

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

HOUSE BILL 2414

By: Johns

AS INTRODUCED

An Act relating to schools; amending 70 O.S. 2021, Sections 3-135, 3-136, 3-137, and 3-142, which relate to the Oklahoma Charter Schools Act; requiring charter school to provide certain notice to sponsor; directing sponsor to use performance framework for charter school evaluation; authorizing development of certain separate framework; adding minimum requirements for framework; mandating annual evaluation; directing presentation of results to certain governing boards; defining term; subjecting charter school to certain spending limitations; prohibiting charter school from providing instruction to certain students; directing charter school governing board to comply with certain acts; subjecting charter school sponsor governing board to certain conflict of interest requirements; modifying procedures for charter school contracts; requiring sponsor to develop a corrective action plan; authorizing nonrenewal of contract in certain cases; specifying how sponsor fee should be used; requiring sponsor to publish certain report on its website; amending 70 O.S. 2021, Section 3-145.3, which relates to duties of the Statewide Virtual Charter School Board; requiring compliance with the Oklahoma Charter Schools Act; modifying limitation on fee for administrative expenses and support; subjecting certain charter schools to the same purchasing procedures and compliance requirements as school districts; prohibiting commingling of certain school funds; modifying instruction and continuing education obligations for certain governing board members; establishing requirements for governing boards which contract with educational management organizations; prescribing duties for board membership; requiring State Department of Education and sponsor to publish

1 certain contracts on their websites; directing
2 Department to publish list of fees paid; subjecting
3 certain board members to instruction and continuing
4 education requirements; prohibiting certain conflicts
5 of interest and pecuniary gain; disallowing certain
6 appointments or selections of members; requiring
7 sponsor board members to complete instruction and
8 continuing education requirements; specifying entity
9 to pay for instruction and continuing education;
10 prescribing requirements for instruction and
11 continuing education; defining term; designating
12 certain funds as public funds; prohibiting transfer
13 or conversion of state funds to private funds;
14 clarifying provision; requiring payments from charter
15 schools to comply with certain provisions; directing
16 organization to provide certain documents; subjecting
17 certain funds to audit, transparency, oversight and
18 financial reporting; requiring certain funds to
19 remain public funds; prescribing grade for
20 participation in certain extracurricular or
21 educational activities; declaring certain property to
22 remain public property of the charter school;
23 mandating an operating agreement review of certain
24 charter schools; establishing procedures for review;
requiring written agreement for certain expenditures;
mandating criminal history record checks for certain
personnel; prescribing process and payment of checks;
prohibiting certain activities by educational
management organizations; amending 70 O.S. 2021,
Section 5-200, which relates to educational
management organizations; requiring amounts paid to
certain organizations be pursuant to contract terms;
mandating disclosure pursuant to certain guidelines;
amending 70 O.S. 2021, Section 18-124, which relates
to limitations on administrative services
expenditures; providing applicability of limitation
to certain charter schools; clarifying calculation
for specified schools; modifying definition;
providing for codification; providing an effective
date; and declaring an emergency.

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

1 SECTION 1. AMENDATORY 70 O.S. 2021, Section 3-135, is
2 amended to read as follows:

3 Section 3-135. A. The sponsor of a charter school shall enter
4 into a written contract with the governing ~~body~~ board of the charter
5 school. The contract shall incorporate the provisions of the
6 charter of the charter school and contain, but shall not be limited
7 to, the following provisions:

8 1. A description of the program to be offered by the school
9 which complies with the purposes outlined in Section 3-136 of this
10 title;

11 2. Admission policies and procedures;

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

19 4. Requirements and procedures for program and financial
20 audits;

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

23 6. Assumption of liability by the charter school;

24 7. The term of the contract;

1 8. A description of the high standards of expectation and rigor
2 for charter school plans and assurance that charter school plans
3 adopted meet at least those standards;

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

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

9 11. Policies that require the charter school to be subject to
10 the same academic standards and expectations as existing public
11 schools; ~~and~~

12 12. A description of the requirements and procedures for the
13 charter school to receive funding in accordance with statutory
14 requirements and guidelines for existing public schools; and

15 13. A requirement to promptly notify the sponsor in the
16 instance of any significant adverse actions, material findings of
17 noncompliance, or pending actions, claims, or proceedings in this
18 state relating to the charter school or an educational management
19 organization with which the charter school has a contract.

20 B. A charter school shall not enter into an employment contract
21 with any teacher or other personnel until the charter school has a
22 contract with a sponsoring school district. The employment contract
23 shall set forth the personnel policies of the charter school,
24 including, but not limited to, policies related to certification,

1 professional development evaluation, suspension, dismissal and
2 nonreemployment, sick leave, personal business leave, emergency
3 leave, and family and medical leave. The contract shall also
4 specifically set forth the salary, hours, fringe benefits, and work
5 conditions. The contract may provide for employer-employee
6 bargaining, but the charter school shall not be required to comply
7 with the provisions of Sections 509.1 through 509.10 of this title.
8 The contract shall conform to all applicable provisions set forth in
9 Section 3-136 of this title.

10 Upon contracting with any teacher or other personnel, the
11 governing ~~body~~ board of the charter school shall, in writing,
12 disclose employment rights of the employees in the event the charter
13 school closes or the charter is not renewed.

14 No charter school may begin serving students without a charter
15 contract executed in accordance with the provisions of the Oklahoma
16 Charter Schools Act and approved in an open meeting of the sponsor.
17 The sponsor may establish reasonable preopening requirements or
18 conditions to monitor the start-up progress of newly approved
19 charter schools and ensure that each school is prepared to open
20 smoothly on the date agreed and to ensure that each school meets all
21 building, health, safety, insurance and other legal requirements for
22 the opening of a school.

