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April 22, 2025

ENGROSSED HOUSE
BILL NO. 2154

By: Hall of the House

and

Guthrie of the Senate

An Act relating to schools; amending 70 O.S. 2021, Section 3-136, as amended by Section 7, Chapter 323, O.S.L. 2023 (70 O.S. Supp. 2024, Section 3-136), which relates to the Oklahoma Charter Schools Act; exempting certain financial statements from contract requirements; requiring the approval of charter school budgets before each fiscal year; 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 3-136, as amended by Section 7, Chapter 323, O.S.L. 2023 (70 O.S. Supp. 2024, Section 3-136), is amended to read as follows:

Section 3-136. A. Beginning July 1, 2024, a written contract entered into between the Statewide Charter School Board and the governing board of a charter school or statewide virtual charter school or a written contract entered into between a sponsor and the governing board of a charter school shall ensure compliance with the following:

1 1. Except as provided for in the Oklahoma Charter Schools Act,
2 a charter school and virtual charter school shall be exempt from all
3 statutes and rules relating to schools, boards of education, and
4 school districts; provided, however, a charter school or virtual
5 charter school shall comply with all federal regulations and state
6 and local rules and statutes relating to health, safety, civil
7 rights, and insurance. By January 1, 2000, the State Department of
8 Education shall prepare a list of relevant rules and statutes which
9 a charter school and virtual charter school must comply with as
10 required by this paragraph and shall annually provide an update to
11 the list;

12 2. A charter school shall be nonsectarian in its programs,
13 admission policies, employment practices, and all other operations.
14 A sponsor may not authorize a charter school or program that is
15 affiliated with a nonpublic sectarian school or religious
16 institution;

17 3. The charter contract shall provide a description of the
18 educational program to be offered. A charter school or virtual
19 charter school may provide a comprehensive program of instruction
20 for a prekindergarten program, a kindergarten program, or any grade
21 between grades one and twelve. Instruction may be provided to all
22 persons between four (4) and twenty-one (21) years of age. A
23 charter school or virtual charter school may offer a curriculum
24 which emphasizes a specific learning philosophy or style or certain

1 subject areas such as mathematics, science, fine arts, performance
2 arts, or foreign language. The charter of a charter school or
3 virtual charter school which offers grades nine through twelve shall
4 specifically address whether the charter school or virtual charter
5 school will comply with the graduation requirements established in
6 Section 11-103.6 of this title. No charter school shall be
7 chartered for the purpose of offering a curriculum for deaf or blind
8 students that is the same or similar to the curriculum being
9 provided by or for educating deaf or blind students that are being
10 served by the Oklahoma School for the Blind or the Oklahoma School
11 for the Deaf;

12 4. A charter school or virtual charter school shall participate
13 in the testing as required by the Oklahoma School Testing Program
14 Act and the reporting of test results as is required of a school
15 district. A charter school or virtual charter school shall also
16 provide any necessary data to the Office of Accountability within
17 the State Department of Education;

18 5. A charter school or virtual charter school shall be subject
19 to the same reporting requirements, financial audits, audit
20 procedures, and audit requirements as a school district. The State
21 Department of Education or State Auditor and Inspector may conduct
22 financial, program, or compliance audits. The Statewide Charter
23 School Board may request that the State Auditor and Inspector
24 conduct a financial, program, or compliance audit for any charter

1 school or virtual charter school it oversees. A charter school or
2 virtual charter school shall use the Oklahoma Cost Accounting System
3 to report financial transactions to the State Department of
4 Education. The charter school or virtual charter school shall be
5 subject to the limitations on spending, including provisions of the
6 Oklahoma Constitution, for any funds received from the state, either
7 through the State Department of Education or other sources.
8 Notwithstanding the requirements of this paragraph, charter schools
9 shall be exempt from filing a written itemized statement of
10 estimated needs and probable income from all sources, as described
11 in Section 3002 of Title 68 of the Oklahoma Statutes;

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

15 7. A charter school or virtual charter school shall provide for
16 a governing board for the school which shall be responsible for the
17 policies and operational decisions of the charter school or virtual
18 charter school. All of the charter school or virtual charter school
19 governing board members shall be residents of this state and shall
20 meet no fewer than ten (10) months of the year in a public meeting
21 within the boundaries of the school district in which the charter
22 school is located or within this state if the governing board
23 oversees multiple charter schools in this state or oversees a
24 virtual charter school. The governing board of a charter school or

1 virtual charter school shall be subject to the same conflict of
2 interest requirements as a member of a school district board of
3 education including but not limited to Sections 5-113 and 5-124 of
4 this title. Members appointed to the governing board of a charter
5 school or virtual charter school shall be subject to the same
6 instruction and continuing education requirements as a member of a
7 school district board of education and pursuant to Section 5-110 of
8 this title shall complete twelve (12) hours of instruction within
9 fifteen (15) months of appointment to the governing board and
10 pursuant to Section 5-110.1 of this title shall attend continuing
11 education;

12 8. A charter school or virtual charter school shall not be used
13 as a method of generating revenue for students who are being home
14 schooled and are not being educated at an organized charter school
15 site or by a virtual charter school;

16 9. A charter school or virtual charter school shall be as
17 equally free and open to all students as traditional public schools
18 and shall not charge tuition or fees;

19 10. A charter school or virtual charter school shall provide
20 instruction each year for at least the number of days or hours
21 required in Section 1-109 of this title;

22 11. A charter school or virtual charter school shall comply
23 with the student suspension requirements provided for in Section 24-
24 101.3 of this title;

1 12. A charter school or virtual charter school shall be
2 considered a school district for purposes of tort liability under
3 The Governmental Tort Claims Act;

