



S.B. 782

RE: S.B. 782

SUBJECT: Charter Schools

Senate Bill 782 becomes effective August 20, 2015. This bill amends portions of the Oklahoma Charter Schools Act to allow for school districts across the state to sponsor charter schools.

- Current law allows for certain entities to sponsor a charter school, and the Oklahoma Charter Schools Act applies to those charter schools formed and operated under the act.

Section 1: Eligible Sponsors

- Section 1(A)(1): Eliminates the portion of current law that limits the capability to charter to those school districts with average daily membership (ADM) of 5,000 or more that is located in a county with a population of 500,000 or more. Instead, any school district in the state may now sponsor a charter within their geographical district boundaries. Other changes to those currently allowed to sponsor (Note: This is not a comprehensive listing of allowed sponsors):
 - Section 1(A)(2): The ability for a school district with a site that is identified as in need of improvement by the State Board of Education under the Elementary and Secondary Education Act (ESEA) is eliminated.
 - Section 1(A)(3): Technology center school districts may sponsor a charter if the charter is located in a district served by the technology center school district in which all or part of the district is in a county with a population of more than 500,000, eliminating the requirement that they also be in a school district that has an ADM of 5,000 or more.
 - Section 1(A)(4): Comprehensive and regional institutions of higher education now must be accredited in order to sponsor. Additionally, community colleges may charter if the charter school is located in a school district in which all or part of the school district is located in a county with a population of more than 500,000. The requirement that they also be in a school district that has an ADM of 5,000 or more is eliminated for both comprehensive/regional institutions and community colleges. Previously, only institutions with teacher education programs could sponsor, but that restriction is eliminated.

- Section 1(A)(8): Creates a new ability for the State Board of Education to sponsor a charter school in cases where the applicant has been denied by the local school district. Restricts the State Board to sponsoring no more than five charters per year each year for the first five years after August 20, 2015 in counties with a population of fewer than 500,000, and no more than one per school district per year. In order to supersede the local school district's decision the State Board must find evidence of all of the following:
 - There is a thorough and high quality charter school application according to Section 2 of this act.
 - There is a clear demonstration of community support for the charter school.
 - The basis for the denial by the school district is not supported by the greater weight of evidence and strength of the applicant.
- Section 1(B): Eligible non-school district sponsors are directed to give priority to charters that serve at-risk students or students in low-performing traditional schools.
- Section 1(C): Eligible non-school district sponsors are directed to give priority to applicants that have a record of operating a school or program with demonstrated academic success, organizational viability, and that have previously served students similar to those in the proposed application. Sponsors must consider the following factors:
 - Evidence of a strong, reliable record of academic success based primarily on student performance data, as well as financial and operational success,
 - A sound, detailed, well-supported growth plan,
 - Evidence of the ability to transfer successful practices, including cultural, organizational and instructional characteristics,
 - Evidence the program has the capacity to successfully replicate without putting its current operations at risk, and
 - A financial structure that ensures funds remain with and are used to the benefit of that school.
- Section 1(D-E): Allows for a conversion charter school under the Oklahoma Charter Schools Act, defined as a charter school created by converting all or any part of a traditional public school into a charter school, which may be operated by the school district board of education or by an independent operating board elected by and accountable to the school district board of education.

Section 2: Application Process

- Section 2(B): Adds several new requirements to be included in the application for ALL charter school applicants, not just those to be sponsored by a school district. New requirements include (Note: This is not a comprehensive list of the application requirements):
 - Description that includes background information
 - A five-year financial plan, instead of a three-year plan
 - Description of minimum and maximum enrollment planned each year for the term of the contract
 - The proposed school calendar and sample daily schedule
 - **Description of the academic program aligned with state standards, unless otherwise exempt by state law**
 - Description of instructional design (learning environment, class size, curriculum overview, methodology)
 - **Plan for assessments to measure and report student progress and performance required by Section 3**
 - **Plans for identifying and serving students with disabilities, English language learners, and struggling students**
 - Description, funding and delivery of co-curricular and extracurricular programs
 - Plans and timelines for student recruitment and enrollment
 - Student discipline policies, including policies for special education students
 - **Organizational chart that includes lines of authority and reporting between governing board, staff and other related bodies that will play a role in management**
 - Descriptions and responsibilities of the governing board, leadership and management teams, and other entities on the organizational chart
 - Leadership and teacher employment policies
 - Proposed governing bylaws
 - Explanation of partnerships central to the operations and mission
 - Plans for transportation, food service and other significant operational services
 - Opportunities and expectations for parental involvement
 - Detailed start-up plan
 - Financial plan and policies including controls and audit requirements
 - Insurance coverage
 - Start-up and first-year budgets with clearly stated assumptions
 - Start-up and first-year cash-flow projections
 - Evidence of anticipated fundraising contributions
 - Sound facilities plan, and contingency plan

