ENGROSSED HOUSE
BILL NO. 1759

By: Benson, Begley, Blackburn, Boyd, Deutschendorf, Easley, McCarter, Roberts, Staggs, Stites and Wells of the House

and

Taylor, Williams and Hobson of the Senate

(schools - Oklahoma Tuition Scholarship Program - amending 14 Sections in Title 70 - certificates of distinction - Oklahoma School Testing Program Act - repealing 70 O.S., Section 8-102 - codification - effective date -

emergency)

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2610 of Title 70, unless there is created a duplication in numbering, reads as follows:

Sections 1 through 4 of this act shall be known and may be cited as the "Oklahoma Tuition Scholarship Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2611 of Title 70, unless there is created a duplication in numbering, reads as follows:

There is hereby created the Oklahoma Tuition Scholarship Program. The purpose of the Program is to ensure that students who meet the criteria set forth in the Oklahoma Tuition Scholarship Act and who have completed a college preparatory curriculum upon graduation from high school and are intending to pursue studies at

an institution of higher education in The Oklahoma State System of Higher Education leading to an associate or baccalaureate degree are rewarded by having the first two (2) years of general enrollment fees for enrollment at an institution in The Oklahoma State System of Higher Education paid for by the state.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2612 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. To be eligible to participate in the Oklahoma Tuition Scholarship Program and qualify for payment of general enrollment fees pursuant to Section 4 of this act, a student shall:

1. Be a resident of this state for a minimum of two (2) calendar years immediately prior to high school graduation. Provided, a student who is a dependent of a member of the armed services stationed in Oklahoma shall be eligible as a resident of the state for purposes of this section as long as the member is stationed in the state in full-time military service and under military orders;

2. Have graduated from a high school accredited by the State Board of Education or the Oklahoma School of Science and Mathematics and have been awarded a diploma of honor as provided for in Section 11-103.2c of Title 70 of the Oklahoma Statutes;

3. Have obtained a score on the American College Test equal to or above the score required by the Oklahoma State Regents for Higher Education for admission to a regional or comprehensive higher education institution within The Oklahoma State System of Higher Education;

4. Have satisfied admission standards as determined by the Oklahoma State Regents for Higher Education for first-time-entering students for the appropriate type of institution;

5. Have secured admission to, and enrolled in, an institution which is a member of The Oklahoma State System of Higher Education;

6. Have made application for state and federal tuition aid programs; and

7. Not have been adjudicated as a delinquent for an offense defined in Section 571 of Title 57 of the Oklahoma Statutes as an exception to a nonviolent offense or convicted as an adult of an offense defined in Section 571 of Title 57 of the Oklahoma Statutes as an exception to a nonviolent offense.

B. To retain eligibility while pursuing the program of higher learning in which enrolled, the student shall:

1. Maintain a minimum 2.5 cumulative grade point average on a 4.0 scale;

2. Maintain good academic standing and satisfactory academic progress according to standards of the Oklahoma State Regents for Higher Education; and

3. Comply with the standards related to maintenance of eligibility as promulgated by the Oklahoma State Regents for Higher Education.

C. The Oklahoma State Regents for Higher Education shall promulgate rules relating to maintenance of eligibility under the Oklahoma Tuition Scholarship Program by a student.

D. It is the intent of the Legislature that students graduating during the 2002-2003 school year shall be the first students eligible for benefits under the Oklahoma Tuition Scholarship Act.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2613 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Subject to the availability of funds, the general enrollment fees which a student who is eligible under the Oklahoma Tuition Scholarship Act is obligated to pay at an institution in The Oklahoma State System of Higher Education shall be satisfied by allocation from the Oklahoma Tuition Scholarship Trust Fund.

B. The maximum limit on the number of courses or other postsecondary units for which general enrollment fees will be satisfied as provided for by this section shall not exceed sixty (60) hours, with not more than thirty (30) hours in any one year.

C. Benefits awarded under the Oklahoma Tuition Scholarship Program shall be awarded to all eligible applicants without any limitation on the number of awards in any year other than the amount of funds available for the Program and the number of eligible applicants. If funds are not sufficient to provide awards for all eligible applicants, the Oklahoma State Regents for Higher Education shall make awards on the basis of need. The Regents shall take into consideration other grants and scholarships received by an eligible applicant when making awards. If an eligible applicant receives state or federal tuition aid which pays for all or part of the general enrollment fee obligation of the applicant, the Regents shall adjust the award to cover only the remaining unpaid portion, if any, of the general enrollment fee obligation after the state or federal aid is applied.

SECTION 5. AMENDATORY Section 1, Chapter 251, O.S.L. 1998 (70 O.S. Supp. 1998, Section 11-103.2c), is amended to read as follows:

Section 11-103.2c A. ~~District~~ <u>In addition to the standard diploma, district</u> boards of education may develop and issue a ~~certificate~~ <u>diploma</u> of ~~distinction~~ <u>honor</u> that is to be awarded to students, beginning with students in the ~~1998-99~~ <u>2002-2003</u> high school graduating class who have met or exceeded the following criteria by the end of their senior year in high school ~~with at least a 3.25 grade point average on a 4.0 scale~~:

1. Earned four units ~~each~~ in English~~, mathematics, social studies, and science~~;

<u>2. Earned three units in mathematics;</u>

<u>3. Earned three units in social studies;</u>

4. Earned three units in science; and

5. Earned ~~two~~ one-half additional ~~units~~ unit in the ~~areas~~ area of technology~~, the humanities, or the arts;~~

~~3. Earned two units in a foreign language; and~~

~~4. Achieved a score of satisfactory, or its equivalent, on all twelfth-grade criterion-referenced tests~~.

B. For purposes of this act, to qualify as academic units as required in subsection A of this section, courses shall be core-curriculum courses recommended by the American College Testing Corporation.

C. For purposes of this act, ~~applicable vocational classes offered by comprehensive high school vocational-technical programs shall qualify for technology and mathematics units, and students enrolled in the programs may use one unit of their six concentrated vocational-technical curriculum units for one unit of mathematics required by this section and may use one unit of their six concentrated vocational-technical curriculum units for one unit of science required by this section. Advanced~~ advanced placement classes in the subject areas listed in paragraphs 1, 2 ~~and~~, 3 and 4 of subsection A of this section may be substituted on a course-by-course basis to satisfy the academic units required for a ~~certificate~~ diploma of ~~distinction~~ honor. Applied vocational mathematics and science classes shall not qualify as a required unit.

~~C.~~ D. For purposes of this act, "unit" means a Carnegie Unit as defined by the North Central Association's Commission on Schools.

SECTION 6. AMENDATORY Section 2, Chapter 251, O.S.L. 1998 (70 O.S. Supp. 1998, Section 11-103.2d), is amended to read as follows:

Section 11-103.2d Colleges and universities shall not make holding a ~~certificate~~ diploma of ~~distinction~~ honor a part of their admission standards.

