1 ENGROSSED SENATE BILL NO. 573 By: Jolley of the Senate 2 and 3 Nelson of the House 4 5 6 [charter schools - creating the Public Charter School Commission - codification - effective dates | 7 8 9 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA: A new section of law to be codified 10 SECTION 1. NEW LAW in the Oklahoma Statutes as Section 3-132.1 of Title 70, unless 11 12 there is created a duplication in numbering, reads as follows: 13 There is hereby created the Public Charter School Commission. Effective July 1, 2014, the Commission shall have the 14 authority to authorize a charter school in any school district in 15 this state and, conditioned on compliance with the provisions of 16 this act, select and approve authorizing agents to authorize charter 17 schools in any school district in this state. The Commission shall 18 be composed of nine (9) members appointed by the Governor with the 19 20 advice and consent of the Senate. The membership shall consist of: Two representatives of the business community; 21 One person who is a member of the administration of a 22 charter school in the state; 23

- 3. One teacher who is employed by a charter school in the state; and
 - 4. One representative selected from each of the five (5) congressional districts.
 - B. Appointments shall be made by December 1, 2013. Terms for initial appointments shall be three (3) years. Members shall serve until their successors are duly appointed for a term of three (3) years. The Commission shall elect from its membership a chair and vice-chair annually by December 30.
 - C. Members shall serve at the pleasure of the Governor.
 - D. Vacancies shall be filled by the Governor in the same manner as provided in subsection A of this section.
 - SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-132.2 of Title 70, unless there is created a duplication in numbering, reads as follows:
 - A. The Public Charter School Commission shall meet at the call of the chair. The first meeting of the Commission shall be held no later than thirty (30) days after appointments have been made.
 - B. Five (5) members of the Commission shall constitute a quorum and an affirmative vote of at least five (5) members shall be required for the Commission to take any final action.
 - C. Members of the Commission shall receive necessary travel expenses while in the performance of their duties in accordance with

the State Travel Reimbursement Act. Members shall receive reimbursement from the State Department of Education.

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

As used in the Oklahoma Charter Schools Act:

- 1. "Applicant" means the person, group of persons or entity submitting a proposal for a public charter school to the Public Charter School Commission. An "applicant" may include but is not limited to a board of education of a public school district, public body, public or private college or university or private organization. An "applicant" shall not mean a private school;
- 2. "Authorizing agent" means one of the following types of entities:
 - a. a 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,
 - b. 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,

- c. 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,
- d. 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 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,
- e. 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,

f. 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.

g. 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, and

- h. 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:
- 3. "Charter school" means a public school authorized by the Public Charter School Commission 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; and
- 4. "Commission" means the Public Charter School Commission, which shall be the authorizer of charter schools and authorizing agents in Oklahoma effective July 1, 2014.

- SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-132.4 of Title 70, unless there is created a duplication in numbering, reads as follows:
 - A. The Public Charter School Commission shall have the following powers and duties:
 - 1. Formulate, adopt and promulgate rules as may be necessary to implement the provisions of this act, in compliance with the Administrative Procedures Act;
 - 2. Establish high standards of expectation and rigor for charter school applicants and charter school plans and ensure that the charter school plan(s) adopted meet at least the following standards:
 - a. require that public charter schools be as equally free and open to all students as traditional public schools,
 - b. require students be selected by lottery to ensure fairness if more students apply than a school can accommodate,
 - c. require public charter schools be subject to the same academic standards and expectations as existing public schools,
 - d. provide for public charter schools to receive funding based on student enrollment in accordance with

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- 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;
 - 3. 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;
 - 4. Solicit and evaluate charter applications;
 - 5. Approve quality charter applications that meet identified educational needs and promote a diversity of educational choices;
 - 6. Decline to approve weak or inadequate charter applications;
 - 7. Negotiate and execute sound charter contracts with each approved public charter school;
 - 8. Monitor, in accordance with charter contract terms, the performance and legal compliance of public charter schools; and
 - 9. Determine whether each charter contract merits renewal, nonrenewal or revocation.

