

1 ENGROSSED SENATE
2 BILL NO. 782

By: Jolley, Loveless and
Griffin of the Senate

3 and

4 Denney of the House
5

6 An Act relating to charter schools; amending 70 O.S.
7 2011, Section 3-132, as last amended by Section 1,
8 Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, Section
9 3-132), which relates to the Oklahoma Charter Schools
10 Act; modifying criteria for charter school sponsors;
11 removing certain sponsor; allowing the State Board of
12 Education to sponsor a certain number of charter
13 schools in counties with certain population; allowing
14 certain priority for charter schools; providing a
15 definition; amending 70 O.S. 2011, Section 3-134,
16 which relates to charter applications; modifying
17 certain financial plan requirement; adding certain
18 information required in application; providing for
19 location of certain charter schools sponsored by the
20 State Board of Education; allowing appeal of rejected
21 application; removing option for certain mediation;
22 providing powers and duties of a charter school
23 sponsor; directing charter school sponsors to
24 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;
providing deadline for response; establishing renewal
application guidelines; providing for certain
consideration in making certain renewal decision;
removing option for certain mediation; directing the
State Board of Education to establish a charter

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

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:

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

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

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~~ in which all or part
17 of 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.~~ 3. By a technology center school district if the charter
21 school is located in a school district served by the technology
22 center school district and the school district has a school site
23 that has been identified as in need of improvement by the State
24

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

3 ~~5.~~ 4. By ~~a~~ an accredited comprehensive or regional institution
4 that is a member of The Oklahoma State System of Higher Education or
5 a community college if the charter school is located in a school
6 district ~~that has an average daily membership of five thousand~~
7 ~~(5,000) or more and~~ in which all or part of the school district is
8 located in a county having more than five hundred thousand (500,000)
9 population according to the latest Federal Decennial Census. ~~In~~
10 ~~addition, the institution shall have a teacher education program~~
11 ~~accredited by the Oklahoma Commission for Teacher Preparation and~~
12 ~~have a branch campus or constituent agency physically located within~~
13 ~~the school district in which the charter school is located;~~

14 ~~6.~~ 5. By a comprehensive or regional institution that is a
15 member of The Oklahoma State System of Higher Education if the
16 charter school is located in a school district that has a school
17 site that has been identified as in need of improvement by the State
18 Board of Education pursuant to the Elementary and Secondary
19 Education Act of 1965, as amended or reauthorized. In addition, the
20 institution shall have a teacher education program accredited by the
21 Oklahoma Commission for Teacher Preparation and have a branch campus
22 or constituent agency physically located within the school district
23 in which the charter school is located in the State of Oklahoma;
24

1 ~~7.~~ 6. 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.~~ 7. 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 8. 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
24 five 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 order to
3 authorize a public charter school under this section, the State
4 Board of Education shall find evidence of all of the following:

- 5 a. a thorough and high-quality public charter school
6 application from the applicant based on the
7 authorizing standards in subsection B of Section 3-134
8 of this title,
- 9 b. a clear demonstration of community support for the
10 public charter school, and
- 11 c. the grounds and basis of objection by the local school
12 district for denying the charter's operation are not
13 supported by the greater weight of evidence and the
14 strength of the application.

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

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

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, conversion charter school, an
24 area vocational-technical school district, a higher education

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

5 E. For the purposes of the Oklahoma Charter Schools Act,
6 "conversion charter school" means a charter school created by
7 converting all or any part of a traditional public school into a
8 public charter school which may be operated by the local school
9 board or by an independent operating board elected by and
10 accountable to the local school board.

11 ~~E.~~ F. A charter school may consist of a new school site, new
12 school sites or all or any portion of an existing school site. An
13 entire school district may not become a charter school site.

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

16 Section 3-134. A. For written applications filed after January
17 1, 2008, prior to submission of the application to a proposed
18 sponsor seeking to establish a charter school, the applicant shall
19 be required to complete training which shall not exceed ten (10)
20 hours provided by the State Department of Education on the process
21 and requirements for establishing a charter school. The Department
22 shall develop and implement the training by January 1, 2008. The
23 Department may provide the training in any format and manner that
24

1 the Department determines to be efficient and effective including,
2 but not limited to, web-based training.

