

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1085 Session of
2013INTRODUCED BY SMUCKER, WILLIAMS, BAKER, FOLMER, WAUGH, ALLOWAY,
PILEGGI, VANCE AND EICHELBERGER, AUGUST 27, 2013SENATOR CORMAN, APPROPRIATIONS, RE-REPORTED AS AMENDED,
NOVEMBER 19, 2013

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," IN TERMS AND COURSES OF STUDY, <--
6 FURTHER PROVIDING FOR AGREEMENTS WITH INSTITUTIONS OF HIGHER
7 EDUCATION; IN OPPORTUNITIES FOR EDUCATIONAL EXCELLENCE,
8 FURTHER PROVIDING FOR DEFINITIONS AND FOR CONCURRENT
9 ENROLLMENT AGREEMENTS; AND extensively revising charter
10 school provisions.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 ~~Section 1. Section 1703 A of the act of March 10, 1949~~ <--
14 ~~(P.L.30, No.14), known as the Public School Code of 1949,~~
15 ~~amended June 29, 2002 (P.L.524, No.88), is amended to read:~~

16 SECTION 1. SECTION 1525 OF THE ACT OF MARCH 10, 1949 <--
17 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, ADDED
18 JULY 4, 2004 (P.L.536, NO.70), IS AMENDED TO READ:

19 SECTION 1525. AGREEMENTS WITH INSTITUTIONS OF HIGHER
20 EDUCATION.--NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
21 CONTRARY, A SCHOOL DISTRICT, CHARTER SCHOOL, REGIONAL CHARTER

1 SCHOOL, CYBER CHARTER SCHOOL OR AREA VOCATIONAL-TECHNICAL SCHOOL
2 MAY ENTER INTO AN AGREEMENT WITH ONE OR MORE INSTITUTIONS OF
3 HIGHER EDUCATION APPROVED TO OPERATE IN THIS COMMONWEALTH IN
4 ORDER TO ALLOW [RESIDENT] STUDENTS TO ATTEND SUCH INSTITUTIONS
5 OF HIGHER EDUCATION WHILE THE [RESIDENT] STUDENTS ARE ENROLLED
6 IN THE SCHOOL DISTRICT, CHARTER SCHOOL, REGIONAL CHARTER SCHOOL,
7 CYBER CHARTER SCHOOL OR AREA VOCATIONAL-TECHNICAL SCHOOL. THE
8 AGREEMENT MAY BE STRUCTURED SO THAT HIGH SCHOOL STUDENTS MAY
9 RECEIVE CREDITS TOWARD COMPLETION OF COURSES AT THE SCHOOL
10 DISTRICT, CHARTER SCHOOL, REGIONAL CHARTER SCHOOL, CYBER CHARTER
11 SCHOOL OR AREA VOCATIONAL-TECHNICAL SCHOOL AND AT INSTITUTIONS
12 OF HIGHER EDUCATION APPROVED TO OPERATE IN THIS COMMONWEALTH.

13 SECTION 2. THE DEFINITIONS OF "CONCURRENT STUDENT" AND
14 "SCHOOL ENTITY" IN SECTION 1602-B OF THE ACT, ADDED JULY 13,
15 2005 (P.L.226, NO.46), ARE AMENDED TO READ:

16 SECTION 1602-B. DEFINITIONS.

17 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
18 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
19 CONTEXT CLEARLY INDICATES OTHERWISE:

20 * * *

21 "CONCURRENT STUDENT." A STUDENT WHO IS ENROLLED IN A SCHOOL
22 DISTRICT, A CHARTER SCHOOL, A REGIONAL CHARTER SCHOOL, A CYBER
23 CHARTER SCHOOL, AN AREA VOCATIONAL-TECHNICAL SCHOOL, A NONPUBLIC
24 SCHOOL, A PRIVATE SCHOOL OR A HOME EDUCATION PROGRAM UNDER
25 SECTION 1327.1 AND WHO TAKES A CONCURRENT COURSE THROUGH A
26 CONCURRENT ENROLLMENT PROGRAM.

27 * * *

28 "SCHOOL ENTITY." A SCHOOL DISTRICT, A CHARTER SCHOOL, A
29 REGIONAL CHARTER SCHOOL, A CYBER CHARTER SCHOOL OR AN AREA
30 VOCATIONAL-TECHNICAL SCHOOL.

1 * * *

2 SECTION 3. SECTION 1613-B OF THE ACT IS AMENDED BY ADDING A
3 SUBSECTION TO READ:

4 SECTION 1613-B. CONCURRENT ENROLLMENT AGREEMENTS.

5 * * *

6 (C) CHARTER SCHOOLS, REGIONAL CHARTER SCHOOLS AND CYBER
7 CHARTER SCHOOLS.--CHARTER SCHOOLS, REGIONAL CHARTER SCHOOLS AND
8 CYBER CHARTER SCHOOLS SHALL HAVE THE POWER AND AUTHORITY TO
9 ENTER INTO A CONCURRENT ENROLLMENT AGREEMENT WITH AN INSTITUTION
10 OF HIGHER EDUCATION AND APPROPRIATE CREDIT SHALL BE AWARDED TO
11 STUDENTS CONCURRENTLY ENROLLED UNDER THE AGREEMENT.

12 SECTION 4. SECTION 1703-A OF THE ACT, AMENDED JUNE 29, 2002
13 (P.L.524, NO.88), IS AMENDED TO READ:

14 Section 1703-A. Definitions.--As used in this article,
15 "Administrator" shall include an employe of a charter school
16 entity, including the chief administrator of a charter school
17 entity and any other employe, who by virtue of the employe's
18 position is responsible for taking official action of a
19 nonministerial nature with regard to contracting or procurement,
20 administering or monitoring grants or subsidies, managing or
21 regulating staff, student and school activities or any activity
22 where the official action has an economic impact of greater than
23 a de minimis nature on the interests of any person.

24 "Appeal board" shall mean the State Charter School Appeal
25 Board established by this article.

26 "Assessment" shall mean the Pennsylvania System of School
27 Assessment test, the Keystone Exam or another test established
28 by the State board to meet the requirements of section 2603-
29 B(d)(10)(i) and required under the No Child Left Behind Act of
30 2001 (Public Law 107-110, 115 Stat. 1425) or its successor

1 Federal statute.

2 "At-risk student" shall mean a student at risk of educational
3 failure because of limited English proficiency, poverty,
4 community factors, truancy, academic difficulties or economic
5 disadvantage.

6 "Charter school" shall mean an independent public school
7 established and operated under a charter from the local board of
8 school directors or the governing body of an institution of
9 higher education and in which students are enrolled or attend. A
10 charter school must be organized as a public, nonprofit
11 corporation. Charters may not be granted to any for-profit
12 entity.

13 "Charter school entity" shall mean a charter school, regional
14 charter school or cyber charter school.

15 "Charter school foundation" shall mean a nonprofit
16 organization, as defined under section 501(c)(3) of the Internal
17 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)),
18 that provides funding, resources or otherwise serves to support
19 a charter school entity, either directly or through an
20 affiliated entity.

21 "Chief administrator" shall mean an individual appointed by a
22 board of trustees to oversee and manage the operation of a
23 charter school entity. The term shall not include a professional
24 staff member under this article.

25 ["Chief executive officer" shall mean an individual appointed
26 by the board of trustees to oversee and manage the operation of
27 the charter school, but who shall not be deemed a professional
28 staff member under this article.]

29 ~~"Committee." The Charter School Funding Advisory Committee.~~ <--

30 ~~"COMMISSION." THE CHARTER SCHOOL FUNDING ADVISORY~~ <--

1 COMMISSION.

2 "Cyber charter school" shall mean an independent public
3 school established and operated under a charter from the
4 Department of Education and in which the school uses technology,
5 including electronic or digital books, in order to provide a
6 significant portion of its curriculum and to deliver a
7 significant portion of instruction to its students through the
8 Internet or other electronic means. A cyber charter school must
9 be organized as a public, nonprofit corporation. A charter may
10 not be granted to a for-profit entity.

11 "Department" shall mean the Department of Education of the
12 Commonwealth.

13 "Educational management service provider" shall mean a for-
14 profit education management organization, nonprofit charter
15 management organization, school design provider, business
16 manager or any other partner entity with which a board of
17 trustees of a charter school entity contracts to provide
18 educational design, business services, comprehensive management
19 or personnel functions or to implement the charter. The term
20 shall not include a charter school foundation.

21 "Governing board of an institution of higher education" shall
22 mean an institution of higher education subject to ~~Article XX C~~ <--
23 SECTION 1728.1-A which elects by affirmative vote of a majority <--
24 of all members to become an authorizer of charter schools and
25 regional charter schools ~~shall assume~~ AND WHICH ASSUMES the same <--
26 powers and duties as a local board of school directors under
27 this article. The term does not include a governing board of an
28 institution of higher education that does not vote affirmatively
29 to become an authorizer.

30 "Immediate family member" shall mean a parent, spouse, child,

1 brother or sister.

2 "Local board of school directors" shall mean the board of
3 directors of a SCHOOL REFORM COMMISSION OR OTHER GOVERNING <--
4 AUTHORITY OF A school district OR A FINANCIAL RECOVERY SCHOOL <--
5 DISTRICT in which a proposed or an approved charter school is
6 located.

7 "Nonrelated" shall mean an individual who is not an immediate
8 family member.

9 "Regional charter school" shall mean an independent public
10 school established and operated under a charter from more than
11 one local board of school directors or the governing board of an
12 institution of higher education and in which students are
13 enrolled or attend. A regional charter school must be organized
14 as a public, nonprofit corporation. Charters may not be granted
15 to any for-profit entity.

16 "Right-to-Know Law" shall mean the act of February 14, 2008
17 (P.L.6, No.3), known as the "Right-to-Know Law."

18 "School district of residence" shall mean the school district
19 in this Commonwealth in which [the parents or guardians of a
20 child reside] a child resides as determined under section 1302
21 AND 22 PA. CODE § 11.11(A)(1) (RELATING TO ENTITLEMENT OF <--
22 RESIDENT CHILDREN TO ATTEND PUBLIC SCHOOLS).

23 "School entity" shall mean a school district, intermediate
24 unit, joint school or area vocational-technical school.

25 "Secretary" shall mean the Secretary of Education of the
26 Commonwealth.

27 "State board" shall mean the State Board of Education of the
28 Commonwealth.

29 Section ~~4.1~~ 5. The act is amended by adding a section to <--
30 read:

~~Section 1704 A. Charter School Funding Advisory Committee.~~ <--

~~(a) The department shall immediately convene a Statewide advisory committee, to be known as the Charter School Funding Advisory Committee, to examine the financing of charter schools and cyber charter schools in the public education system. The committee shall examine how charter school and cyber charter school finances affect opportunities for teachers, parents, pupils and community members to establish and maintain schools that operate independently from the existing school district structure as a method to accomplish the requirements of section 1702 A. The department shall provide administrative support, meeting space and any other assistance required by the committee to carry out its duties under this section.~~

~~(b) The committee shall consist of the following members:~~

~~(1) The chairman and minority chairman of the Education Committee of the Senate and the chairman and the minority chairman of the Education Committee of the House of Representatives or their designees.~~

~~(2) The secretary or a designee.~~

~~(3) The chairman of the State board or a designee.~~

~~(4) The following members, who shall be appointed by the secretary:~~

~~(i) One member who shall represent charter schools.~~

~~(ii) One member who shall represent regional charter schools.~~

~~(iii) One member who shall represent cyber charter schools.~~

~~(iv) One member who shall represent teachers and may be a public school teacher, a charter school teacher, a regional charter school teacher, a cyber charter school teacher or a nonpublic school teacher.~~

1 ~~(v) One member who shall represent school administrators.~~

2 ~~(vi) One member who shall represent school board members.~~

3 ~~(vii) One member who shall represent a business manager of a~~
4 ~~school district.~~

5 ~~(viii) One member who shall represent a parent of a child~~
6 ~~attending a charter school or cyber charter school.~~

7 ~~(ix) One member who shall represent an institution of higher~~
8 ~~education.~~

9 ~~(c) Members of the committee shall be appointed within~~
10 ~~forty five (45) days of the effective date of this section. Any~~
11 ~~vacancy on the committee shall be filled by the original~~
12 ~~appointing officer or agency. The committee shall select a~~
13 ~~chairman and vice chairman from among its membership at an~~
14 ~~organizational meeting. The organizational meeting shall take~~
15 ~~place no later than ninety (90) days following the effective~~
16 ~~date of this section.~~

17 ~~(d) The committee shall hold meetings at the call of the~~
18 ~~chairman. The committee may also hold public hearings on the~~
19 ~~matters to be considered by the committee at locations~~
20 ~~throughout this Commonwealth. All meetings and public hearings~~
21 ~~of the committee shall be deemed public meetings for the purpose~~
22 ~~of 65 Pa.C.S. Ch. 7 (relating to open meetings). Eight members~~
23 ~~of the committee shall constitute a quorum at any meeting. Each~~
24 ~~member of the committee may designate another person to~~
25 ~~represent that member at meetings of the committee.~~

26 ~~(e) Committee members shall receive no compensation for~~
27 ~~their services but shall be reimbursed for all necessary travel~~
28 ~~and other reasonable expenses incurred in connection with the~~
29 ~~performance of their duties as members. Whenever possible, the~~
30 ~~committee shall utilize the services and expertise of existing~~

~~personnel and staff of State government.~~

~~(f) The committee shall have the following powers and duties:~~

~~(1) Meet with current charter school operators within this Commonwealth, including cyber charter schools with blended programs.~~

~~(2) Review charter school financing laws in operation throughout the United States.~~

~~(3) Evaluate and make recommendations on the following:~~

~~(i) Powers and duties extended to charter schools and cyber charter schools as they relate to financing.~~

~~(ii) Funding formulas for charter schools and cyber charter schools, including reimbursement procedures and funding under Title I of the Elementary and Secondary Education Act of 1965 (Public Law 89 10, 20 U.S.C. § 6301 et seq.).~~