- B. Regulation of applicants shall be limited to these powers and duties and consistent with the spirit and intent of this act.
- C. The Commission shall promulgate rules establishing a procedure for accepting, approving and disapproving public charter school applications. The procedure shall include 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 receiving notification of the rejection. The Commission shall accept or reject the revised application within thirty (30) days of its receipt.
- D. The Commission shall be required to develop and maintain chartering policies and practices consistent with nationally recognized principles and standards for quality charter authorizing, such as those established by the National Association of Charter School Authorizers, in all major areas of authorizing responsibility including: organizational capacity and infrastructure; soliciting and evaluating charter applications; performance contracting; ongoing public charter school oversight and evaluation; and charter renewal decision making. The Commission shall carry out all its duties under this act in a manner consistent with such nationally

- 1 recognized principles and standards with the spirit and intent of 2 this act.
 - E. The State Department of Education shall provide staff support to the Commission.
 - F. The Commission, members of the Commission acting in their official capacity, and employees of the Commission shall be immune from civil and criminal liability with respect to all activities related to a public charter school with which they contract.
 - G. Beginning in 2014, the Commission shall submit annually by November 1, a report on policies, procedures and innovative methods employed by public charter schools that show an improvement in student achievement. The report shall be submitted to the Governor, President Pro Tempore of the Senate and Speaker of the House of Representatives as well as the Chairs of the Senate and House committees that govern policy on common education. The report shall include:
 - 1. Recommendations to the Legislature on how to improve education in this state based on best practices from public charter school innovations;
 - 2. A summary of the Commission's strategic vision for chartering and progress toward achieving that vision;
 - 3. A summary of the academic and financial performance of all operating public charter schools overseen by the Commission

- 1 according to the performance expectations for public charter schools 2 set forth in this act:
 - 4. A summary of the status of the state's public charter school portfolio, identifying all public charter schools in each of the following categories: approved but not yet open, operating, renewed, transferred, revoked, not renewed, voluntarily closed or never opened; and
 - 5. A summary of the authorizing functions provided by the Commission to the public charter schools under its purview, including the Commission's operating costs and expenses detailed in annual audited financial statements that conform with generally accepted accounting principles.
 - SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-132.5 of Title 70, unless there is created a duplication in numbering, reads as follows:
 - A. The Commission shall continually monitor the performance and legal compliance of the public charter schools it oversees, including collecting and analyzing data to support ongoing evaluation according to the charter contract. The Commission shall have the authority to conduct or require oversight activities that enable the applicant to fulfill its responsibilities under this act, including conducting appropriate inquiries and investigations, so long as those activities are consistent with the intent of this act, adhere to the terms of the charter contract and do not unduly

- 1 inhibit the autonomy granted to public charter schools. At a 2 minimum, the Commission shall:
 - Require sufficient reporting and submissions from each charter school to allow the Commission to assess its educational, financial and operational status;
 - 2. Collect, analyze and report on student-level and school-level performance data from state- or applicant-required external assessments, including but not limited to an annual school performance report presented to each school that summarizes the school's results on its performance framework and performance expectations;
 - 3. Monitor legal compliance, financial propriety and compliance with the material terms of the charter agreement;
 - 4. Ensure that the rights of students with disabilities and English language learners are being respected; and
 - 5. Take timely and appropriate action in response to concerns over violations of law or of the school's charter agreement.
 - B. The Commission shall annually publish and provide as part of its annual report to the State Superintendent of Public Instruction and the Legislature a performance report for each public charter school it oversees, in accordance with the performance framework set forth in the charter contract and this act. The Commission may require each public charter school it oversees to submit an annual

- report to assist in gathering complete information about each school, consistent with the performance framework.
- C. In the event that a public charter school's performance or legal compliance appears unsatisfactory, the Commission shall promptly notify the public charter school of the perceived problem and provide reasonable opportunity for the school to remedy the problem, unless the problem warrants revocation of the charter, in which case the revocation time frames will apply.
- D. The Commission shall have the authority to take appropriate corrective actions or exercise sanctions short of revocation in response to apparent deficiencies in public charter school performance or legal compliance. Such actions or sanctions may include, if warranted, requiring a school to develop and execute a corrective action plan within a specified time frame.
- SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-132.6 of Title 70, unless there is created a duplication in numbering, reads as follows:
- A. The Commission may give priority to applicants that have demonstrated a record of operating at least one (1) school or similar program that demonstrates academic success and organizational viability and serves student populations similar to those the proposed school seeks to serve.

