

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 HOUSE BILL 3644

By: Dills

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5
6 AS INTRODUCED

7 An Act relating to schools; amending 70 O.S. 2021,
8 Sections 3-135, 3-136, 3-137, and 3-142, which relate
9 to the Oklahoma Charter Schools Act; requiring
10 charter school to provide certain notice to sponsor;
11 directing sponsor to use performance framework for
12 charter school evaluation; authorizing development of
13 certain separate framework; adding minimum
14 requirements for framework; mandating annual
15 evaluation; directing presentation of results to
16 certain governing boards; defining term; subjecting
17 charter school to certain spending limitations;
18 directing charter school governing board to comply
19 with certain acts; subjecting charter school sponsor
20 governing board to certain conflict of interest
21 requirements; requiring charter school governing
22 board to comply with certain instruction and
23 continuing education requirements; modifying
24 procedures for charter school contracts; requiring
charter school 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;
mandating sponsor to present report in public
meeting; providing content for report; requiring
sponsor board members to complete sponsor workshop
requirement; amending 70 O.S. 2021, Section 5-200,
which relates to management organizations; adding
definition for charter management organization;
requiring amounts paid to certain organizations be
pursuant to contract terms; mandating disclosure
pursuant to certain guidelines; amending 70 O.S.
2021, Section 18-124, which relates to limitations on
administrative services expenditures; providing
applicability of limitation to certain charter
schools; clarifying calculation for specified

1 schools; modifying definition; providing for
2 codification; providing an effective date; and
3 declaring an emergency.

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

6 SECTION 1. AMENDATORY 70 O.S. 2021, Section 3-135, is
7 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
24 state relating to the charter school or an educational management

1 organization or charter management organization with which the
2 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.

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

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

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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. 2021, Section 3-136, is
15 amended to read as follows:

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

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

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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 be used as a method of generating
2 revenue for students who are being home schooled and are not being
3 educated at an organized charter school site;

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

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

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

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

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

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

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

21 17. The governing ~~body~~ board of a charter school and the
22 governing board of a charter school sponsor shall be subject to the
23 same conflict of interest requirements as a member of a local school
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1 board including, but not limited to, Sections 5-113 and 5-124 of
2 this title; and

3 18. Members of the governing board of a charter school shall be
4 subject to the same instruction and continuing education
5 requirements as a member of a local school board and pursuant to
6 Section 5-110 of this title, shall complete twelve (12) hours of
7 instruction within fifteen (15) months of appointment to the
8 governing board, and pursuant to Section 5-110.1 of this title,
9 shall attend continuing education; and

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

21 B. The charter of a charter school shall include a description
22 of the personnel policies, personnel qualifications, and method of
23 school governance, and the specific role and duties of the sponsor
24 of the charter school.

1 C. The charter of a charter school may be amended at the
2 request of the governing ~~body~~ board of the charter school and upon
3 the approval of the sponsor.

4 D. A charter school may enter into contracts and sue and be
5 sued.

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

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

23 SECTION 3. AMENDATORY 70 O.S. 2021, Section 3-137, is
24 amended to read as follows:

1 Section 3-137. A. ~~An~~ The first approved contract ~~for~~ between a
2 charter school and its sponsor shall be effective for five (5) years
3 from the first day of operation. A charter contract may be renewed
4 for successive five-year terms of duration, although the sponsor may
5 vary the term based on the performance, demonstrated capacities and
6 particular circumstances of each charter school. A sponsor may
7 grant renewal with specific conditions for necessary improvements to
8 a charter school.

9 B. Prior to the beginning of the fourth year of operation of a
10 charter school, the sponsor shall issue a charter school performance
11 report and charter renewal application guidance to the school and
12 the charter school board. The performance report shall summarize
13 the performance record to date of the charter school, based on the
14 data required by the Oklahoma Charter Schools Act, the annual
15 performance framework evaluation, the operating agreement review if
16 the charter school contracts with an educational management
17 organization or charter management organization and the charter
18 contract and taking into consideration the percentage of at-risk
19 students enrolled in the school, ~~and~~. The performance report shall
20 provide notice of any weaknesses ~~or~~, concerns, violations or
21 deficiencies perceived by the sponsor concerning the charter school
22 that may jeopardize its position in seeking renewal if not timely
23 rectified, and the charter school shall develop a corrective action
24 plan and corresponding timeline to remedy any violations or

1 deficiencies. The charter school shall have forty-five (45) days to
2 respond to the performance report and submit any corrections or
3 clarifications for the report. If the charter school does not
4 substantially complete the corrective action plan, the sponsor may
5 nonrenew the charter contract pursuant to the requirements of this
6 section.