SECTION 7. AMENDATORY 70 O.S. 1991, Section 1210.508, as last amended by Section 25, Chapter 5, O.S.L. 1998 (70 O.S. Supp. 1998, Section 1210.508), is amended to read as follows:

Section 1210.508 A. Beginning with the 1994-95 school year and every school year thereafter, the State Board of Education shall cause a norm-referenced test to be administered to every student enrolled in grades three and seven of the public schools of this state who is a resident of the district in which the student is currently enrolled pursuant to the provisions of subsection A of Section 1-113 of this title. The test used shall be selected by the Board and shall measure specific skills represented by learner objectives. The student skills to be tested at the specified grade levels shall include reading, mathematics, language arts, communications, science and the principles of citizenship in the United States and other countries through the study of the ideals, history and government of the United States and other countries of the world, and through the study of the principles of democracy as they apply in the lives of citizens. Because the purpose of such norm-referenced testing is to focus on the progress of students and to diagnose a student's strengths and weaknesses, the Board shall seek to ensure that data yielded from the test is utilized at the school district level to prescribe skill reinforcement and/or remediation by requiring school districts to develop and implement a specific program of improvement based on the test results. Contingent upon the provision of appropriated funds designated for such purpose, students who do not perform satisfactorily on the mathematics portion of the test shall be provided remediation. The remediation may include but not be limited to tutorial instruction after regular school hours, on Saturdays and during the summer. Such instruction shall not be counted toward the one-hundred-eighty-day school year required in Section 1-109 of this title.

B. Periodically the State Department of Education shall review existing norm-referenced tests commercially available and shall make recommendations to the State Board of Education which shall designate for statewide use those tests which evaluate the broadest range of identified, age-appropriate competencies.

C. The Board shall develop a series of criterion-referenced tests designed to indicate whether competencies Oklahoma public school students are expected to have attained in grades five, eight and twelve in mathematics, science, reading and writing of English, history, constitution and government of the United States, geography, and culture and the arts, and in grade twelve, Oklahoma history, as defined by the Board, have been mastered. The tests shall measure academic competencies and shall be designed and implemented in correlation with the implementation of the curricula standards adopted by the Board pursuant to Section 11-103.6 of this title. The series of tests shall be field-tested and implemented by the following schedule:

Subject	Field-tested	Implemented
Mathematics	1993-94	1994-95
Science	1993-94	1994-95
Reading and Writing of English	1994-95	1995-96
History, Constitution and Government of the United States	1995-96	1996-97
Geography, and for grade 11, includes Oklahoma history	1996-97	1997-98
Culture and the Arts	1997-98	1998-99

D. The Board shall cause the tests in each subject to be field-tested during the year the field tests for each subject are scheduled. The Board shall cause the tests in each subject to be

implemented by administering the fifth-grade competency test to fifth-grade students, by administering the eighth-grade competency test to eighth-grade students, and by administering the twelfth-grade competency test to eleventh-grade students in the public schools of this state during the spring semester of the year scheduled for implementation of tests in each subject. The Board shall administer the appropriate tests in each implemented subject to fifth-, eighth-, and eleventh-grade students who are residents of the district in which they are currently enrolled pursuant to the provisions of subsection A of Section 1-113 of this title every year after implementation. Students who do not perform satisfactorily on the implemented tests shall be provided opportunities for remediation and shall retake the tests at times established by the Board during subsequent years as follows: Fifth-grade tests shall be readministered during the sixth and seventh grades; eighth-grade tests shall be readministered during the ninth and tenth grades; and the twelfth-grade tests shall be readministered during the twelfth-grade. Contingent upon the provision of appropriated funds designated for such purpose, students who do not perform satisfactorily on the mathematics portion of the test shall be provided remediation. The remediation may include but not be limited to tutorial instruction after regular school hours, on Saturdays and during the summer. Such instruction shall not be counted toward the one-hundred-eighty-day school year required in Section 1-109 of this title.

E. Results of the criterion-referenced test series required in subsection C of this section shall be:

1. Returned, beginning with the 1998-99 school year, to each school district prior to May 1 of each year; and

2. Included in the summary report of the Oklahoma Educational Indicators Program published pursuant to Section 1210.531 of this title. The report shall include the number of students who perform

satisfactorily on the tests, the number of students who do not perform satisfactorily, and the number of students who perform satisfactorily on subsequent administrations of the tests.

F. The State Board of Education shall be responsible for the development, field-testing, and validation of the criterion-referenced test series required in subsection C of this section. In the interest of economy the Board shall adapt criterion-referenced tests that have been developed by other states or are otherwise commercially available, or portions of such tests, to the extent that such tests are appropriate for use in the criterion-referenced test series to be administered to Oklahoma students.

G. The Board shall develop, administer, and incorporate as a part of the Oklahoma School Testing Program, other testing programs or procedures, including appropriate accommodations for the testing of handicapped students and students with learning disabilities, necessary to measure additional competencies of students which are not adequately measured by the tests required by this section.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-189.1 of Title 70, unless there is created a duplication in numbering, reads as follows:

Any teacher employed by a public school to teach mathematics in grades six, seven, or eight, shall be certified at the intermediate or secondary level in mathematics. Any teacher without such certification hired by a school district prior to July 1, 1999, and serving in the school as a mathematics teacher for grades six, seven, or eight, shall be required to obtain certification at the intermediate or secondary level in mathematics on or before the beginning of the 2003-2004 school year. Any teacher teaching mathematics at the sixth-grade level in a school that is accredited by the State Board of Education as a kindergarten through sixth-grade elementary school shall be exempt from the provisions of this section.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-195.1 of Title 70, unless there is created a duplication in numbering, reads as follows:

It is hereby declared to be the intent of the Legislature to establish a continuing education program whereby teachers employed to teach mathematics may obtain certification in mathematics and teachers certified to teach mathematics in the state may take higher education courses in order to obtain the competencies needed to enable the teacher to successfully complete the subject area examinations and become certified to teach any of the core curriculum mathematics courses recommended by the American College Test. The program shall pay up to One Hundred Dollars ($100.00) per credit hour up to a maximum of twenty-four (24) credit hours for a teacher to take higher education courses in mathematics. Teachers required to gain certification as provided in Section 8 of this act shall be given priority in the funding for the continuing education program. The purpose of the program is to improve the knowledge and skills of teachers and to ensure that the children of the state are taught by professional educators, fully prepared in the area of mathematics.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1210.516 of Title 70, unless there is created a duplication in numbering, reads as follows:

Contingent upon the provision of appropriated funds designated for such purpose, the State Board of Education is hereby authorized to award _____ Dollars ($_____) in grants to each school site which significantly increases the average score for the school on tests required pursuant to Section 1210.508 of Title 70 of the Oklahoma Statutes. The State Board of Education shall promulgate rules establishing the criteria for receiving the award. The award may be used by the school for teacher bonuses or to purchase equipment and

materials for the school, provided not more than fifty percent (50%) of the award may be used for teacher bonuses.

SECTION 11. AMENDATORY Section 3, Chapter 181, O.S.L. 1997, as amended by Section 1, Chapter 350, O.S.L. 1998 (70 O.S. Supp. 1998, Section 6-204.2), is amended to read as follows:

Section 6-204.2 A. Subject to the availability of funds, the Oklahoma Commission for Teacher Preparation and the State Board of Education are hereby authorized to establish the Education Leadership Oklahoma program.