- B. In assessing a program's potential for quality replication,
 the Commission shall consider the following factors before approving
 a new site or distinct 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. A sound, detailed and well-supported growth plan;
 - 3. Evidence of the ability to transfer successful practices to a potentially different context that includes reproducing critical cultural, organizational and instructional characteristics;
 - 4. Any management organization involved in a potential replication is fully vetted and its academic, financial and operational records 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 district school within a network and required by law to be utilized by a school remain with and are used to benefit that school.
- 21 SECTION 7. NEW LAW A new section of law to be codified 22 in the Oklahoma Statutes as Section 3-132.7 of Title 70, unless 23 there is created a duplication in numbering, reads as follows:

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

- 1. Within two (2) calendar weeks of a final closure determination, the Commission shall meet with the school's board and leadership 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 Commission and transition team shall communicate regularly and effectively with families of students enrolled in the school as well as with school staff and other stakeholders to keep them apprised of key information regarding the school's closure, their options and risks;
- 3. The Commission and transition team shall ensure that current instruction of students enrolled in the school continues per the charter agreement for the remainder of the school year;
- 4. The Commission 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 school's board will 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.
- SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-132.8 of Title 70, unless

there is created a duplication in numbering, reads as follows:

- A. Prior to submission of an application to the Public Charter School Commission seeking to establish a charter school, the applicant shall be required to complete training which shall not exceed ten (10) hours provided by the Public Charter School Commission on the process and requirements for establishing a charter school. The Commission shall develop and implement the training by July 1, 2014. The Commission may provide the training in any format and manner that the Commission determines to be efficient and effective including, but not limited to, web-based training.
- B. An applicant seeking to establish a charter school shall submit a written application to the Public Charter School Commission as prescribed in this section. The application shall include:
 - 1. An executive summary;
- 2. The mission and vision of the proposed public charter
 22 school, including identification of the targeted student population
 23 and the community the school hopes to serve;
 - 3. The location or geographic area proposed for the school;

- 1 4. The grades to be served each year for the full term of the 2 charter contract;
 - 5. Minimum, planned and maximum enrollment per grade per year for the term of the charter contract;
 - 6. Evidence of need and community support for the proposed public charter school;
 - 7. Background information on the proposed founding governing board members and, if identified, the proposed school leadership and management team;
 - 8. The school's proposed calendar and sample daily schedule;
 - 9. A description of the academic program aligned with state standards;
 - 10. A description of the school's instructional design, including the type of learning environment, class size and structure, curriculum overview and teaching methods;
 - 11. The school's plan for using internal and external assessments to measure and report student progress on the performance framework developed by the applicant in accordance with Section 9 of this act;
- 20 12. The school's plans for identifying and successfully serving 21 students with disabilities, students who are English language 22 learners, students who are academically behind and gifted students, 23 including but not limited to compliance with applicable laws and 24 regulations;

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- 1 13. A description of co-curricular or extracurricular programs 2 and how they will be funded and delivered;
- 3 14. Plans and timelines for student recruitment and enrollment, 4 including lottery procedures;
 - 15. The school's student discipline policies, including those for special education students;
 - 16. An organization chart that clearly presents the school's organizational structure, 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 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 21. Proposed governing bylaws;
- 22. Explanations of any partnerships or contractual partnerships central to the school's operations or mission;

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- - 24. Opportunities and expectations for parent involvement;
- 4 25. A detailed school start-up plan, identifying tasks, 5 timelines and responsible individuals;
- 6 26. A description of the school's financial plan and policies,
 7 including financial controls and audit requirements;
- 8 27. A description of the insurance coverage the school will 9 obtain;
- 10 28. Start-up and five-year budgets with clearly stated 11 assumptions;
- 29. Start-up and first-year cash-flow projections with clearly stated assumptions;
 - 30. Evidence of anticipated fundraising contributions, if claimed in the application; and
- 16 31. A sound facilities plan, including back-up or contingency
 17 plans if appropriate.
- C. In the case of an application to establish a public charter school by converting an existing non-charter public school to public charter school status, the application shall additionally require the applicants to demonstrate support for the proposed public charter school conversion by a petition signed by a majority of teachers and a petition signed by a majority of parents or legal guardians of students in the existing non-charter public school.

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- D. In the case of a proposal to establish a virtual public charter school, the application shall additionally require the applicants to describe the proposed school's system of course credits and how the school will:
- Monitor and verify full-time student enrollment, student participation in a full course load, credit accrual and course completion;
- 2. Monitor and verify student progress and performance in each course through regular, proctored assessments and submissions of coursework;
 - 3. Conduct parent-teacher conferences; and
- 4. Administer state-required assessments to all students in a proctored setting.
- E. In the case of a proposed public charter school that intends to contract with an education service provider for substantial educational services, management services or both types of services, the application shall additionally require the applicants to:
- 1. Provide evidence of the education service provider's success in serving student populations similar to the targeted population, including demonstrated academic achievement as well as successful management of non-academic school functions if applicable;
- 2. Provide a term sheet setting forth the proposed duration of the service contract; roles and responsibilities of the governing board, the school staff and the service provider; the scope of