~~(iii) The cost associated with establishing an institution of higher education as an authorizer of a charter school or regional charter school.~~

~~(iv) The process by which charter schools and cyber charter schools are funded under section 1725 A.~~

~~(v) Student residency as it relates to funding.~~

~~(vi) Special education and other special program funding.~~

~~(vii) Charter school transportation.~~

~~(viii) Charter school eligibility to receive grants and funding.~~

~~(ix) Appropriate assessment fees on charter schools and cyber charter schools.~~

~~(x) Consideration of recognizing a charter school for additional designations as a local education agency.~~

~~(g) The committee shall, no later than August 31, 2014,~~

~~issue a report of its findings and recommendations to the Governor, the President pro tempore of the Senate, the minority leader of the Senate, the chairman and minority chairman of the Education Committee of the Senate, the Speaker of the House of Representatives, the minority leader of the House of Representatives and the chairman and minority chairman of the Education Committee of the House of Representatives.~~

SECTION 1704-A. CHARTER SCHOOL FUNDING ADVISORY

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COMMISSION.--(A) THE GOVERNOR SHALL IMMEDIATELY CONVENE A STATEWIDE ADVISORY COMMISSION TO BE KNOWN AS THE CHARTER SCHOOL FUNDING ADVISORY COMMISSION, TO EXAMINE THE FINANCING OF CHARTER SCHOOL ENTITIES IN THE PUBLIC EDUCATION SYSTEM. THE COMMISSION SHALL EXAMINE HOW CHARTER SCHOOL ENTITY FINANCES AFFECT OPPORTUNITIES FOR TEACHERS, PARENTS, PUPILS AND COMMUNITY MEMBERS TO ESTABLISH AND MAINTAIN SCHOOLS THAT OPERATE INDEPENDENTLY FROM THE EXISTING SCHOOL DISTRICT STRUCTURE AS A METHOD OF ACCOMPLISHING THE REQUIREMENTS OF SECTION 1702-A. THE OFFICE OF THE BUDGET AND THE DEPARTMENT SHALL PROVIDE ADMINISTRATIVE SUPPORT, MEETING SPACE AND ANY OTHER ASSISTANCE REQUIRED BY THE COMMISSION TO CARRY OUT ITS DUTIES UNDER THIS SECTION.

(B) THE COMMISSION SHALL CONSIST OF THE FOLLOWING MEMBERS:

(1) THREE MEMBERS OF THE SENATE APPOINTED BY THE PRESIDENT PRO TEMPORE OF THE SENATE, IN CONSULTATION WITH THE MAJORITY LEADER AND THE MINORITY LEADER OF THE SENATE, WITH TWO APPOINTEES FROM THE MAJORITY PARTY AND ONE APPOINTEE FROM THE MINORITY PARTY.

(2) THREE MEMBERS OF THE HOUSE OF REPRESENTATIVES APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, IN CONSULTATION WITH THE MAJORITY LEADER AND THE MINORITY LEADER OF THE HOUSE OF

1 REPRESENTATIVES, WITH TWO APPOINTEES FROM THE MAJORITY PARTY AND
2 ONE APPOINTEE FROM THE MINORITY PARTY.

3 (3) THE SECRETARY OR A DESIGNEE.

4 (4) TO REPRESENT THE INTERESTS OF CHARTER SCHOOL ENTITIES,
5 THE FOLLOWING MEMBERS WHO SHALL BE APPOINTED BY THE GOVERNOR:

6 (I) ONE MEMBER WHO SHALL REPRESENT CHARTER SCHOOLS.

7 (II) ONE MEMBER WHO SHALL REPRESENT REGIONAL CHARTER
8 SCHOOLS.

9 (III) ONE MEMBER WHO SHALL REPRESENT CYBER CHARTER SCHOOLS.

10 (IV) ONE MEMBER WHO SHALL BE A TEACHER IN A CHARTER SCHOOL
11 ENTITY.

12 (V) ONE MEMBER WHO SHALL BE A PARENT OF A CHILD ATTENDING A
13 CHARTER SCHOOL ENTITY.

14 (5) TO REPRESENT THE INTERESTS OF SCHOOL DISTRICTS, THE
15 FOLLOWING MEMBERS WHO SHALL BE APPOINTED BY THE GOVERNOR:

16 (I) ONE MEMBER WHO SHALL BE A TEACHER IN A PUBLIC SCHOOL
17 THAT IS NOT A CHARTER SCHOOL ENTITY.

18 (II) ONE MEMBER WHO SHALL REPRESENT SCHOOL ADMINISTRATORS.

19 (III) TWO MEMBERS WHO SHALL REPRESENT SCHOOL BOARD MEMBERS.

20 (IV) ONE MEMBER WHO SHALL BE A BUSINESS MANAGER OF A SCHOOL
21 DISTRICT.

22 (6) ONE MEMBER WHO SHALL REPRESENT AN INSTITUTION OF HIGHER
23 EDUCATION AND WHO SHALL BE APPOINTED BY THE GOVERNOR.

24 (C) MEMBERS OF THE COMMISSION SHALL BE APPOINTED WITHIN
25 TWENTY (20) DAYS OF THE EFFECTIVE DATE OF THIS SECTION. ANY
26 VACANCY ON THE COMMISSION SHALL BE FILLED BY THE ORIGINAL
27 APPOINTING AUTHORITY. THE COMMISSION SHALL SELECT A CHAIRMAN AND
28 VICE CHAIRMAN FROM AMONG ITS MEMBERSHIP AT AN ORGANIZATIONAL
29 MEETING. THE ORGANIZATIONAL MEETING SHALL TAKE PLACE NO LATER
30 THAN FORTY-FIVE (45) DAYS FOLLOWING THE EFFECTIVE DATE OF THIS

1 SECTION.

2 (D) THE COMMISSION SHALL HOLD MEETINGS AT THE CALL OF THE
3 CHAIRMAN. THE COMMISSION MAY ALSO HOLD PUBLIC HEARINGS ON THE
4 MATTERS TO BE CONSIDERED BY THE COMMISSION AT LOCATIONS
5 THROUGHOUT THIS COMMONWEALTH. ALL MEETINGS AND PUBLIC HEARINGS
6 OF THE COMMISSION SHALL BE DEEMED PUBLIC MEETINGS FOR THE
7 PURPOSE OF 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS). TEN
8 MEMBERS OF THE COMMISSION SHALL CONSTITUTE A QUORUM AT ANY
9 MEETING. EACH MEMBER OF THE COMMISSION MAY DESIGNATE ANOTHER
10 PERSON TO REPRESENT THAT MEMBER AT MEETINGS OF THE COMMISSION.

11 (E) COMMISSION MEMBERS SHALL RECEIVE NO COMPENSATION FOR
12 THEIR SERVICES BUT SHALL BE REIMBURSED BY THE DEPARTMENT FOR ALL
13 NECESSARY TRAVEL AND OTHER REASONABLE EXPENSES INCURRED IN
14 CONNECTION WITH THE PERFORMANCE OF THEIR DUTIES AS MEMBERS.
15 WHENEVER POSSIBLE, THE COMMISSION SHALL UTILIZE THE SERVICES AND
16 EXPERTISE OF EXISTING PERSONNEL AND STAFF OF STATE GOVERNMENT.
17 THE DEPARTMENT MAY UTILIZE UNDISTRIBUTED FUNDS NOT EXPENDED,
18 ENCUMBERED OR COMMITTED FROM APPROPRIATIONS FOR GRANTS AND
19 SUBSIDIES MADE TO THE DEPARTMENT, NOT TO EXCEED THREE HUNDRED
20 THOUSAND DOLLARS (\$300,000), TO CARRY OUT THIS SECTION.

21 (F) THE COMMISSION SHALL HAVE THE FOLLOWING POWERS AND
22 DUTIES:

23 (1) MEET WITH CURRENT CHARTER SCHOOL ENTITY OPERATORS,
24 SCHOOL DISTRICT PERSONNEL AND REPRESENTATIVES OF INSTITUTIONS OF
25 HIGHER EDUCATION WITHIN THIS COMMONWEALTH.

26 (2) REVIEW CHARTER SCHOOL ENTITY FINANCING LAWS IN OPERATION
27 THROUGHOUT THE UNITED STATES.

28 (3) EXPLORE THE ACTUAL COST OF EDUCATING A CHILD IN THE
29 VARIOUS CHARTER SCHOOL ENTITIES.

30 (4) EVALUATE AND MAKE RECOMMENDATIONS ON THE FOLLOWING:

1 (I) APPROPRIATE ASSESSMENT OF FEES ON CHARTER SCHOOL
2 ENTITIES FOR POTENTIALLY FUNDING A HIGHER EDUCATION AUTHORIZER
3 OF CHARTER SCHOOL ENTITIES, INCLUDING REVIEW OF INDEPENDENT
4 AUTHORIZER FEES AND STRUCTURES THROUGHOUT THE UNITED STATES.

5 (II) THE PROCESS BY WHICH CHARTER SCHOOL ENTITIES ARE FUNDED
6 UNDER SECTIONS 1725-A AND 1752-A.

7 (5) ISSUE A REPORT PURSUANT TO SUBSECTION (G).

8 (G) THE COMMISSION SHALL, NO LATER THAN AUGUST 31, 2014,
9 ISSUE A REPORT OF ITS FINDINGS AND RECOMMENDATIONS TO THE
10 GOVERNOR, THE PRESIDENT PRO TEMPORE OF THE SENATE, THE MAJORITY
11 LEADER AND THE MINORITY LEADER OF THE SENATE, THE CHAIRMAN AND
12 MINORITY CHAIRMAN OF THE APPROPRIATIONS COMMITTEE OF THE SENATE,
13 THE CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION COMMITTEE OF
14 THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE
15 MAJORITY LEADER AND THE MINORITY LEADER OF THE HOUSE OF
16 REPRESENTATIVES, THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
17 APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE
18 CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION COMMITTEE OF THE
19 HOUSE OF REPRESENTATIVES. THE RECOMMENDATIONS OF THE COMMISSION
20 SHALL NOT TAKE EFFECT UNLESS THE RECOMMENDATIONS ARE APPROVED BY
21 AN ACT OF THE GENERAL ASSEMBLY ENACTED AFTER THE EFFECTIVE DATE
22 OF THIS SECTION.

23 Section ~~2~~ 6. Section 1715-A of the act, amended or added
24 June 19, 1997 (P.L.225, No.22) and July 9, 2008 (P.L.846,
25 No.61), is amended to read:

26 Section 1715-A. Charter School Entity Requirements.--(a)
27 Charter [schools] school entities shall be required to comply
28 with the following provisions:

29 (1) Except as otherwise provided in this article, a charter
30 school entity is exempt from statutory requirements established

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1 in this act, from regulations of the State board and the
2 standards of the secretary not specifically applicable to
3 charter [schools] school entities. Charter [schools] school
4 entities are not exempt from statutes applicable to public
5 schools other than this act.

6 (2) A charter school entity shall be accountable to the
7 parents, the public and the Commonwealth, with the delineation
8 of that accountability reflected in the charter. Strategies for
9 meaningful parent and community involvement shall be developed
10 and implemented by each school.

11 (3) A charter school entity shall not unlawfully
12 discriminate in admissions, hiring or operation.

13 (4) A charter school entity shall be nonsectarian in all
14 operations.

15 (5) (i) A charter school entity shall not provide any
16 religious instruction, nor shall it display religious objects
17 and symbols on the premises of the charter school. The charter
18 school entity shall provide for discrete and separate entrances
19 to buildings utilized for school purposes only.

20 (ii) It shall not be a violation of this section for a
21 charter school entity to utilize a sectarian facility:

22 (A) if the religious objects and symbols within the portions
23 of the facility utilized by the school are covered or removed to
24 the extent reasonably feasible; or

25 (B) in which the unused portion of the facility or its
26 common areas contain religious symbols and objects.

27 (6) A charter school entity shall not advocate unlawful
28 behavior.

29 (7) A charter school or regional charter school shall only
30 be subject to the laws and regulations as provided for in

1 section 1732-A, or as otherwise provided for in this article.

2 (7.1) A CYBER CHARTER SCHOOL SHALL ONLY BE SUBJECT TO THE
3 LAWS AND REGULATIONS AS PROVIDED FOR IN SECTION 1749-A OR AS
4 OTHERWISE PROVIDED FOR IN THIS ACT.

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5 (8) A charter school entity shall participate in [the
6 Pennsylvania State Assessment System as provided for in 22 Pa.
7 Code Ch. 5 (relating to curriculum), or subsequent regulations
8 promulgated to replace 22 Pa. Code Ch. 5,] assessments in the
9 manner in which the school district in which the charter school
10 entity is located is scheduled to participate.

11 (9) A charter school entity shall provide a minimum of one
12 hundred eighty (180) days of instruction or nine hundred (900)
13 hours per year of instruction at the elementary level, or nine
14 hundred ninety (990) hours per year of instruction at the
15 secondary level. Nothing in this clause shall preclude the use
16 of computer and satellite linkages for delivering instruction to
17 students.

18 (10) Boards of trustees and contractors of charter [schools]
19 school entities shall be subject to the following statutory
20 requirements governing construction projects and construction-
21 related work:

22 (i) The following provisions of this act:

23 (A) Sections 751 and 751.1.

24 (B) Sections 756 and 757 insofar as they are consistent with
25 the act of December 20, 1967 (P.L.869, No.385), known as the
26 "Public Works Contractors' Bond Law of 1967."

27 (ii) Section 1 of the act of May 1, 1913 (P.L.155, No.104),
28 entitled "An act regulating the letting of certain contracts for
29 the erection, construction, and alteration of public buildings."

30 (iii) The act of August 11, 1961 (P.L.987, No.442), known as

1 the "Pennsylvania Prevailing Wage Act."

2 (iv) The "Public Works Contractors' Bond Law of 1967."

3 (v) The act of March 3, 1978 (P.L.6, No.3), known as the
4 "Steel Products Procurement Act."