23 C. The performance provisions within the charter contract shall
24 be based on a performance framework that clearly sets forth the

1 academic and operational performance indicators, ~~measures and~~
2 ~~metrics that will guide the evaluations of the~~ shall be used by
3 charter school sponsors to evaluate their respective charter school
4 by the sponsor schools. The sponsor may develop a separate
5 performance framework to evaluate a charter school that has been
6 designated by the State Department of Education to implement an
7 alternative education program throughout the charter school. The
8 sponsor shall require a charter school to submit the data required
9 in this section in the identical format that is required by the
10 State Department of Education of all public schools in order to
11 avoid duplicative administrative efforts or allow a charter school
12 to provide permission to the Department to share all required data
13 with the sponsor of the charter school. The performance framework
14 shall serve as the minimum requirement for charter school
15 performance evaluation and shall include, but not be limited to, the
16 following indicators, ~~measures and metrics for, at a minimum:~~

- 17 1. Student academic proficiency;
- 18 2. Student academic growth;
- 19 3. Achievement gaps in both proficiency and growth between
20 major student subgroups;
- 21 4. Student attendance;
- 22 5. Recurrent enrollment from year to year as determined by the
23 methodology used for public schools in Oklahoma;
- 24

1 6. In the case of high schools, graduation rates as determined
2 by the methodology used for public schools in Oklahoma;

3 7. In the case of high schools, postsecondary readiness;

4 8. Financial performance and sustainability and compliance with
5 state and Internal Revenue Service financial reporting requirements;
6 and

7 9. Audit findings or deficiencies;

8 10. Accreditation and timely reporting; and

9 11. Governing board performance and stewardship, including
10 compliance with all applicable laws, regulations and terms of the
11 charter contract.

12 The sponsor shall annually evaluate its charter schools according to
13 the performance framework. The results of the evaluation shall be
14 presented to the governing board of the charter school and the
15 governing board of the charter school sponsor in an open meeting and
16 posted on the website of the charter school.

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 charter school that is

1 part of a charter contract shall be separate and distinct from any
2 other charter school under the same charter contract. For the
3 purposes of this subsection, "separate and distinct" shall mean a
4 charter school governing board with oversight of more than one
5 charter school shall not combine accounting, budgeting,
6 recordkeeping, admissions, employment or policies and operational
7 decisions of the charter schools it oversees.

8 SECTION 2. AMENDATORY 70 O.S. 2021, Section 3-136, is
9 amended to read as follows:

10 Section 3-136. A. A charter school shall adopt a charter which
11 will ensure compliance with the following:

12 1. A charter school shall comply with all federal regulations
13 and state and local rules and statutes relating to health, safety,
14 civil rights and insurance. By January 1, 2000, the State
15 Department of Education shall prepare a list of relevant rules and
16 statutes which a charter school must comply with as required by this
17 paragraph and shall annually provide an update to the list;

18 2. A charter school shall be nonsectarian in its programs,
19 admission policies, employment practices, and all other operations.
20 A sponsor may not authorize a charter school or program that is
21 affiliated with a nonpublic sectarian school or religious
22 institution;

23 3. The charter school may provide a comprehensive program of
24 instruction for a prekindergarten program, a kindergarten program or

1 any grade between grades one and twelve. Instruction may be
2 provided to all persons between ~~the ages of~~ four (4) and twenty-one
3 (21) years of age. A charter school may offer a curriculum which
4 emphasizes a specific learning philosophy or style or certain
5 subject areas such as mathematics, science, fine arts, performance
6 arts, or foreign language. The charter of a charter school which
7 offers grades nine through twelve shall specifically address whether
8 the charter school will comply with the graduation requirements
9 established in Section 11-103.6 of this title. No charter school
10 shall be chartered for the purpose of offering a curriculum for deaf
11 or blind students that is the same or similar to the curriculum
12 being provided by or for educating deaf or blind students that are
13 being served by the Oklahoma School for the Blind or the Oklahoma
14 School for the Deaf;

15 4. A charter school shall participate in the testing as
16 required by the Oklahoma School Testing Program Act and the
17 reporting of test results as is required of a school district. A
18 charter school shall also provide any necessary data to the Office
19 of Accountability;

20 5. Except as otherwise provided for in the Oklahoma Charter
21 Schools Act and its charter, a charter school shall be exempt from
22 all statutes and rules relating to schools, boards of education, and
23 school districts;

1 6. A charter school, ~~to the extent possible,~~ shall be subject
2 to the same reporting requirements, financial audits, audit
3 procedures, and audit requirements as a school district. The State
4 Department of Education or State Auditor and Inspector may conduct
5 financial, program, or compliance audits. A charter school shall
6 use the Oklahoma Cost Accounting System to report financial
7 transactions to the sponsoring school district or sponsor. The
8 charter school shall be subject to the limitations on spending,
9 including provisions of the Oklahoma Constitution, for any funds
10 received from the state, either through the State Department of
11 Education or other sources;

12 7. A charter school shall comply with all federal and state
13 laws relating to the education of children with disabilities in the
14 same manner as a school district;

15 8. A charter school shall provide for a governing ~~body~~ board
16 for the school which shall be responsible for the policies and
17 operational decisions of the charter school;

18 9. A charter school shall not provide or otherwise supplement
19 instruction of students enrolled in private schools or be used as a
20 method of generating revenue for students who are being home
21 schooled and are not being educated at an organized charter school
22 site;

23 10. A charter school ~~may~~ shall not charge tuition or fees;
24

1 11. A charter school shall provide instruction each year for at
2 least the number of days or hours required in Section 1-109 of this
3 title;

4 12. A charter school shall comply with the student suspension
5 requirements provided for in Section 24-101.3 of this title;

6 13. A charter school shall be considered a school district for
7 purposes of tort liability under The Governmental Tort Claims Act;

8 14. Employees of a charter school may participate as members of
9 the Teachers' Retirement System of Oklahoma in accordance with
10 applicable statutes and rules if otherwise allowed pursuant to law;

11 15. A charter school may participate in all health and related
12 insurance programs available to the employees of the sponsor of the
13 charter school;

14 16. A charter school and charter school governing board shall
15 comply with the Oklahoma Open Meeting Act and the Oklahoma Open
16 Records Act;

17 17. The governing ~~body~~ board of a charter school and the
18 governing board of a charter school sponsor shall be subject to the
19 same conflict of interest requirements as a member of a local school
20 board; and

21 18. No later than September 1 of each year, the governing board
22 of each charter school formed pursuant to the Oklahoma Charter
23 Schools Act shall prepare a statement of actual income and
24 expenditures for the charter school for the fiscal year that ended

1 on the preceding June 30, in a manner compliant with Section 5-135
2 of this title. The statement of expenditures shall include
3 functional categories as defined in rules adopted by the State Board
4 of Education to implement the Oklahoma Cost Accounting System
5 pursuant to Section 5-145 of this title. Charter schools shall not
6 be permitted to submit estimates of expenditures or prorated amounts
7 to fulfill the requirements of this paragraph.

8 B. The charter of a charter school shall include a description
9 of the personnel policies, personnel qualifications, and method of
10 school governance, and the specific role and duties of the sponsor
11 of the charter school.

