

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 59th Legislature (2024)

4 ENGROSSED SENATE
5 BILL NO. 1692

By: Pugh of the Senate

6 and

7 Echols of the House

8
9 An Act relating to charter schools; amending 70 O.S.
10 2021, Section 3-142, as amended by Section 11,
Chapter 323, O.S.L. 2023 (70 O.S. Supp. 2023, Section
11 3-142), which relates to calculation of State Aid for
12 charter schools; removing requirement for certain
weighted average daily membership calculation to be
13 conducted with certain frequency; providing for
certain calculations in subsequent school years;
14 providing an effective date; and declaring an
emergency.

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

17 SECTION 1. AMENDATORY 70 O.S. 2021, Section 3-142, as
18 amended by Section 11, Chapter 323, O.S.L. 2023 (70 O.S. Supp. 2023,
19 Section 3-142), is amended to read as follows:

20 Section 3-142. A. The student membership and attendance of a
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 if the sponsor
7 is a school district, a comprehensive or regional institution of
8 higher education, a two-year college, a private institution of
9 higher learning accredited pursuant to Section 4103 of this title,
10 or a federally recognized Indian tribe pursuant to Section 3-132 of
11 this title. The Statewide Charter School Board shall not charge any
12 charter school or virtual charter school a fee for administrative or
13 other services. The State Department of Education shall determine
14 the policy and procedure for making payments to a charter school or
15 virtual charter school. The fee for administrative services as
16 authorized in this subsection shall only be assessed on the State
17 Aid allocation amount and shall not be assessed on any other
18 appropriated amounts. A sponsor of a charter school shall not
19 charge any additional State Aid allocation or charge the charter
20 school any additional fee above the amounts allowed by this
21 subsection unless the additional fees are for additional services
22 rendered. The charter school sponsor shall provide to the State
23 Department of Education financial records documenting any state

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1 funds charged by the sponsor for administrative services rendered
2 for the previous year.

3 B. The fee for administrative services authorized by subsection
4 A of this section shall be used by the sponsor to provide oversight
5 and services to the charter schools it sponsors. The State
6 Department of Education shall develop data codes for the Oklahoma
7 Cost Accounting System which shall be used to comply with the
8 administrative services reporting required by this section. A
9 charter school sponsor shall publish a detailed report on its
10 website and present the report in a public meeting of the charter
11 school governing board and the charter school sponsor governing
12 board. The report shall provide sponsor performance and stewardship
13 including compliance with all applicable laws, regulations, and
14 terms of the charter contract and listing expenses related to
15 oversight and services provided by the sponsor to the charter
16 schools it sponsors.

17 C. For the purpose of calculating weighted average daily
18 membership pursuant to Section 18-201.1 of this title and State Aid
19 pursuant to Section 18-200.1 of this title, the weighted average
20 daily membership for the first year of operation ~~and each year~~
21 ~~thereafter~~ of a charter school or full-time statewide virtual
22 charter school shall be determined initially by multiplying the
23 actual enrollment of students as of August 1 by 1.333. The charter
24 school or virtual charter school shall receive revenue equal to that

1 which would be generated by the estimated weighted average daily
2 membership calculated pursuant to this paragraph. At midyear, the
3 allocation for the charter school or virtual charter school shall be
4 adjusted using the first quarter weighted average daily membership
5 for the charter school or virtual charter school calculated pursuant
6 to subsection A of this section. For each subsequent school year,
7 weighted average daily membership shall be calculated as provided
8 for in Section 18-201.1 of this title, and State Aid shall be
9 calculated as provided for in Section 18-200.1 of this title.

10 D. Except as explicitly authorized by state law, a charter
11 school or virtual charter school shall not be eligible to receive
12 state-dedicated, local, or county revenue; provided, a charter
13 school or virtual charter school may be eligible to receive any
14 other aid, grants, or revenues allowed to other schools. A charter
15 school or virtual charter school shall be considered a local
16 education agency for purposes of funding.

17 E. Any unexpended funds received by a charter school or virtual
18 charter school may be reserved and used for future purposes. The
19 governing board of a charter school or virtual charter school shall
20 not levy taxes or issue bonds. If otherwise allowed by law, the
21 governing board of a charter school or virtual charter school may
22 enter into private contracts for the purposes of borrowing money
23 from lenders. If the governing board of the charter school or
24 virtual charter school borrows money, the charter school or virtual

1 charter school shall be solely responsible for repaying the debt,
2 and the state or the sponsor shall not in any way be responsible or
3 obligated to repay the debt.

4 F. Any charter school or virtual charter school which chooses
5 to lease property shall be eligible to receive current government
6 lease rates.

7 G. Except as otherwise provided in this subsection, each
8 charter school shall pay to the Charter School Closure Reimbursement
9 Revolving Fund created in subsection H of this section an amount
10 equal to Five Dollars (\$5.00) per student based on average daily
11 membership, as defined by paragraph 2 of Section 18-107 of this
12 title, during the first nine (9) weeks of the school year. Each
13 charter school shall complete the payment every school year within
14 thirty (30) days after the first nine (9) weeks of the school year.
15 If the Charter School Closure Reimbursement Revolving Fund has a
16 balance of One Million Dollars (\$1,000,000.00) or more on July 1, no
17 payment shall be required the following school year.

18 H. There is hereby created in the State Treasury a revolving
19 fund for the Statewide Charter School Board to be designated the
20 "Charter School Closure Reimbursement Revolving Fund". The fund
21 shall be a continuing fund, not subject to fiscal year limitations,
22 and shall consist of all monies received by the Statewide Charter
23 School Board from charter schools as provided in subsection G of
24 this section. All monies accruing to the credit of the fund are

1 hereby appropriated and may be budgeted and expended by the
2 Statewide Charter School Board for the purpose of paying for
3 expenditures incurred due to the closure of a charter school.
4 Expenditures from the fund shall be made upon warrants issued by the
5 State Treasurer against claims filed as prescribed by law with the
6 Director of the Office of Management and Enterprise Services for
7 approval and payment.

8 SECTION 2. This act shall become effective July 1, 2024.

9 SECTION 3. It being immediately necessary for the preservation
10 of the public peace, health, or safety, an emergency is hereby
11 declared to exist, by reason whereof this act shall take effect and
12 be in full force from and after its passage and approval.

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14 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
15 04/18/2024 - DO PASS.

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