B. The purposes of the Education Leadership Oklahoma program are:

1. Provide teachers throughout the state information about National Board certification and the Education Leadership Oklahoma program scholarships and services;

2. Provide technical assistance and National Board certified mentors to all teachers seeking National Board certification upon request;

3. Provide scholarships, pursuant to Section 6-204 et seq. of this title and Oklahoma Commission for Teacher Preparation rules, for teachers seeking National Board certification; ~~and~~

4. Provide a bonus to teachers who achieve National Board certification pursuant to Section 6-204 et seq. of this title and State Board of Education rules;

5. Reward teachers who achieve National Board certification without the financial support of the Education Leadership Oklahoma program by awarding them the application fee and the amount of the scholarship given to Education Leadership Oklahoma participants pursuant to this section and commission rules; and

6. Provide recognition to National Board certified teachers.

C. To fulfill the objectives of Section 6-204 et seq. of this title, the Oklahoma Commission for Teacher Preparation shall:

1. Inform teachers of the Education Leadership Oklahoma program and the scholarships and services it provides to teachers seeking National Board certification;

2. Collect and review applications to the scholarship program from interested teachers;

3. Establish an applicant review committee for the purpose of identifying scholarship recipients pursuant to Section 6-204 et seq. of this title for the Education Leadership Oklahoma program; and

4. Ensure that all scholarship recipients, alternates, and teachers seeking National Board certification independently receive adequate information regarding the level of commitment required to acquire National Board certification.

D. The applicant review committee shall:

1. Consist of:

a. five classroom teachers appointed by the State Board of Education, at least one of whom shall be a National Board certified teacher, if available,

b. five classroom teachers appointed by the Oklahoma Commission for Teacher Preparation, at least one of whom shall be a National Board certified teacher, if available,

c. three classroom teachers appointed by the Oklahoma State Regents for Higher Education, at least one of whom shall be a National Board certified teacher, if available, and

d. a chair to be designated by the Executive Director of the Oklahoma Commission for Teacher Preparation from among the appointed members; and

2. Select up to two hundred teachers for the 1998-99 class, up to four hundred teachers beginning with the 1999-2000 class and every year thereafter, and the appropriate number of alternates, who:

a. have demonstrated a commitment to excellence in teaching,

b. meet all eligibility requirements for potential certification as established by the National Board for Professional Teaching Standards,

c. are employed in an Oklahoma public school, and

d. meet other requirements of the Commission.

E. Subject to the availability of funds appropriated by the Legislature for the purposes of this subsection, the application fee for National Board certification shall be paid for scholarship recipients by the Commission, and scholarship recipients shall be provided a scholarship in the amount of Five Hundred Dollars ($500.00) to cover other expenses associated with obtaining National Board certification.

F. It is the intent of the Legislature that the Oklahoma Commission for Teacher Preparation contract with Southeastern Oklahoma State University to establish Education Leadership Oklahoma program training in higher education teacher preparation programs in the state to assist teachers in meeting the requirements to obtain National Board certification.

G. All teachers seeking National Board certification shall be eligible to participate in Education Leadership Oklahoma program training to assist them in meeting the requirements of the National Board certification process, free of charge.

H. The Oklahoma Commission for Teacher Preparation shall promulgate rules for the selection of scholarship recipients, the selection and utilization of alternates, the payment and reimbursement of application fees, and the issuance of scholarships.

I. Subject to district board of education policy, teachers who have submitted an application for National Board certification shall either be allowed to utilize two (2) of their five (5) professional days for National Board certification portfolio development or be

provided an additional two (2) professional days during which a substitute teacher shall be provided by the school district at no cost to the teacher.

J. The State Board of Education shall provide all teachers who attain National Board certification a bonus in the amount of ~~Five Thousand Dollars ($5,000.00)~~ Seven Thousand Dollars ($7,000.00) annually no later than January 31 for as long as they maintain their National Board certification and are teaching in the classroom full-time in an Oklahoma public school. No school or school district shall be liable for payment of bonuses pursuant to this section.

K. The bonus shall not be included in the calculation of the teacher's salary for purposes of meeting the district or statutory minimum salary schedule or for purposes of compensating Oklahoma Teachers' Retirement System contributions or benefits.

L. The State Board of Education shall promulgate rules for the provision of the bonus pursuant to this section to include, but not be limited to, a process by which a National Board certified teacher will verify that:

1. The National Board certification has not lapsed; and

2. The teacher is still a full-time classroom teacher.

M. It is the intent of the Legislature that the Oklahoma State Regents for Higher Education incorporate the National Board certification portfolio development into all programs in education leading to a master's level degree.

SECTION 12. AMENDATORY 70 O.S. 1991, Section 698.2, as amended by Section 1, Chapter 232, O.S.L. 1992 (70 O.S. Supp. 1998, Section 698.2), is amended to read as follows:

Section 698.2 A. It is the intent of the Oklahoma Legislature that the Oklahoma State Regents for Higher Education establish a program for making available forgivable loans, as defined in this section, to students enrolled in a major course of study at the third- or fourth-year of undergraduate level or graduate ~~or~~

~~undergraduate~~ level who declare an intention to serve and who subsequently serve this state by teaching in the public schools of this state in the subject areas of ~~mathematics, science, computer learning, middle school technology education, or foreign languages at the elementary, middle or secondary level in the public schools of this state~~ shortage as determined annually by the State Board of Education. ~~This program may be used by a state institution of higher education to meet any statutorily prescribed duty of providing financial assistance to minority students who intend to become teachers in the above subject areas.~~

B. The Oklahoma State Regents for Higher Education are authorized to provide student loans to persons who are enrolled at institutions of higher education in this state for the purposes specified in subsection A of this section. The loans shall be applied to the cost of said education. It is the intent of the Oklahoma Legislature that only those third- and fourth-year undergraduate and graduate students who are enrolled full time be eligible for said loans.

C. No person shall receive more than three annual loans of such kind. The maximum annual loan amount may be set by the Oklahoma State Regents for Higher Education at an amount not to exceed the normal cost of room, board, tuition, and fees at the state-supported colleges and universities, except that intersession or summer school loans may also be offered in amounts not to exceed one-third (1/3) of the annual loan amount.

D. The Oklahoma State Regents for Higher Education are authorized to forgive loans authorized pursuant to the provisions of subsection A of this section which have been provided to persons who actually render service as teachers in the public schools of this state if not less than seventy-five percent (75%) of the teaching assignment is in a subject area specified in subsection A of this section. Loan forgiveness shall be ~~one (1) year's~~ twenty percent

(20%) of the total loan for each school year of service rendered up to a total of five (5) years. ~~One-half (1/2) school year of service shall be required for forgiveness of an intersession or summer session loan.~~

E. Persons failing to complete an appropriate program of studies or to meet any other requirements for full-time teaching employment, including certification in an area of ~~mathematics, science, computer learning, middle school technology education, or foreign languages~~ shortage, shall immediately become liable to the Oklahoma State Regents for Higher Education for the sum of all outstanding loans received pursuant to the provisions of this section. Persons liable for repayment of loans shall also be liable for interest for the entire period of the loans at a rate to be determined at the time each loan is granted. The Oklahoma State Regents for Higher Education may grant forbearance or deferment for justifiable temporary periods of interruption of studies. In the event of a borrower's death or total and permanent disability, the Chancellor of the Oklahoma State Regents for Higher Education may cancel the borrower's indebtedness to this program.

