

1 STATE OF OKLAHOMA

2 1st Session of the 51st Legislature (2007)

3 COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 SENATE BILL NO. 661

By: Eason McIntyre, Wilcoxson,  
Adelson and Williamson of  
the Senate

6 and

7 Shumate of the House

8  
9  
10 COMMITTEE SUBSTITUTE

11 An Act relating to schools; amending 70 O.S. 2001,  
12 Sections 3-132, 3-134, 3-137, as last amended by  
13 Section 1, Chapter 472, O.S.L. 2004 and 3-142, as  
14 last amended by Section 1, Chapter 278, O.S.L. 2006  
15 (70 O.S. Supp. 2006, Sections 3-137 and 3-142), which  
16 relate to the Oklahoma Charter Schools Act; deleting  
17 technology center school districts as a charter  
18 school sponsor; adding additional sponsors for  
19 charter schools; limiting number of charter schools  
20 established each year; defining term; directing the  
21 State Board of Education to develop a model charter  
22 school application form; stating purpose of the form;  
23 requiring applicants to use the model format;  
24 requiring the Board to make form available to certain  
persons; requiring applicants to complete certain  
training prior to filing an application; authorizing  
the State Department of Education to develop and  
implement the training; requiring documentation of  
completion of training; authorizing the State Board  
of Education to designate a public charter school  
review commission; stating duties of the commission;  
providing for specification of duties of certain  
sponsors in the contract; prohibiting delegation of  
responsibilities without approval of the school  
district; modifying term of charter school contract;  
specifying requirements for renewal of charter school  
contract; providing for termination of charter school

1 contract under certain circumstances; specifying  
2 application requirements for an existing charter  
3 school contracting with a new sponsor; allowing  
4 submission of an application to a new sponsor upon  
5 nonrenewal of contract; modifying distribution of  
6 funding for certain charter schools; providing for an  
7 administrative fee; making certain charter schools  
8 eligible for certain funding; repealing 70 O.S. 2001,  
9 Section 3-133, which relates to additional sponsors  
10 of charter schools; providing an effective date; and  
11 declaring an emergency.

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

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

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

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

23 2. By a ~~technology center school district~~ the State Board of  
24 Education only when the charter school is located in a ~~local~~ school  
district ~~served by the technology center school district and only if~~  
the ~~local school district~~ that has an average daily membership of  
five thousand (5,000) or more and which all or part of the ~~local~~

1 school district is located in a county having more than five hundred  
2 thousand (500,000) population according to the latest Federal  
3 Decennial Census;

4 3. By an educational institution that is a member of The  
5 Oklahoma State System of Higher Education only when the charter  
6 school is located in a school district that has an average daily  
7 membership of five thousand (5,000) or more and which all or part of  
8 the school district is located in a county having more than five  
9 hundred thousand (500,000) population according to the latest  
10 Federal Decennial Census; or

11 4. By the governing body of a city having more than three  
12 hundred thousand (300,000) population according to the latest  
13 Federal Decennial Census only when the charter school is located in  
14 a school district that has an average daily membership of five  
15 thousand (5,000) or more and which all or part of the school  
16 district is located in that city.

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

19 B. Charter schools formed pursuant to the act shall serve as a  
20 pilot program to demonstrate the potential of expanding charter  
21 schools to other parts of the state. Any charter or enterprise  
22 school operating in the state pursuant to an agreement with the  
23 board of education of a school district on July 1, 1999, may  
24 continue to operate pursuant to that agreement or may contract with

1 the board of education of the school district pursuant to the  
2 Oklahoma Charter Schools Act. Nothing in the Oklahoma Charter  
3 Schools Act shall prohibit a school district from applying for  
4 exemptions from certain education-related statutory requirements as  
5 provided for in the ~~Education~~ Educational Deregulation Act.

