

1 ENGROSSED HOUSE  
2 BILL NO. 2414

By: Johns and Waldron of the  
House

3 and

4 Pemberton of the Senate  
5  
6

7 An Act relating to schools; amending 70 O.S. 2021,  
8 Sections 3-135, 3-136, 3-137, and 3-142, which relate  
9 to the Oklahoma Charter Schools Act; requiring  
10 charter school to provide certain notice to sponsor;  
11 directing sponsor to use performance framework for  
12 charter school evaluation; authorizing development of  
13 certain separate framework; adding minimum  
14 requirements for framework; mandating annual  
15 evaluation; directing presentation of results to  
16 certain governing boards; defining term; subjecting  
17 charter school to certain spending limitations;  
18 prohibiting charter school from providing instruction  
19 to certain students; directing charter school  
20 governing board to comply with certain acts;  
21 subjecting charter school sponsor governing board to  
22 certain conflict of interest requirements; modifying  
23 procedures for charter school contracts; requiring  
24 sponsor to develop a corrective action plan;  
authorizing nonrenewal of contract in certain cases;  
specifying how sponsor fee should be used; requiring  
sponsor to publish certain report on its website;  
amending 70 O.S. 2021, Section 3-145.3, which relates  
to duties of the Statewide Virtual Charter School  
Board; requiring compliance with the Oklahoma Charter  
Schools Act; modifying limitation on fee for  
administrative expenses and support; subjecting  
certain charter schools to the same purchasing  
procedures and compliance requirements as school  
districts; prohibiting commingling of certain school  
funds; modifying instruction and continuing education  
obligations for certain governing board members;  
establishing requirements for governing boards which  
contract with educational management organizations;  
prescribing duties for board membership; requiring  
State Department of Education and sponsor to publish

1 certain contracts on their websites; directing  
2 Department to publish list of fees paid; subjecting  
3 certain board members to instruction and continuing  
4 education requirements; prohibiting certain conflicts  
5 of interest and pecuniary gain; disallowing certain  
6 appointments or selections of members; requiring  
7 sponsor board members to complete instruction and  
8 continuing education requirements; specifying entity  
9 to pay for instruction and continuing education;  
10 prescribing requirements for instruction and  
11 continuing education; defining term; designating  
12 certain funds as public funds; prohibiting transfer  
13 or conversion of state funds to private funds;  
14 clarifying provision; requiring payments from charter  
15 schools to comply with certain provisions; directing  
16 organization to provide certain documents; subjecting  
17 certain funds to audit, transparency, oversight and  
18 financial reporting; requiring certain funds to  
19 remain public funds; prescribing grade for  
20 participation in certain extracurricular or  
21 educational activities; declaring certain property to  
22 remain public property of the charter school;  
23 mandating an operating agreement review of certain  
24 charter schools; establishing procedures for review;  
25 requiring written agreement for certain expenditures;  
26 mandating criminal history record checks for certain  
27 personnel; prescribing process and payment of checks;  
28 prohibiting certain activities by educational  
29 management organizations; amending 70 O.S. 2021,  
30 Section 5-200, which relates to educational  
31 management organizations; requiring amounts paid to  
32 certain organizations be pursuant to contract terms;  
33 mandating disclosure pursuant to certain guidelines;  
34 amending 70 O.S. 2021, Section 18-124, which relates  
35 to limitations on administrative services  
36 expenditures; providing applicability of limitation  
37 to certain charter schools; clarifying calculation  
38 for specified schools; modifying definition;  
39 providing for codification; providing an effective  
40 date; and declaring an emergency.

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43 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:  
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1 SECTION 1. AMENDATORY 70 O.S. 2021, Section 3-135, is  
2 amended to read as follows:

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

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

11 2. Admission policies and procedures;

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

19 4. Requirements and procedures for program and financial  
20 audits;

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

23 6. Assumption of liability by the charter school;

24 7. The term of the contract;

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

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

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

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

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

15 13. A requirement to promptly notify the sponsor in the  
16 instance of any significant adverse actions, material findings of  
17 noncompliance, or pending actions, claims, or proceedings in this  
18 state relating to the charter school or an educational management  
19 organization with which the charter school has a contract.

20 B. A charter school shall not enter into an employment contract  
21 with any teacher or other personnel until the charter school has a  
22 contract with a sponsoring school district. The employment contract  
23 shall set forth the personnel policies of the charter school,  
24 including, but not limited to, policies related to certification,

1 professional development evaluation, suspension, dismissal and  
2 nonreemployment, sick leave, personal business leave, emergency  
3 leave, and family and medical leave. The contract shall also  
4 specifically set forth the salary, hours, fringe benefits, and work  
5 conditions. The contract may provide for employer-employee  
6 bargaining, but the charter school shall not be required to comply  
7 with the provisions of Sections 509.1 through 509.10 of this title.  
8 The contract shall conform to all applicable provisions set forth in  
9 Section 3-136 of this title.

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

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

23 C. The performance provisions within the charter contract shall  
24 be based on a performance framework that clearly sets forth the

1 academic and operational performance indicators, ~~measures and~~  
2 ~~metrics that will guide the evaluations of the~~ shall be used by  
3 charter school sponsors to evaluate their respective charter school  
4 by the sponsor schools. The sponsor may develop a separate  
5 performance framework to evaluate a charter school that has been  
6 designated by the State Department of Education to implement an  
7 alternative education program throughout the charter school. The  
8 sponsor shall require a charter school to submit the data required  
9 in this section in the identical format that is required by the  
10 State Department of Education of all public schools in order to  
11 avoid duplicative administrative efforts or allow a charter school  
12 to provide permission to the Department to share all required data  
13 with the sponsor of the charter school. The performance framework  
14 shall serve as the minimum requirement for charter school  
15 performance evaluation and shall include, but not be limited to, the  
16 following indicators, ~~measures and metrics for, at a minimum:~~

- 17 1. Student academic proficiency;
- 18 2. Student academic growth;
- 19 3. Achievement gaps in both proficiency and growth between  
20 major student subgroups;
- 21 4. Student attendance;
- 22 5. Recurrent enrollment from year to year as determined by the  
23 methodology used for public schools in Oklahoma;
- 24

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

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

4 8. Financial performance and sustainability and compliance with  
5 state and Internal Revenue Service financial reporting requirements;  
6 and

7 9. Audit findings or deficiencies;

8 10. Accreditation and timely reporting; and

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

12 The sponsor shall annually evaluate its charter schools according to  
13 the performance framework. The results of the evaluation shall be  
14 presented to the governing board of the charter school and the  
15 governing board of the charter school sponsor in an open meeting and  
16 posted on the website of the charter school.