F. The Oklahoma State Regents for Higher Education shall require the execution of appropriate contracts and promissory notes with loan recipients. The Chancellor, with approval of the State Regents, may contract with any other appropriate organization or unit of government for the administration of the provisions of this section.

G. All loans and interest repaid to the Oklahoma State Regents for Higher Education pursuant to the provisions of this section may be used for the continuation of this program.

H. If insufficient funds are available for loans to qualified persons during any fiscal year, the Chancellor may make reductions in the loans made to qualifying applicants. Priority consideration may be given to highly qualified persons previously participating

and making satisfactory academic progress in the program as determined by the institution.

SECTION 13. AMENDATORY 70 O.S. 1991, Section 18-124, is amended to read as follows:

Section 18-124. A. ~~Any school district with an average daily attendance (ADA) of more than one thousand five hundred (1,500) students for the preceding year which, in school year 1986-87, expends for administrative services, less expenditures for legal services, more than eight percent (8%) of the amount it expends for total expenditures, less expenditures for legal services, shall have the amount which exceeds the eight percent (8%) withheld from 1987-88 Foundation and Salary Incentive Aid.~~

~~B.~~ Any school district with an average daily attendance (ADA) of more than one thousand five hundred (1,500) students for the preceding year which, in school year 1987-88 or any school year thereafter, expends for administrative services, less expenditures for legal services, more than six percent (6%) of the amount it expends for total expenditures, less expenditures for legal services, shall have the amount which exceeds the six percent (6%) withheld from the following year's Foundation and Salary Incentive Aid.

~~C.~~ B. Any school district with an average daily attendance (ADA) of more than five hundred (500) students but not more than one thousand five hundred (1,500) students for the preceding year which, in school year 1987-88 or any school year thereafter, expends for administrative services, less expenditures for legal services, more than eight percent (8%) of the amount it expends for total expenditures, less expenditures for legal services, shall have the amount which exceeds the eight percent (8%) withheld from the following year's Foundation and Salary Incentive Aid.

~~D.~~ C. Any school district with an average daily attendance (ADA) of five hundred (500) or fewer students for the preceding year

which, in school year 1987-88 or any school year thereafter, expends for administrative services, less expenditures for legal services, more than ten percent (10%) of the amount it expends for total expenditures, less expenditures for legal services, shall have the amount which exceeds the ten percent (10%) withheld from the following year's Foundation and Salary Incentive Aid~~; provided, for districts having average daily attendance (ADA) of two hundred (200) or fewer students in the 1986-87 school year, the amount withheld in the 1988-89 school year for excess administrative expenditures in the 1987-88 school year shall be the amount in excess of twelve percent (12%)~~.

D. For purposes of subsections A, B and C of this section, "administrative services" shall mean costs associated with staff for the board of education, the secretary/clerk for the board of education and staff relations, negotiations staff, the superintendent, staff for the superintendent, and full-time principals, vice-principals and assistant principals in the school district.

E. Each school site within a school district shall take steps to ensure that the administrative costs for the school comply with the expenditure limits established for school districts in this section.

F. Funds withheld pursuant to the provisions of this section shall be distributed through the State Aid formula to the districts not so penalized.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-144 of Title 70, unless there is created a duplication in numbering, reads as follows:

Upon the arrest of a person on a felony warrant, if the law enforcement officer making the arrest is aware that the person arrested is a student or employee of a school district, the

arresting officer shall notify the superintendent of the district of the arrest of the student or employee.

SECTION 15. AMENDATORY 70 O.S. 1991, Section 1210.553, is amended to read as follows:

Section 1210.553 A. ~~The~~ Contingent upon the provision of appropriated funds designated for such purpose, the State Board of Education ~~shall solicit proposals for, and if funds are available make~~ is authorized to award one or more competitive grants to school districts or nonprofit organizations for~~, pilot projects for the offering of~~ providing academically-oriented ~~activity~~ programs ~~for~~ to students in at-risk or disadvantaged urban school districts needing or desiring ~~structured~~ such programs during before-school, after-school, and summer periods.

B. The State Board of Education shall determine pilot ~~project~~ program criteria and establish a process for the consideration of proposals. Such proposals for pilot ~~projects~~ programs shall be considered on a statewide competitive basis. The State Board of Education is authorized to promulgate rules ~~and regulations~~ for the operation of such ~~projects~~ programs.

SECTION 16. AMENDATORY Section 44, Chapter 247, O.S.L. 1996, as amended by Section 1, Chapter 175, O.S.L. 1997 (70 O.S. Supp. 1998, Section 1210.568), is amended to read as follows:

Section 1210.568 A. Beginning with the first semester of the 1996-1997 school year, the State Board of Education shall implement a statewide system of alternative education programs which shall be phased-in within five (5) years. The statewide system shall include but not be limited to Alternative Approaches grant programs, funded pursuant to Section 1210.561 of this title, Alternative Education Academies pilot programs, funded pursuant to Section 1210.563 of this title and alternative academies or alternative programs implemented pursuant to this section. The funding for Alternative Education Academies pilot programs, after the third year of funding

provided pursuant to Section 1210.563 of this title, shall be provided from funds appropriated for the statewide system.

B. Beginning with the first semester of the 2000-2001 school year, all school districts of this state shall provide alternative education programs that conform to the requirements of statutes and rules applicable to alternative education. A program shall:

1. Allow class sizes and student/teacher ratios which are conducive to effective learning for at-risk students;

2. Incorporate appropriate structure, curriculum, and interaction and reinforcement strategies designed to provide effective instruction;

3. Include an intake and screening process to determine eligibility of students;

4. Demonstrate that teaching faculty are appropriately certified teachers;

5. Demonstrate that teaching faculty have been selected on the basis of a record of successful work with at-risk students or personal and educational factors that qualify them for work with at-risk students;

6. Reflect appropriate collaborative efforts with state agencies and local agencies serving youth;

7. Provide courses that meet the curricula standards adopted by the State Board of Education and remedial courses;

8. Offer individualized instruction;

9. State clear and measurable program goals and objectives;

10. Include counseling and social services components with the provision that providers of services are not required to be certified as school counselors;

11. Require a plan leading to graduation be developed for each child in the program;

12. Offer life skills instruction;

13. Provide opportunities for arts education to students, including Artists in Residence programs coordinated with the Oklahoma Arts Council;

14. Provide a proposed annual budget;

15. Include an evaluation component including an annual written self-evaluation; and

16. Be appropriately designed to serve middle school, junior high school and secondary school students in grades six through twelve who are most at-risk of not completing a high school education for a reason other than that identified in Section 13-101 of this title.

