

STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 782

By: Jolley, Loveless and
Griffin of the Senate

and

Denney of the House

COMMITTEE SUBSTITUTE

An Act relating to charter schools; amending 70 O.S. 2011, Sections 3-132, as last amended by Section 1, Chapter 212, O.S.L. 2013, 3-134, 3-135, 3-137, 3-140, as last amended by Section 2, Chapter 212, O.S.L. 2013 and 3-142, as amended by Section 3, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, Sections 3-132, 3-140 and 3-142), which relate to the Oklahoma Charter Schools Act; modifying list of authorized sponsors of charter schools; deleting certain conditions on certain sponsors; allowing the State Board of Education to sponsor charter schools under certain conditions; mandating that priority be given to certain charter schools serving certain students; mandating that priority be given to charter school applicants that meet certain conditions; listing factors for approving a new site or school; modifying definition; adding definition; adding information to be included in the charter school application; limiting location of certain charter schools; allowing for an appeal of a rejected application to the State Board of Education; deleting mediation and arbitration criteria; providing for certain type of binding arbitration for certain applicants; stating powers and duties of a sponsor; directing sponsors to establish procedures for accepting, approving and disapproving applications; requiring sponsors to develop and maintain chartering policies and practices that are consistent with certain principles and standards; limiting liability of sponsors; adding provisions required in the charter contract;

1 prohibiting a charter school from serving students
2 without a contract; allowing sponsors to establish
3 preopening requirements and conditions; specifying
4 basis for performance provisions of a contract;
5 allowing submission of data in certain format;
6 listing performance framework categories; limiting
7 requests for metric or data; allowing applicants and
8 sponsors to have multiple contracts or one contract
9 for multiple schools; allowing for renewal for
10 successive terms; requiring sponsors to issue
11 performance reports and application renewal guidance
12 before a certain time; specifying contents of
13 performance reports; listing steps to be allowed
14 under the application renewal guidance; requiring the
15 application renewal guidance to include certain
16 criteria; requiring charter renewal decisions to
17 include certain criteria and actions; deleting
18 certain mediation option; directing the State Board
19 of Education to identify certain charter schools by
20 school grades; allowing closure of a charter school
21 identified at bottom of ranking; providing process
22 for ranking under certain conditions; providing for
23 review of sponsor's decision by the State Board of
24 Education and implementation of certain options;
prohibiting charters by other sponsors for certain
closed charter schools; exempting certain charter
schools from closure requirements; listing
considerations for closure; providing for suspension
of certain charter school authorization; providing
protocol for closing a charter school; directing
sponsors to develop revocation and nonrenewal
processes; requiring sponsors to state reasons for
revocation or nonrenewal in a resolution; requiring
review of certain charter school proposal by the
Board; updating statutory language; prohibiting the
sponsor of a charter school from restricting the
number of students enrolled in a charter school;
requiring the governing body of the charter school to
determine capacity; specifying considerations;
modifying type of funds that may be reserved;
prohibiting charter schools from levying taxes or
issuing bonds; allowing a charter school to enter
into private contracts for certain purposes; and
establishing responsibility for debt.

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

2 SECTION 1. AMENDATORY 70 O.S. 2011, Section 3-132, as
3 last amended by Section 1, Chapter 212, O.S.L. 2013 (70 O.S. Supp.
4 2014, Section 3-132), is amended to read as follows:

5 Section 3-132. A. The Oklahoma Charter Schools Act shall apply
6 only to charter schools formed and operated under the provisions of
7 the act. Charter schools shall be sponsored only as follows:

8 1. By ~~a any school district with an average daily membership of~~
9 ~~five thousand (5,000) or more and which all or part of the school~~
10 ~~district is located in a county having more than five hundred~~
11 ~~thousand (500,000) population according to the latest Federal~~
12 ~~Decennial Census~~ in the State of Oklahoma, provided such charter
13 school shall only be located within the geographical boundaries of
14 the sponsoring district and subject to the restrictions of Section
15 3-145.6 of this title;

