

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 HOUSE BILL 3372

By: Hall

6 AS INTRODUCED

7 An Act relating to charter schools; amending 62 O.S.
8 2021, Section 203, which relates to the apportionment
9 of monies to the General Revenue Fund; providing
10 exception to requirement for investment monies to
11 return to the General Revenue Fund; amending 70 O.S.
12 2021, Section 3-142, as last amended by Section 2,
13 Chapter 294, O.S.L. 2025 (70 O.S. Supp. 2025, Section
14 3-142), which relates to charter school funding;
15 removing reference to prohibition on issuing bonds;
16 clarifying repayment obligations for the state in
17 certain circumstances; stating legislative findings;
18 creating the Revolving Loan Fund Program for Charter
19 School Capital Expenditures; describing Revolving
20 Loan Fund Program management; providing Revolving
21 Loan Fund Program purpose; allowing the Statewide
22 Charter School Board to set interest rates on loans
23 to charter schools; stating loan recipients;
24 restricting loan usage for specific purposes;
providing loan eligibility; creating the Charter
School Loan Revolving Fund; providing fund purposes
and limitations; allowing appropriations; providing
procedure for approval and payment of funds; allowing
the promulgation of rules; creating the Charter
School Bond Credit Enhancement Program; prescribing
program eligibility; outlining program approval
process; requiring minimum deposit into a debt
reserve account to participate in the fund; providing
permitted reserve account uses; requiring certain
payment directive; creating the Charter School Bond
Credit Enhancement Fund; providing fund purposes and
limitations; allowing appropriations; requiring
interest earned to be returned to the fund; mandating
participants pay a one-time fee; making
appropriation; outlining procedures for default;
providing procedure for repayment of certain monies;

1 clarifying certain bonds are special obligations
2 payable from charter school funds or state
3 appropriations; providing program monetary cap;
4 providing for codification; and providing an
5 effective date.

6

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

8 SECTION 1. AMENDATORY 62 O.S. 2021, Section 203, is
9 amended to read as follows:

10 Section 203. A. Except as otherwise provided by subsection B
11 of this section, all monies that may come into the State Treasury,
12 pursuant to the provisions of Section 201 et seq. of this title,
13 together with all amounts that may be received by the State
14 Treasurer as investment income or as interest on average daily bank
15 balances, including investment income or interest on deposits from
16 funds deposited to the credit of the Constitutional Reserve Fund
17 created pursuant to Section 23 of Article X of the Oklahoma
18 Constitution, shall be apportioned and credited to the General
19 Revenue Fund for the current year.

20 B. The provisions of subsection A of this section shall not
21 apply to:

22 1. Interest received on deposits from funds under the control
23 of the Commissioners of the Land Office;

1 2. Funds in the Department of Human Services Federal
2 Disallowance Fund;

3 3. Interest received on deposits from funds under the control
4 of the Santa Claus Commission;

5 4. The Risk Management Revolving Fund;

6 5. Investment income and interest received from funds in the
7 Quartz Mountain Revolving Fund from insurance claims;

8 6. The Drinking Water Treatment Revolving Loan Account and the
9 Drinking Water Treatment Loan Administrative Fund;

10 7. The Clean Water State Revolving Fund Loan Account and the
11 Clean Water State Revolving Fund Loan Administrative Fund;

12 8. The State Infrastructure Bank Revolving Fund;

13 9. The Nursing Facility Quality of Care Fund;

14 10. The Oklahoma Tourism and Recreation Department Revolving
15 Fund effective July 1, 2003;

16 11. The Golf Course Operations Revolving Fund effective July 1,
17 2003; and

18 12. Interest received on investments from funds in the County
19 Bridge and Road Improvement Fund, the Emergency and Transportation
20 Revolving Fund, the County Road Machinery and Equipment Revolving
21 Fund, the High Priority State Bridge Revolving Fund as created in
22 Section 506 of Title 69 of the Oklahoma Statutes, and the County
23 Improvements for Roads and Bridges Fund as created in Section 507 of
24 Title 69 of the Oklahoma Statutes; and

1 13. Interest earned on investments pursuant to paragraph 1 of
2 subsection F of Section 5 of this act.

