

1 STATE OF OKLAHOMA

2 1st Session of the 54th Legislature (2013)

3 COMMITTEE SUBSTITUTE  
4 FOR

5 SENATE BILL 573

6 By: Jolley of the Senate

7 and

8 Nelson of the House

9 COMMITTEE SUBSTITUTE

10 [ charter schools - Public Charter School Commission  
11 - Oklahoma Charter School Act - criteria for  
12 sponsorship - codification - effective date ]

13  
14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 3-132.1 of Title 70, unless  
17 there is created a duplication in numbering, reads as follows:

18 A. There is hereby created the Public Charter School  
19 Commission. The Commission shall have the authority to authorize a  
20 charter school in any school district in this state. The Commission  
21 shall be composed of nine (9) members appointed by the Governor with  
22 the advice and consent of the Senate. The membership shall consist  
23 of:

24 1. Two representatives of the business community;

1           2. One person who is a member of the administration of a  
2 charter school in the state;

3           3. One teacher who is employed by a charter school in the  
4 state; and

5           4. One representative selected from each of the five (5)  
6 congressional districts.

7           B. Appointments shall be made by December 1, 2013. Terms for  
8 initial appointments shall be three (3) years. Members shall serve  
9 until their successors are duly appointed for a term of three (3)  
10 years. The Commission shall elect from its membership a chair and  
11 vice-chair annually by December 30.

12           C. Members shall serve at the pleasure of the Governor.

13           D. Vacancies shall be filled by the Governor in the same manner  
14 as provided in subsection A of this section.

15           SECTION 2.           NEW LAW           A new section of law to be codified  
16 in the Oklahoma Statutes as Section 3-132.2 of Title 70, unless  
17 there is created a duplication in numbering, reads as follows:

18           A. The Public Charter School Commission shall meet at the call  
19 of the chair. The first meeting of the Commission shall be held no  
20 later than thirty (30) days after appointments have been made.

21           B. Five (5) members of the Commission shall constitute a quorum  
22 and an affirmative vote of at least five (5) members shall be  
23 required for the Commission to take any final action.

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1 C. Members of the Commission shall receive necessary traveling  
2 expenses while in the performance of their duties in accordance with  
3 the State Travel Reimbursement Act. Members shall receive  
4 reimbursement from the State Department of Education.

5 SECTION 3. NEW LAW A new section of law to be codified  
6 in the Oklahoma Statutes as Section 3-132.3 of Title 70, unless  
7 there is created a duplication in numbering, reads as follows:

8 A. The Public Charter School Commission shall have the  
9 following powers and duties:

10 1. Formulate, adopt and promulgate rules as may be necessary to  
11 implement the provisions of this act, in compliance with the  
12 Administrative Procedures Act;

13 2. Establish high standards of expectation and rigor for  
14 charter schools and ensure that the charter school plan(s) adopted  
15 meet at least the following standards:

16 a. require that public charter schools be as equally free  
17 and open to all students as traditional public  
18 schools,

19 b. require students be selected by lottery to ensure  
20 fairness if more students apply than a school can  
21 accommodate,

22 c. require public charter schools be subject to the same  
23 academic standards and expectations as existing public  
24 schools,

- 1           d.    provide for public charter schools to receive funding  
2                    based on student enrollment in accordance with  
3                    statutory guidelines for funding existing public  
4                    schools,
- 5           e.    give priority to opening public charter schools that  
6                    serve at-risk student populations or students from  
7                    low-performing public schools; and
- 8           f.    require public charter schools specify the freedom  
9                    they seek from many regulations to demonstrate more  
10                  flexibility with a correlated impact on student  
11                  achievement to offer a more customized learning  
12                  experience for students; and

13           4.    Provide oversight of the operations of public charter  
14 schools in the state through annual performance reviews of public  
15 charter schools and reauthorization of public charter schools.

16           B.    The Commission shall promulgate rules establishing a  
17 procedure for accepting, approving and disapproving public charter  
18 school applications.  The rules shall address a method by which an  
19 applicant for a public charter school may submit an application  
20 which shall either be accepted or rejected within ninety (90) days  
21 of receipt of the application.  If the application is rejected, the  
22 Commission shall notify the applicant in writing of the reasons for  
23 the rejection.  The applicant may submit a revised application for  
24 reconsideration to the Commission within thirty (30) days after

1 receiving notification of the rejection. The Commission shall  
2 accept or reject the revised application within thirty (30) days of  
3 its receipt.

4 C. Beginning in 2014, the Commission shall submit annually by  
5 November 1, a report on policies, procedures and innovative methods  
6 employed by public charter schools that show an improvement in  
7 student achievement. The report shall be submitted to the Governor,  
8 President Pro Tempore of the Senate and Speaker of the House of  
9 Representatives as well as the Chairs of the Senate and House  
10 committees that govern policy on common education. The report shall  
11 include recommendations to the Legislature on how to improve  
12 education in this state based on best practices from public charter  
13 school innovations.

14 D. The State Department of Education shall provide staff  
15 support to the Commission.

16 SECTION 4. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 3-132.4 of Title 70, unless  
18 there is created a duplication in numbering, reads as follows:

19 A. The Commission shall be responsible for executing, in  
20 accordance with this act, the following essential powers and duties:

- 21 1. Soliciting and evaluating charter applications;
- 22 2. Approving quality charter applications that meet identified  
23 educational needs and promote a diversity of educational choices;

24

1           3. Declining to approve weak or inadequate charter  
2 applications;

3           4. Negotiating and executing sound charter contracts with each  
4 approved public charter school;

5           5. Monitoring, in accordance with charter contract terms, the  
6 performance and legal compliance of public charter schools; and

7           6. Determining whether each charter contract merits renewal,  
8 nonrenewal or revocation.

9           B. The Commission may delegate its duties to officers,  
10 employees and contractors.

11           C. Regulation of applicants shall be limited to these powers  
12 and duties and consistent with the spirit and intent of this act.

13           D. The Commission, members of the Commission acting in their  
14 official capacity, and employees of the Commission shall be immune  
15 from civil and criminal liability with respect to all activities  
16 related to a public charter school with which they contract.