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

20 ~~3.~~ By a technology center school district if the charter school
21 is located in a school district served by the technology center
22 school district ~~and the school district has an average daily~~
23 ~~membership of five thousand (5,000) or more and~~ in which all or part
24 of the school district is located in a county having more than five

1 hundred thousand (500,000) population according to the latest
2 Federal Decennial Census;

3 ~~4.~~ 3. By a technology center school district if the charter
4 school is located in a school district served by the technology
5 center school district and the school district has a school site
6 that has been identified as in need of improvement by the State
7 Board of Education pursuant to the Elementary and Secondary
8 Education Act of 1965, as amended or reauthorized;

9 ~~5.~~ 4. By ~~a~~ an accredited comprehensive or regional institution
10 that is a member of The Oklahoma State System of Higher Education or
11 a community college if the charter school is located in a school
12 district ~~that has an average daily membership of five thousand~~
13 ~~(5,000) or more and~~ in which all or part of the school district is
14 located in a county having more than five hundred thousand (500,000)
15 population according to the latest Federal Decennial Census. ~~In~~
16 ~~addition, the institution shall have a teacher education program~~
17 ~~accredited by the Oklahoma Commission for Teacher Preparation and~~
18 ~~have a branch campus or constituent agency physically located within~~
19 ~~the school district in which the charter school is located;~~

20 ~~6.~~ 5. By a comprehensive or regional institution that is a
21 member of The Oklahoma State System of Higher Education if the
22 charter school is located in a school district that has a school
23 site that has been identified as in need of improvement by the State
24 Board of Education pursuant to the Elementary and Secondary

1 Education Act of 1965, as amended or reauthorized. In addition, the
2 institution shall have a teacher education program accredited by the
3 Oklahoma Commission for Teacher Preparation and have a branch campus
4 or constituent agency physically located within the school district
5 in which the charter school is located in the State of Oklahoma;

6 ~~7.~~ 6. By a federally recognized Indian tribe, operating a high
7 school under the authority of the Bureau of Indian Affairs as of
8 November 1, 2010, if the charter school is for the purpose of
9 demonstrating native language immersion instruction, and is located
10 within its former reservation or treaty area boundaries. For
11 purposes of this paragraph, native language immersion instruction
12 shall require that educational instruction and other activities
13 conducted at the school site are primarily conducted in the native
14 language; ~~or~~

15 ~~8.~~ 7. By the State Board of Education when the applicant of the
16 charter school is the Office of Juvenile Affairs or the applicant
17 has a contract with the Office of Juvenile Affairs to provide a
18 fixed rate level E, D, or D+ group home service and the charter
19 school is for the purpose of providing education services to youth
20 in the custody or supervision of the state. Not more than two
21 charter schools shall be sponsored by the Board as provided for in
22 this paragraph during the period of time beginning July 1, 2010,
23 through July 1, 2016; or

1 8. By the State Board of Education when the applicant has first
2 been denied a charter by the local school district in which it seeks
3 to operate. In counties with fewer than five hundred thousand
4 (500,000) population, according to the latest Federal Decennial
5 Census, the State Board of Education shall not sponsor more than
6 five charter schools per year each year for the first five (5) years
7 after the effective date of this act, with not more than one charter
8 school sponsored in a single school district per year. In order to
9 authorize a charter school under this section, the State Board of
10 Education shall find evidence of all of the following:

- 11 a. a thorough and high-quality charter school application
12 from the applicant based on the authorizing standards
13 in subsection B of Section 3-134 of this title,
- 14 b. a clear demonstration of community support for the
15 charter school, and
- 16 c. the grounds and basis of objection by the school
17 district for denying the operation of the charter are
18 not supported by the greater weight of evidence and
19 the strength of the application.

20 B. An eligible non-school-district sponsor shall give priority
21 to opening charter schools that serve at-risk student populations or
22 students from low-performing traditional public schools.

