



H.B. 1034

RE: H.B. 1034

SUBJECT: Oklahoma Charter Schools Act

House Bill 1034 becomes effective November 1, 2015. This bill amends the Oklahoma Charter Schools Act to allow for Indian tribes to sponsor charter schools.

- Current law specifically lists a variety of entities that are eligible to sponsor a charter school under the Oklahoma Charter Schools Act.
- Section 1(A)(8): Adds to the list authorized to sponsor a charter school, federally recognized Indian tribes, as long as the charter school is located within the former reservation or treaty area boundaries of the tribe on property held in trust by the Bureau of Indian Affairs.

Note: H.B. 1034 and S.B. 782 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

An Act

ENROLLED HOUSE
BILL NO. 1034

By: Kirby, Denney and Billy of
the House

and

Loveless and Pittman of the
Senate

An Act relating to schools; amending 70 O.S. 2011, Section 3-132, as last amended by Section 1, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, Section 3-132), which relates to the Oklahoma Charter Schools Act; authorizing sponsorship of charter schools by federally recognized Indian tribes on certain property; and providing an effective date.

SUBJECT: Oklahoma Charter Schools Act

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 3-132, as last amended by Section 1, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, Section 3-132), is amended to read as follows:

Section 3-132. A. The Oklahoma Charter Schools Act shall apply only to charter schools formed and operated under the provisions of the act. Charter schools shall be sponsored only as follows:

1. By a school district with an average daily membership of five thousand (5,000) or more and which all or part of the school district is located in a county having more than five hundred thousand (500,000) population according to the latest Federal Decennial Census;

2. By a school district which has a school site that has been identified as in need of improvement by the State Board of Education

pursuant to the Elementary and Secondary Education Act of 1965, as amended or reauthorized;

3. By a technology center school district if the charter school is located in a school district served by the technology center school district and the school district has an average daily membership of five thousand (5,000) or more and which all or part of the school district is located in a county having more than five hundred thousand (500,000) population according to the latest Federal Decennial Census;

4. By a technology center school district if the charter school is located in a school district served by the technology center school district and the school district has a school site that has been identified as in need of improvement by the State Board of Education pursuant to the Elementary and Secondary Education Act of 1965, as amended or reauthorized;

5. By a comprehensive or regional institution that is a member of The Oklahoma State System of Higher Education if the charter school is located in a school district that has an average daily membership of five thousand (5,000) or more and which all or part of the school district is located in a county having more than five hundred thousand (500,000) population according to the latest Federal Decennial Census. In addition, the institution shall have a teacher education program accredited by the Oklahoma Commission for Teacher Preparation and have a branch campus or constituent agency physically located within the school district in which the charter school is located;

6. By a comprehensive or regional institution that is a member of The Oklahoma State System of Higher Education if the charter school is located in a school district that has a school site that has been identified as in need of improvement by the State Board of Education pursuant to the Elementary and Secondary Education Act of 1965, as amended or reauthorized. In addition, the institution shall have a teacher education program accredited by the Oklahoma Commission for Teacher Preparation and have a branch campus or constituent agency physically located within the school district in which the charter school is located;

7. By a federally recognized Indian tribe, operating a high school under the authority of the Bureau of Indian Affairs as of November 1, 2010, if the charter school is for the purpose of demonstrating native language immersion instruction, and is located

within its former reservation or treaty area boundaries. For purposes of this paragraph, native language immersion instruction shall require that educational instruction and other activities conducted at the school site are primarily conducted in the native language; ~~or~~

8. By a federally recognized Indian tribe only when the charter school is located within the former reservation or treaty area boundaries of the tribe on property held in trust by the Bureau of Indian Affairs of the United States Department of the Interior for the benefit of the tribe; or

9. By the State Board of Education when the applicant of the charter school is the Office of Juvenile Affairs or the applicant has a contract with the Office of Juvenile Affairs to provide a fixed rate level E, D, or D+ group home service and the charter school is for the purpose of providing education services to youth in the custody or supervision of the state. Not more than two charter schools shall be sponsored by the Board as provided for in this paragraph during the period of time beginning July 1, 2010, through July 1, 2016.

B. For purposes of the Oklahoma Charter Schools Act, "charter school" means a public school established by contract with a board of education of a school district, an area vocational-technical school district, a higher education institution, a federally recognized Indian tribe, or the State Board of Education pursuant to the Oklahoma Charter Schools Act to provide learning that will improve student achievement and as defined in the Elementary and Secondary Education Act of 1965, 20 U.S.C. 8065.

C. A charter school may consist of a new school site, new school sites or all or any portion of an existing school site. An entire school district may not become a charter school site.

SECTION 2. This act shall become effective November 1, 2015.

Passed the House of Representatives the 12th day of February, 2015.

Lee L. Doney
Presiding Officer of the House
of Representatives

Passed the Senate the 22nd day of April, 2015.

Matthew C. Ash
Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 27th
day of April, 20 15, at 2:35 o'clock P M.
By: Audrey Reedwell

Approved by the Governor of the State of Oklahoma this 1st
day of May, 20 15, at 11:41 o'clock A M.

Mary Fallin
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 1st
day of May, 20 15, at 2:25 o'clock P M.
By: JuAnn McNaughton-Hays



S.B. 505

RE: S.B. 505

SUBJECT: Charter Schools

Senate Bill 505 becomes effective August 20, 2015. This bill creates the “Statewide Virtual Charter School Board Revolving Fund.”

