

STATE OF OKLAHOMA

1st Session of the 55th Legislature (2015)

COMMITTEE SUBSTITUTE

FOR

SENATE BILL 782

By: Jolley of the Senate

and

Denney of the House

COMMITTEE SUBSTITUTE

An Act relating to charter schools; amending 70 O.S. 2011, Section 3-132, as last amended by Section 1, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, Section 3-132), which relates to the Oklahoma Charter Schools Act; modifying criteria for charter school sponsors; removing certain sponsors; allowing the State Board of Education to sponsor a certain number of charter schools in counties with certain population; allowing certain priority for charter schools; amending 70 O.S. 2011, Section 3-134, which relates to charter applications; adding certain information required in application; providing for location of certain charter schools sponsored by the State Board of Education; providing powers and duties of a charter school sponsor; directing charter school sponsors to establish certain policies and procedures; providing immunity from liability to sponsors for certain activities; amending 70 O.S. 2011, Section 3-135, which relates to charter school contracts; adding certain requirements for charter school contracts; prohibiting serving students without certain contract; allowing a sponsor to establish certain requirements; providing criteria for the establishment of performance framework; prohibiting request for certain data; allowing charter school contracts for multiple schools; amending 70 O.S. 2011, Section 3-137, which relates to contract terms; allowing contract renewal with certain terms; requiring issuance of certain performance report;

1 providing deadline for response; establishing renewal
2 application guidelines; providing for certain
3 consideration in making certain renewal decision;
4 removing option for certain mediation; directing the
5 State Board of Education to establish a charter
6 school ranking list; providing options for certain
7 ranked charter schools; providing for certain
8 calculation under certain conditions; directing the
9 State Board of Education to consider certain
10 information; requiring a charter school sponsor to
11 appear before the State Board of Education after
12 certain decision; allowing the State Board of
13 Education to uphold or overturn certain decision;
14 exempting certain charter schools from certain
15 application; providing procedures for charter school
16 closure; directing charter school sponsors to develop
17 certain processes; requiring review of certain
18 charter proposal; amending 70 O.S. 2011, Section 3-
19 140, as last amended by Section 2, Chapter 212,
20 O.S.L. 2013 (70 O.S. Supp. 2014, Section 3-140),
21 which relates to eligibility of students; prohibiting
22 a charter school sponsor from restricting certain
23 enrollment; amending 70 O.S. 2011, Section 3-142, as
24 amended by Section 3, Chapter 212, O.S.L. 2013 (70
O.S. Supp. 2014, Section 3-142), which relates to
funding; modifying reference to unexpended funds;
prohibiting levying of taxes and issuance of bonds;
allowing charter schools to enter into certain
borrowing contracts; directing responsibility for
repayment; providing an effective date; and declaring
an emergency.

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

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

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

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

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

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

20 4. ~~By a technology center school district if the charter school~~
21 ~~is located in a school district served by the technology center~~
22 ~~school district and the school district has a school site that has~~
23 ~~been identified as in need of improvement by the State Board of~~
24

~~Education pursuant to the Elementary and Secondary Education Act of 1965, as amended or reauthorized;~~

~~5. 3. By a an accredited comprehensive or regional institution that is a member of The Oklahoma State System of Higher Education or community college 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 the state of Oklahoma. 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 that has been identified as in need of improvement by the State Board of Education pursuant to the Elementary and Secondary Education Act of 1965, as amended or reauthorized. In addition, the institution shall have a teacher education program accredited by the Oklahoma Commission for Teacher Preparation and have a branch campus or constituent agency physically located within the school district in which the charter school is located;~~

1 ~~7.~~ 4. By a federally recognized Indian tribe, operating a high
2 school under the authority of the Bureau of Indian Affairs as of
3 November 1, 2010, if the charter school is for the purpose of
4 demonstrating native language immersion instruction, and is located
5 within its former reservation or treaty area boundaries. For
6 purposes of this paragraph, native language immersion instruction
7 shall require that educational instruction and other activities
8 conducted at the school site are primarily conducted in the native
9 language; ~~or~~