23 C. An eligible non-school-district sponsor shall give priority
24 to applicants that have demonstrated a record of operating at least

1 one school or similar program that demonstrates academic success and
2 organizational viability and serves student populations similar to
3 those the proposed charter school seeks to serve. In assessing the
4 potential for quality replication of a charter school, a sponsor
5 shall consider the following factors before approving a new site or
6 school:

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

10 2. A sound, detailed, and well-supported growth plan;

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

14 4. Any management organization involved in a potential
15 replication is fully vetted, and the academic, financial and
16 operational records of the schools it operates are found to be
17 satisfactory;

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

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

1 D. For purposes of the Oklahoma Charter Schools Act, "charter
2 school" means a public school established by contract with a board
3 of education of a school district, a conversion charter school, an
4 area vocational-technical school district, a higher education
5 institution, a federally recognized Indian tribe, or the State Board
6 of Education pursuant to the Oklahoma Charter Schools Act to provide
7 learning that will improve student achievement and as defined in the
8 Elementary and Secondary Education Act of 1965, 20 U.S.C. 8065.

9 ~~E.~~ E. For the purposes of the Oklahoma Charter Schools Act,
10 "conversion charter school" means a charter school created by
11 converting all or any part of a traditional public school into a
12 charter school which may be operated by the school district board of
13 education or by an independent operating board elected by and
14 accountable to the school district board of education.

15 F. A charter school may consist of a new school site, new
16 school sites or all or any portion of an existing school site. An
17 entire school district may not become a charter school site.

18 SECTION 2. AMENDATORY 70 O.S. 2011, Section 3-134, is
19 amended to read as follows:

20 Section 3-134. A. For written applications filed after January
21 1, 2008, prior to submission of the application to a proposed
22 sponsor seeking to establish a charter school, the applicant shall
23 be required to complete training which shall not exceed ten (10)
24 hours provided by the State Department of Education on the process

1 and requirements for establishing a charter school. The Department
2 shall develop and implement the training by January 1, 2008. The
3 Department may provide the training in any format and manner that
4 the Department determines to be efficient and effective including,
5 but not limited to, web-based training.

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

10 1. A mission statement for the charter school;

11 2. A description including, but not limited to, background
12 information of the organizational structure and the governing body
13 of the charter school;

14 3. A financial plan for the first ~~three (3)~~ five (5) years of
15 operation of the charter school and a description of the treasurer
16 or other officers or persons who shall have primary responsibility
17 for the finances of the charter school. Such person shall have
18 demonstrated experience in school finance or the equivalent thereof;

19 4. A description of the hiring policy of the charter school;

20 5. The name of the applicant or applicants and requested
21 sponsor;

22 6. A description of the facility and location of the charter
23 school;

24 7. A description of the grades being served;

1 8. An outline of criteria designed to measure the effectiveness
2 of the charter school;

3 9. A demonstration of support for the charter school from
4 residents of the school district which may include but is not
5 limited to a survey of the school district residents or a petition
6 signed by residents of the school district; ~~and~~

7 10. Documentation that the applicants completed charter school
8 training as set forth in subsection A of this section;

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

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

13 13. Unless otherwise authorized by law or regulation, a
14 description of the academic program aligned with state standards;

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

18 15. The plan for using internal and external assessments to
19 measure and report student progress on the performance framework
20 developed by the applicant in accordance with subsection C of
21 Section 3-135 of this title;

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

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

3 18. Plans and time lines for student recruitment and
4 enrollment, including lottery procedures;

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

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

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

17 22. The leadership and teacher employment policies for the
18 charter school;

19 23. Proposed governing bylaws;

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

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

1 26. Opportunities and expectations for parental involvement;

2 27. A detailed school start-up plan that identifies tasks, time
3 lines and responsible individuals;

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

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

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

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

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

14 33. A sound facilities plan, including backup or contingency
15 plans if appropriate;

16 34. A requirement that the charter school governing board meet
17 at a minimum quarterly in the state and that for those charter
18 schools outside of counties with a population of five hundred
19 thousand (500,000) or more, that a majority of members are residents
20 within the geographic boundary of the sponsoring entity; and

21 35. A requirement that the charter school follow the
22 requirements of the Oklahoma Open Meeting Act and Oklahoma Open
23 Records Act.