3 SECTION 2. AMENDATORY 70 O.S. 2021, Section 3-142, as
4 last amended by Section 2, Chapter 294, O.S.L. 2025 (70 O.S. Supp.
5 2025, Section 3-142), is amended to read as follows:

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

1 virtual charter school. The fee for administrative services as
2 authorized in this subsection shall only be assessed on the State
3 Aid allocation amount and shall not be assessed on any other
4 appropriated amounts. A sponsor of a charter school shall not
5 charge any additional State Aid allocation or charge the charter
6 school any additional fee above the amounts allowed by this
7 subsection unless the additional fees are for additional services
8 rendered. The charter school sponsor shall provide to the State
9 Department of Education financial records documenting any state
10 funds charged by the sponsor for administrative services rendered
11 for the previous year.

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

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

20 D. Except as explicitly authorized by state law, a charter
21 school or virtual charter school shall not be eligible to receive
22 state-dedicated, local, or county revenue; provided, a charter
23 school or virtual charter school may be eligible to receive any
24 other aid, grants, or revenues allowed to other schools. A charter

1 school or virtual charter school shall be considered a local
2 education agency for purposes of funding.

3 E. Any unexpended funds received by a charter school or virtual
4 charter school may be reserved and used for future purposes. The
5 governing board of a charter school or virtual charter school shall
6 not levy taxes ~~or issue bonds~~. If otherwise allowed by law, the
7 governing board of a charter school or virtual charter school may
8 enter into private contracts for the purposes of borrowing money
9 from lenders. If the governing board of the charter school or
10 virtual charter school borrows money, the charter school or virtual
11 charter school shall be solely responsible for repaying the debt,
12 and the state or the sponsor shall not in any way be responsible or
13 obligated to repay the debt, except as provided in Section 4 and
14 Section 5 of this act.

15 F. Any charter school or virtual charter school which chooses
16 to lease property shall be eligible to receive current government
17 lease rates.

18 G. Except as otherwise provided in this subsection, each
19 charter school shall pay to the Charter Schools Incentive and
20 Closure Reimbursement Fund created in Section 3-144 of this title an
21 amount equal to Five Dollars (\$5.00) per student based on average
22 daily membership, as defined by paragraph 2 of Section 18-107 of
23 this title, during the first nine (9) weeks of the school year.
24 Each charter school shall complete the payment every school year

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

5 H. Upon the effective date of this act, the Statewide Charter
6 School Board shall transfer all funds remaining in the balance of
7 the Charter School Closure Reimbursement Revolving Fund to the
8 Charter Schools Incentive and Closure Reimbursement Fund created
9 pursuant to Section 3-144 of this title.

10 SECTION 3. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 3-142.1 of Title 70, unless
12 there is created a duplication in numbering, reads as follows:

13 The Legislature finds that public charter schools should be
14 eligible for dedicated or competitive funding made available though
15 the State of Oklahoma to support public school capital expenditures.

16 SECTION 4. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 3-142.2 of Title 70, unless
18 there is created a duplication in numbering, reads as follows:

19 A. There is hereby established the Revolving Loan Fund Program
20 for Charter School Capital Expenditures, subject to appropriations
21 by the Legislature.

22 B. The Revolving Loan Fund Program for Charter School Capital
23 Expenditures shall be managed by the Statewide Charter School Board.
24 The Statewide Charter School Board may administer the program, or

1 may contract with a third-party administrator to administer the
2 program.

3 C. The Revolving Loan Fund Program for Charter School Capital
4 Expenditures shall provide loans and loan guarantees that allow
5 charter schools to access funding at lower interest rates.

6 D. The Statewide Charter School Board shall determine what
7 interest rates and terms apply to loans and loan guarantees granted
8 under this section.

9 1. If the Statewide Charter School Board administers the
10 program directly, the Board shall, in determining the rates and
11 terms of a loan granted to a charter school, make every effort to
12 provide low-interest options and flexible terms.

13 2. If the Statewide Charter School Board contracts with a
14 third-party administrator to administer the program, the Board shall
15 consider in its selection:

16 a. the administrator's ability to provide low-interest
17 options and flexible terms, and
18 b. the administrator's ability to dedicate additional
19 funds to the program.

20 E. Eligible recipients of loans or loan guarantees through this
21 program include:

22 1. Nonprofit charter school organizations;
23 2. Nonprofit charter school management organizations;

1 3. Affiliated entities designed to own property for charter
2 schools;

3 4. A nonprofit corporation that develops and finances a
4 facility that will be occupied by a public charter school throughout
5 the term of the loan; and

6 5. One or more third-party, nonprofit charter school loan fund
7 designed to leverage the total loan amounts to eligible recipients.

