponsor more than five

1 charter schools per year each year for the next five (5) years. The  
2 Board shall not sponsor more than one charter school in a single  
3 school district per year. In order to authorize a charter school  
4 pursuant to this paragraph, the Board shall find evidence of the  
5 following:

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

11 B. Except for a school district sponsor, a sponsor shall give  
12 priority to opening charter schools that serve at-risk student  
13 populations or students from low-performing traditional public  
14 schools.

15 C. A sponsor shall give priority to applicants that have  
16 demonstrated a record of operating at least one school or similar  
17 program that demonstrates academic success and organizational  
18 viability and serves student populations similar to those the  
19 proposed charter school seeks to serve. In assessing the potential  
20 for quality replication of a charter school, a sponsor shall  
21 consider the following factors before approving a new site or  
22 school:

23  
24

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

4        2. Evidence of a sound, detailed and well-supported growth  
5 plan;

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

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

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

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

20        D. For purposes of the Oklahoma Charter Schools Act, "charter  
21 school" means a public school chartered, converted or established as  
22 a charter school by contract with a board of education of a school  
23 district, an area vocational-technical school district, a higher  
24 education institution, a federally recognized Indian tribe, or the

1 State Board of Education pursuant to the Oklahoma Charter Schools  
2 Act to provide learning that will improve student achievement and as  
3 defined in the Elementary and Secondary Education Act of 1965, 20  
4 U.S.C. 8065.

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

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

10 Section 3-134. A. For written applications filed after January  
11 1, 2008, prior to submission of the application to a proposed  
12 sponsor seeking to establish a charter school, the applicant shall  
13 be required to complete training which shall not exceed ten (10)  
14 hours provided by the State Department of Education on the process  
15 and requirements for establishing a charter school. The Department  
16 shall develop and implement the training by January 1, 2008. The  
17 Department may provide the training in any format and manner that  
18 the Department determines to be efficient and effective including,  
19 but not limited to, web-based training.

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

24 1. A mission statement for the charter school;



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

4        3. A financial plan for the first three (3) years of operation  
5 of the charter school and a description of the treasurer or other  
6 officers or persons who shall have primary responsibility for the  
7 finances of the charter school. Such person shall have demonstrated  
8 experience in school finance or the equivalent thereof;

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

10       5. The name of the applicant or applicants and requested  
11 sponsor;

12       6. A description of the facility and location of the charter  
13 school;

14       7. A description of the grades being served;

15       8. An outline of criteria designed to measure the effectiveness  
16 of the charter school;

17       9. A demonstration of support for the charter school from  
18 residents of the school district which may include but is not  
19 limited to a survey of the school district residents or a petition  
20 signed by residents of the school district; ~~and~~

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

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

1        12. The proposed calendar for the charter school and sample  
2 daily schedule;

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

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

8        15. The plan for using internal and external assessments to  
9 measure and report student progress on the performance framework  
10 developed by the applicant;

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

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

16        18. Plans and timelines for student recruitment and enrollment,  
17 including lottery procedures;

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

20        20. An organization chart that clearly presents the  
21 organizational structure of the charter school, including lines of  
22 authority and reporting between the governing board, staff, any  
23 related bodies, such as advisory bodies or parent and teacher  
24

1 councils, and any external organizations that will play a role in  
2 managing the charter school;

3 21. A clear description of the roles and responsibilities for  
4 the governing board, the leadership and management team for the  
5 charter school and any other entities shown in the organization  
6 chart;

7 22. The leadership and teacher employment policies for the  
8 charter school;

9 23. Proposed governing bylaws;

10 24. Explanations of any partnerships or contractual  
11 partnerships central to the operations or mission of the charter  
12 school;

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

15 26. Opportunities and expectations for parent involvement;

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

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

20 29. A description of the insurance coverage the charter school  
21 will obtain;

22 30. Start-up and five-year budgets with clearly stated  
23 assumptions;

24

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

3        32. Evidence of anticipated fundraising contributions, if  
4 claimed in the application;

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

7        34. A description of the meeting schedule of the governing  
8 board which requires the board to meet at a minimum quarterly in the  
9 state.