1 C. A board of education of a public school district, public
2 body, public or private college or university, private person, or
3 private organization may contract with a sponsor to establish a
4 charter school. A private school shall not be eligible to contract
5 for a charter school under the provisions of the Oklahoma Charter
6 Schools Act.

7 D. The sponsor of a charter school is the board of education of
8 a school district, the board of education of a technology center
9 school district, a higher education institution, the State Board of
10 Education, or a federally recognized Indian tribe which meets the
11 criteria established in Section 3-132 of this title. Any board of
12 education of a school district in the state may sponsor one or more
13 charter schools. The physical location of a charter school
14 sponsored by a board of education of a school district or a
15 technology center school district shall be within the boundaries of
16 the sponsoring school district. The physical location of a charter
17 school sponsored by the State Board of Education when the applicant
18 of the charter school is the Office of Juvenile Affairs shall be
19 where an Office of Juvenile Affairs facility for youth is located.
20 The physical location of a charter school otherwise sponsored by the
21 State Board of Education pursuant to paragraph 8 of subsection A of
22 Section 3-132 of this title shall be in the school district in which
23 the application originated.
24

1 E. An applicant for a charter school may submit an application
2 to a proposed sponsor which shall either accept or reject
3 sponsorship of the charter school within ninety (90) days of receipt
4 of the application. If the proposed sponsor rejects the
5 application, it shall notify the applicant in writing of the reasons
6 for the rejection. The applicant may submit a revised application
7 for reconsideration to the proposed sponsor within thirty (30) days
8 after receiving notification of the rejection. The proposed sponsor
9 shall accept or reject the revised application within thirty (30)
10 days of its receipt. Should the sponsor reject the application on
11 reconsideration, the applicant may appeal the decision to the State
12 Board of Education with the revised application for review pursuant
13 to paragraph 8 of subsection A of Section 3-132 of this title. The
14 State Board of Education shall hear the appeal no later than sixty
15 (60) days from the date received by the Board.

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

22 ~~G. If a proposed sponsor rejects the revised application for a~~
23 ~~charter school, the applicant may proceed to mediation or binding~~
24 ~~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~~
Applicants for charter schools proposed to be sponsored by an entity other than a school district pursuant to paragraph 1 of subsection A of Section 3-132 of this title may, upon rejection of the revised application, proceed to binding arbitration under the commercial rules of the American Arbitration Association with costs of the arbitration to be borne by the proposed sponsor. Applicants for charter schools proposed to be sponsored by school districts pursuant to paragraph 1 of subsection A of Section 3-132 of this title may not proceed to binding arbitration but may be sponsored by the State Board of Education as provided in paragraph 8 of subsection A of Section 3-132 of this title.

H. If a board of education of a technology center school district, a higher education institution, the State Board of Education, or a federally recognized Indian tribe accepts sponsorship of a charter school, the administrative, fiscal and oversight responsibilities of the technology center school district, the higher education institution, or the federally recognized Indian

1 tribe shall be listed in the contract. No responsibilities shall be
2 delegated to a school district unless the local school district
3 agrees to assume the responsibilities.

4 I. A sponsor of a public charter school shall have the
5 following powers and duties:

6 1. Provide oversight of the operations of charter schools in
7 the state through annual performance reviews of charter schools and
8 reauthorization of charter schools for which it is a sponsor;

9 2. Solicit and evaluate charter applications;

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

12 4. Decline to approve weak or inadequate charter applications;

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

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

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

19 J. Sponsors shall establish a procedure for accepting,
20 approving and disapproving charter school applications in accordance
21 with subsection E of this section.

22 K. Sponsors shall be required to develop and maintain
23 chartering policies and practices consistent with recognized
24 principles and standards for quality charter authorizing as

1 established by the State Department of Education in all major areas
2 of authorizing responsibility, including organizational capacity and
3 infrastructure, soliciting and evaluating charter applications,
4 performance contracting, ongoing charter school oversight and
5 evaluation and charter renewal decision-making.

