

## RULE IMPACT STATEMENT

**210:40-87-3. Distribution and reporting of state appropriated funds [AMENDED]**

**210:40-87-10. Charter school closure fund [NEW]**

a. **What is the purpose of the proposed rule change?**

Pursuant to House Bill 3369 (2020), the administrative rules for charter schools are being updated to reflect new legislative provisions. HB 3369 amended 70 O.S. § 3-142 to place limits on a charter school sponsor's retention of state funds allocated to the school, and to establish a charter school closure fund intended to reimburse sponsors for eligible costs associated with the closure of a charter school. The proposed new rule for the charter school closure fund created by HB 3369 provides that in order to be eligible for reimbursement of costs associated with the closure of a charter school, the school's sponsor must demonstrate that it has fulfilled all the obligations of a sponsoring entity under the Oklahoma Charter Schools Act and associated rules.

b. **What classes of persons will be affected by the proposed rule change and what classes of persons will bear the costs of the proposed rule change?**

The rule change will affect Oklahoma charter schools and their sponsors.

c. **What classes of persons will benefit from the proposed rule change?**

The rule change will benefit charter school sponsors and their stakeholders by ensuring costs associated with the closure of a charter school may be recouped by a sponsor that has acted in accordance with the Charter Schools Act.

d. **What is the probable economic impact of the proposed rule upon affected classes of persons or political subdivisions?**

Pursuant to 70 O.S. § 3-142(F), except as otherwise provided by law, "each charter school shall pay to the Charter School Closure Reimbursement Revolving Fund...an amount equal to Five Dollars (\$5.00) per student based on average daily membership...during the first nine (9) weeks of the school year. Each charter school shall complete the payment every school year within thirty (30) days after the first nine (9) weeks of the school year. If the Charter School Closure Reimbursement Revolving Fund has a balance of One Million Dollars (\$1,000,000.00) or more on July 1, no payment shall be required the following school year."

e. **What is the probable cost to the agency to implement and enforce the proposed rule change?**

The agency does not anticipate any cost to the agency to implement and enforce as a result of the proposed change in the rule at this time. Additional record keeping, if any, will be performed by existing staff.

- f. **What is the economic impact on any political subdivision to implement the proposed rule change?**

The agency does not anticipate any economic impact on any political subdivision to implement the proposed rule change at this time.

- g. **Will implementing the rule change have an adverse effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act?**

The agency does not anticipate any adverse economic impact on small business as a result of the proposed rule change at this time.

- h. **Are there any other methods which are less costly, nonregulatory, or less intrusive to achieve the purpose of the proposed rule change?**

No.

- i. **Will the rule change impact the public health, safety, and environment, and is the change designed to reduce significant risks to the public health, safety, and environment? If so, explain nature of risk and to what extent the proposed rule change will reduce the risk.**

The agency does not anticipate any impact on public health, safety, or environment as a result of implementation of the proposed rule at this time.

- j. **What detrimental effect will there be on the public health, safety, and environment if the rule change is not implemented?**

The agency does not anticipate any detrimental effect on public health, safety, or environment as a result of failure to implement the proposed rule at this time.

- k. **Date Prepared:** January 7, 2021