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February 24, 2014

COMMITTEE SUBSTITUTE  
FOR

SENATE BILL NO. 1663

By: Ford of the Senate

and

Denney of the House

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[ charter schools - charter school contracts -
Statewide Virtual Charter School Board - terminate a
statewide virtual charter school contract - effective
date -
emergency]
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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 70 O.S. 2011, Section 3-137, is amended to read as follows:

Section 3-137. A. An approved contract for a charter school shall be effective for not longer than five (5) years from the first day of operation. Prior to the beginning of the fifth year of operation, the charter school may apply for renewal of the contract with the sponsor. The sponsor may deny the request for renewal if it determines the charter school has failed to complete the obligations of the contract or comply with the provisions of the Oklahoma Charter Schools Act. A sponsor shall give written notice of its intent to deny the request for renewal at least eight (8) months prior to expiration of the contract.

1 B. 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 of Section 3-134 of this title.

4 C. 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 of Section 3-134 of this title.

16 D. 1. Beginning with the 2014-15 school year, a sponsor shall  
17 terminate a contract during the term of the contract if the charter  
18 school has received a grade of "D" or lower for three (3)  
19 consecutive years or has received a letter grade of "F" for two (2)  
20 consecutive years under the grading system established pursuant to  
21 Section 1210.545 of this title. Provided, however, that charter  
22 schools designated as alternative schools or alternative education  
23 programs serving students who are most at risk of not completing a  
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1 high school education pursuant to Section 1210.568 of this title  
2 shall be exempt from this provision.

3 2. The sponsor shall give at least ninety (90) days' written  
4 notice to the governing board prior to terminating the contract.  
5 The sponsor shall notify the State Board of Education when it  
6 revokes the sponsorship of a charter school pursuant to this  
7 subsection.

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

11 ~~E.~~ F. If a contract is not renewed or is terminated according  
12 to this section, a student who attended the charter school may  
13 enroll in the resident school district of the student or may apply  
14 for a transfer in accordance with Section 8-103 of this title.

15 SECTION 2. AMENDATORY Section 5, Chapter 367, O.S.L.  
16 2012, as amended by Section 5, Chapter 212, O.S.L. 2013 (70 O.S.  
17 Supp. 2013, Section 3-145.3), is amended to read as follows:

18 Section 3-145.3. A. Subject to the requirements of the  
19 Oklahoma Charter Schools Act, the Statewide Virtual Charter School  
20 Board shall:

21 1. Provide oversight of the operations of statewide virtual  
22 charter schools in this state; and

23 2. Establish a procedure for accepting, approving and  
24 disapproving statewide virtual charter school applications and a

1 process for renewal or revocation of approved charter school  
2 contracts which minimally meet the procedures set forth in the  
3 Oklahoma Charter Schools Act.

4 B. Each statewide virtual charter school which has been  
5 approved and sponsored by the Board or any virtual charter school  
6 for which the Board has assumed sponsorship of as provided for in  
7 Section 3-145.5 of this title shall be considered a statewide  
8 virtual charter school and the geographic boundaries of each  
9 statewide virtual charter school shall be the borders of the state.

10 C. Each statewide virtual charter school approved by the  
11 Statewide Virtual Charter School Board shall be eligible to receive  
12 federal funds generated by students enrolled in the charter school  
13 for the applicable year. Each statewide virtual charter school  
14 shall be considered a separate local education agency for purposes  
15 of reporting and accountability.

16 D. As calculated as provided for in Section 3-142 of this  
17 title, a statewide virtual charter school shall receive the State  
18 Aid allocation and any other state-appropriated revenue generated by  
19 students enrolled in the virtual charter school for the applicable  
20 year, less up to five percent (5%) of the State Aid allocation,  
21 which may be retained by the Statewide Virtual Charter School Board  
22 for administrative expenses and to support the mission of the Board.  
23 A statewide virtual charter school shall be eligible for any other  
24 funding any other charter school is eligible for as provided for in

1 Section 3-142 of this title. Each statewide virtual charter school  
2 shall be considered a separate local education agency for purposes  
3 of reporting and accountability.

4 E. Students enrolled full-time in a statewide virtual charter  
5 school sponsored by the Statewide Virtual Charter School Board shall  
6 not be authorized to participate in any activities administered by  
7 the Oklahoma Secondary Schools Activities Association. However, the  
8 students may participate in intramural activities sponsored by a  
9 statewide virtual charter school, an online provider for the charter  
10 school or any other outside organization.

11 F. 1. Beginning with the 2014-15 school year, the Statewide  
12 Virtual Charter School Board shall terminate the charter contract of  
13 a statewide virtual charter school during the term of the contract  
14 if the school has received a letter grade of "D" or lower for three  
15 (3) consecutive years or has received a letter grade of "F" for two  
16 (2) consecutive years under the grading system established pursuant  
17 to Section 1210.545 of this title. Provided, however, that  
18 statewide virtual charter schools designated as alternative schools  
19 or alternative education programs serving students who are most at  
20 risk of not completing a high school education pursuant to Section  
21 1210.568 of this title shall be exempt from this provision. The  
22 Statewide Virtual Charter School Board shall give at least ninety  
23 (90) days' written notice to the statewide virtual charter school  
24 prior to terminating the contract.

1        2. The decision of the Statewide Virtual Charter School Board  
2 to deny, nonrenew or terminate the charter contract of a statewide  
3 virtual charter school may be appealed to the State Board of  
4 Education within thirty (30) days of the decision by the Statewide  
5 Virtual Charter School Board. The State Board of Education shall  
6 act on the appeal within sixty (60) days of receipt of the request  
7 from the statewide virtual charter school applicant. The State  
8 Board of Education may reverse the decision of the Statewide Virtual  
9 Charter School Board or may remand the matter back to the Statewide  
10 Virtual Charter School Board for further proceeding as directed.

11        SECTION 3. This act shall become effective July 1, 2014.

12        SECTION 4. 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 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION  
17 February 24, 2014 - DO PASS AS AMENDED  
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