5 (11) Trustees of a charter school entity shall be public
6 officials[.] for the purposes of 65 Pa.C.S. Ch. 11 (relating to
7 ethics standards and financial disclosure) and shall file a
8 statement of financial interests for the preceding calendar year
9 with BOTH the State Ethics Commission and EITHER the local board <--
10 of school directors or the governing body of an institution of
11 higher education in the case of a charter school or regional
12 charter school or, in the case of a cyber charter school, the
13 department, not later than May 1 of each year that members hold
14 the position and of the year after a member leaves the position.
15 All members of the board of trustees of a charter school entity
16 shall take the oath of office as required under section 321
17 before entering upon the duties of their office.

18 [(12) A person who serves as an administrator for a charter
19 school shall not receive compensation from another charter
20 school or from a company that provides management or other
21 services to another charter school. The term "administrator"
22 shall include the chief executive officer of a charter school
23 and all other employees of a charter school who by virtue of
24 their positions exercise management or operational oversight
25 responsibilities. A person who serves as an administrator for a
26 charter school shall be a public official under 65 Pa.C.S. Ch.
27 11 (relating to ethics standards and financial disclosure). A
28 violation of this clause shall constitute a violation of 65
29 Pa.C.S. § 1103(a) (relating to restricted activities), and the
30 violator shall be subject to the penalties imposed under the

jurisdiction of the State Ethics Commission.]

(b) An individual who serves as an administrator for a charter school entity shall be a public employe for the purposes of 65 Pa.C.S. Ch. 11 and shall file a statement of financial interests for the preceding calendar year with the board of trustees not later than May 1 of each year that the person holds the position and of the year after the person leaves the position.

(c) (1) No individual who serves as an administrator for a charter school entity may receive compensation from another charter school entity or from an educational management service provider, unless:

(i) The administrator has submitted a sworn statement to the board of trustees of the charter school entity and the sworn statement details the work for the other entity and includes the projected number of hours, rate of compensation and projected duration.

(ii) The board of trustees of the charter school entity has reviewed the sworn statement under subclause (i) and agreed by resolution to grant permission to the administrator.

(2) A copy of the sworn statement under clause (1)(i) and the resolution by the board of trustees of the charter school entity granting the permission shall be kept on file with the charter school entity and the board of local school directors OR <-- THE GOVERNING BOARD OF THE INSTITUTION OF HIGHER EDUCATION AND, IN THE CASE OF A CYBER CHARTER SCHOOL, THE DEPARTMENT.

(3) No administrator of a charter school entity or immediate family member may serve as a voting member of the board of trustees of that individual's charter school.

(4) (i) No administrator of a charter school entity may

participate in the selection, award or administration of a contract if the person has a conflict of interest as that term is defined in 65 Pa.C.S. § 1102 (relating to definitions).

(ii) An administrator who knowingly violates this clause commits a violation of 65 Pa.C.S. § 1103(a) (relating to restricted activities) and shall be subject to the penalties imposed under the jurisdiction of the State Ethics Commission.

(iii) Any contract made in violation of this clause shall be voidable by the board of trustees of the charter school entity.

(5) An administrator shall be immediately dismissed upon conviction for an offense graded as a felony, an infamous crime, an offense pertaining to fraud, theft or mismanagement of public funds or any crime involving moral turpitude.

(d) The board of trustees of a charter school entity shall supply the ~~grantor of the charter school entity and the~~

~~secretary~~ SECRETARY AND, IN THE CASE OF A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL, THE LOCAL BOARD OF SCHOOL DIRECTORS OR THE GOVERNING BOARD OF AN INSTITUTION OF HIGHER EDUCATION a list of the amount of rental payments, which are guarantees for school building debt or bonds that become due during the fiscal year together with the amount paid on each item of indebtedness. Any charter school entity that elects to issue debt shall hold in escrow an amount sufficient to pay the annual amount of the sum of the principal maturing or subject to mandatory redemption and interest owing by the charter school entity or sinking fund deposit due by the charter school entity.

(e) Fund balance limits shall be as follows:

(1) For the 2013-2014 school year and each school year thereafter, a charter school entity shall not accumulate an unassigned fund balance greater than the charter school entity

1 fund balance limit, which will be determined as follows:

		<u>Maximum Unassigned Fund</u>
<u>Charter School Entity</u>		<u>Balance as Percentage of</u>
<u>Total Budgeted Expenditures</u>	<u>Total Budgeted Expenditures</u>	
<u>Less than or equal to \$11,999,999</u>		<u>12%</u>
<u>Between \$12,000,000 and \$12,999,999</u>		<u>11.5%</u>
<u>Between \$13,000,000 and \$13,999,999</u>		<u>11%</u>
<u>Between \$14,000,000 and \$14,999,999</u>		<u>10.5%</u>
<u>Between \$15,000,000 and \$15,999,999</u>		<u>10%</u>
<u>Between \$16,000,000 and \$16,999,999</u>		<u>9.5%</u>
<u>Between \$17,000,000 and \$17,999,999</u>		<u>9%</u>
<u>Between \$18,000,000 and \$18,999,999</u>		<u>8.5%</u>
<u>Greater Than or Equal to \$19,000,000</u>		<u>8%</u>

14 (2) Any unassigned fund balance in place on June 30, 2014,
15 that exceeds the charter school entity fund balance limit shall
16 be refunded on a pro rata basis within 90 days to all school
17 districts that paid tuition to the charter school entity on
18 behalf of students enrolled in the 2012-2013 and 2013-2014
19 school years. The funds may not be used to pay bonuses to any
20 administrator, board of trustee member, employe, staff or
21 contractor and may not be transferred to a charter school
22 foundation.

23 (3) For the 2014-2015 school year and each school year
24 thereafter, any unassigned fund balance in excess of the charter
25 school entity fund balance limit shall be refunded on a pro rata
26 basis to all school districts that paid tuition to the charter
27 school entity in the prior school year.

28 (4) By August 15, 2014, and August 15 of each year
29 thereafter, each charter school entity shall provide its grantor <--
30 and the board THE SECRETARY AND, IN THE CASE OF A CHARTER SCHOOL <--

OR REGIONAL CHARTER SCHOOL, THE LOCAL BOARD OF SCHOOL DIRECTORS
OR THE GOVERNING BOARD OF AN INSTITUTION OF HIGHER EDUCATION
with information certifying compliance with this section. The
information shall be provided in a form and manner prescribed by
the board and shall include information on the charter school
entity's estimated ending unassigned fund balance expressed as a
dollar amount and as a percentage of the charter school entity's
total budgeted expenditures for that school year.

Section ~~3~~ 7. Section 1716-A(c) of the act, added June 19, <--
1997 (P.L.225, No.22), is amended and the section is amended by
adding subsections to read:

Section 1716-A. Powers of Board of Trustees.--* * *

(b.1) (1) For a charter school or regional charter school
chartered after the effective date of this subsection, an
individual shall be prohibited from serving as a voting member
of the board of trustees of the charter school or regional
charter school if the individual or an immediate family member
receives compensation from or is employed by or is a board
member of the local board of school directors or the governing
board of an institution of higher education who participated in
the initial review, approval, oversight, evaluation or renewal
process of the charter school or regional charter school
chartered by that board.

(2) An employe of the school district or the governing board
of an institution of higher education that chartered the charter
school or the regional charter school may serve as a member of
the board of trustees of the charter school or regional charter
school without voting privileges.

(b.2) (1) No member of the board of trustees of a charter
school entity may participate in the selection, award or

administration of any contract if the member has a conflict of interest as that term is defined in 65 Pa.C.S. § 1102 (relating to definitions).

(2) Any member of the board of trustees of a charter school entity who in the discharge of the person's official duties would be required to vote on a matter that would result in a conflict of interest shall abstain from voting and follow the procedures required under 65 Pa.C.S. § 1103(j) (relating to restricted activities).

(3) A member of the board of trustees of a charter school entity who knowingly violates this subsection commits a violation of 65 Pa.C.S. § 1103(a) and shall be subject to the penalties imposed under the jurisdiction of the State Ethics Commission.

(4) A contract made in violation of this subsection shall be voidable by a court of competent jurisdiction, if the suit is commenced within ninety (90) days of the making of the contract.

(5) No member of the board of trustees of a charter school entity shall be compensated for duties on the board.

(b.3) A member of the board of trustees of a charter school entity shall be automatically disqualified and immediately removed from the board upon conviction for an offense graded as a felony, an infamous crime, an offense pertaining to fraud, theft or mismanagement of public funds, any offense pertaining to his official capacity as a board member or any crime involving moral turpitude.

(c) The board of trustees shall comply with [the act of July 3, 1986 (P.L.388, No.84), known as the "Sunshine Act."] 65 Pa.C.S. Ch. 7 (relating to open meetings).

(d) (1) (i) The board of trustees of a charter school

1 entity shall consist of a minimum of five (5) nonrelated voting
2 members.

3 (ii) If a charter school entity has fewer than five (5)
4 nonrelated voting members serving on its board on the effective
5 date of this subsection, the charter school entity shall, within
6 sixty (60) days, appoint additional members to the board to meet
7 the minimum requirements of this section.

8 (2) Within one (1) year of the effective date of this
9 subsection, at least one (1) member of the board of trustees of
10 a charter school entity shall be a parent of a child currently
11 attending the charter school entity. The board member shall be
12 eligible to serve only so long as the child attends the charter
13 school entity.

14 (e) (1) A majority of the voting members of the board of
15 trustees shall constitute a quorum. If less than a majority is
16 present at any meeting, no business may be transacted at the
17 meeting.

18 (2) The affirmative vote of a majority of all the voting
19 members of the board of trustees, duly recorded, shall be
20 required in order to take action on the subjects enumerated
21 under subsection (a).

22 (f) (1) In any case where the board of trustees of a
23 charter school entity fails to pay or to provide for for the
24 payment of:

25 (i) any indebtedness at date of maturity or date of
26 mandatory redemption or on any sinking fund deposit date; or

27 (ii) any interest due on such indebtedness on any interest
28 payment date or on any sinking fund deposit date in accordance
29 with the schedule under which the bonds were issued.

30 The bank or trustee for the bonds shall notify the board of

<--

trustees of the charter school entity of its obligation and
shall immediately notify the ~~grantor of the charter school~~
~~entity and the secretary.~~ SECRETARY AND, IN THE CASE OF A
CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL, THE LOCAL BOARD OF
SCHOOL DIRECTORS OR THE GOVERNING BOARD OF AN INSTITUTION OF
HIGHER EDUCATION.

(2) The secretary shall withhold any ~~appropriation due the~~
~~charter school entity~~ MONEY DUE TO BE PAID TO THE CHARTER SCHOOL
PURSUANT TO SECTION 1725-A in any amount necessary to fully fund
the amount held in escrow by the charter school entity which
shall be equal to the sum of the principal amount maturing or
subject to mandatory redemption and interest owing by the
charter school entity or sinking fund deposit due by such
charter school entity and shall require ~~pay over~~ PAYOVER of the
amount withheld to the bank or trustee acting as the sinking
fund depository for the bond issue from the escrow account.

(3) Payments made pursuant to this article shall not be
given priority over payments required pursuant to sections 633
and 785 and 53 Pa.C.S. § 8125(b) (relating to security for tax
anticipation notes and sinking fund), or an agreement pursuant
to which the ~~board~~ STATE TREASURER is required to make payment
to a holder of debt issued by or on behalf of a school entity,
ALL OF WHICH PAYMENTS CONTINUE TO BE MANDATORY AND MINISTERIAL.

Section ~~4~~ 8. Sections 1717-A(c), (d), (e), (f) and (i) and
1719-A of the act, added June 19, 1997 (P.L.225, No.22), are
amended to read:

Section 1717-A. Establishment of Charter School.--* * *

(c) An application to establish a charter school shall be
submitted to the local board of school directors of the district
where the charter school will be located or the governing board

1 of an institution of higher education by [November 15] October 1
2 of the school year preceding the school year in which the
3 charter school will be established except that for a charter
4 school beginning in the 1997-1998 school year, an application
5 must be received by July 15, 1997. In the 1997-1998 school year
6 only, applications shall be limited to recipients of fiscal year
7 1996-1997 Department of Education charter school planning
8 grants.

9 (d) Within forty-five (45) days of receipt of an
10 application, the local board of school directors in which the
11 proposed charter school is to be located or the governing board
12 of an institution of higher education shall hold at least one
13 public hearing on the provisions of the charter application,
14 under [the act of July 3, 1986 (P.L.388, No.84), known as the
15 "Sunshine Act."] 65 Pa.C.S. Ch. 7 (relating to open meetings).
16 At least forty-five (45) days must transpire between the first
17 public hearing and the final decision of the board on the
18 charter application except that for a charter school beginning
19 in the 1997-1998 school year, only thirty (30) days must
20 transpire between the first public hearing and the final
21 decision of the board.

22 (e) (1) Not later than seventy-five (75) days after the
23 first public hearing on the application, the local board of
24 school directors or the governing board of an institution of
25 higher education shall grant or deny the application. For a
26 charter school beginning in the 1997-1998 school year, the local
27 board of school directors shall grant or deny the application no
28 later than sixty (60) days after the first public hearing.

29 (2) A charter school application submitted under this
30 article shall be evaluated by the local board of school

1 directors or the governing board of an institution of higher
2 education based on criteria, including, but not limited to, the
3 following:

4 (i) The demonstrated, sustainable support for the charter
5 school plan by teachers, parents, other community members and
6 students, including comments received at the public hearing held
7 under subsection (d).

8 (ii) The capability of the charter school applicant, in
9 terms of support and planning, to provide comprehensive learning
10 experiences to students pursuant to the adopted charter.

11 (iii) The extent to which the application considers the
12 information requested in section 1719-A and conforms to the
13 legislative intent outlined in section 1702-A.

14 [(iv) The extent to which the charter school may serve as a
15 model for other public schools.]

16 (3) The local board of school directors, in the case of an
17 existing school being converted to a charter school, shall
18 establish the alternative arrangements for current students who
19 choose not to attend the charter school.