8 F. Funds distributed pursuant to this section shall be for
9 purchase, construction, renovation, and maintenance of charter
10 school capital projects including:

11 1. Purchase of land and related costs;
12 2. Construction of a new facility and related costs;
13 3. Purchase of an existing property and related costs;
14 4. Renovation of a property and related costs; and
15 5. Capital improvements of an existing property and related
16 costs.

17 G. To be eligible to benefit from a loan or loan guaranty under
18 this section, a charter school shall operate pursuant to Section 3-
19 137 of Title 70 of the Oklahoma Statutes, and be in good standing
20 with the Statewide Charter School Board.

21 H. There is hereby created in the State Treasury a revolving
22 fund for the Statewide Charter School Board to be designated the
23 "Charter School Loan Revolving Fund". The fund shall be a
24 continuing fund, not subject to fiscal year limitations, and shall

1 consist of all monies received by the Statewide Charter School Board
2 from state appropriations. All monies accruing to the credit of
3 said fund are hereby appropriated and may be budgeted and expended
4 by the Statewide Charter School Board for the purpose of
5 administering the Revolving Loan Fund Program for Charter School
6 Capital Expenditures. Expenditures from said fund shall be made
7 upon warrants issued by the State Treasurer against claims filed as
8 prescribed by law with the Director of the Office of Management and
9 Enterprise Services for approval and payment.

10 I. The Statewide Charter School Board may promulgate rules to
11 implement this section.

12 SECTION 5. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 3-142.4 of Title 70, unless
14 there is created a duplication in numbering, reads as follows:

15 A. There is hereby established a Charter School Bond Credit
16 Enhancement Program to assist qualifying charter schools in
17 obtaining favorable financing on bonds for facility expenditures.

18 B. 1. A public charter school is eligible to participate in
19 the program if the school receives approval from the Statewide
20 Charter School Board pursuant to requirements for issuance of
21 nonprofit facility bonds and to the satisfaction of the criteria set
22 forth by the Statewide Charter School Board. To qualify, a public
23 charter school shall submit documentation to the Oklahoma Finance

1 Authority determining that the charter school is a creditworthy
2 investment.

3 2. The Statewide Charter School Board shall determine the
4 definition of a creditworthy investment.

5 C. 1. Upon receipt of documentation satisfying the criteria set
6 forth in subsection B of this section, the Oklahoma Finance
7 Authority shall notify the public charter school and the State
8 Treasurer that the school has been approved to participate in the
9 charter school bond credit enhancement program if:

- 10 a. the public charter school complies with the
11 requirements set forth in subsection B of this
12 section, and
- 13 b. the public charter school's participation would not
14 cause a violation of the limitations set forth in
15 subsection H of this section.

16 2. Additional requirements and security interests may be
17 imposed by agreement of the school and bondholder or trustee.

18 D. 1. A school participating in the Charter School Bond Credit
19 Enhancement Program shall agree to have deposited a minimum of
20 twelve (12) months' payment on principal and interest in a
21 restricted debt service reserve account established and held by the
22 bondholder or trustee.

23 2. Except as provided in paragraph 3 of this subsection, money
24 in a participating public charter school's restricted debt service

1 | reserve account shall not be withdrawn if the amount withdrawn would
2 | reduce the level of money in the account to less than twelve (12)
3 | months' payment on principal and interest.

4 | 3. As long as applicable bonds issued under the facilities
5 | program remain outstanding, money in a restricted debt service
6 | reserve account may be withdrawn in an amount that would reduce the
7 | level to less than twelve (12) months' payment on principal and
8 | interest, if the money is withdrawn for the purpose of:

9 | a. paying the principal, redemption price, or interest on
10 | a bond when due if the state payments intercepted
11 | pursuant to subsection E of this section, funded
12 | grants, and other revenues pledged by the
13 | participating public charter school for payment of the
14 | bond, are insufficient to make the payment, or
15 | b. paying any redemption premium required to be paid when
16 | the bonds are redeemed prior to maturity, if no bonds
17 | will remain outstanding.

18 | E. As a requirement to participate in the Charter School Bond
19 | Credit Enhancement Program, a participating public charter school
20 | shall provide a directive to the Statewide Charter School Board that
21 | all payments to the school pursuant to state law shall be paid
22 | directly to the bond trustee to set aside funds in accordance with
23 | the bond indenture. All remaining funds shall be forwarded to the
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1 public charter school. The payment directive required in this
2 subsection shall not be revoked or amended.