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

- 11 a. present additional evidence, beyond the data contained
12 in the performance report, supporting its case for
13 charter renewal,
- 14 b. describe improvements undertaken or planned for the
15 school, and
- 16 c. detail the plan for the next charter term for the
17 school.

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

23 D. The sponsor may deny the request for renewal if it
24 determines the charter school has failed to complete the obligations

1 of the contract or comply with the provisions of the Oklahoma
2 Charter Schools Act. A sponsor shall give written notice of its
3 intent to deny the request for renewal at least eight (8) months
4 prior to expiration of the contract. In making charter renewal
5 decisions, a sponsor shall:

6 1. Ground decisions on evidence of the performance of the
7 school over the term of the charter contract in accordance with the
8 performance framework set forth in the charter contract and shall
9 take into consideration the percentage of at-risk students enrolled
10 in the school;

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

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

17 4. Provide a public report summarizing the evidence used as the
18 basis for each decision.

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

23 F. A sponsor may terminate a contract during the term of the
24 contract for failure to meet the requirements for student

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

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

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

23 3. If there is a change to the calculation described in Section
24 1210.545 of this title that results in a charter school site that

1 was not ranked in the bottom five percent (5%) being ranked in the
2 bottom five percent (5%), then the sponsor shall use the higher of
3 the two rankings to calculate the ranking of the charter school
4 site.

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

- 12 a. transfer the sponsorship of the charter school
- 13 identified in this paragraph to another sponsor,
- 14 b. order the closure of the charter school identified in
- 15 this paragraph at the end of the current school year,
- 16 or
- 17 c. order the reduction of any administrative fee
- 18 collected by the sponsor that is applicable to the
- 19 charter school identified in this paragraph. The
- 20 reduction shall become effective at the beginning of
- 21 the month following the month the hearing of the
- 22 sponsor is held by the State Board of Education.
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1 5. A charter school that is closed by the State Board of
2 Education pursuant to paragraph 4 of this subsection shall not be
3 granted a charter by any other sponsor.

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

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

- 10 a. enrollment of students with special challenges such as
11 drug or alcohol addiction, prior withdrawal from
12 school, prior incarceration or other special
13 circumstances,
- 14 b. high mobility of the student population resulting from
15 the specific purpose of the charter school,
- 16 c. annual improvement in the performance of students
17 enrolled in the charter school compared with the
18 performance of students enrolled in the charter school
19 in the immediately preceding school year, and
- 20 d. whether a majority of students attending the charter
21 school under consideration for closure would likely
22 revert to attending public schools with lower academic
23 achievement, as demonstrated pursuant to Section
24 1210.545 of this title.

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

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

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

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

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

14 1. Provide the charter school with a timely notification of the
15 prospect of revocation or nonrenewal and of the reasons for possible
16 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 prior to
23 taking any final nonrenewal or revocation decision related to the
24 school;

1 4. Allow the charter school access to representation by counsel
2 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 J. 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 K. 1. Before a sponsor may issue a charter to a charter school
10 governing ~~body~~ board that has had its charter terminated or has 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 State Board of
14 Education shall conduct a hearing in which the sponsor shall present
15 information indicating that the proposal of the organizer is
16 substantively different in the areas of deficiency identified by the
17 current sponsor from the current proposal as set forth within the
18 charter with its current sponsor.

19 2. After the State Board of Education conducts a hearing
20 pursuant to this subsection, the Board shall either approve or deny
21 the proposal.