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

16        D. The sponsor of a charter school is the board of education of  
17 a school district, the board of education of a technology center  
18 school district, a higher education institution, the State Board of  
19 Education, or a federally recognized Indian tribe which meets the  
20 criteria established in Section 3-132 of this title. Any board of  
21 education of a school district in the state may sponsor one or more  
22 charter schools. The physical location of a charter school  
23 sponsored by a board of education of a school district or a  
24 technology center school district shall be within the boundaries of

1 the sponsoring school district. The physical location of a charter  
2 school sponsored by the State Board of Education when the applicant  
3 of the charter school is the Office of Juvenile Affairs shall be  
4 where an Office of Juvenile Affairs facility for youth is located.  
5 The physical location of a charter school sponsored by the Board  
6 pursuant to paragraph 6 of subsection A of Section 3-132 of this  
7 title shall be in the school district in which the application  
8 originated.

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

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

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

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

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

22 1. Provide oversight of the operations of charter schools in  
23 the state through annual performance reviews of charter schools and  
24 reauthorization of charter schools for which it is the sponsor;

1        2. Solicit and evaluate charter applications;

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

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

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

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

9        7. Determine whether each charter contract merits renewal,  
10 nonrenewal or revocation.

11        J. Sponsors shall establish a procedure for accepting,  
12 approving and disapproving charter school applications. The  
13 procedure shall include a method by which an applicant for a charter  
14 school may submit an application which shall either be accepted or  
15 rejected within ninety (90) days of receipt of the application. If  
16 the application is rejected, a sponsor shall notify the applicant in  
17 writing of the reasons for the rejection. The applicant may submit  
18 a revised application for reconsideration to the sponsor within  
19 thirty (30) days after receiving notification of the rejection. The  
20 sponsor shall accept or reject the revised application within sixty  
21 (60) days of its receipt. Should the sponsor reject the application  
22 on reconsideration, the applicant may appeal the decision to the  
23 State Board of Education. The Board may review and accept or reject  
24 the revised application. The Board shall hear the appeal and shall

1 accept or reject the revised application within sixty (60) days of  
2 the date the appeal is filed.

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

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

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

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

21 1. A description of the program to be offered by the school  
22 which complies with the purposes outlined in Section ~~44~~ 3-136 of  
23 this ~~act~~ title;

24 2. Admission policies and procedures;



1       3. Management and administration of the charter school,  
2 including a requirement that a majority of the charter school  
3 governing board are residents of the state and that the board meet  
4 at a minimum quarterly at a location within the boundaries of the  
5 school district in which the charter school is located or within the  
6 state if the board governs multiple charter school locations;

7       4. Requirements and procedures for program and financial  
8 audits;

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

11       6. Assumption of liability by the charter school; and

12       7. The term of the contract;

13       8. A description of the high standards of expectation and rigor  
14 for charter school plans and ensure that charter school plans  
15 adopted meet at least certain standards;

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

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

21       11. Policies that require the charter school to be subject to  
22 the same academic standards and expectations as existing public  
23 schools; and

24

1        12. A description of the requirements and procedures for the  
2 charter school to receive funding in accordance with statutory  
3 requirements and guidelines for funding existing public schools.

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

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

23        C. No charter school may begin serving students without a  
24 charter contract executed in accordance with the provisions of the

1 Oklahoma Charter Schools Act and approved in an open meeting of the  
2 sponsor.

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

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

- 21 1. Student academic proficiency;
- 22 2. Student academic growth;
- 23 3. Achievement gaps in both proficiency and growth between  
24 major student subgroups;

1       4. Student attendance;

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

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

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

7       8. Financial performance and sustainability; and

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

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

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

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

23       Section 3-137. A. An approved contract for a charter school  
24 shall be effective for ~~not longer than~~ five (5) years from the first

1 day of operation. A charter contract may be renewed for successive  
2 five-year terms, although the sponsor may vary the term based on the  
3 performance, demonstrated capacities and particular circumstances of  
4 each charter school. A sponsor may grant renewal with specific  
5 conditions for necessary improvements to a charter school.

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

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

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

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

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

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

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

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

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

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

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

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

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

22        ~~D.~~ G. 1. Beginning in the 2016-2017 school year, the State  
23 Board of Education shall establish a list of public schools ranked  
24 from top to bottom by school grades, as determined pursuant to

1 Section 1210.545 of this title and using the school grades for the  
2 2014-2015 school year, and identify charter schools in the state  
3 that are ranked in the bottom five percent (5%) of all schools.

