

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 2917

By: Wallace and Caldwell (Trey)
of the House

and

Hall and Rosino of the
Senate

COMMITTEE SUBSTITUTE

An Act relating to charter schools; amending 70 O.S. 2021, Section 3-142, as amended by Section 11, Chapter 323, O.S.L. 2023 (70 O.S. Supp. 2023, Section 3-142), which relates to calculation of State Aid for charter schools; removing requirement for certain weighted average daily membership calculation to be conducted with certain frequency; providing for certain calculations in subsequent school years; 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. 2021, Section 3-142, as amended by Section 11, Chapter 323, O.S.L. 2023 (70 O.S. Supp. 2023, Section 3-142), is amended to read as follows:

Section 3-142. A. The student membership and attendance of a charter school shall be considered separate from the student

1 membership and attendance of the sponsor for the purpose of
2 calculating enrollment and funding including weighted average daily
3 membership pursuant to Section 18-201.1 of this title and State Aid
4 pursuant to Section 18-200.1 of this title. A charter school shall
5 receive the State Aid allocation, federal funds to which it is
6 eligible and qualifies for, and any other state-appropriated revenue
7 generated by its students for the applicable year. Not more than
8 three percent (3%) of the State Aid allocation may be charged by the
9 sponsor as a fee for administrative services rendered if the sponsor
10 is a school district, a comprehensive or regional institution of
11 higher education, a two-year college, a private institution of
12 higher learning accredited pursuant to Section 4103 of this title,
13 or a federally recognized Indian tribe pursuant to Section 3-132 of
14 this title. The Statewide Charter School Board shall not charge any
15 charter school or virtual charter school a fee for administrative or
16 other services. The State Department of Education shall determine
17 the policy and procedure for making payments to a charter school or
18 virtual charter school. The fee for administrative services as
19 authorized in this subsection shall only be assessed on the State
20 Aid allocation amount and shall not be assessed on any other
21 appropriated amounts. A sponsor of a charter school shall not
22 charge any additional State Aid allocation or charge the charter
23 school any additional fee above the amounts allowed by this
24 subsection unless the additional fees are for additional services

1 rendered. The charter school sponsor shall provide to the State
2 Department of Education financial records documenting any state
3 funds charged by the sponsor for administrative services rendered
4 for the previous year.

5 B. The fee for administrative services authorized by subsection
6 A of this section shall be used by the sponsor to provide oversight
7 and services to the charter schools it sponsors. The State
8 Department of Education shall develop data codes for the Oklahoma
9 Cost Accounting System which shall be used to comply with the
10 administrative services reporting required by this section. A
11 charter school sponsor shall publish a detailed report on its
12 website and present the report in a public meeting of the charter
13 school governing board and the charter school sponsor governing
14 board. The report shall provide sponsor performance and stewardship
15 including compliance with all applicable laws, regulations, and
16 terms of the charter contract and listing expenses related to
17 oversight and services provided by the sponsor to the charter
18 schools it sponsors.

19 C. 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 charter school or full-time statewide virtual
24 charter school shall be determined initially by multiplying the

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

12 D. Except as explicitly authorized by state law, a charter
13 school or virtual charter school shall not be eligible to receive
14 state-dedicated, local, or county revenue; provided, a charter
15 school or virtual charter school may be eligible to receive any
16 other aid, grants, or revenues allowed to other schools. A charter
17 school or virtual charter school shall be considered a local
18 education agency for purposes of funding.

19 E. Any unexpended funds received by a charter school or virtual
20 charter school may be reserved and used for future purposes. The
21 governing board of a charter school or virtual charter school shall
22 not levy taxes or issue bonds. If otherwise allowed by law, the
23 governing board of a charter school or virtual charter school may
24 enter into private contracts for the purposes of borrowing money

1 from lenders. If the governing board of the charter school or
2 virtual charter school borrows money, the charter school or virtual
3 charter school shall be solely responsible for repaying the debt,
4 and the state or the sponsor shall not in any way be responsible or
5 obligated to repay the debt.

6 F. Any charter school or virtual charter school which chooses
7 to lease property shall be eligible to receive current government
8 lease rates.

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

20 H. There is hereby created in the State Treasury a revolving
21 fund for the Statewide Charter School Board to be designated the
22 "Charter School Closure Reimbursement Revolving Fund". The fund
23 shall be a continuing fund, not subject to fiscal year limitations,
24 and shall consist of all monies received by the Statewide Charter

1 School Board from charter schools as provided in subsection G of
2 this section. All monies accruing to the credit of the fund are
3 hereby appropriated and may be budgeted and expended by the
4 Statewide Charter School Board for the purpose of paying for
5 expenditures incurred due to the closure of a charter school.
6 Expenditures from the fund shall be made upon warrants issued by the
7 State Treasurer against claims filed as prescribed by law with the
8 Director of the Office of Management and Enterprise Services for
9 approval and payment.

10 SECTION 2. This act shall become effective July 1, 2024.

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

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