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

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

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

8 SECTION 4. AMENDATORY 70 O.S. 2021, Section 3-142, is
9 amended to read as follows:

10 Section 3-142. A. The student membership and attendance of the
11 charter school shall be considered separate from the student
12 membership and attendance of the sponsor for the purpose of
13 calculating enrollment and funding including weighted average daily
14 membership pursuant to Section 18-201.1 of this title and State Aid
15 pursuant to Section 18-200.1 of this title. A charter school shall
16 receive the State Aid allocation, federal funds to which it is
17 eligible and qualifies for and any other state-appropriated revenue
18 generated by its students for the applicable year. Not more than
19 three percent (3%) of the State Aid allocation may be charged by the
20 sponsor as a fee for administrative services rendered. For purposes
21 of this section, the fee for administrative services shall be used
22 by the sponsor to provide oversight and services to the charter
23 schools it sponsors. A charter school sponsor shall publish a
24 detailed report on its website and present the report in a public

1 meeting to the charter school governing board and the charter school
2 sponsor governing board. The report shall provide sponsor
3 performance and stewardship, including compliance with all
4 applicable laws, regulations, and terms of the charter contract and
5 listing expenses related to oversight and services provided by the
6 sponsor to its charter schools. The State Board of Education shall
7 determine the policy and procedure for making payments to a charter
8 school. The fee for administrative services as authorized in this
9 subsection shall only be assessed on the State Aid allocation amount
10 and shall not be assessed on any other appropriated amounts. A
11 sponsor of a charter school shall not charge any additional State
12 Aid allocation or charge the charter school any additional fee above
13 the amounts allowed by this subsection unless the additional fees
14 are for additional services rendered. The charter school sponsor
15 shall provide to the State Department of Education financial records
16 documenting any state funds charged by the sponsor for
17 administrative services rendered for the previous year.

18 B. 1. The weighted average daily membership for the first year
19 of operation of a charter school shall be determined initially by
20 multiplying the actual enrollment of students as of August 1 by
21 1.333. The charter school shall receive revenue equal to that which
22 would be generated by the estimated weighted average daily
23 membership calculated pursuant to this paragraph. At midyear, the
24 allocation for the charter school shall be adjusted using the first

1 quarter weighted average daily membership for the charter school
2 calculated pursuant to subsection A of this section.

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

17 C. Except as explicitly authorized by state law, a charter
18 school shall not be eligible to receive state-dedicated, local or
19 county revenue; provided, a charter school may be eligible to
20 receive any other aid, grants or revenues allowed to other schools.
21 A charter school shall be considered a local education agency for
22 purposes of funding.

23 D. Any unexpended funds received by a charter school may be
24 reserved and used for future purposes. The governing ~~body~~ board of

1 a charter school shall not levy taxes or issue bonds. If otherwise
2 allowed by law, the governing ~~body~~ board of a charter school may
3 enter into private contracts for the purposes of borrowing money
4 from lenders. If the governing ~~body~~ board of the charter school
5 borrows money, the charter school shall be solely responsible for
6 repaying the debt, and the state or the sponsor shall not in any way
7 be responsible or obligated to repay the debt.

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

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

21 G. There is hereby created in the State Treasury a revolving
22 fund for the State Department of Education to be designated the
23 "Charter School Closure Reimbursement Revolving Fund". The fund
24 shall be a continuing fund, not subject to fiscal year limitations,

1 and shall consist of all monies received by the State Department of
2 Education from charter schools as provided in subsection F of this
3 section. All monies accruing to the credit of said fund are hereby
4 appropriated and may be budgeted and expended by the State
5 Department of Education for the purpose of reimbursing charter
6 school sponsors for costs incurred due to the closure of a charter
7 school. Expenditures from said fund shall be made upon warrants
8 issued by the State Treasurer against claims filed as prescribed by
9 law with the Director of the Office of Management and Enterprise
10 Services for approval and payment. The State Department of
11 Education may promulgate rules regarding sponsor eligibility for
12 reimbursement.

13 SECTION 5. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 3-145.9 of Title 70, unless
15 there is created a duplication in numbering, reads as follows:

16 Beginning with the 2022-2023 school year, members of a charter
17 school sponsor governing board shall complete a sponsor workshop
18 requirement.