- Section 1: Creates a revolving fund for the Statewide Virtual Charter School Board in the State Treasury. It is to consist of all monies received by the Board from State Aid or any other state appropriation. Monies accruing to the fund may be budgeted and expended by the Statewide Virtual Charter School Board for the purpose of supporting their mission.

Should you have any questions related to this bill, please contact Ms. Mathangi Shankar, Chief Financial Officer, at (405) 522-0162 or Ms. Carolyn Thompson, Director of Government Affairs, at (405) 522-3520.

New Law at: 70 O.S. 3-145.7

Helpful Statutory References: 70 O.S. 3-145.3

An Act

ENROLLED SENATE
BILL NO. 505

By: Stanislawski of the Senate

and

Nelson of the House

An Act relating to the Statewide Virtual Charter School Board; creating the Statewide Virtual Charter School Board Revolving Fund; specifying sources of fund; providing for expenditures; and providing for codification.

SUBJECT: Charter schools

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-145.7 of Title 70, unless there is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund for the Statewide Virtual Charter School Board to be designated the "Statewide Virtual Charter School Board Revolving Fund". The fund shall be a continuing fund, not subject to fiscal year limitations, and shall consist of all monies received by the Statewide Virtual Charter School Board from State Aid pursuant to Section 3-145.3 of Title 70 of the Oklahoma Statutes or any other state appropriation. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Statewide Virtual Charter School Board for the purpose of supporting the mission of the Statewide Virtual Charter School Board. Expenditures from the fund shall be made upon warrants issued by the State Treasurer against claims filed as prescribed by law with the Director of the Office of Management and Enterprise Services for approval and payment.

Passed the Senate the 3rd day of March, 2015.

Nathan Dahm
Presiding Officer of the Senate

Passed the House of Representatives the 22nd day of April, 2015.

Joe R. Donney
Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 28th
day of April, 20 15, at 3:35 o'clock P M.

By: Audrey Lockwell

Approved by the Governor of the State of Oklahoma this 1st
day of May, 20 15, at 12:00 o'clock P M.

Mary Fallin
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 1st
day of May, 20 15, at 2:25 o'clock P. M.

By: Jeanne McNaughton-Hayles



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

An Act

ENROLLED SENATE
BILL NO. 782

By: Jolley, Loveless and
Griffin of the Senate

and

Denney and Jordan of the
House

An Act relating to charter schools; amending 70 O.S. 2011, Sections 3-132, as last amended by Section 1, Chapter 212, O.S.L. 2013, 3-134, 3-135, 3-137, 3-140, as last amended by Section 2, Chapter 212, O.S.L. 2013 and 3-142, as amended by Section 3, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, Sections 3-132, 3-140 and 3-142), which relate to the Oklahoma Charter Schools Act; modifying list of authorized sponsors of charter schools; deleting certain conditions on certain sponsors; allowing the State Board of Education to sponsor charter schools under certain conditions; mandating that priority be given to certain charter schools serving certain students; mandating that priority be given to charter school applicants that meet certain conditions; listing factors for approving a new site or school; modifying definition; adding definition; adding information to be included in the charter school application; limiting location of certain charter schools; allowing for an appeal of a rejected application to the State Board of Education; deleting mediation and arbitration criteria; providing for certain type of binding arbitration for certain applicants; stating powers and duties of a sponsor; directing sponsors to establish procedures for accepting, approving and disapproving applications; requiring sponsors to develop and maintain chartering policies and practices that are consistent with certain principles and standards; limiting liability of sponsors; adding

provisions required in the charter contract; prohibiting a charter school from serving students without a contract; allowing sponsors to establish preopening requirements and conditions; specifying basis for performance provisions of a contract; allowing submission of data in certain format; listing performance framework categories; limiting requests for metric or data; allowing applicants and sponsors to have multiple contracts or one contract for multiple schools; allowing for renewal for successive terms; requiring sponsors to issue performance reports and application renewal guidance before a certain time; specifying contents of performance reports; listing steps to be allowed under the application renewal guidance; requiring the application renewal guidance to include certain criteria; requiring charter renewal decisions to include certain criteria and actions; deleting certain mediation option; directing the State Board of Education to identify certain charter schools by school grades; allowing closure of a charter school identified at bottom of ranking; providing process for ranking under certain conditions; providing for review of sponsor's decision by the State Board of Education and implementation of certain options; prohibiting charters by other sponsors for certain closed charter schools; exempting certain charter schools from closure requirements; listing considerations for closure; providing for suspension of certain charter school authorization; providing protocol for closing a charter school; directing sponsors to develop revocation and nonrenewal processes; requiring sponsors to state reasons for revocation or nonrenewal in a resolution; requiring review of certain charter school proposal by the Board; updating statutory language; prohibiting the sponsor of a charter school from restricting the number of students enrolled in a charter school; requiring the governing body of the charter school to determine capacity; specifying considerations; modifying type of funds that may be reserved; prohibiting charter schools from levying taxes or

issuing bonds; allowing a charter school to enter into private contracts for certain purposes; and establishing responsibility for debt.