20 (4) A charter application shall be deemed approved by the
21 local board of school directors of a school district or the
22 governing board of an institution of higher education upon
23 affirmative vote by a majority of all the directors. Formal
24 action approving or denying the application shall be taken by
25 the local board of school directors or the governing board of an
26 institution of higher education at a public meeting, with notice
27 or consideration of the application given by the board, under
28 [the "Sunshine Act."] 65 Pa.C.S. Ch. 7.

29 (5) Written notice of the board's action shall be sent to
30 the applicant, the department and the appeal board. If the

1 application is denied, the reasons for the denial, including a
2 description of deficiencies in the application, shall be clearly
3 stated in the notice sent by the local board of school directors
4 or the governing board of an institution of higher education to
5 the charter school applicant.

6 (f) At the option of the charter school applicant, a denied
7 application may be revised and resubmitted to the local board of
8 school directors or the governing board of an institution of
9 higher education. Following the appointment and confirmation of
10 the Charter School Appeal Board under section 1721-A, the
11 decision of the local board of school directors ~~or the governing~~ <--
12 ~~board of an institution of higher education~~ may be appealed to
13 the appeal board. When an application is revised and resubmitted
14 to the local board of school directors or the governing board of
15 an institution of higher education, the board may schedule
16 additional public hearings on the revised application. The board
17 shall consider the revised and resubmitted application at the
18 first board meeting occurring at least forty-five (45) days
19 after receipt of the revised application by the board. For a
20 revised application resubmitted for the 1997-1998 school year,
21 the board shall consider the application at the first board
22 meeting occurring at least thirty (30) days after its receipt.
23 The board shall provide notice of consideration of the revised
24 application under [the "Sunshine Act."] 65 Pa.C.S. Ch. 7. No
25 appeal from a decision of a local school board may be taken
26 until July 1, 1999.

27 * * *

28 (i) (1) The appeal board shall have the exclusive review of
29 an appeal by a charter school applicant, or by the board of
30 trustees of an existing charter school, of a decision made by a

1 local board of directors ~~or the governing board of an~~
2 ~~institution of higher education~~ not to grant a charter as
3 provided in this section.

4 [(2) In order for a charter school applicant to be eligible
5 to appeal the denial of a charter by the local board of
6 directors, the applicant must obtain the signatures of at least
7 two per centum of the residents of the school district or of one
8 thousand (1,000) residents, whichever is less, who are over
9 eighteen (18) years of age. For a regional charter school, the
10 applicant must obtain the signatures of at least two per centum
11 of the residents of each school district granting the charter or
12 of one thousand (1,000) residents from each of the school
13 districts granting the charter, whichever is less, who are over
14 eighteen (18) years of age. The signatures shall be obtained
15 within sixty (60) days of the denial of the application by the
16 local board of directors in accordance with clause (3).

17 (3) Each person signing a petition to appeal denial of a
18 charter under clause (2) shall declare that he or she is a
19 resident of the school district which denied the charter
20 application and shall include his or her printed name;
21 signature; address, including city, borough or township, with
22 street and number, if any; and the date of signing. All pages
23 shall be bound together. Additional pages of the petition shall
24 be numbered consecutively. There shall be appended to the
25 petition a statement that the local board of directors rejected
26 the petition for a charter school, the names of all applicants
27 for the charter, the date of denial by the board and the
28 proposed location of the charter school. No resident may sign
29 more than one petition relating to the charter school
30 application within the sixty (60) days following denial of the

1 application. The department shall develop a form to be used to
2 petition for an appeal.

3 (4) Each petition shall have appended thereto the affidavit
4 of some person, not necessarily a signer, setting forth all of
5 the following:

6 (i) That the affiant is a resident of the school district
7 referred to in the petition.

8 (ii) The affiant's residence, giving city, borough or
9 township, with street and number, if any.

10 (iii) That the signers signed with full knowledge of the
11 purpose of the petition.

12 (iv) That the signers' respective residences are correctly
13 stated in the petition.

14 (v) That the signers all reside in the school district.

15 (vi) That each signer signed on the date set forth opposite
16 the signer's name.

17 (vii) That to the best of the affiant's knowledge and
18 belief, the signers are residents of the school district.

19 (5) If the required number of signatures are obtained within
20 sixty (60) days of the denial of the application, the applicant
21 may present the petition to the court of common pleas of the
22 county in which the charter school would be situated. The court
23 shall hold a hearing only on the sufficiency of the petition.
24 The applicant and local board of school directors shall be given
25 seven (7) days' notice of the hearing. The court shall issue a
26 decree establishing the sufficiency or insufficiency of the
27 petition. If the petition is sufficient, the decree shall be
28 transmitted to the State Charter School Appeal Board for review
29 in accordance with this section. Notification of the decree
30 shall be given to the applicant and the local board of

1 directors.]

2 (6) In any appeal, the decision made by the local board of
3 directors ~~or the governing board of an institution of higher~~ <--
4 ~~education~~ shall be reviewed by the appeal board on the record as
5 certified by the local board of directors ~~or the governing board~~ <--
6 ~~of an institution of higher education~~. The appeal board shall
7 give due consideration to the findings of the local board of
8 directors ~~or the governing board of an institution of higher~~ <--
9 ~~education~~ and specifically articulate its reasons for agreeing
10 or disagreeing with those findings in its written decision. The
11 appeal board shall have the discretion to allow the local board
12 of directors ~~or the governing board of an institution of higher~~ <--
13 ~~education~~ and the charter school applicant to supplement the
14 record if the supplemental information was previously
15 unavailable.

16 (7) Not later than thirty (30) days after the date of notice
17 of the acceptance of the appeal, the appeal board shall meet to
18 officially review the certified record.

19 (8) Not later than sixty (60) days following the review
20 conducted pursuant to clause (6), the appeal board shall issue a
21 written decision affirming or denying the appeal. If the appeal
22 board has affirmed the decision of the local board of directors
23 ~~or the governing board of an institution of higher education,~~ <--
24 notice shall be provided to both parties.

25 (9) A decision of the appeal board to reverse the decision
26 of the local board of directors ~~or the governing board of an~~ <--
27 ~~institution of higher education~~ shall serve as a requirement for
28 the local board of directors of a school district or school
29 districts, as appropriate, ~~or the governing board of an~~ <--
30 ~~institution of higher education,~~ to grant the application and

1 sign the written charter of the charter school as provided for
2 in section 1720-A. Should the local board of directors ~~or the~~ <--
3 ~~governing board of an institution of higher education~~ fail to
4 grant the application and sign the charter within ten (10) days
5 of notice of the reversal of the decision of the local board of
6 directors ~~or the governing board of an institution of higher~~ <--
7 ~~education~~, the charter shall be deemed to be approved and shall
8 be signed by the chairman of the appeal board.

9 (10) All decisions of the appeal board shall be subject to
10 appellate review by the Commonwealth Court.

11 (j) Notwithstanding the provisions of section 696(i) or any
12 other provision of law to the contrary, a school reform
13 commission considering an application to establish a charter
14 school in a school district of the first class shall comply with
15 subsection (e) (5).

16 (k) Notwithstanding the provisions of section 696(i) or any
17 other provision of law to the contrary, a charter school
18 applicant may appeal a decision of a school reform commission to
19 deny an application to establish a charter school in a school
20 district of the first class to the appeal board. Subsections
21 (g), (h) and (i) shall apply to an appeal under this subsection.

22 Section 1719-A. Contents of Application.--[An] (a) The
23 department shall create a standard application FORM for charter <--
24 school applicants to establish a charter school entity and for
25 existing charter school entities seeking renewal of their
26 charter. The form shall be published in the Pennsylvania
27 Bulletin and posted on the department's publicly accessible
28 Internet website. The form shall include all of the following
29 information:

30 (1) The identification of the charter school applicant.

(2) The name of the proposed charter school entity.

(3) The grade or age levels served by the school.

(4) [The proposed governance structure of the charter school, including a description and method for the appointment or election of members of the board of trustees.] An

organizational chart clearly presenting the proposed governance structure of the school, including lines of authority and reporting between the board of trustees, administrators, staff and any educational management service provider that will provide management services to the charter school entity.

(4.1) A clear description of the roles and responsibilities for the board of trustees, administrators and any other entities, including a charter school foundation, shown in the organizational chart.

(4.2) A clear description and method for the appointment or election of members of the board of trustees.

(4.3) Standards for board performance, including compliance with all applicable laws, regulations and terms of the charter.

(4.4) If the charter school entity intends to contract with an educational management service provider for services, all of the following:

(i) Evidence of the educational management service provider's record in serving student populations, including demonstrated academic achievement and demonstrated management of nonacademic school functions, including proficiency with public school-based accounting, if applicable.

(ii) A draft contract stating all of the following:

(A) The officers, chief administrator and administrators of the educational management service provider.

(B) The proposed duration of the service contract.

1 (C) Roles and responsibilities of the governing board, the
2 school staff and the educational management service provider.

3 (D) The scope of services, personnel and resources to be
4 provided by the educational management service provider.

5 (E) Performance evaluation measures and timelines.

6 (F) The compensation structure, including clear
7 identification of all fees to be paid to the educational
8 management service provider.

9 (G) Methods of contract oversight and enforcement.

10 (H) Investment disclosure or the advance of moneys by the
11 educational management service provider on behalf of the charter
12 school entity.

13 (I) Conditions for renewal and termination of the contract.

14 (iii) Disclosure and explanation of any existing or
15 potential conflicts of interest between the members of the board
16 of trustees and the proposed educational management service
17 provider or any affiliated business entities, including a
18 charter school foundation qualified as a support organization
19 under the Internal Revenue Code of 1986 (Public Law 99-514, 26
20 U.S.C. § 1 et seq.).

21 (5) The mission and education goals of the charter school
22 ENTITY, the curriculum to be offered and the methods of <--
23 assessing whether students are meeting educational goals.

24 (6) The admission AND ENROLLMENT policy [and criteria for <--
25 evaluating the admission of students] ~~and enrollment~~ which shall <--
26 comply with the requirements of section 1723-A.

27 (7) Procedures which will be used regarding the suspension
28 or expulsion of pupils. Said procedures shall comply with
29 section 1318.

30 (8) Information on the manner in which community groups will

1 be involved in the charter school entity planning process.

2 (9) The financial plan for the charter school entity and the
3 provisions which will be made for auditing the school under
4 [section] sections 437 and 1728-A, including the role of any
5 charter school foundation.

6 (10) Procedures which shall be established to review
7 complaints of parents regarding the operation of the charter
8 school entity.

9 (11) A description of and address of the physical facility
10 in which the charter school entity will be located and the
11 ownership thereof and any lease arrangements.

12 (12) Information on the proposed school calendar for the
13 charter school entity, including the length of the school day
14 and school year consistent with the provisions of section 1502.

15 (13) The proposed faculty, if already determined, and a
16 professional development and continuing education plan for the
17 faculty and professional staff of [a] the charter school entity.

18 (14) Whether any agreements have been entered into or plans
19 developed with the local school district regarding participation
20 of the charter school entity's students in extracurricular
21 activities within the school district. Notwithstanding any
22 provision to the contrary, no school district of residence shall
23 prohibit a student of a charter school entity from participating
24 in any extracurricular activity of that school district of
25 residence: Provided, That the student is able to fulfill all of
26 the requirements of participation in such activity and the
27 charter school entity does not provide the same extracurricular
28 activity.

29 (15) A report of criminal history record, pursuant to
30 section 111, for all individuals identified in the application

1 who shall have direct contact with students and a plan for
2 satisfying the proper criminal history record clearances
3 required for all other staff.

4 (16) An official clearance statement regarding child injury
5 or abuse from the Department of Public Welfare as required by 23
6 Pa.C.S. Ch. 63 Subch. C.2 (relating to background checks for
7 employment in schools) for all individuals identified in the
8 application who shall have direct contact with students and a
9 plan for satisfying the proper official clearance statement
10 regarding child injury or abuse required for all other staff.

11 (17) How the charter school entity will provide adequate
12 liability and other appropriate insurance for the charter school
13 entity, its employes and the board of trustees of the charter
14 school entity.

15 (18) Policies regarding truancy, absences and withdrawal of
16 students, including the manner in which the charter school
17 entity will monitor attendance consistent with section 1715-A(a)
18 (9).

19 (19) How the charter school entity will meet the standards
20 included in the performance matrix developed by the department
21 under section 1732-A(c)(3).

22 (20) Indicate whether or not the charter school entity will
23 seek accreditation by a nationally recognized accreditation
24 agency, including the Middle States Association of Colleges and
25 Schools or another regional institutional accrediting agency
26 recognized by the United States Department of Education or an
27 equivalent federally recognized body for charter school
28 education.

29 (b) A local board of school directors or the governing board
30 of an institution of higher education may not impose additional

1 terms, develop its own application or require additional
2 information outside the standard application form required under
3 subsection (a).

4 Section 5 9. Section 1720-A of the act, amended July 9, 2008 <--
5 (P.L.846, No.61), is amended to read:

6 Section 1720-A. Term and Form of Charter.--(a) Upon
7 approval of a charter application under section 1717-A, a
8 written charter shall be developed which shall contain the
9 provisions of the standardized charter application under section
10 1719-A and which shall be signed by the local board of school
11 directors of a school district, by the local boards of school
12 directors of a school district in the case of a regional charter
13 school, OR by the governing board of an institution of higher <--
14 education or by the chairman of the appeal board pursuant to
15 section [1717-A(i)(5)] 1717-A(i) and the board of trustees of
16 the charter school or regional charter school. This written
17 charter, when duly signed by the local board of school directors
18 of a school district, or by the local boards of school directors
19 of a school district in the case of a regional charter school or
20 the governing board of an institution of higher education, and
21 the charter school's or regional charter school's board of
22 trustees, shall act as legal authorization for the establishment
23 of a charter school or regional charter school. This written
24 charter shall be legally binding on both the local board of
25 school directors of a school district or the governing board of
26 an institution of higher education and the charter school's or
27 regional charter school's board of trustees. [Except as
28 otherwise provided in subsection (b), the] If the charter school
29 or regional charter school contracts with an educational
30 management service provider, an executed contract shall be

1 signed once the charter is approved. The charter shall be for a
2 period of [no less than [three (3) nor more than] five (5) years
3 and]. Upon the effective date of the regulations implementing
4 the performance matrix as required by section 1732-A, charter
5 schools and regional charter schools that have satisfied the
6 academic quality benchmark established by the department
7 pursuant to section 1732-A may be renewed for [five (5)] ten
8 (10) year periods upon reauthorization by the local board of
9 school directors of a school district or the governing board of
10 an institution of higher education or the appeal board. Charter
11 schools and regional charter schools that have not satisfied the
12 academic quality benchmark established by the department
13 pursuant to section 1732-A, may be renewed for five (5) year
14 periods upon reauthorization by the local board of school
15 directors or the governing board of an institution of higher
16 education or the appeal board. A charter will be granted only
17 for a school organized as a public, nonprofit corporation.