17           SECTION 5.           NEW LAW           A new section of law to be codified  
18 in the Oklahoma Statutes as Section 3-132.5 of Title 70, unless  
19 there is created a duplication in numbering, reads as follows:

20           The Commission shall be required to develop and maintain  
21 chartering policies and practices consistent with nationally  
22 recognized principles and standards for quality charter authorizing,  
23 such as those established by the National Association of Charter  
24 School Authorizers, in all major areas of authorizing responsibility

1 including: organizational capacity and infrastructure; soliciting  
2 and evaluating charter applications; performance contracting;  
3 ongoing public charter school oversight and evaluation; and charter  
4 renewal decision making. The Commission shall carry out all its  
5 duties under this act in a manner consistent with such nationally  
6 recognized principles and standards with the spirit and intent of  
7 this act.

8 SECTION 6. NEW LAW A new section of law to be codified  
9 in the Oklahoma Statutes as Section 3-132.6 of Title 70, unless  
10 there is created a duplication in numbering, reads as follows:

11 A. The Commission shall submit to the State Superintendent of  
12 Public Instruction, the Legislature and the Public Charter School  
13 Commission an annual report summarizing:

14 1. The Commission's strategic vision for chartering and  
15 progress toward achieving that vision;

16 2. The academic and financial performance of all operating  
17 public charter schools overseen by the Commission according to the  
18 performance expectations for public charter schools set forth in  
19 this act;

20 3. The status of the state's public charter school portfolio,  
21 identifying all public charter schools in each of the following  
22 categories: approved but not yet open, operating, renewed,  
23 transferred, revoked, not renewed, voluntarily closed or never  
24 opened;

1 4. The authorizing functions provided by the Commission to the  
2 public charter schools under its purview, including the Commission's  
3 operating costs and expenses detailed in annual audited financial  
4 statements that conform with generally accepted accounting  
5 principles; and

6 5. The services purchased from the Commission by the public  
7 charter schools under its purview, including an itemized accounting  
8 of the actual costs of the services.

9 SECTION 7. NEW LAW A new section of law to be codified  
10 in the Oklahoma Statutes as Section 3-132.7 of Title 70, unless  
11 there is created a duplication in numbering, reads as follows:

12 A. The Commission shall continually monitor the performance and  
13 legal compliance of the public charter schools it oversees,  
14 including collecting and analyzing data to support ongoing  
15 evaluation according to the charter contract. The Commission shall  
16 have the authority to conduct or require oversight activities that  
17 enable the applicant to fulfill its responsibilities under this act,  
18 including conducting appropriate inquiries and investigations, so  
19 long as those activities are consistent with the intent of this act,  
20 adhere to the terms of the charter contract and do not unduly  
21 inhibit the autonomy granted to public charter schools. At a  
22 minimum, the Commission shall:

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1           1. Require sufficient reporting and submissions from each  
2 charter school to allow the Commission to assess its educational,  
3 financial and operational status;

4           2. Collect, analyze and report on student-level and school-  
5 level performance data from state- or applicant-required external  
6 assessments, including but not limited to an annual school  
7 performance report presented to each school that summarizes the  
8 school's results on its performance framework and performance  
9 expectations;

10          3. Monitor legal compliance, financial propriety and compliance  
11 with the material terms of the charter agreement;

12          4. Ensure that the rights of students with disabilities and  
13 English language learners are being respected; and

14          5. Take timely and appropriate action in response to concerns  
15 over violations of law or of the school's charter agreement.

16          B. The Commission shall annually publish and provide as part of  
17 its annual report to the State Superintendent of Public Instruction,  
18 the Legislature and the Public Charter School Commission a  
19 performance report for each public charter school it oversees, in  
20 accordance with the performance framework set forth in the charter  
21 contract and this act. The Commission may require each public  
22 charter school it oversees to submit an annual report to assist in  
23 gathering complete information about each school, consistent with  
24 the performance framework.

1 C. In the event that a public charter school's performance or  
2 legal compliance appears unsatisfactory, the Commission shall  
3 promptly notify the public charter school of the perceived problem  
4 and provide reasonable opportunity for the school to remedy the  
5 problem, unless the problem warrants revocation of the charter, in  
6 which case the revocation time frames will apply.

7 D. The Commission shall have the authority to take appropriate  
8 corrective actions or exercise sanctions short of revocation in  
9 response to apparent deficiencies in public charter school  
10 performance or legal compliance. Such actions or sanctions may  
11 include, if warranted, requiring a school to develop and execute a  
12 corrective action plan within a specified time frame.

13 SECTION 8. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 3-132.8 of Title 70, unless  
15 there is created a duplication in numbering, reads as follows:

16 A. The Commission may give priority to applicants that have  
17 demonstrated a record of operating at least one (1) school or  
18 similar program that demonstrates academic success and  
19 organizational viability and serves student populations similar to  
20 those the proposed school seeks to serve.

21 B. In assessing a program's potential for quality replication,  
22 the Commission shall consider the following factors before approving  
23 a new site or distinct school:

24

- 1        1. Evidence of a strong and reliable record of academic success  
2 based primarily on student performance data as well as on other  
3 viable indicators, including financial and operational success;
- 4        2. A sound, detailed and well-supported growth plan;
- 5        3. Evidence of the ability to transfer successful practices to  
6 a potentially different context that includes reproducing critical  
7 cultural, organizational and instructional characteristics;
- 8        4. Any management organization involved in a potential  
9 replication is fully vetted and its academic, financial and  
10 operational record are found to be satisfactory;
- 11       5. Evidence the program seeking to replicate has the capacity  
12 to do so successfully without diminishing or putting at risk its  
13 current operations; and
- 14       6. A financial structure that ensures that funds attributable  
15 to each district school within a network and required by law to be  
16 utilized by a school remain with and are used to benefit that  
17 school.

18       SECTION 9.        NEW LAW        A new section of law to be codified  
19 in the Oklahoma Statutes as Section 3-132.9 of Title 70, unless  
20 there is created a duplication in numbering, reads as follows:

21       Closure of a charter school by the Commission shall be in  
22 accordance with the following protocol:

- 23       1. Within two (2) calendar weeks of a final closure  
24 determination, the Commission shall meet with the school's board and

1 leadership to establish a transition team composed of school staff,  
2 applicant staff and others designated by the applicant that will  
3 attend to the closure, including:

- 4 a. the transfer of students,
- 5 b. student records, and
- 6 c. school funds;

7 2. The Commission and transition team shall communicate  
8 regularly and effectively with families of students enrolled in the  
9 school as well as with school staff and other stakeholders to keep  
10 them apprised of key information regarding the school's closure,  
11 their options and risks;

12 3. The Commission and transition team shall ensure that current  
13 instruction of students enrolled in the school continues per the  
14 charter agreement for the remainder of the school year;

15 4. The Commission and transition team will ensure that all  
16 necessary and prudent notifications are issued to agencies,  
17 employees, insurers, contractors, creditors, debtors and management  
18 organizations; and

19 5. The school's board will continue to meet as necessary to  
20 take actions needed to wind down school operations, manage school  
21 finances, allocate resources and facilitate all aspects of closure.