C. Contingent upon the provision of appropriated funds designated for such purpose, beginning with the 2001-2002 school year, all school districts in the state providing alternative education programs as required in subsection B of this section shall expand the programs to include middle school grade students. The program shall conform to the requirements of subsection B of this section.

D. Contingent upon the provision of appropriated funds designated for such purpose, beginning with the 2001-2002 school year, each school identified by the State Department of Education as having a high population of elementary grade students who are at-risk and in need of alternative education shall provide elementary level alternative education programs. The State Department of Education shall establish requirements for the programs.

E. By September 15 of each school year, all revenue received and expended for students participating in an alternative education program shall be reported to the State Department of Education by major object codes and by program classifications pursuant to the Oklahoma Cost Accounting System as adopted by the State Board of Education pursuant to Section 5-135 of this title.

~~D.~~ F. 1. The State Board of Education shall contract for technical assistance for operation of an Alternative Education Technical Assistance Center. The technical assistance provider shall be an entity located in Oklahoma that has been officially recognized by the United States Department of Education to assess and facilitate dissemination of validated educational programs in Oklahoma. The technical assistance provider shall have priority, if its operations are deemed satisfactory by the State Board of Education and if funds are available, for annual renewal of the contract.

2. The duties of the technical assistance provider shall include, but shall not be limited to:

a. providing initial and ongoing training of personnel who will educate at-risk populations through alternative education programs,

b. providing technical assistance to school districts to enhance the probability of success of their alternative education programs,

c. evaluating state-funded alternative education programs,

d. reporting to the State Board of Education the evaluation results of state-funded alternative education programs, and

e. providing in-depth program analysis and evaluation of state-funded alternative education programs.

~~E.~~ G. All alternative education programs shall be subject to statutes and rules applicable to alternative education, including any exemptions from statutory or regulatory requirements authorized by statutes or rule.

~~F.~~ H. An alternative education program may be offered by an individual school district or may be offered jointly by school districts that have formed interlocal cooperative agreements

pursuant to Section 5-117b of ~~Title 70 of the Oklahoma Statutes~~ this title.

SECTION 17. AMENDATORY Section 1, Chapter 348, O.S.L. 1997 (70 O.S. Supp. 1998, Section 1210.569), is amended to read as follows:

Section 1210.569 A. Beginning with the 1997-98 school year, each school district shall be required to update and submit on an annual basis the student needs assessment and alternative education plan outlined in Section 1210.566 of Title 70 of the Oklahoma Statutes. The alternative education plan of each school district shall provide for specific professional development programs for the teachers teaching in or working with an alternative education program. The annual needs assessment data shall be incorporated by the State Board of Education into an annual report which shall be submitted to the Speaker of the House of Representatives, the President Pro Tempore of the Senate and the Governor. The report shall also include a listing by school district of the number of students funded and the reported number of students served in an alternative education program.

B. Beginning with the 2001-2002 school year, each school district identified by the State Department of Education as having a high population of elementary grade students who are at-risk and in need of alternative education shall expand the annual student needs assessment and alternative education plan as required in subsection A of this section to include a needs assessment and education plan for elementary students who are at-risk and in need of alternative education.

SECTION 18. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1210.710 of Title 70, unless there is created a duplication in numbering, reads as follows:

It is hereby the intent of the Oklahoma Legislature to provide funding to school districts to hire school counselors at the

elementary level. Preference for funding shall be given to those school districts that have the highest number of elementary students at-risk and in need of alternative education.

SECTION 19. AMENDATORY Section 4, Chapter 350, O.S.L. 1997 (70 O.S. Supp. 1998, Section 24-101.4), is amended to read as follows:

Section 24-101.4 A. For any student that ~~enrolls~~ seeks or intends to enroll in a school district other than the school district for which the student was enrolled for that year or the prior year, ~~upon the request of the receiving school district for the education records for that student,~~ the sending school district shall retain and include in the records forwarded to the other school district a copy of any disciplinary records for that student. The forwarding and disclosure of disciplinary records or other education records to a school district in which a student seeks or intends to enroll shall be in accordance with the annual notification requirements and provisions of the Family Educational Rights and Privacy Act of 1974 (FERPA).

B. Each school district shall be required to release nondirectory educational records to the agencies listed in Section 620.3 of Title 10 of the Oklahoma Statutes. The release of any records shall be in accordance with the provisions of FERPA. The term "nondirectory educational records" shall be those records maintained by the school regarding a child who is or has been a student at the school which are categorized as private or confidential records pursuant to FERPA.

C. The State Board of Education shall promulgate rules for monitoring school districts for compliance with this section and providing sanctions for noncompliance with this section. The Board shall inform school districts of their statutory responsibilities for compliance with FERPA. Enforcement and sanctions shall be as provided by the federal requirements under FERPA.

SECTION 20. AMENDATORY 70 O.S. 1991, Section 6-114, as amended by Section 2, Chapter 241, O.S.L. 1995 (70 O.S. Supp. 1998, Section 6-114), is amended to read as follows:

Section 6-114. A. Each district board of education shall adopt a policy for the control and discipline of all children attending public school in that district. Such policy shall provide options for the methods of control and discipline of the students and shall define standards of conduct to which students are expected to conform. In developing the policy, the district board of education shall make an effort to involve the teachers, parents, and students affected. The students, teachers, and parents or guardian of every child residing within a school district shall be notified by the district board of education of its adoption of the policy and shall receive a copy upon request. Provided, the teacher of a child attending a public school shall have the same right as a parent or guardian to control and discipline such child according to local policies during the time the child is in attendance or in transit to or from the school or any other school function authorized by the school district or classroom presided over by the teacher.

B. Except concerning students on individualized education plans (IEP) pursuant to the Individuals with Disabilities Education Act (IDEA), P.L. No. 101-476, the State Board of Education shall not have authority to prescribe student disciplinary policies for school districts or to proscribe corporal punishment in the public schools. The State Board of Education shall not have authority to require school districts to file student disciplinary action reports more often than once each year and shall not use disciplinary action reports in determining a school district's or school site's eligibility for program assistance including competitive grants.

C. The board of education of each school district in this state shall have the power and authority to adopt a dress code to be incorporated as a part of the discipline policy of the school. Any

rules concerning the dress code of a school adopted by the board of education shall have a reasonable connection with the education function entrusted to the board and shall not censure the political opinions of the students or unreasonably interfere with common clothing fads of students. However, nothing in this section shall prevent a school district from instituting a uniform dress code.

SECTION 21. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 18-202 of Title 70, unless there is created a duplication in numbering, reads as follows:

Each school district of thirty thousand (30,000) or more in average daily membership shall establish a method whereby the distribution of State Aid generated by the economically disadvantaged pupil category weight for the average daily membership of the school district is accounted for by school site within the district based on the percentage of economically disadvantaged students at each school site. The school district shall annually report those levels to the State Department of Education.