SUBJECT: Charter schools

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

SECTION 1. AMENDATORY 70 O.S. 2011, Section 3-132, as last amended by Section 1, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, Section 3-132), is amended to read as follows:

Section 3-132. A. The Oklahoma Charter Schools Act shall apply only to charter schools formed and operated under the provisions of the act. Charter schools shall be sponsored only as follows:

1. By a any school district ~~with an average daily membership of five thousand (5,000) or more and which all or part of the school district is located in a county having more than five hundred thousand (500,000) population according to the latest Federal Decennial Census~~ in the State of Oklahoma, provided such charter school shall only be located within the geographical boundaries of the sponsoring district and subject to the restrictions of Section 3-145.6 of this title;

2. ~~By a school district which has a school site that has been identified as in need of improvement by the State Board of Education pursuant to the Elementary and Secondary Education Act of 1965, as amended or reauthorized;~~

3. ~~By a technology center school district if the charter school is located in a school district served by the technology center school district and the school district has an average daily membership of five thousand (5,000) or more and in which all or part of the school district is located in a county having more than five hundred thousand (500,000) population according to the latest Federal Decennial Census;~~

~~4-~~ 3. By a technology center school district if the charter school is located in a school district served by the technology center school district and the school district has a school site that has been identified as in need of improvement by the State Board of Education pursuant to the Elementary and Secondary Education Act of 1965, as amended or reauthorized;

~~5-~~ 4. By ~~a~~ an accredited comprehensive or regional institution that is a member of The Oklahoma State System of Higher Education or a community college if the charter school is located in a school district ~~that has an average daily membership of five thousand (5,000) or more and~~ in which all or part of the school district is located in a county having more than five hundred thousand (500,000) population according to the latest Federal Decennial Census. ~~In addition, the institution shall have a teacher education program accredited by the Oklahoma Commission for Teacher Preparation and have a branch campus or constituent agency physically located within the school district in which the charter school is located;~~

~~6-~~ 5. By a comprehensive or regional institution that is a member of The Oklahoma State System of Higher Education if the charter school is located in a school district that has a school site that has been identified as in need of improvement by the State Board of Education pursuant to the Elementary and Secondary Education Act of 1965, as amended or reauthorized. In addition, the institution shall have a teacher education program accredited by the Oklahoma Commission for Teacher Preparation and have a branch campus or constituent agency physically located within the school district in which the charter school is located in the State of Oklahoma;

~~7-~~ 6. By a federally recognized Indian tribe, operating a high school under the authority of the Bureau of Indian Affairs as of November 1, 2010, if the charter school is for the purpose of demonstrating native language immersion instruction, and is located within its former reservation or treaty area boundaries. For purposes of this paragraph, native language immersion instruction shall require that educational instruction and other activities conducted at the school site are primarily conducted in the native language; ~~or~~

~~8-~~ 7. By the State Board of Education when the applicant of the charter school is the Office of Juvenile Affairs or the applicant

has a contract with the Office of Juvenile Affairs to provide a fixed rate level E, D, or D+ group home service and the charter school is for the purpose of providing education services to youth in the custody or supervision of the state. Not more than two charter schools shall be sponsored by the Board as provided for in this paragraph during the period of time beginning July 1, 2010, through July 1, 2016; or

8. By the State Board of Education when the applicant has first been denied a charter by the local school district in which it seeks to operate. In counties with fewer than five hundred thousand (500,000) population, according to the latest Federal Decennial Census, the State Board of Education shall not sponsor more than five charter schools per year each year for the first five (5) years after the effective date of this act, with not more than one charter school sponsored in a single school district per year. In order to authorize a charter school under this section, the State Board of Education shall find evidence of all of the following:

- a. a thorough and high-quality charter school application from the applicant based on the authorizing standards in subsection B of Section 3-134 of this title,
- b. a clear demonstration of community support for the charter school, and
- c. the grounds and basis of objection by the school district for denying the operation of the charter are not supported by the greater weight of evidence and the strength of the application.

B. An eligible non-school-district sponsor shall give priority to opening charter schools that serve at-risk student populations or students from low-performing traditional public schools.

C. An eligible non-school-district sponsor shall give priority to applicants that have demonstrated a record of operating at least one school or similar program that demonstrates academic success and organizational viability and serves student populations similar to those the proposed charter school seeks to serve. In assessing the potential for quality replication of a charter school, a sponsor

shall consider the following factors before approving a new site or school:

1. Evidence of a strong and reliable record of academic success based primarily on student performance data, as well as other viable indicators, including financial and operational success;

2. A sound, detailed, and well-supported growth plan;

3. Evidence of the ability to transfer successful practices to a potentially different context that includes reproducing critical cultural, organizational and instructional characteristics;

4. Any management organization involved in a potential replication is fully vetted, and the academic, financial and operational records of the schools it operates are found to be satisfactory;

5. Evidence the program seeking to be replicated has the capacity to do so successfully without diminishing or putting at risk its current operations; and

6. A financial structure that ensures that funds attributable to each charter school within a network and required by law to be utilized by a school remain with and are used to benefit that school.

D. For purposes of the Oklahoma Charter Schools Act, "charter school" means a public school established by contract with a board of education of a school district, a conversion charter school, an area vocational-technical school district, a higher education institution, a federally recognized Indian tribe, or the State Board of Education pursuant to the Oklahoma Charter Schools Act to provide learning that will improve student achievement and as defined in the Elementary and Secondary Education Act of 1965, 20 U.S.C. 8065.

E. For the purposes of the Oklahoma Charter Schools Act, "conversion charter school" means 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.

F. A charter school may consist of a new school site, new school sites or all or any portion of an existing school site. An entire school district may not become a charter school site.

SECTION 2. AMENDATORY 70 O.S. 2011, Section 3-134, is amended to read as follows:

Section 3-134. A. For written applications filed after January 1, 2008, prior to submission of the application to a proposed sponsor seeking to establish a charter school, the applicant shall be required to complete training which shall not exceed ten (10) hours provided by the State Department of Education on the process and requirements for establishing a charter school. The Department shall develop and implement the training by January 1, 2008. The Department may provide the training in any format and manner that the Department determines to be efficient and effective including, but not limited to, web-based training.