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

21 E. A charter contract may provide for one or more schools by an  
22 applicant to the extent approved by the sponsor and consistent with  
23 applicable law. An applicant or the governing board of an applicant  
24 may hold one or more charter contracts. Each charter school that is

1 part of a charter contract shall be separate and distinct from any  
2 other charter school under the same charter contract. For the  
3 purposes of this subsection, "separate and distinct" shall mean a  
4 charter school governing board with oversight of more than one  
5 charter school shall not combine accounting, budgeting,  
6 recordkeeping, admissions, employment or policies and operational  
7 decisions of the charter schools it oversees.

8 SECTION 2. AMENDATORY 70 O.S. 2021, Section 3-136, is  
9 amended to read as follows:

10 Section 3-136. A. A charter school shall adopt a charter which  
11 will ensure compliance with the following:

12 1. A charter school shall comply with all federal regulations  
13 and state and local rules and statutes relating to health, safety,  
14 civil rights and insurance. By January 1, 2000, the State  
15 Department of Education shall prepare a list of relevant rules and  
16 statutes which a charter school must comply with as required by this  
17 paragraph and shall annually provide an update to the list;

18 2. A charter school shall be nonsectarian in its programs,  
19 admission policies, employment practices, and all other operations.  
20 A sponsor may not authorize a charter school or program that is  
21 affiliated with a nonpublic sectarian school or religious  
22 institution;

23 3. The charter school may provide a comprehensive program of  
24 instruction for a prekindergarten program, a kindergarten program or



1 any grade between grades one and twelve. Instruction may be  
2 provided to all persons between ~~the ages of~~ four (4) and twenty-one  
3 (21) years of age. A charter school may offer a curriculum which  
4 emphasizes a specific learning philosophy or style or certain  
5 subject areas such as mathematics, science, fine arts, performance  
6 arts, or foreign language. The charter of a charter school which  
7 offers grades nine through twelve shall specifically address whether  
8 the charter school will comply with the graduation requirements  
9 established in Section 11-103.6 of this title. No charter school  
10 shall be chartered for the purpose of offering a curriculum for deaf  
11 or blind students that is the same or similar to the curriculum  
12 being provided by or for educating deaf or blind students that are  
13 being served by the Oklahoma School for the Blind or the Oklahoma  
14 School for the Deaf;

15 4. A charter school shall participate in the testing as  
16 required by the Oklahoma School Testing Program Act and the  
17 reporting of test results as is required of a school district. A  
18 charter school shall also provide any necessary data to the Office  
19 of Accountability;

20 5. Except as otherwise provided for in the Oklahoma Charter  
21 Schools Act and its charter, a charter school shall be exempt from  
22 all statutes and rules relating to schools, boards of education, and  
23 school districts;

24

1           6. A charter school, ~~to the extent possible,~~ shall be subject  
2 to the same reporting requirements, financial audits, audit  
3 procedures, and audit requirements as a school district. The State  
4 Department of Education or State Auditor and Inspector may conduct  
5 financial, program, or compliance audits. A charter school shall  
6 use the Oklahoma Cost Accounting System to report financial  
7 transactions to the sponsoring school district or sponsor. The  
8 charter school shall be subject to the limitations on spending,  
9 including provisions of the Oklahoma Constitution, for any funds  
10 received from the state, either through the State Department of  
11 Education or other sources;

12           7. A charter school shall comply with all federal and state  
13 laws relating to the education of children with disabilities in the  
14 same manner as a school district;

15           8. A charter school shall provide for a governing ~~body~~ board  
16 for the school which shall be responsible for the policies and  
17 operational decisions of the charter school;

18           9. A charter school shall not provide or otherwise supplement  
19 instruction of students enrolled in private schools or be used as a  
20 method of generating revenue for students who are being home  
21 schooled and are not being educated at an organized charter school  
22 site;

23           10. A charter school ~~may~~ shall not charge tuition or fees;  
24

1 11. A charter school shall provide instruction each year for at  
2 least the number of days or hours required in Section 1-109 of this  
3 title;

4 12. A charter school shall comply with the student suspension  
5 requirements provided for in Section 24-101.3 of this title;

6 13. A charter school shall be considered a school district for  
7 purposes of tort liability under The Governmental Tort Claims Act;

8 14. Employees of a charter school may participate as members of  
9 the Teachers' Retirement System of Oklahoma in accordance with  
10 applicable statutes and rules if otherwise allowed pursuant to law;

11 15. A charter school may participate in all health and related  
12 insurance programs available to the employees of the sponsor of the  
13 charter school;

14 16. A charter school and charter school governing board shall  
15 comply with the Oklahoma Open Meeting Act and the Oklahoma Open  
16 Records Act;

17 17. The governing ~~body~~ board of a charter school and the  
18 governing board of a charter school sponsor shall be subject to the  
19 same conflict of interest requirements as a member of a local school  
20 board; and

21 18. No later than September 1 of each year, the governing board  
22 of each charter school formed pursuant to the Oklahoma Charter  
23 Schools Act shall prepare a statement of actual income and  
24 expenditures for the charter school for the fiscal year that ended

1 on the preceding June 30, in a manner compliant with Section 5-135  
2 of this title. The statement of expenditures shall include  
3 functional categories as defined in rules adopted by the State Board  
4 of Education to implement the Oklahoma Cost Accounting System  
5 pursuant to Section 5-145 of this title. Charter schools shall not  
6 be permitted to submit estimates of expenditures or prorated amounts  
7 to fulfill the requirements of this paragraph.