12 C. The charter of a charter school may be amended at the
13 request of the governing ~~body~~ board of the charter school and upon
14 the approval of the sponsor.

15 D. A charter school may enter into contracts and sue and be
16 sued.

17 E. The governing ~~body~~ board of a charter school ~~may~~ shall not
18 levy taxes or issue bonds.

19 F. The charter of a charter school shall include a provision
20 specifying the method or methods to be employed for disposing of
21 real and personal property acquired by the charter school upon
22 expiration or termination of the charter or failure of the charter
23 school to continue operations. Except as otherwise provided, any
24 real or personal property purchased with state or local funds shall

1 be retained by the sponsoring school district or sponsor of the
2 charter school. If a charter school that was previously sponsored
3 by the board of education of a school district continues operation
4 within the school district under a new charter sponsored by an
5 entity authorized pursuant to Section 3-132 of this title, the
6 charter school may retain any personal property purchased with state
7 or local funds for use in the operation of the charter school until
8 termination of the new charter or failure of the charter school to
9 continue operations.

10 SECTION 3. AMENDATORY 70 O.S. 2021, Section 3-137, is
11 amended to read as follows:

12 Section 3-137. A. ~~An~~ The first approved contract ~~for~~ between a
13 charter school and its sponsor shall be effective for five (5) years
14 from the first day of operation. A charter contract may be renewed
15 for successive five-year terms of duration, although the sponsor may
16 vary the term based on the performance, demonstrated capacities and
17 particular circumstances of each charter school. A sponsor may
18 grant renewal with specific conditions for necessary improvements to
19 a charter school.

20 B. Prior to the beginning of the fourth year of operation of a
21 charter school, the sponsor shall issue a charter school performance
22 report and charter renewal application guidance to the school and
23 the charter school governing board. The performance report shall
24 summarize the performance record to date of the charter school,

1 based on the data required by the Oklahoma Charter Schools Act, the
2 annual performance framework evaluation, the operating agreement
3 review if the charter school contracts with an educational
4 management organization, and the charter contract and taking into
5 consideration the percentage of at-risk students enrolled in the
6 school, ~~and~~. The performance report shall provide notice of any
7 weaknesses ~~or~~, concerns, violations, or deficiencies perceived by
8 the sponsor concerning the charter school that may jeopardize its
9 position in seeking renewal if not timely rectified, and the charter
10 school sponsor shall develop a corrective action plan and
11 corresponding timeline to remedy any violations or deficiencies.
12 The charter school shall have forty-five (45) days to respond to the
13 performance report and submit any corrections or clarifications for
14 the report. If the charter school does not substantially complete
15 the corrective action plan developed by the sponsor, the sponsor may
16 choose not to renew the charter contract pursuant to the
17 requirements of this section.

18 C. 1. Prior to the beginning of the fifth year of operation,
19 the charter school may apply for renewal of the contract with the
20 sponsor. The renewal application guidance shall, at a minimum,
21 provide an opportunity for the charter school to:

- 22 a. present additional evidence, beyond the data contained
- 23 in the performance report, supporting its case for
- 24 charter renewal,

1 b. describe improvements undertaken or planned for the
2 school, and

3 c. detail the plan for the next charter term for the
4 school.

5 2. The renewal application guidance shall include or refer
6 explicitly to the criteria that will guide the renewal decisions of
7 the sponsor, which shall be based on the performance framework set
8 forth in the charter contract and consistent with the Oklahoma
9 Charter Schools Act.

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

17 1. Ground decisions on evidence of the performance of the
18 school over the term of the charter contract in accordance with the
19 performance framework set forth in the charter contract and shall
20 take into consideration the percentage of at-risk students enrolled
21 in the school;

22 2. Grant renewal to schools that have achieved the standards,
23 targets and performance expectations as stated in the charter
24

1 contract and are organizationally and fiscally viable and have been
2 faithful to the terms of the contract and applicable law;

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

5 4. Provide a public report summarizing the evidence used as the
6 basis for each decision.

7 E. If a sponsor denies a request for renewal, the governing
8 board of the sponsor may, if requested by the charter school,
9 proceed to binding arbitration as provided for in subsection G of
10 Section 3-134 of this title.

11 F. A sponsor may terminate a contract during the term of the
12 contract for failure to meet the requirements for student
13 performance contained in the contract and performance framework,
14 failure to meet the standards of fiscal management, violations of
15 the law or other good cause. The sponsor shall give at least ninety
16 (90) days' written notice to the governing board prior to
17 terminating the contract. The governing board may request, in
18 writing, an informal hearing before the sponsor within fourteen (14)
19 days of receiving notice. The sponsor shall conduct an informal
20 hearing before taking action. If a sponsor decides to terminate a
21 contract, the governing board may, if requested by the charter
22 school, proceed to binding arbitration as provided for in subsection
23 G of Section 3-134 of this title.

1 G. 1. Beginning in the 2016-2017 school year, the State Board
2 of Education shall identify charter schools in the state that are
3 ranked in the bottom five percent (5%) of all public schools as
4 determined pursuant to Section 1210.545 of this title.

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

12 3. If there is a change to the calculation described in Section
13 1210.545 of this title that results in a charter school site that
14 was not ranked in the bottom five percent (5%) being ranked in the
15 bottom five percent (5%), then the sponsor shall use the higher of
16 the two rankings to calculate the ranking of the charter school
17 site.

18 4. In the event that a sponsor fails to close a charter school
19 site consistent with this subsection, the sponsor shall appear
20 before the State Board of Education to provide support for its
21 decision. The State Board of Education may, by majority vote,
22 uphold or overturn the decision of the sponsor. If the decision of
23 the sponsor is overturned by the State Board of Education, the Board
24 may implement one of the following actions:

- a. transfer the sponsorship of the charter school identified in this paragraph to another sponsor,
- b. order the closure of the charter school identified in this paragraph at the end of the current school year, or
- c. order the reduction of any administrative fee collected by the sponsor that is applicable to the charter school identified in this paragraph. The reduction shall become effective at the beginning of the month following the month the hearing of the sponsor is held by the State Board of Education.

5. A charter school that is closed by the State Board of Education pursuant to paragraph 4 of this subsection shall not be granted a charter by any other sponsor.

6. The requirements of this subsection shall not apply to a charter school that has been designated by the State Department of Education as implementing an alternative education program throughout the charter school.

