

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 COMMITTEE SUBSTITUTE
FOR
5 HOUSE BILL NO. 2154

By: Hall of the House

6 and

7 **Guthrie** of the Senate

10 COMMITTEE SUBSTITUTE

11 An Act relating to schools; amending 70 O.S. 2021,
12 Section 3-136, as amended by Section 7, Chapter 323,
13 O.S.L. 2023 (70 O.S. Supp. 2024, Section 3-136),
14 which relates to the Oklahoma Charter Schools Act;
15 exempting certain financial statements from contract
16 requirements; requiring the approval of charter
17 school budgets before each fiscal year; providing an
18 effective date; and declaring an emergency.

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

20 SECTION 1. AMENDATORY 70 O.S. 2021, Section 3-136, as
21 amended by Section 7, Chapter 323, O.S.L. 2023 (70 O.S. Supp. 2024,
22 Section 3-136), is amended to read as follows:

23 Section 3-136. A. Beginning July 1, 2024, a written contract
24 entered into between the Statewide Charter School Board and the
governing board of a charter school or statewide virtual charter
school or a written contract entered into between a sponsor and the

1 | governing board of a charter school shall ensure compliance with the
2 | following:

3 | 1. Except as provided for in the Oklahoma Charter Schools Act,
4 | a charter school and virtual charter school shall be exempt from all
5 | statutes and rules relating to schools, boards of education, and
6 | school districts; provided, however, a charter school or virtual
7 | charter school shall comply with all federal regulations and state
8 | and local rules and statutes relating to health, safety, civil
9 | rights, and insurance. By January 1, 2000, the State Department of
10 | Education shall prepare a list of relevant rules and statutes which
11 | a charter school and virtual charter school must comply with as
12 | required by this paragraph and shall annually provide an update to
13 | the list;

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

19 | 3. The charter contract shall provide a description of the
20 | educational program to be offered. A charter school or virtual
21 | charter school may provide a comprehensive program of instruction
22 | for a prekindergarten program, a kindergarten program, or any grade
23 | between grades one and twelve. Instruction may be provided to all
24 | persons between four (4) and twenty-one (21) years of age. A

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

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

20 5. A charter school or virtual charter school shall be subject
21 to the same reporting requirements, financial audits, audit
22 procedures, and audit requirements as a school district. The State
23 Department of Education or State Auditor and Inspector may conduct
24 financial, program, or compliance audits. The Statewide Charter

1 School Board may request that the State Auditor and Inspector
2 conduct a financial, program, or compliance audit for any charter
3 school or virtual charter school it oversees. A charter school or
4 virtual charter school shall use the Oklahoma Cost Accounting System
5 to report financial transactions to the State Department of
6 Education. The charter school or virtual charter school shall be
7 subject to the limitations on spending, including provisions of the
8 Oklahoma Constitution, for any funds received from the state, either
9 through the State Department of Education or other sources.
10 Notwithstanding the requirements of this paragraph, charter schools

11 shall be exempt from filing a written itemized statement of
12 estimated needs and probable income from all sources, as described
13 in Section 3002 of Title 68 of the Oklahoma Statutes;

14 6. A charter school or virtual charter school shall comply with
15 all federal and state laws relating to the education of children
16 with disabilities in the same manner as a school district;

17 7. A charter school or virtual charter school shall provide for
18 a governing board for the school which shall be responsible for the
19 policies and operational decisions of the charter school or virtual
20 charter school. All of the charter school or virtual charter school
21 governing board members shall be residents of this state and shall
22 meet no fewer than ten (10) months of the year in a public meeting
23 within the boundaries of the school district in which the charter
24 school is located or within this state if the governing board

1 oversees multiple charter schools in this state or oversees a
2 virtual charter school. The governing board of a charter school or
3 virtual charter school shall be subject to the same conflict of
4 interest requirements as a member of a school district board of
5 education including but not limited to Sections 5-113 and 5-124 of
6 this title. Members appointed to the governing board of a charter
7 school or virtual charter school shall be subject to the same
8 instruction and continuing education requirements as a member of a
9 school district board of education and pursuant to Section 5-110 of
10 this title shall complete twelve (12) hours of instruction within
11 fifteen (15) months of appointment to the governing board and
12 pursuant to Section 5-110.1 of this title shall attend continuing
13 education;