3 F. 1. There is hereby established in the State Treasury the
4 Charter School Bond Credit Enhancement Fund, which shall consist of
5 monies made available through appropriations, fees, grants, gifts,
6 or any other source to fulfill the purposes of this section. Monies
7 in the fund are hereby continuously appropriated for the purposes of
8 this section and shall only be expended for the purposes stated
9 herein. Any interest earned on the investment of idle money in the
10 Charter School Bond Credit Enhancement Fund shall be returned to the
11 Charter School Bond Credit Enhancement Fund. Schools participating
12 in the Charter School Bond Credit Enhancement Program shall pay a
13 one-time fee in an amount equal to one-half percent (0.5%) of par at
14 the time of issuance and an annual fee in an amount equal to
15 seventy-five thousandths percent (0.075%) on the outstanding
16 balance, which shall be deposited in the Charter School Bond Credit
17 Enhancement Fund.

18 2. There is hereby appropriated to the Statewide Charter School
19 Board Revolving Fund from any monies not otherwise appropriated from
20 the General Revenue Fund of the State Treasury for the fiscal year
21 ending June 30, 2027, the sum of One Million Dollars (\$1,000,000.00)
22 or so much thereof as may be necessary to perform the duties imposed
23 upon the Statewide Charter School Board by law for the Charter
24 School Bond Credit Enhancement Program.

1 G. 1. If a public charter school participating in the Charter
2 School Bond Credit Enhancement Program has defaulted on its
3 obligation to pay, a draw on its restricted debt service reserve
4 account shall be made, and the following shall occur:

- 5 a. the bond trustee shall exercise its remedies under the
6 bond indenture and loan agreement,
- 7 b. within ten (10) days following the withdrawal from the
8 restricted debt service account, the bondholder or
9 trustee shall notify the issuing Oklahoma Finance
10 Authority, the State Treasurer, and the State
11 Comptroller of the shortfall in the school's
12 restricted debt service reserve account,
- 13 c. within fifteen (15) days of the notice provided
14 pursuant to subparagraph b of paragraph 1 of this
15 subsection, the State Comptroller shall transfer, from
16 the Charter School Bond Credit Enhancement Fund, to
17 the school's restricted debt service reserve account,
18 an amount equal to one (1) month's interest on the
19 bonds based on the interest payments for which the
20 draw on the restricted debt service reserve account
21 occurred. Monies transferred to the school's
22 restricted debt service reserve account pursuant to
23 this paragraph shall be continuously appropriated for
24 such purposes, and

d. by December 1 of each year, the State Treasurer shall submit to the Governor a letter certifying the amount, if any, required to restore amounts on deposit in the restricted debt service reserve accounts of participating public charter schools and the Charter School Bond Credit Enhancement Fund. The Governor shall send to the Legislature a statement of the expenditure of monies from the Charter School Bond Credit Enhancement Fund and report the amount needed to restore funds in the restricted debt service reserve accounts to the amount required in paragraph 2 of subsection D of this section. The Legislature may appropriate money to restore amounts on deposit in the restricted debt service reserve account of a defaulting public charter school to the amounts required in paragraph 2 of subsection D of this section or to redeem all outstanding bonds issued for a defaulting public charter school, the source of which may be the Charter School Bond Credit Enhancement Fund or any other available funds. The Legislature may also appropriate money to restore amounts withdrawn from the Charter School Bond Credit Enhancement Fund.

1 2. If money has been withdrawn from the Charter School Bond
2 Credit Enhancement Fund pursuant to paragraph 1 of this subsection,
3 the school shall repay the fund from the school's allocation of
4 facilities funds, at a time agreed to by the Statewide Charter
5 School Board over a period of years until the amount so withdrawn
6 has been repaid to the Charter School Bond Credit Enhancement Fund,
7 as long as the repayment does not cause an event of default on a
8 facility lease or loan.

9 H. 1. Bonds issued for the benefit of public charter schools
10 using the Charter School Bond Credit Enhancement Fund shall not be
11 indebtedness of the state, but are special obligations payable
12 solely from:

- a. revenues or other funds pledged by the qualifying public charter school, and
- b. amounts appropriated by the Legislature pursuant to subsection G of this section.

17 2. Bonds issued under the public charter school facilities
18 program shall not be subordinate to any other obligations used to
19 finance the same project.

20 3. The aggregate outstanding principal amount of bonds issued
21 under the public charter school facilities program shall not exceed
22 Two Hundred Fifty Thousand Dollars (\$250,000.00).

1 SECTION 6. This act shall become effective November 1, 2026.

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