

1 ENGROSSED HOUSE
2 BILL NO. 3369

By: Echols of the House

3 and

4 David of the Senate
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7 [schools - charter school funding - decreasing
8 certain percentage of State Aid allocation that may
9 be retained by charter school sponsors - effective
10 date]
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14 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

15 SECTION 1. AMENDATORY 70 O.S. 2011, Section 3-142, as
16 last amended by Section 6, Chapter 170, O.S.L. 2015 (70 O.S. Supp.
17 2019, Section 3-142), is amended to read as follows:

18 Section 3-142. A. For purposes of funding, a charter school
19 sponsored by a board of education of a school district shall be
20 considered a site within the school district in which the charter
21 school is located. The student membership of the charter school
22 shall be considered separate from the student membership of the
23 district in which the charter school is located for the purpose of
24 calculating weighted average daily membership pursuant to Section

1 18-201.1 of this title and State Aid pursuant to Section 18-200.1 of
2 this title. For charter schools sponsored by a board of education
3 of a school district, the sum of the separate calculations for the
4 charter school and the school district shall be used to determine
5 the total State Aid allocation for the district in which the charter
6 school is located. A charter school shall receive from the
7 sponsoring school district, the State Aid allocation and any other
8 state-appropriated revenue generated by its students for the
9 applicable year, less up to ~~five percent (5%)~~ three percent (3%) of
10 the State Aid allocation, which may be retained by the school
11 district as a fee for administrative services rendered. For charter
12 schools sponsored by the board of education of a technology center
13 school district, a higher education institution, the State Board of
14 Education, or a federally recognized Indian tribe and for statewide
15 virtual charter schools sponsored by the Statewide Virtual Charter
16 School Board, the State Aid allocation for the charter school shall
17 be distributed by the State Board of Education and not more than
18 ~~five percent (5%)~~ three percent (3%) of the State Aid allocation may
19 be charged by the sponsor as a fee for administrative services
20 rendered. The State Board of Education shall determine the policy
21 and procedure for making payments to a charter school. The fee for
22 administrative services as authorized in this subsection shall only
23 be assessed on the State Aid allocation amount and shall not be
24 assessed on any other appropriated amounts. A sponsor of a charter

1 school shall not retain any additional State Aid allocation or
2 charge the charter school any additional fee above the amounts
3 allowed by this subsection unless the additional fees are for
4 additional services rendered. The charter school sponsor shall
5 provide to the State Department of Education financial records
6 documenting any state funds retained by the sponsor for
7 administrative services rendered for the previous year.

8 B. 1. The weighted average daily membership for the first year
9 of operation of a charter school shall be determined initially by
10 multiplying the actual enrollment of students as of August 1 by
11 1.333. The charter school shall receive revenue equal to that which
12 would be generated by the estimated weighted average daily
13 membership calculated pursuant to this paragraph. At midyear, the
14 allocation for the charter school shall be adjusted using the first
15 quarter weighted average daily membership for the charter school
16 calculated pursuant to subsection A of this section.

17 2. 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 full-time virtual charter school shall be determined
22 by multiplying the actual enrollment of students as of August 1 by
23 1.333. The full-time virtual charter school shall receive revenue
24 equal to that which would be generated by the estimated weighted

1 average daily membership calculated pursuant to this paragraph. At
2 midyear, the allocation for the full-time virtual charter school
3 shall be adjusted using the first quarter weighted average daily
4 membership for the virtual charter school calculated pursuant to
5 subsection A of this section.

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

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

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

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

14 G. There is hereby created in the State Treasury a revolving
15 fund for the State Department of Education to be designated the
16 "Charter School Closure Reimbursement Revolving Fund". The fund
17 shall be a continuing fund, not subject to fiscal year limitations,
18 and shall consist of all monies received by the State Department of
19 Education from charter schools as provided in subsection F of this
20 section. All monies accruing to the credit of said fund are hereby
21 appropriated and may be budgeted and expended by the State
22 Department of Education for the purpose of reimbursing charter
23 school sponsors for costs incurred due to the closure of a charter
24 school. Expenditures from said fund shall be made upon warrants

1 issued by the State Treasurer against claims filed as prescribed by
2 law with the Director of the Office of Management and Enterprise
3 Services for approval and payment. The State Department of
4 Education may promulgate rules regarding sponsor eligibility for
5 reimbursement.

6 SECTION 2. This act shall become effective November 1, 2020.

7 Passed the House of Representatives the 11th day of March, 2020.

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10 Presiding Officer of the House
of Representatives

11 Passed the Senate the ____ day of _____, 2020.

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14 Presiding Officer of the Senate
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