1	SENATE FLOOR VERSION
	February 27, 2013
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3	COMMITTEE SUBSTITUTE FOR
4	SENATE BILL NO. 573 By: Jolley of the Senate
5	and
6	Nelson of the House
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9	[charter schools - Public Charter School Commission - Oklahoma Charter School Act - criteria for
10	sponsorship - codification - effective dates]
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13	BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
14	SECTION 1. NEW LAW A new section of law to be codified
15	in the Oklahoma Statutes as Section 3-132.1 of Title 70, unless
16	there is created a duplication in numbering, reads as follows:
17	A. There is hereby created the Public Charter School
18	Commission. The Commission shall have the authority to authorize a
19	charter school in any school district in this state. The Commission
20	shall be composed of nine (9) members appointed by the Governor with
21	the advice and consent of the Senate. The membership shall consist
22	of:
23	1. Two representatives of the business community;
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- 2. One person who is a member of the administration of a charter school in the state;
 - 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 traveling
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.

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- 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:
- 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 schools 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
 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

- receiving notification of the rejection. The Commission shall
 accept or reject the revised application within thirty (30) days of
 its receipt.
- C. Beginning in 2014, the Commission shall submit annually by 4 5 November 1, a report on policies, procedures and innovative methods employed by public charter schools that show an improvement in 6 student achievement. The report shall be submitted to the Governor, 7 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.
 - D. The State Department of Education shall provide staff support to the Commission.
 - 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 Commission shall be responsible for executing, in accordance with this act, the following essential powers and duties:
 - 1. Soliciting and evaluating charter applications;
 - 2. Approving quality charter applications that meet identified educational needs and promote a diversity of educational choices;

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

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- 4. Negotiating and executing sound charter contracts with each approved public charter school;
- 5. Monitoring, in accordance with charter contract terms, the performance and legal compliance of public charter schools; and
- 6. Determining whether each charter contract merits renewal, nonrenewal or revocation.
- В. The Commission may delegate its duties to officers, employees and contractors.
- C. Regulation of applicants shall be limited to these powers and duties and consistent with the spirit and intent of this act.
- The Commission, members of the Commission acting in their D. 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.
- 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:
- 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

- 1 including: organizational capacity and infrastructure; soliciting
- 2 | and evaluating charter applications; performance contracting;
- 3 ongoing public charter school oversight and evaluation; and charter
- 4 renewal decision making. The Comission shall carry out all its
- 5 duties under this act in a manner consistent with such nationally
- 6 recognized principles and standards with the spirit and intent of
- 7 | this act.
- 8 SECTION 6. NEW LAW A new section of law to be codified
- 9 in the Oklahoma Statutes as Section 3-132.6 of Title 70, unless
- 10 there is created a duplication in numbering, reads as follows:
- 11 A. The Commission shall submit to the State Superintendent of
- 12 Public Instruction, the Legislature and the Public Charter School
- 13 | Commission an annual report summarizing:
- 14 1. The Commission's strategic vision for chartering and
- 15 progress toward achieving that vision;
- 16 2. The academic and financial performance of all operating
- 17 | public charter schools overseen by the Commission according to the
- 18 performance expectations for public charter schools set forth in
- 19 | this act;
- 3. The status of the state's public charter school portfolio,
- 21 | identifying all public charter schools in each of the following
- 22 | categories: approved but not yet open, operating, renewed,
- 23 transferred, revoked, not renewed, voluntarily closed or never
- 24 opened;

- 4. 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; and
 - 5. The services purchased from the Commission by the public charter schools under its purview, including an itemized accounting of the actual costs of the services.
 - SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-132.7 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 inhibit the autonomy granted to public charter schools. At a minimum, the Commission shall:

1. 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, the Legislature and the Public Charter School Commission 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 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. 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;

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- 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 record are found to be satisfactory;
- 5. Evidence the program seeking to replicate 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.
- 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:

 Closure of a charter school by the Commission shall be in
- 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

- 1 leadership to establish a transition team composed of school staff, applicant staff and others designated by the applicant that will 2 attend to the closure, including: 3
 - the transfer of students,
 - student records, and
 - school funds; C.

