

An Act

ENROLLED HOUSE
BILL NO. 1395

By: Dills, Vancuren, Lawson,
McEntire, Bush, Conley,
Fincher, Provenzano, Burns,
Hardin (David), Loring,
Caldwell (Trey), Phillips,
May, Johns, Brewer,
Nichols, Boatman,
Rosecrants, Cornwell,
Luttrell, West (Tammy),
Waldron, Ford, Manger,
Ranson, Kerbs, McDugle,
Sims, Fetgatter, Nollan,
Pae, Virgin, Hasenbeck,
Baker, Fugate, Stark,
Blancett, Humphrey,
Sterling, Munson, Boles,
Kiger, Hilbert, Sneed, Mize
and Davis of the House

and

Pemberton and Sharp of the
Senate

An Act relating to school financial disclosures; amending Section 5, Chapter 367, O.S.L. 2012, as last amended by Section 1, Chapter 293, O.S.L. 2015 (70 O.S. Supp. 2018, Section 3-145.3), which relates to powers and duties of the Statewide Virtual Charter School Board; subjecting virtual charter school to same financial reporting requirements as school districts; authorizing financial, program or compliance audits; requiring virtual charter school to use the Oklahoma Cost Accounting System; requiring governing body of virtual charter school be responsible for policies; subjecting new members appointed to governing body to same conflict of interest mandates as school board members; requiring compliance with instruction and continuing education requirements; defining term; mandating disclosure of financial details when school contracts with an

educational management organization; specifying information to be disclosed; directing disclosure in a public meeting of certain ownership position; requiring teaching contract to be binding; prohibiting new teaching contract during time of original contract; providing an exception; suspending teaching certificate for remainder of contract if violation is found; providing for codification; and declaring an emergency.

SUBJECT: School financial disclosures

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

SECTION 1. AMENDATORY Section 5, Chapter 367, O.S.L. 2012, as last amended by Section 1, Chapter 293, O.S.L. 2015 (70 O.S. Supp. 2018, Section 3-145.3), is amended to read as follows:

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

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

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

3. Make publicly available a list of supplemental online courses which have been reviewed and certified by the Statewide Virtual Charter School Board to ensure that the courses are high quality options and are aligned with the subject matter standards adopted by the State Board of Education pursuant to Section 11-103.6 of this title. The Statewide Virtual Charter School Board shall give special emphasis on listing supplemental online courses in science, technology, engineering and math (STEM), foreign language and advanced placement courses. School districts shall not be limited to selecting supplemental online courses that have been

reviewed and certified by the Statewide Virtual Charter School Board and listed as provided for in this paragraph; and

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

B. Each statewide virtual charter school which has been approved and sponsored by the Board or any virtual charter school for which the Board has assumed sponsorship of as provided for in Section 3-145.5 of this title shall be considered a statewide virtual charter school and the geographic boundaries of each statewide virtual charter school shall be the borders of the state.

C. Each statewide virtual charter school approved by the Statewide Virtual Charter School Board shall be eligible to receive federal funds generated by students enrolled in the charter school for the applicable year. Each statewide virtual charter school shall be considered a separate local education agency for purposes of reporting and accountability.

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

E. A virtual charter school shall be subject to the same reporting requirements, financial audits, audit procedures and audit requirements as a school district. The State Department of Education or State Auditor and Inspector may conduct financial, program or compliance audits. A virtual charter school shall use the Oklahoma Cost Accounting System (OCAS) to report financial transactions to the State Department of Education.

F. A virtual charter school governing body shall be responsible for the policies that govern the operational decisions of the virtual charter school. The governing body of a virtual charter school shall be subject to the same conflict of interest requirements as a member of a local school board including, but not limited to, Sections 5-113 and 5-124 of this title. Members appointed to the governing body of a virtual charter school after July 1, 2019, shall be subject to the same instruction and continuing education requirements as a member of a local school board and pursuant to Section 5-110 of this title, complete twelve (12) hours of instruction within fifteen (15) months of appointment to the governing body, and pursuant to Section 5-110.1 of this title, attend continuing education.

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

~~F.~~ H. The decision of the Statewide Virtual Charter School Board to deny, nonrenew or terminate the charter contract of a statewide virtual charter school may be appealed to the State Board of Education within thirty (30) days of the decision by the Statewide Virtual Charter School Board. The State Board of Education shall act on the appeal within sixty (60) days of receipt of the request from the statewide virtual charter school applicant. The State Board of Education may reverse the decision of the Statewide Virtual Charter School Board or may remand the matter back to the Statewide Virtual Charter School Board for further proceeding as directed.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-200 of Title 70, unless there is created a duplication in numbering, reads as follows:

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

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

C. Any owner of an educational management organization shall be required to disclose to the governing board of the school in a public meeting any ownership position in any business that contracts or proposes to contract with the same public school that the educational management organization is managing.

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

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

Passed the House of Representatives the 13th day of March, 2019.

Presiding Officer of the House
of Representatives

Passed the Senate the 24th day of April, 2019.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____