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

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

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

16 1. A description of the program to be offered by the school
17 which complies with the purposes outlined in Section ~~11 of this act~~
18 3-136 of this title;

19 2. Admission policies and procedures;

20 3. Management and administration of the charter school,
21 including that a majority of the charter governing board members are
22 residents of the State of Oklahoma and meet no less than quarterly
23 in a public meeting within the boundaries of the school district in
24 which the charter school is located or within the State of Oklahoma

1 in the instance of multiple charter school locations by the same
2 sponsor;

3 4. Requirements and procedures for program and financial
4 audits;

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

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

8 7. The term of the contract;

9 8. A description of the high standards of expectation and rigor
10 for charter school plans and assurance that charter school plans
11 adopted meet at least those standards;

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

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

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

20 12. A description of the requirements and procedures for the
21 charter school to receive funding in accordance with statutory
22 requirements and guidelines for existing public schools.

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

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

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

18 No charter school may begin serving students without a charter
19 contract executed in accordance with the provisions of the Oklahoma
20 Charter Schools Act and approved in an open meeting of the sponsor.
21 The sponsor may establish reasonable preopening requirements or
22 conditions to monitor the start-up progress of newly approved
23 charter schools and ensure that each school is prepared to open
24 smoothly on the date agreed and to ensure that each school meets all

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

3 C. 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 evaluations of the charter school by the
7 sponsor. The sponsor shall require a charter school to submit the
8 data required in this section in the identical format that is
9 required by the State Department of Education of all public schools
10 in order to avoid duplicative administrative efforts or allow a
11 charter school to provide permission to the Department to share all
12 required data with the sponsor of the charter school. The
13 performance framework shall include indicators, measures and metrics
14 for, at a minimum:

- 15 1. Student academic proficiency;
- 16 2. Student academic growth;
- 17 3. Achievement gaps in both proficiency and growth between
18 major student subgroups;
- 19 4. Student attendance;
- 20 5. Recurrent enrollment from year to year as determined by the
21 methodology used for public schools in Oklahoma;
- 22 6. In the case of high schools, graduation rates as determined
23 by the methodology used for public schools in Oklahoma;
- 24 7. In the case of high schools, postsecondary readiness;

1 8. Financial performance and sustainability; and

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

5 D. The sponsor shall not request any metric or data from a
6 charter school that it does not produce or publish for all school
7 sites in the district or under its sponsorship, unless the metric or
8 data is unique to a charter school.

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

15 SECTION 4. AMENDATORY 70 O.S. 2011, Section 3-137, is
16 amended to read as follows:

17 Section 3-137. A. An approved contract for a charter school
18 shall be effective for ~~not longer than~~ five (5) years from the first
19 day of operation. A charter contract may be renewed for successive
20 five-year terms of duration, although the sponsor may vary the term
21 based on the performance, demonstrated capacities and particular
22 circumstances of each charter school. A sponsor may grant renewal
23 with specific conditions for necessary improvements to a charter
24 school.

1 B. Prior to the beginning of the fourth year of operation of a
2 charter school, the sponsor shall issue a charter school performance
3 report and charter renewal application guidance to the school and
4 the charter school board. The performance report shall summarize
5 the performance record to date of the charter school, based on the
6 data required by the Oklahoma Charter Schools Act and the charter
7 contract and taking into consideration the percentage of at-risk
8 students enrolled in the school, and shall provide notice of any
9 weaknesses or concerns perceived by the sponsor concerning the
10 charter school that may jeopardize its position in seeking renewal
11 if not timely rectified. The charter school shall have forty-five
12 (45) days to respond to the performance report and submit any
13 corrections or clarifications for the report.