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

- a. enrollment of students with special challenges such as drug or alcohol addiction, prior withdrawal from school, prior incarceration or other special circumstances,

- b. high mobility of the student population resulting from the specific purpose of the charter school,
- c. annual improvement in the performance of students enrolled in the charter school compared with the performance of students enrolled in the charter school in the immediately preceding school year, and
- d. whether a majority of students attending the charter school under consideration for closure would likely revert to attending public schools with lower academic achievement, as demonstrated pursuant to Section 1210.545 of this title.

8. If the State Board of Education has closed or transferred authorization of at least twenty-five percent (25%) of the charter schools chartered by one sponsor pursuant to paragraph 4 of this subsection, the authority of the sponsor to authorize new charter schools may be suspended by the Board until the Board approves the sponsor to authorize new charter schools. A determination under this paragraph to suspend the authority of a sponsor to authorize new charter schools shall identify the deficiencies that, if corrected, will result in the approval of the sponsor to authorize new charter schools.

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

1 1. Within two (2) calendar weeks of a final closure
2 determination, the sponsor shall meet with the governing board and
3 leadership of the charter school to establish a transition team
4 composed of school staff, applicant staff and others designated by
5 the applicant that will attend to the closure, including the
6 transfer of students, student records and school funds;

7 2. The sponsor and transition team shall communicate regularly
8 and effectively with families of students enrolled in the charter
9 school, as well as with school staff and other stakeholders, to keep
10 them apprised of key information regarding the closure of the school
11 and their options and risks;

12 3. The sponsor and transition team shall ensure that current
13 instruction of students enrolled in the charter school continues per
14 the charter agreement for the remainder of the school year;

15 4. The sponsor and transition team shall ensure that all
16 necessary and prudent notifications are issued to agencies,
17 employees, insurers, contractors, creditors, debtors and management
18 organizations; and

19 5. The governing board of the charter school shall continue to
20 meet as necessary to take actions needed to wind down school
21 operations, manage school finances, allocate resources and
22 facilitate all aspects of closure.

23 I. A sponsor shall develop revocation and nonrenewal processes
24 that are consistent with the Oklahoma Charter Schools Act and that:

1 1. Provide the charter school with a timely notification of the
2 prospect of revocation or nonrenewal and of the reasons for possible
3 closure;

4 2. Allow the charter school a reasonable amount of time in
5 which to prepare a response;

6 3. Provide the charter school with an opportunity to submit
7 documents and give testimony in a public hearing challenging the
8 rationale for closure and in support of the continuation of the
9 school at an orderly proceeding held for that purpose and prior to
10 taking any final nonrenewal or revocation decision related to the
11 school;

12 4. Allow the charter school access to representation by counsel
13 to call witnesses on its behalf;

14 5. Permit the recording of the proceedings; and

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

17 J. If a sponsor revokes or does not renew a charter, the
18 sponsor shall clearly state in a resolution the reasons for the
19 revocation or nonrenewal.

20 K. 1. Before a sponsor may issue a charter to a charter school
21 governing ~~body~~ board that has had its charter terminated or has been
22 informed that its charter will not be renewed by the current
23 sponsor, the sponsor shall request to have the proposal reviewed by
24 the State Board of Education at a hearing. The State Board of

1 Education shall conduct a hearing in which the sponsor shall present
2 information indicating that the proposal of the organizer is
3 substantively different in the areas of deficiency identified by the
4 current sponsor from the current proposal as set forth within the
5 charter with its current sponsor.

6 2. After the State Board of Education conducts a hearing
7 pursuant to this subsection, the Board shall either approve or deny
8 the proposal.

9 3. If the proposal is denied, no sponsor may issue a charter to
10 the charter school governing ~~body~~ board.

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

14 M. If a contract is not renewed or is terminated according to
15 this section, a student who attended the charter school may enroll
16 in the resident school district of the student or may apply for a
17 transfer in accordance with Section 8-103 of this title.

18 SECTION 4. AMENDATORY 70 O.S. 2021, Section 3-142, is
19 amended to read as follows:

20 Section 3-142. A. The student membership and attendance of the
21 charter school shall be considered separate from the student
22 membership and attendance of the sponsor for the purpose of
23 calculating enrollment and funding including weighted average daily
24 membership pursuant to Section 18-201.1 of this title and State Aid

1 pursuant to Section 18-200.1 of this title. A charter school shall
2 receive the State Aid allocation, federal funds to which it is
3 eligible and qualifies for and any other state-appropriated revenue
4 generated by its students for the applicable year. Not more than
5 three percent (3%) of the State Aid allocation may be charged by the
6 sponsor as a fee for administrative services rendered. For purposes
7 of this section, the fee for administrative services shall be used
8 by the sponsor to provide oversight and services to the charter
9 schools it sponsors. A charter school sponsor shall publish a
10 detailed report on its website listing expenses related to oversight
11 and services provided by the sponsor to its charter schools. The
12 State Board of Education shall determine the policy and procedure
13 for making payments to a charter school. The fee for administrative
14 services as authorized in this subsection shall only be assessed on
15 the State Aid allocation amount and shall not be assessed on any
16 other appropriated amounts. A sponsor of a charter school shall not
17 charge any additional State Aid allocation or charge the charter
18 school any additional fee above the amounts allowed by this
19 subsection unless the additional fees are for additional services
20 rendered. The charter school sponsor shall provide to the State
21 Department of Education financial records documenting any state
22 funds charged by the sponsor for administrative services rendered
23 for the previous year.

1 B. 1. The weighted average daily membership for the first year
2 of operation of a charter school shall be determined initially by
3 multiplying the actual enrollment of students as of August 1 by
4 1.333. The charter school shall receive revenue equal to that which
5 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 shall be adjusted using the first
8 quarter weighted average daily membership for the charter school
9 calculated pursuant to subsection A of this section.

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

1 C. Except as explicitly authorized by state law, a charter
2 school shall not be eligible to receive state-dedicated, local or
3 county revenue; provided, a charter school may be eligible to
4 receive any other aid, grants or revenues allowed to other schools.
5 A charter school shall be considered a local education agency for
6 purposes of funding.

7 D. Any unexpended funds received by a charter school may be
8 reserved and used for future purposes. The governing ~~body~~ board of
9 a charter school shall not levy taxes or issue bonds. If otherwise
10 allowed by law, the governing ~~body~~ board of a charter school may
11 enter into private contracts for the purposes of borrowing money
12 from lenders. If the governing ~~body~~ board of the charter school
13 borrows money, the charter school shall be solely responsible for
14 repaying the debt, and the state or the sponsor shall not in any way
15 be responsible or obligated to repay the debt.