10 ~~8.~~ 5. By the State Board of Education when the applicant of the
11 charter school is the Office of Juvenile Affairs or the applicant
12 has a contract with the Office of Juvenile Affairs to provide a
13 fixed rate level E, D, or D+ group home service and the charter
14 school is for the purpose of providing education services to youth
15 in the custody or supervision of the state. Not more than two
16 charter schools shall be sponsored by the Board as provided for in
17 this paragraph during the period of time beginning July 1, 2010,
18 through July 1, 2016; or

19 6. By the State Board of Education when the applicant has first
20 been denied a charter by the local school district in which it seeks
21 to operate. In counties with fewer than five hundred thousand
22 (500,000) population according to the latest Federal Decennial
23 Census, the State Board of Education shall not sponsor more than ten
24 (10) charter schools per year each year for the first five (5) years

1 after the effective date of this act, with not more than one charter
2 school sponsored in a single school district per year. In any year
3 the State Board of Education does not authorize ten (10) charter
4 schools, the difference between ten (10) and the number of charters
5 authorized shall roll over into the next and each subsequent year's
6 maximum. In order to authorize a public charter school under this
7 section, the State Board of Education shall find evidence of all of
8 the following:

- 9 a. a thorough and high-quality public charter school
10 application from the applicant based on the
11 authorizing standards in subsection B of Section 3-134
12 of this title; and
13 b. a clear demonstration of community support for the
14 public charter school.

15 B. An eligible sponsor shall give priority to opening public
16 charter schools that serve at-risk student populations or students
17 from low-performing transitional public schools.

18 C. An eligible sponsor may give priority to applicants that
19 have demonstrated a record of operating at least one school or
20 similar program that demonstrates academic success and
21 organizational viability and serves student populations similar to
22 those the proposed public charter school seeks to serve. In
23 assessing the potential for quality replication of a public charter
24

1 school, a sponsor shall consider the following factors before
2 approving a new site or school:

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

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

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

10 4. Any management organization involved in a potential
11 replication is fully vetted and the academic, financial, and
12 operational records of the schools it operates are found to be
13 satisfactory;

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

17 6. A financial structure that ensures that funds attributable
18 to each public charter school within a network and required by law
19 to be utilized by a school remain with and are used to benefit that
20 school.

21 D. For purposes of the Oklahoma Charter Schools Act, "charter
22 school" means a public school established by contract with a board
23 of education of a school district, an area vocational-technical
24 school district, a higher education institution, a federally

1 recognized Indian tribe, or the State Board of Education pursuant to
2 the Oklahoma Charter Schools Act to provide learning that will
3 improve student achievement and as defined in the Elementary and
4 Secondary Education Act of 1965, 20 U.S.C. 8065.

5 ~~C.~~ E. A charter school may consist of a new school site, new
6 school sites or all or any portion of an existing school site. An
7 entire school district may not become a charter school site.

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

10 Section 3-134. A. For written applications filed after January
11 1, 2008, prior to submission of the application to a proposed
12 sponsor seeking to establish a charter school, the applicant shall
13 be required to complete training which shall not exceed ten (10)
14 hours provided by the State Department of Education on the process
15 and requirements for establishing a charter school. The Department
16 shall develop and implement the training by January 1, 2008. The
17 Department may provide the training in any format and manner that
18 the Department determines to be efficient and effective including,
19 but not limited to, web-based training.

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

24 1. A mission statement for the charter school;

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

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

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

10 5. The name of the applicant or applicants and requested
11 sponsor;

12 6. A description of the facility and location of the charter
13 school;

14 7. A description of the grades being served;

15 8. An outline of criteria designed to measure the effectiveness
16 of the charter school;

17 9. A demonstration of support for the charter school from
18 residents of the school district which may include but is not
19 limited to a survey of the school district residents or a petition
20 signed by residents of the school district; ~~and~~

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

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

1 12. The proposed calendar for the public charter school and
2 sample daily schedule;

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

5 14. A description of the instructional design of the public
6 charter school, including the type of learning environment, class
7 size and structure, curriculum overview, and teaching methods;

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

12 16. The plans for identifying and successfully serving students
13 with disabilities, students who are English language learners, and
14 students who are academically behind;

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

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

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

21 20. An organizational chart that clearly presents the
22 organizational structure of the public charter school, including
23 lines of authority and reporting between the governing board, staff,
24 any related bodies such as advisory bodies or parent and teacher

1 councils, and any external organizations that will play a role in
2 managing the school;

