STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

HOUSE BILL 1696 By: Denney

AS INTRODUCED

An Act relating to schools; amending 70 O.S. 2011, Sections 3-132, as last amended by Section 1, Chapter 212, O.S.L. 2013, 3-134, 3-135, 3-137, 3-140, as last amended by Section 2, Chapter 212, O.S.L. 2013 and 3-142, as amended by Section 3, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, Sections 3-132, 3-140 and 3-142), which relate to the Oklahoma Charter Schools Act; modifying list of authorized sponsors of charter schools; deleting certain conditions on certain sponsors; allowing the State Board of Education to sponsor charter schools under certain conditions; mandating that priority be given to charter schools serving certain students; mandating that priority be given to charter school applicants that meet certain conditions; listing factors for approving a new site or school; adding information to be included in the application; stating powers and duties of a sponsor; directing sponsors to establish procedures for accepting, approving and disapproving applications; specifying certain time schedule for the application process; requiring sponsors to develop and maintain chartering policies and practices that are consistent with certain principles and standards; limiting liability of sponsors; adding provisions required in the charter contract; prohibiting commencement of operations of a charter school without a contract; allowing sponsors to establish preopening requirements and conditions; specifying basis for performance provisions of a contract; allowing submission of data in certain format; listing performance framework categories; limiting requests for metric or data; allowing applicants and sponsors to have multiple contracts or one contract for multiple schools; requiring sponsors to issue performance reports and application renewal guidance before a certain time; specifying contents of performance reports; listing steps to be allowed

under the application renewal guidance; requiring the application renewal guidance to include certain criteria; requiring charter renewal decisions to include certain criteria and actions; directing the State Board of Education to rank schools by school grades and identify certain schools; prohibiting charter renewal for charter school identified at bottom of ranking; providing process for ranking under certain conditions; providing for review of sponsor's decision by the State Board of Education; exempting certain charter schools from closure requirements; listing considerations for closure; providing for suspension of certain charter school authorization; providing protocol for closing a charter school; directing sponsors to develop revocation and nonrenewal processes; requiring sponsors to state reasons for revocation or nonrenewal in a resolution; prohibiting the sponsor of a charter school from restricting the number of students enrolled in a charter school; requiring the governing body of the charter school to determine capacity; specifying considerations; allowing a charter school to enter into private contracts for certain purposes; establishing responsibility for debt; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 3-132, as last amended by Section 1, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, 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~~ <u>any</u> 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;~~

~~2. By a school district which has a school site that has been identified as in need of improvement by the State Board of Education pursuant to the Elementary and Secondary Education Act of 1965, as amended or reauthorized~~;

~~3.~~ 2. By a technology center school district if the charter school is located in a school district served by the technology center school district ~~and the school district 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;~~

~~4. By a technology center school district if the charter school is located in a school district served by the technology center school district and the school district has a school site that has been identified as in need of improvement by the State Board of Education pursuant to the Elementary and Secondary Education Act of 1965, as amended or reauthorized~~;

~~5.~~ 3. By a comprehensive or regional institution that is a member of The Oklahoma State System of Higher Education or by an accredited private educational institution if 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 the state. 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;~~

~~6. By a comprehensive or regional institution that is a member of The Oklahoma State System of Higher Education if the charter school is located in a school district that has a school site that has been identified as in need of improvement by the State Board of Education pursuant to the Elementary and Secondary Education Act of 1965, as amended or reauthorized. 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~~ Office of Educational Quality and Accountability;

~~7.~~ 4. By a federally recognized Indian tribe, operating a high school under the authority of the Bureau of Indian Affairs as of November 1, 2010, if the charter school is for the purpose of demonstrating native language immersion instruction, and is located within its former reservation or treaty area boundaries. For

purposes of this paragraph, native language immersion instruction shall require that educational instruction and other activities conducted at the school site are primarily conducted in the native language; ~~or~~

~~8.~~ 5. By the State Board of Education when the applicant of the charter school is the Office of Juvenile Affairs or the applicant has a contract with the Office of Juvenile Affairs to provide a fixed rate level E, D, or D+ group home service and the charter school is for the purpose of providing education services to youth in the custody or supervision of the state. Not more than two charter schools shall be sponsored by the Board as provided for in this paragraph during the period of time beginning July 1, 2010, through July 1, 2016; or

6. By the State Board of Education when the applicant has first been denied a charter by the school district in which it seeks to operate. In counties with fewer than five hundred thousand (500,000) population according to the latest Federal Decennial Census, the Board shall not sponsor more than ten charter schools per year each year for the next five (5) years. The Board shall not sponsor more than one charter school in a single school district per year. If in any year the Board fails to authorize ten charter schools, the next year and each subsequent year the Board may sponsor ten charter schools plus the difference between ten and the number of charter schools authorized that year.