8 B. The charter of a charter school shall include a description  
9 of the personnel policies, personnel qualifications, and method of  
10 school governance, and the specific role and duties of the sponsor  
11 of the charter school.

12 C. The charter of a charter school may be amended at the  
13 request of the governing ~~body~~ board of the charter school and upon  
14 the approval of the sponsor.

15 D. A charter school may enter into contracts and sue and be  
16 sued.

17 E. The governing ~~body~~ board of a charter school ~~may~~ shall not  
18 levy taxes or issue bonds.

19 F. The charter of a charter school shall include a provision  
20 specifying the method or methods to be employed for disposing of  
21 real and personal property acquired by the charter school upon  
22 expiration or termination of the charter or failure of the charter  
23 school to continue operations. Except as otherwise provided, any  
24 real or personal property purchased with state or local funds shall

1 be retained by the sponsoring school district or sponsor of the  
2 charter school. If a charter school that was previously sponsored  
3 by the board of education of a school district continues operation  
4 within the school district under a new charter sponsored by an  
5 entity authorized pursuant to Section 3-132 of this title, the  
6 charter school may retain any personal property purchased with state  
7 or local funds for use in the operation of the charter school until  
8 termination of the new charter or failure of the charter school to  
9 continue operations.

10 SECTION 3. AMENDATORY 70 O.S. 2021, Section 3-137, is  
11 amended to read as follows:

12 Section 3-137. A. ~~An~~ The first approved contract ~~for~~ between a  
13 charter school and its sponsor shall be effective for five (5) years  
14 from the first day of operation. A charter contract may be renewed  
15 for successive five-year terms of duration, although the sponsor may  
16 vary the term based on the performance, demonstrated capacities and  
17 particular circumstances of each charter school. A sponsor may  
18 grant renewal with specific conditions for necessary improvements to  
19 a charter school.

20 B. Prior to the beginning of the fourth year of operation of a  
21 charter school, the sponsor shall issue a charter school performance  
22 report and charter renewal application guidance to the school and  
23 the charter school governing board. The performance report shall  
24 summarize the performance record to date of the charter school,

1 based on the data required by the Oklahoma Charter Schools Act, the  
2 annual performance framework evaluation, the operating agreement  
3 review if the charter school contracts with an educational  
4 management organization, and the charter contract and taking into  
5 consideration the percentage of at-risk students enrolled in the  
6 school, ~~and.~~ The performance report shall provide notice of any  
7 weaknesses or, concerns, violations, or deficiencies perceived by  
8 the sponsor concerning the charter school that may jeopardize its  
9 position in seeking renewal if not timely rectified, and the charter  
10 school sponsor shall develop a corrective action plan and  
11 corresponding timeline to remedy any violations or deficiencies.

12 The charter school shall have forty-five (45) days to respond to the  
13 performance report and submit any corrections or clarifications for  
14 the report. If the charter school does not substantially complete  
15 the corrective action plan developed by the sponsor, the sponsor may  
16 choose not to renew the charter contract pursuant to the  
17 requirements of this section.

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

22 a. present additional evidence, beyond the data contained  
23 in the performance report, supporting its case for  
24 charter renewal,

- 1           b. describe improvements undertaken or planned for the  
2           school, and  
3           c. detail the plan for the next charter term for the  
4           school.

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

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

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

22           2. Grant renewal to schools that have achieved the standards,  
23 targets and performance expectations as stated in the charter  
24

1 contract and are organizationally and fiscally viable and have been  
2 faithful to the terms of the contract and applicable law;

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

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

7 E. If a sponsor denies a request for renewal, the governing  
8 board of the sponsor may, if requested by the charter school,  
9 proceed to binding arbitration as provided for in subsection G of  
10 Section 3-134 of this title.

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

24



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

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

12 3. If there is a change to the calculation described in Section  
13 1210.545 of this title that results in a charter school site that  
14 was not ranked in the bottom five percent (5%) being ranked in the  
15 bottom five percent (5%), then the sponsor shall use the higher of  
16 the two rankings to calculate the ranking of the charter school  
17 site.

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

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

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

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

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

- 21           a.    enrollment of students with special challenges such as
- 22                    drug or alcohol addiction, prior withdrawal from
- 23                    school, prior incarceration or other special
- 24                    circumstances,

- 1           b. high mobility of the student population resulting from  
2           the specific purpose of the charter school,  
3           c. annual improvement in the performance of students  
4           enrolled in the charter school compared with the  
5           performance of students enrolled in the charter school  
6           in the immediately preceding school year, and  
7           d. whether a majority of students attending the charter  
8           school under consideration for closure would likely  
9           revert to attending public schools with lower academic  
10          achievement, as demonstrated pursuant to Section  
11          1210.545 of this title.

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

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

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

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

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

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

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

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

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

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

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

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

14 5. Permit the recording of the proceedings; and

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

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

20 K. 1. Before a sponsor may issue a charter to a charter school  
21 governing ~~body~~ board that has had its charter terminated or has been  
22 informed that its charter will not be renewed by the current  
23 sponsor, the sponsor shall request to have the proposal reviewed by  
24 the State Board of Education at a hearing. The State Board of

1 Education shall conduct a hearing in which the sponsor shall present  
2 information indicating that the proposal of the organizer is  
3 substantively different in the areas of deficiency identified by the  
4 current sponsor from the current proposal as set forth within the  
5 charter with its current sponsor.