3 21. A clear description of the roles and responsibilities for
4 the governing board, the leadership and management team for the
5 public charter school, and any other entities shown in the
6 organizational chart;

7 22. The leadership and teacher employment policies for the
8 public charter school;

9 23. Proposed governing bylaws;

10 24. Explanations of any partnerships or contractual
11 partnerships central to the operations or mission of the public
12 charter school;

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

15 26. Opportunities and expectations for parental involvement;

16 27. A detailed school start-up plan that identifies tasks,
17 timelines, and responsible individuals;

18 28. A description of the financial plan and policies for the
19 public charter school, including financial controls and audit
20 requirements;

21 29. A description of the insurance coverage the public charter
22 school will obtain;

23 30. Start-up and five-year budgets with clearly stated
24 assumptions;

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

3 32. Evidence of anticipated fundraising contributions, if
4 claimed in the application; and

5 33. A sound facilities plan, including back-up or contingency
6 plans if appropriate.

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

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

1 where an Office of Juvenile Affairs facility for youth is located.
2 The physical location of a charter school otherwise sponsored by the
3 State Board of Education pursuant to Section 3-132 of this title
4 shall be in the school district in which the application is
5 originated.

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

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~~

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

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

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

19 1. Provide oversight of the operations of public charter
20 schools in the state through annual performance reviews of public
21 charter schools and reauthorization of public charter schools for
22 which it is a sponsor;

23 2. Solicit and evaluate charter applications;
24

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

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

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

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

8 7. Determine whether each charter contract merits renewal,
9 nonrenewal or revocation.

10 J. Sponsors shall establish a procedure for accepting,
11 approving, and disapproving public charter school applications. The
12 procedure shall include a method by which an applicant for a public
13 charter school may submit an application, which shall either be
14 accepted or rejected within ninety (90) days of receipt of the
15 application. If the application is rejected, a sponsor shall notify
16 the applicant in writing of the reasons for the rejection. The
17 applicant may submit a revised application for reconsideration to
18 the State Board of Education within thirty (30) days after receiving
19 notification of the rejection. The State Board of Education shall
20 accept or reject the revised application within sixty (60) days of
21 its receipt.

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 Office of Educational Quality and Accountability
2 in all major areas of authorizing responsibility, including:
3 organizational capacity and infrastructure, soliciting and
4 evaluating charter applications, performance contracting, ongoing
5 public charter school oversight and evaluation, and charter renewal
6 decision making. A sponsor shall carry out all duties under the
7 Oklahoma Charter Schools Act in a manner consistent with such
8 principles and standards with the spirit and intent of this act.

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

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

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

19 1. A description of the program to be offered by the school
20 which complies with the purposes outlined in Section ~~11 of this act~~
21 3-136 of this title;

22 2. Admission policies and procedures;

23 3. Management and administration of the charter school;
24

1 4. Requirements and procedures for program and financial
2 audits;

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

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

6 7. The term of the contract;

7 8. A description of the high standards of expectation and rigor
8 for public charter school plans and assurance that charter school
9 plans adopted meet at least such standards;

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

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

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

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

21 B. A charter school shall not enter into an employment contract
22 with any teacher or other personnel until the charter school has a
23 contract with a sponsoring school district. The employment contract
24 shall set forth the personnel policies of the charter school,

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

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

15 No public charter school may begin serving students without a
16 charter contract executed in accordance with the provision of this
17 act and approved in an open meeting of the sponsor.

18 The sponsor may establish reasonable pre-opening requirements or
19 conditions to monitor the start-up progress of newly approved public
20 charter schools and ensure that each school is prepared to open
21 smoothly on the date agreed, and to ensure that each school meets
22 all building, health, safety, insurance, and other legal
23 requirements for the opening of a school.
24

1 C. The performance provisions within the charter contract shall
2 be based on a performance framework that clearly sets forth the
3 academic and operational performance indicators, measures, and
4 metrics that will guide the evaluations of the public charter school
5 by the sponsor. The sponsor shall allow a charter school to submit
6 the data required in this section in the identical format that is
7 required by the State Department of Education of all public schools
8 in order to avoid duplicative administrative efforts or allow a
9 charter school to provide permission to the State Department of
10 Education to share all required data with the charter school's
11 sponsor. The performance framework shall include indicators,
12 measures, and metrics for, at a minimum:

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

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

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

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

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

14 C. Prior to the beginning of the fifth year of operation, the
15 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 public charter school to:

- 18 1. Present additional evidence, beyond the data contained in
19 the performance report, supporting its case for charter renewal;
- 20 2. Describe improvements undertaken or planned for the school;
21 and
- 22 3. Detail the plan for the next charter term for the school.

