

**TITLE 777. STATEWIDE VIRTUAL CHARTER SCHOOL BOARD
CHAPTER 10. STATEWIDE VIRTUAL CHARTER SCHOOLS**

SUBCHAPTER 3. STATEWIDE VIRTUAL CHARTER SCHOOL SPONSORSHIP

777:10-3-5. Full-time virtual charter schools - succession of contractual rights and reversion of property to Statewide Virtual Charter School Board.

(a) Reversion of real and personal property to Statewide Virtual Charter School Board.

Pursuant to 70 O.S. § 3-136(F), upon the date of expiration or termination of a contract for sponsorship for a statewide virtual charter school, or in the event of a failure of a statewide virtual charter school to continue operations, all real and personal property acquired by the charter school shall be disposed of as set forth in the contract for sponsorship and in accordance with the following provisions:

(1) All unencumbered state aid, local, or federal funds, and all real property and personal property for which state, local or federal funds have been used all or in part to procure the property, shall be retained by the Statewide Virtual Charter School Board as the sponsor.

(2) All funds and property subject to the provisions of this subsection shall be deemed to revert to the Board as of the Termination Date. For purposes of this Section the Termination Date shall be either:

(A) The effective date of expiration or termination of the contract for sponsorship; or

(B) In the event a statewide virtual charter school fails to continue operation prior to expiration or termination of the contract, the date upon which the last day of courses were provided to students enrolled in the charter school.

(3) No later than ninety (90) calendar days prior to the date of expiration of the sponsorship contract, the statewide virtual charter school shall provide the Secretary of the Statewide Virtual Charter School Board with executed copies of all of the following documents:

(A) A detailed list of all real and/or personal property and other assets procured by the charter school during the term of the contract that includes identification of all sources of funds used to procure the property. All items procured all or in part with state, local or federal funds shall be clearly identified;

(B) Title documents, deeds, and/or leases for all real or personal property or other assets procured all or in part with state or federal funds;

(C) Copies of all executory contracts to which the charter school or its governing body is a party; and

(D) All documentation relating to debt, liabilities, encumbrances, or other obligations incurred by the charter school and/or the governing body of the charter school during the term of the sponsorship contract.

(4) The Statewide Virtual Charter School Board shall have forty-five (45) days after the date of delivery of all of the documents set forth in (3) of this subsection to request any additional documentation from the charter school the Board deems necessary to determine the assets and liabilities of the statewide virtual charter school.

(5) No later than forty-five (45) days after the Termination Date, the charter school shall complete and provide the Statewide Virtual Charter School Board with a final audit of the charter school that complies with the annual audit requirements of the Oklahoma Public School Audit Law at 70 O.S. § 22-101 et seq and accompanying regulations.

(6) No later than sixty (60) calendar days after the Termination Date, the charter school shall deliver all records pertaining to operation of the charter school and its students to the Secretary of the Statewide Virtual Charter School Board or to the State Department of Education.

(7) All personal property of the charter school reverting to the Statewide Virtual Charter School Board in accordance with the provisions of 70 O.S. 3-136 and this Section shall be delivered to the Secretary of the Board no later than sixty (60) calendar days after the Termination Date in the manner and to the location(s) directed by the Board.

(8) The Chairman of the Statewide Virtual Charter School Board is authorized to execute conveyances and documents on behalf of the Board as necessary to fulfill the requirements of this subsection.

(b) School district contracts for sponsorship of full-time virtual charter schools. In accordance with the provisions of 70 O.S. 3-145.5, the following provisions shall apply to school district contracts for sponsorship of charter schools who provide full-time virtual education:

(1) Contracts for sponsorship of a full-time virtual charter school. Beginning July 1, 2014, no school district shall:

(A) Offer full-time virtual education to any student whose legal residence, as determined in accordance with the provisions of 70 O.S. § 1-113, is located outside of the boundaries of the school district; or

(B) Enter a contract to provide full-time virtual education to any student whose legal residence, as determined in accordance with the provisions of 70 O.S. § 1-113, is located outside of the boundaries of the school district.

