

STATE OF OKLAHOMA

1st Session of the 54th Legislature (2013)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 573

By: Jolley of the Senate

and

Nelson of the House

COMMITTEE SUBSTITUTE

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

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

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

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

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 August 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 sixty (60) days after the effective date of this act.

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.

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,

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

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

B. The Commission shall promulgate rules establishing a procedure for accepting, approving and disapproving public charter school applications. The rules shall address a method by which an applicant for a public 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, the Commission shall notify the applicant in writing of the reasons for the rejection. The applicant may submit a revised application for 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. Sponsors are responsible for executing, in accordance with
20 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. A sponsor may delegate its duties to officers, employees and
10 contractors.

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

13 D. A sponsor, members of the board of a sponsor in their
14 official capacity, and employees of a sponsor shall be immune from
15 civil and criminal liability with respect to all activities related
16 to a public charter school they authorize.

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 All sponsors 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. Sponsors shall carry out all their duties
5 under this act in a manner consistent with such nationally
6 recognized principles and standards with the spirit and intent of
7 this act. Evidence of material or persistent failure to do so shall
8 constitute grounds for losing charter authorizing power.

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

12 A. Every sponsor shall be required to submit to the State
13 Superintendent of Public Instruction, the Legislature and the Public
14 Charter School Commission an annual report summarizing:

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

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

21 3. The status of the sponsor's public charter school portfolio,
22 identifying all public charter schools in each of the following
23 categories: approved but not yet open, operating, renewed,
24

1 transferred, revoked, not renewed, voluntarily closed or never
2 opened;

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

8 5. The services purchased from the sponsor by the public
9 charter schools under its purview, including an itemized accounting
10 of the actual costs of the services.

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

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

1 1. Require sufficient reporting and submissions from each
2 charter school to allow the sponsor 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 sponsor-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. Each sponsor 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 sponsor may require each public charter
22 school it oversees to submit an annual report to assist the sponsor
23 in 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 sponsor shall promptly
3 notify the public charter school of the perceived problem and
4 provide reasonable opportunity for the school to remedy the problem,
5 unless the problem warrants revocation of the charter, in which case
6 the revocation time frames will apply.

7 D. Every sponsor 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 sponsor 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 sponsor shall consider the following factors before approving a
23 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 sponsor shall be in
22 accordance with the following protocol:

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

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

- 4 1. The transfer of students;
- 5 2. Student records; and
- 6 3. School funds;

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

12 C. The sponsor 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 D. The sponsor 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 E. 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 schools shall be sponsored only as follows:

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

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

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

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

~~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 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 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 listed on the school improvement list as determined 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;~~

1 ~~7.~~ 4. 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.~~ 5. 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.~~ 6. 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; or

24 7. By the Public Charter School Commission.

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, may continue to operate pursuant to that
4 agreement or may contract with the board of education of the school
5 district pursuant to the Oklahoma Charter Schools Act. Nothing in
6 the Oklahoma Charter Schools Act shall prohibit a school district
7 from applying for exemptions from certain education-related
8 statutory requirements as provided for in the Educational
9 Deregulation Act.

10 C. For purposes of the Oklahoma Charter Schools Act, "charter
11 school" means a public school established by contract with a board
12 of education of a school district, an area vocational-technical
13 school district, a higher education institution, a federally
14 recognized Indian tribe, ~~or~~ the State Board of Education, or the
15 Public Charter School Commission pursuant to the Oklahoma Charter
16 Schools Act to provide learning that will improve student
17 achievement and as defined in the Elementary and Secondary Education
18 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 SECTION 11. AMENDATORY 70 O.S. 2011, Section 3-134, is
23 amended to read as follows:
24

1 Section 3-134. A. For written applications filed after January
2 1, 2008, prior to submission of the application to a proposed
3 sponsor seeking to establish a charter school, the applicant shall
4 be required to complete training which shall not exceed ten (10)
5 hours provided by the State Department of Education on the process
6 and requirements for establishing a charter school. The Department
7 shall develop and implement the training by January 1, 2008. The
8 Department may provide the training in any format and manner that
9 the Department determines to be efficient and effective including,
10 but not limited to, web-based training.