4 13. Employees of a charter school or virtual charter school may
5 participate as members of the Teachers' Retirement System of
6 Oklahoma in accordance with applicable statutes and rules if
7 otherwise allowed pursuant to law;

8 14. A charter school or virtual charter school may participate
9 in all health and related insurance programs available to employees
10 of a public school district;

11 15. A charter school or virtual charter school and their
12 respective governing boards shall comply with the Oklahoma Open
13 Meeting Act and the Oklahoma Open Records Act;

14 16. The governing board of a charter school or virtual charter
15 school shall notify the sponsor within ten (10) business days 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, the virtual charter school, or
19 an educational management organization with which the charter school
20 or virtual charter school has a contract;

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

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

9 18. A charter school or virtual charter school contract shall
10 include performance provisions based on a performance framework that
11 clearly sets forth the academic and operational performance
12 indicators that shall be used by charter school and virtual charter
13 school sponsors to evaluate their respective schools. The sponsor
14 may develop a separate performance framework to evaluate a charter
15 school or virtual charter school that has been designated by the
16 State Department of Education as implementing an alternative
17 education program throughout the school. The sponsor shall require
18 a charter school or virtual charter school to submit the data
19 required in this subsection in the identical format that is required
20 by the State Department of Education of all public schools in order
21 to avoid duplicative administrative efforts or allow a charter
22 school or virtual charter school to provide permission to the
23 Department to share all required data with the Board. The
24 performance framework shall serve as the minimum requirement for

1 charter school and virtual charter school performance evaluation and
2 shall include, but not be limited to, the following indicators:

- 3 a. student academic proficiency,
- 4 b. student academic growth,
- 5 c. achievement gaps in both proficiency and growth
6 between major student subgroups,
- 7 d. student attendance,
- 8 e. recurrent enrollment from year to year as determined
9 by the methodology used for public schools in
10 Oklahoma,
- 11 f. in the case of high schools, graduation rates as
12 determined by the methodology used for public schools
13 in Oklahoma,
- 14 g. in the case of high schools, postsecondary readiness,
- 15 h. financial performance and sustainability and
16 compliance with state and Internal Revenue Service
17 financial reporting requirements,
- 18 i. audit findings or deficiencies,
- 19 j. accreditation and timely reporting,
- 20 k. governing board performance and stewardship including
21 compliance with all applicable laws, regulations, and
22 terms of the charter contract, and
- 23 l. mobility of student population for the virtual charter
24 school framework.

1 The sponsor including the Statewide Charter School Board shall
2 annually evaluate its charter schools or virtual charter schools
3 according to the performance framework. The results of the
4 evaluation shall be presented to the governing board of the charter
5 school or virtual charter school and the governing board of the
6 charter school sponsor in an open meeting; and

7 19. Preceding the beginning of each fiscal year, charter school
8 governing boards shall approve a budget for the upcoming fiscal
9 year.

10 B. An applicant or the governing board of an applicant may hold
11 one or more charter contracts. Each charter school or virtual
12 charter school that is part of a charter contract shall be separate
13 and distinct from any other charter school or virtual charter
14 school. For the purposes of this subsection, "separate and
15 distinct" shall mean that a charter school or virtual charter school
16 governing board with oversight of more than one charter school or
17 virtual charter school shall not combine accounting, budgeting,
18 recordkeeping, admissions, employment, or policies and operational
19 decisions of the charter schools or virtual charter schools it
20 oversees.

21 C. The charter contract of a charter school or virtual charter
22 school shall include a description of the personnel policies,
23 personnel qualifications, and method of school governance. A
24 charter school or virtual charter school shall not enter into an

1 employment contract with any teacher or other personnel until a
2 contract has been executed with its sponsor. The employment
3 contract shall set forth the personnel policies of the charter
4 school or virtual charter school including, but not limited to,
5 policies related to certification, professional development,
6 evaluation, suspension, dismissal and nonreemployment, sick leave,
7 personal business leave, emergency leave, and family and medical
8 leave. The contract shall also specifically set forth the salary,
9 hours, fringe benefits, and work conditions. The contract may
10 provide for employer-employee bargaining, but the charter school or
11 virtual charter school shall not be required to comply with the
12 provisions of Sections 509.1 through 509.10 of this title.

13 Upon contracting with any teacher or other personnel, the
14 governing board of a charter school or virtual charter school shall,
15 in writing, disclose employment rights of the employees in the event
16 the charter school or virtual charter school closes or the charter
17 contract is not renewed.

18 No charter school or virtual charter school may begin serving
19 students without a contract executed in accordance with the
20 provisions of the Oklahoma Charter Schools Act and approved in an
21 open meeting of the governing board of the sponsor or the Statewide
22 Charter School Board. The governing board of the sponsor or the
23 Statewide Charter School Board may establish reasonable preopening
24 requirements or conditions to monitor the start-up progress of newly

1 approved charter schools or virtual charter schools and ensure that
2 each brick-and-mortar school is prepared to open smoothly on the
3 date agreed and to ensure that each school meets all building,
4 health, safety, insurance, and other legal requirements for the
5 opening of a school.

6 D. The charter of a charter school or virtual charter school
7 may be amended at the request of the governing board of the charter
8 school or virtual charter school and upon the approval of the
9 sponsor.

10 E. A charter school or virtual charter school may enter into
11 contracts and sue and be sued.

12 F. The governing board of a charter school or virtual charter
13 school shall not levy taxes or issue bonds. A school district that
14 proposes a bond shall include any charter school established
15 pursuant to subsection A of Section 3-132 of this title and located
16 within the school district in planning conversations regarding the
17 bond.

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

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

9 SECTION 2. This act shall become effective July 1, 2025.

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

14 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION
15 April 22, 2025 - DO PASS
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