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February 27, 2024

By: Pugh

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 membership and attendance of the sponsor for the purpose of calculating enrollment and funding including weighted average daily membership pursuant to Section 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of this title. A charter school shall receive the State Aid allocation, federal funds to which it is eligible and qualifies for, and any other state-appropriated revenue

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

23 B. The fee for administrative services authorized by subsection
24 A of this section shall be used by the sponsor to provide oversight

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

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

1 for the charter school or virtual charter school calculated pursuant
2 to subsection A of this section. For each subsequent school year,
3 weighted average daily membership shall be calculated as provided
4 for in Section 18-201.1 of this title, and State Aid shall be
5 calculated as provided for in Section 18-200.1 of this title.

6 D. Except as explicitly authorized by state law, a charter
7 school or virtual charter school shall not be eligible to receive
8 state-dedicated, local, or county revenue; provided, a charter
9 school or virtual charter school may be eligible to receive any
10 other aid, grants, or revenues allowed to other schools. A charter
11 school or virtual charter school shall be considered a local
12 education agency for purposes of funding.

13 E. Any unexpended funds received by a charter school or virtual
14 charter school may be reserved and used for future purposes. The
15 governing board of a charter school or virtual charter school shall
16 not levy taxes or issue bonds. If otherwise allowed by law, the
17 governing board of a charter school or virtual charter school may
18 enter into private contracts for the purposes of borrowing money
19 from lenders. If the governing board of the charter school or
20 virtual charter school borrows money, the charter school or virtual
21 charter school shall be solely responsible for repaying the debt,
22 and the state or the sponsor shall not in any way be responsible or
23 obligated to repay the debt.

1 F. Any charter school or virtual charter school which chooses
2 to lease property shall be eligible to receive current government
3 lease rates.

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

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

1 Expenditures from the fund shall be made upon warrants issued by the
2 State Treasurer against claims filed as prescribed by law with the
3 Director of the Office of Management and Enterprise Services for
4 approval and payment.

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

6 SECTION 3. It being immediately necessary for the preservation
7 of the public peace, health, or 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
11 February 27, 2024 - DO PASS
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