- **Requirement that the governing board meet at least quarterly in the state, and for those in counties with a population of fewer than 500,000, that a majority of members live in the geographic boundary of the sponsoring entity**
 - Requirement that the charter school will follow the Open Meeting and Open Records Acts.
- Section 2(D): Requires the physical location of a charter school sponsored by the State Board to be located within the original school district where the applicant applied.
 - Section 2(E): Applicants that are rejected by the local school district may appeal to the State Board for reconsideration, and the State Board must hear the appeal within 60 days.
 - Section 2(G): Those charter school applicants that have been rejected by a sponsor other than a school district may proceed to binding arbitration with the costs borne by the sponsor. Those charter school applicants rejected by a school district *may not* proceed to binding arbitration, but instead may be sponsored by the State Board.
 - Section 2(I): Sponsors have oversight of charter school operations through annual performance reviews and reauthorization. They may also solicit and evaluate applications, approve quality charters meeting identified educational needs and promoting diversity of educational choices, decline weak or inadequate applications, negotiate sound contracts, monitor performance and legal compliance as dictated by the contract, and determine whether the contract merits renewal, nonrenewal or revocation.
 - Section 2(K): Sponsors must develop and maintain policies and procedures for chartering consistent with recognized principles and standards for quality charters as established by the State Board of Education.
 - Section 2(L): Sponsors acting in their official capacity are exempt from civil and criminal liability for activities related to the charter.

Section 3: Contractual Requirements

- Section 3(A): Contracts between charter schools and sponsors must contain a variety of items including (Note: This is not a comprehensive list of requirements):
 - Management and administration of the school, including that a majority of governing board members are residents of the State of Oklahoma and will meet at least quarterly in a public meeting within the school district boundaries, or within the State if the sponsor has multiple charter locations,
 - Description of the high standards of expectations and rigor, and assurance that the charter plans meet those standards at minimum,
 - Policies that require the school to be as equally free and open to all students as traditional public schools,

- Procedures that require enrolled students to be selected by lottery to ensure fairness if more students apply than there is capacity,
 - Policies that require the charter to be subject to the same academic standards as existing public schools, and
 - Description of requirements and procedures for the charter to receive funding in accordance with statutory requirements and guidelines for existing public schools.
- Section 3(B): Charter schools must execute a contract with a sponsor and have it approved in an open meeting in order to begin serving students. The sponsor has authority to establish pre-opening requirements and ability to monitor start-up progress.
 - Section 3(C): The sponsor is to monitor and evaluate the performance of the charter schools, and submit the data from Section 3(A) to the State Department of Education in the same format as is required for all public schools. The performance framework for each charter school must include:
 - Student academic proficiency, student academic growth, achievement gaps, student attendance, recurrent enrollment, graduation rates, postsecondary readiness, financial performance and sustainability, and governing board performance and stewardship.
 - Section 3(D): The sponsor cannot request any metric or data from a charter that it does not require of all school sites in its district or under its sponsorship, unless it is unique to the charter.
 - Section 3(E): A charter contract may include more than one school under the same sponsor, provided each school is a separate and distinct entity.

Section 4: Termination and Non-renewal

- Section 4 (A-F): Charter contracts will be for five years, and may be renewed for another five years as determined by the sponsor. The sponsor may grant the renewal based on specific conditions for improvement that must be met.
 - The sponsor must issue a charter school performance report and renewal application guidance to the charter school board at the beginning of the fourth year of operation that includes the performance record as is required by the Charter Schools Act and by the contract, and provide notice of any concerns that may jeopardize its renewal status. The school will have 45 days to respond to the performance report.
 - The application guidance must allow for the charter school to present additional evidence for renewal, describe improvements undertaken or planned, and detail the plan for the next charter term. It also must refer explicitly to the criteria that will be used to guide the renewal decision, which must be based on the

performance framework and consistent with the contract and requirements of state statute.