6 C. Beginning January 1, 2008, not more than four new charter  
7 schools shall be established by contract with a sponsor each year in  
8 each county in the state having more than five hundred thousand  
9 (5000,000) population according to the latest Federal Decennial  
10 Census. For purposes of this subsection a "new charter school"  
11 shall mean a charter school proposed by an applicant that has never  
12 had a contract with a sponsor.

13 ~~B.~~ D. For purposes of the Oklahoma Charter Schools Act,  
14 "charter school" means a public school established by contract with  
15 a board of education of a school district ~~or an area vocational-~~  
16 ~~technical school district,~~ the State Board of Education, a higher  
17 education institution, or governing body of a city pursuant to the  
18 Oklahoma Charter Schools Act to provide learning that will improve  
19 student achievement and as defined in the Elementary and Secondary  
20 Education Act of 1965, 20 U.S.C. 8065.

21 ~~C.~~ E. A charter school may consist of a new school site, new  
22 school sites or all or any portion of an existing school site. An  
23 entire school district may not become a charter school site.

24

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

3 Section 3-134. A. The State Board of Education shall develop a  
4 model charter school application form by January 1, 2008. The  
5 purpose of the model form shall be to establish a uniform outline  
6 for charter school applications and shall include all items required  
7 to be included in an application as listed in subsection C of this  
8 section. Beginning January 1, 2008, the format of the model form  
9 shall be used by charter school applicants when submitting  
10 applications for charter schools to a proposed sponsor. The State  
11 Department of Education shall make the model form available to  
12 persons interested in filing an application for a charter school.

13 B. For written applications filed after January 1, 2008, prior  
14 to submission of the application to a proposed sponsor seeking to  
15 establish a charter school, the applicant shall be required to  
16 complete training which shall not exceed ten (10) hours provided by  
17 the State Department of Education on the process and requirements  
18 for establishing a charter school. The Department shall develop and  
19 implement the training by January 1, 2008. The Department may  
20 provide the training in any format and manner that the Department  
21 determines to be efficient and effective, including, but not limited  
22 to, web-based training.

23 C. Except as otherwise provided for in Section 3-137 of this  
24 title, an applicant seeking to establish a charter school shall

1 ~~first~~ submit a written ~~proposal~~ application to the proposed sponsor  
2 as prescribed in subsection ~~D~~ F of this section, using the model  
3 charter school application form as prescribed in subsection A of  
4 this section. The ~~proposal~~ application shall include:

- 5 1. A mission statement for the charter school;
- 6 2. A description of the organizational structure and the  
7 governing body of the charter school;
- 8 3. A financial plan for the first three (3) years of operation  
9 of the charter school and a description of the treasurer or other  
10 officers or persons who shall have primary responsibility for the  
11 finances of the charter school. Such person shall have demonstrated  
12 experience in school finance or the equivalent thereof;
- 13 4. A description of the hiring policy of the charter school;
- 14 5. The name of the applicant or applicants and requested  
15 sponsor;
- 16 6. A description of the facility and location of the charter  
17 school;
- 18 7. A description of the grades being served;
- 19 8. An outline of criteria designed to measure the effectiveness  
20 of the charter school; ~~and~~
- 21 9. A demonstration of support for the charter school from  
22 residents of the school district which may include but is not  
23 limited to a survey of the school district residents or a petition  
24 signed by residents of the school district; and

1        10. Documentation that the applicants completed charter school  
2 training as set forth in subsection B of this section.

3        ~~B.~~ D. A board of education of a public school district, public  
4 body, public or private college or university, private person, or  
5 private organization may contract with a sponsor to establish a  
6 charter school. A private school shall not be eligible to contract  
7 for a charter school under the provisions of the Oklahoma Charter  
8 Schools Act.

9        ~~C.~~ E. The sponsor of a charter school is the board of education  
10 of a ~~local~~ school district ~~or a technology center school district,~~  
11 the State Board of Education, a higher education institution, or a  
12 governing body of a city which meets the criteria established in  
13 Section 3-132 of this title. Any board of education of a school  
14 district in the state may sponsor one or more charter schools. The  
15 physical location of a charter school sponsored by a board of  
16 education of a ~~local~~ school district ~~or a technology center school~~  
17 ~~district~~ shall be within the boundaries of the sponsoring school  
18 district.