18 (b) [(1) Notwithstanding subsection (a), a governing board
19 of a school district of the first class may renew a charter for
20 a period of one (1) year if the board of school directors
21 determines that there is insufficient data concerning the
22 charter school's academic performance to adequately assess that
23 performance and determines that an additional year of
24 performance data would yield sufficient data to assist the
25 governing board in its decision whether to renew the charter for
26 a period of five (5) years.

27 (2) A one-year renewal pursuant to paragraph (1) shall not
28 be considered an adjudication and may not be appealed to the
29 State Charter School Appeal Board.

30 (3) A governing board of a school district of the first

class does not have the authority to renew a charter for successive one (1) year periods] (Reserved).

(c) (1) A charter school or regional charter school may request amendments to its approved written charter by filing a written document describing the requested amendment to the local board of school directors or the governing board of an institution of higher education.

(2) Within ~~twenty (20)~~ THIRTY-FIVE (35) days of its receipt of the request for an amendment, the local board of school directors or the governing board of an institution of higher education shall hold a public hearing on the requested amendment under 65 Pa.C.S. Ch. 7 (relating to open meetings). <--

(3) Within ~~twenty (20)~~ THIRTY-FIVE (35) days after the hearing, the local board of school directors or the governing board of an institution of higher education shall grant or deny the requested amendment. Failure by the local board of school directors or the governing board of an institution of higher education to hold a public hearing and to grant or deny the amendments within the time period specified shall be deemed a <--
denial AN APPROVAL. <--

(4) An applicant for an amendment TO A LOCAL BOARD OF SCHOOL DIRECTORS shall have the right to appeal the denial of a requested amendment to the appeal board provided for under section 1721-A. <--

Section ~~6~~ 10. Section 1721-A(a) and (e) of the act, added June 19, 1997 (P.L.225, No.22), are amended to read: <--

Section 1721-A. State Charter School Appeal Board.--(a) The State Charter School Appeal Board shall consist of the Secretary of Education and [six (6)] the following members who shall be appointed by the Governor by and with the consent of a majority

1 of all the members of the Senate. [Appointments by the Governor
2 shall not occur prior to January 1, 1999.] The Governor shall
3 select the chairman of the appeal board to serve at the pleasure
4 of the Governor. The members shall include:

5 (1) A parent of a school-aged child enrolled in a charter
6 school entity.

7 (2) A school board member.

8 (3) A certified teacher actively employed in a public
9 school.

10 (4) A faculty member or administrative employe of an
11 institution of higher education.

12 (5) A member of the business community.

13 (6) A member of the State Board of Education.

14 (7) An administrator of a charter school entity.

15 (8) A member of the board of trustees of a charter school
16 entity.

17 The term of office of members of the appeal board, other than
18 the secretary, shall be for a period of four (4) years or until
19 a successor is appointed and qualified, except that, of the
20 initial appointees, the Governor shall designate two (2) members
21 to serve terms of two (2) years, two (2) members to serve terms
22 of three (3) years and two (2) members to serve terms of four
23 (4) years. A parent member appointed under paragraph (1) shall
24 serve a term of four (4) years, provided the member's child
25 remains enrolled in the charter school entity. Any appointment
26 to fill any vacancy shall be for the period of the unexpired
27 term or until a successor is appointed and qualified.

28 * * *

29 (e) Meetings of the appeal board shall be conducted under
30 [the act of July 3, 1986 (P.L.388, No.84), known as the

1 "Sunshine Act.]" 65 Pa.C.S. Ch. 7 (relating to open meetings).
2 Documents of the appeal board shall be subject to the act of
3 [June 21, 1957 (P.L.390, No.212), referred to as the Right-to-
4 Know Law.] February 14, 2008 (P.L.6, No.3), known as the "Right-
5 to-Know Law."

6 Section 7 11. Section 1722-A of the act, amended November <--
7 17, 2010 (P.L.996, No.104), is amended to read:

8 Section 1722-A. Facilities.--(a) A charter school entity
9 may be located in an existing public school building, in a part
10 of an existing public school building, in space provided on a
11 privately owned site, in a public building or in any other
12 suitable location. A charter school ENTITY has a right of first <--
13 refusal to purchase or lease an existing public school building,
14 a part of an existing public school building or space in a
15 public building at or below fair market value.

16 (b) The charter school entity facility shall be exempt from
17 public school facility regulations except those pertaining to
18 the health or safety of [the pupils] students.

19 (d) Notwithstanding any other provision of this act, a
20 school district [of the first class] may, in its discretion,
21 permit a charter school or regional charter school to operate
22 its school at more than one location.

23 (e) (1) Notwithstanding the provisions of section 204 of
24 the act of May 22, 1933 (P.L.853, No.155), known as The General
25 County Assessment Law, all school property, real and personal,
26 owned by any charter school[, cyber charter school] ENTITY or an <--
27 associated nonprofit foundation, or owned by a nonprofit
28 corporation, associated nonprofit corporation or nonprofit
29 foundation and leased to a charter school[, cyber charter school <--
30 {or} ENTITY, associated nonprofit foundation or associated <--

1 nonprofit corporation at or below fair market value, that is
2 occupied and used by any charter school [or cyber charter <--
3 school] ENTITY for public school, recreation or any other <--
4 purposes provided for by this act, shall be made exempt from
5 every kind of State, county, city, borough, township or other
6 real estate tax, including payments in lieu of taxes established
7 through agreement with the Commonwealth or any local taxing
8 authority, as well as from all costs or expenses for paving,
9 curbing, sidewalks, sewers or other municipal improvements,
10 Provided, That any charter school [or cyber charter school] <--
11 ENTITY or owner of property leased to a charter school [or cyber <--
12 charter school] ENTITY may make a municipal improvement in a <--
13 street on which its school property abuts or may contribute a
14 sum toward the cost of the improvement.

15 (2) Any agreement entered into by a charter school[, cyber <--
16 charter school {or}] ENTITY, associated nonprofit foundation or <--
17 associated nonprofit corporation with the Commonwealth or a
18 local taxing authority for payments in lieu of taxes prior to
19 December 31, 2009, shall be null and void.

20 (3) This subsection shall apply retroactively to all charter
21 [schools, cyber charter schools {and}] SCHOOL ENTITIES, <--
22 associated nonprofit foundations and associated nonprofit
23 corporations that filed an appeal from an assessment, as
24 provided in Article V of The General County Assessment Law,
25 prior to the effective date of this subsection and until such
26 time as a final order has been entered.

27 (4) For purposes of this subsection, "local taxing
28 authority" shall include, but not be limited to, a county, city,
29 borough, incorporated town, township or school district.

30 (f) (1) Alcoholic beverages shall not be available for

1 consumption, purchase or sale in any charter school entity
2 FACILITY. <--

3 (2) If, in the case of a charter school or regional charter
4 school, the local board of school directors or the governing
5 board of an institution of higher education reasonably believes
6 that alcoholic beverages have been made available for
7 consumption, purchase or sale in any charter school entity THE <--
8 CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL facility, the local
9 board of school directors or the governing board of an
10 institution of higher education shall notify the department, and <--
11 the secretary shall order the following forfeitures against the
12 charter school or cyber charter school: EDUCATION SHALL NOTIFY <--
13 THE DEPARTMENT.

14 (3) IF ALCOHOLIC BEVERAGES HAVE BEEN MADE AVAILABLE FOR
15 CONSUMPTION, PURCHASE OR SALE IN A CHARTER SCHOOL ENTITY
16 FACILITY, THE SECRETARY SHALL ORDER THE FOLLOWING FORFEITURES
17 AGAINST THE CHARTER SCHOOL ENTITY:

18 (i) A fine of \$1,000 for the first violation.
19 (ii) A fine of \$5,000 for the second or subsequent
20 violation.

21 ~~(3)~~ (4) The charter school entity may appeal the order of <--
22 the secretary under 2 Pa.C.S. Chs. 5 (relating to practice and
23 procedure) and 7 (relating to judicial review).

24 Section 8 12. Section 1723-A(a), (b) and (d) of the act, <--
25 amended June 26, 1999 (P.L.394, No.36) and July 9, 2008
26 (P.L.846, No.61), are amended ~~and the section is amended by~~ <--
27 ~~adding a subsection~~ to read:

28 Section 1723-A. [Enrollment] Admission and Enrollment
29 Requirements.--(a) (1) All resident children in this
30 Commonwealth who submit a completed enrollment FORM in <--

1 accordance with clause (3) qualify for admission to a charter
2 school entity within the provisions of subsection (b). [If] In
3 the case of a charter school, if more students apply to the
4 charter school than the number of attendance slots available in
5 the school, then students must be selected on a random basis
6 from a pool of [qualified applicants meeting the established
7 eligibility criteria and submitting an application] eligible
8 applicants who have submitted an enrollment form in accordance
9 with clauses (3) and (4) by the deadline established by the
10 charter school, except that the charter school may give
11 preference in enrollment to a child of a parent who has actively
12 participated in the development of the charter school and, to
13 siblings of students presently enrolled in the charter school.
14 First preference shall be given to students who reside in the
15 district or districts in which the charter school is physically
16 located.

17 (2) If a charter school has a waiting list following its
18 initial selection of eligible applicants under clause (1), the
19 charter school shall select eligible applicants from the waiting
20 list as spaces become available. All children shall be assigned
21 to the waiting list on a random basis. When selecting eligible
22 applicants from the waiting list, a charter school shall give
23 first preference to students as provided under clause (1) and to
24 those who reside in the district or districts in which the
25 charter school is physically located until the charter school
26 again reaches its maximum capacity of students. If a charter
27 school has a waiting list, once the charter school has exhausted
28 the waiting list of resident children, it may then enroll
29 children on the waiting list who reside outside of the district.
30 Nonresident children shall also be selected on a random basis.

1 If a charter school and the school district from which it is
2 authorized have voluntarily capped enrollment or the district
3 attempts to involuntarily cap enrollment of resident students
4 and the charter school has enrolled the maximum number of
5 resident students, it may enroll students residing outside of
6 the district.

7 (3) The department, in consultation with representatives of
8 charter school entities, shall develop a standard enrollment
9 form that shall be used by all eligible applicants to apply to a
10 charter school entity. The standard enrollment form shall only
11 request information necessary to allow the charter school entity
12 to identify the student, grade level and residency, including:

13 (i) The student's name, physical address, telephone number,
14 age, birth date and current grade level.

15 (ii) The name, physical address, telephone number and e-mail
16 address of the student's parent or guardian.

17 (4) The standard enrollment form shall be made physically
18 available at each charter school entity, in a form that complies
19 with Federal and State law and posted on the publicly accessible
20 Internet website of each charter school entity, if available. A
21 charter school entity may accept the enrollment form via
22 electronic means.

23 (5) When a student applies to a charter school entity, a
24 charter school entity shall not require or request information
25 beyond the contents of the standard enrollment form developed by
26 the department.

27 (6) Nothing in this section shall prohibit a charter school
28 entity from requesting the submission of additional records and
29 information that public schools are entitled to after a student
30 is accepted for admission to a charter school entity.

1 As used in this subsection:

2 "Eligible applicant" shall mean a student who is seeking to
3 enter a grade level offered by the charter school and meets the
4 requirements of 22 Pa. Code §§ 11.12 (relating to school age),
5 11.13 (relating to compulsory school age), 11.14 (relating to
6 admission to kindergarten when provided), 11.15 (relating to
7 admission of beginners), 11.16 (relating to early admission of
8 beginners) and 12.1 (relating to free education and attendance)
9 and student residency requirements.

10 (b) (1) A charter school entity shall not discriminate in
11 its admission policies or practices on the basis of intellectual
12 ability, [except as provided in paragraph (2), or] athletic
13 ability, measures of achievement or aptitude, status as a person
14 with a disability, proficiency in the English language or any
15 other basis that would be illegal if used by a school district.

16 (2) A charter school entity may limit [admission] its
17 academic focus to a particular grade level[,] or a targeted
18 population group composed of at-risk students[, or areas of
19 concentration of the school such as mathematics, science or the
20 arts. A charter school may establish reasonable criteria to
21 evaluate prospective students which shall be outlined in the
22 school's charter.] or a specialized area or accelerated program
23 of study, such as mathematics, science or the arts.

24 * * *

25 (d) (1) Enrollment of students in a charter school, ~~or~~
26 ~~regional charter school or cyber charter school~~ [OR CYBER
27 CHARTER SCHOOL] ENTITY, or expansion of a charter school,
28 ~~regional charter school or cyber charter school~~ ENTITY into
29 additional grade levels, shall not be subject to a cap or
30 otherwise limited by any past or future action of a board of

<--

<--

1 school directors, a board of control established under Article
2 XVII-B, a special board of control established under section 692
3 or any other governing authority[, unless agreed to by the
4 charter school or cyber charter school as part of a written
5 charter pursuant to section 1720-A].

6 (2) The provisions of this subsection shall apply to a
7 charter school, regional charter school or cyber charter school
8 regardless of whether the charter was approved prior to or is
9 approved subsequent to the effective date of this subsection.