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

7 1. A mission statement for the charter school;

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

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

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

17 5. The name of the applicant or applicants and requested
18 sponsor;

19 6. A description of the facility and location of the charter
20 school;

21 7. A description of the grades being served;

22 8. An outline of criteria designed to measure the effectiveness
23 of the charter school;

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

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

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

9 12. The proposed calendar for the public charter school and
10 sample daily schedule;

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

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

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

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

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

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

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

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

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

15 22. The leadership and teacher employment policies for the
16 public charter school;

17 23. Proposed governing bylaws;

18 24. Explanations of any partnerships or contractual
19 partnerships central to the operations or mission of the public
20 charter school;

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

23 26. Opportunities and expectations for parental involvement;
24

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

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

6 29. A description of the insurance coverage the public charter
7 school 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 Section 3-132 of this title
22 shall be in the school district in which the application originated.

23 E. An applicant for a charter school may submit an application
24 to a proposed sponsor which shall either accept or reject

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

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

20 G. If a proposed sponsor rejects the revised application for a
21 charter school, the applicant may proceed to ~~mediation or binding~~
22 ~~arbitration or both mediation and binding arbitration as provided in~~
23 ~~the Dispute Resolution Act and the rules promulgated pursuant~~
24 ~~thereto. The applicant shall contact the early settlement program~~

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

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

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

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

21 2. Solicit and evaluate charter applications;

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

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

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

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

5 7. Determine whether each charter contract merits renewal,
6 nonrenewal or revocation.

7 J. Sponsors shall establish a procedure for accepting,
8 approving, and disapproving public charter school applications in
9 accordance with subsection E of Section 3-134 of this title.

10 K. Sponsors shall be required to develop and maintain
11 chartering policies and practices consistent with recognized
12 principles and standards for quality charter authorizing as
13 established by the State Department of Education in all major areas
14 of authorizing responsibility, including: organizational capacity
15 and infrastructure, soliciting and evaluating charter applications,
16 performance contracting, ongoing public charter school oversight and
17 evaluation, and charter renewal decision-making.

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

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

23 Section 3-135. A. The sponsor of a charter school shall enter
24 into a written contract with the governing body of the charter

1 school. The contract shall incorporate the provisions of the
2 charter of the charter school and contain, but shall not be limited
3 to, the following provisions:

4 1. A description of the program to be offered by the school
5 which complies with the purposes outlined in Section ~~11 of this act~~
6 3-136 of this title;

7 2. Admission policies and procedures;

8 3. Management and administration of the charter school,
9 including that a majority of the charter governing board are
10 residents of the State of Oklahoma and meet no less than quarterly
11 in a public meeting within the boundaries of the school district in
12 which the charter school is located or within the State of Oklahoma
13 in the instance of multiple charter school locations by the same
14 sponsor;

15 4. Requirements and procedures for program and financial
16 audits;

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

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

20 7. The term of the contract;

21 8. A description of the high standards of expectation and rigor
22 for public charter school plans and assurance that charter school
23 plans adopted meet at least such standards;
24

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

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

6 11. Policies that require the public charter school to be
7 subject to the same academic standards and expectations as existing
8 public schools; and

9 12. A description of the requirements and procedures for the
10 charter school to receive funding in accordance with statutory
11 requirements and guidelines for existing public schools.

12 B. A charter school shall not enter into an employment contract
13 with any teacher or other personnel until the charter school has a
14 contract with a sponsoring school district. The employment contract
15 shall set forth the personnel policies of the charter school,
16 including, but not limited to, policies related to certification,
17 professional development evaluation, suspension, dismissal and
18 nonreemployment, sick leave, personal business leave, emergency
19 leave, and family and medical leave. The contract shall also
20 specifically set forth the salary, hours, fringe benefits, and work
21 conditions. The contract may provide for employer-employee
22 bargaining, but the charter school shall not be required to comply
23 with the provisions of Sections 509.1 through 509.10 of Title 70 of
24

1 the Oklahoma Statutes. The contract shall conform to all applicable
2 provisions set forth in Section ~~11 of this act~~ 3-136 of this title.