23 The renewal application guidance shall include or refer
24 explicitly to the criteria that will guide the renewal decisions of

1 the sponsor, which shall be based on the performance framework set
2 forth in the charter contract and consistent with this act.

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

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

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

19 3. Ensure that data used in making renewal decisions are
20 available to the school and the public; and

21 4. Provide a public report summarizing the evidence basis for
22 each decision.

23 ~~B.~~ E. If a sponsor denies a request for renewal, the governing
24 board of the sponsor may, if requested by the charter school,

1 proceed to ~~mediation or~~ binding arbitration ~~or both~~ as provided for
2 in subsection G of Section 3-134 of this title.

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

16 G. Beginning in the 2016-2017 school year, the State Board of
17 Education shall establish a list of public schools ranked from top
18 to bottom, as determined pursuant to Section 1210.545 of this title,
19 and identify charter schools in the state that are ranked in the
20 bottom five percent (5%) of all schools.

21 1. At the time of its charter renewal, based on an average of
22 the current year and the two (2) prior operating years, a sponsor
23 may close a public charter school site identified as being among the
24 bottom five percent (5%) of public schools in the state. The

1 average of the current year and two prior operating years shall be
2 calculated by using the percentage ranking for each year divided by
3 three (3), as determined by this subsection.

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

10 3. In the event that a sponsor fails to close a public charter
11 school site consistent with this subsection, the sponsor shall
12 appear before the State Board of Education to provide support for
13 its decision. The State Board of Education may, by majority vote,
14 uphold or overturn the sponsor's decision. If the sponsor's
15 decision is overturned by the State Board of Education, the State
16 Board of Education may implement one of the following actions:

- 17 a. transfer the sponsorship of the charter school
18 identified in this paragraph to another sponsor,
19 b. order the closure of the charter school identified in
20 this paragraph at the end of the current school year,
21 or
22 c. order the reduction of any administrative fee
23 collected by the sponsor that is applicable to the
24 charter school identified in this paragraph. The

1 reduction shall become effective at the beginning of
2 the month following the month of the sponsor's hearing
3 before the State Board of Education.

4 A charter school that is closed by the State Board of Education
5 pursuant to this paragraph may not be granted a charter by any other
6 sponsor.

7 4. The requirements of this subsection shall not apply to a
8 public charter school that has been designed by the State Department
9 of Education as implementing an alternative education program
10 throughout the public charter school.

11 5. In making a school site closure decision, the State Board of
12 Education shall consider the following:

- 13 a. enrollment of students with special challenges such as
14 drug or alcohol addiction, prior withdrawal from
15 school, prior incarceration or other special
16 circumstances,
- 17 b. high mobility of the student population resulting from
18 the specific purpose of the charter school,
- 19 c. annual improvement in the performance of students
20 enrolled in the charter school compared with the
21 performance of students enrolled in the charter school
22 in the immediately preceding school year, and
- 23 d. whether a majority of students attending the charter
24 school under consideration for closure would likely

1 revert to attending public schools with lower academic
2 achievement, as demonstrated pursuant to Section
3 1210.545 of this title.

4 6. If the State Board of Education has closed or transferred
5 authorization of at least twenty-five percent (25%) of the charter
6 schools chartered by one sponsor pursuant to paragraph 3 of this
7 subsection, the sponsor's authority to authorize new charter schools
8 may be suspended by the State Board of Education until the State
9 Board of Education approves the sponsor to authorize new charter
10 schools. A determination under this paragraph to suspend a
11 sponsor's authority to authorize new charter schools shall identify
12 the deficiencies that, if corrected, will result in the approval of
13 the sponsor to authorize new charter schools.