10 ~~(e) A school district's obligation to make payment for~~ <--
11 ~~students enrolled in a charter school shall be governed by~~
12 ~~section 1725 A or, in the case of students who are below a~~
13 ~~school district's age of enrollment, by the terms of any charter~~
14 ~~or service contract between a school district and a charter~~
15 ~~school.~~

16 Section 9 13. Section 1724-A(c) and (d) of the act, amended <--
17 or added June 19, 1997 (P.L.225, No.22) and June 30, 2011
18 (P.L.112, No.24), are amended to read:

19 Section 1724-A. School Staff.--* * *

20 (c) All employes of a charter school shall be enrolled in
21 the Public School Employees' Retirement System in the same
22 manner as set forth in 24 Pa.C.S. § 8301(a) (relating to
23 mandatory and optional membership) unless at the time of the
24 application for the charter school the sponsoring district or
25 the board of trustees of the charter school has a retirement
26 program which covers the employes or the employe is currently
27 enrolled in another retirement program. {The Commonwealth shall <--
28 make contributions on behalf of charter school employes enrolled
29 in the Public School Employees' Retirement System.}, WHICH SHALL <--
30 BE ONE-HALF OF THE AMOUNTS CALCULATED IN 24 PA.C.S. §§ 8326

1 (RELATING TO CONTRIBUTIONS BY THE COMMONWEALTH) AND 8535
2 (RELATING TO PAYMENTS TO SCHOOL ENTITIES BY COMMONWEALTH). The
3 charter school shall be considered a school district and shall
4 make payments by employers to the Public School Employees'
5 Retirement System and payments on account of Social Security as
6 established under 24 Pa.C.S. Pt. IV (relating to retirement for
7 school employees). ~~†~~The market value/income aid ratio used in <--
8 calculating payments as prescribed in this subsection shall be
9 the market value/income aid ratio for the school district in
10 which the charter school is located or, in the case of a
11 regional charter school, shall be a composite market
12 value/income aid ratio for the participating school districts as
13 determined by the department.~~‡~~ Except as otherwise provided, <--
14 employes of a charter school shall make regular member
15 contributions as required for active members under 24 Pa.C.S.
16 Pt. IV. If the employes of the charter school participate in
17 another retirement plan, then those employes shall have no
18 concurrent claim on the benefits provided to public school
19 employes under 24 Pa.C.S. Pt. IV. For purposes of this
20 subsection, a charter school shall be deemed to be a "public
21 school" as defined in 24 Pa.C.S. § 8102 (relating to
22 definitions). Nothing in this article shall be construed to
23 require the Commonwealth to make contributions, from
24 appropriated funds, as provided in 24 Pa.C.S. § 8329(a)
25 (relating to payments on account of social security deductions
26 from appropriations) on account of Social Security payments made
27 by a charter school.

28 (d) Every employe of a charter school shall be provided [the
29 same] similar health care benefits as the employe would be
30 provided if he or she were an employe of the local district. The

1 local board of school directors may require the charter school
2 to provide [the same] similar terms and conditions with regard
3 to health insurance as the collective bargaining agreement of
4 the school district to include employee contributions to the
5 district's health benefits plan. The charter school shall make
6 any required employer's contribution to the district's health
7 plan to an insurer, a local board of school directors or a
8 contractual representative of school employes, whichever is
9 appropriate to provide the required coverage.

10 * * *

11 Section ~~14~~ 14. Section 1725-A of the act, amended or added <--
12 June 19, 1997 (P.L.225, No.22), June 22, 2001 (P.L.530, No.35)
13 and June 29, 2002 (P.L.524, No.88), is amended to read:

14 Section 1725-A. Funding for Charter Schools and Regional
15 Charter Schools.--(a) [Funding for a charter school shall be
16 provided in the following manner:

17 (1) There shall be no tuition charge for a resident or
18 nonresident student attending a charter school.

19 (2) For non-special education students, the charter school
20 shall receive for each student enrolled no less than the
21 budgeted total expenditure per average daily membership of the
22 prior school year, as defined in section 2501(20), minus the
23 budgeted expenditures of the district of residence for nonpublic
24 school programs; adult education programs; community/junior
25 college programs; student transportation services; for special
26 education programs; facilities acquisition, construction and
27 improvement services; and other financing uses, including debt
28 service and fund transfers as provided in the Manual of
29 Accounting and Related Financial Procedures for Pennsylvania
30 School Systems established by the department. This amount shall

1 be paid by the district of residence of each student.

2 (3) For special education students, the charter school shall
3 receive for each student enrolled the same funding as for each
4 non-special education student as provided in clause (2), plus an
5 additional amount determined by dividing the district of
6 residence's total special education expenditure by the product
7 of multiplying the combined percentage of section 2509.5(k)
8 times the district of residence's total average daily membership
9 for the prior school year. This amount shall be paid by the
10 district of residence of each student.

11 (4) A charter school may request the intermediate unit in
12 which the charter school is located to provide services to
13 assist the charter school to address the specific needs of
14 exceptional students. The intermediate unit shall assist the
15 charter school and bill the charter school for the services. The
16 intermediate unit may not charge the charter school more for any
17 service than it charges the constituent districts of the
18 intermediate unit.

19 (5) Payments shall be made to the charter school in twelve
20 (12) equal monthly payments, by the fifth day of each month,
21 within the operating school year. A student enrolled in a
22 charter school shall be included in the average daily membership
23 of the student's district of residence for the purpose of
24 providing basic education funding payments and special education
25 funding pursuant to Article XXV. If a school district fails to
26 make a payment to a charter school as prescribed in this clause,
27 the secretary shall deduct the estimated amount, as documented
28 by the charter school, from any and all State payments made to
29 the district after receipt of documentation from the charter
30 school.

1 (6) Within thirty (30) days after the secretary makes the
2 deduction described in clause (5), a school district may notify
3 the secretary that the deduction made from State payments to the
4 district under this subsection is inaccurate. The secretary
5 shall provide the school district with an opportunity to be
6 heard concerning whether the charter school documented that its
7 students were enrolled in the charter school, the period of time
8 during which each student was enrolled, the school district of
9 residence of each student and whether the amounts deducted from
10 the school district were accurate.

11 (b) The Commonwealth shall provide temporary financial
12 assistance to a school district due to the enrollment of
13 students in a charter school who attended a nonpublic school in
14 the prior school year in order to offset the additional costs
15 directly related to the enrollment of those students in a public
16 charter school. The Commonwealth shall pay the school district
17 of residence of a student enrolled in a nonpublic school in the
18 prior school year who is attending a charter school an amount
19 equal to the school district of residence's basic education
20 subsidy for the current school year divided by the district's
21 average daily membership for the prior school year. This payment
22 shall occur only for the first year of the attendance of the
23 student in a charter school, starting with school year 1997-
24 1998. Total payments of temporary financial assistance to school
25 districts on behalf of a student enrolling in a charter school
26 who attended a nonpublic school in the prior school year shall
27 be limited to funds appropriated for this program in a fiscal
28 year. If the total of the amount needed for all students
29 enrolled in a nonpublic school in the prior school year who
30 enroll in a charter school exceeds the appropriation for the

temporary financial assistance program, the amount paid to a school district for each qualifying student shall be pro rata reduced. Receipt of funds under this subsection shall not preclude a school district from applying for a grant under subsection (c).

(c) The Commonwealth shall create a grant program to provide temporary transitional funding to a school district due to the budgetary impact relating to any student's first-year attendance at a charter school. The department shall develop criteria which shall include, but not be limited to, the overall fiscal impact on the budget of the school district resulting from students of a school district attending a charter school. The criteria shall be published in the Pennsylvania Bulletin. This subsection shall not apply to a public school converted to a charter school under section 1717-A(b). Grants shall be limited to funds appropriated for this purpose.] Funding for a charter school or regional charter school shall be provided in the following manner and shall not be in violation of any applicable Federal or State law, regulation or agreement:

(1) There shall be no tuition charge for a resident or nonresident student attending a charter school or a regional charter school.

(2) The following apply:

(i) For nonspecial education students, the charter school or regional charter school shall receive for each student enrolled no less than the budgeted total expenditure per average daily membership of the prior school year, as defined in section 2501(20), minus the budgeted expenditures of the district of residence for all of the following:

(A) Nonpublic school programs.

1 (B) Adult education programs.

2 (C) Community and junior college programs.

3 (D) Student transportation services.

4 (E) Special education programs.

5 (F) Facilities acquisition, construction and improvement
6 services.

7 (G) Programs and services to the extent they are funded from
8 the proceeds of competitive grants from private or public
9 resources or from contributions or donations from private
10 sources.

11 (H) Other financing uses, including debt service and fund
12 transfers as provided in the Manual of Accounting and Related
13 Financial Procedures for Pennsylvania School Systems established
14 by the department.

15 (I) THIRTY PER CENTUM OF THE EMPLOYER'S RETIREMENT
16 CONTRIBUTIONS ON BEHALF OF EMPLOYEES ENROLLED IN THE PUBLIC
17 SCHOOL EMPLOYEES' RETIREMENT SYSTEM.

<--

18 (i.1) The amount under subclause (i) shall be calculated by
19 each school district on a form prescribed by the secretary in
20 accordance with this section. The secretary, upon receipt of a
21 district's calculation, shall review the district's calculation
22 and may request supporting documentation from the district
23 regarding its calculation. If the secretary finds an error or
24 discrepancy in a district's calculation, the secretary shall
25 require the district to correct the calculation and require the
26 school district to notify affected charter schools and regional
27 charter schools.

28 (ii) The following apply:

29 (A) The amount under subclause (i) shall be paid by the
30 school district of residence of each student by deduction and

transfer from all State payments due to the district as provided under clause (5).

(B) If a charter school or regional charter school disputes the accuracy of a district's calculation under this clause, the charter school or regional charter school shall file a notice of the dispute with the secretary, who shall hold a hearing to determine the accuracy of the district's calculation within thirty (30) days of the notice.

(C) The secretary shall determine the accuracy of the district's calculation within thirty (30) days of the hearing.

(D) The district shall bear the burden of production and proof with respect to its calculation under this clause.

(E) The district shall be liable for the reasonable legal fees incurred by a charter school or regional charter school if the charter school or regional charter school is the substantially prevailing party after a hearing under this section. The charter school or regional charter school shall be liable for the reasonable legal fees incurred by the district if the district is the substantially prevailing party after a hearing under this section.

(F) All decisions of the secretary under this clause shall be subject to appellate review by Commonwealth Court.

(3) The following apply:

(i) For special education students, the charter school or regional charter school shall receive for each student enrolled the same funding as for each nonspecial education student as provided under clause (2), plus an additional amount determined by dividing the total special education expenditure of the school district of residence by the product of:

(A) the combined percentage of section 2509.5(k) applicable

1 to the school year; and

2 (B) the total average daily membership of the school
3 district of residence for the prior school year.

4 (ii) The amount under subclause (i) shall be paid by the
5 school district of residence of each student by deduction and
6 transfer from all State payments due to the district as provided
7 under clause (5).

8 (iii) If a charter school or regional charter school
9 disputes the accuracy of a district's calculation under this
10 clause, the charter school or regional charter school shall file
11 a notice of the dispute with the secretary, who shall hold a
12 hearing to determine the accuracy of the district's calculation
13 within thirty (30) days of the notice.

14 (iv) The secretary shall determine the accuracy of the
15 district's calculation within thirty (30) days of the hearing.

16 (v) The district shall bear the burden of production and
17 proof with respect to its calculation under this clause.

18 (vi) The district shall be liable for the reasonable legal
19 fees incurred by a charter school or regional charter school if
20 the charter school or regional charter school is the
21 substantially prevailing party after a hearing under this
22 section. The charter school or regional charter school shall be
23 liable for the reasonable legal fees incurred by the school
24 district if the district is the substantially prevailing party
25 after a hearing under this section.

26 (vii) All decisions of the secretary under this section
27 shall be subject to appellate review by Commonwealth Court.

28 (4) A charter school or regional charter school may request
29 the intermediate unit or school district in which the charter
30 school or regional charter school is located to provide services

1 to assist the charter school or regional charter school to
2 address the specific needs of nonspecial education and
3 exceptional students. The intermediate unit or school district
4 shall provide the charter school or regional charter school with
5 such services and bill the charter school or regional charter
6 school for the services. The intermediate unit or school
7 district may not charge the charter school or regional charter
8 school more for any service than it charges the constituent
9 districts of the intermediate unit. Nothing under this clause
10 shall preclude an intermediate unit or school district from
11 contracting with a charter school or regional charter school to
12 provide the intermediate unit or school district with services
13 to assist the intermediate unit or school district to address
14 specific needs of nonspecial education and special education
15 students.

16 (5) Beginning in the 2014-2015 school year, the following
17 apply:

18 (i) Payments shall be made to the charter school or regional
19 charter school in twelve (12) equal monthly payments, according
20 to the established monthly unipay schedule within the operating
21 school year or any subsequent school year.

22 (ii) Except as provided for in ~~subclause (vi)~~ SUBCLAUSES <--
23 (VI) AND (VIII), payments shall be made directly by the
24 secretary deducting and paying to the charter school or regional
25 charter school the estimated amount, as documented by the
26 charter school or regional charter school, from:

27 (A) all State payments due to the school district of
28 residence; or

29 (B) if no payments are due to the school district of
30 residence, from all State payments reasonably expected to be due

1 in the next established monthly unipay schedule, after receipt
2 of documentation from the charter school or regional charter
3 school as to its enrollment.

4 (iii) At least thirty (30) days prior to the scheduled
5 payment date each month, a charter school or regional charter
6 school shall provide to the department and to the school
7 district of residence of each student enrolled in the charter
8 school or regional charter school, documentation of the charter
9 school's or regional charter school's enrollment, on a form to
10 be developed by the secretary within sixty (60) days of the
11 effective date of this section. The form, which shall be
12 developed in consultation with representatives of charter
13 schools or regional charter schools and school districts, shall
14 require the charter school or regional charter school to provide
15 to the department and to the school district of residence of
16 each student enrolled in the charter school or regional charter
17 school, documentation of each student's current enrollment in
18 the charter school or regional charter school and current
19 residence in the school district, including the following
20 information:

21 (A) Student's name.