SECTION 22. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8-101.1 of Title 70, unless there is created a duplication in numbering, reads as follows:

Sections 22 through 26 of this act shall be known and may be cited as the "Education Open Transfer Act".

SECTION 23. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8-101.2 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. On and after January 1, 2000, the transfer of a student from the district in which the student resides to another school district furnishing instruction in the grade the student is entitled to pursue shall be granted if the transfer has the approval of the board of education of the receiving district. A student granted a transfer may continue to attend the school to which the student transferred with the approval of the receiving district only, and

any brother or sister of such student may attend such school with the approval of the receiving district only. No student shall be permitted to transfer more than once in any school year.

If the grade a student is entitled to pursue is not offered in the district where the student resides, the transfer shall be automatically approved.

B. When a student has been transferred and later changes residence to another school district in the State of Oklahoma, the student shall be entitled to continue to attend school in the district to which the student was transferred. If a change of residence is to the district to which the student was transferred, upon affidavit of the parent, custodial parent, or guardian of the child, that district shall become the resident district. If a student changes residence to another district during the school year which is not the same district the student transferred to, the student shall be entitled to attend school in either the receiving district or the new district of residence for the remainder of the current year.

C. Any student transfer approved for any reason prior to the implementation of this act shall continue to be valid until this act is fully operational or until the parent, guardian, or person having custody chooses otherwise.

SECTION 24. AMENDATORY 70 O.S. 1991, Section 8-103, as last amended by Section 2, Chapter 232, O.S.L. 1994 (70 O.S. Supp. 1998, Section 8-103), is amended to read as follows:

Section 8-103. A. In order that any ~~child~~ student may be transferred, an application ~~for transfer shall be approved by the board of education of both the resident and receiving school district as provided for in this section. An application~~ form specified by the State Board of Education must be completed by the parents, custodial parent or guardian of the ~~child~~ student. The application shall be obtained from and filed with the superintendent

of the receiving school district for transfers to school districts in the State of Oklahoma and with the State Board of Education for transfers to school districts in another state. Applications shall be filed no later than February 1 of the school year preceding the school year for which the transfer is desired. By March 1 of the same school year, the receiving school district shall notify the resident school district that an application for transfer has been filed by a student enrolled in the resident school district. The board of education of the receiving school district shall approve or deny the application for transfer~~, and if approved, the superintendent of the receiving school district shall notify, in writing,~~ not later than ~~March 1, the clerk of the board of education of the resident school district of the board's decision on the application for transfer. On or before April 10, the board of education of the resident school district shall approve or deny the application for transfer and shall notify, in writing, the superintendent of the receiving district whether the transfer application was approved or denied. If the resident school district denies the transfer application it shall send written notice of the denial to the receiving school district by certified mail. If the resident school district fails to notify the receiving school district by the due date, the application shall be deemed approved by the receiving school district. The superintendent of the receiving school district shall, not later than May 1, send written notice to the clerk of the board of education of the resident school district and the parents or guardian of the child confirming whether or not the transfer has been granted for each application submitted~~ June 1 of the same year.

B. On or before ~~August~~ June 1, it shall be the duty of the superintendent of the receiving school district to file with the State Board of Education and each resident district a statement showing the names of the students granted transfers to the school

district, the resident school district of the transferred students and their respective grade level.

~~C. The parent or guardian of a child making application for transfer may appeal the decision of the board of education of either the resident or receiving school district regarding the transfer of the child to the district court of the county where the child resides.~~

SECTION 25. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8-103.1 of Title 70, unless there is created a duplication in numbering, reads as follows:

A local school district board of education which receives a request for a transfer for a student who does not reside in the school district may refuse the transfer in accordance with the provisions of the transfer policy adopted by the local school district board of education.

In considering requests for students to transfer into a school district, the board of education shall consider the requests on a first-come, first-serve basis. A school district shall not accept or deny a transfer based on ethnicity, national origin, gender, income level, disabling condition, proficiency in the English language, measure of achievement, aptitude or athletic ability.

Notwithstanding the provisions of the Education Open Transfer Act, transfers of children with disabilities shall be granted as authorized in Section 13-103 of Title 70 of the Oklahoma Statutes.

SECTION 26. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 8-103.2 of Title 70, unless there is created a duplication in numbering, reads as follows:

A student who enrolls, pursuant to the Education Open Transfer Act, in a school district in which the student is not a resident shall not be eligible to participate in school-related extramural competition governed by the Oklahoma Secondary School Activities Association for a period of one (1) year from the first day of

attendance at the receiving school unless the transfer is from a school district which does not offer the grade the student is entitled to pursue.

SECTION 27. AMENDATORY 70 O.S. 1991, Section 8-104, as last amended by Section 3, Chapter 343, O.S.L. 1997 (70 O.S. Supp. 1998, Section 8-104), is amended to read as follows:

Section 8-104. ~~A.~~ In addition to the transfer process provided in Section 8-103 of this title, students may be transferred on an emergency basis. A written application for an emergency transfer designating the district to which the transfer is desired shall be made by either the parent or guardian and filed with the superintendent of the receiving school district. On an adequate showing of emergency the superintendent of the receiving school district may make and order a transfer, subject to approval by the State Board of Education. An emergency shall include only:

1. The destruction or partial destruction of a school building;

2. ~~The inability to furnish the grade of study the pupil is entitled to pursue;~~

~~3.~~ The inability to offer the subject a pupil desires to pursue, if the pupil becomes a legal resident of a school district after February 1 of the school year immediately prior to the school year for which the pupil is seeking the transfer;

~~4.~~ 3. A catastrophic medical problem of a student, which for purposes of this section shall mean an acute or chronic serious illness, disease, disorder or injury which has a permanently detrimental effect on the body's system or renders the risk unusually hazardous; and

~~5.~~ 4. The total failure of transportation facilities ~~previously had or contemplated; and~~

~~6. Therapeutic foster care home placement as provided in paragraph 1 of subsection C of Section 1-113 of this title~~.

~~Provided that a transfer shall also be approved when such transfer has the approval of the boards of education of the sending and receiving districts. Similarly, a~~ An emergency transfer previously made may be canceled, with the concurrence of the board of the receiving district and the parent or guardian of the child.

~~B. On affidavit of parent or guardian, or of the school board of the transferring district, disclosing removal of residence from the transferring district, a transfer previously made may be canceled, and the appropriation made therefor relieved of such encumbrance to the extent not earned; and, with concurrence of the boards of education of both the transferring and transferee districts, a parent or guardian may show by affidavit that, by discontinuance of transportation facilities previously afforded or contemplated, the pupil or pupils are unable to attend the school of the transferee district, whereupon the transfer so made may be canceled and the appropriation therefor relieved of any encumbrance to the extent not earned.~~

SECTION 28. AMENDATORY 70 O.S. 1991, Section 9-101, is amended to read as follows:

Section 9-101. A. Any school district may provide transportation for any child who is participating in any prekindergarten or early childhood program operated by the school district or any child who is participating in any Head Start program offered within the school district.