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- 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;
- The Commission and transition team will 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 19 take actions needed to wind down school operations, manage school 20 finances, allocate resources and facilitate all aspects of closure. 21 70 O.S. 2011, Section 3-132, as SECTION 10. AMENDATORY 22 amended by Section 1, Chapter 367, O.S.L. 2012 (70 O.S. Supp. 2012, 23 Section 3-132), is amended to read as follows:

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

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

- 7. By a federally recognized Indian tribe, operating a high school under the authority of the Bureau of Indian Affairs as of November 1, 2010, if the charter school is for the purpose of demonstrating native language immersion instruction, and is located within its former reservation or treaty area boundaries. For purposes of this paragraph, native language immersion instruction shall require that educational instruction and other activities conducted at the school site are primarily conducted in the native language;
- 8. By the State Board of Education when the applicant of the charter school is the Office of Juvenile Affairs or the applicant has a contract with the Office of Juvenile Affairs to provide a fixed rate level E, D, or D+ group home service and the charter school is for the purpose of providing education services to youth in the custody or supervision of the state. Not more than two charter schools shall be sponsored by the Board as provided for in this paragraph during the period of time beginning July 1, 2010, through July 1, 2016; or
- 9. By the State Board of Education when the applicant of the charter school is the Statewide Virtual Charter School Board created in Section 3 of this act pursuant to Section 3-145.1 of this title and the charter school is for the purpose of establishing a full-time statewide virtual charter school.

- 1 B. Any charter or enterprise school operating in the state pursuant to an agreement with the board of education of a school 2 3 district on July 1, 1999, or established prior to July 1, 2014, pursuant to subsection A of this section, may continue to operate 4 5 pursuant to that agreement or may contract with the board of education of the school district pursuant to the Oklahoma Charter Schools Act. Nothing in the Oklahoma Charter Schools Act shall 7 prohibit a school district from applying for exemptions from certain 9 education-related statutory requirements as provided for in the 10 Educational Deregulation Act.
 - C. For purposes of the Oklahoma Charter Schools Act, "charter school" means a public school established by contract with a board of education of a school district, an area vocational-technical school district, a higher education institution, a federally recognized Indian tribe, or the State Board of Education pursuant to the Oklahoma Charter Schools Act to provide learning that will improve student achievement and as defined in the Elementary and Secondary Education Act of 1965, 20 U.S.C. 8065.
 - D. A charter school may consist of a new school site, new school sites or all or any portion of an existing school site. An entire school district may not become a charter school site.
 - E. Beginning July 1, 2014, the Public Charter School Commission shall be authorized to approve applications for public charter

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

 may submit an application as an applicant for renewal of the

 contract to the Public Charter School Commission. The application

 for renewal shall comply with the requirements set forth in Section
- SECTION 11. AMENDATORY 70 O.S. 2011, Section 3-134, is amended to read as follows:
 - Section 3-134. A. For written applications filed after January 1, 2008 July 1, 2014, prior to submission of the application to a proposed sponsor 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 State Department of Education on the process and requirements for establishing a charter school. The Department shall develop and implement the training by January 1, 2008. The Department may provide the training in any format and manner that the Department determines to be efficient and effective including, but not limited to, web-based training.
 - B. Except as otherwise provided for in Section 3-137 of this title, an applicant seeking to establish a charter school shall

3-134 of this title.