14 8. A charter school or virtual charter school shall not be used
15 as a method of generating revenue for students who are being home
16 schooled and are not being educated at an organized charter school
17 site or by a virtual charter school;

18 9. A charter school or virtual charter school shall be as
19 equally free and open to all students as traditional public schools
20 and shall not charge tuition or fees;

21 10. A charter school or virtual charter school shall provide
22 instruction each year for at least the number of days or hours
23 required in Section 1-109 of this title;

24

1 11. A charter school or virtual charter school shall comply
2 with the student suspension requirements provided for in Section 24-
3 101.3 of this title;

4 12. A charter school or virtual charter school shall be
5 considered a school district for purposes of tort liability under
6 The Governmental Tort Claims Act;

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

11 14. A charter school or virtual charter school may participate
12 in all health and related insurance programs available to employees
13 of a public school district;

14 15. A charter school or virtual charter school and their
15 respective governing boards shall comply with the Oklahoma Open
16 Meeting Act and the Oklahoma Open Records Act;

17 16. The governing board of a charter school or virtual charter
18 school shall notify the sponsor within ten (10) business days in the
19 instance of any significant adverse actions, material findings of
20 noncompliance, or pending actions, claims, or proceedings in this
21 state relating to the charter school, the virtual charter school, or
22 an educational management organization with which the charter school
23 or virtual charter school has a contract;

1 17. No later than September 1 each year, the governing board of
2 each charter school or virtual charter school formed pursuant to the
3 Oklahoma Charter Schools Act shall prepare a statement of actual
4 income and expenditures for the charter school or virtual charter
5 school for the fiscal year that ended on the preceding June 30, in a
6 manner compliant with Section 5-135 of this title. The statement of
7 expenditures shall include functional categories as defined in rules
8 adopted by the State Board of Education to implement the Oklahoma
9 Cost Accounting System pursuant to Section 5-145 of this title.
10 Charter schools and virtual charter schools shall not be permitted
11 to submit estimates of expenditures or prorated amounts to fulfill
12 the requirements of this paragraph; and

13 18. A charter school or virtual charter school contract shall
14 include performance provisions based on a performance framework that
15 clearly sets forth the academic and operational performance
16 indicators that shall be used by charter school and virtual charter
17 school sponsors to evaluate their respective schools. The sponsor
18 may develop a separate performance framework to evaluate a charter
19 school or virtual charter school that has been designated by the
20 State Department of Education as implementing an alternative
21 education program throughout the school. The sponsor shall require
22 a charter school or virtual charter school to submit the data
23 required in this subsection in the identical format that is required
24 by the State Department of Education of all public schools in order

1 | to avoid duplicative administrative efforts or allow a charter
2 | school or virtual charter school to provide permission to the
3 | Department to share all required data with the Board. The
4 | performance framework shall serve as the minimum requirement for
5 | charter school and virtual charter school performance evaluation and
6 | shall include, but not be limited to, the following indicators:

- 7 | a. student academic proficiency,
- 8 | b. student academic growth,
- 9 | c. achievement gaps in both proficiency and growth
10 | between major student subgroups,
- 11 | d. student attendance,
- 12 | e. recurrent enrollment from year to year as determined
13 | by the methodology used for public schools in
14 | Oklahoma,
- 15 | f. in the case of high schools, graduation rates as
16 | determined by the methodology used for public schools
17 | in Oklahoma,
- 18 | g. in the case of high schools, postsecondary readiness,
- 19 | h. financial performance and sustainability and
20 | compliance with state and Internal Revenue Service
21 | financial reporting requirements,
- 22 | i. audit findings or deficiencies,
- 23 | j. accreditation and timely reporting,

- 1 k. governing board performance and stewardship including
2 compliance with all applicable laws, regulations, and
3 terms of the charter contract, and
4 l. mobility of student population for the virtual charter
5 school framework.

