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February 25, 2015

2ND COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 782

By: Jolley and Loveless of the
Senate

and

Denney of the House

- charter schools - Oklahoma Charter Schools Act - charter school sponsors - State Board of Education - applications - powers and duties of a charter school sponsor - immunity from liability - charter school contracts - certain contract - performance framework - multiple schools - contract terms - contract renewal - performance report - renewal application guidelines - mediation - charter school ranking list - sponsor to appear before the State Board of Education - charter school closure - eligibility of students - restricting certain enrollment - funding - unexpended funds - borrowing contracts - repayment - ~~effective date~~ -

~~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, provided such charter
9 shall only be located within the geographical boundaries of the
10 sponsoring district;

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

15 3. ~~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 an average daily~~
18 ~~membership of five thousand (5,000) or more and which all or part of~~
19 ~~the school district is located in a county having more than five~~
20 ~~hundred thousand (500,000) population according to the latest~~
21 ~~Federal Decennial Census;~~

22 4. ~~By a technology center school district if the charter school~~
23 ~~is located in a school district served by the technology center~~
24 ~~school district and the school district has a school site that has~~

1 ~~been identified as in need of improvement by the State Board of~~
2 ~~Education pursuant to the Elementary and Secondary Education Act of~~
3 ~~1965, as amended or reauthorized;~~

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

15 ~~6. By a comprehensive or regional institution that is a member~~
16 ~~of The Oklahoma State System of Higher Education if the charter~~
17 ~~school is located in a school district that has a school site that~~
18 ~~has 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. In addition, the institution~~
21 ~~shall have a teacher education program accredited by the Oklahoma~~
22 ~~Commission for Teacher Preparation and have a branch campus or~~
23 ~~constituent agency physically located within the school district in~~
24 ~~which the charter school is located in the State of Oklahoma;~~

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
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, and

9 b. a clear demonstration of community support for the
10 public charter school.

11 B. An eligible non-school district sponsor shall give priority
12 to opening public charter schools that serve at-risk student
13 populations or students from low-performing transitional public
14 schools.

15 C. An eligible sponsor shall give priority to applicants that
16 have demonstrated a record of operating at least one school or
17 similar program that demonstrates academic success and
18 organizational viability and serves student populations similar to
19 those the proposed public charter school seeks to serve. In
20 assessing the potential for quality replication of a public charter
21 school, a sponsor shall consider the following factors before
22 approving a new site or school:

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

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

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

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

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

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

19 D. For purposes of the Oklahoma Charter Schools Act, "charter
20 school" means a public school chartered or converted into a charter
21 by a public school district established by contract with a board of
22 education of a school district, an area vocational-technical school
23 district, a higher education institution, a federally recognized
24 Indian tribe, or the State Board of Education pursuant to the

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

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

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

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

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

- 23 1. A mission statement for the charter school;
- 24

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 cocurricular 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;

5 33. A sound facilities plan, including backup or contingency
6 plans if appropriate;

7 34. A requirement that the charter school governing board be
8 composed of members who are residents within the geographic boundary
9 of the charter school; and

10 35. A requirement that the charter school follow the
11 requirements of the Oklahoma Open Meeting Act and Oklahoma Open
12 Records Act.

13 C. A board of education of a public school district, public
14 body, public or private college or university, private person, or
15 private organization may contract with a sponsor to establish a
16 charter school. A private school shall not be eligible to contract
17 for a charter school under the provisions of the Oklahoma Charter
18 Schools Act.

19 D. The sponsor of a charter school is the board of education of
20 a school district, the board of education of a technology center
21 school district, a higher education institution, the State Board of
22 Education, or a federally recognized Indian tribe which meets the
23 criteria established in Section 3-132 of this title. Any board of
24 education of a school district in the state may sponsor one or more

1 charter schools. The physical location of a charter school
2 sponsored by a board of education of a school district or a
3 technology center school district shall be within the boundaries of
4 the sponsoring school district. The physical location of a charter
5 school sponsored by the State Board of Education when the applicant
6 of the charter school is the Office of Juvenile Affairs shall be
7 where an Office of Juvenile Affairs facility for youth is located.
8 The physical location of a charter school otherwise sponsored by the
9 State Board of Education pursuant to Section 3-132 of this title
10 shall be in the school district in which the application originated.

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

21 F. A board of education of a school district, board of
22 education of a technology center school district, higher education
23 institution, or federally recognized Indian tribe sponsor of a
24 charter school shall notify the State Board of Education when it

1 accepts sponsorship of a charter school. The notification shall
2 include a copy of the charter of the charter school.

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

13 H. If a 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 accepts
16 sponsorship of a charter school, the administrative, fiscal and
17 oversight responsibilities of the technology center school district,
18 the higher education institution, or the federally recognized Indian
19 tribe shall be listed in the contract. No responsibilities shall be
20 delegated to a school district unless the local school district
21 agrees to assume the responsibilities.

22 I. A sponsor of a public charter school shall have the
23 following powers and duties:
24

1 1. Provide oversight of the operations of public charter
2 schools in the state through annual performance reviews of public
3 charter schools and reauthorization of public charter schools for
4 which it is a sponsor;

5 2. Solicit and evaluate charter applications;

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

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

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

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

13 7. Determine whether each charter contract merits renewal,
14 nonrenewal or revocation.

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

1 application within sixty (60) days of its receipt. Should the
2 sponsor reject the application on reconsideration, the applicant may
3 appeal the decision to the State Board of Education with the revised
4 application for review pursuant to paragraph 6 of subsection A of
5 Section 3-132 of this title. The State Board of Education shall
6 hear the appeal no later than sixty (60) days from the date received
7 by the Board.