- submit a written application to the proposed sponsor Public Charter

 School Commission as prescribed in subsection E of this section.
- 3 | The application shall include:
 - 1. A mission statement for the charter school An executive summary;
 - 2. A description of the organizational structure and the governing body of the charter school The mission and vision of the proposed public charter school, including identification of the targeted student population and the community the school hopes to serve;
 - 3. A financial plan for the first three (3) years of operation of the charter school and a description of the treasurer or other officers or persons who shall have primary responsibility for the finances of the charter school. Such person shall have demonstrated experience in school finance or the equivalent thereof 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
- 10. Documentation that the applicants completed charter school training as set forth in subsection A of this section A description of the school's instructional design, including the type of learning environment, class size and structure, curriculum overview and teaching methods;
- 21 assessments to measure and report student progress on the
 22 performance framework developed by the sponsor in accordance with
 23 Section 3-135 of this title;

12. The school's plans for identifying and successfully serving
students with disabilities, students who are English language
learners, students who are academically behind and gifted students,
including but not limited to compliance with applicable laws and
regulations;
13. A description of co-curricular or extracurricular programs
and how they will be funded and delivered;
14. Plans and timelines for student recruitment and enrollment,
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

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staff;

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

school by converting an existing non-charter public school to public

- 1 | charter school status, the application shall additionally require
- 2 | the applicants to demonstrate support for the proposed public
- 3 | charter school conversion by a petition signed by a majority of
- 4 | teachers and a petition signed by a majority of parents of students
- 5 in the existing non-charter public school.
- 6 D. In the case of a proposal to establish a virtual public
- 7 | charter school, the application shall additionally require the
- 8 applicants to describe the proposed school's system of course
- 9 credits and how the school will:
- 10 1. Monitor and verify full-time student enrollment, student
- 11 participation in a full course load, credit accrual and course
- 12 | completion;
- 2. Monitor and verify student progress and performance in each
- 14 | course through regular, proctored assessments and submissions of
- 15 | coursework;
- 3. Conduct parent-teacher conferences; and
- 17 4. Administer state-required assessments to all students in a
- 18 | proctored setting.
- E. In the case of a proposed public charter school that intends
- 20 to contract with an education service provider for substantial
- 21 | educational services, management services or both types of services,
- 22 the application shall additionally require the applicants to:
- 23 1. Provide evidence of the education service provider's success
- 24 | in serving student populations similar to the targeted population,

- 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 the contract; and
 - 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.
 - <u>G.</u> A board of education of a public school district, public body, public or private college or university, private person, or private organization may contract with a sponsor to establish a charter school <u>prior to July 1, 2014</u>. A private school shall not be

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

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

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

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

F. A J. Prior to July 1, 2014, a board of education of a school district, board of education of a technology center school district, higher education institution, or federally recognized Indian tribe sponsor of a charter school shall notify the State Board of Education when it accepts sponsorship of a charter school. The notification shall include a copy of the charter of the charter school.

After July 1, 2014, the Public Charter School Commission shall notify the State Board of Education when it authorizes an application for a public charter school.

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

1 H. If L. Prior to July 1, 2014, if a board of education of a technology center school district, a higher education institution, the State Board of Education, or a federally recognized Indian tribe accepts sponsorship of a charter school, the administrative, fiscal and oversight responsibilities of the technology center school district, the higher education institution, or the federally recognized Indian tribe shall be listed in the contract. responsibilities shall be delegated to a school district unless the local school district agrees to assume the responsibilities. July 1, 2014, if the Public Charter School Commission authorizes an application for a public charter school, the administrative, fiscal and oversight responsibilities of the Public Charter School Commission shall be listed in the contract. 13

M. 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.

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

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- 1 1. Grant charters only to applicants that have demonstrated
 2 competence in each element of the Commission's published approval
 3 criteria and are likely to open and operate a successful public
 4 charter school;
 - 2. Base decisions on documented evidence collected through the application review process;
 - 3. Follow charter-granting policies and practices that are transparent, based on merit and avoid conflicts of interest or any appearance thereof.
- O. The Commission shall adopt by resolution all charter
 approval or denial decisions in an open meeting of the applicant's
 governing board.
- P. An approval decision may include, if appropriate, reasonable conditions that the charter applicant must meet before a charter contract may be executed.
- Q. For any charter denial, the Commission shall clearly state,
 for public record, its reasons for denial.
- SECTION 12. AMENDATORY 70 O.S. 2011, Section 3-135, is amended to read as follows:
- Section 3-135. A. The sponsor of a charter school shall enter into a written contract with the governing body of the charter school. The contract shall incorporate the provisions of the charter of the charter school and contain, but shall not be limited to, the following provisions:

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- 1. A description of the program to be offered by the school which complies with the purposes outlined in Section $\frac{11}{3-136}$ of this act title;
 - 2. Admission policies and procedures;
 - 3. Management and administration of the charter school;
- 6 4. Requirements and procedures for program and financial 7 audits;
 - 5. A description of how the charter school will comply with the charter requirements set forth in the Oklahoma Charter Schools Act;
 - 6. Assumption of liability by the charter school; and
 - 7. The 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;
 - 8. The administrative relationship between the sponsor and public charter school, including each party's rights and duties;
 - 9. The term of the contract;
- 22 10. Information relating to any third party management
- 23 organization or network; and

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1	11. The standards by which the charter school will be judged
2	for renewal, non-renewal or revocation of its charter.
3	B. The performance provisions within the charter contract shall
4	be based on a performance framework that clearly sets forth the
5	academic and operational performance indicators, measures and
6	metrics that will guide the authorizer's evaluations of each public
7	charter school. The performance framework shall include indicators,
8	measures and metrics for, at a minimum:
9	1. Student academic proficiency;
10	2. Student academic growth;
11	3. Achievement gaps in both proficiency and growth between
12	major student subgroups;
13	4. Attendance;
14	5. Recurrent enrollment from year to year;
15	6. Postsecondary readiness for high schools;
16	7. Financial performance and sustainability; and
17	8. Board performance and stewardship, including compliance with
18	all applicable laws, regulations and terms of the charter contract.
19	C. Annual performance targets shall be set by each public
20	charter school in conjunction with its sponsor and shall be designed
21	to help each school meet applicable federal, state and sponsor
22	expectations.
23	The performance framework shall allow the inclusion of

additional rigorous, valid and reliable indicators proposed by a

- 1 public charter school to augment external evaluations of its
- 2 performance, provided that the sponsor approves the quality and
- 3 rigor of such school-proposed indicators, and that they are
- 4 | consistent with the purposes of this act.
- 5 The performance framework shall require the disaggregation of
- 6 | all student performance data by major student subgroups, including
- 7 gender, race, poverty status, special education status, English
- 8 | learner status and gifted status.
- 9 For each public charter school it oversees, the sponsor shall be
- 10 responsible for collecting, analyzing and reporting all data from
- 11 state assessments in accordance with the performance framework.
- Multiple schools operating under a single charter contract or
- 13 overseen by a single governing board shall be required to report
- 14 | their performance as separate, individual schools, and each school
- 15 | shall be held independently accountable for its performance.
- D. The charter contract for a virtual public charter school
- 17 | shall include the description and agreement regarding the methods by
- 18 | which the school will:
- 19 1. Monitor and verify full-time student enrollment, student
- 20 participation in a full course load, credit accrual and course
- 21 | completion;
- 2. Monitor and verify student progress and performance in each
- 23 | course through regular, proctored assessments and submissions of
- 24 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 president of the sponsor's governing board 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 sponsor's governing board.
- G. Sponsors 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 established after July 1, 2014, shall not enter into an employment contract with any teacher or other personnel until the charter school has a an approved contract with a sponsoring school district 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