B. Except as otherwise provided for in Section 3-137 of this title, an applicant seeking to establish a charter school shall submit a written application to the proposed sponsor as prescribed in subsection E of this section. The application shall include:

1. A mission statement for the charter school;
2. A description including, but not limited to, background information of the organizational structure and the governing body of the charter school;
3. A financial plan for the first ~~three (3)~~ five (5) years of operation of the charter school and a description of the treasurer or other officers or persons who shall have primary responsibility for the finances of the charter school. Such person shall have demonstrated experience in school finance or the equivalent thereof;
4. A description of the hiring policy of the charter school;
5. The name of the applicant or applicants and requested sponsor;

6. A description of the facility and location of the charter school;
7. A description of the grades being served;
8. An outline of criteria designed to measure the effectiveness of the charter school;
9. A demonstration of support for the charter school from residents of the school district which may include but is not limited to a survey of the school district residents or a petition signed by residents of the school district; ~~and~~
10. Documentation that the applicants completed charter school training as set forth in subsection A of this section;
11. A description of the minimum and maximum enrollment planned per year for each term of the charter contract;
12. The proposed calendar for the charter school and sample daily schedule;
13. Unless otherwise authorized by law or regulation, a description of the academic program aligned with state standards;
14. A description of the instructional design of the charter school, including the type of learning environment, class size and structure, curriculum overview and teaching methods;
15. The plan for using internal and external assessments to measure and report student progress on the performance framework developed by the applicant in accordance with subsection C of Section 3-135 of this title;
16. The plans for identifying and successfully serving students with disabilities, students who are English language learners and students who are academically behind;
17. A description of cocurricular or extracurricular programs and how they will be funded and delivered;

18. Plans and time lines for student recruitment and enrollment, including lottery procedures;
19. The student discipline policies for the charter school, including those for special education students;
20. An organizational chart that clearly presents the organizational structure of the charter school, including lines of authority and reporting between the governing board, staff, any related bodies such as advisory bodies or parent and teacher councils and any external organizations that will play a role in managing the school;
21. A clear description of the roles and responsibilities for the governing board, the leadership and management team for the charter school and any other entities shown in the organizational chart;
22. The leadership and teacher employment policies for the charter school;
23. Proposed governing bylaws;
24. Explanations of any partnerships or contractual partnerships central to the operations or mission of the charter school;
25. The plans for providing transportation, food service and all other significant operational or ancillary services;
26. Opportunities and expectations for parental involvement;
27. A detailed school start-up plan that identifies tasks, time lines and responsible individuals;
28. A description of the financial plan and policies for the charter school, including financial controls and audit requirements;
29. A description of the insurance coverage the charter school will obtain;

30. Start-up and five-year budgets with clearly stated assumptions;

31. Start-up and first-year cash-flow projections with clearly stated assumptions;

32. Evidence of anticipated fundraising contributions, if claimed in the application;

33. A sound facilities plan, including backup or contingency plans if appropriate;

34. A requirement that the charter school governing board meet at a minimum quarterly in the state and that for those charter schools outside of counties with a population of five hundred thousand (500,000) or more, that a majority of members are residents within the geographic boundary of the sponsoring entity; and

35. A requirement that the charter school follow the requirements of the Oklahoma Open Meeting Act and Oklahoma Open Records Act.

C. A board of education of a public school district, public body, public or private college or university, private person, or private organization may contract with a sponsor to establish a charter school. A private school shall not be eligible to contract for a charter school under the provisions of the Oklahoma Charter Schools Act.

D. The sponsor of a charter school is the board of education of a school district, the board of education of a technology center school district, a higher education institution, the State Board of Education, or a federally recognized Indian tribe which meets the criteria established in Section 3-132 of this title. Any board of education of a school district in the state may sponsor one or more charter schools. The physical location of a charter school sponsored by a board of education of a school district or a technology center school district shall be within the boundaries of the sponsoring school district. The physical location of a charter school sponsored by the State Board of Education when the applicant of the charter school is the Office of Juvenile Affairs shall be where an Office of Juvenile Affairs facility for youth is located.

The physical location of a charter school otherwise sponsored by the State Board of Education pursuant to paragraph 8 of subsection A of Section 3-132 of this title shall be in the school district in which the application originated.

E. An applicant for a charter school may submit an application to a proposed sponsor which shall either accept or reject sponsorship of the charter school within ninety (90) days of receipt of the application. If the proposed sponsor rejects the application, it shall notify the applicant in writing of the reasons for the rejection. The applicant may submit a revised application for reconsideration to the proposed sponsor within thirty (30) days after receiving notification of the rejection. The proposed sponsor shall accept or reject the revised application within thirty (30) days of its receipt. Should the sponsor reject the application on reconsideration, the applicant may appeal the decision to the State Board of Education with the revised application for review pursuant to paragraph 8 of subsection A of Section 3-132 of this title. The State Board of Education shall hear the appeal no later than sixty (60) days from the date received by the Board.

F. A board of education of a school district, board of education of a technology center school district, higher education institution, or federally recognized Indian tribe sponsor of a charter school shall notify the State Board of Education when it accepts sponsorship of a charter school. The notification shall include a copy of the charter of the charter school.