- services and resources to be provided by the service provider;

 performance evaluation measures and timelines; compensation

 structure, including clear identification of all fees to be paid to

 the service provider; methods of contract oversight and enforcement;

 investment disclosure; and conditions for renewal and termination of
 - 3. Disclose and explain any existing or potential conflicts of interest between the school governing board and proposed service provider or any affiliated business entities.
 - F. In the case of a public charter school proposal from an applicant that currently operates one or more schools in any state or nation, the application shall additionally require the applicant to provide evidence of past performance and current capacity for growth.
 - G. In reviewing and evaluating charter applications, the Commission shall employ procedures, practices and criteria consistent with nationally recognized principles and standards for quality charter authorizing, such as those established by the National Association of Charter School Authorizers. The application review process shall include thorough evaluation of each written charter application, an in-person interview with the applicant group and an opportunity in a public forum for local residents to learn about and provide input on each application.

the contract; and

- 1 H. In deciding whether to approve charter applications, the 2 Commission shall:
 - 1. Grant charters only to applicants that have demonstrated competence in each element of the Commission's published approval criteria and are likely to open and operate a successful public charter school;
 - 2. Base decisions on documented evidence collected through the application review process; and
 - 3. Follow charter-granting policies and practices that are transparent, based on merit and avoid conflicts of interest or any appearance thereof.
 - I. The Commission shall adopt by resolution all charter approval or denial decisions in an open meeting of the Commission.
 - J. An approval decision may include, if appropriate, reasonable conditions that the charter applicant must meet before a charter contract may be executed.
 - K. For any charter denial, the Commission shall clearly state, for public record, its reasons for denial.
 - L. If the Commission rejects the revised application for a charter school, the applicant may proceed to 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 applicant shall pay
 the cost for any mediation or arbitration requested pursuant to this
- 5 M. The Commission shall notify the State Board of Education 6 When it authorizes an application for a public charter school.
- SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-132.9 of Title 70, unless there is created a duplication in numbering, reads as follows:
 - A. An applicant for a charter school approved by the Public Charter School Commission shall enter into a written contract with the Commission. 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. The administrative, fiscal and oversight responsibilities of the Commission;
 - 2. A description of the program to be offered by the school which complies with the purposes of this act;
 - 3. Admission policies and procedures;
 - 4. Management and administration of the charter school;
- 5. Requirements and procedures for program and financial audits;
- 6. A description of how the charter school will comply with the charter requirements set forth in this act;

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- 7. Assumption of liability by the charter school;
- 8. The academic and operational performance expectations and measures by which the public charter school will be judged. The performance expectations and measures set forth in the charter contract shall include but not be limited to applicable federal and state accountability requirements. The performance provisions may be refined or amended by mutual agreement after the public charter school is operating and has collected baseline achievement data for its enrolled students;
 - 9. The administrative relationship between the applicant and public charter school, including each party's rights and duties;
- 10. Information relating to any third party management organization or network; and
- 11. The standards by which the charter school will be judged for renewal, non-renewal or revocation of its charter.
- B. 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 Commission's evaluations of each public 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;
- 6. Postsecondary readiness for high schools;
- 7. Financial performance and sustainability; and
- 8. Governing board performance and stewardship, including compliance with all applicable laws, regulations and terms of the charter contract.
- C. Annual performance targets shall be set by each public charter school in conjunction with its applicant and shall be designed to help each school meet applicable federal, state and applicant expectations.

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

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

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

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

- D. The charter contract for a virtual public charter school shall include the description and agreement regarding the methods by which the school will:
- 1. Monitor and verify full-time student enrollment, student participation in a full course load, credit accrual and course completion;
- 2. Monitor and verify student progress and performance in each course through regular, proctored assessments and submissions of coursework;
 - 3. Conduct parent-teacher conferences; and
- 4. Administer state-required assessments to all students in a proctored setting.
- E. The charter contract shall be signed by the members of the
 Commission and the president of the public charter school's
 governing body.

- F. No public charter school may commence operations without a charter contract executed in accordance with this provision and approved in an open meeting of the Commission.
- G. The Commission may establish reasonable pre-opening requirements or conditions to monitor the start-up progress of newly approved public charter schools and ensure that they are 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 school opening.
- H. A charter school shall not enter into an employment contract with any teacher or other personnel until the charter school has an approved contract with the Public Charter School Commission. 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.