11 B. Except as otherwise provided for in Section 3-137 of this
12 title, an applicant seeking to establish a charter school shall
13 submit a written application to the proposed sponsor as prescribed
14 in subsection E of this section. The application shall include:

15 1. ~~A mission statement for the charter school~~ An executive
16 summary;

17 2. ~~A description of the organizational structure and the~~
18 ~~governing body of the charter school~~ The mission and vision of the
19 proposed public charter school, including identification of the
20 targeted student population and the community the school hopes to
21 serve;

22 3. ~~A financial plan for the first three (3) years of operation~~
23 ~~of the charter school and a description of the treasurer or other~~
24 ~~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~~ The location
or geographic area proposed for the school;

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

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

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

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

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

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~~ A description of the
academic program aligned with state standards; and

1 10. ~~Documentation that the applicants completed charter school~~
2 ~~training as set forth in subsection A of this section~~ A description
3 of the school's instructional design, including the type of learning
4 environment, class size and structure, curriculum overview and
5 teaching methods;

6 11. The school's plan for using internal and external
7 assessments to measure and report student progress on the
8 performance framework developed by the sponsor in accordance with
9 subsection B of this section;

10 12. The school's plans for identifying and successfully serving
11 students with disabilities, students who are English language
12 learners, students who are academically behind and gifted students,
13 including but not limited to compliance with applicable laws and
14 regulations;

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

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

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

21 16. An organization chart that clearly presents the school's
22 organizational structure, including lines of authority and reporting
23 between the governing board, staff, any related bodies such as
24

advisory bodies or parent and teacher councils and any external organizations that will play a role in managing the school;

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

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

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

20. The school's leadership and teacher employment policies, including performance evaluation plans;

21. Proposed governing bylaws;

22. Explanations of any partnerships or contractual partnerships central to the school's operations or mission;

23. The school's plans for providing transportation, food service and all other significant operational or ancillary services;

24. Opportunities and expectations for parent involvement;

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

26. A description of the school's financial plan and policies, including financial controls and audit requirements;

27. A description of the insurance coverage the school will obtain;

1 28. Start-up and five-year budgets with clearly stated
2 assumptions;

3 29. Start-up and first-year cash-flow projections with clearly
4 stated assumptions;

5 30. Evidence of anticipated fundraising contributions, if
6 claimed in the application; and

7 31. A sound facilities plan, including back-up or contingency
8 plans if appropriate.

9 C. In the case of an application to establish a public charter
10 school by converting an existing non-charter public school to public
11 charter school status, the application shall additionally require
12 the applicants to demonstrate support for the proposed public
13 charter school conversion by a petition signed by a majority of
14 teachers and a petition signed by a majority of parents of students
15 in the existing non-charter public school.

16 D. In the case of a proposal to establish a virtual public
17 charter school, the application shall additionally require the
18 applicants to describe the proposed school's system of course
19 credits and how the school will:

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

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

4 3. Conduct parent-teacher conferences; and

5 4. Administer state-required assessments to all students in a
6 proctored setting.

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

11 1. Provide evidence of the education service provider's success
12 in serving student populations similar to the targeted population,
13 including demonstrated academic achievement as well as successful
14 management of non-academic school functions if applicable;

15 2. Provide a term sheet setting forth the proposed duration of
16 the service contract; roles and responsibilities of the governing
17 board, the school staff and the service provider; the scope of
18 services and resources to be provided by the service provider;
19 performance evaluation measures and timelines; compensation
20 structure, including clear identification of all fees to be paid to
21 the service provider; methods of contract oversight and enforcement;
22 investment disclosure; and conditions for renewal and termination of
23 the contract; and