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

18 F. Except as otherwise provided in this subsection, each
19 charter school shall pay to the Charter School Closure Reimbursement
20 Revolving Fund created in subsection G of this section an amount
21 equal to Five Dollars (\$5.00) per student based on average daily
22 membership, as defined by paragraph 2 of Section 18-107 of this
23 title, during the first nine (9) weeks of the school year. Each
24 charter school shall complete the payment every school year within

1 thirty (30) days after the first nine (9) weeks of the school year.
2 If the Charter School Closure Reimbursement Revolving Fund has a
3 balance of One Million Dollars (\$1,000,000.00) or more on July 1, no
4 payment shall be required the following school year.

5 G. There is hereby created in the State Treasury a revolving
6 fund for the State Department of Education to be designated the
7 "Charter School Closure Reimbursement Revolving Fund". The fund
8 shall be a continuing fund, not subject to fiscal year limitations,
9 and shall consist of all monies received by the State Department of
10 Education from charter schools as provided in subsection F of this
11 section. All monies accruing to the credit of said fund are hereby
12 appropriated and may be budgeted and expended by the State
13 Department of Education for the purpose of reimbursing charter
14 school sponsors for costs incurred due to the closure of a charter
15 school. Expenditures from said fund shall be made upon warrants
16 issued by the State Treasurer against claims filed as prescribed by
17 law with the Director of the Office of Management and Enterprise
18 Services for approval and payment. The State Department of
19 Education may promulgate rules regarding sponsor eligibility for
20 reimbursement.

21 SECTION 5. AMENDATORY 70 O.S. 2021, Section 3-145.3, is
22 amended to read as follows:
23
24

1 Section 3-145.3 A. Subject to the requirements of the Oklahoma
2 Charter Schools Act, the Statewide Virtual Charter School Board
3 shall:

4 1. Provide oversight of the operations of statewide virtual
5 charter schools in this state;

6 2. Establish a procedure for accepting, approving and
7 disapproving statewide virtual charter school applications and a
8 process for renewal or revocation of approved charter school
9 contracts which minimally meet the procedures set forth in the
10 Oklahoma Charter Schools Act;

11 3. Make publicly available a list of supplemental online
12 courses which have been reviewed and certified by the Statewide
13 Virtual Charter School Board to ensure that the courses are high
14 quality options and are aligned with the subject matter standards
15 adopted by the State Board of Education pursuant to Section 11-103.6
16 of this title. The Statewide Virtual Charter School Board shall
17 give special emphasis on listing supplemental online courses in
18 science, technology, engineering and math (STEM), foreign language
19 and advanced placement courses. School districts shall not be
20 limited to selecting supplemental online courses that have been
21 reviewed and certified by the Statewide Virtual Charter School Board
22 and listed as provided for in this paragraph; and

23 4. In conjunction with the Office of Management and Enterprise
24 Services, negotiate and enter into contracts with supplemental

1 online course providers to offer a state rate price to school
2 districts for supplemental online courses that have been reviewed
3 and certified by the Statewide Virtual Charter School Board and
4 listed as provided for in paragraph 3 of this subsection.

5 B. Except as otherwise provided by law, each statewide virtual
6 charter school which has been approved and sponsored by the Board
7 shall be subject to and comply with the requirements of the Oklahoma
8 Charter Schools Act. Each statewide virtual charter school which
9 has been approved and sponsored by the Board or any virtual charter
10 school for which the Board has assumed sponsorship of as provided
11 for in Section 3-145.5 of this title shall be considered a statewide
12 virtual charter school and, except as provided in subsection H of
13 this section, the geographic boundaries of each statewide virtual
14 charter school shall be the borders of the state.

15 C. Each statewide virtual charter school approved by the
16 Statewide Virtual Charter School Board shall be eligible to receive
17 federal funds generated by students enrolled in the charter school
18 for the applicable year. Each statewide virtual charter school
19 shall be considered a separate local education agency for purposes
20 of reporting and accountability.

21 D. As calculated as provided for in Section 3-142 of this
22 title, a statewide virtual charter school shall receive the State
23 Aid allocation and any other state-appropriated revenue generated by
24 students enrolled in the virtual charter school for the applicable

1 year, less up to ~~five percent (5%)~~ three percent (3%) of the State
2 Aid allocation, which may be retained by the Statewide Virtual
3 Charter School Board for administrative expenses and to support the
4 mission of the Board. A statewide virtual charter school shall be
5 eligible for any other funding any other charter school is eligible
6 for as provided for in Section 3-142 of this title. ~~Each statewide~~
7 ~~virtual charter school shall be considered a separate local~~
8 ~~education agency for purposes of reporting and accountability.~~

9 E. A virtual charter school or a charter school which contracts
10 with an educational management organization shall be subject to the
11 same reporting requirements, financial audits, audit procedures and
12 audit requirements as a school district and the compliance
13 requirements provided in Section 3-136 of this title. The State
14 Department of Education or State Auditor and Inspector may conduct
15 financial, program or compliance audits. A virtual charter school
16 or a charter school which contracts with an educational management
17 organization shall use the Oklahoma Cost Accounting System (OCAS) to
18 report financial transactions to the State Department of Education.
19 An educational management organization, as defined in Section 5-200
20 of this title, which contracts with more than one school district
21 shall not commingle funds of the schools.

22 F. A virtual charter school governing ~~body~~ board shall be
23 responsible for the policies that govern the operational decisions
24 of the virtual charter school. The governing ~~body~~ board of a

1 virtual charter school shall be subject to the same conflict of
2 interest requirements as a member of a local school board including,
3 but not limited to, Sections 5-113 and 5-124 of this title. Members
4 appointed to the governing ~~body~~ board of a virtual charter school
5 ~~after July 1, 2019,~~ shall be subject to the same instruction and
6 continuing education requirements as a member of a local school
7 board and pursuant to Section 5-110 of this title, complete twelve
8 (12) hours of instruction within fifteen (15) months of appointment
9 to the governing ~~body~~ board, and pursuant to Section 5-110.1 of this
10 title, attend continuing education. The instruction and continuing
11 education shall include a minimum of two (2) hours of instruction
12 and continuing education by the State Auditor and Inspector or an
13 entity approved by the State Auditor and Inspector. Members
14 appointed to the governing board of a virtual charter school prior
15 to July 1, 2019, shall comply with the requirements of this
16 subsection and, within fifteen (15) months of the effective date of
17 this act, shall complete twelve (12) hours of instruction pursuant
18 to Section 5-110 of this title.