3 Upon contracting with any teacher or other personnel, the
4 governing body of the charter school shall, in writing, disclose
5 employment rights of the employees in the event the charter school
6 closes or the charter is not renewed.

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

10 The sponsor may establish reasonable preopening requirements or
11 conditions to monitor the start-up progress of newly approved public
12 charter schools and ensure that each school is prepared to open
13 smoothly on the date agreed and to ensure that each school meets all
14 building, health, safety, insurance, and other legal requirements
15 for the opening of a school.

16 C. The performance provisions within the charter contract shall
17 be based on a performance framework that clearly sets forth the
18 academic and operational performance indicators, measures, and
19 metrics that will guide the evaluations of the public charter school
20 by the sponsor. The sponsor shall require a charter school to
21 submit the data required in this section in the identical format
22 that is required by the State Department of Education of all public
23 schools in order to avoid duplicative administrative efforts or
24 allow a charter school to provide permission to the State Department

1 of Education to share all required data with the charter school's
2 sponsor. The performance framework shall include indicators,
3 measures, and metrics for, at a minimum:

- 4 1. Student academic proficiency;
- 5 2. Student academic growth;
- 6 3. Achievement gaps in both proficiency and growth between
7 major student subgroups;
- 8 4. Student attendance;
- 9 5. Recurrent enrollment from year to year as determined by the
10 methodology used for public schools in Oklahoma;
- 11 6. In the case of high schools, graduation rates as determined
12 by the methodology used for public schools in Oklahoma;
- 13 7. In the case of high schools, postsecondary readiness;
- 14 8. Financial performance and sustainability; and
- 15 9. Governing board performance and stewardship, including
16 compliance with all applicable laws, regulations, and terms of the
17 charter contract.

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

22 E. A charter contract may provide for one or more schools by an
23 applicant, to the extent approved by the sponsor and consistent with
24 applicable law. An applicant or the governing board of an applicant

1 may hold one or more charter contracts. Each public charter school
2 that is part of a charter contract shall be separate and distinct
3 from any other public charter school under the same charter
4 contract.

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

7 Section 3-137. A. An approved contract for a charter school
8 shall be effective for ~~not longer than~~ five (5) years from the first
9 day of operation. A charter contract may be renewed for successive
10 five-year terms of duration, although the sponsor may vary the term
11 based on the performance, demonstrated capacities, and particular
12 circumstances of each public charter school. A sponsor may grant
13 renewal with specific conditions for necessary improvements to a
14 public charter school.

15 B. Prior to the beginning of the fourth year of operation of a
16 public charter school, the sponsor shall issue a public charter
17 school performance report and charter renewal application guidance
18 to the school and the charter school board. The performance report
19 shall summarize the performance record to date of the public charter
20 school, based on the data required by this act and the charter
21 contract and taking into consideration the percentage of at-risk
22 students enrolled in the school, and shall provide notice of any
23 weaknesses or concerns perceived by the sponsor concerning the
24 public charter school that may jeopardize its position in seeking

1 renewal if not timely rectified. The public charter school shall
2 have forty-five (45) days to respond to the performance report and
3 submit any corrections or clarifications for the report.

4 C. Prior to the beginning of the fifth year of operation, the
5 charter school may apply for renewal of the contract with the
6 sponsor. The renewal application guidance shall, at a minimum,
7 provide an opportunity for the public charter school to:

8 1. Present additional evidence, beyond the data contained in
9 the performance report, supporting its case for charter renewal;

10 2. Describe improvements undertaken or planned for the school;
11 and

12 3. Detail the plan for the next charter term for the school.

13 The renewal application guidance shall include or refer
14 explicitly to the criteria that will guide the renewal decisions of
15 the sponsor, which shall be based on the performance framework set
16 forth in the charter contract and consistent with this act.

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

1 1. Ground decisions on evidence of the performance of the
2 school over the term of the charter contract in accordance with the
3 performance framework set forth in the charter contract and will
4 take into consideration the percentage of at-risk students enrolled
5 in the school;

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

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

12 4. Provide a public report summarizing the evidence basis for
13 each decision.

