

1 ENGROSSED SENATE  
2 BILL NO. 1692

By: Pugh of the Senate

3 and

4 Echols of the House  
5

6 An Act relating to charter schools; amending 70 O.S.  
7 2021, Section 3-142, as amended by Section 11,  
8 Chapter 323, O.S.L. 2023 (70 O.S. Supp. 2023, Section  
9 3-142), which relates to calculation of State Aid for  
10 charter schools; removing requirement for certain  
11 weighted average daily membership calculation to be  
12 conducted with certain frequency; providing for  
13 certain calculations in subsequent school years;  
14 providing an effective date; and declaring an  
15 emergency.

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

17 SECTION 1. AMENDATORY 70 O.S. 2021, Section 3-142, as  
18 amended by Section 11, Chapter 323, O.S.L. 2023 (70 O.S. Supp. 2023,  
19 Section 3-142), is amended to read as follows:

20 Section 3-142. A. The student membership and attendance of a  
21 charter school shall be considered separate from the student  
22 membership and attendance of the sponsor for the purpose of  
23 calculating enrollment and funding including weighted average daily  
24 membership pursuant to Section 18-201.1 of this title and State Aid  
pursuant to Section 18-200.1 of this title. A charter school shall  
receive the State Aid allocation, federal funds to which it is  
eligible and qualifies for, and any other state-appropriated revenue

1 generated by its students for the applicable year. Not more than  
2 three percent (3%) of the State Aid allocation may be charged by the  
3 sponsor as a fee for administrative services rendered if the sponsor  
4 is a school district, a comprehensive or regional institution of  
5 higher education, a two-year college, a private institution of  
6 higher learning accredited pursuant to Section 4103 of this title,  
7 or a federally recognized Indian tribe pursuant to Section 3-132 of  
8 this title. The Statewide Charter School Board shall not charge any  
9 charter school or virtual charter school a fee for administrative or  
10 other services. The State Department of Education shall determine  
11 the policy and procedure for making payments to a charter school or  
12 virtual charter school. The fee for administrative services as  
13 authorized in this subsection shall only be assessed on the State  
14 Aid allocation amount and shall not be assessed on any other  
15 appropriated amounts. A sponsor of a charter school shall not  
16 charge any additional State Aid allocation or charge the charter  
17 school any additional fee above the amounts allowed by this  
18 subsection unless the additional fees are for additional services  
19 rendered. The charter school sponsor shall provide to the State  
20 Department of Education financial records documenting any state  
21 funds charged by the sponsor for administrative services rendered  
22 for the previous year.

23 B. The fee for administrative services authorized by subsection  
24 A of this section shall be used by the sponsor to provide oversight

1 and services to the charter schools it sponsors. The State  
2 Department of Education shall develop data codes for the Oklahoma  
3 Cost Accounting System which shall be used to comply with the  
4 administrative services reporting required by this section. A  
5 charter school sponsor shall publish a detailed report on its  
6 website and present the report in a public meeting of the charter  
7 school governing board and the charter school sponsor governing  
8 board. The report shall provide sponsor performance and stewardship  
9 including compliance with all applicable laws, regulations, and  
10 terms of the charter contract and listing expenses related to  
11 oversight and services provided by the sponsor to the charter  
12 schools it sponsors.

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

1 for the charter school or virtual charter school calculated pursuant  
2 to subsection A of this section. For each subsequent school year,  
3 weighted average daily membership shall be calculated as provided  
4 for in Section 18-201.1 of this title, and State Aid shall be  
5 calculated as provided for in Section 18-200.1 of this title.

6 D. Except as explicitly authorized by state law, a charter  
7 school or virtual charter school shall not be eligible to receive  
8 state-dedicated, local, or county revenue; provided, a charter  
9 school or virtual charter school may be eligible to receive any  
10 other aid, grants, or revenues allowed to other schools. A charter  
11 school or virtual charter school shall be considered a local  
12 education agency for purposes of funding.

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

1 F. Any charter school or virtual charter school which chooses  
2 to lease property shall be eligible to receive current government  
3 lease rates.

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

15 H. There is hereby created in the State Treasury a revolving  
16 fund for the Statewide Charter School Board to be designated the  
17 "Charter School Closure Reimbursement Revolving Fund". The fund  
18 shall be a continuing fund, not subject to fiscal year limitations,  
19 and shall consist of all monies received by the Statewide Charter  
20 School Board from charter schools as provided in subsection G of  
21 this section. All monies accruing to the credit of the fund are  
22 hereby appropriated and may be budgeted and expended by the  
23 Statewide Charter School Board for the purpose of paying for  
24 expenditures incurred due to the closure of a charter school.

1 Expenditures from the fund shall be made upon warrants issued by the  
2 State Treasurer against claims filed as prescribed by law with the  
3 Director of the Office of Management and Enterprise Services for  
4 approval and payment.

5 SECTION 2. This act shall become effective July 1, 2024.

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

10 Passed the Senate the 7th day of March, 2024.

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Presiding Officer of the Senate

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14 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
15 2024.

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Presiding Officer of the House  
of Representatives

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