19        ~~D.~~ F. An applicant for a charter school may submit an  
20 application to a ~~board of education of a school district or a~~  
21 ~~technology center school district~~ proposed sponsor which shall  
22 either accept or reject sponsorship of the charter school within  
23 ninety (90) days of receipt of the application. If the ~~board~~  
24 proposed sponsor rejects the application, it shall notify the

1 applicant in writing of the reasons for the rejection. The  
2 applicant may submit a revised application for reconsideration to  
3 the ~~board~~ proposed sponsor within thirty (30) days after receiving  
4 notification of the rejection. The ~~board~~ proposed sponsor shall  
5 accept or reject the revised application within thirty (30) days of  
6 its receipt.

7 E. G. A ~~board of education of a school district or a technology~~  
8 ~~center school district~~ sponsor of a charter school shall notify the  
9 State Board of Education when ~~the board~~ it accepts sponsorship of a  
10 charter school. The notification shall include a copy of the  
11 charter of the charter school.

12 F. H. If a ~~board of education~~ proposed sponsor rejects the  
13 revised application for a charter school, the applicant may proceed  
14 to mediation or binding arbitration or both mediation and binding  
15 arbitration as provided in the Dispute Resolution Act and the rules  
16 promulgated pursuant thereto. The applicant shall contact the early  
17 settlement program for the county in which the charter school would  
18 be located. If the parties proceed to binding arbitration, a panel  
19 of three arbitrators shall be appointed by the director of the early  
20 settlement program handling the dispute. The ~~board of education~~  
21 proposed sponsor shall pay the cost for any mediation or arbitration  
22 requested pursuant to this section.

23 I. The State Board of Education may designate a public charter  
24 school review commission to accept, review, and make recommendations

1 for approval of applications for charter schools submitted to the  
2 Board and to oversee any charter school sponsored by the Board. The  
3 Board shall promulgate rules regarding the establishment and  
4 responsibilities of the public charter school review commission.

5 J. If the State Board of Education, a higher education  
6 institution, or the governing body of a city accepts sponsorship of  
7 a charter school, the administrative, fiscal and oversight  
8 responsibilities of the State Board of Education, a higher education  
9 institution, or the governing body of a city shall be listed in the  
10 contract. No responsibilities shall be delegated to a local school  
11 district unless the local school district agrees to assume the  
12 responsibilities.

13 SECTION 3. AMENDATORY 70 O.S. 2001, Section 3-137, as  
14 last amended by Section 1, Chapter 472, O.S.L. 2004 (70 O.S. Supp.  
15 2006, Section 3-137), is amended to read as follows:

16 Section 3-137. A. An approved contract for a charter school  
17 shall be effective for not longer than ~~three (3)~~ five (5) years from  
18 the first day of operation. Prior to the beginning of the ~~third~~  
19 fifth year of operation, the charter school may apply for renewal of  
20 the contract with the sponsor. When applying for renewal of the  
21 contract, the charter school shall not be required by the sponsor to  
22 resubmit an application as required in Section 3-134 of this title  
23 unless the charter school is requesting an expansion of the school,  
24 a material change in the program to be offered by the school, or a

1 material change in the management and administration of the school.

2 The sponsor may deny the request for renewal if it determines the  
3 charter school has failed to complete the obligations of the  
4 contract or comply with the provisions of the Oklahoma Charter  
5 Schools Act. A sponsor shall give written notice of its intent to  
6 deny the request for renewal at least eight (8) months prior to  
7 expiration of the contract.

8 B. If a sponsor denies a request for renewal, the governing  
9 board may proceed to mediation or binding arbitration or both as  
10 provided for in subsection F of Section 3-134 of this title.