22 (B) Student's home address.

23 (C) Name and telephone number of student's parent or
24 guardian.

25 (D) Student's date of birth.

26 (E) Student's grade level.

27 (F) Type of school in which student was previously enrolled.

28 (G) Student's date of enrollment.

29 (H) Whether each student is being educated under an
30 individualized education plan under the Individuals with

Disabilities Education Act (Public Law 91-230, 20 U.S.C. § 1400 et seq.).

(I) The tuition amount due on account of each student.

(J) The total amount due from the school district for that month.

(K) Copies of the actual documents used by the charter school or regional charter school to verify each student's residence in the school district.

(iv) The secretary shall not make payments under this section until the charter school or regional charter school provides the department and the school district of residence with a completed form and accompanying documentation as required under this clause. A charter school or regional charter school may make only one (1) payment request per month under this clause. After a charter school or regional charter school makes a payment request under this clause, any necessary corrections or adjustments may be made in the next subsequent monthly payment request.

(v) The secretary's obligation to make payments under this section is mandatory and ministerial, except that payments made pursuant to this ~~section~~ ARTICLE shall not be given priority over payments required pursuant to sections 633 and 785 and 53 Pa.C.S. § 8125(b) (relating to security for tax anticipation notes and sinking fund), or an agreement pursuant to which the Commonwealth is required to make payment to a holder of debt issued by or on behalf of a school entity, ALL OF WHICH PAYMENTS CONTINUE TO BE MANDATORY AND MINISTERIAL. If payments required under sections 633 and 785 and 53 Pa.C.S. § 8125(b) preclude the timely payment of funds to a charter school or regional charter school under this section or will cause the board of school

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directors of a school district to fail to pay or provide for payment under this subsection, nothing shall preclude the secretary from withholding funds from any and all State payments made to the school district for the operating school year or for any subsequent operating school year.

(vi) If there are insufficient State payments due to a school district in the established monthly unipay schedule to cover all charter school or regional charter school deductions and transfers, the school district shall be responsible for paying the unpaid balance directly to the charter school or regional charter school not more than ten (10) days following the established monthly unipay schedule.

(vii) A student enrolled in a charter school or regional charter school shall be included in the average daily membership of the student's school district of residence for the purpose of providing basic education funding payments and special education funding under Article XXV.

(VIII) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR EACH YEAR IN WHICH A SCHOOL DISTRICT OF THE FIRST CLASS THAT HAS BEEN DECLARED TO BE DISTRESSED BY THE SECRETARY OF EDUCATION UNDER SECTION 691 CONTINUES TO BE DISTRESSED, PAYMENTS TO CHARTER SCHOOLS OR REGIONAL CHARTER SCHOOLS SHALL BE MADE BY THE SCHOOL DISTRICT OF THE FIRST CLASS AND NOT BY THE SECRETARY AS PROVIDED IN CLAUSE (II). THE SCHOOL DISTRICT OF THE FIRST CLASS SHALL PROVIDE FOR PAYMENT TO CHARTER SCHOOLS AND REGIONAL CHARTER SCHOOLS AS FOLLOWS:

(A) PAYMENTS SHALL BE MADE TO THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL IN TWELVE (12) EQUAL MONTHLY PAYMENTS, ACCORDING TO THE ESTABLISHED MONTHLY UNIPAY SCHEDULE, WITHIN THE OPERATING SCHOOL YEAR.

1 (B) PAYMENTS SHALL BE MADE DIRECTLY BY PAYING TO THE CHARTER
2 SCHOOL OR REGIONAL CHARTER SCHOOL THE ESTIMATED AMOUNT, AS
3 DOCUMENTED BY THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL,
4 AFTER RECEIPT OF DOCUMENTATION FROM THE CHARTER SCHOOL OR
5 REGIONAL CHARTER SCHOOL INCLUDING THE INFORMATION REQUIRED BY
6 THIS SECTION TO BE SUPPLIED BY CHARTER SCHOOLS AND REGIONAL
7 CHARTER SCHOOLS IN OTHER SCHOOL DISTRICTS AT LEAST THIRTY (30)
8 DAYS PRIOR TO THE SCHEDULED PAYMENT DATE EACH MONTH.

9 (C) IF THE SCHOOL DISTRICT OF THE FIRST CLASS FAILS TO MAKE
10 A PAYMENT TO A CHARTER SCHOOL ENTITY AS PRESCRIBED IN THIS
11 CLAUSE, THE SECRETARY SHALL DEDUCT THE ESTIMATED AMOUNT, AS
12 DOCUMENTED BY THE CHARTER SCHOOL ENTITY, FROM ANY AND ALL STATE
13 PAYMENTS MADE TO THE DISTRICT AFTER RECEIPT OF DOCUMENTATION
14 FROM THE CHARTER SCHOOL ENTITY. THIS SECTION SHALL NOT BE
15 SUBJECT TO SUSPENSION BY A SCHOOL REFORM COMMISSION OR A SCHOOL
16 DISTRICT OF THE FIRST CLASS.

17 (6) The following apply:

18 (i) Within thirty (30) days after the payment is made to the
19 charter school or regional charter school as described under
20 clause (5), a school district may notify the secretary that the
21 estimated amount, as documented by the charter school or
22 regional charter school, is inaccurate.

23 (ii) Within thirty (30) days of the notice by the school
24 district under subclause (i), the secretary shall provide the
25 school district with a hearing concerning whether the charter
26 school or regional charter school documented that students were
27 enrolled in the charter school or regional charter school, the
28 period of time during which each student was enrolled in the
29 charter school or regional charter school, the school district
30 of residence of each student enrolled in the charter school or

regional charter school and whether the amounts deducted from or paid by the school district were accurate.

(iii) The burden of proof and production at the hearing shall be on the school district. A hearing shall not be held before the secretary deducts and transfers to the charter school or regional charter school the amount estimated by the charter school or regional charter school.

(iv) The secretary shall determine the accuracy of the amount documented by the charter school or regional charter school and make any necessary payment adjustment within thirty (30) days of the hearing.

(v) The school district shall be liable for the reasonable legal fees incurred by a charter school or regional charter school if the charter school or regional charter school is the substantially prevailing party after a hearing under this section. The charter school or regional charter school shall be liable for the reasonable legal fees incurred by the school district if the school district is the substantially prevailing party after a hearing under this section.

(vi) All decisions of the secretary under this section shall be subject to appellate review by Commonwealth Court.

(vii) Supersedeas shall not be granted to the secretary or any party to the proceeding on an appeal from the decision of the secretary under this section; and, absent a court order, the secretary shall not hold any payments in escrow.

(d) It shall be lawful for any charter school or regional charter school to receive, hold, manage and use, absolutely or in trust, any devise, bequest, grant, endowment, gift or donation of any property, real or personal and/or mixed, which shall be made to the charter school or regional charter school

1 for any of the purposes of this article.

2 (e) It shall be unlawful for any trustee of a charter school
3 or regional charter school or any board of trustees of a charter
4 school or regional charter school or any other person affiliated
5 in any way with a charter school or regional charter school to
6 demand or request, directly or indirectly, any gift, donation or
7 contribution of any kind from any parent, teacher, employe or
8 any other person affiliated with the charter school or regional
9 charter school as a condition for employment or enrollment
10 and/or continued attendance of any pupil. Any donation, gift or
11 contribution received by a charter school or regional charter
12 school shall be given freely and voluntarily.

13 (f) A charter school or regional charter school may not
14 provide discounts to a school district or waive payments under
15 this section for any student.

16 (g) The department shall develop a transition procedure to
17 be able to recoup in subsequent fiscal years any payments made
18 in error to a charter school ~~entity~~ or regional charter school <--
19 as a result of direct payment by the department to the charter
20 school ~~entity~~ or regional charter school. <--

21 Section ~~14~~ 15. Section 1728-A(a) and (b) of the act, added <--
22 June 19, 1997 (P.L.225, No.22), are amended and the section is
23 amended by adding subsections to read:

24 Section 1728-A. Annual Reports and Assessments.--(a) (1)
25 The local board of school directors or the governing board of an
26 institution of higher education shall annually assess whether
27 each charter school or regional charter school is meeting the
28 goals of its charter and shall conduct a comprehensive review
29 prior to granting a [five (5) year] renewal of the charter. The
30 local board of school directors or the governing board of an

1 institution of higher education shall have ongoing access to the
2 records and facilities of the charter school or regional charter
3 school to ensure that the charter school or regional charter
4 school is in compliance with its charter and this act and that
5 requirements for testing, civil rights and student health and
6 safety are being met.

7 (2) Ongoing access to a charter school's or regional charter
8 school's records shall mean that the local board of school
9 directors or the governing board of an institution of higher
10 education shall have access to records such as financial
11 reports, financial audits, aggregate standardized test scores
12 without student-identifying information and teacher
13 certification and personnel records.

14 (3) Charter schools and regional charter schools shall
15 comply fully with the requirements of the Family Educational
16 Rights and Privacy Act of 1974 (Public Law 90-247, 20 U.S.C. §
17 1232g) and associated regulations. No personally identifiable
18 information from education records shall be provided by the
19 charter school OR REGIONAL CHARTER SCHOOL to the school district <--
20 except in compliance with the Family Educational Rights and
21 Privacy Act of 1974.

22 (b) In order to facilitate the local board's OR THE <--
23 GOVERNING BOARD OF THE INSTITUTION OF HIGHER EDUCATION'S review
24 and secretary's report, each charter school or regional charter
25 school shall submit an annual report no later than August 1 of
26 each year to the local board of school directors OR THE <--
27 GOVERNING BOARD OF THE INSTITUTION OF HIGHER EDUCATION and the
28 secretary in the form prescribed by the secretary.

29 * * *

30 (d) A charter school entity shall form an independent audit

committee of its board members which shall review at the close of each fiscal year a complete certified audit of the operations of the charter school entity. The audit shall be conducted by a qualified independent certified public accountant. The audit shall be conducted under generally accepted audit standards of the Governmental Accounting Standards Board and shall include the following:

(1) An enrollment test to verify the accuracy of student enrollment and reporting to the State.

(2) Full review of expense reimbursements for board members and administrators, including sampling of all reimbursements.

(3) Review of internal controls, including review of receipts and disbursements.

(4) Review of annual Federal and State tax filings, including the Internal Revenue Service Code Form 990, Return of Organization Exempt from Income Tax and all related schedules and appendices for the charter school and charter school foundation, if applicable.

(5) Review of the financial statements of any charter school foundation.

(6) Review of the selection and acceptance process of all contracts publicly bid pursuant to section 751.

(7) Review of all board policies and procedures with regard to internal controls, code of ethics, conflicts of interest, whistle-blower protections, complaints from parents or the public, compliance with 65 Pa.C.S. Ch. 7 (relating to open meetings), compliance with the "Right-to-Know Law," finances, budgeting, audits, public bidding and bonding.

(e) The certified audit under subsection (d) and the annual budget under subsection (g) are public documents and shall be

made available on the school district's publicly accessible Internet website and the charter school entity's publicly accessible Internet website, if applicable.

(f) A charter school entity may be subject to an annual audit by the Auditor General, in addition to any other audits required by Federal law or this article.

(g) A charter school entity shall annually provide the department and, in the case of a charter school or regional charter school, shall annually provide the school district, with a copy of the annual budget for the operation of the charter school entity that identifies the following:

(1) The source of funding for all expenditures as part of its reporting under subsection (a).

(2) Where funding is provided by a charter school foundation, the amount of funds and a description of the use of the funds.

(3) The salaries of all administrators of the charter school entity.

(4) All expenditures to an educational management service provider.

(h) (1) Notwithstanding any other provision of law, a charter school entity and any affiliated charter school foundation shall make copies of its annual Federal and State tax filings available upon request and on the foundation's or charter school entity's publicly accessible Internet website, if applicable, including Internal Revenue Service Code Form 990, Return of Organization Exempt from Income Tax and all related schedules and appendices.

(2) The charter school foundation shall also make copies of its annual budget available upon request and on the foundation's

or the charter school entity's publicly accessible Internet website within thirty (30) days of the close of the foundation's fiscal year.

(3) The annual budget shall include the salaries of all employees of the charter school foundation.

~~Section 12. The act is amended by adding a section to read: <--~~

~~SECTION 16. THE ACT IS AMENDED BY ADDING SECTIONS TO READ: <--~~

SECTION 1728.1-A. GOVERNING BOARDS OF INSTITUTIONS OF HIGHER EDUCATION AS AUTHORIZERS OF CHARTER SCHOOLS AND REGIONAL CHARTER SCHOOLS.-- (A) THE GOVERNING BOARD OF AN INSTITUTION OF HIGHER EDUCATION MAY ELECT, BY AN AFFIRMATIVE VOTE OF A MAJORITY OF ALL MEMBERS, TO BECOME AN AUTHORIZER OF CHARTER SCHOOLS OR REGIONAL CHARTER SCHOOLS SUBJECT TO THE FOLLOWING:

(1) AN INSTITUTION OF HIGHER EDUCATION OF AT LEAST 2,000 ENROLLED STUDENTS THAT CONFERS A DOCTORAL DEGREE IN EDUCATION AND IS DOMICILED AND HEADQUARTERED WITH ITS PRINCIPAL PHYSICAL LOCATION IN THIS COMMONWEALTH MAY AUTHORIZE A CHARTER SCHOOL ANYWHERE IN THIS COMMONWEALTH. FOR PURPOSES OF THIS PARAGRAPH, THE TERM "PHYSICAL LOCATION" INCLUDES A LOCATION WITH QUALIFIED ON-SITE ADMINISTRATIVE STAFF RESPONSIBLE FOR THE OVERALL ADMINISTRATIVE OPERATION OF ALL EDUCATIONAL ACTIVITIES, INCLUDING, BUT NOT LIMITED TO, INSTRUCTIONAL OVERSIGHT, COUNSELING, ADVISING, LIBRARY SERVICES AND MAINTENANCE OF ACADEMIC RECORDS.