22 SECTION 10. AMENDATORY 70 O.S. 2011, Section 3-132, as  
23 amended by Section 1, Chapter 367, O.S.L. 2012 (70 O.S. Supp. 2012,  
24 Section 3-132), is amended to read as follows:

1 Section 3-132. A. The Oklahoma Charter Schools Act shall apply  
2 only to charter schools formed and operated under the provisions of  
3 the act. ~~Charter~~ Prior to July 1, 2014, charter schools shall be  
4 sponsored only as follows:

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

10 2. By a school district which has a school site listed on the  
11 school improvement list as determined by the State Board of  
12 Education pursuant to the Elementary and Secondary Education Act of  
13 1965, as amended or reauthorized;

14 3. By a technology center school district if the charter school  
15 is located in a school district served by the technology center  
16 school district and the school district has an average daily  
17 membership of five thousand (5,000) or more and which all or part of  
18 the school district is located in a county having more than five  
19 hundred thousand (500,000) population according to the latest  
20 Federal Decennial Census;

21 4. By a technology center school district if the charter school  
22 is located in a school district served by the technology center  
23 school district and the school district has a school site listed on  
24 the school improvement list as determined by the State Board of

1 Education pursuant to the Elementary and Secondary Education Act of  
2 1965, as amended or reauthorized;

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

14 6. By a comprehensive or regional institution that is a member  
15 of the Oklahoma State System of Higher Education if the charter  
16 school is located in a school district that has a school site listed  
17 on the school improvement list as determined by the State Board of  
18 Education pursuant to the Elementary and Secondary Education Act of  
19 1965, as amended or reauthorized. In addition, the institution  
20 shall have a teacher education program accredited by the Oklahoma  
21 Commission for Teacher Preparation and have a branch campus or  
22 constituent agency physically located within the school district in  
23 which the charter school is located;

24

1           7. By a federally recognized Indian tribe, operating a high  
2 school under the authority of the Bureau of Indian Affairs as of  
3 November 1, 2010, if the charter school is for the purpose of  
4 demonstrating native language immersion instruction, and is located  
5 within its former reservation or treaty area boundaries. For  
6 purposes of this paragraph, native language immersion instruction  
7 shall require that educational instruction and other activities  
8 conducted at the school site are primarily conducted in the native  
9 language;

10           8. By the State Board of Education when the applicant of the  
11 charter school is the Office of Juvenile Affairs or the applicant  
12 has a contract with the Office of Juvenile Affairs to provide a  
13 fixed rate level E, D, or D+ group home service and the charter  
14 school is for the purpose of providing education services to youth  
15 in the custody or supervision of the state. Not more than two  
16 charter schools shall be sponsored by the Board as provided for in  
17 this paragraph during the period of time beginning July 1, 2010,  
18 through July 1, 2016; or

19           9. By the State Board of Education when the applicant of the  
20 charter school is the Statewide Virtual Charter School Board created  
21 ~~in Section 3 of this act~~ pursuant to Section 3-145.1 of this title  
22 and the charter school is for the purpose of establishing a full-  
23 time statewide virtual charter school.

1 B. Any charter or enterprise school operating in the state  
2 pursuant to an agreement with the board of education of a school  
3 district on July 1, 1999, or established prior to July 1, 2014,  
4 pursuant to subsection A of this section, may continue to operate  
5 pursuant to that agreement or may contract with the board of  
6 education of the school district pursuant to the Oklahoma Charter  
7 Schools Act. Nothing in the Oklahoma Charter Schools Act shall  
8 prohibit a school district from applying for exemptions from certain  
9 education-related statutory requirements as provided for in the  
10 Educational Deregulation Act.

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

19 D. A charter school may consist of a new school site, new  
20 school sites or all or any portion of an existing school site. An  
21 entire school district may not become a charter school site.

22 E. Beginning July 1, 2014, the Public Charter School Commission  
23 shall be authorized to approve applications for public charter  
24

1 schools, and the provisions of subsections A through D of this  
2 section shall cease to have effect.

3 F. If the sponsor of any charter school operating in the state  
4 prior to July 1, 2014, seeks continuation of the charter school's  
5 operation upon expiration of the sponsorship contract, the sponsor  
6 may submit an application as an applicant for renewal of the  
7 contract to the Public Charter School Commission. The application  
8 for renewal shall comply with the requirements set forth in Section  
9 3-134 of this title.

10 SECTION 11. AMENDATORY 70 O.S. 2011, Section 3-134, is  
11 amended to read as follows:

12 Section 3-134. A. For written applications filed after ~~January~~  
13 ~~1, 2008~~ July 1, 2014, prior to submission of the application to a  
14 ~~proposed sponsor~~ the Public Charter School Commission 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 B. Except as otherwise provided for in Section 3-137 of this  
24 title, an applicant seeking to establish a charter school shall

1 submit a written application to the ~~proposed sponsor~~ Public Charter  
2 School Commission as prescribed in ~~subsection E~~ of this section.