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

18 ~~C.~~ F. A sponsor may terminate a contract during the term of the
19 contract for failure to meet the requirements for student
20 performance contained in the contract, failure to meet the standards
21 of fiscal management, violations of the law, or other good cause.
22 The sponsor shall give at least ninety (90) days' written notice to
23 the governing board prior to terminating the contract. The
24 governing board may request, in writing, an informal hearing before

1 the sponsor within fourteen (14) days of receiving notice. The
2 sponsor shall conduct an informal hearing before taking action. If
3 a sponsor decides to terminate a contract, the governing board may,
4 if requested by the charter school, proceed to ~~mediation or~~ binding
5 arbitration ~~or both~~ as provided for in subsection G of Section 3-134
6 of this title.

7 G. Beginning in the 2016-2017 school year, the State Board of
8 Education shall identify public charter schools in the state that
9 are ranked in the bottom five percent (5%) of all public schools as
10 determined pursuant to Section 1210.545 of this title.

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

18 2. If there is a change to the calculation described in Section
19 1210.545 of this title that results in a charter school site that
20 was not ranked in the bottom five percent (5%) being ranked in the
21 bottom five percent (5%), then the sponsor shall use the higher of
22 the two rankings to calculate the ranking of the public charter
23 school site.

1 3. In the event that a sponsor fails to close a public charter
2 school site consistent with this subsection, the sponsor shall
3 appear before the State Board of Education to provide support for
4 its decision. The State Board of Education may, by majority vote,
5 uphold or overturn the sponsor's decision. If the sponsor's
6 decision is overturned by the State Board of Education, the State
7 Board of Education may implement one of the following actions:

8 a. transfer the sponsorship of the charter school
9 identified in this paragraph to another sponsor,

10 b. order the closure of the charter school identified in
11 this paragraph at the end of the current school year,
12 or

13 c. order the reduction of any administrative fee
14 collected by the sponsor that is applicable to the
15 charter school identified in this paragraph. The
16 reduction shall become effective at the beginning of
17 the month following the month of the sponsor's hearing
18 before the State Board of Education.

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

22 4. The requirements of this subsection shall not apply to a
23 public charter school that has been designed by the State Department
24

1 of Education as implementing an alternative education program
2 throughout the public charter school.

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

- 5 a. enrollment of students with special challenges such as
6 drug or alcohol addiction, prior withdrawal from
7 school, prior incarceration or other special
8 circumstances,
- 9 b. high mobility of the student population resulting from
10 the specific purpose of the charter school,
- 11 c. annual improvement in the performance of students
12 enrolled in the charter school compared with the
13 performance of students enrolled in the charter school
14 in the immediately preceding school year, and
- 15 d. whether a majority of students attending the charter
16 school under consideration for closure would likely
17 revert to attending public schools with lower academic
18 achievement, as demonstrated pursuant to Section
19 1210.545 of this title.

20 6. If the State Board of Education has closed or transferred
21 authorization of at least twenty-five percent (25%) of the charter
22 schools chartered by one sponsor pursuant to paragraph 3 of this
23 subsection, the sponsor's authority to authorize new charter schools
24 may be suspended by the State Board of Education until the State

1 Board of Education approves the sponsor to authorize new charter
2 schools. A determination under this paragraph to suspend a
3 sponsor's authority to authorize new charter schools shall identify
4 the deficiencies that, if corrected, will result in the approval of
5 the sponsor to authorize new charter schools.

