

**TITLE 777. STATEWIDE VIRTUAL CHARTER SCHOOL BOARD  
CHAPTER 10. STATEWIDE VIRTUAL CHARTER SCHOOLS**

***Rule Impact Statement***

**I. Purpose of the proposed rule changes**

The amendments to 777:10-1-2 add a definition for Education Service Provider, which in conjunction with a new section, 777:10-1-4, set forth parameters for virtual charter schools that choose to utilize an education service provider, also known as a management company.

The amendments to 777:10-3-3 add requirements to the application for a proposed school to ensure its technology protocols are compliant with the security standards set forth in federal and state law. Further, more detail is required in other areas of the proposal to ensure that sufficient detail is provided for the Statewide Virtual Charter School Board to make an informed decision as to sponsorship.

The amendments to 777:10-3-4 add a requirement to submit the annual evaluation of the education service provider to the board via the data submission system, and a new subsection for school orientation, which is a new requirement set forth in statute, 70 OS 3-145.8, amended by Laws 2020, HB 2905, c. 27, § 3, emerg. eff. July 1, 2020. Additionally, the rule amendments require the statewide virtual charter schools to change audit firms for the statutorily required annual audit, and to allow compliance audits to be conducted.

**II. Class of persons that will be affected by the proposed rule changes and that will bear the cost of the proposed rule change**

Statewide virtual charter schools will be affected by the proposed rule change.

**III. Class of persons that will benefit from the proposed rule change**

Statewide virtual charter schools and their students will benefit from the proposed rule change, as will the State of Oklahoma as a whole through increased oversight requirements and capacity.

**IV. Probable economic impact of the proposed rule upon the affected classes of persons or political subdivisions; fee changes and justification**

There may be minimal cost to the virtual charter schools to implement the proposed changes that are mandated by statute.

**V. Probable cost to the agency to implement and enforce the proposed rule change**

The agency does not anticipate any additional cost as a result of the proposed rule changes.

**VI. Potential economic impact on any political subdivision to implement the proposed rule change**

The agency does not anticipate any economic impact on any political subdivision as a result of the proposed rule changes.

**VII. Potential adverse effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act**

The agency does not anticipate any adverse effect on small business as a result of the proposed rule changes.

**VIII. Description of other methods which are less costly, non-regulatory, or less intrusive to achieve the purpose of the proposed rule change**

N/A

**IX. The effect of the proposed rule on the public health, safety, and environment, and the risks the proposed rule is designed to reduce.**

N/A

**X. A description of the detrimental effect on the public health, safety, and environment if the rule is not implemented.**

N/A

**Date prepared: April 12, 2021**