Upon contracting with any teacher or other personnel, the governing body of the charter school shall, in writing, disclose

- 1 employment rights of the employees in the event the charter school 2 closes or the charter is not renewed.
 - I. A charter contract may consist of an applicant for one or more schools, to the extent approved by the Commission and consistent with applicable law. Each public charter school that is part of a charter contract shall be separate and distinct from any others.
 - J. An applicant or the governing board of an applicant may hold one or more charter contracts. Each public charter school that is part of a charter contract shall be separate and distinct from any others.
 - SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-132.10 of Title 70, unless there is created a duplication in numbering, reads as follows:
 - A. A charter school shall adopt a charter which will ensure compliance with the following:
 - 1. A charter school shall comply with all federal regulations and state and local rules and statutes relating to health, safety, civil rights and insurance. By July 1, 2014, the Public Charter School Commission shall prepare a list of relevant rules and statutes which a charter school must comply with as required by this paragraph and shall annually provide an update to the list;
 - 2. A charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other operations.

- The Commission may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or religious institution;
- The charter school may provide a comprehensive program of 5 instruction for a prekindergarten program, a kindergarten program or any grade between grades one and twelve. Instruction may be 6 provided to all persons between the ages of four (4) and twenty-one 7 (21) years. A charter school may offer a curriculum which 9 emphasizes a specific learning philosophy or style or certain 10 subject areas such as mathematics, science, fine arts, performance 11 arts, or foreign language. The charter of a charter school which 12 offers grades nine through twelve shall specifically address whether 13 the charter school will comply with the graduation requirements established in Section 11-103.6 of Title 70 of the Oklahoma 14 15 Statutes. No charter school shall be chartered for the purpose of offering a curriculum for deaf or blind students that is the same or 16 similar to the curriculum being provided by or for educating deaf or 17 blind students that are being served by the Oklahoma School for the 18 Blind or the Oklahoma School for the Deaf; 19
 - 4. A charter school shall participate in the testing as required by the Oklahoma School Testing Program Act and the reporting of test results as is required of a school district. A charter school shall also provide any necessary data to the Office of Educational Quality and Accountability;

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- 5. Except as provided for in the Oklahoma Charter Schools Act and its charter, a charter school shall be exempt from all statutes and rules relating to schools, boards of education, and school districts;
- 6. A charter school, to the extent possible, shall be subject to the same reporting requirements, financial audits, audit procedures, and audit requirements as a school district. The Commission or State Auditor and Inspector may conduct financial, program, or compliance audits. A charter school shall use the Oklahoma Cost Accounting System to report financial transactions to the Public Charter School Commission;
- 7. A charter school shall ensure that the rights of English language learners and other special populations will be respected, their needs addressed and applicable rules, regulations and laws complied with. A charter school shall comply with all federal and state laws relating to the education of children with disabilities in the same manner as a school district;
- 8. A charter school shall provide for a governing body for the school which shall be responsible for the policies and operational decisions of the charter school. Each such charter school governing body shall ensure that it operates in accordance with its bylaws and that the governing body accepts and cannot delegate ultimate responsibility for the school and its academic performance, financial and operational viability, including the responsibility to

- 1 oversee any management organization or network, and hold that entity 2 accountable for its performance;
 - 9. A charter school shall not be used as a method of generating revenue for students who are being home schooled and are not being educated at an organized charter school site;
 - 10. A charter school may not charge tuition or fees;
 - 11. A charter school shall provide instruction each year for at least the number of days required in Section 1-109 of Title 70 of the Oklahoma Statutes;
 - 12. A charter school shall comply with the student suspension requirements provided for in Section 24-101.3 of Title 70 of the Oklahoma Statutes;
 - 13. A charter school shall be considered a school district for purposes of tort liability under The Governmental Tort Claims Act;
 - 14. Employees of a charter school may participate as members of the Teachers' Retirement System of Oklahoma in accordance with applicable statutes and rules if otherwise allowed pursuant to law;
 - 15. A charter school may participate in all health and related insurance programs available to the employees of the applicant of the charter school;
 - 16. A charter school shall comply with the Oklahoma Open Meeting Act and the Oklahoma Open Records Act; and

- 17. The governing body of a charter school shall be subject to the same conflict of interest requirements as a member of a local school board.
- B. The charter of a charter school shall include a description of the personnel policies, personnel qualifications, and method of school governance, and the specific role and duties of the applicant of the charter school.
- C. The charter of a charter school may be amended at the request of the governing body of the charter school and upon the approval of the Commission.
- D. A charter school may enter into contracts and sue and be sued.
- E. The governing body of a charter school may not levy taxes or issue bonds.
 - F. The charter of a charter school shall include a provision specifying the method or methods to be employed for disposing of real and personal property acquired by the charter school upon expiration or termination of the charter or failure of the charter school to continue operations. Except as otherwise provided, any real or personal property purchased with state or local funds shall be retained by the Public Charter School Commission.
- 22 SECTION 11. NEW LAW A new section of law to be codified 23 in the Oklahoma Statutes as Section 3-132.11 of Title 70, unless 24 there is created a duplication in numbering, reads as follows:

- A. An approved contract for a charter school shall be effective for five (5) years from the first day of operation.
- B. A charter may be renewed for successive five-year terms of duration, although the Public Charter School Commission may vary the term based on the performance, demonstrated capacities and particular circumstances of each public charter school. The Commission may grant renewal with specific conditions for necessary improvements to a public charter school.
- C. Prior to the beginning of the fifth year of operation for a charter school, the Commission shall issue a public charter school performance report and charter renewal application guidance to the school. The performance report shall summarize the public charter school's performance record to date, based on the data required by this act and the charter contract, and shall provide notice of any weaknesses or concerns perceived by the Commission concerning the public charter school that may jeopardize its position in seeking renewal if not timely rectified. The public charter school shall have forty-five (45) days to respond to the performance report and submit any corrections or clarifications for the report.
- D. The renewal application 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;

- 1 2. Describe improvements undertaken or planned for the school; 2 and
 - 3. Detail the school's plan for the next charter term.
 - E. The renewal application guidance shall include or refer explicitly to the criteria that will guide the Commission's renewal decisions, which shall be based on the performance framework set forth in the charter contract and consistent with this act.
 - F. The charter school may apply for renewal of the contract with the Commission. The Commission 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. The Commission shall give written notice of its intent to deny the request for renewal at least eight (8) months prior to expiration of the contract.
 - G. In making charter renewal decisions, the Commission shall:
 - 1. Ground its decisions in evidence of the school's performance over the term of the charter contract in accordance with the performance framework set forth in the charter contract;
 - 2. Grant renewal only 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. In any event, not renew any charter school that has been identified by the state in its education accountability system as

- among the state's lowest fifteen percent (15%) of public schools,
 unless the charter school demonstrates exceptional circumstances
 that the Commission finds justifiable;
 - 4. Ensure that data used in making renewal decisions are available to the school and the public; and
 - 5. Provide a public report summarizing the evidence basis for each decision.
 - H. If the Commission denies a request for renewal, the governing board of the public charter school may proceed to mediation or binding arbitration or both as provided for in subsection L of Section 8 of this act.
 - I. The Commission 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 Commission shall give at least ninety (90) days' written notice to the governing board of the public charter school prior to terminating the contract. The governing board may request, in writing, an informal hearing before the Commission within fourteen (14) days of receiving notice. The Commission shall conduct an informal hearing before taking action. If the Commission decides to terminate a contract, the governing board may proceed to mediation or binding arbitration or both as provided for in subsection L of Section 8 of this act.

- J. Transfer of a charter contract from one applicant to another before the expiration of the charter term shall not be permitted except by special petition to the Commission by a public charter school or its applicant. The Commission shall review such petitions on a case-by-case basis and may grant transfer requests in response to special circumstances and evidence that a transfer would serve the best interests of the public charter school's students.
- K. 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 Title 70 of the Oklahoma Statutes.
- L. The Commission shall develop revocation and non-renewal processes that are consistent with this act and that:
- 1. Provide the public charter school with a timely notification of the prospect of revocation or non-renewal and of the reasons for such possible closure;
- 2. Allow the public charter school a reasonable amount of time in which to prepare a response;
- 3. Provide the public 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 public charter school access to representation by counsel and to call witnesses on its behalf;
 - 5. Permit the recording of such proceedings; and
- 6. After a reasonable period for deliberation, require a final determination be made and conveyed in writing to the public charter school.
- M. If the Commission revokes or does not renew a charter, the Commission shall clearly state in a resolution the reasons for the revocation or nonrenewal.
- SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-132.12 of Title 70, unless there is created a duplication in numbering, reads as follows:
- A. A public 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 Title 70 of the Oklahoma Statutes, 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. 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 and who

 attend 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. A charter school may limit admission to students

 within a given age group or grade level.
 - B. A charter school created to serve youth who are in the custody or supervision of the Office of Juvenile Affairs shall limit admission to youth that are in the custody or supervision of the Office of Juvenile Affairs.
 - C. A virtual charter school shall enroll those students who are legal residents of this state and who have been approved for a transfer pursuant to Section 8-103 or 8-104 of Title 70 of the Oklahoma Statutes.
 - D. 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.