14 C. 1. Prior to the beginning of the fifth year of operation,
15 the charter school may apply for renewal of the contract with the
16 sponsor. The renewal application guidance shall, at a minimum,
17 provide an opportunity for the charter school to:

- 18 a. present additional evidence, beyond the data contained
19 in the performance report, supporting its case for
20 charter renewal,
- 21 b. describe improvements undertaken or planned for the
22 school, and
- 23 c. detail the plan for the next charter term for the
24 school.

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

6 D. The sponsor may deny the request for renewal if it
7 determines the charter school has failed to complete the obligations
8 of the contract or comply with the provisions of the Oklahoma
9 Charter Schools Act. A sponsor shall give written notice of its
10 intent to deny the request for renewal at least eight (8) months
11 prior to expiration of the contract. In making charter renewal
12 decisions, a sponsor shall:

13 1. Ground decisions on evidence of the performance of the
14 school over the term of the charter contract in accordance with the
15 performance framework set forth in the charter contract and shall
16 take into consideration the percentage of at-risk students enrolled
17 in the school;

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

22 3. Ensure that data used in making renewal decisions are
23 available to the school and the public; and
24

1 4. Provide a public report summarizing the evidence used as the
2 basis for each decision.

3 ~~B.~~ E. If a sponsor denies a request for renewal, the governing
4 board of the sponsor may, if requested by the charter school,
5 proceed to ~~mediation or~~ binding arbitration ~~or both~~ as provided for
6 in subsection G of Section 3-134 of this title.

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

20 ~~D.~~ G. 1. Beginning in the 2016-2017 school year, the State
21 Board of Education shall identify charter schools in the state that
22 are ranked in the bottom five percent (5%) of all public schools as
23 determined pursuant to Section 1210.545 of this title.
24

1 2. At the time of its charter renewal, based on an average of
2 the current year and the two (2) prior operating years, a sponsor
3 may close a charter school site identified as being among the bottom
4 five percent (5%) of public schools in the state. The average of
5 the current year and two (2) prior operating years shall be
6 calculated by using the percentage ranking for each year divided by
7 three, as determined by this subsection.

8 3. If there is a change to the calculation described in Section
9 1210.545 of this title that results in a charter school site that
10 was not ranked in the bottom five percent (5%) being ranked in the
11 bottom five percent (5%), then the sponsor shall use the higher of
12 the two rankings to calculate the ranking of the charter school
13 site.

14 4. In the event that a sponsor fails to close a charter school
15 site consistent with this subsection, the sponsor shall appear
16 before the State Board of Education to provide support for its
17 decision. The State Board of Education may, by majority vote,
18 uphold or overturn the decision of the sponsor. If the decision of
19 the sponsor is overturned by the State Board of Education, the Board
20 may implement one of the following actions:

21 a. transfer the sponsorship of the charter school
22 identified in this paragraph to another sponsor,
23
24

1 b. order the closure of the charter school identified in
2 this paragraph at the end of the current school year,
3 or

4 c. order the reduction of any administrative fee
5 collected by the sponsor that is applicable to the
6 charter school identified in this paragraph. The
7 reduction shall become effective at the beginning of
8 the month following the month the hearing of the
9 sponsor is held by the State Board of Education.

10 5. A charter school that is closed by the State Board of
11 Education pursuant to paragraph 4 of this subsection shall not be
12 granted a charter by any other sponsor.

13 6. The requirements of this subsection shall not apply to a
14 charter school that has been designed by the State Department of
15 Education as implementing an alternative education program
16 throughout the charter school.

17 7. In making a school site closure decision, the State Board of
18 Education shall consider the following:

19 a. enrollment of students with special challenges such as
20 drug or alcohol addiction, prior withdrawal from
21 school, prior incarceration or other special
22 circumstances,

23 b. high mobility of the student population resulting from
24 the specific purpose of the charter school,

- 1 c. annual improvement in the performance of students
2 enrolled in the charter school compared with the
3 performance of students enrolled in the charter school
4 in the immediately preceding school year, and
5 d. whether a majority of students attending the charter
6 school under consideration for closure would likely
7 revert to attending public schools with lower academic
8 achievement, as demonstrated pursuant to Section
9 1210.545 of this title.