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

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

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

15 ~~D.~~ H. The sponsor of a charter school is the board of education
16 of a school district, the board of education of a technology center
17 school district, a higher education institution, the State Board of
18 Education, the Public Charter school Commission or a federally
19 recognized Indian tribe which meets the criteria established in
20 Section 3-132 of this title. Any board of education of a school
21 district in the state may sponsor one or more charter schools. The
22 physical location of a charter school sponsored by a board of
23 education of a school district or a technology center school
24 district shall be within the boundaries of the sponsoring school

1 district. The physical location of a charter school sponsored by
2 the State Board of Education when the applicant of the charter
3 school is the Office of Juvenile Affairs shall be where an Office of
4 Juvenile Affairs facility for youth is located.

5 ~~E.~~ I. An applicant for a charter school may submit an
6 application to a proposed sponsor which shall either accept or
7 reject sponsorship of the charter school within ninety (90) days of
8 receipt of the application. If the proposed sponsor rejects the
9 application, it shall notify the applicant in writing of the reasons
10 for the rejection. The applicant may submit a revised application
11 for reconsideration to the proposed sponsor within thirty (30) days
12 after receiving notification of the rejection. The proposed sponsor
13 shall accept or reject the revised application within thirty (30)
14 days of its receipt.

15 ~~F.~~ J. A board of education of a school district, board of
16 education of a technology center school district, higher education
17 institution, the Public Charter School Commission or federally
18 recognized Indian tribe sponsor of a charter school shall notify the
19 State Board of Education when it accepts sponsorship of a charter
20 school. The notification shall include a copy of the charter of the
21 charter school.

22 ~~G.~~ K. If a proposed sponsor rejects the revised application for
23 a charter school, the applicant may proceed to mediation or binding
24 arbitration or both mediation and binding arbitration as provided in

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

8 ~~H.~~ L. If a board of education of a technology center school
9 district, a higher education institution, the State Board of
10 Education, the Public Charter School Commission or a federally
11 recognized Indian tribe accepts sponsorship of a charter school, the
12 administrative, fiscal and oversight responsibilities of the
13 technology center school district, the higher education institution,
14 or the federally recognized Indian tribe shall be listed in the
15 contract. No responsibilities shall be delegated to a school
16 district unless the local school district agrees to assume the
17 responsibilities.

18 M. In reviewing and evaluating charter applications, sponsors
19 shall employ procedures, practices and criteria consistent with
20 nationally recognized principles and standards for quality charter
21 authorizing, such as those established by the National Association
22 of Charter School Authorizers. The application review process shall
23 include thorough evaluation of each written charter application, an
24 in-person interview with the applicant group and an opportunity in a

1 public forum for local residents to learn about and provide input on
2 each application.

3 N. In deciding whether to approve charter applications,
4 sponsors shall:

5 1. Grant charters only to applicants that have demonstrated
6 competence in each element of the sponsor's published approval
7 criteria and are likely to open and operate a successful public
8 charter school;

9 2. Base decisions on documented evidence collected through the
10 application review process;

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

14 O. A sponsor shall adopt by resolution all charter approval or
15 denial decisions in an open meeting of the authorizer's governing
16 board.

17 P. An approval decision may include, if appropriate, reasonable
18 conditions that the charter applicant must meet before a charter
19 contract may be executed.

20 Q. For any charter denial, the sponsor shall clearly state, for
21 public record, its reasons for denial.

22 SECTION 12. AMENDATORY 70 O.S. 2011, Section 3-135, is
23 amended to read as follows:
24

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

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

9 2. Admission policies and procedures;

10 3. Management and administration of the charter school;

11 4. Requirements and procedures for program and financial
12 audits;

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

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

16 7. The academic and operational performance expectations and
17 measures by which the public charter school will be judged. The
18 performance expectations and measures set forth in the charter
19 contract shall include but not be limited to applicable federal and
20 state accountability requirements. The performance provisions may
21 be refined or amended by mutual agreement after the public charter
22 school is operating and has collected baseline achievement data for
23 its enrolled students;
24

