

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               2nd Session of the 59th Legislature (2024)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2917

By: Wallace and Caldwell (Trey)  
of the House

and

Hall and Rosino of the  
Senate

11                               COMMITTEE SUBSTITUTE

12           An Act relating to charter schools; amending 70 O.S.  
13           2021, Section 3-142, as amended by Section 11,  
14           Chapter 323, O.S.L. 2023 (70 O.S. Supp. 2023, Section  
15           3-142), which relates to calculation of State Aid for  
16           charter schools; removing requirement for certain  
17           weighted average daily membership calculation to be  
18           conducted with certain frequency; providing for  
19           certain calculations in subsequent school years;  
20           providing an effective date; and declaring an  
21           emergency.

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

23           SECTION 1.           AMENDATORY           70 O.S. 2021, Section 3-142, as  
24           amended by Section 11, Chapter 323, O.S.L. 2023 (70 O.S. Supp. 2023,  
          Section 3-142), is amended to read as follows:

1       Section 3-142. A. The student membership and attendance of a  
2 charter school shall be considered separate from the student  
3 membership and attendance of the sponsor for the purpose of  
4 calculating enrollment and funding including weighted average daily  
5 membership pursuant to Section 18-201.1 of this title and State Aid  
6 pursuant to Section 18-200.1 of this title. A charter school shall  
7 receive the State Aid allocation, federal funds to which it is  
8 eligible and qualifies for, and any other state-appropriated revenue  
9 generated by its students for the applicable year. Not more than  
10 three percent (3%) of the State Aid allocation may be charged by the  
11 sponsor as a fee for administrative services rendered if the sponsor  
12 is a school district, a comprehensive or regional institution of  
13 higher education, a two-year college, a private institution of  
14 higher learning accredited pursuant to Section 4103 of this title,  
15 or a federally recognized Indian tribe pursuant to Section 3-132 of  
16 this title. The Statewide Charter School Board shall not charge any  
17 charter school or virtual charter school a fee for administrative or  
18 other services. The State Department of Education shall determine  
19 the policy and procedure for making payments to a charter school or  
20 virtual charter school. The fee for administrative services as  
21 authorized in this subsection shall only be assessed on the State  
22 Aid allocation amount and shall not be assessed on any other  
23 appropriated amounts. A sponsor of a charter school shall not  
24 charge any additional State Aid allocation or charge the charter

1 school any additional fee above the amounts allowed by this  
2 subsection unless the additional fees are for additional services  
3 rendered. The charter school sponsor shall provide to the State  
4 Department of Education financial records documenting any state  
5 funds charged by the sponsor for administrative services rendered  
6 for the previous year.

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

21 C. For the purpose of calculating weighted average daily  
22 membership pursuant to Section 18-201.1 of this title and State Aid  
23 pursuant to Section 18-200.1 of this title, the weighted average  
24 daily membership for the first year of operation ~~and each year~~

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

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

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

1 governing board of a charter school or virtual charter school may  
2 enter into private contracts for the purposes of borrowing money  
3 from lenders. If the governing board of the charter school or  
4 virtual charter school borrows money, the charter school or virtual  
5 charter school shall be solely responsible for repaying the debt,  
6 and the state or the sponsor shall not in any way be responsible or  
7 obligated to repay the debt.

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

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

22 H. There is hereby created in the State Treasury a revolving  
23 fund for the Statewide Charter School Board to be designated the  
24 "Charter School Closure Reimbursement Revolving Fund". The fund

1 shall be a continuing fund, not subject to fiscal year limitations,  
2 and shall consist of all monies received by the Statewide Charter  
3 School Board from charter schools as provided in subsection G of  
4 this section. All monies accruing to the credit of the fund are  
5 hereby appropriated and may be budgeted and expended by the  
6 Statewide Charter School Board for the purpose of paying for  
7 expenditures incurred due to the closure of a charter school.  
8 Expenditures from the fund shall be made upon warrants issued by the  
9 State Treasurer against claims filed as prescribed by law with the  
10 Director of the Office of Management and Enterprise Services for  
11 approval and payment.

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

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

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18 COMMITTEE REPORT BY: COMMITTEE ON JOINT COMMITTEE ON APPROPRIATIONS  
19 AND BUDGET, dated 05/27/2024 - DO PASS, As Amended.  
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