10 8. If the State Board of Education has closed or transferred
11 authorization of at least twenty-five percent (25%) of the charter
12 schools chartered by one sponsor pursuant to paragraph 4 of this
13 subsection, the authority of the sponsor to authorize new charter
14 schools may be suspended by the Board until the Board approves the
15 sponsor to authorize new charter schools. A determination under
16 this paragraph to suspend the authority of a sponsor to authorize
17 new charter schools shall identify the deficiencies that, if
18 corrected, will result in the approval of the sponsor to authorize
19 new charter schools.

20 H. If a sponsor terminates a contract or the charter school is
21 closed, the closure shall be conducted in accordance with the
22 following protocol:

23 1. Within two (2) calendar weeks of a final closure
24 determination, the sponsor shall meet with the governing board and

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

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

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

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

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

21 I. A sponsor shall develop revocation and nonrenewal processes
22 that are consistent with the Oklahoma Charter Schools Act and that:
23
24

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

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

6 3. Provide the charter school with an opportunity to submit
7 documents and give testimony in a public hearing challenging the
8 rationale for closure and in support of the continuation of the
9 school at an orderly proceeding held for that purpose and prior to
10 taking any final nonrenewal or revocation decision related to the
11 school;

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

14 5. Permit the recording of the proceedings; and

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

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

20 K. 1. Before a sponsor may issue a charter to a charter school
21 governing body that has had its charter terminated or has been
22 informed that its charter will not be renewed by the current
23 sponsor, the sponsor shall request to have the proposal reviewed by
24 the State Board of Education at a hearing. The State Board of

1 Education shall conduct a hearing in which the sponsor shall present
2 information indicating that the proposal of the organizer is
3 substantively different in the areas of deficiency identified by the
4 current sponsor from the current proposal as set forth within the
5 charter with its current sponsor.

6 2. After the State Board of Education conducts a hearing
7 pursuant to this subsection, the Board shall either approve or deny
8 the proposal.

9 3. If the proposal is denied, no sponsor may issue a charter to
10 the charter school governing body.

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

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

18 SECTION 5. AMENDATORY 70 O.S. 2011, Section 3-140, as
19 last amended by Section 2, Chapter 212, O.S.L. 2013 (70 O.S. Supp.
20 2014, Section 3-140), is amended to read as follows:

21 Section 3-140. A. Except for a charter school sponsored by the
22 State Board of Education, a charter school shall enroll those
23 students whose legal residence is within the boundaries of the
24 school district in which the charter school is located and who

1 submit a timely application, or those students who transfer to the
2 district in which the charter school is located in accordance with
3 Section 8-103 or 8-104 of this title, unless the number of
4 applications exceeds the capacity of a program, class, grade level,
5 or building. Students who reside in a school district where a
6 charter school is located shall not be required to obtain a transfer
7 in order to attend a charter school in the school district of
8 residence. If capacity is insufficient to enroll all eligible
9 students, the charter school shall select students through a lottery
10 selection process. Except for a charter school sponsored by the
11 State Board of Education, a charter school shall give enrollment
12 preference to eligible students who reside within the boundaries of
13 the school district in which the charter school is located. Except
14 for a charter school sponsored by the State Board of Education, a
15 charter school created after ~~the effective date of this act~~ November
16 1, 2010, shall give enrollment preference to eligible students who
17 reside within the boundaries of the school district in which the
18 charter school is located and who attend a school site that has been
19 identified as in need of improvement by the State Board of Education
20 pursuant to the Elementary and Secondary Education Act of 1965, as
21 amended or reauthorized. A charter school may limit admission to
22 students within a given age group or grade level. A charter school
23 sponsored by the State Board of Education when the applicant of the
24 charter school is the Office of Juvenile Affairs shall limit

1 admission to youth that are in the custody or supervision of the
2 Office of Juvenile Affairs.

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

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

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

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

1 charter school shall be determined annually by the governing board
2 of the charter school based on the ability of the charter school to
3 facilitate the academic success of the students, to achieve the
4 other objectives specified in the charter contract and to ensure
5 that the student enrollment does not exceed the capacity of its
6 facility or site.

