

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 HOUSE BILL NO. 2154

6 By: Hall

7 COMMITTEE SUBSTITUTE

8 An Act relating to schools; amending 70 O.S. 2021,  
9 Section 3-136, as amended by Section 7, Chapter 323,  
10 O.S.L. 2023 (70 O.S. Supp. 2024, Section 3-136),  
11 which relates to the Oklahoma Charter Schools Act;  
12 exempting certain financial statements from contract  
13 requirements; requiring the approval of charter  
14 school budgets before each fiscal year; providing an  
15 effective date; and declaring an emergency.

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

17 SECTION 1. AMENDATORY 70 O.S. 2021, Section 3-136, as  
18 amended by Section 7, Chapter 323, O.S.L. 2023 (70 O.S. Supp. 2024,  
19 Section 3-136), is amended to read as follows:

20 Section 3-136. A. Beginning July 1, 2024, a written contract  
21 entered into between the Statewide Charter School Board and the  
22 governing board of a charter school or statewide virtual charter  
23 school or a written contract entered into between a sponsor and the  
24 governing board of a charter school shall ensure compliance with the  
following:

1           1. Except as provided for in the Oklahoma Charter Schools Act,  
2 a charter school and virtual charter school shall be exempt from all  
3 statutes and rules relating to schools, boards of education, and  
4 school districts; provided, however, a charter school or virtual  
5 charter school shall comply with all federal regulations and state  
6 and local rules and statutes relating to health, safety, civil  
7 rights, and insurance. By January 1, 2000, the State Department of  
8 Education shall prepare a list of relevant rules and statutes which  
9 a charter school and virtual charter school must comply with as  
10 required by this paragraph and shall annually provide an update to  
11 the list;

12           2. A charter school shall be nonsectarian in its programs,  
13 admission policies, employment practices, and all other operations.  
14 A sponsor may not authorize a charter school or program that is  
15 affiliated with a nonpublic sectarian school or religious  
16 institution;

17           3. The charter contract shall provide a description of the  
18 educational program to be offered. A charter school or virtual  
19 charter school may provide a comprehensive program of instruction  
20 for a prekindergarten program, a kindergarten program, or any grade  
21 between grades one and twelve. Instruction may be provided to all  
22 persons between four (4) and twenty-one (21) years of age. A  
23 charter school or virtual charter school may offer a curriculum  
24 which emphasizes a specific learning philosophy or style or certain

1 subject areas such as mathematics, science, fine arts, performance  
2 arts, or foreign language. The charter of a charter school or  
3 virtual charter school which offers grades nine through twelve shall  
4 specifically address whether the charter school or virtual charter  
5 school will comply with the graduation requirements established in  
6 Section 11-103.6 of this title. No charter school shall be  
7 chartered for the purpose of offering a curriculum for deaf or blind  
8 students that is the same or similar to the curriculum being  
9 provided by or for educating deaf or blind students that are being  
10 served by the Oklahoma School for the Blind or the Oklahoma School  
11 for the Deaf;

12 4. A charter school or virtual charter school shall participate  
13 in the testing as required by the Oklahoma School Testing Program  
14 Act and the reporting of test results as is required of a school  
15 district. A charter school or virtual charter school shall also  
16 provide any necessary data to the Office of Accountability within  
17 the State Department of Education;

18 5. A charter school or virtual charter school shall be subject  
19 to the same reporting requirements, financial audits, audit  
20 procedures, and audit requirements as a school district. The State  
21 Department of Education or State Auditor and Inspector may conduct  
22 financial, program, or compliance audits. The Statewide Charter  
23 School Board may request that the State Auditor and Inspector  
24 conduct a financial, program, or compliance audit for any charter

1 school or virtual charter school it oversees. A charter school or  
2 virtual charter school shall use the Oklahoma Cost Accounting System  
3 to report financial transactions to the State Department of  
4 Education. The charter school or virtual charter school shall be  
5 subject to the limitations on spending, including provisions of the  
6 Oklahoma Constitution, for any funds received from the state, either  
7 through the State Department of Education or other sources.  
8 Notwithstanding the requirements of this paragraph, charter schools  
9 shall be exempt from filing a written itemized statement of  
10 estimated needs and probable income from all sources, as described  
11 in Section 3002 of Title 68 of the Oklahoma Statutes;

12 6. A charter school or virtual charter school shall comply with  
13 all federal and state laws relating to the education of children  
14 with disabilities in the same manner as a school district;