B. A sponsor shall give priority to opening charter schools that serve at-risk student populations or students from low-performing traditional public schools.

C. A sponsor may give priority to applicants that have demonstrated a record of operating at least one school or similar program that demonstrates academic success and organizational viability and serves student populations similar to those the proposed charter school seeks to serve. In assessing the potential for quality replication of a charter school, a sponsor shall consider the following factors before approving a new site or school:

1. Evidence of a strong and reliable record of academic success based primarily on student-performance data as well as on other viable indicators, including financial and operational success;

2. Evidence of a sound, detailed and well-supported growth plan;

3. Evidence of the ability to transfer successful practices to a potentially different context that includes replicating critical cultural, organizational and instructional characteristics;

4. Any management organization involved in a potential replication is fully vetted and the academic, financial and operational records of schools operated by the applicant are found to be satisfactory;

5. Evidence the program seeking to be replicated has the capacity to do so successfully without diminishing or putting at risk its current operations; and

6. A financial structure that ensures that funds attributable to each charter school within a network and required by law to be utilized by a school remain with and are used to benefit that school.

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, an area vocational-technical school district, a higher education institution, a federally recognized Indian tribe, or the State Board of Education 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. 2011, Section 3-134, is amended to read as follows:

Section 3-134. A. 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 submit a written application to the proposed sponsor as prescribed in subsection E of this section. The application shall include:

1. A mission statement for the charter school;

2. A description, including, but not limit to background information, 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;

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;

11. A description of the minimum and maximum enrollment planned per year for each term of the charter contract;

12. The proposed calendar for the charter school and sample daily schedule;

13. A description of the academic program aligned with state standards;

14. A description of the instructional design of the charter school, including the type of learning environment, class size and structure, curriculum overview and teaching methods;

15. The plan for using internal and external assessments to measure and report student progress on the performance framework developed by the applicant;

16. The plans for identifying and successfully serving students with disabilities, students who are English-language learners and students who are academically behind;

17. A description of cocurricular or extracurricular programs and how they will be funded and delivered;

18. Plans and timelines for student recruitment and enrollment, including lottery procedures;

19. The student discipline policies for the charter school, including those for special-education students;

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

21. A clear description of the roles and responsibilities for the governing board, the leadership and management team for the charter school and any other entities shown in the organization chart;

22. The leadership and teacher employment policies for the charter school, including performance evaluation plans;

23. Proposed governing bylaws;

24. Explanations of any partnerships or contractual partnerships central to the operations or mission of the charter school;

25. The plans for providing transportation, food service and all other significant operational or ancillary services;

26. Opportunities and expectations for parent involvement;

27. A detailed school start-up plan, identifying tasks, timelines and responsible individuals;

28. A description of the financial plan and policies for the charter school, including financial controls and audit requirements;

29. A description of the insurance coverage the charter school will obtain;

30. Start-up and five-year budgets with clearly stated assumptions;

31. Start-up and first-year cash-flow projections with clearly stated assumptions;

32. Evidence of anticipated fundraising contributions, if claimed in the application; and

33. A sound facilities plan, including back-up or contingency plans if appropriate.

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.

D. The sponsor of a charter school is the board of education of a school district, the board of education of a technology center school district, a higher education institution, the State Board of

Education, or a federally recognized Indian tribe 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 school district or a technology center school district shall be within the boundaries of the sponsoring school district. The physical location of a charter school sponsored by the State Board of Education when the applicant of the charter school is the Office of Juvenile Affairs shall be where an Office of Juvenile Affairs facility for youth is located.

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

F. A board of education of a school district, board of education of a technology center school district, higher education institution, or federally recognized Indian tribe sponsor of a charter school shall notify the State Board of Education when it

accepts sponsorship of a charter school. The notification shall include a copy of the charter of the charter school.

G. If a 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 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, a higher education institution, the State Board of Education, or a federally recognized Indian tribe accepts sponsorship of a charter school, the administrative, fiscal and oversight responsibilities of the technology center school district, the higher education institution, or the federally recognized Indian tribe shall be listed in the contract. No responsibilities shall be delegated to a school district unless the local school district agrees to assume the responsibilities.