(2) Succession of contracts for school district sponsorship of a virtual charter school executed prior to January 1, 2014. Beginning July 1, 2014, the Statewide Virtual Charter School Board shall succeed to the contractual sponsorship rights of any school district that executed a contract for sponsorship of a charter school prior to January 1, 2014. Contract succession shall be conducted in accordance with all of the following procedures:

(A) No later than July 1, 2014, the charter school shall provide the Secretary of the Statewide Virtual Charter School Board with all of the following documents:

(i) All of the documentation set forth in (a)(3) through (a)(4) of this Section; and

(ii) Copies of all reports, documents, and statements required by the Oklahoma Public School Audit Law, for all previous fiscal years of the charter school's operation; including, but not limited to, auditor's opinions and related financial statements of the charter school; and

(iii) Copies of the charter school's annual estimate of needs, and income and expenditure data required by 70 O.S. §§ 5-135 and 5-135.2 for all previous fiscal years of the charter school's operation.

(B) The terms of succession to the contract for sponsorship by the Statewide Virtual Charter School Board shall be as follows:

(i) The Statewide Virtual Charter School Board shall not succeed to any terms of a contract for sponsorship executed between a charter school and a school district that violates or conflicts with the Oklahoma Charter Schools Act and/or any state or federal laws and regulations applicable to charter schools, charter school sponsors, or the Statewide Virtual Charter School Board. In the event that any such statute or regulation goes into effect during the term of the contract, the

conflicting contractual term shall be deemed superceded by law and deemed null and void.

(ii) Any debt, obligations, encumbrances, and/or liabilities incurred by the charter school in violation of the provisions of Art. 10 § 26 of the Oklahoma Constitution shall be deemed null and void, and shall not be assumed by the Statewide Virtual Charter School Board.

(iii) The Statewide Virtual Charter School Board may require the statewide virtual charter school to execute an addendum to the contract for sponsorship for the purpose of clarifying terms not otherwise addressed in the existing contract as necessary to comply with the Oklahoma Charter Schools Act or any other provision of state or federal law applicable to charter schools.

(C) The Statewide Virtual Charter School Board shall not distribute any state aid funds to a statewide virtual charter school pursuant to the provisions of this subsection until all of the following conditions have been met:

(i) All appropriate conveyances and other documents necessary to effect the transfer of any property associated with the contract have been finally executed by the parties and copies of the finally executed documents have been filed with the Secretary of the Statewide Virtual Charter School Board;

(ii) All property, equipment, supplies, records, and assets required to be transferred to the Statewide Virtual Charter School Board in accordance with the provisions of 70 O.S. § 3-145.5(B) has been delivered in the manner and to the location(s) directed by the Board;

(iii) The charter school is in compliance with all applicable state and federal regulations pertaining to charter schools; and

(iv) All other requirements of this paragraph have been met.

(D) The Statewide Virtual Charter School Board shall not distribute midyear allocation funds to a statewide virtual charter school that is a party to a contract for sponsorship assumed by the Statewide Virtual Charter School pursuant to the provisions of this subsection until:

(i) The statewide virtual charter school has conducted a final audit of the charter school for fiscal year 2014 that complies with the Oklahoma Public School Audit Law at 70 O.S. § 22-101 et seq and accompanying regulations;

(ii) Copies of the auditor's opinions, related financial statements, and any other documentation pertaining to the audit have been provided to the Statewide Virtual Charter School Board; and

(iii) The charter school has presented the audit at a meeting of the Statewide Virtual Charter School Board.

(E) Succession to the contractual rights and responsibilities of sponsorship by the Statewide Virtual Charter School Board shall not qualify the charter school to apply for funds from the Charter School Incentive Fund established pursuant to the provisions of 70 O.S. § 3-144, nor shall the first year of operation under the sponsorship of the Board be considered the charter school's first year of operation.

(F) The Chairman of the Statewide Virtual Charter School Board is authorized to execute conveyances and documents on behalf of the Board as necessary to fulfill the requirements of this subsection.

(c) Termination or nonrenewal for good cause. Failure by any charter school to comply with

the provisions of this Section shall constitute good cause for:

(1) Termination or nonrenewal of a contract for sponsorship with the Statewide Virtual Charter School Board; and/or

(2) Denial of any application for sponsorship subsequently submitted by the charter school and/or authorized representatives of the charter school, including, but not limited to, the governing body of a charter school.