

CS for EHB 2578

1 THE STATE SENATE  
2 Thursday, April 6, 2006

3 Committee Substitute for  
4 ENGROSSED  
5 House Bill No. 2578

6 COMMITTEE SUBSTITUTE FOR ENGROSSED HOUSE BILL NO. 2578 - By: JONES,  
7 DANK and SHUMATE of the House and EASON McINTYRE of the Senate.

8 [ schools - Oklahoma Charter Schools Act - charter school  
9 sponsor - effective date -  
10 emergency ]

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

12 SECTION 1. AMENDATORY 70 O.S. 2001, Section 3-132, is  
13 amended to read as follows:

14 Section 3-132. A. The Oklahoma Charter Schools Act shall apply  
15 only to charter schools formed and operated under the provisions of  
16 the act. Charter schools shall be sponsored only as follows:

17 1. By a local school district with an average daily membership  
18 of five thousand (5,000) or more and which all or part of the school  
19 district is located in a county having more than five hundred  
20 thousand (500,000) population according to the latest Federal  
21 Decennial Census; or

22 2. By ~~a technology center school district~~ the State Board of  
23 Education only when the charter school is located in a local school  
24 district ~~served by the technology center school district and only if~~  
25 ~~the local school district~~ that has an average daily membership of

1 five thousand (5,000) or more and which all or part of the local  
2 school district is located in a county having more than five hundred  
3 thousand (500,000) population according to the latest Federal  
4 Decennial Census.

5 ~~Additional charter schools may be sponsored as provided for in~~  
6 ~~Section 3-133 of this title.~~

7 Charter schools formed pursuant to the act shall serve as a  
8 pilot program to demonstrate the potential of expanding charter  
9 schools to other parts of the state. Any charter or enterprise  
10 school operating in the state pursuant to an agreement with the  
11 board of education of a school district on July 1, 1999, may  
12 continue to operate pursuant to that agreement or may contract with  
13 the board of education of the school district pursuant to the  
14 Oklahoma Charter Schools Act. Nothing in the Oklahoma Charter  
15 Schools Act shall prohibit a school district from applying for  
16 exemptions from certain education-related statutory requirements as  
17 provided for in the ~~Education~~ Educational Deregulation Act.

18 B. For purposes of the Oklahoma Charter Schools Act, "charter  
19 school" means a public school established by contract with a board  
20 of education of a school district or ~~an area vocational-technical~~  
21 ~~school district~~ the State Board of Education pursuant to the  
22 Oklahoma Charter Schools Act to provide learning that will improve

1 student achievement and as defined in the Elementary and Secondary  
2 Education Act of 1965, 20 U.S.C. 8065.

3 C. A charter school may consist of a new school site, new  
4 school sites or all or any portion of an existing school site. An  
5 entire school district may not become a charter school site.

6 SECTION 2. AMENDATORY 70 O.S. 2001, Section 3-134, is  
7 amended to read as follows:

8 Section 3-134. A. An applicant seeking to establish a charter  
9 school shall first submit a written proposal to the proposed sponsor  
10 as prescribed in subsection D of this section. The proposal shall  
11 include:

12 1. A mission statement for the charter school;

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

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

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

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

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

3           7. A description of the grades being served;

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

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

10          B. A board of education of a public school district, public  
11 body, public or private college or university, private person, or  
12 private organization may contract with a sponsor to establish a  
13 charter school. A private school shall not be eligible to contract  
14 for a charter school under the provisions of the Oklahoma Charter  
15 Schools Act.

16          C. The sponsor of a charter school is the board of education of  
17 a local school district ~~or a technology center school district~~ which  
18 meets the criteria established in Section 3-132 of this title or the  
19 State Board of Education for a charter school that is located in a  
20 school district that meets the criteria established in Section 3-132  
21 of this title. Any board of education of a school district in the  
22 state may sponsor one or more charter schools. The physical  
23 location of a charter school sponsored by a board of education of a

1 local school district ~~or a technology center school district~~ shall  
2 be within the boundaries of the sponsoring school district.

3 D. An applicant for a charter school may submit an application  
4 to a board of education of a school district ~~or a technology center~~  
5 ~~school district~~ the State Board of Education which shall either  
6 accept or reject sponsorship of the charter school within ninety  
7 (90) days of receipt of the application. If the board or State  
8 Board of Education rejects the application, it shall notify the  
9 applicant in writing of the reasons for the rejection. The  
10 applicant may submit a revised application for reconsideration to  
11 the board or State Board of Education within thirty (30) days after  
12 receiving notification of the rejection. The board or State Board  
13 of Education shall accept or reject the revised application within  
14 thirty (30) days of its receipt.