<u>I. A sponsor of a charter school shall have the following powers and duties:</u>

1. Provide oversight of the operations of charter schools in the state through annual performance reviews of charter schools and reauthorization of charter schools;

2. Solicit and evaluate charter applications;

3. Approve quality charter applications that meet identified educational needs and promote a diversity of educational choices;

4. Decline to approve weak or inadequate charter applications;

5. Negotiate and execute sound charter contracts with each approved charter school;

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

7. Determine whether each charter contract merits renewal, nonrenewal or revocation.

J. Sponsors shall establish a procedure for accepting, approving and disapproving charter school applications. The procedure shall include a method by which an applicant for a charter school may submit an application which shall either be accepted or rejected within ninety (90) days of receipt of the application. If the application is rejected, a sponsor shall notify the applicant in writing of the reasons for the rejection. The applicant may submit a revised application for reconsideration to the State Board of Education within thirty (30) days after receiving notification of the rejection. The State Board of Education shall accept or reject the revised application within sixty (60) days of its receipt.

K. Sponsors shall be required to develop and maintain chartering policies and practices consistent with the principles and standards for authorizing quality charter schools as established by the Office of Educational Quality and Accountability in all major areas of authorizing responsibility including organizational capacity and infrastructure, soliciting and evaluating charter applications, performance contracting, ongoing charter school oversight and evaluation, and charter renewal decision making. A sponsor shall carry out all duties under the Oklahoma Charter Schools Act in a manner consistent with the principles and standards with the spirit and intent of the act.

L. Sponsors acting in their official capacity shall be immune from civil and criminal liability with respect to all activities related to a charter school with which they contract.

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

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

1. A description of the program to be offered by the school which complies with the purposes outlined in Section ~~11~~ 3-136 of this ~~act~~ title;

2. Admission policies and procedures;

3. Management and administration of the charter school;

4. Requirements and procedures for program and financial audits;

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

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

7. The term of the contract;

8. A description of the high standards of expectation and rigor for charter school plans and ensure that charter school plans adopted meet at least certain standards;

9. Policies that require the charter school be as equally free and open to all students as traditional public schools;

10. Procedures that require students enrolled in the charter school to be selected by lottery to ensure fairness if more students apply than a charter school has the capacity to accommodate;

11. Policies that require the charter school to be subject to the same academic standards and expectations as existing public schools; and

12. A description of how the charter school is to receive funding based on student enrollment in accordance with statutory guidelines for funding existing public schools.

B. A charter school shall not enter into an employment contract with any teacher or other personnel until the charter school has a

contract with a sponsoring school district. The employment contract shall set forth the personnel policies of the charter school, including, but not limited to, policies related to certification, professional development evaluation, suspension, dismissal and nonreemployment, sick leave, personal business leave, emergency leave, and family and medical leave. The contract shall also specifically set forth the salary, hours, fringe benefits, and work conditions. The contract may provide for employer-employee bargaining, but the charter school shall not be required to comply with the provisions of Sections 509.1 through 509.10 of ~~Title 70 of the Oklahoma Statutes~~ this title. The contract shall conform to all applicable provisions set forth in Section ~~11~~ 3-136 of this ~~act~~ title.

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

C. No charter school may commence operations without a charter contract executed in accordance with the provisions of the Oklahoma Charter Schools Act and approved in an open meeting of the sponsor.

D. The sponsor may establish reasonable preopening requirements or conditions to monitor the start-up progress of newly approved charter schools and ensure that each school is prepared to open smoothly on the date agreed, and to ensure that each school meets

all building, health, safety, insurance and other legal requirements for the opening of a school.

E. The performance provisions within the charter contract shall be based on a performance framework that clearly sets forth the academic and operational performance indicators, measures and metrics that will guide the evaluations of the charter school by the sponsor. The sponsor shall allow a charter school to submit the data required in this section in the identical format that is required by the State Department of Education of all public schools in order to avoid duplicative administrative efforts or allow a charter school to provide permission to the Department to share all required data with the sponsor of the charter school. The performance framework shall include indicators, measures and metrics for, at a minimum:

1. Student academic proficiency;

2. Student academic growth;

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

4. Attendance;

5. Recurrent enrollment from year to year as determined by the methodology used for public schools;

6. In the case of high schools, graduation rates as determined by the methodology used for public schools;

7. In the case of high schools, postsecondary readiness;

8. Financial performance and sustainability; and

9. Governing board performance and stewardship, including compliance with all applicable laws, regulations and terms of the charter contract.

F. The sponsor shall not request any metric or data from a charter school that is not produced or published for all school sites in the same district or are under the sponsorship of the sponsor, unless the metric or data is exclusive to charter schools.

G. A charter contract may provide for one or more schools by an applicant to the extent approved by the sponsor and consistent with applicable law. An applicant or the governing board of an applicant may hold one or more charter contracts. Each charter school that is part of a charter contract shall be separate and distinct from any other charter school.