19 G. Students enrolled full-time in a statewide virtual charter
20 school sponsored by the Statewide Virtual Charter School Board shall
21 not be authorized to participate in any activities administered by
22 the Oklahoma Secondary Schools Activities Association. However, the
23 students may participate in intramural activities sponsored by a
24

1 statewide virtual charter school, an online provider for the charter
2 school or any other outside organization.

3 H. 1. Beginning with the 2021-2022 school year, a public
4 school student who wishes to enroll in a virtual charter school
5 shall be considered a transfer student from their resident school
6 district. A virtual charter school shall pre-enroll any public
7 school student whose parent expresses intent to enroll in the
8 district. Upon pre-enrollment, the State Department of Education
9 shall initiate a transfer on a form to be completed by the receiving
10 virtual charter school. Upon approval of the receiving virtual
11 charter school, the student may begin instructional activities.
12 Upon notice that a public school student has transferred to a
13 virtual charter school, the resident school district shall transmit
14 the student's records within three (3) school days.

15 2. The State Department of Education shall notify the
16 Legislature and Governor if it determines that the information
17 technology infrastructure necessary to process the transfer of
18 students to a virtual charter school is inadequate and one (1)
19 additional school year is needed for implementation.

20 3. A public school student may transfer to one statewide
21 virtual charter school at any time during a school year. For
22 purposes of this subsection, "school year" shall mean July 1 through
23 the following June 30. After one statewide virtual charter school
24 transfer during a school year, no public school student shall be

1 permitted to transfer to any other statewide virtual charter school
2 without the concurrence of both the resident school district and the
3 receiving virtual charter school. A student shall have a grace
4 period of fifteen (15) school days from the first day of enrollment
5 in a statewide virtual charter school to withdraw without academic
6 penalty and shall continue to have the option of one virtual charter
7 school transfer without the concurrence of both districts during
8 that same school year. A statewide virtual charter school student
9 that has utilized the allowable one transfer pursuant to this
10 subsection shall not be permitted to transfer to another district or
11 other statewide virtual charter school without first notifying his
12 or her resident district and initiating a new transfer. Upon
13 cancellation of a transfer the virtual charter school shall transmit
14 the student's records to the student's new school district within
15 three (3) school days. Students enrolled in a statewide virtual
16 charter school shall not be required to submit a virtual charter
17 transfer for consecutive years of enrollment. Any student enrolled
18 in a statewide virtual charter school the year prior to the
19 implementation of this section shall not be required to submit a
20 transfer in order to remain enrolled.

21 4. For purposes of this subsection, "parent" shall mean the
22 parent of the student or person having custody of the student as
23 provided for in paragraph 1 of subsection A of Section 1-113 of this
24 title.

1 I. 1. A student shall be eligible to enroll in a statewide
2 virtual charter school if he or she is a student whose parent or
3 legal guardian is transferred or is pending transfer to a military
4 installation within this state while on active military duty
5 pursuant to an official military order.

6 2. A statewide virtual charter school shall accept applications
7 by electronic means for enrollment and course registration for
8 students described in paragraph 1 of this subsection.

9 3. The parent or legal guardian of a student described in
10 paragraph 1 of this subsection shall provide proof of residence in
11 this state within ten (10) days after the published arrival date
12 provided on official documentation. A parent or legal guardian may
13 use the following addresses as proof of residence:

- 14 a. a temporary on-base billeting facility,
- 15 b. a purchased or leased home or apartment, or
- 16 c. federal government or public-private venture off-base
17 military housing.

18 4. The provisions of paragraph 3 of subsection H of this
19 section shall apply to students described in paragraph 1 of this
20 subsection.

21 5. For purposes of this subsection:

- 22 a. "active military duty" means full-time military duty
23 status in the active uniformed service of the United
24

1 States including members of the National Guard and
2 Military Reserve on active duty orders, and

3 b. "military installation" means a base, camp, post,
4 station, yard, center, homeport facility for any ship
5 or other installation under the jurisdiction of the
6 Department of Defense or the United States Coast
7 Guard.

8 J. A virtual charter school shall not accept or deny a transfer
9 based on ethnicity, national origin, gender, income level, disabling
10 condition, proficiency in the English language, measure of
11 achievement, aptitude or athletic ability.

12 K. The decision of the Statewide Virtual Charter School Board
13 to deny, ~~nonrenew~~ not renew, or terminate the charter contract of a
14 statewide virtual charter school may be appealed to the State Board
15 of Education within thirty (30) days of the decision by the
16 Statewide Virtual Charter School Board. The State Board of
17 Education shall act on the appeal within sixty (60) days of receipt
18 of the request from the statewide virtual charter school applicant.
19 The State Board of Education may reverse the decision of the
20 Statewide Virtual Charter School Board or may remand the matter back
21 to the Statewide Virtual Charter School Board for further proceeding
22 as directed.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-145.9 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Beginning with the 2023-2024 school year, any governing board of a charter school which contracts with an educational management organization as defined in Section 5-200 of Title 70 of the Oklahoma Statutes shall:

1. Consist of a minimum of five (5) members, including one member who shall be a parent, grandparent, legal guardian or learning coach of a student who attends the charter school. As used in this paragraph, "learning coach" means a designated person who has the primary responsibility of being actively involved in all school-related work and activities of a student. The bylaws of the charter school shall set specific terms of service for charter school governing board members;

2. Meet at least one time per month;

3. Adopt a charter which shall ensure compliance with the same requirements and guidelines as provided in Section 3-136 of Title 70 of the Oklahoma Statutes;

4. Appoint a board clerk, minute clerk and encumbrance clerk as provided in Section 5-119 of Title 70 of the Oklahoma Statutes and a treasurer as provided in Section 5-114 of Title 70 of the Oklahoma Statutes. Upon appointment, the board clerk, minute clerk, encumbrance clerk and treasurer shall attend and complete at least

1 eight (8) hours of instruction offered by the Office of the State
2 Auditor and Inspector or other organizations or associations
3 representing school administrators or district boards of education
4 in this state as approved by the State Auditor and Inspector. Each
5 year the encumbrance clerk and treasurer shall complete at least
6 three (3) hours of continuing education offered by the Office of the
7 State Auditor and Inspector or other organizations or associations
8 representing school administrators or district boards of education
9 in this state as approved by the State Auditor and Inspector. If
10 the board clerk, minute clerk, encumbrance clerk or treasurer is
11 also a member of the charter school governing board, his or her
12 completed instruction and continuing education requirements in this
13 paragraph shall count toward the board instruction and continuing
14 education requirements provided in subsection F of Section 3-145.3
15 of Title 70 of the Oklahoma Statutes; and

16 5. Submit to the State Department of Education copies of any
17 contract executed between the charter school governing board or
18 charter school sponsor governing board and an educational management
19 organization. The Department and the sponsor shall publish the
20 contracts on their websites and the Department shall publish a list
21 of all the management fees paid by charter schools or charter school
22 sponsors to educational management organizations.