3 The application shall include:

4 1. ~~A mission statement for the charter school~~ An executive  
5 summary;

6 2. ~~A description of the organizational structure and the~~  
7 ~~governing body of the charter school~~ The mission and vision of the  
8 proposed public charter school, including identification of the  
9 targeted student population and the community the school hopes to  
10 serve;

11 3. ~~A financial plan for the first three (3) years of operation~~  
12 ~~of the charter school and a description of the treasurer or other~~  
13 ~~officers or persons who shall have primary responsibility for the~~  
14 ~~finances of the charter school. Such person shall have demonstrated~~  
15 ~~experience in school finance or the equivalent thereof~~ The location  
16 or geographic area proposed for the school;

17 4. ~~A description of the hiring policy of the charter school~~ The  
18 grades to be served each year for the full term of the charter  
19 contract;

20 5. ~~The name of the applicant or applicants and requested~~  
21 ~~sponsor~~ Minimum, planned and maximum enrollment per grade per year  
22 for the term of the charter contract;

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1       6. ~~A description of the facility and location of the charter~~  
2 ~~school~~ Evidence of need and community support for the proposed  
3 public charter school;

4       7. ~~A description of the grades being served~~ Background  
5 information on the proposed founding governing board members and, if  
6 identified, the proposed school leadership and management team;

7       8. ~~An outline of criteria designed to measure the effectiveness~~  
8 ~~of the charter school~~ The school's proposed calendar and sample  
9 daily schedule;

10       9. ~~A demonstration of support for the charter school from~~  
11 ~~residents of the school district which may include but is not~~  
12 ~~limited to a survey of the school district residents or a petition~~  
13 ~~signed by residents of the school district~~ A description of the  
14 academic program aligned with state standards; and

15       10. ~~Documentation that the applicants completed charter school~~  
16 ~~training as set forth in subsection A of this section~~ A description  
17 of the school's instructional design, including the type of learning  
18 environment, class size and structure, curriculum overview and  
19 teaching methods;

20       11. The school's plan for using internal and external  
21 assessments to measure and report student progress on the  
22 performance framework developed by the sponsor in accordance with  
23 Section 3-135 of this title;

1        12. The school's plans for identifying and successfully serving  
2 students with disabilities, students who are English language  
3 learners, students who are academically behind and gifted students,  
4 including but not limited to compliance with applicable laws and  
5 regulations;

6        13. A description of co-curricular or extracurricular programs  
7 and how they will be funded and delivered;

8        14. Plans and timelines for student recruitment and enrollment,  
9 including lottery procedures;

10       15. The school's student discipline policies, including those  
11 for special education students;

12       16. An organization chart that clearly presents the school's  
13 organizational structure, including lines of authority and reporting  
14 between the governing board, staff, any related bodies such as  
15 advisory bodies or parent and teacher councils and any external  
16 organizations that will play a role in managing the school;

17       17. A clear description of the roles and responsibilities for  
18 the governing board, the school's leadership and management team and  
19 any other entities shown in the organization chart;

20       18. A staffing chart for the school's first year and a staffing  
21 plan for the term of the charter;

22       19. Plans for recruiting and developing school leadership and  
23 staff;

- 1        20. The school's leadership and teacher employment policies,  
2 including performance evaluation plans;
- 3        21. Proposed governing bylaws;
- 4        22. Explanations of any partnerships or contractual  
5 partnerships central to the school's operations or mission;
- 6        23. The school's plans for providing transportation, food  
7 service and all other significant operational or ancillary services;
- 8        24. Opportunities and expectations for parent involvement;
- 9        25. A detailed school start-up plan, identifying tasks,  
10 timelines and responsible individuals;
- 11        26. A description of the school's financial plan and policies,  
12 including financial controls and audit requirements;
- 13        27. A description of the insurance coverage the school will  
14 obtain;
- 15        28. Start-up and five-year budgets with clearly stated  
16 assumptions;
- 17        29. Start-up and first-year cash-flow projections with clearly  
18 stated assumptions;
- 19        30. Evidence of anticipated fundraising contributions, if  
20 claimed in the application; and
- 21        31. A sound facilities plan, including back-up or contingency  
22 plans if appropriate.
- 23        C. In the case of an application to establish a public charter  
24 school by converting an existing non-charter public school to public

1 charter school status, the application shall additionally require  
2 the applicants to demonstrate support for the proposed public  
3 charter school conversion by a petition signed by a majority of  
4 teachers and a petition signed by a majority of parents of students  
5 in the existing non-charter public school.

6 D. In the case of a proposal to establish a virtual public  
7 charter school, the application shall additionally require the  
8 applicants to describe the proposed school's system of course  
9 credits and how the school will:

10 1. Monitor and verify full-time student enrollment, student  
11 participation in a full course load, credit accrual and course  
12 completion;

13 2. Monitor and verify student progress and performance in each  
14 course through regular, proctored assessments and submissions of  
15 coursework;

16 3. Conduct parent-teacher conferences; and

17 4. Administer state-required assessments to all students in a  
18 proctored setting.

19 E. In the case of a proposed public charter school that intends  
20 to contract with an education service provider for substantial  
21 educational services, management services or both types of services,  
22 the application shall additionally require the applicants to:

23 1. Provide evidence of the education service provider's success  
24 in serving student populations similar to the targeted population,

1 including demonstrated academic achievement as well as successful  
2 management of non-academic school functions if applicable;

3 2. Provide a term sheet setting forth the proposed duration of  
4 the service contract; roles and responsibilities of the governing  
5 board, the school staff and the service provider; the scope of  
6 services and resources to be provided by the service provider;  
7 performance evaluation measures and timelines; compensation  
8 structure, including clear identification of all fees to be paid to  
9 the service provider; methods of contract oversight and enforcement;  
10 investment disclosure; and conditions for renewal and termination of  
11 the contract; and

12 3. Disclose and explain any existing or potential conflicts of  
13 interest between the school governing board and proposed service  
14 provider or any affiliated business entities.

15 F. In the case of a public charter school proposal from an  
16 applicant that currently operates one or more schools in any state  
17 or nation, the application shall additionally require the applicant  
18 to provide evidence of past performance and current capacity for  
19 growth.

20 G. A board of education of a public school district, public  
21 body, public or private college or university, private person, or  
22 private organization may contract with a sponsor to establish a  
23 charter school prior to July 1, 2014. A private school shall not be  
24

1 eligible to contract for a charter school under the provisions of  
2 the Oklahoma Charter Schools Act.

3 ~~D. H.~~ The Prior to July 1, 2014, the sponsor of a charter  
4 school is the board of education of a school district, the board of  
5 education of a technology center school district, a higher education  
6 institution, the State Board of Education, or a federally recognized  
7 Indian tribe which meets the criteria established in Section 3-132  
8 of this title. Any board of education of a school district in the  
9 state may sponsor one or more charter schools. The physical  
10 location of a charter school sponsored by a board of education of a  
11 school district or a technology center school district shall be  
12 within the boundaries of the sponsoring school district. The  
13 physical location of a charter school sponsored by the State Board  
14 of Education when the applicant of the charter school is the Office  
15 of Juvenile Affairs shall be where an Office of Juvenile Affairs  
16 facility for youth is located. After July 1, 2014, the Public  
17 Charter School Commission shall authorize applications for public  
18 charter schools.