SECTION 4. AMENDATORY 70 O.S. 2011, 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 five (5) years from the first day of operation.

B. Prior to the beginning of the fifth year of operation for a public charter school, the sponsor shall issue a charter school performance report and application renewal guidance to the school. The performance report shall summarize the performance record to date of the charter school, based on the data required by this act

and the charter contract, and shall provide notice of any weaknesses or concerns perceived by the sponsor concerning the charter school that may jeopardize its position in seeking renewal if not timely rectified. The charter school shall have forty-five (45) days to respond to the performance report and submit any corrections or clarifications for the report.

C. Prior to the beginning of the fifth year of operation, the charter school may apply for renewal of the contract with the sponsor. The application renewal guidance shall, at a minimum, provide an opportunity for the public charter school to:

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

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

3. Detail the plan for the next charter term for the school.

The application renewal guidance shall include or refer explicitly to the criteria that will guide the renewal decisions of the sponsor, which shall be based on the performance framework set forth in the charter contract and consistent with the Oklahoma Charter Schools Act.

D. 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. In making charter renewal decisions, a sponsor shall:

1. Ground decisions on evidence of the performance of the school over the term of the charter contract in accordance with the performance framework set forth in the charter contract;

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

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

4. Provide a public report summarizing the evidence basis for each decision.

~~B.~~ E. 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 G of Section 3-134 of this title.

~~C.~~ F. 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 G of Section 3-134 of this title.

~~D.~~ G. 1. Beginning in the 2016-2017 school year, the State Board of Education shall establish a list of public schools ranked from top to bottom by school grades, as determined pursuant to Section 1210.545 of this title and using the school grades for the 2014-2015 school year, and identify charter schools in the state that are ranked in the bottom five percent (5%) of all schools.

2. At the time of its charter renewal, based on an average of the current year and the two prior operating years, a charter school identified as being among the bottom five percent (5%) of public schools in the state shall not have the charter site renewed by the sponsor.

3. If the school grading system is changed by the Legislature, pursuant to Section 1210.545 of this title, and a charter school site that was not ranked in the bottom five percent (5%) prior to the change is then ranked in the bottom five percent (5%) following the change, the higher of the two rankings shall be used to calculate the ranking of the charter school site.

4. In the event that a sponsor fails to close a charter school consistent with this subsection, the sponsor shall appear before the

State Board of Education to provide support for its decision. The Board may by majority vote uphold or overturn the decision of the sponsor. If the decision of the sponsor is overturned by the Board, the charter school in question shall be closed.

5. The requirements of this subsection shall not apply to a charter school that has been designated by the State Department of Education as implementing an alternative education program throughout the charter school.

H. In making its decision pursuant to subsection G of this section, the Board shall consider the following:

1. Enrollment of students with special challenges such as drug or alcohol addiction, prior withdrawal from school, prior incarceration, or other special circumstances;

2. High mobility of the student population resulting from the specific purpose of the charter school;

3. Annual improvement in the performance of students enrolled in the charter school compared with the performance of students enrolled in the charter school in the immediately preceding school year; and

4. Whether a majority of students attending the charter school under consideration for closure would likely revert to attending public schools with lower academic achievement, as determined by the school site grade on the school report card issued pursuant to Section 1210.545 of this title.

I. If the Board has closed or transferred authorization of at least twenty-five percent (25%) of the charter schools chartered by one sponsor under subsection G of this section, the authority of the sponsor to authorize new charter schools may be suspended by the Board until the Board approves the sponsor to authorize new charter schools. A determination under this section to suspend the authority of a sponsor to authorize new charter schools shall identify the deficiencies that, if corrected, will result in the approval of the sponsor to authorize new charter schools.

J. If a sponsor terminates a contract or the charter school is closed as provided for in subsection G of this section, the closure and winding down of operations shall be conducted in accordance with the following protocol:

1. Within two (2) calendar weeks of a final closure determination, the sponsor shall meet with the governing board and leadership of the charter school to establish a transition team composed of school staff, applicant staff and others designated by the applicant that will attend to the closure, including:

a. the transfer of students,

b. student records, and

c. school funds;

2. The sponsor and transition team shall communicate regularly and effectively with families of students enrolled in the charter school, as well as with school staff and other stakeholders, to keep

them apprised of key information regarding the closure of the school and their options and risks;

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

4. The sponsor and transition team shall ensure that all necessary and prudent notifications are issued to agencies, employees, insurers, contractors, creditors, debtors and management organizations; and

5. The governing board of the charter school shall continue to meet as necessary to take actions needed to wind down school operations, manage school finances, allocate resources and facilitate all aspects of closure.