15 7. A charter school or virtual charter school shall provide for  
16 a governing board for the school which shall be responsible for the  
17 policies and operational decisions of the charter school or virtual  
18 charter school. All of the charter school or virtual charter school  
19 governing board members shall be residents of this state and shall  
20 meet no fewer than ten (10) months of the year in a public meeting  
21 within the boundaries of the school district in which the charter  
22 school is located or within this state if the governing board  
23 oversees multiple charter schools in this state or oversees a  
24 virtual charter school. The governing board of a charter school or

1 virtual charter school shall be subject to the same conflict of  
2 interest requirements as a member of a school district board of  
3 education including but not limited to Sections 5-113 and 5-124 of  
4 this title. Members appointed to the governing board of a charter  
5 school or virtual charter school shall be subject to the same  
6 instruction and continuing education requirements as a member of a  
7 school district board of education and pursuant to Section 5-110 of  
8 this title shall complete twelve (12) hours of instruction within  
9 fifteen (15) months of appointment to the governing board and  
10 pursuant to Section 5-110.1 of this title shall attend continuing  
11 education;

12 8. A charter school or virtual charter school shall not be used  
13 as a method of generating revenue for students who are being home  
14 schooled and are not being educated at an organized charter school  
15 site or by a virtual charter school;

16 9. A charter school or virtual charter school shall be as  
17 equally free and open to all students as traditional public schools  
18 and shall not charge tuition or fees;

19 10. A charter school or virtual charter school shall provide  
20 instruction each year for at least the number of days or hours  
21 required in Section 1-109 of this title;

22 11. A charter school or virtual charter school shall comply  
23 with the student suspension requirements provided for in Section 24-  
24 101.3 of this title;

1 12. A charter school or virtual charter school shall be  
2 considered a school district for purposes of tort liability under  
3 The Governmental Tort Claims Act;

4 13. Employees of a charter school or virtual charter school may  
5 participate as members of the Teachers' Retirement System of  
6 Oklahoma in accordance with applicable statutes and rules if  
7 otherwise allowed pursuant to law;

8 14. A charter school or virtual charter school may participate  
9 in all health and related insurance programs available to employees  
10 of a public school district;

11 15. A charter school or virtual charter school and their  
12 respective governing boards shall comply with the Oklahoma Open  
13 Meeting Act and the Oklahoma Open Records Act;

14 16. The governing board of a charter school or virtual charter  
15 school shall notify the sponsor within ten (10) business days in the  
16 instance of any significant adverse actions, material findings of  
17 noncompliance, or pending actions, claims, or proceedings in this  
18 state relating to the charter school, the virtual charter school, or  
19 an educational management organization with which the charter school  
20 or virtual charter school has a contract;

21 17. No later than September 1 each year, the governing board of  
22 each charter school or virtual charter school formed pursuant to the  
23 Oklahoma Charter Schools Act shall prepare a statement of actual  
24 income and expenditures for the charter school or virtual charter

1 school for the fiscal year that ended on the preceding June 30, in a  
2 manner compliant with Section 5-135 of this title. The statement of  
3 expenditures shall include functional categories as defined in rules  
4 adopted by the State Board of Education to implement the Oklahoma  
5 Cost Accounting System pursuant to Section 5-145 of this title.  
6 Charter schools and virtual charter schools shall not be permitted  
7 to submit estimates of expenditures or prorated amounts to fulfill  
8 the requirements of this paragraph; and

9 18. A charter school or virtual charter school contract shall  
10 include performance provisions based on a performance framework that  
11 clearly sets forth the academic and operational performance  
12 indicators that shall be used by charter school and virtual charter  
13 school sponsors to evaluate their respective schools. The sponsor  
14 may develop a separate performance framework to evaluate a charter  
15 school or virtual charter school that has been designated by the  
16 State Department of Education as implementing an alternative  
17 education program throughout the school. The sponsor shall require  
18 a charter school or virtual charter school to submit the data  
19 required in this subsection in the identical format that is required  
20 by the State Department of Education of all public schools in order  
21 to avoid duplicative administrative efforts or allow a charter  
22 school or virtual charter school to provide permission to the  
23 Department to share all required data with the Board. The  
24 performance framework shall serve as the minimum requirement for

1 charter school and virtual charter school performance evaluation and  
2 shall include, but not be limited to, the following indicators:

- 3 a. student academic proficiency,
- 4 b. student academic growth,
- 5 c. achievement gaps in both proficiency and growth  
6 between major student subgroups,
- 7 d. student attendance,
- 8 e. recurrent enrollment from year to year as determined  
9 by the methodology used for public schools in  
10 Oklahoma,
- 11 f. in the case of high schools, graduation rates as  
12 determined by the methodology used for public schools  
13 in Oklahoma,
- 14 g. in the case of high schools, postsecondary readiness,
- 15 h. financial performance and sustainability and  
16 compliance with state and Internal Revenue Service  
17 financial reporting requirements,
- 18 i. audit findings or deficiencies,
- 19 j. accreditation and timely reporting,
- 20 k. governing board performance and stewardship including  
21 compliance with all applicable laws, regulations, and  
22 terms of the charter contract, and
- 23 l. mobility of student population for the virtual charter  
24 school framework.