19 ~~E. An~~ I. Prior to July 1, 2014, an applicant for a charter  
20 school may submit an application to a proposed sponsor which shall  
21 either accept or reject sponsorship of the charter school within  
22 ninety (90) days of receipt of the application. If the proposed  
23 sponsor rejects the application, it shall notify the applicant in  
24 writing of the reasons for the rejection. The applicant may submit

1 a revised application for reconsideration to the proposed sponsor  
2 within thirty (30) days after receiving notification of the  
3 rejection. The proposed sponsor shall accept or reject the revised  
4 application within thirty (30) days of its receipt.

5 ~~F.~~ A J. Prior to July 1, 2014, a board of education of a  
6 school district, board of education of a technology center school  
7 district, higher education institution, or federally recognized  
8 Indian tribe sponsor of a charter school shall notify the State  
9 Board of Education when it accepts sponsorship of a charter school.  
10 The notification shall include a copy of the charter of the charter  
11 school. After July 1, 2014, the Public Charter School Commission  
12 shall notify the State Board of Education when it authorizes an  
13 application for a public charter school.

14 ~~G.~~ If K. Prior to July 1, 2014, if a proposed sponsor rejects  
15 the revised application for a charter school, the applicant may  
16 proceed to mediation or binding arbitration or both mediation and  
17 binding arbitration as provided in the Dispute Resolution Act and  
18 the rules promulgated pursuant thereto. The applicant shall contact  
19 the early settlement program for the county in which the charter  
20 school would be located. If the parties proceed to binding  
21 arbitration, a panel of three arbitrators shall be appointed by the  
22 director of the early settlement program handling the dispute. The  
23 proposed sponsor shall pay the cost for any mediation or arbitration  
24 requested pursuant to this section.

1        ~~H.~~ L. Prior to July 1, 2014, if a board of education of a  
2 technology center school district, a higher education institution,  
3 the State Board of Education, or a federally recognized Indian tribe  
4 accepts sponsorship of a charter school, the administrative, fiscal  
5 and oversight responsibilities of the technology center school  
6 district, the higher education institution, or the federally  
7 recognized Indian tribe shall be listed in the contract. No  
8 responsibilities shall be delegated to a school district unless the  
9 local school district agrees to assume the responsibilities. After  
10 July 1, 2014, if the Public Charter School Commission authorizes an  
11 application for a public charter school, the administrative, fiscal  
12 and oversight responsibilities of the Public Charter School  
13 Commission shall be listed in the contract.

14        M. In reviewing and evaluating charter applications, the  
15 Commission shall employ procedures, practices and criteria  
16 consistent with nationally recognized principles and standards for  
17 quality charter authorizing, such as those established by the  
18 National Association of Charter School Authorizers. The application  
19 review process shall include thorough evaluation of each written  
20 charter application, an in-person interview with the applicant group  
21 and an opportunity in a public forum for local residents to learn  
22 about and provide input on each application.

23        N. In deciding whether to approve charter applications, the  
24 Commission shall:

1       1. Grant charters only to applicants that have demonstrated  
2 competence in each element of the Commission's published approval  
3 criteria and are likely to open and operate a successful public  
4 charter school;

5       2. Base decisions on documented evidence collected through the  
6 application review process;

7       3. Follow charter-granting policies and practices that are  
8 transparent, based on merit and avoid conflicts of interest or any  
9 appearance thereof.

10       O. The Commission shall adopt by resolution all charter  
11 approval or denial decisions in an open meeting of the applicant's  
12 governing board.

13       P. An approval decision may include, if appropriate, reasonable  
14 conditions that the charter applicant must meet before a charter  
15 contract may be executed.

16       Q. For any charter denial, the Commission shall clearly state,  
17 for public record, its reasons for denial.

18       SECTION 12.        AMENDATORY        70 O.S. 2011, Section 3-135, is  
19 amended to read as follows:

20       Section 3-135. A. The sponsor of a charter school shall enter  
21 into a written contract with the governing body of the charter  
22 school. The contract shall incorporate the provisions of the  
23 charter of the charter school and contain, but shall not be limited  
24 to, the following provisions:

1 1. A description of the program to be offered by the school  
2 which complies with the purposes outlined in Section ~~41~~ 3-136 of  
3 this ~~act~~ title;

4 2. Admission policies and procedures;

5 3. Management and administration of the charter school;

6 4. Requirements and procedures for program and financial  
7 audits;

8 5. A description of how the charter school will comply with the  
9 charter requirements set forth in the Oklahoma Charter Schools Act;

10 6. Assumption of liability by the charter school; ~~and~~

11 7. The academic and operational performance expectations and

12 measures by which the public charter school will be judged. The

13 performance expectations and measures set forth in the charter

14 contract shall include but not be limited to applicable federal and

15 state accountability requirements. The performance provisions may

16 be refined or amended by mutual agreement after the public charter

17 school is operating and has collected baseline achievement data for

18 its enrolled students;

19 8. The administrative relationship between the sponsor and

20 public charter school, including each party's rights and duties;

21 9. The term of the contract;

22 10. Information relating to any third party management

23 organization or network; and

24

1 11. The standards by which the charter school will be judged  
2 for renewal, non-renewal or revocation of its charter.

3 B. The performance provisions within the charter contract shall  
4 be based on a performance framework that clearly sets forth the  
5 academic and operational performance indicators, measures and  
6 metrics that will guide the authorizer's evaluations of each public  
7 charter school. The performance framework shall include indicators,  
8 measures and metrics for, at a minimum:

9 1. Student academic proficiency;

10 2. Student academic growth;

11 3. Achievement gaps in both proficiency and growth between  
12 major student subgroups;

13 4. Attendance;

14 5. Recurrent enrollment from year to year;

15 6. Postsecondary readiness for high schools;

16 7. Financial performance and sustainability; and

17 8. Board performance and stewardship, including compliance with  
18 all applicable laws, regulations and terms of the charter contract.

19 C. Annual performance targets shall be set by each public  
20 charter school in conjunction with its sponsor and shall be designed  
21 to help each school meet applicable federal, state and sponsor  
22 expectations.