1 8. The administrative relationship between the sponsor and
2 public charter school, including each party's rights and duties;

3 9. The term of the contract;

4 10. Information relating to any third party management
5 organization or network; and

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

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

14 1. Student academic proficiency;

15 2. Student academic growth;

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

18 4. Attendance;

19 5. Recurrent enrollment from year to year;

20 6. Postsecondary readiness for high schools;

21 7. Financial performance and sustainability; and

22 8. Board performance and stewardship, including compliance with
23 all applicable laws, regulations and terms of the charter contract.
24

1 C. Annual performance targets shall be set by each public
2 charter school in conjunction with its sponsor and shall be designed
3 to help each school meet applicable federal, state and sponsor
4 expectations.

5 The performance framework shall allow the inclusion of
6 additional rigorous, valid and reliable indicators proposed by a
7 public charter school to augment external evaluations of its
8 performance, provided that the sponsor approves the quality and
9 rigor of such school-proposed indicators, and that they are
10 consistent with the purposes of this act.

11 The performance framework shall require the disaggregation of
12 all student performance data by major student subgroups, including
13 gender, race, poverty status, special education status, English
14 learner status and gifted status.

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

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

22 D. The charter contract for a virtual public charter school
23 shall include the description and agreement regarding the methods by
24 which the school will:

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

4 2. Monitor and verify student progress and performance in each
5 course through regular, proctored assessments and submissions of
6 coursework;

7 3. Conduct parent-teacher conferences; and

8 4. Administer state-required assessments to all students in a
9 proctored setting.

10 E. The charter contract shall be signed by the president of the
11 sponsor's governing board and the president of the public charter
12 school's governing body.

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

16 G. Sponsors may establish reasonable pre-opening requirements
17 or conditions to monitor the start-up progress of newly approved
18 public charter schools and ensure that they are prepared to open
19 smoothly on the date agreed, and to ensure that each school meets
20 all building, health, safety, insurance and other legal requirements
21 for school opening.

22 H. A charter school shall not enter into an employment contract
23 with any teacher or other personnel until the charter school has a
24 contract with a sponsoring school district. The employment contract

1 shall set forth the personnel policies of the charter school,
2 including, but not limited to, policies related to certification,
3 professional development evaluation, suspension, dismissal and
4 nonreemployment, sick leave, personal business leave, emergency
5 leave, and family and medical leave. The contract shall also
6 specifically set forth the salary, hours, fringe benefits, and work
7 conditions. The contract may provide for employer-employee
8 bargaining, but the charter school shall not be required to comply
9 with the provisions of Sections 509.1 through 509.10 of Title 70 of
10 the Oklahoma Statutes. The contract shall conform to all applicable
11 provisions set forth in Section ~~44~~ 3-136 of this ~~act~~ title.

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

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

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

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

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

3 1. A charter school shall comply with all federal regulations
4 and state and local rules and statutes relating to health, safety,
5 civil rights and insurance. By January 1, 2000, the State
6 Department of Education shall prepare a list of relevant rules and
7 statutes which a charter school must comply with as required by this
8 paragraph and shall annually provide an update to the list;

9 2. A charter school shall be nonsectarian in its programs,
10 admission policies, employment practices, and all other operations.
11 A sponsor may not authorize a charter school or program that is
12 affiliated with a nonpublic sectarian school or religious
13 institution;

14 3. The charter school may provide a comprehensive program of
15 instruction for a prekindergarten program, a kindergarten program or
16 any grade between grades one and twelve. Instruction may be
17 provided to all persons between the ages of four (4) and twenty-one
18 (21) years. A charter school may offer a curriculum which
19 emphasizes a specific learning philosophy or style or certain
20 subject areas such as mathematics, science, fine arts, performance
21 arts, or foreign language. The charter of a charter school which
22 offers grades nine through twelve shall specifically address whether
23 the charter school will comply with the graduation requirements
24 established in Section 11-103.6 of this title. No charter school