- E. 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.
- F. Except as otherwise provided in 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.
- SECTION 13. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-132.13 of Title 70, unless there is created a duplication in numbering, reads as follows:
- A. For purposes of funding, a public charter school 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 Title 70 of the Oklahoma Statutes and State Aid pursuant to Section 18-200.1 of Title 70 of the Oklahoma Statutes. The weighted average daily membership shall be reported to the State

- 1 Board of Education. A charter school shall receive from the State 2 Board of Education the State Aid allocation and any other state-3 appropriated revenue generated by its students for the applicable year, less up to 5 percent of the State Aid allocation, with two and 4 5 one-half percent (2.5%) allocated to the Public Charter School Commission and two and one-half percent (2.5%) to the charter school 6 applicant for administrative services rendered. The State Board of 7 Education shall determine the policy and procedure for making 9 payments to a charter school. The fee for administrative services 10 as authorized in this subsection shall only be assessed on the State 11 Aid allocation amount and shall not be assessed on any other 12 appropriated amounts.
 - B. The weighted average daily membership for the first year of operation of a charter school shall be determined initially by multiplying the actual enrollment of students as of August 1 by 1.333. The charter school shall receive revenue equal to that which would be generated by the estimated weighted average daily membership calculated pursuant to this subsection. At midyear, the allocation for the charter school shall be adjusted using the first quarter weighted average daily membership for the charter school calculated pursuant to subsection A of this section.
 - C. A charter school shall be eligible to receive any other aid, grants or revenues allowed to other schools. A charter school shall

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- 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.
 - E. Any charter school which chooses to lease property shall be eligible to receive current government lease rates.
 - SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-132.14 of Title 70, unless there is created a duplication in numbering, reads as follows:
 - Beginning July 1, 2014, the Public Charter School Commission shall be the only entity authorized in the state to approve applications for public charter schools. If the sponsor of any charter school operating in the state prior to July 1, 2014, seeks continuation of the charter school's operation upon expiration of the sponsorship contract, the sponsor shall submit an application as an applicant to the Commission for renewal of the contract. The application for renewal shall comply with the requirements set forth in Section 8 of this act.
- 21 SECTION 15. NEW LAW A new section of law to be codified 22 in the Oklahoma Statutes as Section 3-132.15 of Title 70, unless 23 there is created a duplication in numbering, reads as follows:

- A. The board of education of a school district which is granted approval by the Public Charter School Commission to operate a public charter school shall determine whether a teacher who is employed by or teaching at the charter school and who was previously employed as a teacher at the applicant public school district shall not lose any right of salary status or any other benefit provided by law due to teaching at a charter school upon returning to the applicant public school district to teach.
- B. A teacher who is employed by or teaching at a charter school and who submits an employment application to the school district where the teacher was employed immediately before employment by or at a charter school shall be given employment preference by the school district if:
- 1. The teacher submits an employment application to the school district no later than three (3) years after ceasing employment with the school district; and
- 2. A suitable position is available at the school district.
- SECTION 16. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-132.16 of Title 70, unless there is created a duplication in numbering, reads as follows:
- Beginning July 1, 2014, the Public Charter School Commission shall be the authorizer of charter schools in the state. However, it may enter into agreement(s) with authorizing agents as defined in Section 3 of this act to act on its behalf to perform the duties of

- the Commission as prescribed in this act. The Commission and
 authorizing agents shall enter into an agreement for no more than
 four (4) years that specifically requires the authorizing agent to
 implement the provisions of this act prior to authorizing or
 reauthorizing a charter school. The Commission shall have the duty
 and power to routinely inspect the authorizing agents' protocols to
 ensure they comply with the minimum standards prescribed in this
 act.
- 9 SECTION 17. AMENDATORY Section 3, Chapter 367, O.S.L.
 10 2012 (70 O.S. Supp. 2012, Section 3-145.1), is amended to read as
 11 follows:
 - Section 3-145.1. A. There is hereby created until July 1,

 2014, the Statewide Virtual Charter School Board. The Board shall have the authority to be an applicant for a full-time statewide virtual charter school sponsored by the State Board of Education pursuant to the Oklahoma Charter Schools Act. The Board shall be composed of five (5) voting members as follows:
 - 1. One member appointed by the Governor, who shall be a resident and elector of the Fifth Congressional District;
 - 2. Two members appointed by the President Pro Tempore of the Senate, one of whom shall be a resident and elector of the First Congressional District and one of whom shall be a resident and elector of the Third Congressional District;