23 The performance framework shall allow the inclusion of  
24 additional rigorous, valid and reliable indicators proposed by a

1 public charter school to augment external evaluations of its  
2 performance, provided that the sponsor approves the quality and  
3 rigor of such school-proposed indicators, and that they are  
4 consistent with the purposes of this act.

5 The performance framework shall require the disaggregation of  
6 all student performance data by major student subgroups, including  
7 gender, race, poverty status, special education status, English  
8 learner status and gifted status.

9 For each public charter school it oversees, the sponsor shall be  
10 responsible for collecting, analyzing and reporting all data from  
11 state assessments in accordance with the performance framework.

12 Multiple schools operating under a single charter contract or  
13 overseen by a single governing board shall be required to report  
14 their performance as separate, individual schools, and each school  
15 shall be held independently accountable for its performance.

16 D. The charter contract for a virtual public charter school  
17 shall include the description and agreement regarding the methods by  
18 which the school will:

19 1. Monitor and verify full-time student enrollment, student  
20 participation in a full course load, credit accrual and course  
21 completion;

22 2. Monitor and verify student progress and performance in each  
23 course through regular, proctored assessments and submissions of  
24 coursework;

1       3. Conduct parent-teacher conferences; and

2       4. Administer state-required assessments to all students in a  
3 proctored setting.

4       E. The charter contract shall be signed by the president of the  
5 sponsor's governing board and the president of the public charter  
6 school's governing body.

7       F. No public charter school may commence operations without a  
8 charter contract executed in accordance with this provision and  
9 approved in an open meeting of the sponsor's governing board.

10       G. Sponsors may establish reasonable pre-opening requirements  
11 or conditions to monitor the start-up progress of newly approved  
12 public charter schools and ensure that they are prepared to open  
13 smoothly on the date agreed, and to ensure that each school meets  
14 all building, health, safety, insurance and other legal requirements  
15 for school opening.

16       H. A charter school established after July 1, 2014, shall not  
17 enter into an employment contract with any teacher or other  
18 personnel until the charter school has a ~~a~~ an approved contract with a  
19 ~~sponsoring school district~~ the Public Charter School Commission.

20 The employment contract shall set forth the personnel policies of  
21 the charter school, including, but not limited to, policies related  
22 to certification, professional development evaluation, suspension,  
23 dismissal and nonreemployment, sick leave, personal business leave,  
24 emergency leave, and family and medical leave. The contract shall

1 also specifically set forth the salary, hours, fringe benefits, and  
2 work conditions. The contract may provide for employer-employee  
3 bargaining, but the charter school shall not be required to comply  
4 with the provisions of Sections 509.1 through 509.10 of Title 70 of  
5 the Oklahoma Statutes. The contract shall conform to all applicable  
6 provisions set forth in Section ~~11~~ 3-136 of this ~~act~~ title.

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

11 I. A charter contract may consist of one or more schools, to  
12 the extent approved by the sponsor and consistent with applicable  
13 law. Each public charter school that is part of a charter contract  
14 shall be separate and distinct from any others.

15 J. A single governing board may hold one or more charter  
16 contracts. Each public charter school that is part of a charter  
17 contract shall be separate and distinct from any others.

18 SECTION 13. AMENDATORY 70 O.S. 2011, Section 3-136, is  
19 amended to read as follows:

20 Section 3-136. A. A charter school shall adopt a charter which  
21 will ensure compliance with the following:

22 1. A charter school shall comply with all federal regulations  
23 and state and local rules and statutes relating to health, safety,  
24 civil rights and insurance. By January 1, 2000, the State

1 Department of Education shall prepare a list of relevant rules and  
2 statutes which a charter school must comply with as required by this  
3 paragraph and shall annually provide an update to the list;

4 2. A charter school shall be nonsectarian in its programs,  
5 admission policies, employment practices, and all other operations.

6 A sponsor may not authorize a charter school or program that is  
7 affiliated with a nonpublic sectarian school or religious  
8 institution;

9 3. The charter school may provide a comprehensive program of  
10 instruction for a prekindergarten program, a kindergarten program or  
11 any grade between grades one and twelve. Instruction may be  
12 provided to all persons between the ages of four (4) and twenty-one  
13 (21) years. A charter school may offer a curriculum which  
14 emphasizes a specific learning philosophy or style or certain  
15 subject areas such as mathematics, science, fine arts, performance  
16 arts, or foreign language. The charter of a charter school which  
17 offers grades nine through twelve shall specifically address whether  
18 the charter school will comply with the graduation requirements  
19 established in Section 11-103.6 of this title. No charter school  
20 shall be chartered for the purpose of offering a curriculum for deaf  
21 or blind students that is the same or similar to the curriculum  
22 being provided by or for educating deaf or blind students that are  
23 being served by the Oklahoma School for the Blind or the Oklahoma  
24 School for the Deaf;

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

6 5. Except as provided for in the Oklahoma Charter Schools Act  
7 and its charter, a charter school shall be exempt from all statutes  
8 and rules relating to schools, boards of education, and school  
9 districts;

10 6. A charter school, to the extent possible, shall be subject  
11 to the same reporting requirements, financial audits, audit  
12 procedures, and audit requirements as a school district. The State  
13 Department of Education or State Auditor and Inspector may conduct  
14 financial, program, or compliance audits. A Prior to July 1, 2014,  
15 a charter school shall use the Oklahoma Cost Accounting System to  
16 report financial transactions to the sponsoring school district.  
17 After July 1, 2014, a charter school shall report financial  
18 transactions to the Public Charter School Commission;

19 7. A charter school shall ensure that the rights of English  
20 language learners and other special populations will be respected,  
21 their needs addressed and applicable rules, regulations and laws  
22 complied with. A charter school shall comply with all federal and  
23 state laws relating to the education of children with disabilities  
24 in the same manner as a school district;

1           8. A charter school shall provide for a governing body for the  
2 school which shall be responsible for the policies and operational  
3 decisions of the charter school. Each such charter school governing  
4 body shall ensure that it operates in accordance with its bylaws and  
5 that the governing body accepts and cannot delegate ultimate  
6 responsibility for the school and its academic performance,  
7 financial and operational viability, including the responsibility to  
8 oversee any management organization or network, and hold that entity  
9 accountable for its performance;