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

9 1. Within two (2) calendar weeks of a final closure
10 determination, the sponsor shall meet with the governing board and
11 leadership of the public charter school to establish a transition
12 team composed of school staff, applicant staff, and others
13 designated by the applicant that will attend to the closure,
14 including the transfer of students, student records, and school
15 funds;

16 2. The sponsor and transition team shall communicate regularly
17 and effectively with families of students enrolled in the public
18 charter school, as well as with school staff and other stakeholders,
19 to keep them apprised of key information regarding the closure of
20 the school and their options and risks;

21 3. The sponsor and transition team shall ensure that current
22 instruction of students enrolled in the public charter school
23 continues per the charter agreement for the remainder of the school
24 year;

1 4. The sponsor and transition team shall ensure that all
2 necessary and prudent notifications are issued to agencies,
3 employees, insurers, contractors, creditors, debtors, and management
4 organizations; and

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

9 1. A sponsor shall develop revocation and nonrenewal processes
10 that are consistent with this act and that:

11 1. Provide the public charter school with a timely notification
12 of the prospect of revocation or nonrenewal and of the reasons for
13 such possible closure;

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

16 3. Provide the public charter school with an opportunity to
17 submit documents and give testimony in a public hearing challenging
18 the rationale for closure and in support of the continuation of the
19 school at an orderly proceeding held for that purpose and prior to
20 taking any final nonrenewal or revocation decision related to the
21 school;

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

24 5. Permit the recording of the proceedings; and

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

3 J. If a sponsor revokes or does not renew a charter, the
4 sponsor shall clearly state in a resolution the reasons for the
5 revocation or nonrenewal.

6 K. 1. Before a sponsor may issue a charter to a charter school
7 governing body that has had its charter terminated or has been
8 informed that its charter will not be renewed by the current
9 sponsor, the sponsor shall request to have the proposal reviewed by
10 the State Board of Education at a hearing. The State Board of
11 Education shall conduct a hearing in which the sponsor shall present
12 information indicating that the organizer's proposal is
13 substantively different in the areas of deficiency identified by the
14 current sponsor from the current proposal as set forth within the
15 charter with its current sponsor.

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

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

21 ~~D.~~ L. If a contract is not renewed, the governing board of the
22 charter school may submit an application to a proposed new sponsor
23 as provided for in Section 3-134 of this title.
24

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

5 SECTION 5. AMENDATORY 70 O.S. 2011, Section 3-140, as
6 last amended by Section 2, Chapter 212, O.S.L. 2013 (70 O.S. Supp.
7 2014, Section 3-140), is amended to read as follows:

8 Section 3-140. A. Except for a charter school sponsored by the
9 State Board of Education, a charter school shall enroll those
10 students whose legal residence is within the boundaries of the
11 school district in which the charter school is located and who
12 submit a timely application, or those students who transfer to the
13 district in which the charter school is located in accordance with
14 Section 8-103 or 8-104 of this title, unless the number of
15 applications exceeds the capacity of a program, class, grade level,
16 or building. Students who reside in a school district where a
17 charter school is located shall not be required to obtain a transfer
18 in order to attend a charter school in the school district of
19 residence. If capacity is insufficient to enroll all eligible
20 students, the charter school shall select students through a lottery
21 selection process. Except for a charter school sponsored by the
22 State Board of Education, a charter school shall give enrollment
23 preference to eligible students who reside within the boundaries of
24 the school district in which the charter school is located. Except

1 for a charter school sponsored by the State Board of Education, a
2 charter school created after ~~the effective date of this act~~ November
3 1, 2010, shall give enrollment preference to eligible students who
4 reside within the boundaries of the school district in which the
5 charter school is located and who attend a school site that has been
6 identified as in need of improvement by the State Board of Education
7 pursuant to the Elementary and Secondary Education Act of 1965, as
8 amended or reauthorized. A charter school may limit admission to
9 students within a given age group or grade level. A charter school
10 sponsored by the State Board of Education when the applicant of the
11 charter school is the Office of Juvenile Affairs shall limit
12 admission to youth that are in the custody or supervision of the
13 Office of Juvenile Affairs.

14 B. Except for a charter school sponsored by the State Board of
15 Education, a charter school shall admit students who reside in the
16 attendance area of a school or in a school district that is under a
17 court order of desegregation or that is a party to an agreement with
18 the United States Department of Education Office for Civil Rights
19 directed towards mediating alleged or proven racial discrimination
20 unless notice is received from the resident school district that
21 admission of the student would violate the court order or agreement.