- 1 | also specifically set forth the salary, hours, fringe benefits, and
- 2 | work conditions. The contract may provide for employer-employee
- 3 | bargaining, but the charter school shall not be required to comply
- 4 | with the provisions of Sections 509.1 through 509.10 of Title 70 of
- 5 | the Oklahoma Statutes. The contract shall conform to all applicable
- 6 provisions set forth in Section 11 3-136 of this act title.
- 7 Upon contracting with any teacher or other personnel, the
- 8 | governing body of the charter school shall, in writing, disclose
- 9 employment rights of the employees in the event the charter school
- 10 closes or the charter is not renewed.
- 11 I. A charter contract may consist of one or more schools, to
- 12 | the extent approved by the sponsor and consistent with applicable
- 13 | law. Each public charter school that is part of a charter contract
- 14 | shall be separate and distinct from any others.
- 15 J. A single governing board may hold one or more charter
- 16 contracts. Each public charter school that is part of a charter
- contract shall be separate and distinct from any others.
- 18 | SECTION 13. AMENDATORY 70 O.S. 2011, Section 3-136, is
- 19 amended to read as follows:
- 20 Section 3-136. A. A charter school shall adopt a charter which
- 21 | will ensure compliance with the following:
- 22 | 1. A charter school shall comply with all federal regulations
- 23 and state and local rules and statutes relating to health, safety,
- 24 civil rights and insurance. By January 1, 2000, the State

- Department of Education 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. A sponsor may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or religious institution;
- 9 3. The charter school may provide a comprehensive program of 10 instruction for a prekindergarten program, a kindergarten program or any grade between grades one and twelve. Instruction may be 11 12 provided to all persons between the ages of four (4) and twenty-one (21) years. A charter school may offer a curriculum which 13 emphasizes a specific learning philosophy or style or certain 14 subject areas such as mathematics, science, fine arts, performance 15 arts, or foreign language. The charter of a charter school which 16 offers grades nine through twelve shall specifically address whether 17 the charter school will comply with the graduation requirements 18 established in Section 11-103.6 of this title. No charter school 19 shall be chartered for the purpose of offering a curriculum for deaf 20 or blind students that is the same or similar to the curriculum 21 being provided by or for educating deaf or blind students that are 22 being served by the Oklahoma School for the Blind or the Oklahoma 23 School for the Deaf; 24

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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 Accountability;

- 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 State Department of Education or State Auditor and Inspector may conduct financial, program, or compliance audits. A Prior to July 1, 2014, a charter school shall use the Oklahoma Cost Accounting System to report financial transactions to the sponsoring school district.

 After July 1, 2014, a charter school shall 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;

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

- A charter school shall not be used as a method of generating 9. revenue for students who are being home schooled and are not being educated at an organized charter school site;
 - A charter school may not charge tuition or fees;
- A charter school shall provide instruction each year for at 11. least the number of days required in Section 1-109 of this title;
- A charter school shall comply with the student suspension requirements provided for in Section 24-101.3 of this title;
- A charter school shall be considered a school district for purposes of tort liability under The Governmental Tort Claims Act;
- 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;

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

- 1 prior to July 1, 2014, any real or personal property purchased with state or local funds shall be retained by the sponsoring school 3 district. After July 1, 2014, any real or personal property 4 purchased with state or local funds shall be retained by the Public 5 Charter School Commission. If a charter school that was previously sponsored by the board of education of a school district continues 6 operation within the school district under a new charter sponsored 7 by an entity authorized pursuant to Section 3-132 of this title, the 9 charter school may retain any personal property purchased with state 10 or local funds for use in the operation of the charter school until termination of the new charter or failure of the charter school to
- 13 SECTION 14. AMENDATORY 70 O.S. 2011, Section 3-137, is amended to read as follows: 14
 - 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
- B. A charter may be renewed for successive five-year terms of 19 20 duration, although the sponsor may vary the term based on the performance, demonstrated capacities and particular circumstances of 21 each public charter school. A sponsor may grant renewal with 22 23 specific conditions for necessary improvements to a public charter 24 school.

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continue operations.

C. Prior to the beginning of the fifth year of operation for a
charter school, the sponsor 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 sponsor 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;
 - 2. Describe improvements undertaken or planned for the school; 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 sponsor'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 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;
- 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;
- 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
- 5. Provide a public report summarizing the evidence basis for
- 22 each decision.
- 23 B. H. If a sponsor denies a request for renewal prior to July
- 24 | 1, 2014, the governing board may proceed to mediation or binding

1 arbitration or both as provided for in subsection $\frac{1}{2}$ of Section 3-2 134 of this title.