15 E. A board of education of a school district ~~or a technology~~  
16 ~~center school district~~ shall notify the State Board of Education  
17 when the board accepts sponsorship of a charter school. The  
18 notification shall include a copy of the charter of the charter  
19 school.

20 F. If a board of education or the State Board of Education  
21 rejects the revised application for a charter school, the applicant  
22 may proceed to mediation or binding arbitration or both mediation  
23 and binding arbitration as provided in the Dispute Resolution Act

1 and the rules promulgated pursuant thereto. The applicant shall  
2 contact the early settlement program for the county in which the  
3 charter school would be located. If the parties proceed to binding  
4 arbitration, a panel of three arbitrators shall be appointed by the  
5 director of the early settlement program handling the dispute. The  
6 board of education or the State Board of Education shall pay the  
7 cost for any mediation or arbitration requested pursuant to this  
8 section.

9 G. The State Board of Education may designate a public charter  
10 school review commission to accept, review, and make recommendations  
11 for approval of applications for charter schools submitted to the  
12 State Board of Education and to oversee any charter school sponsored  
13 by the State Board of Education. The State Board of Education shall  
14 promulgate rules regarding the establishment and responsibilities of  
15 the public charter school review commission. If the State Board of  
16 Education accepts sponsorship of a charter school, it shall assume  
17 all administrative and fiscal responsibility and oversight of the  
18 charter school. The administrative, fiscal and oversight  
19 responsibilities of the State Board of Education shall be listed in  
20 the contract. Such responsibilities shall not be delegated to a  
21 school district unless the school district agrees to assume the  
22 responsibilities.

1 SECTION 3. AMENDATORY 70 O.S. 2001, Section 3-142, as  
2 amended by Section 2, Chapter 472, O.S.L. 2004 (70 O.S. Supp. 2005,  
3 Section 3-142), is amended to read as follows:

4 Section 3-142. A. For purposes of funding, a charter school  
5 shall be considered a site within the school district in which the  
6 charter school is located ~~and the~~. The student membership of the  
7 charter school shall be included in the average daily membership of  
8 the school district considered separate from the student membership  
9 of the district in which the charter school is located for the  
10 purpose of calculating weighted average daily membership pursuant to  
11 Section 18-201.1 of this title and state aid pursuant to Section 18-  
12 200.1 of this title. The sum of the separate calculations shall be  
13 used to determine the total state aid allocation for the district in  
14 which the charter school is located. A charter school shall receive  
15 from the sponsoring district, for each student, the school  
16 district's average local and county revenue which is chargeable in  
17 the State Aid formula, state dedicated revenue, and state-  
18 appropriated funds per average daily membership the State Aid  
19 revenue generated by its students for the applicable year, less up  
20 to five percent (5%) of the total, which may be retained by the  
21 school district as a fee for administrative services rendered. The  
22 State Board of Education shall determine the policy and procedure  
23 for making payments to a charter school.

1        B. The weighted average daily membership for the first year of  
2 operation of a charter school shall be determined initially ~~using an~~  
3 ~~estimated student count based on actual registration of students~~  
4 ~~before the beginning of the school year~~ by multiplying the actual  
5 enrollment of students as of August 1 by 1.333. ~~After the first~~  
6 ~~nine (9) weeks in session for the first year of operation, the~~  
7 ~~charter school shall revise the average daily membership to equal~~  
8 ~~the actual average daily membership of the charter school. If the~~  
9 ~~average daily membership was overestimated or underestimated, the~~  
10 ~~budget of the school shall be revised~~ The charter school shall  
11 receive from its sponsoring district, revenue equal to that which  
12 would be generated by the estimated weighted average daily  
13 membership. At midyear, the charter school's allocation shall be  
14 adjusted using the school's first quarter weighted average daily  
15 membership calculated pursuant to subsection A of this section.

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

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

22        SECTION 4.        REPEALER        70 O.S. 2001, Section 3-133, is  
23 hereby repealed.

1 SECTION 5. This act shall become effective July 1, 2006.

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

6 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION, dated 4-3-06 - DO PASS,  
7 As Amended.