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

12 3. If the school grading system is changed by the Legislature,  
13 pursuant to Section 1210.545 of this title, and a charter school  
14 site that was not ranked in the bottom five percent (5%) prior to  
15 the change is then ranked in the bottom five percent (5%) following  
16 the change, the higher of the two rankings shall be used to  
17 calculate the ranking of the charter school site.

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



1       5. The requirements of this subsection shall not apply to a  
2 charter school that has been designated by the State Department of  
3 Education as implementing an alternative education program  
4 throughout the charter school.

5       H. In making a school site closure decision pursuant to  
6 subsection G of this section, the Board shall consider the  
7 following:

8       1. Enrollment of students with special challenges such as drug  
9 or alcohol addiction, prior withdrawal from school, prior  
10 incarceration or other special circumstances;

11       2. High mobility of the student population resulting from the  
12 specific purpose of the charter school;

13       3. Annual improvement in the performance of students enrolled  
14 in the charter school compared with the performance of students  
15 enrolled in the charter school in the immediately preceding school  
16 year; and

17       4. Whether a majority of students attending the charter school  
18 under consideration for closure would likely revert to attending  
19 public schools with lower academic achievement, as determined by the  
20 school site grade on the school report card issued pursuant to  
21 Section 1210.545 of this title.

22       I. If the Board has closed or transferred authorization of at  
23 least twenty-five percent (25%) of the charter schools chartered by  
24 one sponsor under subsection G of this section, the authority of the

1 sponsor to authorize new charter schools may be suspended by the  
2 Board until the Board approves the sponsor to authorize new charter  
3 schools. A determination under this section to suspend the  
4 authority of a sponsor to authorize new charter schools shall  
5 identify the deficiencies that, if corrected, will result in the  
6 approval of the sponsor to authorize new charter schools.

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

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

- 16 a. the transfer of students,
- 17 b. student records, and
- 18 c. school funds;

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

24

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

4       4. The sponsor and transition team shall ensure that all  
5 necessary and prudent notifications are issued to agencies,  
6 employees, insurers, contractors, creditors, debtors and management  
7 organizations; and

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

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

14       1. Provide the public charter school with a timely notification  
15 of the prospect of revocation or nonrenewal and of the reasons for  
16 such possible closure;

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

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

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

3       5. Permit the recording of the proceedings; and

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

6       L. If a sponsor revokes or does not renew a charter, the  
7 sponsor shall clearly state in a resolution the reasons for the  
8 revocation or nonrenewal.

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

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

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

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

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

6        SECTION 5.        AMENDATORY        70 O.S. 2011, Section 3-140, as  
7 last amended by Section 2, Chapter 212, O.S.L. 2013 (70 O.S. Supp.  
8 2014, Section 3-140), is amended to read as follows:

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

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

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

23 C. A charter school may designate a specific geographic area  
24 within the school district in which the charter school is located as

1 an academic enterprise zone and may limit admissions to students who  
2 reside within that area. An academic enterprise zone shall be a  
3 geographic area in which sixty percent (60%) or more of the children  
4 who reside in the area qualify for the free or reduced school lunch  
5 program.

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

11 E. The sponsor of a charter school shall not restrict the  
12 number of students the charter school may enroll. The capacity of  
13 the charter school shall be determined annually by the governing  
14 board of the charter school, taking into consideration the ability  
15 of the charter school to facilitate the academic success of the  
16 students, to achieve the other objectives specified in the charter  
17 contract and to ensure that student enrollment does not exceed the  
18 capacity of the facility or site.

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

22 Section 3-142. A. For purposes of funding, a charter school  
23 sponsored by a board of education of a school district shall be  
24 considered a site within the school district in which the charter

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



1 charter school. The fee for administrative services as authorized  
2 in this subsection shall only be assessed on the State Aid  
3 allocation amount and shall not be assessed on any other  
4 appropriated amounts.

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

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

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 ~~nonstate funds, excluding local revenue,~~ may be reserved and used  
15 for future purposes. If otherwise allowed by law, the governing  
16 body of a charter school may enter into private contracts for the  
17 purposes of borrowing money from lenders. If the governing body of  
18 the charter school borrows money, the charter school shall be solely  
19 responsible for repaying the debt. The state or the sponsor of the  
20 charter school shall not in any way be responsible or obligated to  
21 repay the debt of the charter school.

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

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

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

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