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

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

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

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- E. 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 this title.
- 7 <u>L. A sponsor shall develop revocation and non-renewal processes</u> 8 that are consistent with this act and that:
- 9 <u>1. Provide the charter holders with a timely notification of</u>
 10 <u>the prospect of revocation or non-renewal and of the reasons for</u>
 11 such possible closure;
- 2. Allow the charter holders a reasonable amount of time in which to prepare a response;
 - 3. Provide the charter holders with an opportunity to submit documents and give testimony challenging the rationale for closure and in support of the continuation of the school at an orderly proceeding held for that purpose;
 - 4. Allow the charter holders access to representation by counsel and to call witnesses on their 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 charter holders.

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

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

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

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

B. Except for a charter school sponsored by the State Board of Education prior to July 1, 2014, 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

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- or proven racial discrimination unless notice is received from the resident school district that admission of the student would violate the court order or agreement.
 - C. A charter school may designate a specific geographic area within the school district in which the charter school is located as an academic enterprise zone and may limit admissions to students who reside within that area. An academic enterprise zone shall be a geographic area in which sixty percent (60%) or more of the children who reside in the area qualify for the free or reduced school lunch program.
 - D. Except as provided in subsections B and C of this section, a charter school shall not limit admission based on ethnicity, national origin, gender, income level, disabling condition, proficiency in the English language, measures of achievement, aptitude, or athletic ability.
 - E. The Public Charter School Commission shall promulgate rules

 to implement the provisions of this section after July 1, 2014.

 SECTION 16. AMENDATORY 70 O.S. 2011, Section 3-142, is

 amended to read as follows:
- Section 3-142. A. For purposes of funding, a charter school sponsored by a board of education of a school district prior to July 1, 2014, shall be considered a site within the school district in which the charter school is located. The student membership of the charter school shall be considered separate from the student

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

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- 1 the State Aid allocation amount and shall not be assessed on any
 2 other appropriated amounts.
- 3 For charter schools authorized by the Public Charter School В. Commission after July 1, 2014, the weighted average daily membership 4 5 calculated pursuant to Section 18-201.1 of Title 70 of the Oklahoma 6 Statutes shall be reported to the State Board of Education. A charter school shall receive from the State Board of Education the 7 State Aid allocation and any other state-appropriated revenue 8 9 generated by its students for the applicable year, less up to 5 10 percent of the State Aid allocation, with two and one-half percent 11 (2.5%) allocated to the Public Charter School Commission and two and 12 one-half percent (2.5%) to the charter school applicant for administrative services rendered. 13
 - C. 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.
 - $\frac{C}{C}$ D. A charter school shall be eligible to receive any other aid, grants or revenues allowed to other schools. A charter school

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1	sponsored by the board of education of a technology center school								
2	district, a higher education institution, the State Board of								
3	Education, or a federally recognized Indian tribe shall be								
4	considered a local education agency for purposes of funding. A								
5	charter school sponsored by a board of education of a school								
6	district shall be considered a local education agency for purposes								
7	of federal funding.								
8	$rac{ extsf{D.}}{ extsf{E.}}$ A charter school, in addition to the money received from								
9	the state, may receive money from any other source. Any unexpended								
10	nonstate funds, excluding local revenue, may be reserved and used								
11	for future purposes.								
12	$rac{E.}{F.}$ Any charter school which chooses to lease property shall								
13	be eligible to receive current government lease rates.								
14	SECTION 17. Sections 1 through 3 of this act shall become								
15	effective November 1, 2013.								
16	SECTION 18. Sections 4 through 16 of this act shall become								
17	effective July 1, 2014.								
18	COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS February 27, 2013 - DO PASS AS AMENDED								
19	repluary 27, 2013 DO FASS AS AMENDED								
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