19 1. If the charter school sponsor governing board has required
20 school board or agency board training, the Charter School Sponsor
21 and Educational Management Organization Component, if applicable,
22 shall be included in the sponsor workshop.

23 2. If the charter school sponsor governing board does not have
24 required school board or agency board training, the sponsor shall

1 designate a compliance representative to complete a sponsor workshop
2 through the Federal Charter School Program grant holder for a
3 minimum of two (2) hours but not to exceed twelve (12) hours.

4 SECTION 6. AMENDATORY 70 O.S. 2021, Section 5-200, is
5 amended to read as follows:

6 Section 5-200. A. As used in this ~~section,~~ "educational title:

7 1. "Educational management organization" means a for-profit ~~or~~
8 ~~nonprofit~~ organization that receives public funds to provide
9 administration and management services for a charter school,
10 statewide virtual charter school, or traditional public school; and

11 2. "Charter management organization" means a nonprofit
12 organization that receives public funds to provide administration
13 and management services for a charter school, statewide virtual
14 charter school, or traditional public school.

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

1 C. ~~Any~~ Pursuant to Internal Revenue Service guidelines, any
2 owner of an educational management organization or charter
3 management organization shall be required to disclose to the
4 governing board of the school in a public meeting any ownership
5 position in any business that contracts or proposes to contract with
6 the same public school that the educational management organization
7 or charter management organization is managing.

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

1 to be employed full-time for another public school, including a
2 public charter school in the state, at a hearing held before the
3 State Board of Education, shall have such teacher's certificate
4 suspended for the remainder of the term for which the contract was
5 made.

6 SECTION 7. AMENDATORY 70 O.S. 2021, Section 18-124, is
7 amended to read as follows:

8 Section 18-124. A. Any school district with an average daily
9 attendance (ADA) of more than one thousand five hundred (1,500)
10 students for the preceding year which expends for administrative
11 services in the 2005-06 school year or any school year thereafter,
12 less expenditures for legal services, more than five percent (5%) of
13 the amount it expends for total expenditures, less expenditures for
14 legal services, shall have the amount which exceeds the five percent
15 (5%) withheld the following year from the Foundation and Salary
16 Incentive Aid for the school district.

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

1 year from the Foundation and Salary Incentive Aid for the school
2 district.

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

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

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

24 1. Staff for the board of education;

- 1 2. The secretary/clerk for the board of education;
- 2 3. Staff relations;
- 3 4. Negotiations staff;
- 4 5. Immediate staff of the superintendent, any elementary
- 5 superintendent or any assistant superintendent;
- 6 6. Any superintendent, elementary superintendent, or assistant
- 7 superintendent;
- 8 7. Any employee of a school district employed as a director,
- 9 coordinator, supervisor, or who has responsibility for
- 10 administrative functions of a school district; ~~and~~
- 11 8. Any consultant hired by the school district; and
- 12 9. Administrative services paid to an educational management
- 13 organization or a charter management organization as defined in
- 14 Section 5-200 of this title.

15 ~~E.~~ F. If an employee of a school district is employed in a

16 position where part of the employee's time is spent as an

17 administrator and part of the time is spent in nonadministrative

18 functions, the percentage of time spent as an administrator shall be

19 included as administrative services. A superintendent who spends

20 part of the time performing exempted nonadministrative services such

21 as teaching in the classroom, serving as a principal, counselor, or

22 library media specialist, can code up to forty percent (40%) of

23 their salary to other nonadministrative functions. The total amount

24 of time a superintendent of a school district spends performing

1 services for a school district shall be included as administrative
2 services even if part of the time the superintendent is performing
3 nonexempted nonadministrative service functions. The total amount
4 received by a superintendent from the school district as salary, for
5 the performance of administrative and nonexempted nonadministrative
6 services, shall be recorded under the code for superintendent salary
7 as provided for in the Oklahoma Cost Accounting System.

8 ~~F.~~ G. Each school site within a school district shall take
9 steps to ensure that the administrative costs for the school comply
10 with the expenditure limits established for school districts in this
11 section.

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

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

19 SECTION 8. This act shall become effective July 1, 2022.

20 SECTION 9. It being immediately necessary for the preservation
21 of the public peace, health or safety, an emergency is hereby
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24

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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