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

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

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

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

18 SECTION 4. AMENDATORY 70 O.S. 2021, Section 3-142, is  
19 amended to read as follows:

20 Section 3-142. A. The student membership and attendance of the  
21 charter school shall be considered separate from the student  
22 membership and attendance of the sponsor for the purpose of  
23 calculating enrollment and funding including weighted average daily  
24 membership pursuant to Section 18-201.1 of this title and State Aid

1 pursuant to Section 18-200.1 of this title. A charter school shall  
2 receive the State Aid allocation, federal funds to which it is  
3 eligible and qualifies for and any other state-appropriated revenue  
4 generated by its students for the applicable year. Not more than  
5 three percent (3%) of the State Aid allocation may be charged by the  
6 sponsor as a fee for administrative services rendered. For purposes  
7 of this section, the fee for administrative services shall be used  
8 by the sponsor to provide oversight and services to the charter  
9 schools it sponsors. A charter school sponsor shall publish a  
10 detailed report on its website listing expenses related to oversight  
11 and services provided by the sponsor to its charter schools. The  
12 State Board of Education shall determine the policy and procedure  
13 for making payments to a charter school. The fee for administrative  
14 services as authorized in this subsection shall only be assessed on  
15 the State Aid allocation amount and shall not be assessed on any  
16 other appropriated amounts. A sponsor of a charter school shall not  
17 charge any additional State Aid allocation or charge the charter  
18 school any additional fee above the amounts allowed by this  
19 subsection unless the additional fees are for additional services  
20 rendered. The charter school sponsor shall provide to the State  
21 Department of Education financial records documenting any state  
22 funds charged by the sponsor for administrative services rendered  
23 for the previous year.

24

1           B. 1. The weighted average daily membership for the first year  
2 of operation of a charter school shall be determined initially by  
3 multiplying the actual enrollment of students as of August 1 by  
4 1.333. The charter school shall receive revenue equal to that which  
5 would be generated by the estimated weighted average daily  
6 membership calculated pursuant to this paragraph. At midyear, the  
7 allocation for the charter school shall be adjusted using the first  
8 quarter weighted average daily membership for the charter school  
9 calculated pursuant to subsection A of this section.

10           2. For the purpose of calculating weighted average daily  
11 membership pursuant to Section 18-201.1 of this title and State Aid  
12 pursuant to Section 18-200.1 of this title, the weighted average  
13 daily membership for the first year of operation of a full-time  
14 statewide virtual charter school sponsored by the Statewide Virtual  
15 Charter School Board shall be determined by multiplying the actual  
16 enrollment of students as of August 1 by 1.333. The full-time  
17 virtual charter school shall receive revenue equal to that which  
18 would be generated by the estimated weighted average daily  
19 membership calculated pursuant to this paragraph. At midyear, the  
20 allocation for the full-time statewide virtual charter school shall  
21 be adjusted using the first quarter weighted average daily  
22 membership for the virtual charter school calculated pursuant to  
23 subsection A of this section.

24



1 C. Except as explicitly authorized by state law, a charter  
2 school shall not be eligible to receive state-dedicated, local or  
3 county revenue; provided, a charter school may be eligible to  
4 receive any other aid, grants or revenues allowed to other schools.  
5 A charter school shall be considered a local education agency for  
6 purposes of funding.

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

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

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

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

5 G. There is hereby created in the State Treasury a revolving  
6 fund for the State Department of Education to be designated the  
7 "Charter School Closure Reimbursement Revolving Fund". The fund  
8 shall be a continuing fund, not subject to fiscal year limitations,  
9 and shall consist of all monies received by the State Department of  
10 Education from charter schools as provided in subsection F of this  
11 section. All monies accruing to the credit of said fund are hereby  
12 appropriated and may be budgeted and expended by the State  
13 Department of Education for the purpose of reimbursing charter  
14 school sponsors for costs incurred due to the closure of a charter  
15 school. Expenditures from said fund shall be made upon warrants  
16 issued by the State Treasurer against claims filed as prescribed by  
17 law with the Director of the Office of Management and Enterprise  
18 Services for approval and payment. The State Department of  
19 Education may promulgate rules regarding sponsor eligibility for  
20 reimbursement.

21 SECTION 5. AMENDATORY 70 O.S. 2021, Section 3-145.3, is  
22 amended to read as follows:  
23  
24

1 Section 3-145.3 A. Subject to the requirements of the Oklahoma  
2 Charter Schools Act, the Statewide Virtual Charter School Board  
3 shall:

4 1. Provide oversight of the operations of statewide virtual  
5 charter schools in this state;

6 2. Establish a procedure for accepting, approving and  
7 disapproving statewide virtual charter school applications and a  
8 process for renewal or revocation of approved charter school  
9 contracts which minimally meet the procedures set forth in the  
10 Oklahoma Charter Schools Act;

11 3. Make publicly available a list of supplemental online  
12 courses which have been reviewed and certified by the Statewide  
13 Virtual Charter School Board to ensure that the courses are high  
14 quality options and are aligned with the subject matter standards  
15 adopted by the State Board of Education pursuant to Section 11-103.6  
16 of this title. The Statewide Virtual Charter School Board shall  
17 give special emphasis on listing supplemental online courses in  
18 science, technology, engineering and math (STEM), foreign language  
19 and advanced placement courses. School districts shall not be  
20 limited to selecting supplemental online courses that have been  
21 reviewed and certified by the Statewide Virtual Charter School Board  
22 and listed as provided for in this paragraph; and

23 4. In conjunction with the Office of Management and Enterprise  
24 Services, negotiate and enter into contracts with supplemental

1 online course providers to offer a state rate price to school  
2 districts for supplemental online courses that have been reviewed  
3 and certified by the Statewide Virtual Charter School Board and  
4 listed as provided for in paragraph 3 of this subsection.

5 B. Except as otherwise provided by law, each statewide virtual  
6 charter school which has been approved and sponsored by the Board  
7 shall be subject to and comply with the requirements of the Oklahoma  
8 Charter Schools Act. Each statewide virtual charter school which  
9 has been approved and sponsored by the Board or any virtual charter  
10 school for which the Board has assumed sponsorship of as provided  
11 for in Section 3-145.5 of this title shall be considered a statewide  
12 virtual charter school and, except as provided in subsection H of  
13 this section, the geographic boundaries of each statewide virtual  
14 charter school shall be the borders of the state.