6 The sponsor including the Statewide Charter School Board shall
7 annually evaluate its charter schools or virtual charter schools
8 according to the performance framework. The results of the
9 evaluation shall be presented to the governing board of the charter
10 school or virtual charter school and the governing board of the
11 charter school sponsor in an open meeting; and

12 19. Preceding the beginning of each fiscal year, charter school
13 governing boards shall approve a budget for the upcoming fiscal
14 year.

15 B. An applicant or the governing board of an applicant may hold
16 one or more charter contracts. Each charter school or virtual
17 charter school that is part of a charter contract shall be separate
18 and distinct from any other charter school or virtual charter
19 school. For the purposes of this subsection, "separate and
20 distinct" shall mean that a charter school or virtual charter school
21 governing board with oversight of more than one charter school or
22 virtual charter school shall not combine accounting, budgeting,
23 recordkeeping, admissions, employment, or policies and operational

1 decisions of the charter schools or virtual charter schools it
2 oversees.

3 C. The charter contract of a charter school or virtual charter
4 school shall include a description of the personnel policies,
5 personnel qualifications, and method of school governance. A
6 charter school or virtual charter school shall not enter into an
7 employment contract with any teacher or other personnel until a
8 contract has been executed with its sponsor. The employment
9 contract shall set forth the personnel policies of the charter
10 school or virtual charter school including, but not limited to,
11 policies related to certification, professional development,
12 evaluation, suspension, dismissal and nonreemployment, sick leave,
13 personal business leave, emergency leave, and family and medical
14 leave. The contract shall also specifically set forth the salary,
15 hours, fringe benefits, and work conditions. The contract may
16 provide for employer-employee bargaining, but the charter school or
17 virtual charter school shall not be required to comply with the
18 provisions of Sections 509.1 through 509.10 of this title.

19 Upon contracting with any teacher or other personnel, the
20 governing board of a charter school or virtual charter school shall,
21 in writing, disclose employment rights of the employees in the event
22 the charter school or virtual charter school closes or the charter
23 contract is not renewed.

1 No charter school or virtual charter school may begin serving
2 students without a contract executed in accordance with the
3 provisions of the Oklahoma Charter Schools Act and approved in an
4 open meeting of the governing board of the sponsor or the Statewide
5 Charter School Board. The governing board of the sponsor or the
6 Statewide Charter School Board may establish reasonable preopening
7 requirements or conditions to monitor the start-up progress of newly
8 approved charter schools or virtual charter schools and ensure that
9 each brick-and-mortar school is prepared to open smoothly on the
10 date agreed and to ensure that each school meets all building,
11 health, safety, insurance, and other legal requirements for the
12 opening of a school.

13 D. The charter of a charter school or virtual charter school
14 may be amended at the request of the governing board of the charter
15 school or virtual charter school and upon the approval of the
16 sponsor.

17 E. A charter school or virtual charter school may enter into
18 contracts and sue and be sued.

19 F. The governing board of a charter school or virtual charter
20 school shall not levy taxes or issue bonds. A school district that
21 proposes a bond shall include any charter school established
22 pursuant to subsection A of Section 3-132 of this title and located
23 within the school district in planning conversations regarding the
24 bond.

1 G. The charter of a charter school or virtual charter school
2 shall include a provision specifying the method or methods to be
3 employed for disposing of real and personal property acquired by the
4 charter school or virtual charter school upon expiration or
5 termination of the charter or failure of the charter school or
6 virtual charter school to continue operations. Except as otherwise
7 provided, any real or personal property purchased with state or
8 local funds shall be retained by the sponsor. If a charter school
9 that was previously sponsored by the board of education of a school
10 district continues operation within the school district under a new
11 charter sponsored by an entity authorized pursuant to Section 3-132
12 of this title, the charter school may retain any personal property
13 purchased with state or local funds for use in the operation of the
14 charter school until termination of the new charter or failure of
15 the charter school to continue operations.

16 SECTION 2. This act shall become effective July 1, 2025.

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

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22 COMMITTEE REPORT BY: COMMITTEE ON EDUCATION OVERSIGHT, dated
23 02/27/2025 - DO PASS, As Amended and Coauthored.
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