10           9. A charter school shall not be used as a method of generating  
11 revenue for students who are being home schooled and are not being  
12 educated at an organized charter school site;

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

14           11. A charter school shall provide instruction each year for at  
15 least the number of days required in Section 1-109 of this title;

16           12. A charter school shall comply with the student suspension  
17 requirements provided for in Section 24-101.3 of this title;

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

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

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

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

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

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

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

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

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

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

1 prior to July 1, 2014, any real or personal property purchased with  
2 state or local funds shall be retained by the sponsoring school  
3 district. After July 1, 2014, any real or personal property  
4 purchased with state or local funds shall be retained by the Public  
5 Charter School Commission. If a charter school that was previously  
6 sponsored by the board of education of a school district continues  
7 operation within the school district under a new charter sponsored  
8 by an entity authorized pursuant to Section 3-132 of this title, the  
9 charter school may retain any personal property purchased with state  
10 or local funds for use in the operation of the charter school until  
11 termination of the new charter or failure of the charter school to  
12 continue operations.

13 SECTION 14. AMENDATORY 70 O.S. 2011, Section 3-137, is  
14 amended to read as follows:

15 Section 3-137. A. An approved contract for a charter school  
16 shall be effective for ~~not longer than~~ five (5) years from the first  
17 day of operation. ~~Prior to the beginning of the fifth year of~~  
18 ~~operation, the~~

19 B. A charter may be renewed for successive five-year terms of  
20 duration, although the sponsor may vary the term based on the  
21 performance, demonstrated capacities and particular circumstances of  
22 each public charter school. A sponsor may grant renewal with  
23 specific conditions for necessary improvements to a public charter  
24 school.

1       C. Prior to the beginning of the fifth year of operation for a  
2 charter school, the sponsor shall issue a public charter school  
3 performance report and charter renewal application guidance to the  
4 school. The performance report shall summarize the public charter  
5 school's performance record to date, based on the data required by  
6 this act and the charter contract, and shall provide notice of any  
7 weaknesses or concerns perceived by the sponsor concerning the  
8 public charter school that may jeopardize its position in seeking  
9 renewal if not timely rectified. The public charter school shall  
10 have forty-five (45) days to respond to the performance report and  
11 submit any corrections or clarifications for the report.

12       D. The renewal application guidance shall, at a minimum,  
13 provide an opportunity for the public charter school to:

14       1. Present additional evidence, beyond the data contained in  
15 the performance report, supporting its case for charter renewal;

16       2. Describe improvements undertaken or planned for the school;  
17 and

18       3. Detail the school's plan for the next charter term.

19       E. The renewal application guidance shall include or refer  
20 explicitly to the criteria that will guide the sponsor's renewal  
21 decisions, which shall be based on the performance framework set  
22 forth in the charter contract and consistent with this act.

23       F. The charter school may apply for renewal of the contract  
24 with the sponsor. The sponsor may deny the request for renewal if

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

6 G. In making charter renewal decisions, every sponsor shall:

7 1. Ground its decisions in evidence of the school's performance  
8 over the term of the charter contract in accordance with the  
9 performance framework set forth in the charter contract;

10 2. Grant renewal only to schools that have achieved the  
11 standards, targets and performance expectations as stated in the  
12 charter contract, are organizationally and fiscally viable and have  
13 been faithful to the terms of the contract and applicable law;

14 3. In any event, not renew any charter school that has been  
15 identified by the state in its education accountability system as  
16 among the state's lowest fifteen percent (15%) of public schools,  
17 unless the charter school demonstrates exceptional circumstances  
18 that the sponsor finds justifiable;

19 4. Ensure that data used in making renewal decisions are  
20 available to the school and the public; and

21 5. Provide a public report summarizing the evidence basis for  
22 each decision.

23 ~~B.~~ H. If a sponsor denies a request for renewal prior to July  
24 1, 2014, the governing board may proceed to mediation or binding

1 arbitration or both as provided for in subsection G K of Section 3-  
2 134 of this title.

3 ~~E~~. I. A sponsor may terminate a contract during the term of the  
4 contract for failure to meet the requirements for student  
5 performance contained in the contract, failure to meet the standards  
6 of fiscal management, violations of the law, or other good cause  
7 prior to July 1, 2014. The sponsor shall give at least ninety (90)  
8 days' written notice to the governing board prior to terminating the  
9 contract. The governing board may request, in writing, an informal  
10 hearing before the sponsor within fourteen (14) days of receiving  
11 notice. The sponsor shall conduct an informal hearing before taking  
12 action. If a sponsor decides to terminate a contract, the governing  
13 board may proceed to mediation or binding arbitration or both as  
14 provided for in subsection G K of Section 3-134 of this title.

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

18 J. Transfer of a charter contract, and of oversight of a public  
19 charter school, from one sponsor to another before the expiration of  
20 the charter term shall not be permitted except by special petition  
21 to the State Board of Education by a public charter school or its  
22 sponsor. The State Board of Education shall review such petitions  
23 on a case-by-case basis and may grant transfer requests in response  
24

1 to special circumstances and evidence that a transfer would serve  
2 the best interests of the public charter school's students.

3 ~~E.~~ K. If a contract is not renewed or is terminated according  
4 to this section, a student who attended the charter school may  
5 enroll in the resident school district of the student or may apply  
6 for a transfer in accordance with Section 8-103 of this title.

7 L. A sponsor shall develop revocation and non-renewal processes  
8 that are consistent with this act and that:

9 1. Provide the charter holders with a timely notification of  
10 the prospect of revocation or non-renewal and of the reasons for  
11 such possible closure;

12 2. Allow the charter holders a reasonable amount of time in  
13 which to prepare a response;

14 3. Provide the charter holders with an opportunity to submit  
15 documents and give testimony challenging the rationale for closure  
16 and in support of the continuation of the school at an orderly  
17 proceeding held for that purpose;

18 4. Allow the charter holders access to representation by  
19 counsel and to call witnesses on their behalf;

20 5. Permit the recording of such proceedings; and

21 6. After a reasonable period for deliberation, require a final  
22 determination be made and conveyed in writing to the charter  
23 holders.

24

1        M. If a sponsor revokes or does not renew a charter, the  
2 sponsor shall clearly state, in a resolution of its governing board,  
3 the reasons for the revocation or nonrenewal.