15 C. Each statewide virtual charter school approved by the  
16 Statewide Virtual Charter School Board shall be eligible to receive  
17 federal funds generated by students enrolled in the charter school  
18 for the applicable year. Each statewide virtual charter school  
19 shall be considered a separate local education agency for purposes  
20 of reporting and accountability.

21 D. As calculated as provided for in Section 3-142 of this  
22 title, a statewide virtual charter school shall receive the State  
23 Aid allocation and any other state-appropriated revenue generated by  
24 students enrolled in the virtual charter school for the applicable

1 year, less up to ~~five percent (5%)~~ three percent (3%) of the State  
2 Aid allocation, which may be retained by the Statewide Virtual  
3 Charter School Board for administrative expenses and to support the  
4 mission of the Board. A statewide virtual charter school shall be  
5 eligible for any other funding any other charter school is eligible  
6 for as provided for in Section 3-142 of this title. ~~Each statewide~~  
7 ~~virtual charter school shall be considered a separate local~~  
8 ~~education agency for purposes of reporting and accountability.~~

9 E. A virtual charter school or a charter school which contracts  
10 with an educational management organization shall be subject to the  
11 same reporting requirements, financial audits, audit procedures and  
12 audit requirements as a school district and the compliance  
13 requirements provided in Section 3-136 of this title. The State  
14 Department of Education or State Auditor and Inspector may conduct  
15 financial, program or compliance audits. A virtual charter school  
16 or a charter school which contracts with an educational management  
17 organization shall use the Oklahoma Cost Accounting System (OCAS) to  
18 report financial transactions to the State Department of Education.  
19 An educational management organization, as defined in Section 5-200  
20 of this title, which contracts with more than one school district  
21 shall not commingle funds of the schools.

22 F. A virtual charter school governing ~~body~~ board shall be  
23 responsible for the policies that govern the operational decisions  
24 of the virtual charter school. The governing ~~body~~ board of a

1 virtual charter school shall be subject to the same conflict of  
2 interest requirements as a member of a local school board including,  
3 but not limited to, Sections 5-113 and 5-124 of this title. Members  
4 appointed to the governing ~~body~~ board of a virtual charter school  
5 ~~after July 1, 2019,~~ shall be subject to the same instruction and  
6 continuing education requirements as a member of a local school  
7 board and pursuant to Section 5-110 of this title, complete twelve  
8 (12) hours of instruction within fifteen (15) months of appointment  
9 to the governing ~~body~~ board, and pursuant to Section 5-110.1 of this  
10 title, attend continuing education. The instruction and continuing  
11 education shall include a minimum of two (2) hours of instruction  
12 and continuing education by the State Auditor and Inspector or an  
13 entity approved by the State Auditor and Inspector. Members  
14 appointed to the governing board of a virtual charter school prior  
15 to July 1, 2019, shall comply with the requirements of this  
16 subsection and, within fifteen (15) months of the effective date of  
17 this act, shall complete twelve (12) hours of instruction pursuant  
18 to Section 5-110 of this title.

19 G. Students enrolled full-time in a statewide virtual charter  
20 school sponsored by the Statewide Virtual Charter School Board shall  
21 not be authorized to participate in any activities administered by  
22 the Oklahoma Secondary Schools Activities Association. However, the  
23 students may participate in intramural activities sponsored by a  
24

1 statewide virtual charter school, an online provider for the charter  
2 school or any other outside organization.

3 H. 1. Beginning with the 2021-2022 school year, a public  
4 school student who wishes to enroll in a virtual charter school  
5 shall be considered a transfer student from their resident school  
6 district. A virtual charter school shall pre-enroll any public  
7 school student whose parent expresses intent to enroll in the  
8 district. Upon pre-enrollment, the State Department of Education  
9 shall initiate a transfer on a form to be completed by the receiving  
10 virtual charter school. Upon approval of the receiving virtual  
11 charter school, the student may begin instructional activities.  
12 Upon notice that a public school student has transferred to a  
13 virtual charter school, the resident school district shall transmit  
14 the student's records within three (3) school days.

15 2. The State Department of Education shall notify the  
16 Legislature and Governor if it determines that the information  
17 technology infrastructure necessary to process the transfer of  
18 students to a virtual charter school is inadequate and one (1)  
19 additional school year is needed for implementation.

20 3. A public school student may transfer to one statewide  
21 virtual charter school at any time during a school year. For  
22 purposes of this subsection, "school year" shall mean July 1 through  
23 the following June 30. After one statewide virtual charter school  
24 transfer during a school year, no public school student shall be

1 permitted to transfer to any other statewide virtual charter school  
2 without the concurrence of both the resident school district and the  
3 receiving virtual charter school. A student shall have a grace  
4 period of fifteen (15) school days from the first day of enrollment  
5 in a statewide virtual charter school to withdraw without academic  
6 penalty and shall continue to have the option of one virtual charter  
7 school transfer without the concurrence of both districts during  
8 that same school year. A statewide virtual charter school student  
9 that has utilized the allowable one transfer pursuant to this  
10 subsection shall not be permitted to transfer to another district or  
11 other statewide virtual charter school without first notifying his  
12 or her resident district and initiating a new transfer. Upon  
13 cancellation of a transfer the virtual charter school shall transmit  
14 the student's records to the student's new school district within  
15 three (3) school days. Students enrolled in a statewide virtual  
16 charter school shall not be required to submit a virtual charter  
17 transfer for consecutive years of enrollment. Any student enrolled  
18 in a statewide virtual charter school the year prior to the  
19 implementation of this section shall not be required to submit a  
20 transfer in order to remain enrolled.

21 4. For purposes of this subsection, "parent" shall mean the  
22 parent of the student or person having custody of the student as  
23 provided for in paragraph 1 of subsection A of Section 1-113 of this  
24 title.



1 I. 1. A student shall be eligible to enroll in a statewide  
2 virtual charter school if he or she is a student whose parent or  
3 legal guardian is transferred or is pending transfer to a military  
4 installation within this state while on active military duty  
5 pursuant to an official military order.