1 B. Beginning with the 2023-2024 school year, members of a
2 charter school governing board which contracts with an educational
3 management organization shall:

4 1. Be subject to the instruction and continuing education
5 requirements as provided in subsection F of Section 3-145.3 of Title
6 70 of the Oklahoma Statutes;

7 2. Be subject to the same conflict of interest requirements as
8 a member of a local school board including, but not limited to,
9 Sections 5-113 and 5-124 of Title 70 of the Oklahoma Statutes. No
10 member shall receive pecuniary gain, incidentally or otherwise, from
11 the earnings of the educational management organization or school;
12 and

13 3. Not be appointed or selected by any person affiliated with
14 the educational management organization.

15 SECTION 7. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 3-145.10 of Title 70, unless
17 there is created a duplication in numbering, reads as follows:

18 A. Beginning with the 2023-2024 school year, members of a
19 charter school sponsor governing board that sponsors a charter
20 school which contracts with an educational management organization
21 shall complete instruction and continuing education.

22 1. The instruction and continuing education shall be provided
23 in accordance with Sections 5-110 and 5-110.1 of Title 70 of the
24 Oklahoma Statutes and shall include a minimum of two (2) hours of

1 instruction and continuing education by the Office of the State
2 Auditor and Inspector or an entity approved by the State Auditor and
3 Inspector.

4 2. The governing board of a charter school sponsor shall pay
5 for the costs of instruction and continuing education for its board
6 members.

7 3. Each member shall complete at least twelve (12) hours of
8 instruction within the first year of his or her appointment or
9 within fifteen (15) months after the effective date of this act.

10 4. After completing the initial twelve (12) hours of
11 instruction provided in paragraph 3 of this subsection, each member
12 shall annually complete at least three (3) hours of continuing
13 education.

14 B. As used in this section, "educational management
15 organization" shall have the same meaning as in Section 5-200 of
16 Title 70 of the Oklahoma Statutes.

17 SECTION 8. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 3-145.11 of Title 70, unless
19 there is created a duplication in numbering, reads as follows:

20 A. 1. State funds appropriated to any charter school which
21 contracts with an educational management organization as defined in
22 Section 5-200 of Title 70 of the Oklahoma Statutes, including the
23 State Aid allocation and any other state-appropriated revenue
24 pursuant to Section 3-142 of Title 70 of the Oklahoma Statutes,

1 shall remain public funds maintained in public accounts subject to
2 audit, transparency, oversight and financial reporting and shall not
3 be transferred or converted in any way to private funds except for
4 funds which are paid for charter school expenses and funds which are
5 paid to the educational management organization from the charter
6 school pursuant to the terms of the contract and in accordance with
7 state law and Internal Revenue Service requirements. If there is
8 any question or potential discrepancy regarding use of funds paid to
9 the educational management organization by the State Department of
10 Education, charter school governing board, or charter school
11 sponsor, the educational management organization shall provide
12 invoices and financial documentation to the requesting entity
13 proving the educational management organization is following the
14 terms of the contract and is in compliance with the law.

15 2. Any state funds which are designated as student learning
16 funds are appropriated for the benefit of the student, including
17 extracurricular and educational activity funds, and shall remain
18 public funds maintained in public accounts subject to audit,
19 transparency, oversight and financial reporting and expended in
20 accordance with purchasing requirements provided in Section 5-135 of
21 Title 70 of the Oklahoma Statutes. Students shall receive a grade
22 for participation in extracurricular or educational activities as
23 described in this subsection.

1 3. Any property purchased with public funds pursuant to this
2 section may be assigned to employees or students of the charter
3 school for charter school employment or extracurricular or
4 educational purposes, but shall remain public property of the
5 charter school.

6 B. In the third year of the charter school contract term, the
7 State Auditor and Inspector or an auditor selected from a list of
8 auditors approved and maintained by the State Auditor and Inspector
9 shall conduct an operating agreement review of each charter school
10 which contracts with an educational management organization to
11 verify that the charter school and the educational management
12 organization are following the terms of the contract and complying
13 with state law and Internal Revenue Service requirements. The
14 auditor may request additional documentation from the charter school
15 or educational management organization to address any question or
16 potential discrepancy. The charter school sponsor shall pay for the
17 expenses related to the review, oversee the review and provide a
18 full report of the review to the governing boards of the charter
19 school and the charter school sponsor.

20 C. Every provider or entity that contracts with a charter
21 school for expenditure of state funds pursuant to paragraph 2 of
22 subsection A of this section shall:

23 1. Have an agreement in writing with the charter school which
24 clearly states the goods or services being provided by the provider

1 or entity pursuant to the contract and the costs thereof and that
2 such goods, services and employees of the provider or entity comply
3 with federal and state laws; and

4 2. Have on file with the State Department of Education a
5 current Oklahoma criminal history record check from the Oklahoma
6 State Bureau of Investigation or equivalent criminal history record
7 check from another state as well as a national criminal history
8 record check as defined in Section 150.9 of Title 74 of the Oklahoma
9 Statutes for every owner and employee of the provider or entity who
10 will have contact with students pursuant to the contract. Upon
11 receipt of the Oklahoma criminal history record check or equivalent
12 criminal history record check from another state, the provider or
13 entity may begin extracurricular or educational activities until
14 receipt of the national criminal history record check. The provider
15 or entity shall be responsible for the cost of the criminal history
16 record checks. Results of the checks shall be included as a
17 requirement of the contract and reported to the governing board of
18 the charter school.

19 D. An educational management organization shall not:

20 1. Manage or control the governing board of a charter school,
21 including, but not limited to, setting meeting agendas, adopting
22 charter school policies or making budget decisions on behalf of the
23 charter school;

1 2. Employ a charter school superintendent who is also an owner
2 of the educational management organization, unless the ownership
3 stake held by the superintendent is less than ten percent (10%);

4 3. Employ legal counsel who also represents the charter school
5 or charter school governing board which has an agreement with the
6 educational management organization; and

7 4. Request public employees, including, but not limited to,
8 teachers and other charter school employees, to complete tasks or
9 perform duties that the educational management organization has been
10 contracted to fulfill.

