

STATE OF OKLAHOMA

1st Session of the 58th Legislature (2021)

HOUSE BILL 1861

By: Fugate

AS INTRODUCED

An Act relating to schools; amending 70 O.S. 2011, Section 3-142, as last amended by Section 1, Chapter 122, O.S.L. 2020 (70 O.S. Supp. 2020, Section 3-142), which relates to the Oklahoma Charter Schools Act; setting fee range for charter school sponsor administrative fee; adjusting administrative fee for charter school sponsor if school receives a certain school grade; declaring applicability of adjustment to certain fiscal year; and providing an effective date.

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 3-142, as last amended by Section 1, Chapter 122, O.S.L. 2020 (70 O.S. Supp. 2020, Section 3-142), is amended to read as follows:

Section 3-142. A. 1. For purposes of funding, a charter school sponsored by a board of education of a school district shall be considered a site within the school district in which the charter school is located. The student membership of the charter school shall be considered separate from the student membership of the district in which the charter school is located for the purpose of calculating weighted average daily membership pursuant to Section

1 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of  
2 this title. For charter schools sponsored by a board of education  
3 of a school district, the sum of the separate calculations for the  
4 charter school and the school district shall be used to determine  
5 the total State Aid allocation for the district in which the charter  
6 school is located.

7 2. A charter school shall receive from the sponsoring school  
8 district, the State Aid allocation and any other state-appropriated  
9 revenue generated by its students for the applicable year, less up  
10 to three percent (3%) of the State Aid allocation, which may be  
11 retained by the school district as a fee for administrative services  
12 rendered, subject to the requirements of paragraph 4 of this  
13 subsection. For charter schools sponsored by the board of education  
14 of a technology center school district, a higher education  
15 institution, the State Board of Education, or a federally recognized  
16 Indian tribe and for statewide virtual charter schools sponsored by  
17 the Statewide Virtual Charter School Board, the State Aid allocation  
18 for the charter school shall be distributed by the State Board of  
19 Education and not more than three percent (3%) of the State Aid  
20 allocation may be charged by the sponsor as a fee for administrative  
21 services rendered, subject to the requirements of paragraph 4 of  
22 this subsection.

23 3. The State Board of Education shall determine the policy and  
24 procedure for making payments to a charter school. The fee for

1 administrative services as authorized in this subsection shall only  
2 be assessed on the State Aid allocation amount and shall not be  
3 assessed on any other appropriated amounts. A sponsor of a charter  
4 school shall not retain any additional State Aid allocation or  
5 charge the charter school any additional fee above the amounts  
6 allowed by this subsection unless the additional fees are for  
7 additional services rendered. The charter school sponsor shall  
8 provide to the State Department of Education financial records  
9 documenting any state funds retained by the sponsor for  
10 administrative services rendered for the previous year.

11 4. a. The fee for administrative services rendered by the  
12 charter school sponsor shall not be more than three  
13 percent (3%) of the State Aid allocation of the  
14 charter school and shall not be less than zero percent  
15 (0%) of the State Aid allocation of the charter  
16 school.

17 b. Subject to the provisions of subparagraph a of this  
18 paragraph, after a charter school has been operating  
19 for at least three school years, the fee for  
20 administrative services rendered by the charter school  
21 sponsor shall be adjusted as follows based on the  
22 school grade it receives on its annual report as  
23 required by Section 1210.545 of this title:  
24

- 1           (1) increased by one percentage point if the charter  
2           school receives an "A" or "B" school grade,  
3           (2) remain unchanged if the charter school receives a  
4           "C" school grade, or  
5           (3) reduced by one percentage point if the charter  
6           school receives a "D" or "F" school grade.

7       c. The fee adjustment shall be applicable to the fiscal  
8       year following the year for which the school grades  
9       were reported.

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

19       2. For the purpose of calculating weighted average daily  
20 membership pursuant to Section 18-201.1 of this title and State Aid  
21 pursuant to Section 18-200.1 of this title, the weighted average  
22 daily membership for the first year of operation and each year  
23 thereafter of a full-time virtual charter school shall be determined  
24 by multiplying the actual enrollment of students as of August 1 by

1 1.333. The full-time virtual charter school shall receive revenue  
2 equal to that which would be generated by the estimated weighted  
3 average daily membership calculated pursuant to this paragraph. At  
4 midyear, the allocation for the full-time virtual charter school  
5 shall be adjusted using the first quarter weighted average daily  
6 membership for the virtual charter school calculated pursuant to  
7 subsection A of this section.

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

17 D. A charter school, in addition to the money received from the  
18 state, may receive money from any other source. Any unexpended  
19 funds may be reserved and used for future purposes. The governing  
20 body of a charter school shall not levy taxes or issue bonds. If  
21 otherwise allowed by law, the governing body of a charter school may  
22 enter into private contracts for the purposes of borrowing money  
23 from lenders. If the governing body of the charter school borrows  
24 money, the charter school shall be solely responsible for repaying

1 the debt, and the state or the sponsor shall not in any way be  
2 responsible or obligated to repay the debt.

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

5 F. Except as otherwise provided in this subsection, each  
6 charter school shall pay to the Charter School Closure Reimbursement  
7 Revolving Fund created in subsection G of this section an amount  
8 equal to Five Dollars (\$5.00) per student based on average daily  
9 membership, as defined by paragraph 2 of Section 18-107 of this  
10 title, during the first nine (9) weeks of the school year. Each  
11 charter school shall complete the payment every school year within  
12 thirty (30) days after the first nine (9) weeks of the school year.  
13 If the Charter School Closure Reimbursement Revolving Fund has a  
14 balance of One Million Dollars (\$1,000,000.00) or more on July 1, no  
15 payment shall be required the following school year.

16 G. There is hereby created in the State Treasury a revolving  
17 fund for the State Department of Education to be designated the  
18 "Charter School Closure Reimbursement Revolving Fund". The fund  
19 shall be a continuing fund, not subject to fiscal year limitations,  
20 and shall consist of all monies received by the State Department of  
21 Education from charter schools as provided in subsection F of this  
22 section. All monies accruing to the credit of said fund are hereby  
23 appropriated and may be budgeted and expended by the State  
24 Department of Education for the purpose of reimbursing charter

1 school sponsors for costs incurred due to the closure of a charter  
2 school. Expenditures from said fund shall be made upon warrants  
3 issued by the State Treasurer against claims filed as prescribed by  
4 law with the Director of the Office of Management and Enterprise  
5 Services for approval and payment. The State Department of  
6 Education may promulgate rules regarding sponsor eligibility for  
7 reimbursement.

8 SECTION 2. This act shall become effective November 1, 2021.

9

10 58-1-6899 EK 01/19/21

11

12

13

14

15

16

17

18

19

20

21

22

23

24