6 2. A statewide virtual charter school shall accept applications  
7 by electronic means for enrollment and course registration for  
8 students described in paragraph 1 of this subsection.

9 3. The parent or legal guardian of a student described in  
10 paragraph 1 of this subsection shall provide proof of residence in  
11 this state within ten (10) days after the published arrival date  
12 provided on official documentation. A parent or legal guardian may  
13 use the following addresses as proof of residence:

- 14 a. a temporary on-base billeting facility,
- 15 b. a purchased or leased home or apartment, or
- 16 c. federal government or public-private venture off-base  
17 military housing.

18 4. The provisions of paragraph 3 of subsection H of this  
19 section shall apply to students described in paragraph 1 of this  
20 subsection.

21 5. For purposes of this subsection:

- 22 a. "active military duty" means full-time military duty  
23 status in the active uniformed service of the United  
24

1 States including members of the National Guard and  
2 Military Reserve on active duty orders, and

3 b. "military installation" means a base, camp, post,  
4 station, yard, center, homeport facility for any ship  
5 or other installation under the jurisdiction of the  
6 Department of Defense or the United States Coast  
7 Guard.

8 J. A virtual charter school shall not accept or deny a transfer  
9 based on ethnicity, national origin, gender, income level, disabling  
10 condition, proficiency in the English language, measure of  
11 achievement, aptitude or athletic ability.

12 K. The decision of the Statewide Virtual Charter School Board  
13 to deny, ~~nonrenew~~ not renew, or terminate the charter contract of a  
14 statewide virtual charter school may be appealed to the State Board  
15 of Education within thirty (30) days of the decision by the  
16 Statewide Virtual Charter School Board. The State Board of  
17 Education shall act on the appeal within sixty (60) days of receipt  
18 of the request from the statewide virtual charter school applicant.  
19 The State Board of Education may reverse the decision of the  
20 Statewide Virtual Charter School Board or may remand the matter back  
21 to the Statewide Virtual Charter School Board for further proceeding  
22 as directed.

1 SECTION 6. NEW LAW A new section of law to be codified  
2 in the Oklahoma Statutes as Section 3-145.9 of Title 70, unless  
3 there is created a duplication in numbering, reads as follows:

4 A. Beginning with the 2023-2024 school year, any governing  
5 board of a charter school which contracts with an educational  
6 management organization as defined in Section 5-200 of Title 70 of  
7 the Oklahoma Statutes shall:

8 1. Consist of a minimum of five (5) members, including one  
9 member who shall be a parent, grandparent, legal guardian or  
10 learning coach of a student who attends the charter school. As used  
11 in this paragraph, "learning coach" means a designated person who  
12 has the primary responsibility of being actively involved in all  
13 school-related work and activities of a student. The bylaws of the  
14 charter school shall set specific terms of service for charter  
15 school governing board members;

16 2. Meet at least one time per month;

17 3. Adopt a charter which shall ensure compliance with the same  
18 requirements and guidelines as provided in Section 3-136 of Title 70  
19 of the Oklahoma Statutes;

20 4. Appoint a board clerk, minute clerk and encumbrance clerk as  
21 provided in Section 5-119 of Title 70 of the Oklahoma Statutes and a  
22 treasurer as provided in Section 5-114 of Title 70 of the Oklahoma  
23 Statutes. Upon appointment, the board clerk, minute clerk,  
24 encumbrance clerk and treasurer shall attend and complete at least

1 eight (8) hours of instruction offered by the Office of the State  
2 Auditor and Inspector or other organizations or associations  
3 representing school administrators or district boards of education  
4 in this state as approved by the State Auditor and Inspector. Each  
5 year the encumbrance clerk and treasurer shall complete at least  
6 three (3) hours of continuing education offered by the Office of the  
7 State Auditor and Inspector or other organizations or associations  
8 representing school administrators or district boards of education  
9 in this state as approved by the State Auditor and Inspector. If  
10 the board clerk, minute clerk, encumbrance clerk or treasurer is  
11 also a member of the charter school governing board, his or her  
12 completed instruction and continuing education requirements in this  
13 paragraph shall count toward the board instruction and continuing  
14 education requirements provided in subsection F of Section 3-145.3  
15 of Title 70 of the Oklahoma Statutes; and

16 5. Submit to the State Department of Education copies of any  
17 contract executed between the charter school governing board or  
18 charter school sponsor governing board and an educational management  
19 organization. The Department and the sponsor shall publish the  
20 contracts on their websites and the Department shall publish a list  
21 of all the management fees paid by charter schools or charter school  
22 sponsors to educational management organizations.

23  
24

1 B. Beginning with the 2023-2024 school year, members of a  
2 charter school governing board which contracts with an educational  
3 management organization shall:

4 1. Be subject to the instruction and continuing education  
5 requirements as provided in subsection F of Section 3-145.3 of Title  
6 70 of the Oklahoma Statutes;

7 2. Be subject to the same conflict of interest requirements as  
8 a member of a local school board including, but not limited to,  
9 Sections 5-113 and 5-124 of Title 70 of the Oklahoma Statutes. No  
10 member shall receive pecuniary gain, incidentally or otherwise, from  
11 the earnings of the educational management organization or school;  
12 and

13 3. Not be appointed or selected by any person affiliated with  
14 the educational management organization.

15 SECTION 7. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 3-145.10 of Title 70, unless  
17 there is created a duplication in numbering, reads as follows:

18 A. Beginning with the 2023-2024 school year, members of a  
19 charter school sponsor governing board that sponsors a charter  
20 school which contracts with an educational management organization  
21 shall complete instruction and continuing education.

22 1. The instruction and continuing education shall be provided  
23 in accordance with Sections 5-110 and 5-110.1 of Title 70 of the  
24 Oklahoma Statutes and shall include a minimum of two (2) hours of

1 instruction and continuing education by the Office of the State  
2 Auditor and Inspector or an entity approved by the State Auditor and  
3 Inspector.

4 2. The governing board of a charter school sponsor shall pay  
5 for the costs of instruction and continuing education for its board  
6 members.