1 shall be chartered for the purpose of offering a curriculum for deaf
2 or blind students that is the same or similar to the curriculum
3 being provided by or for educating deaf or blind students that are
4 being served by the Oklahoma School for the Blind or the Oklahoma
5 School for the Deaf;

6 4. A charter school shall participate in the testing as
7 required by the Oklahoma School Testing Program Act and the
8 reporting of test results as is required of a school district. A
9 charter school shall also provide any necessary data to the Office
10 of Accountability;

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

15 6. A charter school, to the extent possible, shall be subject
16 to the same reporting requirements, financial audits, audit
17 procedures, and audit requirements as a school district. The State
18 Department of Education or State Auditor and Inspector may conduct
19 financial, program, or compliance audits. A charter school shall
20 use the Oklahoma Cost Accounting System to report financial
21 transactions to the sponsoring school district;

22 7. A charter school shall ensure that the rights of English
23 language learners and other special populations will be respected,
24 their needs addressed and applicable rules, regulations and laws

1 complied with. A charter school shall comply with all federal and
2 state laws relating to the education of children with disabilities
3 in the same manner as a school district;

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

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

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

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

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

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

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

4 15. A charter school may participate in all health and related
5 insurance programs available to the employees of the sponsor of the
6 charter school;

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

9 17. The governing body of a charter school shall be subject to
10 the same conflict of interest requirements as a member of a local
11 school board.

12 B. The charter of a charter school shall include a description
13 of the personnel policies, personnel qualifications, and method of
14 school governance, and the specific role and duties of the sponsor
15 of the charter school.

16 C. The charter of a charter school may be amended at the
17 request of the governing body of the charter school and upon the
18 approval of the sponsor.

19 D. A charter school may enter into contracts and sue and be
20 sued.

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

23 F. The charter of a charter school shall include a provision
24 specifying the method or methods to be employed for disposing of

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

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

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

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

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

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.

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 3-142, is
5 amended to read as follows:

6 Section 3-142. A. For purposes of funding, a charter school
7 sponsored by a board of education of a school district shall be
8 considered a site within the school district in which the charter
9 school is located. The student membership of the charter school
10 shall be considered separate from the student membership of the
11 district in which the charter school is located for the purpose of
12 calculating weighted average daily membership pursuant to Section
13 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of
14 this title. For charter schools sponsored by a board of education
15 of a school district, the sum of the separate calculations for the
16 charter school and the school district shall be used to determine
17 the total State Aid allocation for the district in which the charter
18 school is located. A charter school shall receive from the
19 sponsoring school district, the State Aid allocation and any other
20 state-appropriated revenue generated by its students for the
21 applicable year, less up to five percent (5%) of the State Aid
22 allocation, which may be retained by the school district as a fee
23 for administrative services rendered. For charter schools sponsored
24 by the board of education of a technology center school district, a

1 higher education institution, the State Board of Education, or a
2 federally recognized Indian tribe, the State Aid allocation for the
3 charter school shall be distributed by the State Board of Education
4 and not more than five percent (5%) of the State Aid allocation may
5 be charged by the sponsor as a fee for administrative services
6 rendered. The State Board of Education shall determine the policy
7 and procedure for making payments to a charter school. The fee for
8 administrative services as authorized in this subsection shall only
9 be assessed on the State Aid allocation amount and shall not be
10 assessed on any other appropriated amounts.

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

20 C. A charter school shall be eligible to receive any other aid,
21 grants or revenues allowed to other schools. A charter school
22 sponsored by the board of education of a technology center school
23 district, a higher education institution, the State Board of
24 Education, the Public Charter School Commission or a federally

1 recognized Indian tribe shall be considered a local education agency
2 for purposes of funding. A charter school sponsored by a board of
3 education of a school district shall be considered a local education
4 agency for purposes of federal funding.

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

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

11 SECTION 16. This act shall become effective July 1, 2013.

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

16

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