~~G. If a proposed sponsor rejects the revised application for a charter school, the applicant may proceed to mediation or binding arbitration or both mediation and binding arbitration as provided in the Dispute Resolution Act and the rules promulgated pursuant thereto. The applicant shall contact the early settlement program for the county in which the charter school would be located. If the parties proceed to binding arbitration, a panel of three arbitrators shall be appointed by the director of the early settlement program handling the dispute. The proposed sponsor shall pay the cost for any mediation or arbitration requested pursuant to this section~~
Applicants for charter schools proposed to be sponsored by an entity other than a school district pursuant to paragraph 1 of subsection A of Section 3-132 of this title may, upon rejection of the revised application, proceed to binding arbitration under the commercial

rules of the American Arbitration Association with costs of the arbitration to be borne by the proposed sponsor. Applicants for charter schools proposed to be sponsored by school districts pursuant to paragraph 1 of subsection A of Section 3-132 of this title may not proceed to binding arbitration but may be sponsored by the State Board of Education as provided in paragraph 8 of subsection A of Section 3-132 of this title.

H. If a board of education of a technology center school district, a higher education institution, the State Board of Education, or a federally recognized Indian tribe accepts sponsorship of a charter school, the administrative, fiscal and oversight responsibilities of the technology center school district, the higher education institution, or the federally recognized Indian tribe shall be listed in the contract. No responsibilities shall be delegated to a school district unless the local school district agrees to assume the responsibilities.

I. A sponsor of a public charter school shall have the following powers and duties:

1. Provide oversight of the operations of charter schools in the state through annual performance reviews of charter schools and reauthorization of charter schools for which it is a sponsor;
2. Solicit and evaluate charter applications;
3. Approve quality charter applications that meet identified educational needs and promote a diversity of educational choices;
4. Decline to approve weak or inadequate charter applications;
5. Negotiate and execute sound charter contracts with each approved public charter school;
6. Monitor, in accordance with charter contract terms, the performance and legal compliance of charter schools; and
7. Determine whether each charter contract merits renewal, nonrenewal or revocation.

J. Sponsors shall establish a procedure for accepting, approving and disapproving charter school applications in accordance with subsection E of this section.

K. Sponsors shall be required to develop and maintain chartering policies and practices consistent with recognized principles and standards for quality charter authorizing as established by the State Department of Education in all major areas of authorizing responsibility, including organizational capacity and infrastructure, soliciting and evaluating charter applications, performance contracting, ongoing charter school oversight and evaluation and charter renewal decision-making.

L. Sponsors acting in their official capacity shall be immune from civil and criminal liability with respect to all activities related to a charter school with which they contract.

SECTION 3. AMENDATORY 70 O.S. 2011, Section 3-135, is amended to read as follows:

Section 3-135. A. The sponsor of a charter school shall enter into a written contract with the governing body of the charter school. The contract shall incorporate the provisions of the charter of the charter school and contain, but shall not be limited to, the following provisions:

1. A description of the program to be offered by the school which complies with the purposes outlined in Section ~~11 of this act~~ 3-136 of this title;

2. Admission policies and procedures;

3. Management and administration of the charter school, including that a majority of the charter governing board members are residents of the State of Oklahoma and meet no less than quarterly in a public meeting within the boundaries of the school district in which the charter school is located or within the State of Oklahoma in the instance of multiple charter school locations by the same sponsor;

4. Requirements and procedures for program and financial audits;

5. A description of how the charter school will comply with the charter requirements set forth in the Oklahoma Charter Schools Act;

6. Assumption of liability by the charter school; and

7. The term of the contract;

8. A description of the high standards of expectation and rigor for charter school plans and assurance that charter school plans adopted meet at least those standards;

9. Policies that require that the charter school be as equally free and open to all students as traditional public schools;

10. Procedures that require students enrolled in the charter school to be selected by lottery to ensure fairness if more students apply than a school has the capacity to accommodate;

11. Policies that require the charter school to be subject to the same academic standards and expectations as existing public schools; and

12. A description of the requirements and procedures for the charter school to receive funding in accordance with statutory requirements and guidelines for existing public schools.

B. A charter school shall not enter into an employment contract with any teacher or other personnel until the charter school has a contract with a sponsoring school district. The employment contract shall set forth the personnel policies of the charter school, including, but not limited to, policies related to certification, professional development evaluation, suspension, dismissal and nonreemployment, sick leave, personal business leave, emergency leave, and family and medical leave. The contract shall also specifically set forth the salary, hours, fringe benefits, and work conditions. The contract may provide for employer-employee bargaining, but the charter school shall not be required to comply with the provisions of Sections 509.1 through 509.10 of ~~Title 70 of the Oklahoma Statutes~~ this title. The contract shall conform to all applicable provisions set forth in Section ~~11 of this act~~ 3-136 of this title.

Upon contracting with any teacher or other personnel, the governing body of the charter school shall, in writing, disclose employment rights of the employees in the event the charter school closes or the charter is not renewed.

No charter school may begin serving students without a charter contract executed in accordance with the provisions of the Oklahoma Charter Schools Act and approved in an open meeting of the sponsor. The sponsor may establish reasonable preopening requirements or conditions to monitor the start-up progress of newly approved charter schools and ensure that each school is prepared to open smoothly on the date agreed and to ensure that each school meets all building, health, safety, insurance and other legal requirements for the opening of a school.