7 3. Each member shall complete at least twelve (12) hours of  
8 instruction within the first year of his or her appointment or  
9 within fifteen (15) months after the effective date of this act.

10 4. After completing the initial twelve (12) hours of  
11 instruction provided in paragraph 3 of this subsection, each member  
12 shall annually complete at least three (3) hours of continuing  
13 education.

14 B. As used in this section, "educational management  
15 organization" shall have the same meaning as in Section 5-200 of  
16 Title 70 of the Oklahoma Statutes.

17 SECTION 8. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 3-145.11 of Title 70, unless  
19 there is created a duplication in numbering, reads as follows:

20 A. 1. State funds appropriated to any charter school which  
21 contracts with an educational management organization as defined in  
22 Section 5-200 of Title 70 of the Oklahoma Statutes, including the  
23 State Aid allocation and any other state-appropriated revenue  
24 pursuant to Section 3-142 of Title 70 of the Oklahoma Statutes,

1 shall remain public funds maintained in public accounts subject to  
2 audit, transparency, oversight and financial reporting and shall not  
3 be transferred or converted in any way to private funds except for  
4 funds which are paid for charter school expenses and funds which are  
5 paid to the educational management organization from the charter  
6 school pursuant to the terms of the contract and in accordance with  
7 state law and Internal Revenue Service requirements. If there is  
8 any question or potential discrepancy regarding use of funds paid to  
9 the educational management organization by the State Department of  
10 Education, charter school governing board, or charter school  
11 sponsor, the educational management organization shall provide  
12 invoices and financial documentation to the requesting entity  
13 proving the educational management organization is following the  
14 terms of the contract and is in compliance with the law.

15 2. Any state funds which are designated as student learning  
16 funds are appropriated for the benefit of the student, including  
17 extracurricular and educational activity funds, and shall remain  
18 public funds maintained in public accounts subject to audit,  
19 transparency, oversight and financial reporting and expended in  
20 accordance with purchasing requirements provided in Section 5-135 of  
21 Title 70 of the Oklahoma Statutes. Students shall receive a grade  
22 for participation in extracurricular or educational activities as  
23 described in this subsection.

24

1           3. Any property purchased with public funds pursuant to this  
2 section may be assigned to employees or students of the charter  
3 school for charter school employment or extracurricular or  
4 educational purposes, but shall remain public property of the  
5 charter school.

6           B. In the third year of the charter school contract term, the  
7 State Auditor and Inspector or an auditor selected from a list of  
8 auditors approved and maintained by the State Auditor and Inspector  
9 shall conduct an operating agreement review of each charter school  
10 which contracts with an educational management organization to  
11 verify that the charter school and the educational management  
12 organization are following the terms of the contract and complying  
13 with state law and Internal Revenue Service requirements. The  
14 auditor may request additional documentation from the charter school  
15 or educational management organization to address any question or  
16 potential discrepancy. The charter school sponsor shall pay for the  
17 expenses related to the review, oversee the review and provide a  
18 full report of the review to the governing boards of the charter  
19 school and the charter school sponsor.

20           C. Every provider or entity that contracts with a charter  
21 school for expenditure of state funds pursuant to paragraph 2 of  
22 subsection A of this section shall:

23           1. Have an agreement in writing with the charter school which  
24 clearly states the goods or services being provided by the provider



1 or entity pursuant to the contract and the costs thereof and that  
2 such goods, services and employees of the provider or entity comply  
3 with federal and state laws; and

4       2. Have on file with the State Department of Education a  
5 current Oklahoma criminal history record check from the Oklahoma  
6 State Bureau of Investigation or equivalent criminal history record  
7 check from another state as well as a national criminal history  
8 record check as defined in Section 150.9 of Title 74 of the Oklahoma  
9 Statutes for every owner and employee of the provider or entity who  
10 will have contact with students pursuant to the contract. Upon  
11 receipt of the Oklahoma criminal history record check or equivalent  
12 criminal history record check from another state, the provider or  
13 entity may begin extracurricular or educational activities until  
14 receipt of the national criminal history record check. The provider  
15 or entity shall be responsible for the cost of the criminal history  
16 record checks. Results of the checks shall be included as a  
17 requirement of the contract and reported to the governing board of  
18 the charter school.

19       D. An educational management organization shall not:

20       1. Manage or control the governing board of a charter school,  
21 including, but not limited to, setting meeting agendas, adopting  
22 charter school policies or making budget decisions on behalf of the  
23 charter school;

24

1           2. Employ a charter school superintendent who is also an owner  
2 of the educational management organization, unless the ownership  
3 stake held by the superintendent is less than ten percent (10%);

4           3. Employ legal counsel who also represents the charter school  
5 or charter school governing board which has an agreement with the  
6 educational management organization; and

7           4. Request public employees, including, but not limited to,  
8 teachers and other charter school employees, to complete tasks or  
9 perform duties that the educational management organization has been  
10 contracted to fulfill.

11           SECTION 9.           AMENDATORY           70 O.S. 2021, Section 5-200, is  
12 amended to read as follows:

13           Section 5-200. A. As used in this section, "educational  
14 management organization" means a for-profit or nonprofit  
15 organization that receives public funds to provide administration  
16 and management services for a charter school, statewide virtual  
17 charter school or traditional public school.

18           B. A charter school that contracts with an educational  
19 management organization shall use the Oklahoma Cost Accounting  
20 System (OCAS) to report the total amount paid to an educational  
21 management organization pursuant to the terms of the contract as  
22 well as actual itemized expenditure information for the goods or  
23 services provided by the management organization as defined by OCAS  
24 expenditure codes, including the total compensation package of the

1 superintendent including the base salary, insurance, retirement and  
2 other fringe benefits.

3 C. ~~Any~~ Pursuant to Internal Revenue Service guidelines, any  
4 owner of an educational management organization shall be required to  
5 disclose to the governing board of the school in a public meeting  
6 any ownership position in any business that contracts or proposes to  
7 contract with the same public school that the educational management  
8 organization is managing.