14 H. If a sponsor terminates a contract or the public charter
15 school is closed, the closure shall be conducted in accordance with
16 the following protocol:

17 1. Within two (2) calendar weeks of a final closure
18 determination, the sponsor shall meet with the governing board and
19 leadership of the public charter school to establish a transition
20 team composed of school staff, applicant staff, and others
21 designated by the applicant that will attend to the closure,
22 including the transfer of students, student records, and school
23 funds;

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

6 3. The sponsor and transition team shall ensure that current
7 instruction of students enrolled in the public charter school
8 continues per the charter agreement for the remainder of the school
9 year;

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

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

18 I. A sponsor shall develop revocation and nonrenewal processes
19 that are consistent with this act and that:

20 1. Provide the public charter school with a timely notification
21 of the prospect of revocation or nonrenewal and of the reasons for
22 such possible closure;

23 2. Allow the public charter school a reasonable amount of time
24 in which to prepare a response;

1 3. Provide the public charter school with an opportunity to
2 submit documents and give testimony in a public hearing challenging
3 the rationale for closure and in support of the continuation of the
4 school at an orderly proceeding held for that purpose and prior to
5 taking any final non-renewal or revocation decision related to the
6 school;

7 4. Allow the public charter school access to representation by
8 counsel to call witnesses on its behalf;

9 5. Permit the recording of the proceedings; and

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

12 J. If a sponsor revokes or does not renew a charter, the
13 sponsor shall clearly state in a resolution the reasons for the
14 revocation or nonrenewal.

15 K. 1. Before a sponsor may issue a charter to a charter school
16 governing body that has had its charter terminated or has been
17 informed that its charter will not be renewed by the current
18 sponsor, the sponsor shall request to have the proposal reviewed by
19 the State Board of Education at a hearing. The State Board of
20 Education shall conduct a hearing in which the sponsor shall present
21 information indicating that the organizer's proposal is
22 substantively different in the areas of deficiency identified by the
23 current sponsor from the current proposal as set forth within the
24 charter with its current sponsor.

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

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

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

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

13 SECTION 5. AMENDATORY 70 O.S. 2011, Section 3-140, as
14 last amended by Section 2, Chapter 212, O.S.L. 2013 (70 O.S. Supp.
15 2014, Section 3-140), is amended to read as follows:

16 Section 3-140. A. Except for a charter school sponsored by the
17 State Board of Education, a charter school shall enroll those
18 students whose legal residence is within the boundaries of the
19 school district in which the charter school is located and who
20 submit a timely application, or those students who transfer to the
21 district in which the charter school is located in accordance with
22 Section 8-103 or 8-104 of this title, unless the number of
23 applications exceeds the capacity of a program, class, grade level,
24 or building. Students who reside in a school district where a

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

22 B. Except for a charter school sponsored by the State Board of
23 Education, a charter school shall admit students who reside in the
24 attendance area of a school or in a school district that is under a

1 court order of desegregation or that is a party to an agreement with
2 the United States Department of Education Office for Civil Rights
3 directed towards mediating alleged or proven racial discrimination
4 unless notice is received from the resident school district that
5 admission of the student would violate the court order or agreement.

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

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

18 E. A sponsor may not restrict the number of students a public
19 charter school may enroll. The capacity of the public charter
20 school shall be determined annually by the governing board of the
21 public charter school based on the public charter school's ability
22 to facilitate the academic success of its students, to achieve the
23 other objectives specified in the charter contract, and to ensure
24

1 that its student enrollment does not exceed the capacity of its
2 facility or site.

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

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

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

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

22 2. For the purpose of calculating weighted average daily
23 membership pursuant to Section 18-201.1 of this title and State Aid
24 pursuant to Section 18-200.1 of this title, the weighted average

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

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

20 D. A charter school, in addition to the money received from the
21 state, may receive money from any other source. Any unexpended
22 ~~nonstate funds, excluding local revenue,~~ may be reserved and used
23 for future purposes. The governing body of a public charter school
24 may not levy taxes or issue bonds. If otherwise allowed by law, the

1 governing body of a public charter school may enter into private
2 contracts for the purposes of borrowing money from lenders. If the
3 governing body of the public charter school borrows money, the
4 public charter school shall be solely responsible for repaying the
5 debt, and the state or the sponsor is not in any way responsible or
6 obligated to repay the debt.

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

9 SECTION 7. This act shall become effective July 1, 2015.

10 SECTION 8. It being immediately necessary for the preservation
11 of the public peace, health and safety, an emergency is hereby
12 declared to exist, by reason whereof this act shall take effect and
13 be in full force from and after its passage and approval.

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