- When considering renewal, the sponsor must consider the evidence of the performance in conjunction with the percentage of at-risk students enrolled, grant renewal to schools that have achieved the expectations of the contract and applicable law, ensure the data used in the decision is made available to the school and public, and provide a public report summarizing the reasoning for the decision.
- If renewal is denied, or the sponsor decides to terminate the contract, binding arbitration may be pursued according to Section 2.
- Section 4(G): Beginning with the 2016-2017 school year, the State Board of Education is directed to identify those charter schools ranked in the bottom 5% of all public schools according to the annual performance reports published by the State Board under the Oklahoma School Testing Program.
 - At the time of charter renewal, a sponsor may choose to close a charter school if the site is identified as being among the bottom 5% of all public schools based on an average of the current year and the two prior operating years.
 - If there is a change in the score of the charter site that would result in the site not being ranked in the bottom 5%, then the sponsor is to use the higher of the two rankings.
 - If a sponsor chooses to not close a site that is in the bottom 5% of all public schools per Section 4(G), then the sponsor must appear before the State Board to explain its decision. The State Board may vote to uphold or overturn the decision of the sponsor. If overturned, the State Board may transfer the sponsorship, order the closure of the school at the end of the school year, or order the reduction of the administrative fee collected by the sponsor effective at the beginning of the month following the hearing.
 - A charter school that is closed by the State Board may not be granted a charter by any other sponsor.
 - A school designed by the State Department of Education to implement an alternative education program may not be closed.
 - In consideration of closing a charter school, the State Board must consider the enrollment of students with special challenges, including drug and alcohol addiction, prior withdrawal from school, prior incarceration and other special circumstances; if the purpose of the charter is to serve a high-mobility population; annual improvement of the students enrolled compared with the performance of

students enrolled the previous year; and if the result of closure would likely send a majority of students back to public schools with lower academic achievement.

- If the State Board has closed or transferred sponsorship of at least 25% of the charter schools under one sponsor, the authority of that sponsor may be suspended, until the State Board determines otherwise.
- Section 4(H): If a sponsor terminates a contract or the charter is closed, the following protocol is to be followed:
 - The sponsor must meet with the governing board and leadership within two calendar weeks to establish a transition team that will attend to the closure of the school including, the transfer of students, student records and remaining funds,
 - The sponsor and transition team must:
 - Communicate regularly and effectively with families and staff regarding their options and risks,
 - Ensure the current instruction of students enrolled continues for the remainder of the school year, and
 - Ensure all necessary notifications are sent to agencies, employees, insurers, contractors, creditors, debtors and management organizations.
 - The governing board must continue to meet as necessary to wind down school operations.
- Section 4(I): Sponsors must develop revocation and nonrenewal processes to include timely notification of the prospect of revocation or nonrenewal, and the reasons for possible closure, allow a reasonable amount of time for response, provide an opportunity to submit documents and give testimony in a public hearing to challenge the closure, allow the charter to access representation, permit recording of the proceedings, allow time for deliberation and require a final determination to be made in writing to the school.
- Section 4(J): If a sponsor revokes or does not renew a charter, they must adopt a clearly stated resolution as to the reasons for their decision.
- Section 4(K): Before a sponsor can issue a charter to a governing body that has had its charter terminated or not renewed, the sponsor must request to have the proposal reviewed by the State Board at a hearing. The sponsor must present information that the new proposal is substantively different in the areas of deficiency identified by the previous sponsor. The State Board will either approve or deny the proposal. If denied, no sponsor may issue a charter to that governing body in the future.

Section 5: Enrollment

- Section 5(E): A sponsor may not restrict the number of students a charter can enroll. The governing body will annually determine the capacity of the charter school based on the ability to facilitate academic success and achieve the other objectives specified in the contract to not exceed the capacity of the facility.

Section 6: Funding

- Section 6(D): A charter may reserve ANY unexpended funds, including state and local funds, for future purposes. Governing bodies of charter schools cannot levy taxes or issue bonds; however, they may enter into private contracts to borrow money. The charter school is solely responsible for paying those debts, and neither the state nor sponsor is in any way responsible for the debt.

Note: S.B. 782 and H.B. 1034 both amend the same portion of law, 70 O.S. 3-132, and as such, should be read together.

Should you have any questions related to this bill, please contact Ms. Lynn Jones, Executive Director of Accreditation, at (405) 521-6638 or Ms. Carolyn Thompson, Director of Government Affairs, at (405) 522-3520.

Amendment to: 70 O.S. 3-132, 3-134, 3-135, 3-137, 3-140, 3-142

Helpful Statutory References: 70 O.S 1210.545