1 The sponsor including the Statewide Charter School Board shall  
2 annually evaluate its charter schools or virtual charter schools  
3 according to the performance framework. The results of the  
4 evaluation shall be presented to the governing board of the charter  
5 school or virtual charter school and the governing board of the  
6 charter school sponsor in an open meeting; and

7 19. Preceding the beginning of each fiscal year, charter school  
8 governing boards shall approve a budget for the upcoming fiscal  
9 year.

10 B. An applicant or the governing board of an applicant may hold  
11 one or more charter contracts. Each charter school or virtual  
12 charter school that is part of a charter contract shall be separate  
13 and distinct from any other charter school or virtual charter  
14 school. For the purposes of this subsection, "separate and  
15 distinct" shall mean that a charter school or virtual charter school  
16 governing board with oversight of more than one charter school or  
17 virtual charter school shall not combine accounting, budgeting,  
18 recordkeeping, admissions, employment, or policies and operational  
19 decisions of the charter schools or virtual charter schools it  
20 oversees.

21 C. The charter contract of a charter school or virtual charter  
22 school shall include a description of the personnel policies,  
23 personnel qualifications, and method of school governance. A  
24 charter school or virtual charter school shall not enter into an

1 employment contract with any teacher or other personnel until a  
2 contract has been executed with its sponsor. The employment  
3 contract shall set forth the personnel policies of the charter  
4 school or virtual charter school including, but not limited to,  
5 policies related to certification, professional development,  
6 evaluation, suspension, dismissal and nonreemployment, sick leave,  
7 personal business leave, emergency leave, and family and medical  
8 leave. The contract shall also specifically set forth the salary,  
9 hours, fringe benefits, and work conditions. The contract may  
10 provide for employer-employee bargaining, but the charter school or  
11 virtual charter school shall not be required to comply with the  
12 provisions of Sections 509.1 through 509.10 of this title.

13       Upon contracting with any teacher or other personnel, the  
14 governing board of a charter school or virtual charter school shall,  
15 in writing, disclose employment rights of the employees in the event  
16 the charter school or virtual charter school closes or the charter  
17 contract is not renewed.

18       No charter school or virtual charter school may begin serving  
19 students without a contract executed in accordance with the  
20 provisions of the Oklahoma Charter Schools Act and approved in an  
21 open meeting of the governing board of the sponsor or the Statewide  
22 Charter School Board. The governing board of the sponsor or the  
23 Statewide Charter School Board may establish reasonable preopening  
24 requirements or conditions to monitor the start-up progress of newly

1 approved charter schools or virtual charter schools and ensure that  
2 each brick-and-mortar school is prepared to open smoothly on the  
3 date agreed and to ensure that each school meets all building,  
4 health, safety, insurance, and other legal requirements for the  
5 opening of a school.

6 D. The charter of a charter school or virtual charter school  
7 may be amended at the request of the governing board of the charter  
8 school or virtual charter school and upon the approval of the  
9 sponsor.

10 E. A charter school or virtual charter school may enter into  
11 contracts and sue and be sued.

12 F. The governing board of a charter school or virtual charter  
13 school shall not levy taxes or issue bonds. A school district that  
14 proposes a bond shall include any charter school established  
15 pursuant to subsection A of Section 3-132 of this title and located  
16 within the school district in planning conversations regarding the  
17 bond.

18 G. The charter of a charter school or virtual charter school  
19 shall include a provision specifying the method or methods to be  
20 employed for disposing of real and personal property acquired by the  
21 charter school or virtual charter school upon expiration or  
22 termination of the charter or failure of the charter school or  
23 virtual charter school to continue operations. Except as otherwise  
24 provided, any real or personal property purchased with state or

1 local funds shall be retained by the sponsor. If a charter school  
2 that was previously sponsored by the board of education of a school  
3 district continues operation within the school district under a new  
4 charter sponsored by an entity authorized pursuant to Section 3-132  
5 of this title, the charter school may retain any personal property  
6 purchased with state or local funds for use in the operation of the  
7 charter school until termination of the new charter or failure of  
8 the charter school to continue operations.

9 SECTION 2. This act shall become effective July 1, 2025.

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

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