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February 9, 2015

SENATE BILL NO. 68

By: Holt of the Senate

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 charter school sponsorship; adding the governing body of a city that meets certain criteria as a sponsor; modifying the definition of charter school; amending 70 O.S. 2011, Section 3-134, which relates to charter school applications; adding references to the governing body of a city as sponsor; amending 70 O.S. 2011, Section 3-142, as amended by Section 3, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, Section 3-142), which relates to charter school funding; adding references to the governing body of a city as a sponsor; 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:

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. By a school district with an average daily membership of five thousand (5,000) or more and which all or part of the school

1 district is located in a county having more than five hundred
2 thousand (500,000) population according to the latest Federal
3 Decennial Census;

4 2. By a school district which has a school site that has been
5 identified as in need of improvement by the State Board of Education
6 pursuant to the Elementary and Secondary Education Act of 1965, as
7 amended or reauthorized;

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

15 4. By a technology center school district if the charter school
16 is located in a school district served by the technology center
17 school district and the school district has a school site that has
18 been identified as in need of improvement by the State Board of
19 Education pursuant to the Elementary and Secondary Education Act of
20 1965, as amended or reauthorized;

21 5. By a comprehensive or regional institution that is a member
22 of The Oklahoma State System of Higher Education if the charter
23 school is located in a school district that has an average daily
24 membership of five thousand (5,000) or more and which all or part of

1 the school district is located in a county having more than five
2 hundred thousand (500,000) population according to the latest
3 Federal Decennial Census. In addition, the institution shall have a
4 teacher education program accredited by the Oklahoma Commission for
5 Teacher Preparation and have a branch campus or constituent agency
6 physically located within the school district in which the charter
7 school is located;

8 6. By a comprehensive or regional institution that is a member
9 of The Oklahoma State System of Higher Education if the charter
10 school is located in a school district that has a school site that
11 has been identified as in need of improvement by the State Board of
12 Education pursuant to the Elementary and Secondary Education Act of
13 1965, as amended or reauthorized. In addition, the institution
14 shall have a teacher education program accredited by the Oklahoma
15 Commission for Teacher Preparation and have a branch campus or
16 constituent agency physically located within the school district in
17 which the charter school is located;

18 7. By a federally recognized Indian tribe, operating a high
19 school under the authority of the Bureau of Indian Affairs as of
20 November 1, 2010, if the charter school is for the purpose of
21 demonstrating native language immersion instruction, and is located
22 within its former reservation or treaty area boundaries. For
23 purposes of this paragraph, native language immersion instruction
24 shall require that educational instruction and other activities

1 conducted at the school site are primarily conducted in the native
2 language; ~~or~~

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

12 9. By the governing body of a city having more than three
13 hundred thousand (300,000) population according to the latest
14 Federal Decennial Census only when the charter school is located in
15 a school district that has an average daily membership of five
16 thousand (5,000) or more and which all or part of the school
17 district is located within the boundaries of that city.

18 B. For purposes of the Oklahoma Charter Schools Act, "charter
19 school" means a public school established by contract with a board
20 of education of a school district, an area vocational-technical
21 school district, a higher education institution, a federally
22 recognized Indian tribe, ~~or~~ the State Board of Education or the
23 governing body of a city pursuant to the Oklahoma Charter Schools
24 Act to provide learning that will improve student achievement and as

1 defined in the Elementary and Secondary Education Act of 1965, 20
2 U.S.C. 8065.

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

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

8 Section 3-134. A. For written applications filed after January
9 1, 2008, prior to submission of the application to a proposed
10 sponsor seeking to establish a charter school, the applicant shall
11 be required to complete training which shall not exceed ten (10)
12 hours provided by the State Department of Education on the process
13 and requirements for establishing a charter school. The Department
14 shall develop and implement the training by January 1, 2008. The
15 Department may provide the training in any format and manner that
16 the Department determines to be efficient and effective including,
17 but not limited to, web-based training.

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

- 22 1. A mission statement for the charter school;
- 23 2. A description of the organizational structure and the
24 governing body of the charter school;

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

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

7 5. The name of the applicant or applicants and requested
8 sponsor;

9 6. A description of the facility and location of the charter
10 school;

11 7. A description of the grades being served;

12 8. An outline of criteria designed to measure the effectiveness
13 of the charter school;

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

18 10. Documentation that the applicants completed charter school
19 training as set forth in subsection A of this section.

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

3 D. The sponsor of a charter school is the board of education of
4 a school district, the board of education of a technology center
5 school district, a higher education institution, the State Board of
6 Education, ~~or~~ a federally recognized Indian tribe, or the governing
7 body of a city which meets the criteria established in Section 3-132
8 of this title. Any board of education of a school district in the
9 state may sponsor one or more charter schools. The physical
10 location of a charter school sponsored by a board of education of a
11 school district or a technology center school district shall be
12 within the boundaries of the sponsoring school district. The
13 physical location of a charter school sponsored by the State Board
14 of Education when the applicant of the charter school is the Office
15 of Juvenile Affairs shall be where an Office of Juvenile Affairs
16 facility for youth is located.

17 E. An applicant for a charter school may submit an application
18 to a proposed sponsor which shall either accept or reject
19 sponsorship of the charter school within ninety (90) days of receipt
20 of the application. If the proposed sponsor rejects the
21 application, it shall notify the applicant in writing of the reasons
22 for the rejection. The applicant may submit a revised application
23 for reconsideration to the proposed sponsor within thirty (30) days
24 after receiving notification of the rejection. The proposed sponsor

1 shall accept or reject the revised application within thirty (30)
2 days of its receipt.

3 F. A board of education of a school district, board of
4 education of a technology center school district, higher education
5 institution, ~~or~~ federally recognized Indian tribe or the governing
6 body of a city sponsor of a charter school shall notify the State
7 Board of Education when it accepts sponsorship of a charter school.
8 The notification shall include a copy of the charter of the charter
9 school.

10 G. If a proposed sponsor rejects the revised application for a
11 charter school, the applicant may proceed to mediation or binding
12 arbitration or both mediation and binding arbitration as provided in
13 the Dispute Resolution Act and the rules promulgated pursuant
14 thereto. The applicant shall contact the early settlement program
15 for the county in which the charter school would be located. If the
16 parties proceed to binding arbitration, a panel of three arbitrators
17 shall be appointed by the director of the early settlement program
18 handling the dispute. The proposed sponsor shall pay the cost for
19 any mediation or arbitration requested pursuant to this section.

20 H. If a board of education of a technology center school
21 district, a higher education institution, the State Board of
22 Education, ~~or~~ a federally recognized Indian tribe or the governing
23 body of a city accepts sponsorship of a charter school, the
24 administrative, fiscal and oversight responsibilities of the

1 technology center school district, the higher education institution,
2 ~~or~~ the federally recognized Indian tribe or the governing body of a
3 city shall be listed in the contract. No responsibilities shall be
4 delegated to a school district unless the local school district
5 agrees to assume the responsibilities.

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

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

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

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

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

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

23 D. A charter school, in addition to the money received from the
24 state, may receive money from any other source. Any unexpended

1 nonstate funds, excluding local revenue, may be reserved and used
2 for future purposes.

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

5 SECTION 4. This act shall become effective July 1, 2015.

6 SECTION 5. It being immediately necessary for the preservation
7 of the public peace, health and safety, an emergency is hereby
8 declared to exist, by reason whereof this act shall take effect and
9 be in full force from and after its passage and approval.

10 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION
February 9, 2015 - DO PASS
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