11 SECTION 9. AMENDATORY 70 O.S. 2021, Section 5-200, is
12 amended to read as follows:

13 Section 5-200. A. As used in this section, "educational
14 management organization" means a for-profit or nonprofit
15 organization that receives public funds to provide administration
16 and management services for a charter school, statewide virtual
17 charter school or traditional public school.

18 B. A charter school that contracts with an educational
19 management organization shall use the Oklahoma Cost Accounting
20 System (OCAS) to report the total amount paid to an educational
21 management organization pursuant to the terms of the contract as
22 well as actual itemized expenditure information for the goods or
23 services provided by the management organization as defined by OCAS
24 expenditure codes, including the total compensation package of the

1 superintendent including the base salary, insurance, retirement and
2 other fringe benefits.

3 C. ~~Any~~ Pursuant to Internal Revenue Service guidelines, any
4 owner of an educational management organization shall be required to
5 disclose to the governing board of the school in a public meeting
6 any ownership position in any business that contracts or proposes to
7 contract with the same public school that the educational management
8 organization is managing.

9 D. Whenever any person shall enter into a contract with any
10 school district or public charter school in the state to teach in
11 such school district or public charter school the contract shall be
12 binding on the teacher and on the board of education until the
13 teacher legally has been discharged from the teaching position or
14 released by the board of education from the contract. Except as
15 provided in Section 5-106A of ~~Title 70 of the Oklahoma Statutes~~ this
16 title, until such teacher has been thus discharged or released, the
17 teacher shall not have authority to enter into a contract with any
18 other board of education in Oklahoma for the same time covered by
19 the original contract. If upon written complaint by the board of
20 education in a district any teacher is reported to have failed to
21 obey the terms of the contract previously made and to have entered
22 into a contract with another board of education, including a public
23 charter school board of education, without having been released from
24 the former contract except as provided in Section 5-106A of ~~Title 70~~

1 ~~of the Oklahoma Statutes~~ this title, the teacher, upon being found
2 to be employed full-time for another public school, including a
3 public charter school in the state, at a hearing held before the
4 State Board of Education, shall have such teacher's certificate
5 suspended for the remainder of the term for which the contract was
6 made.

7 SECTION 10. AMENDATORY 70 O.S. 2021, Section 18-124, is
8 amended to read as follows:

9 Section 18-124. A. Any school district with an average daily
10 attendance (ADA) of more than one thousand five hundred (1,500)
11 students for the preceding year which expends for administrative
12 services in the 2005-06 school year or any school year thereafter,
13 less expenditures for legal services, more than five percent (5%) of
14 the amount it expends for total expenditures, less expenditures for
15 legal services, shall have the amount which exceeds the five percent
16 (5%) withheld the following year from the Foundation and Salary
17 Incentive Aid for the school district.

18 B. Any school district with an average daily attendance (ADA)
19 of more than five hundred (500) students but not more than one
20 thousand five hundred (1,500) students for the preceding year which
21 expends for administrative services in the 2005-06 school year or
22 any school year thereafter, less expenditures for legal services,
23 more than seven percent (7%) of the amount it expends for total
24 expenditures, less expenditures for legal services, shall have the

1 amount which exceeds the seven percent (7%) withheld the following
2 year from the Foundation and Salary Incentive Aid for the school
3 district.

4 C. Any school district with an average daily attendance (ADA)
5 of five hundred (500) or fewer students for the preceding year which
6 expends for administrative services in the 2005-06 school year or
7 any school year thereafter, less expenditures for legal services,
8 more than eight percent (8%) of the amount it expends for total
9 expenditures, less expenditures for legal services, shall have the
10 amount which exceeds the eight percent (8%) withheld the following
11 year from the Foundation and Salary Incentive Aid for the school
12 district.

13 D. The provisions of this section shall apply to charter
14 schools which contract with an educational management organization,
15 as defined in Section 5-200 of this title. The expenditure limits
16 shall not exceed the percentages prescribed in subsections A, B, and
17 C of this section, and the calculation of administrative services
18 for charter schools which contract with an educational management
19 organization shall be the combined amount of administrative services
20 expended by the charter school and the educational management
21 organization.

22 E. For purposes of this section, "administrative services"
23 means costs associated with:

- 24 1. Staff for the board of education;

2. The secretary/clerk for the board of education;

3. Staff relations;

4. Negotiations staff;

5. Immediate staff of the superintendent, any elementary superintendent or any assistant superintendent;

6. Any superintendent, elementary superintendent, or assistant superintendent;

7. Any employee of a school district employed as a director, coordinator, supervisor, or who has responsibility for administrative functions of a school district; ~~and~~

8. Any consultant hired by the school district; and

9. Any costs for administrative services paid to an educational management organization as defined in Section 5-200 of this title.

~~E.~~ F. If an employee of a school district is employed in a position where part of the employee's time is spent as an administrator and part of the time is spent in nonadministrative functions, the percentage of time spent as an administrator shall be included as administrative services. A superintendent who spends part of the time performing exempted nonadministrative services such as teaching in the classroom, serving as a principal, counselor, or library media specialist, can code up to forty percent (40%) of their salary to other nonadministrative functions. The total amount of time a superintendent of a school district spends performing services for a school district shall be included as administrative

1 services even if part of the time the superintendent is performing
2 nonexempted nonadministrative service functions. The total amount
3 received by a superintendent from the school district as salary, for
4 the performance of administrative and nonexempted nonadministrative
5 services, shall be recorded under the code for superintendent salary
6 as provided for in the Oklahoma Cost Accounting System.

7 ~~F.~~ G. Each school site within a school district shall take
8 steps to ensure that the administrative costs for the school comply
9 with the expenditure limits established for school districts in this
10 section.

11 ~~G.~~ H. Funds withheld pursuant to the provisions of this section
12 shall be distributed through the State Aid formula to the districts
13 not so penalized.

14 ~~H.~~ I. For the 2003-04 and 2004-05 school year, school districts
15 shall report to the State Department of Education the costs
16 associated with administrative services for the school district as
17 defined in subsection ~~D~~ E of this section.

18 SECTION 11. This act shall become effective July 1, 2023.

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

23
24 59-1-6166 EK 01/11/23