C. The performance provisions within the charter contract shall be based on a performance framework that clearly sets forth the academic and operational performance indicators, measures and metrics that will guide the evaluations of the charter school by the sponsor. The sponsor shall require a charter school to submit the data required in this section in the identical format that is required by the State Department of Education of all public schools in order to avoid duplicative administrative efforts or allow a charter school to provide permission to the Department to share all required data with the sponsor of the charter school. The performance framework shall include indicators, measures and metrics for, at a minimum:

1. Student academic proficiency;
2. Student academic growth;
3. Achievement gaps in both proficiency and growth between major student subgroups;
4. Student attendance;
5. Recurrent enrollment from year to year as determined by the methodology used for public schools in Oklahoma;

6. In the case of high schools, graduation rates as determined by the methodology used for public schools in Oklahoma;

7. In the case of high schools, postsecondary readiness;

8. Financial performance and sustainability; and

9. Governing board performance and stewardship, including compliance with all applicable laws, regulations and terms of the charter contract.

D. The sponsor shall not request any metric or data from a charter school that it does not produce or publish for all school sites in the district or under its sponsorship, unless the metric or data is unique to a charter school.

E. A charter contract may provide for one or more schools by an applicant to the extent approved by the sponsor and consistent with applicable law. An applicant or the governing board of an applicant may hold one or more charter contracts. Each charter school that is part of a charter contract shall be separate and distinct from any other charter school under the same charter contract.

SECTION 4. AMENDATORY 70 O.S. 2011, Section 3-137, is amended to read as follows:

Section 3-137. A. An approved contract for a charter school shall be effective for ~~not longer than~~ five (5) years from the first day of operation. A charter contract may be renewed for successive five-year terms of duration, although the sponsor may vary the term based on the performance, demonstrated capacities and particular circumstances of each charter school. A sponsor may grant renewal with specific conditions for necessary improvements to a charter school.

B. Prior to the beginning of the fourth year of operation of a charter school, the sponsor shall issue a charter school performance report and charter renewal application guidance to the school and the charter school board. The performance report shall summarize the performance record to date of the charter school, based on the data required by the Oklahoma Charter Schools Act and the charter contract and taking into consideration the percentage of at-risk

students enrolled in the school, and shall provide notice of any weaknesses or concerns perceived by the sponsor concerning the charter school that may jeopardize its position in seeking renewal if not timely rectified. The charter school shall have forty-five (45) days to respond to the performance report and submit any corrections or clarifications for the report.

C. 1. Prior to the beginning of the fifth year of operation, the charter school may apply for renewal of the contract with the sponsor. The renewal application guidance shall, at a minimum, provide an opportunity for the charter school to:

- a. present additional evidence, beyond the data contained in the performance report, supporting its case for charter renewal,
- b. describe improvements undertaken or planned for the school, and
- c. detail the plan for the next charter term for the school.

2. The renewal application guidance shall include or refer explicitly to the criteria that will guide the renewal decisions of the sponsor, which shall be based on the performance framework set forth in the charter contract and consistent with the Oklahoma Charter Schools Act.

D. The sponsor may deny the request for renewal if it determines the charter school has failed to complete the obligations of the contract or comply with the provisions of the Oklahoma Charter Schools Act. A sponsor shall give written notice of its intent to deny the request for renewal at least eight (8) months prior to expiration of the contract. In making charter renewal decisions, a sponsor shall:

1. Ground decisions on evidence of the performance of the school over the term of the charter contract in accordance with the performance framework set forth in the charter contract and shall take into consideration the percentage of at-risk students enrolled in the school;

2. Grant renewal to schools that have achieved the standards, targets and performance expectations as stated in the charter contract and are organizationally and fiscally viable and have been faithful to the terms of the contract and applicable law;

3. Ensure that data used in making renewal decisions are available to the school and the public; and

4. Provide a public report summarizing the evidence used as the basis for each decision.

~~B.~~ E. If a sponsor denies a request for renewal, the governing board of the sponsor may, if requested by the charter school, proceed to ~~mediation or~~ binding arbitration ~~or both~~ as provided for in subsection G of Section 3-134 of this title.

~~C.~~ F. A sponsor may terminate a contract during the term of the contract for failure to meet the requirements for student performance contained in the contract, failure to meet the standards of fiscal management, violations of the law, or other good cause. The sponsor shall give at least ninety (90) days' written notice to the governing board prior to terminating the contract. The governing board may request, in writing, an informal hearing before the sponsor within fourteen (14) days of receiving notice. The sponsor shall conduct an informal hearing before taking action. If a sponsor decides to terminate a contract, the governing board may, if requested by the charter school, proceed to ~~mediation or~~ binding arbitration ~~or both~~ as provided for in subsection G of Section 3-134 of this title.

~~D.~~ G. 1. Beginning in the 2016-2017 school year, the State Board of Education shall identify charter schools in the state that are ranked in the bottom five percent (5%) of all public schools as determined pursuant to Section 1210.545 of this title.

2. At the time of its charter renewal, based on an average of the current year and the two (2) prior operating years, a sponsor may close a charter school site identified as being among the bottom five percent (5%) of public schools in the state. The average of the current year and two (2) prior operating years shall be calculated by using the percentage ranking for each year divided by three, as determined by this subsection.

3. If there is a change to the calculation described in Section 1210.545 of this title that results in a charter school site that was not ranked in the bottom five percent (5%) being ranked in the bottom five percent (5%), then the sponsor shall use the higher of the two rankings to calculate the ranking of the charter school site.