- 3. Two members appointed by the Speaker of the House of Representatives, one of whom shall be a resident and elector of the Second Congressional District and one of whom shall be a resident and elector of the Fourth Congressional District;
- 4. The State Superintendent of Public Instruction and the Secretary of Education or their designees shall serve as ex officio nonvoting members, and shall not be counted toward a quorum.
- B. Initial appointments shall be made by August 1, 2012. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each appoint one member for one (1) year and one member for three (3) years. The Governor shall appoint one member for two (2) years. Members shall serve until their successors are duly appointed for a term of three (3) years. Appointments shall be made by and take effect on November 1 of the year in which the appointment is made. Annually by December 30 the Board shall elect from its membership a chair and vice chair.
- C. A member may be removed from the Board by the appointing authority for cause which shall include, but not be limited to:
- 1. Being found guilty by a court of competent jurisdiction of a felony or any offense involving moral turpitude;
- 2. Being found guilty of malfeasance, misfeasance or nonfeasance in relation to Board duties;
- 3. Being found mentally incompetent by a court of competent jurisdiction; or

- 4. Failing to attend three successive meetings of the Board without just cause, as determined by the Board.
 - D. Vacancies shall be filled by the appointing authority.
 - E. No member of the Senate or House of Representatives may be appointed to the Board while serving as a member of the Legislature, or for two (2) full years following the expiration of the term of office.
- 8 SECTION 18. AMENDATORY Section 5, Chapter 367, O.S.L. 9 2012 (70 O.S. Supp. 2012, Section 3-145.3), is amended to read as
- Section 3-145.3. A. Subject to limitations provided by the

 State Board of Education and subject to the requirements of the

 Oklahoma Charter Schools Act, the Statewide Virtual Charter School

 Board shall:
 - 1. Be the governing body of the statewide virtual charter school;
 - 2. Provide oversight of the operations of the statewide virtual charter school;
- 3. Negotiate and enter into contracts with providers of virtual education to provide academic content and with providers for the management and administration of the statewide virtual charter school;

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follows:

- 4. Establish, prior to July 1, 2014, policies and procedures for student admissions eligibility, student transfers, approval of online courses, and student enrollment;
- 5. Submit annually, by November 1 of each year, to the Governor, President Pro Tempore of the Senate, and Speaker of the House of Representatives a report on each provider which has entered into a contract with the Board and each provider which has entered into a contract with a local school district to provide full-time virtual instruction to students who do not reside within the school district boundaries, that has detailed data on the performance of students enrolled with the provider through the statewide virtual charter school or school district offering full-time virtual education to students who do not reside within the school district. The report shall be posted on the State Department of Education website.
- B. The Statewide Virtual Charter School Board shall have authority to issue a diploma to students enrolled in the statewide virtual charter school full-time who have completed the curriculum requirements for graduation as provided in Section 1210.523 of Title 70 of the Oklahoma Statutes and as determined by the Board.
- C. Each provider approved by the statewide virtual charter school governed by the Statewide Virtual Charter School Board shall be eligible to receive federal funds generated by students enrolled in the charter school for the applicable year. Each provider shall

- be considered a separate school site for purposes of reporting and accountability.
- As calculated as provided for in Section 3-142 of Title 70 3 of the Oklahoma Statutes, the Statewide Virtual Charter School Board 4 5 shall receive the state aid allocation and any other stateappropriated revenue generated by students enrolled in the full-time 6 statewide virtual charter school for the applicable year, less up to 7 five percent (5%) of the state aid allocation, which may be retained 9 by the State Board of Education for administrative expenses, all 10 other funds shall be passed along to the providers. The statewide virtual charter school shall be eligible for any other funding any 11 12 other charter school is eligible for as provided for in Section 3-142 of Title 70 of the Oklahoma Statutes. Each provider shall be 13 considered a separate school site for purposes of reporting and 14 15 accountability.
 - E. Students enrolled full-time in the statewide virtual charter school governed by the Statewide Virtual Charter School Board shall not be authorized to participate in any activities administered by the Oklahoma Secondary Schools Activities Association. However, the students may participate in intramural activities sponsored by the Virtual Charter School, an online provider for the charter school or any other outside organization.
- 23 SECTION 19. REPEALER 70 O.S. 2011, Sections 3-132, as
 24 amended by Section 1, Chapter 367, O.S.L. 2012, 3-134, 3-135, 3-136,

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    3-137, 3-139, 3-140, as amended by Section 2, Chapter 367, O.S.L.
    2012, 3-142 and 3-143 (70 O.S. Supp. 2012, Sections 3-132 and 3-
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    140), are hereby repealed.
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        SECTION 20. Sections 1 through 18 of this act shall become
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    effective November 1, 2013.
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        SECTION 21. Section 19 of this act shall become effective July
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    1, 2014.
        Passed the Senate the 13th day of March, 2013.
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                                        Presiding Officer of the Senate
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        Passed the House of Representatives the day of ,
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    2013.
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