22 C. A charter school may designate a specific geographic area
23 within the school district in which the charter school is located as
24 an academic enterprise zone and may limit admissions to students who

1 reside within that area. An academic enterprise zone shall be a
2 geographic area in which sixty percent (60%) or more of the children
3 who reside in the area qualify for the free or reduced school lunch
4 program.

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

10 E. A sponsor may not restrict the number of students a public
11 charter school may enroll. The capacity of the public charter
12 school shall be determined annually by the governing board of the
13 public charter school based on the public charter school's ability
14 to facilitate the academic success of its students, to achieve the
15 other objectives specified in the charter contract, and to ensure
16 that its student enrollment does not exceed the capacity of its
17 facility or site.

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

21 Section 3-142. A. For purposes of funding, a charter school
22 sponsored by a board of education of a school district shall be
23 considered a site within the school district in which the charter
24 school is located. The student membership of the charter school

1 shall be considered separate from the student membership of the
2 district in which the charter school is located for the purpose of
3 calculating weighted average daily membership pursuant to Section
4 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of
5 this title. For charter schools sponsored by a board of education
6 of a school district, the sum of the separate calculations for the
7 charter school and the school district shall be used to determine
8 the total State Aid allocation for the district in which the charter
9 school is located. A charter school shall receive from the
10 sponsoring school district, the State Aid allocation and any other
11 state-appropriated revenue generated by its students for the
12 applicable year, less up to five percent (5%) of the State Aid
13 allocation, which may be retained by the school district as a fee
14 for administrative services rendered. For charter schools sponsored
15 by the board of education of a technology center school district, a
16 higher education institution, the State Board of Education, or a
17 federally recognized Indian tribe and for statewide virtual charter
18 schools sponsored by the Statewide Virtual Charter School Board, the
19 State Aid allocation for the charter school shall be distributed by
20 the State Board of Education and not more than five percent (5%) of
21 the State Aid allocation may be charged by the sponsor as a fee for
22 administrative services rendered. The State Board of Education
23 shall determine the policy and procedure for making payments to a
24 charter school. The fee for administrative services as authorized

1 in this subsection shall only be assessed on the State Aid
2 allocation amount and shall not be assessed on any other
3 appropriated amounts.

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

13 2. For the purpose of calculating weighted average daily
14 membership pursuant to Section 18-201.1 of this title and State Aid
15 pursuant to Section 18-200.1 of this title, the weighted average
16 daily membership for the first year of operation and each year
17 thereafter of a full-time virtual charter school shall be determined
18 by multiplying the actual enrollment of students as of August 1 by
19 1.333. The full-time virtual charter school shall receive revenue
20 equal to that which would be generated by the estimated weighted
21 average daily membership calculated pursuant to this paragraph. At
22 midyear, the allocation for the full-time virtual charter school
23 shall be adjusted using the first quarter weighted average daily
24

1 membership for the virtual charter school calculated pursuant to
2 subsection A of this section.

3 C. A charter school shall be eligible to receive any other aid,
4 grants or revenues allowed to other schools. A charter school
5 sponsored by the board of education of a technology center school
6 district, a higher education institution, the State Board of
7 Education, or a federally recognized Indian tribe shall be
8 considered a local education agency for purposes of funding. A
9 charter school sponsored by a board of education of a school
10 district shall be considered a local education agency for purposes
11 of federal funding.

12 D. A charter school, in addition to the money received from the
13 state, may receive money from any other source. Any unexpended
14 ~~nonstate funds, excluding local revenue,~~ may be reserved and used
15 for future purposes. The governing body of a public charter school
16 may not levy taxes or issue bonds. If otherwise allowed by law, the
17 governing body of a public charter school may enter into private
18 contracts for the purposes of borrowing money from lenders. If the
19 governing body of the public charter school borrows money, the
20 public charter school shall be solely responsible for repaying the
21 debt, and the state or the sponsor is not in any way responsible or
22 obligated to repay the debt.

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

1 Passed the Senate the 10th day of March, 2015.

2
3 _____
4 Presiding Officer of the Senate

5 Passed the House of Representatives the ____ day of _____,
6 2015.

7
8 _____
9 Presiding Officer of the House
of Representatives