4. In the event that a sponsor fails to close a charter school site consistent with this subsection, the sponsor shall appear before the State Board of Education to provide support for its decision. The State Board of Education may, by majority vote, uphold or overturn the decision of the sponsor. If the decision of the sponsor is overturned by the State Board of Education, the Board may implement one of the following actions:

- a. transfer the sponsorship of the charter school identified in this paragraph to another sponsor,
- b. order the closure of the charter school identified in this paragraph at the end of the current school year, or
- c. order the reduction of any administrative fee collected by the sponsor that is applicable to the charter school identified in this paragraph. The reduction shall become effective at the beginning of the month following the month the hearing of the sponsor is held by the State Board of Education.

5. A charter school that is closed by the State Board of Education pursuant to paragraph 4 of this subsection shall not be granted a charter by any other sponsor.

6. The requirements of this subsection shall not apply to a charter school that has been designed by the State Department of Education as implementing an alternative education program throughout the charter school.

7. In making a school site closure decision, the State Board of Education shall consider the following:

- a. enrollment of students with special challenges such as drug or alcohol addiction, prior withdrawal from school, prior incarceration or other special circumstances,
- b. high mobility of the student population resulting from the specific purpose of the charter school,
- c. annual improvement in the performance of students enrolled in the charter school compared with the performance of students enrolled in the charter school in the immediately preceding school year, and
- d. whether a majority of students attending the charter school under consideration for closure would likely revert to attending public schools with lower academic achievement, as demonstrated pursuant to Section 1210.545 of this title.

8. If the State Board of Education has closed or transferred authorization of at least twenty-five percent (25%) of the charter schools chartered by one sponsor pursuant to paragraph 4 of this subsection, the authority of the sponsor to authorize new charter schools may be suspended by the Board until the Board approves the sponsor to authorize new charter schools. A determination under this paragraph to suspend the authority of a sponsor to authorize new charter schools shall identify the deficiencies that, if corrected, will result in the approval of the sponsor to authorize new charter schools.

H. If a sponsor terminates a contract or the charter school is closed, the closure shall be conducted in accordance with the following protocol:

1. Within two (2) calendar weeks of a final closure determination, the sponsor shall meet with the governing board and leadership of the charter school to establish a transition team composed of school staff, applicant staff and others designated by the applicant that will attend to the closure, including the transfer of students, student records and school funds;

2. The sponsor and transition team shall communicate regularly and effectively with families of students enrolled in the charter school, as well as with school staff and other stakeholders, to keep them apprised of key information regarding the closure of the school and their options and risks;

3. The sponsor and transition team shall ensure that current instruction of students enrolled in the charter school continues per the charter agreement for the remainder of the school year;

4. The sponsor and transition team shall ensure that all necessary and prudent notifications are issued to agencies, employees, insurers, contractors, creditors, debtors and management organizations; and

5. The governing board of the charter school shall continue to meet as necessary to take actions needed to wind down school operations, manage school finances, allocate resources and facilitate all aspects of closure.

I. A sponsor shall develop revocation and nonrenewal processes that are consistent with the Oklahoma Charter Schools Act and that:

1. Provide the charter school with a timely notification of the prospect of revocation or nonrenewal and of the reasons for possible closure;

2. Allow the charter school a reasonable amount of time in which to prepare a response;

3. Provide the charter school with an opportunity to submit documents and give testimony in a public hearing challenging the rationale for closure and in support of the continuation of the school at an orderly proceeding held for that purpose and prior to taking any final nonrenewal or revocation decision related to the school;

4. Allow the charter school access to representation by counsel to call witnesses on its behalf;

5. Permit the recording of the proceedings; and

6. After a reasonable period for deliberation, require a final determination be made and conveyed in writing to the charter school.

J. If a sponsor revokes or does not renew a charter, the sponsor shall clearly state in a resolution the reasons for the revocation or nonrenewal.

K. 1. Before a sponsor may issue a charter to a charter school governing body that has had its charter terminated or has been informed that its charter will not be renewed by the current sponsor, the sponsor shall request to have the proposal reviewed by the State Board of Education at a hearing. The State Board of Education shall conduct a hearing in which the sponsor shall present information indicating that the proposal of the organizer is substantively different in the areas of deficiency identified by the current sponsor from the current proposal as set forth within the charter with its current sponsor.

2. After the State Board of Education conducts a hearing pursuant to this subsection, the Board shall either approve or deny the proposal.

3. If the proposal is denied, no sponsor may issue a charter to the charter school governing body.

L. If a contract is not renewed, the governing board of the charter school may submit an application to a proposed new sponsor as provided for in Section 3-134 of this title.

E- M. If a contract is not renewed or is terminated according to this section, a student who attended the charter school may enroll in the resident school district of the student or may apply for a transfer in accordance with Section 8-103 of this title.

SECTION 5. AMENDATORY 70 O.S. 2011, Section 3-140, as last amended by Section 2, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, Section 3-140), is amended to read as follows:

Section 3-140. A. Except for a charter school sponsored by the State Board of Education, a charter school shall enroll those students whose legal residence is within the boundaries of the school district in which the charter school is located and who

submit a timely application, or those students who transfer to the district in which the charter school is located in accordance with Section 8-103 or 8-104 of this title, unless the number of applications exceeds the capacity of a program, class, grade level, or building. Students who reside in a school district where a charter school is located shall not be required to obtain a transfer in order to attend a charter school in the school district of residence. If capacity is insufficient to enroll all eligible students, the charter school shall select students through a lottery selection process. Except for a charter school sponsored by the State Board of Education, a charter school shall give enrollment preference to eligible students who reside within the boundaries of the school district in which the charter school is located. Except for a charter school sponsored by the State Board of Education, a charter school created after ~~the effective date of this act~~ November 1, 2010, shall give enrollment preference to eligible students who reside within the boundaries of the school district in which the charter school is located and who attend a school site that has been identified as in need of improvement by the State Board of Education pursuant to the Elementary and Secondary Education Act of 1965, as amended or reauthorized. A charter school may limit admission to students within a given age group or grade level. A charter school sponsored by the State Board of Education when the applicant of the charter school is the Office of Juvenile Affairs shall limit admission to youth that are in the custody or supervision of the Office of Juvenile Affairs.