9 D. Whenever any person shall enter into a contract with any  
10 school district or public charter school in the state to teach in  
11 such school district or public charter school the contract shall be  
12 binding on the teacher and on the board of education until the  
13 teacher legally has been discharged from the teaching position or  
14 released by the board of education from the contract. Except as  
15 provided in Section 5-106A of ~~Title 70 of the Oklahoma Statutes~~ this  
16 title, until such teacher has been thus discharged or released, the  
17 teacher shall not have authority to enter into a contract with any  
18 other board of education in Oklahoma for the same time covered by  
19 the original contract. If upon written complaint by the board of  
20 education in a district any teacher is reported to have failed to  
21 obey the terms of the contract previously made and to have entered  
22 into a contract with another board of education, including a public  
23 charter school board of education, without having been released from  
24 the former contract except as provided in Section 5-106A of ~~Title 70~~

1 ~~of the Oklahoma Statutes~~ this title, the teacher, upon being found  
2 to be employed full-time for another public school, including a  
3 public charter school in the state, at a hearing held before the  
4 State Board of Education, shall have such teacher's certificate  
5 suspended for the remainder of the term for which the contract was  
6 made.

7 SECTION 10. AMENDATORY 70 O.S. 2021, Section 18-124, is  
8 amended to read as follows:

9 Section 18-124. A. Any school district with an average daily  
10 attendance (ADA) of more than one thousand five hundred (1,500)  
11 students for the preceding year which expends for administrative  
12 services in the 2005-06 school year or any school year thereafter,  
13 less expenditures for legal services, more than five percent (5%) of  
14 the amount it expends for total expenditures, less expenditures for  
15 legal services, shall have the amount which exceeds the five percent  
16 (5%) withheld the following year from the Foundation and Salary  
17 Incentive Aid for the school district.

18 B. Any school district with an average daily attendance (ADA)  
19 of more than five hundred (500) students but not more than one  
20 thousand five hundred (1,500) students for the preceding year which  
21 expends for administrative services in the 2005-06 school year or  
22 any school year thereafter, less expenditures for legal services,  
23 more than seven percent (7%) of the amount it expends for total  
24 expenditures, less expenditures for legal services, shall have the

1 amount which exceeds the seven percent (7%) withheld the following  
2 year from the Foundation and Salary Incentive Aid for the school  
3 district.

4 C. Any school district with an average daily attendance (ADA)  
5 of five hundred (500) or fewer students for the preceding year which  
6 expends for administrative services in the 2005-06 school year or  
7 any school year thereafter, less expenditures for legal services,  
8 more than eight percent (8%) of the amount it expends for total  
9 expenditures, less expenditures for legal services, shall have the  
10 amount which exceeds the eight percent (8%) withheld the following  
11 year from the Foundation and Salary Incentive Aid for the school  
12 district.

13 D. The provisions of this section shall apply to charter  
14 schools which contract with an educational management organization,  
15 as defined in Section 5-200 of this title. The expenditure limits  
16 shall not exceed the percentages prescribed in subsections A, B, and  
17 C of this section, and the calculation of administrative services  
18 for charter schools which contract with an educational management  
19 organization shall be the combined amount of administrative services  
20 expended by the charter school and the educational management  
21 organization.

22 E. For purposes of this section, "administrative services"  
23 means costs associated with:

24 1. Staff for the board of education;

- 1        2. The secretary/clerk for the board of education;
- 2        3. Staff relations;
- 3        4. Negotiations staff;
- 4        5. Immediate staff of the superintendent, any elementary
- 5 superintendent or any assistant superintendent;
- 6        6. Any superintendent, elementary superintendent, or assistant
- 7 superintendent;
- 8        7. Any employee of a school district employed as a director,
- 9 coordinator, supervisor, or who has responsibility for
- 10 administrative functions of a school district; ~~and~~
- 11        8. Any consultant hired by the school district; and
- 12        9. Any costs for administrative services paid to an educational
- 13 management organization as defined in Section 5-200 of this title.

14        ~~E.~~ F. If an employee of a school district is employed in a

15 position where part of the employee's time is spent as an

16 administrator and part of the time is spent in nonadministrative

17 functions, the percentage of time spent as an administrator shall be

18 included as administrative services. A superintendent who spends

19 part of the time performing exempted nonadministrative services such

20 as teaching in the classroom, serving as a principal, counselor, or

21 library media specialist, can code up to forty percent (40%) of

22 their salary to other nonadministrative functions. The total amount

23 of time a superintendent of a school district spends performing

24 services for a school district shall be included as administrative

1 services even if part of the time the superintendent is performing  
2 nonexempted nonadministrative service functions. The total amount  
3 received by a superintendent from the school district as salary, for  
4 the performance of administrative and nonexempted nonadministrative  
5 services, shall be recorded under the code for superintendent salary  
6 as provided for in the Oklahoma Cost Accounting System.

7 ~~F.~~ G. Each school site within a school district shall take  
8 steps to ensure that the administrative costs for the school comply  
9 with the expenditure limits established for school districts in this  
10 section.

11 ~~G.~~ H. Funds withheld pursuant to the provisions of this section  
12 shall be distributed through the State Aid formula to the districts  
13 not so penalized.

14 ~~H.~~ I. For the 2003-04 and 2004-05 school year, school districts  
15 shall report to the State Department of Education the costs  
16 associated with administrative services for the school district as  
17 defined in subsection ~~D~~ E of this section.

18 SECTION 11. This act shall become effective July 1, 2023.

19 SECTION 12. It being immediately necessary for the preservation  
20 of the public peace, health or safety, an emergency is hereby  
21 declared to exist, by reason whereof this act shall take effect and  
22 be in full force from and after its passage and approval.

23  
24

1 Passed the House of Representatives the 21st day of March, 2023.

2  
3 \_\_\_\_\_  
4 Presiding Officer of the House  
of Representatives

5 Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2023.

6  
7  
8 \_\_\_\_\_  
9 Presiding Officer of the Senate