4        SECTION 15.        AMENDATORY        70 O.S. 2011, Section 3-140, as  
5 amended by Section 2, Chapter 367, O.S.L. 2012 (70 O.S. Supp. 2012,  
6 Section 3-140), is amended to read as follows:

7        Section 3-140. A. Except for a charter school sponsored by the  
8 State Board of Education prior to July 1, 2014, a charter school  
9 shall enroll those students whose legal residence is within the  
10 boundaries of the school district in which the charter school is  
11 located and who submit a timely application, or those students who  
12 transfer to the district in which the charter school is located in  
13 accordance with Section 8-103 or 8-104 of this title, unless the  
14 number of applications exceeds the capacity of a program, class,  
15 grade level, or building. Students who reside in a school district  
16 where a charter school is located shall not be required to obtain a  
17 transfer in order to attend a charter school in the school district  
18 of residence. If capacity is insufficient to enroll all eligible  
19 students, the charter school shall select students through a lottery  
20 selection process. Except for a charter school sponsored by the  
21 State Board of Education prior to July 1, 2014, a charter school  
22 shall give enrollment preference to eligible students who reside  
23 within the boundaries of the school district in which the charter  
24 school is located. Except for a charter school sponsored by the

1 State Board of Education prior to July 1, 2014, a charter school  
2 created after the effective date of this act shall give enrollment  
3 preference to eligible students who reside within the boundaries of  
4 the school district in which the charter school is located and who  
5 attend a school site listed on the school improvement list as  
6 determined by the State Board of Education pursuant to the  
7 Elementary and Secondary Education Act of 1965, as amended or  
8 reauthorized. A charter school may limit admission to students  
9 within a given age group or grade level. ~~A~~ Prior to July 1, 2014, a  
10 charter school sponsored by the State Board of Education when the  
11 applicant of the charter school is the Office of Juvenile Affairs  
12 shall limit admission to youth that are in the custody or  
13 supervision of the Office of Juvenile Affairs. ~~A~~ Prior to July 1,  
14 2014, a charter school sponsored by the State Board of Education  
15 when the applicant of the charter school is the Statewide Virtual  
16 Charter School Board shall enroll those students who are legal  
17 residents of this state and who have been approved for a transfer  
18 pursuant to Section 8-103 or 8-104 of this title.

19 B. Except for a charter school sponsored by the State Board of  
20 Education prior to July 1, 2014, a charter school shall admit  
21 students who reside in the attendance area of a school or in a  
22 school district that is under a court order of desegregation or that  
23 is a party to an agreement with the United States Department of  
24 Education Office for Civil Rights directed towards mediating alleged

1 or proven racial discrimination unless notice is received from the  
2 resident school district that admission of the student would violate  
3 the court order or agreement.

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

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

16 E. The Public Charter School Commission shall promulgate rules  
17 to implement the provisions of this section after July 1, 2014.

18 SECTION 16. AMENDATORY 70 O.S. 2011, Section 3-142, is  
19 amended to read as follows:

20 Section 3-142. A. For purposes of funding, a charter school  
21 sponsored by a board of education of a school district prior to July  
22 1, 2014, shall be considered a site within the school district in  
23 which the charter school is located. The student membership of the  
24 charter school shall be considered separate from the student

1 membership of the district in which the charter school is located  
2 for the purpose of calculating weighted average daily membership  
3 pursuant to Section 18-201.1 of this title and State Aid pursuant to  
4 Section 18-200.1 of this title. For charter schools sponsored by a  
5 board of education of a school district prior to July 1, 2014, the  
6 sum of the separate calculations for the charter school and the  
7 school district shall be used to determine the total State Aid  
8 allocation for the district in which the charter school is located.  
9 A charter school shall receive from the sponsoring school district,  
10 the State Aid allocation and any other state-appropriated revenue  
11 generated by its students for the applicable year, less up to five  
12 percent (5%) of the State Aid allocation, which may be retained by  
13 the school district as a fee for administrative services rendered.  
14 For charter schools sponsored by the board of education of a  
15 technology center school district, a higher education institution,  
16 the State Board of Education, or a federally recognized Indian  
17 tribe, the State Aid allocation for the charter school shall be  
18 distributed by the State Board of Education and not more than five  
19 percent (5%) of the State Aid allocation may be charged by the  
20 sponsor as a fee for administrative services rendered. The State  
21 Board of Education shall determine the policy and procedure for  
22 making payments to a charter school. The fee for administrative  
23 services as authorized in this subsection shall only be assessed on  
24

1 the State Aid allocation amount and shall not be assessed on any  
2 other appropriated amounts.

3 B. For charter schools authorized by the Public Charter School  
4 Commission after July 1, 2014, the weighted average daily membership  
5 calculated pursuant to Section 18-201.1 of Title 70 of the Oklahoma  
6 Statutes shall be reported to the State Board of Education. A  
7 charter school shall receive from the State Board of Education the  
8 State Aid allocation and any other state-appropriated revenue  
9 generated by its students for the applicable year, less up to 5  
10 percent of the State Aid allocation, with two and one-half percent  
11 (2.5%) allocated to the Public Charter School Commission and two and  
12 one-half percent (2.5%) to the charter school applicant for  
13 administrative services rendered.

14 C. The weighted average daily membership for the first year of  
15 operation of a charter school shall be determined initially by  
16 multiplying the actual enrollment of students as of August 1 by  
17 1.333. The charter school shall receive revenue equal to that which  
18 would be generated by the estimated weighted average daily  
19 membership calculated pursuant to this subsection. At midyear, the  
20 allocation for the charter school shall be adjusted using the first  
21 quarter weighted average daily membership for the charter school  
22 calculated pursuant to subsection A of this section.

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

1 sponsored by the board of education of a technology center school  
2 district, a higher education institution, the State Board of  
3 Education, or a federally recognized Indian tribe shall be  
4 considered a local education agency for purposes of funding. A  
5 charter school sponsored by a board of education of a school  
6 district shall be considered a local education agency for purposes  
7 of federal funding.

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

12 ~~E.~~ F. Any charter school which chooses to lease property shall  
13 be eligible to receive current government lease rates.

14 SECTION 17. Sections 1 through 3 of this act shall become  
15 effective November 1, 2013.

16 SECTION 18. Sections 4 through 16 of this act shall become  
17 effective July 1, 2014.

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