B. Except for a charter school sponsored by the State Board of Education, a charter school shall admit students who reside in the attendance area of a school or in a school district that is under a court order of desegregation or that is a party to an agreement with the United States Department of Education Office for Civil Rights directed towards mediating alleged or proven racial discrimination unless notice is received from the resident school district that admission of the student would violate the court order or agreement.

C. A charter school may designate a specific geographic area within the school district in which the charter school is located as an academic enterprise zone and may limit admissions to students who reside within that area. An academic enterprise zone shall be a geographic area in which sixty percent (60%) or more of the children

who reside in the area qualify for the free or reduced school lunch program.

D. Except as provided in subsections B and C of this section, a charter school shall not limit admission based on ethnicity, national origin, gender, income level, disabling condition, proficiency in the English language, measures of achievement, aptitude, or athletic ability.

E. A sponsor of a charter school shall not restrict the number of students a charter school may enroll. The capacity of the charter school shall be determined annually by the governing board of the charter school based on the ability of the charter school to facilitate the academic success of the students, to achieve the other objectives specified in the charter contract and to ensure that the student enrollment does not exceed the capacity of its facility or site.

SECTION 6. AMENDATORY 70 O.S. 2011, Section 3-142, as amended by Section 3, Chapter 212, O.S.L. 2013 (70 O.S. Supp. 2014, Section 3-142), is amended to read as follows:

Section 3-142. A. For purposes of funding, a charter school sponsored by a board of education of a school district shall be considered a site within the school district in which the charter school is located. The student membership of the charter school shall be considered separate from the student membership of the district in which the charter school is located for the purpose of calculating weighted average daily membership pursuant to Section 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of this title. For charter schools sponsored by a board of education of a school district, the sum of the separate calculations for the charter school and the school district shall be used to determine the total State Aid allocation for the district in which the charter school is located. A charter school shall receive from the sponsoring school district, the State Aid allocation and any other state-appropriated revenue generated by its students for the applicable year, less up to five percent (5%) of the State Aid allocation, which may be retained by the school district as a fee for administrative services rendered. For charter schools sponsored by the board of education of a technology center school district, a higher education institution, the State Board of Education, or a

federally recognized Indian tribe and for statewide virtual charter schools sponsored by the Statewide Virtual Charter School Board, the State Aid allocation for the charter school shall be distributed by the State Board of Education and not more than five percent (5%) of the State Aid allocation may be charged by the sponsor as a fee for administrative services rendered. The State Board of Education shall determine the policy and procedure for making payments to a charter school. The fee for administrative services as authorized in this subsection shall only be assessed on the State Aid allocation amount and shall not be assessed on any other appropriated amounts.

B. 1. The weighted average daily membership for the first year of operation of a charter school shall be determined initially by multiplying the actual enrollment of students as of August 1 by 1.333. The charter school shall receive revenue equal to that which would be generated by the estimated weighted average daily membership calculated pursuant to this paragraph. At midyear, the allocation for the charter school shall be adjusted using the first quarter weighted average daily membership for the charter school calculated pursuant to subsection A of this section.

2. For the purpose of calculating weighted average daily membership pursuant to Section 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of this title, the weighted average daily membership for the first year of operation and each year thereafter of a full-time virtual charter school shall be determined by multiplying the actual enrollment of students as of August 1 by 1.333. The full-time virtual charter school shall receive revenue equal to that which would be generated by the estimated weighted average daily membership calculated pursuant to this paragraph. At midyear, the allocation for the full-time virtual charter school shall be adjusted using the first quarter weighted average daily membership for the virtual charter school calculated pursuant to subsection A of this section.

C. A charter school shall be eligible to receive any other aid, grants or revenues allowed to other schools. A charter school sponsored by the board of education of a technology center school district, a higher education institution, the State Board of Education, or a federally recognized Indian tribe shall be considered a local education agency for purposes of funding. A

charter school sponsored by a board of education of a school district shall be considered a local education agency for purposes of federal funding.

D. A charter school, in addition to the money received from the state, may receive money from any other source. Any unexpended ~~nonstate funds, excluding local revenue,~~ may be reserved and used for future purposes. The governing body of a charter school shall not levy taxes or issue bonds. If otherwise allowed by law, the governing body of a charter school may enter into private contracts for the purposes of borrowing money from lenders. If the governing body of the charter school borrows money, the charter school shall be solely responsible for repaying the debt, and the state or the sponsor shall not in any way be responsible or obligated to repay the debt.

E. Any charter school which chooses to lease property shall be eligible to receive current government lease rates.

Passed the Senate the 16th day of April, 2015.

Anthony Sykes
Presiding Officer of the Senate

Passed the House of Representatives the 14th day of April, 2015.

John D. James
Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 20th
day of April, 2015, at 3:40 o'clock P M.
By: Audrey Redwell

Approved by the Governor of the State of Oklahoma this 24th
day of April, 2015, at 10:56 o'clock A M.

Mary Fallin
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 24th
day of April, 2015, at 3:01 o'clock P M.
By: Ann McNaughton-Hayes