7 SECTION 6. AMENDATORY 70 O.S. 2011, Section 3-142, as
8 amended by Section 3, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014,
9 Section 3-142), is amended to read as follows:

10 Section 3-142. A. For purposes of funding, a charter school
11 sponsored by a board of education of a school district shall be
12 considered a site within the school district in which the charter
13 school is located. The student membership of the charter school
14 shall be considered separate from the student membership of the
15 district in which the charter school is located for the purpose of
16 calculating weighted average daily membership pursuant to Section
17 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of
18 this title. For charter schools sponsored by a board of education
19 of a school district, the sum of the separate calculations for the
20 charter school and the school district shall be used to determine
21 the total State Aid allocation for the district in which the charter
22 school is located. A charter school shall receive from the
23 sponsoring school district, the State Aid allocation and any other
24 state-appropriated revenue generated by its students for the

1 applicable year, less up to five percent (5%) of the State Aid
2 allocation, which may be retained by the school district as a fee
3 for administrative services rendered. For charter schools sponsored
4 by the board of education of a technology center school district, a
5 higher education institution, the State Board of Education, or a
6 federally recognized Indian tribe and for statewide virtual charter
7 schools sponsored by the Statewide Virtual Charter School Board, the
8 State Aid allocation for the charter school shall be distributed by
9 the State Board of Education and not more than five percent (5%) of
10 the State Aid allocation may be charged by the sponsor as a fee for
11 administrative services rendered. The State Board of Education
12 shall determine the policy and procedure for making payments to a
13 charter school. The fee for administrative services as authorized
14 in this subsection shall only be assessed on the State Aid
15 allocation amount and shall not be assessed on any other
16 appropriated amounts.

17 B. 1. The weighted average daily membership for the first year
18 of operation of a charter school shall be determined initially by
19 multiplying the actual enrollment of students as of August 1 by
20 1.333. The charter school shall receive revenue equal to that which
21 would be generated by the estimated weighted average daily
22 membership calculated pursuant to this paragraph. At midyear, the
23 allocation for the charter school shall be adjusted using the first
24

1 quarter weighted average daily membership for the charter school
2 calculated pursuant to subsection A of this section.

3 2. For the purpose of calculating weighted average daily
4 membership pursuant to Section 18-201.1 of this title and State Aid
5 pursuant to Section 18-200.1 of this title, the weighted average
6 daily membership for the first year of operation and each year
7 thereafter of a full-time virtual charter school shall be determined
8 by multiplying the actual enrollment of students as of August 1 by
9 1.333. The full-time virtual charter school shall receive revenue
10 equal to that which would be generated by the estimated weighted
11 average daily membership calculated pursuant to this paragraph. At
12 midyear, the allocation for the full-time virtual charter school
13 shall be adjusted using the first quarter weighted average daily
14 membership for the virtual charter school calculated pursuant to
15 subsection A of this section.

16 C. A charter school shall be eligible to receive any other aid,
17 grants or revenues allowed to other schools. A charter school
18 sponsored by the board of education of a technology center school
19 district, a higher education institution, the State Board of
20 Education, or a federally recognized Indian tribe shall be
21 considered a local education agency for purposes of funding. A
22 charter school sponsored by a board of education of a school
23 district shall be considered a local education agency for purposes
24 of federal funding.

1 D. A charter school, in addition to the money received from the
2 state, may receive money from any other source. Any unexpended
3 ~~nonstate funds, excluding local revenue,~~ may be reserved and used
4 for future purposes. The governing body of a charter school shall
5 not levy taxes or issue bonds. If otherwise allowed by law, the
6 governing body of a charter school may enter into private contracts
7 for the purposes of borrowing money from lenders. If the governing
8 body of the charter school borrows money, the charter school shall
9 be solely responsible for repaying the debt, and the state or the
10 sponsor shall not in any way be responsible or obligated to repay
11 the debt.

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

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