B. Upon a request for a student transfer pursuant to the provisions of the Education Open Transfer Act, if the parent or guardian of the student requests that the receiving district provide transportation for the student, and if the receiving district grants the transfer, then the receiving district may provide such transportation only within the boundaries of the receiving school district. A receiving school district shall not cross school district boundaries to transport a kindergarten through eighth-grade

student transferred pursuant to the Education Open Transfer Act except as otherwise authorized in Section 9-105 of this title.

C. Any school district may provide transportation for each student who should attend any public elementary or secondary school when, and only when, transportation is necessary for accomplishment of one of the following purposes:

1. To provide adequate educational facilities and opportunities which otherwise would not be available, which shall include those purposes provided in the Education Open Transfer Act; and

2. To transport students whose homes are more than a reasonable walking distance, as defined by regulations of the State Board of Education, from the school attended by such student. Provided, that no state funds shall be paid for the transportation of a student whose residence is within one and one-half (1 1/2) miles from the school attended by such student.

SECTION 29. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-130 of Title 70, unless there is created a duplication in numbering, reads as follows:

Sections 29 through 41 of this act shall be known and may be cited as the "Oklahoma Charter Schools Act".

SECTION 30. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-131 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The purpose of the Oklahoma Charter Schools Act is to:

1. Improve student learning;

2. Increase learning opportunities for students;

3. Encourage the use of different and innovative teaching methods;

4. Provide additional academic choices for parents and students;

5. Require the measurement of student learning and create different and innovative forms of measuring student learning;

6. Establish new forms of accountability for schools; and

7. Create new professional opportunities for teachers and administrators including the opportunity to be responsible for the learning program at the school site.

B. The purpose of this act is not to provide a means by which to keep open a school that may otherwise be closed. Applicants applying for a charter for a school which is to be otherwise closed shall be required to prove that conversion to a charter school fulfills the purposes of the act independent of closing the school. Provided, nothing in this section shall be interpreted to preclude a school designated as a "high challenge school" from becoming a charter school.

SECTION 31. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-132 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The Oklahoma Charter Schools Act shall apply only to charter schools formed and operated under the provisions of this act. Any charter or enterprise school operating in the state pursuant to an agreement with the board of education of a school district on July 1, 1999, shall have until July 1, 2000, to revise the agreement and contract with the board of education of the school district pursuant to the Oklahoma Charter Schools Act. Any school which does not contract by July 1, 2000, shall not be considered a charter school and shall revert back to its original status.

B. For purposes of the Oklahoma Charter Schools Act, "charter school" means a public school established by contract with a board of education of a school district pursuant to the act to provide learning that will improve student achievement.

C. A charter school may consist of a new school, new schools or all or any portion of an existing school. Provided, an entire school district may not become a charter school.

SECTION 32. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-133 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. An applicant seeking to establish a charter school shall first submit a written proposal to the proposed sponsor as prescribed in subsection D of this section. The proposal shall include:

1. A mission statement for the charter school;

2. A description of the organizational structure and the governing body of the charter school;

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

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

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

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

7. A description of the grades being served;

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

9. A demonstration of support for the charter school from residents of the school district, which may include but is not limited to a survey of the school district residents or a petition signed by residents of the school district.

B. A board of education of a public school district, public body, public or private college or university, private person or private organization may contract with a sponsor to establish a charter school. A private school shall not be eligible to contract for a charter school under the provisions of this act.

C. The sponsor of a charter school is the board of education of a school district. Any board of education of a school district in the state may sponsor one or more charter schools. The physical location of a charter school sponsored by a board of education of a school district shall be within the boundaries of the sponsoring school district.

D. An applicant for a charter school may submit an application to a board of education of a school district which shall either accept or reject sponsorship of the charter school within ninety (90) days of receipt of the application. If the board rejects the application, it shall notify the applicant in writing of the reasons for the rejection. The applicant may submit a revised application for reconsideration to the board within thirty (30) days after receiving notification of the rejection. The board shall accept or reject the revised application within thirty (30) days of its receipt.

E. A board of education of a school district shall notify the State Board of Education when the board accepts sponsorship of a charter school. The notification shall include a copy of the charter of the charter school.

F. If a board of education rejects an application for a charter school, the applicant for the charter school may request that the question of sponsorship of the charter school be placed on the ballot for acceptance or rejection by the voters of the school district at the next scheduled school district election. If a board of education accepts an application for a charter school, the question of sponsorship of a charter school shall be placed on the ballot for acceptance or rejection by the voters of the school district at the next scheduled school district election if a petition signed by at least ten percent (10%) of the number of school district electors who voted in the last school district election is filed with the board of education. The petition shall

be signed only by qualified school district electors. The secretary of the county election board shall certify the adequacy of the signatures on the petition. If a majority of voters voting in the election approve the question of the charter school, the board of education shall accept sponsorship of the charter school. If a majority of voters voting in the election reject the question of the charter school, the board of education shall not accept sponsorship of the charter school. The board of education of the school district shall provide informational material concerning the charter school election, including, but not limited to, all pertinent information contained in the charter school proposal. The informational material shall not contain the words "vote yes" or "vote no" or any similar words or statement any place on such informational material.

SECTION 33. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-134 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The sponsor of a charter school shall enter into a written contract with the governing body of the charter school. The contract shall incorporate the provisions of the charter of the charter school and contain, but shall not be limited to, the following provisions:

1. A description of the program to be offered by the school which complies with the purposes outlined in Section 34 of this act;

2. Admission policies and procedures;

3. Management and administration of the charter school;

4. Requirements and procedures for program and financial audits;

5. A description of how the charter school will comply with the charter requirements set forth in this act;

6. Assumption of liability by the charter school; and

7. The term of the contract.

B. A charter school shall not enter into an employment contract with any teacher or other personnel until the charter school has a contract with a sponsoring school district. The employment contract shall set forth the personnel policies of the charter school, including, but not limited to, policies related to certification, professional development evaluation, suspension, dismissal and nonreemployment, sick leave, personal business leave, emergency leave and family and medical leave. The contract shall also specifically set forth the salary, hours, fringe benefits and work conditions. The contract shall conform to all applicable provisions set forth in Section 34 of this act.

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

C. The charter school shall execute a surety bond for the benefit of the sponsor of the charter school in an amount estimated by the board to be equal to the annual operating budget of the charter school plus any monies held in reserve.