11 C. A sponsor may terminate a contract during the term of the  
12 contract for failure to meet the requirements for student  
13 performance contained in the contract, failure to meet the standards  
14 of fiscal management, violations of the law, or other good cause.  
15 The sponsor shall give at least ninety (90) days' written notice to  
16 the governing board prior to terminating the contract. The  
17 governing board may request, in writing, an informal hearing before  
18 the sponsor within fourteen (14) days of receiving notice. The  
19 sponsor shall conduct an informal hearing before taking action. If  
20 a sponsor decides to terminate a contract, the governing board may  
21 proceed to mediation or binding arbitration or both as provided for  
22 in subsection F H of Section 3-134 of this title.

23 D. Upon agreement of the sponsor and a charter school, a  
24 charter school contract may be terminated during the term of the

1 contract for the purpose of allowing the charter school to contract  
2 with another sponsor. If a charter school contract is terminated  
3 pursuant to this subsection and upon agreement of the new sponsor,  
4 the governing board of the charter school shall not be required to  
5 submit an application as provided for in Section 3-134 of this  
6 title, but may entered into a written contract with the new sponsor  
7 of the charter school which incorporates the same provisions as the  
8 previously terminated contract.

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

12 F. If a contract is not renewed or is terminated according to  
13 this section, a student who attended the charter school may enroll  
14 in the resident school district of the student or may apply for a  
15 transfer in accordance with Section 8-103 of this title.

16 SECTION 4. AMENDATORY 70 O.S. 2001, Section 3-142, as  
17 last amended by Section 1, Chapter 278, O.S.L. 2006 (70 O.S. Supp.  
18 2006, Section 3-142), is amended to read as follows:

19 Section 3-142. A. For purposes of funding, a charter school  
20 sponsored by a board of education shall be considered a site within  
21 the school district in which the charter school is located. The  
22 student membership of the charter school shall be considered  
23 separate from the student membership of the district in which the  
24 charter school is located for the purpose of calculating weighted

1 average daily membership pursuant to Section 18-201.1 of this title  
2 and state aid pursuant to Section 18-200.1 of this title. ~~The For~~  
3 charter schools sponsored by a board of education, the sum of the  
4 separate calculations for the charter school and the school district  
5 shall be used to determine the total ~~state aid~~ State Aid allocation  
6 for the district in which the charter school is located. A charter  
7 school shall receive from the sponsoring school district, the State  
8 Aid revenue generated by its students for the applicable year, less  
9 up to five percent (5%) of the total, which may be retained by the  
10 school district as a fee for administrative services rendered. For  
11 charter schools sponsored by the State Board of Education, a higher  
12 education institution, or the governing body of a city, the State  
13 Aid allocation for the charter school shall be distributed by the  
14 State Board of Education. Not more than five percent (5%) of the  
15 total allocation may be charged by the sponsor as a fee for  
16 administrative services rendered. The State Board of Education  
17 shall determine the policy and procedure for making payments to a  
18 charter school.

19 B. The weighted average daily membership for the first year of  
20 operation of a charter school shall be determined initially by  
21 multiplying the actual enrollment of students as of August 1 by  
22 1.333. The charter school shall receive ~~from its sponsoring~~  
23 ~~district,~~ revenue equal to that which would be generated by the  
24 estimated weighted average daily membership calculated pursuant to

1 this subsection. At midyear, the allocation for the charter school  
2 shall be adjusted using the first quarter weighted average daily  
3 membership for the charter school calculated pursuant to subsection  
4 A of this section.

5 C. A charter school shall be eligible to receive any other aid,  
6 grants or revenues allowed to other schools. A charter school  
7 sponsored by the State Board of Education, a higher education  
8 institution, or the governing body of a city shall be considered a  
9 local education agency for purposes of funding.

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

14 SECTION 5. REPEALER 70 O.S. 2001, Section 3-133, is  
15 hereby repealed.

16 SECTION 6. This act shall become effective July 1, 2007.

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

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