K. A sponsor shall develop revocation and nonrenewal processes that are consistent with the Oklahoma Charter Schools Act and that:

1. Provide the public charter school with a timely notification of the prospect of revocation or nonrenewal and of the reasons for such possible closure;

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

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

4. Allow the charter school access to representation by counsel and to call witnesses on its behalf;

5. Permit the recording of the proceedings; and

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

L. If a sponsor revokes or does not renew a charter, the sponsor shall clearly state in a resolution the reasons for the revocation or nonrenewal.

M. 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.~~ N. 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~~ state law.

SECTION 5. AMENDATORY 70 O.S. 2011, Section 3-140, as last amended by Section 2, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, Section 3-140), is amended to read as follows:

Section 3-140. A. Except for a charter school sponsored by the State Board of Education, a charter school shall enroll those students whose legal residence is within the boundaries of the school district in which the charter school is located and who submit a timely application, or those students who transfer to the

district in which the charter school is located in accordance with Section 8-103 or 8-104 of this title, unless the number of applications exceeds the capacity of a program, class, grade level, or building. Students who reside in a school district where a charter school is located shall not be required to obtain a transfer in order to attend a charter school in the school district of residence. If capacity is insufficient to enroll all eligible students, the charter school shall select students through a lottery selection process. Except for a charter school sponsored by the State Board of Education, a charter school shall give enrollment preference to eligible students who reside within the boundaries of the school district in which the charter school is located. Except for a charter school sponsored by the State Board of Education, a charter school created after the effective date of this act shall give enrollment preference to eligible students who reside within the boundaries of the school district in which the charter school is located and who attend a school site that has been identified as in need of improvement by the State Board of Education pursuant to the Elementary and Secondary Education Act of 1965, as amended or reauthorized. A charter school may limit admission to students within a given age group or grade level. A charter school sponsored by the State Board of Education when the applicant of the charter school is the Office of Juvenile Affairs shall limit admission to

youth that are in the custody or supervision of the Office of Juvenile Affairs.

B. Except for a charter school sponsored by the State Board of Education, a charter school shall admit students who reside in the attendance area of a school or in a school district that is under a court order of desegregation or that is a party to an agreement with the United States Department of Education Office for Civil Rights directed towards mediating alleged or proven racial discrimination unless notice is received from the resident school district that admission of the student would violate the court order or agreement.

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

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

E. The sponsor of a charter school shall not restrict the number of students the charter school may enroll. The capacity of

the charter school shall be determined annually by the governing board of the charter school, taking into consideration the ability of the charter school to facilitate the academic success of the students, to achieve the other objectives specified in the charter contract and to ensure that student enrollment does not exceed the capacity of the facility or site.

SECTION 6. AMENDATORY 70 O.S. 2011, Section 3-142, as amended by Section 3, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, 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. 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 allocation for the district in which the charter school is located. A charter school shall receive from the sponsoring school district, the State Aid allocation and any other state-appropriated revenue generated by its students for the

applicable year, less up to five percent (5%) of the State Aid allocation, 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, a higher education institution, the State Board of Education, or a federally recognized Indian tribe and for statewide virtual charter schools sponsored by the Statewide Virtual Charter School Board, the State Aid allocation for the charter school shall be distributed by the State Board of Education and not more than five percent (5%) of the State Aid 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. The fee for administrative services as authorized in this subsection shall only be assessed on the State Aid allocation amount and shall not be assessed on any other appropriated amounts.

B. 1. 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 revenue equal to that which would be generated by the estimated weighted average daily membership calculated pursuant to this paragraph. 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.

2. 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 weighted average daily membership for the first year of operation and each year thereafter of a full-time virtual charter school shall be determined by multiplying the actual enrollment of students as of August 1 by 1.333. The full-time virtual charter school shall receive revenue equal to that which would be generated by the estimated weighted average daily membership calculated pursuant to this paragraph. At midyear, the allocation for the full-time virtual charter school shall be adjusted using the first quarter weighted average daily membership for the virtual 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, a higher education institution, the State Board of Education, or a federally recognized Indian tribe shall be considered a local education agency for purposes of funding. A charter school sponsored by a board of education of a school district shall be considered a local education agency for purposes of federal 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. If otherwise allowed by law, the governing body of a charter school may enter into private contracts for the purposes of borrowing money from lenders. If the governing body of the charter school borrows money, the charter school shall be solely responsible for repaying the debt. The state or the sponsor of the charter school shall not in any way be responsible or obligated to repay the debt of the charter school.

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

SECTION 7. This act shall become effective July 1, 2015.

SECTION 8. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

55-1-5628 KB 01/21/15