SECTION 34. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-135 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. A charter school shall adopt a charter which will ensure compliance with the following:

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

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

3. The charter school shall provide a comprehensive program of instruction for at least a kindergarten program or any grade between grades one and twelve. Instruction may be provided to all persons between the ages of five (5) and twenty-one (21) years. A charter school may offer a curriculum which emphasizes a specific learning philosophy or style or certain subject areas such as mathematics, science, fine arts, performance arts or foreign language;

4. A charter school shall participate in the testing as required by the Oklahoma School Testing Program Act and the reporting of test results as is required of a school district. A charter school shall also provide any necessary data to the Office of Accountability;

5. Except as provided for in this act and its charter, a charter school shall be exempt from all statutes and rules relating to schools, boards of education and school districts;

6. A charter school, to the extent possible, 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 charter school shall use the Oklahoma Cost Accounting System to report financial transactions to the sponsoring school district;

7. A charter school shall comply with all federal and state laws relating to the education of children with disabilities in the same manner as a school district;

8. A charter school shall provide for a governing body for the school which shall be responsible for the policies and operational decisions of the charter school;

9. A charter school shall not be used as a method of providing education or generating revenue for students who are being home schooled;

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

11. A charter school shall provide instruction each year for at least the number of days required in Section 1-109 of Title 70 of the Oklahoma Statutes;

12. A charter school shall comply with the student suspension requirements provided for in Section 24-101.3 of Title 70 of the Oklahoma Statutes;

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

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

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

16. A charter school shall comply with the Oklahoma Open Meeting Act and the Oklahoma Open Records Act; and

17. The governing body of a charter school shall be subject to the same conflict of interest requirements as a member of a local school board.

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

C. The charter of a charter school may be amended at the request of the governing body of the charter school and upon the approval of the sponsor.

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

E. The governing body of a charter school may not levy taxes or issue bonds.

F. The charter of a charter school shall include a provision specifying the method or methods to be employed for disposing of real and personal property acquired by the charter school upon expiration or termination of the charter or failure of the charter school to continue operations. Any real or personal property purchased with state or local funds shall be retained by the sponsoring school district.

SECTION 35. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-136 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. An approved contract for a charter school shall be effective for not longer than three (3) years from the first day of operation. Prior to the beginning of the third year of operation, the charter school may apply for renewal of the contract with the sponsor. The sponsor may deny the request for renewal if it determines the charter school has failed to complete the obligations of the contract or comply with the act. A sponsor shall give written notice of its intent not to renew the request for renewal at least twelve (12) months prior to expiration of the contract.

B. If a sponsor denies a request for renewal, the governing board may request a vote on the question as provided for in Section 32 of this act.

C. A sponsor may terminate a contract during the term of the contract for failure to meet the requirements for student performance contained in the contract, failure to meet the standards

of fiscal management, violations of the law or other good cause. The sponsor shall give at least ninety (90) days written notice to the governing board prior to terminating the contract. The governing board may request in writing an informal hearing before the sponsor within fourteen (14) days of receiving notice. The sponsor shall conduct an informal hearing before taking action. Action by the board shall be final.

D. If a contract is not renewed or is terminated according to this section, a student who attended the charter school may enroll in the resident school district of the student or may apply for a transfer in accordance with Section 8-103 of Title 70 of the Oklahoma Statutes.

SECTION 36. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-137 of Title 70, unless there is created a duplication in numbering, reads as follows:

A board of education of a school district or an employee of the district who has control over personnel actions shall not take unlawful reprisal action against an employee of the school district for the reason that the employee is directly or indirectly involved in an application to establish a charter school. As used in this section, "unlawful reprisal" means an action that is taken by a board of education or a school district employee as a direct result of a lawful application to establish a charter school and that is adverse to an employee or an education program.

SECTION 37. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-138 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. A sponsoring school district shall determine whether a teacher who is employed by or teaching at a charter school and who was previously employed as a teacher at the sponsoring public school district shall not lose any right of salary status or any other

benefit provided by law due to teaching at a charter school upon returning to the sponsoring public school district to teach.

B. A teacher who is employed by or teaching at a charter school and who submits an employment application to the school district where the teacher was employed immediately before employment by or at a charter school shall be given employment preference by the school district if:

1. The teacher submits an employment application to the school district no later than three (3) years after ceasing employment with the school district; and

2. A suitable position is available at the school district.

SECTION 38. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-139 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. A charter school shall enroll those students whose legal residence is within the boundaries of the school district in which the charter school is located and who submit a timely application, or those students who transfer to the district in which the charter school is located in accordance with Section 8-103 of Title 70 of the Oklahoma Statutes, unless the number of applications exceeds the capacity of a program, class, grade level or building. If capacity is insufficient to enroll all eligible students, the charter school shall select students through a lottery selection process. A charter school shall give enrollment preference to eligible students who reside within the boundaries of the school district in which the charter school is located. A charter school may limit admission to students within a given age group or grade level. The demographics of the charter school shall not vary from the demographics of the sponsoring school district by more than ten percent (10%).

B. A charter school shall admit students who reside in the attendance area of a school or in a school district that is under a court order of desegregation or that is a party to an agreement with

the United States Department of Education Office for Civil Rights directed towards mediating alleged or proven racial discrimination unless notice is received from the resident school district that admission of the student would violate the court order or agreement.

C. A charter school may designate a specific geographic area within the school district in which the charter school is located as an academic enterprise zone and may limit admissions to students who reside within that area. An academic enterprise zone shall be a geographic area in which sixty percent (60%) or more of the children who reside in the area qualify for the free or reduced school lunch program.

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

SECTION 39. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-140 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Transportation shall be provided by the charter school in accordance with Sections 9-101 through 9-118 of Title 70 of the Oklahoma Statutes and only within the transportation boundaries of the school district in which the charter school is located.

B. A charter school shall provide the parent or guardian information regarding transportation at the time the student enrolls in the charter school.

SECTION 40. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-141 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. For purposes of funding, a charter school shall be considered a site within the school district in which the charter school is sponsored and the student membership of the charter school

shall be included in the local school district's average daily membership. A charter school shall receive, for each student, the local school district's average local and county revenue, state dedicated revenue and state-appropriated funds per average daily membership generated by its students for the applicable year, less up to five percent (5%) of the total, which may be retained by the school district as a fee for administrative services rendered. The State Board of Education shall determine the policy and procedure for making payments to a charter school.

B. For the first year of operation, a charter school shall receive State Aid support equal to the average student expenditure for the preceding school year for the district in which the school is located. The average daily membership for the first year of operation of a charter school shall be determined initially using an estimated student count based on actual registration of students before the beginning of the school year. After the first one hundred (100) days in session for the first year of operation, the charter school shall revise the average daily membership to equal the actual average daily membership of the charter school. If the average daily membership was overestimated or underestimated, the budget of the school shall be revised.

C. A charter school shall be eligible to receive any other aid, grants or revenues allowed to other schools.

D. A charter school, in addition to the money received from the state, may receive money from any other source. Any unexpended nonstate funds, excluding local revenue, may be reserved and used for future purposes.

SECTION 41. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-142 of Title 70, unless there is created a duplication in numbering, reads as follows:

The State Board of Education shall issue an annual report to the Legislature and the Governor outlining the status of charter schools

in the state. Each charter school shall annually file a report with the Office of Accountability. The report shall include such information as requested by the Office of Accountability, including but not limited to information on enrollment, testing, curriculum, finances and employees.

SECTION 42. REPEALER 70 O.S. 1991, Section 8-102, as amended by Section 34, Chapter 239, O.S.L. 1993 (70 O.S. Supp. 1998, Section 8-102), is hereby repealed.

SECTION 43. This act shall become effective July 1, 1999.

SECTION 44. It being immediately necessary for the preservation of the public peace, health and 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 9th day of March, 1999.

_____

Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 1999.

_____

President of the Senate