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

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

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

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

1 charter of the charter school and contain, but shall not be limited
2 to, the following provisions:

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

6 2. Admission policies and procedures;

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

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

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

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

19 7. The term of the contract;

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

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

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

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

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

10 B. A charter school shall not enter into an employment contract
11 with any teacher or other personnel until the charter school has a
12 contract with a sponsoring school district. The employment contract
13 shall set forth the personnel policies of the charter school,
14 including, but not limited to, policies related to certification,
15 professional development evaluation, suspension, dismissal and
16 nonreemployment, sick leave, personal business leave, emergency
17 leave, and family and medical leave. The contract shall also
18 specifically set forth the salary, hours, fringe benefits, and work
19 conditions. The contract may provide for employer-employee
20 bargaining, but the charter school shall not be required to comply
21 with the provisions of Sections 509.1 through 509.10 of Title 70 of
22 the Oklahoma Statutes. The contract shall conform to all applicable
23 provisions set forth in Section ~~11 of this act~~ 3-136 of this title.
24

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

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

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

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

1 sponsor. The performance framework shall include indicators,
2 measures, and metrics for, at a minimum:

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

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

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

1 that is part of a charter contract shall be separate and distinct
2 from any other public charter school under the same charter
3 contract.

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

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

14 B. Prior to the beginning of the fourth year of operation of a
15 public charter school, the sponsor shall issue a public charter
16 school performance report and charter renewal application guidance
17 to the school and the charter school board. The performance report
18 shall summarize the performance record to date of the public charter
19 school, based on the data required by this act and the charter
20 contract and taking into consideration the percentage of at-risk
21 students enrolled in the school, and shall provide notice of any
22 weaknesses or concerns perceived by the sponsor concerning the
23 public charter school that may jeopardize its position in seeking
24 renewal if not timely rectified. The public charter school shall

1 have forty-five (45) days to respond to the performance report and
2 submit any corrections or clarifications for the report.

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

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

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

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

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

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

23 1. Ground decisions on evidence of the performance of the
24 school over the term of the charter contract in accordance with the

1 performance framework set forth in the charter contract and will
2 take into consideration the percentage of at-risk students enrolled
3 in the school;

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

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

10 4. Provide a public report summarizing the evidence basis for
11 each decision.

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

16 ~~C. F.~~ A sponsor may terminate a contract during the term of the
17 contract for failure to meet the requirements for student
18 performance contained in the contract, failure to meet the standards
19 of fiscal management, violations of the law, or other good cause.
20 The sponsor shall give at least ninety (90) days' written notice to
21 the governing board prior to terminating the contract. The
22 governing board may request, in writing, an informal hearing before
23 the sponsor within fourteen (14) days of receiving notice. The
24 sponsor shall conduct an informal hearing before taking action. If

1 a sponsor decides to terminate a contract, the governing board may,
2 if requested by the charter school, proceed to ~~mediation or~~ binding
3 arbitration ~~or both~~ as provided for in subsection G of Section 3-134
4 of this title.

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

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

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

23 3. In the event that a sponsor fails to close a public charter
24 school site consistent with this subsection, the sponsor shall

1 appear before the State Board of Education to provide support for
2 its decision. The State Board of Education may, by majority vote,
3 uphold or overturn the sponsor's decision. If the sponsor's
4 decision is overturned by the State Board of Education, the State
5 Board of Education may implement one of the following actions:

- 6 a. transfer the sponsorship of the charter school
7 identified in this paragraph to another sponsor,
8 b. order the closure of the charter school identified in
9 this paragraph at the end of the current school year,
10 or
11 c. order the reduction of any administrative fee
12 collected by the sponsor that is applicable to the
13 charter school identified in this paragraph. The
14 reduction shall become effective at the beginning of
15 the month following the month of the sponsor's hearing
16 before the State Board of Education.

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

20 4. The requirements of this subsection shall not apply to a
21 public charter school that has been designed by the State Department
22 of Education as implementing an alternative education program
23 throughout the public charter school.
24

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

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

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

1 sponsor's authority to authorize new charter schools shall identify
2 the deficiencies that, if corrected, will result in the approval of
3 the sponsor to authorize new charter schools.

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

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

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

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

23 4. The sponsor and transition team shall ensure that all
24 necessary and prudent notifications are issued to agencies,

1 employees, insurers, contractors, creditors, debtors, and management
2 organizations; and

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

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

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

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

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

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

22 5. Permit the recording of the proceedings; and

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

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

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

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

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

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

22 ~~E.~~ M. If a contract is not renewed or is terminated according
23 to this section, a student who attended the charter school may
24

1 enroll in the resident school district of the student or may apply
2 for a transfer in accordance with Section 8-103 of this title.

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

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

1, 2010, shall give enrollment preference to eligible students who reside within the boundaries of the school district in which the charter school is located and who attend 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. A charter school may limit admission to students within a given age group or grade level. A charter school sponsored by the State Board of Education when the applicant of the charter school is the Office of Juvenile Affairs shall limit admission to youth that are in the custody or supervision of the Office of Juvenile Affairs.

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

C. A charter school may designate a specific geographic area within the school district in which the charter school is located as an academic enterprise zone and may limit admissions to students who reside within that area. An academic enterprise zone shall be a geographic area in which sixty percent (60%) or more of the children

1 who reside in the area qualify for the free or reduced school lunch
2 program.

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

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

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

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

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

1 allocation amount and shall not be assessed on any other
2 appropriated amounts.

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

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

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

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

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

23 ~~SECTION 7. This act shall become effective July 1, 2015.~~
24

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

5 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
6 February 25, 2015 - DO PASS AS AMENDED
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