

ENROLLED HOUSE  
BILL NO. 1589

By: Shumate, Dank, Denney,  
Kern, McCarter, Terrill,  
Tibbs, Wesselhoft,  
Winchester and Pittman of  
the House

and

Eason McIntyre and Jolley  
of the Senate

An Act relating to schools; amending 70 O.S. 2001, Sections 3-132, 3-134, 3-137, as last amended by Section 1, Chapter 472, O.S.L. 2004 and 3-142, as last amended by Section 1, Chapter 278, O.S.L. 2006 (70 O.S. Supp. 2006, Sections 3-137 and 3-142), which relate to the Oklahoma Charter Schools Act; adding certain higher education institutions as additional sponsors for charter schools; specifying certain requirements for higher education institutions; limiting number of charter schools established each year; defining term; 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; requiring the Board to make determination of certain limit; providing for specification of duties of certain sponsor in the contract; prohibiting delegation of responsibilities without approval of the school district; modifying term of charter school contract; allowing submission of an application to a new sponsor upon nonrenewal of contract; modifying distribution of funding for certain charter schools; providing for an administrative fee; making certain charter schools eligible for certain funding; repealing 70 O.S. 2001, Section 3-133, which relates to additional sponsors of charter schools; and providing an effective date.

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

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

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

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

2. By a technology center school district 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 has an average daily membership of five thousand (5,000) or more and which all or part of the ~~local~~ school district is located in a county having more than five hundred thousand (500,000) population according to the latest Federal Decennial Census; or

3. By a comprehensive or regional institution that is a member of The Oklahoma State System of Higher Education only when the charter school is located in a school district that has an average daily membership of five thousand (5,000) or more and which all or part of the school district is located in a county having more than five hundred thousand (500,000) population according to the latest Federal Decennial Census. In addition, the institution shall have a teacher education program accredited by the Oklahoma Commission for Teacher Preparation and have a branch campus or constituent agency physically located within the school district in which the charter school is located.

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

B. Charter schools formed pursuant to the act shall serve as a pilot program to demonstrate the potential of expanding charter schools to other parts of the state. 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, may continue to operate pursuant to that agreement or may contract with the board of education of the school district pursuant to the

Oklahoma Charter Schools Act. Nothing in the Oklahoma Charter Schools Act shall prohibit a school district from applying for exemptions from certain education-related statutory requirements as provided for in the ~~Education~~ Educational Deregulation Act.

~~B.~~ C. Beginning January 1, 2008, not more than three new charter schools shall be established each fiscal year in each county in the state having more than five hundred thousand (500,000) population according to the latest Federal Decennial Census. For purposes of this subsection, a "new charter school" shall mean a charter school proposed by an applicant that has never had a contract with a sponsor.

D. 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 ~~or~~, an area vocational-technical school district, or a higher education institution pursuant to the Oklahoma Charter Schools Act to provide learning that will improve student achievement and as defined in the Elementary and Secondary Education Act of 1965, 20 U.S.C. 8065.

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

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

Section 3-134. A. ~~An~~ For written applications filed after January 1, 2008, prior to submission of the application to a proposed sponsor seeking to establish a charter school, the applicant shall be required to complete training which shall not exceed ten (10) hours provided by the State Department of Education on the process and requirements for establishing a charter school. The Department shall develop and implement the training by January 1, 2008. The Department may provide the training in any format and manner that the Department determines to be efficient and effective including, but not limited to, web-based training.

B. Except as otherwise provided for in Section 3-137 of this title, an applicant seeking to establish a charter school shall first submit a written proposal application to the proposed sponsor as prescribed in subsection ~~D~~ E of this section. The proposal application 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; and
10. Documentation that the applicants completed charter school training as set forth in subsection A of this section.

~~B.~~ C. 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 the Oklahoma Charter Schools Act.

~~C.~~ D. The sponsor of a charter school is the board of education of a ~~local~~ school district ~~or~~, the board of education of a technology center school district, or a higher education institution which meets the criteria established in Section 3-132 of this title. 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 ~~local~~ school district or a technology center school district shall be within the boundaries of the sponsoring school district.

~~D.~~ E. An applicant for a charter school may submit an application to a ~~board of education of a school district or a technology center school district~~ proposed sponsor which shall either accept or reject sponsorship of the charter school within ninety (90) days of receipt of the application. If the ~~board~~ proposed sponsor 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~~ proposed sponsor within thirty (30) days after receiving notification of the rejection. The ~~board~~ proposed sponsor shall accept or reject the revised application within thirty (30) days of its receipt.

~~E.~~ F. A ~~board of education of a school district or a technology center school district~~ sponsor of a charter school shall notify the State Board of Education when ~~the board~~ it accepts sponsorship of a charter school. The notification shall include a copy of the charter of the charter school. The Board shall determine if the new charter school will exceed the limit established in subsection C of Section 3-132 of this title. If the new charter school does exceed the limit, the Board shall not allocate funding for the charter school as provided for in Section 3-142 of this title.

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

H. If a board of education of a technology center school district or a higher education institution accepts sponsorship of a charter school, the administrative, fiscal and oversight responsibilities of the technology center school district or the higher education institution shall be listed in the contract. No responsibilities shall be delegated to a local school district

unless the local school district agrees to assume the responsibilities.

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

Section 3-137. A. An approved contract for a charter school shall be effective for not longer than ~~three (3)~~ five (5) years from the first day of operation. Prior to the beginning of the ~~third~~ fifth 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 provisions of the Oklahoma Charter Schools Act. A sponsor shall give written notice of its intent to deny the request for renewal at least eight (8) months prior to expiration of the contract.

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

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. If a sponsor decides to terminate a contract, the governing board may proceed to mediation or binding arbitration or both as provided for in subsection ~~F~~ G of Section 3-134 of this title.

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

E. 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 this title.

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

Section 3-142. A. For purposes of funding, a charter school sponsored by a board of education of a school district shall be considered a site within the school district in which the charter school is located. The student membership of the charter school shall be considered separate from the student membership of the district in which the charter school is located for the purpose of calculating weighted average daily membership pursuant to Section 18-201.1 of this title and state aid pursuant to Section 18-200.1 of this title. The For charter schools sponsored by a board of education of a school district, the sum of the separate calculations for the charter school and the school district shall be used to determine the total ~~state aid~~ State Aid allocation for the district in which the charter school is located. A charter school shall receive from the sponsoring school district, the State Aid revenue 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. For charter schools sponsored by the board of education of a technology center school district or a higher education institution, the State Aid allocation for the charter school shall be distributed by the State Board of Education. Not more than five percent (5%) of the total allocation may be charged by the sponsor 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. The weighted average daily membership for the first year of operation of a charter school shall be determined initially by multiplying the actual enrollment of students as of August 1 by 1.333. The charter school shall receive ~~from its sponsoring district,~~ revenue equal to that which would be generated by the estimated weighted average daily membership calculated pursuant to this subsection. At midyear, the allocation for the charter school shall be adjusted using the first quarter weighted average daily membership for the charter school calculated pursuant to subsection A of this section.

C. A charter school shall be eligible to receive any other aid, grants or revenues allowed to other schools. A charter school sponsored by the board of education of a technology center school district or a higher education institution shall be considered a local education agency for purposes of funding.

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

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

Passed the House of Representatives the 24th day of May, 2007.

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Presiding Officer of the House of  
Representatives

Passed the Senate the 24th day of May, 2007.

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Presiding Officer of the Senate