(2) AN INSTITUTION OF HIGHER EDUCATION OF AT LEAST 2,000 ENROLLED STUDENTS THAT CONFERS A BACHELOR'S DEGREE IN EDUCATION IF COMPLETED IN FOUR (4) YEARS OF FULL-TIME STUDY AND DOES NOT CONFER A DOCTORAL DEGREE IN EDUCATION MAY ONLY AUTHORIZE A CHARTER SCHOOL IN SCHOOL DISTRICTS IN THE COUNTY WHERE THE INSTITUTION HAS ITS PRIMARY CAMPUS AND OPERATIONS.

1 (3) AN INSTITUTION OF HIGHER EDUCATION OF AT LEAST 2,000
2 ENROLLED STUDENTS THAT DOES NOT CONFER A BACHELOR'S DEGREE IN
3 EDUCATION OR A DOCTORAL DEGREE IN EDUCATION MAY ONLY AUTHORIZE A
4 CHARTER SCHOOL WITHIN THE SCHOOL DISTRICT WHERE THE INSTITUTION
5 HAS ITS PRIMARY CAMPUS AND OPERATIONS.

6 (B) THE GOVERNING BOARD OF AN INSTITUTION OF HIGHER
7 EDUCATION MAY NOT ELECT TO BECOME AN AUTHORIZER OF CHARTER
8 SCHOOLS AND REGIONAL SCHOOLS PRIOR TO JULY 1, 2015.

9 (C) ALL HEARINGS HELD BY THE GOVERNING BOARD OF AN
10 INSTITUTION OF HIGHER EDUCATION UNDER THIS ARTICLE SHALL BE
11 CONDUCTED IN ACCORDANCE WITH 2 PA.C.S. CH. 5 SUBCH. A (RELATING
12 TO PRACTICE AND PROCEDURE OF COMMONWEALTH AGENCIES).

13 Section ~~1728.1-A~~ 1728.2-A. Charter Authorizer <--
14 Accountability.--(a) Each local board of school directors of a
15 district and the governing board of an institution of higher
16 education shall be required to submit to the department an
17 annual report summarizing:

18 (1) The strategic vision for chartering and progress toward
19 achieving that vision.

20 (2) The academic and financial performance of all operating
21 public charter schools AND REGIONAL CHARTER SCHOOLS overseen by <--
22 the local board or the governing board of an institution of
23 higher education, according to the performance expectations for
24 public charter schools set forth in this act.

25 (3) The status of the local board of school directors' or
26 the governing board of an institution of higher education's
27 public charter school AND REGIONAL CHARTER SCHOOL portfolio, <--
28 identifying all public charter schools in each of the following
29 categories: (i) approved, but not open; (ii) open and operating;
30 and (iii) closed, including the year closed and the reason for

1 closure.

2 (4) The authorizing functions provided by the local board of
3 school directors or the governing board of an institution of
4 higher education to the public charter schools AND REGIONAL <--
5 CHARTER SCHOOLS under its purview, including the authorizer's
6 operating costs and expenses detailed in annual audited
7 financial statements that conform to generally accepted
8 accounting principles.

9 (b) The department shall be responsible for the following:

10 (1) Oversight of the performance of each established local
11 board of school directors of a district and the governing board
12 of an institution of higher education.

13 (2) Formal evaluation of the overall State charter school
14 program and outcomes every five years.

15 (3) For each local board of school directors of a district
16 and the governing board of an institution of higher education,
17 an annual review, based on objective data, to determine how well
18 the authorizer is exercising its duties and maintaining a
19 portfolio of high-performing charter schools.

20 (4) In reviewing or evaluating the performance of each local
21 board of school directors of a district and the governing board
22 of an institution of higher education, the department shall
23 apply nationally recognized principles and standards of quality
24 charter school authorizing ~~as determined by~~ INCLUDING, BUT NOT <--
25 LIMITED TO, THOSE OF the National Association of Charter School
26 Authorizers.

27 (c) The department shall publish the annual reviews on its
28 publicly accessible Internet website and submit a summary report
29 regarding authorizer performance to the Governor and the General
30 Assembly.

1 (d) The department shall develop a plan for sanctioning
2 local boards of school directors of a district or governing
3 boards of an institution of higher education that maintain
4 portfolios with persistently low-performing charter schools AND <--
5 REGIONAL CHARTER SCHOOLS and fail to provide adequate authorizer
6 oversight or intervention that may include a corrective action
7 plan for the authorizer and other sanctions deemed necessary by
8 the department.

9 Section ~~13~~ 17. Section 1729-A(a), (b) ~~and (c)~~, (C) AND (D) <--
10 of the act, added June 19, 1997 (P.L.225, No.22), are amended to
11 read:

12 Section 1729-A. Causes for Nonrenewal or Termination.--(a)
13 During the term of the charter or at the end of the term of the
14 charter, the local board of school directors or the governing
15 board of an institution of higher education may choose to revoke
16 or not to renew the charter based on any of the following:

17 (1) One or more material violations of any of the
18 conditions, standards or procedures contained in the written
19 charter signed pursuant to section 1720-A.

20 (2) Failure to meet the requirements for student performance
21 [set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or
22 subsequent regulations promulgated to replace 22 Pa. Code Ch. 5]
23 assessments or failure to meet any performance standard set
24 forth in the written charter signed pursuant to section [1716-A]
25 1720-A.

26 (3) Failure to meet generally accepted standards of fiscal
27 management or audit requirements.

28 (4) Violation of provisions of this article.

29 (5) Violation of any provision of law from which the charter
30 school ENTITY has not been exempted, including Federal laws and <--

1 regulations governing children with disabilities.

2 [(6) The charter school has been convicted of fraud.]

3 * * *

4 (b) [A member of the board of trustees who is convicted of a
5 felony or any crime involving moral turpitude shall be

6 immediately disqualified from serving on the board of trustees.]

7 If, after a hearing under this section, a local board of school

8 directors or the governing board of an institution of higher

9 education or, in the case of a cyber charter school, the

10 department proves by a preponderance of the evidence that an

11 administrator or board member of a charter school entity has

12 violated this article, the terms and conditions of the charter

13 or any other violation of law, the local board of school

14 directors or the governing board of an institution of higher

15 education OR, IN THE CASE OF A CYBER CHARTER SCHOOL, THE

<--

16 DEPARTMENT may require the charter school entity to replace the

17 administrator or board member in order to obtain renewal of the

18 charter. The local board of school directors or the governing

19 board of an institution of higher education OR, IN THE CASE OF A

<--

20 CYBER CHARTER SCHOOL, THE DEPARTMENT may refer its findings to

21 the district attorney with jurisdiction or to the Office of

22 Attorney General for prosecution if the local board of school

23 directors or the governing board of an institution of higher

24 education OR, IN THE CASE OF A CYBER CHARTER SCHOOL, THE

<--

25 DEPARTMENT discovers or receives information about possible

26 violations of law by any person affiliated with or employed by a

27 charter school entity.

28 (c) Any notice of revocation or nonrenewal of a charter

29 given by the local board of school directors of a school

30 district or the governing board of an institution of higher

1 education shall state the grounds for such action with
2 reasonable specificity and give reasonable notice to the
3 governing board of the charter school or regional charter school
4 of the date on which a public hearing concerning the revocation
5 or nonrenewal will be held. The local board of school directors
6 or the governing board of an institution of higher education
7 shall conduct such hearing, present evidence in support of the
8 grounds for revocation or nonrenewal stated in its notice and
9 give the charter school or regional charter school reasonable
10 opportunity to offer testimony before taking final action.
11 Formal action revoking or not renewing a charter shall be taken
12 by the local board of school directors or the governing board of
13 an institution of higher education at a public meeting pursuant
14 to [the act of July 3, 1986 (P.L.388, No.84), known as the
15 "Sunshine Act,"] 65 Pa.C.S. Ch. 7 (relating to open meetings)
16 after the public has had thirty (30) days to provide comments to
17 the board. All proceedings of the local board pursuant to this
18 subsection shall be subject to 2 Pa.C.S. Ch. 5 Subch. B
19 (relating to practice and procedure of local agencies). Except
20 as provided in subsection (d), the decision of the local board
21 shall not be subject to 2 Pa.C.S. Ch. 7 Subch. B (relating to
22 judicial review of local agency action).

23 (D) FOLLOWING THE APPOINTMENT AND CONFIRMATION OF THE APPEAL <--
24 BOARD, BUT NOT BEFORE JULY 1, 1999, THE CHARTER SCHOOL MAY
25 APPEAL THE DECISION OF THE LOCAL BOARD OF SCHOOL DIRECTORS TO
26 REVOKE OR NOT RENEW THE CHARTER TO THE APPEAL BOARD. THE APPEAL
27 BOARD SHALL HAVE THE EXCLUSIVE REVIEW OF A DECISION NOT TO RENEW
28 OR REVOKE A CHARTER BY THE LOCAL BOARD OF SCHOOL DIRECTORS. THE
29 APPEAL BOARD SHALL REVIEW THE RECORD AND SHALL HAVE THE
30 DISCRETION TO SUPPLEMENT THE RECORD IF THE SUPPLEMENTAL

1 INFORMATION WAS PREVIOUSLY UNAVAILABLE. THE APPEAL BOARD MAY
2 CONSIDER THE CHARTER SCHOOL PLAN, ANNUAL REPORTS, STUDENT
3 PERFORMANCE AND EMPLOYEE AND COMMUNITY SUPPORT FOR THE CHARTER
4 SCHOOL IN ADDITION TO THE RECORD. THE APPEAL BOARD SHALL GIVE
5 DUE CONSIDERATION TO THE FINDINGS OF THE LOCAL BOARD OF
6 DIRECTORS AND SPECIFICALLY ARTICULATE ITS REASONS FOR AGREEING
7 OR DISAGREEING WITH THOSE FINDINGS IN ITS WRITTEN DECISION.

8 * * *

9 Section ~~14~~ 18. The act is amended by adding sections to <--
10 read:

11 Section 1729.1-A. Evaluation of Educators.--(a) All
12 applications by a charter school entity for a charter or for the
13 renewal of a charter shall include a system of evaluation for
14 educators that includes both of the following:

15 (1) At least four (4) rating categories of educator
16 performance.

17 (2) Multiple measures of student performance which shall
18 include, but may not be limited to, value-added assessment
19 system data made available by the department under section 221
20 and student performance on the most recent assessments for which
21 results have been released by the department and may include
22 goals specific to the mission of the charter school entity's
23 charter.

24 (b) Nothing in this section shall preempt the powers of a
25 board of trustees under section 1716-A(a) nor affect the intent
26 of the General Assembly provided in section 1702-A(3) and (4).

27 (c) For purposes of this section, the term "educator" shall
28 include all professional employees who are certified as teachers
29 and noncertified staff members who teach in a charter school
30 entity.

Section 1729.2-A. Multiple Charter School Organizations.--

(a) Establishment shall be as follows:

(1) Subject to the requirements of subsection (b), two or more charter schools may consolidate under 15 Pa.C.S. Pt. II Subpt. C (relating to nonprofit corporations) into a multiple charter school organization.

(2) The multiple charter school organization shall be:

(i) granted a single charter to operate two or more individual charter schools under the oversight of a single board of trustees and a chief administrator who shall oversee and manage the operation of the individual charter schools under its organization;

(ii) considered a charter school entity; and

(iii) subject to all of the requirements of this article unless otherwise provided for under this section.

(3) Nothing under this subsection shall be construed to affect or change the terms or conditions of any individual charter previously granted that is consolidated under this section.

(b) Including, but not limited to, any obligation of a school district for transportation, the following apply to consolidation of two or more individual charter schools into a multiple charter school organization:

(1) A charter school that, prior to the effective date of this section, was approved by a local board of school directors, a special board of control, a School Reform Commission or another governing authority and that chooses to consolidate into a multiple charter school organization under this section may apply to the department to consolidate all affiliated school charters into a single charter within ninety (90) days after the

department publishes the standard application form required
under subsection (c). Beginning ninety-one (91) days after the
department publishes the standard application form required
under subsection (c), no charter school that was approved prior
to the effective date of this section shall be eligible to
consolidate with another charter school.

(2) Consolidation is restricted as follows:

(i) Except as set forth in subparagraph (ii), a charter
school shall not be eligible to consolidate with another charter
school that:

(A) within either of the most recent two (2) school years,
has failed to meet the requirements for student performance set
forth in 22 Pa. Code Ch. 4 (relating to academic standards and
assessment);

(B) does not meet accepted standards of fiscal management or
audit requirements; or

(C) does not meet the standards set forth by the matrix
established under section 1732-A(c)(3).

(ii) Subparagraph (i) shall not apply if the consolidation
includes a charter school which is not in violation of
subparagraph (i) over the most recent two (2) school years.

(iii) Clause (i)(C) shall not apply until the matrix
required under section 1732-A(c)(3) has been developed.

(3) The board of trustees of each charter school shall
jointly submit their charter school's current charter and annual
report to the department and request that oversight over the
multiple charter school organization, including the authority to
consider applications for renewal, be transferred to the
department.

(4) (i) Upon receipt of a consolidation and transfer

application and all necessary documentation as required by the department, the department shall have thirty (30) days to approve or deny the consolidation and transfer application.

(ii) Written notice of the department's action shall be sent to the applicants. If the application is denied, the reasons for the denial, including a description of deficiencies in the application, shall be clearly stated in the notice sent by the department to the applicants.

(iii) If the department approves the consolidation and transfer, the department shall provide notification to the local boards of school directors, the special boards of control, the School Reform Commission or other governing authorities which initially approved the charters.

(iv) A decision by the department to deny the consolidation and transfer application under subparagraph (i) may be appealed to the appeal board. The following shall apply to an appeal under this paragraph:

(A) In the case of an appeal under this clause, the appeal board shall review the application and make a decision to approve or deny the consolidation and transfer application based on whether the application includes the information required under subsection (c).

(B) Within thirty (30) days following receipt of an appeal under this clause, the appeal board shall meet to officially review the certified record of the department.

(C) Within sixty (60) days following the review conducted pursuant to clause (B), the appeal board shall issue a written decision affirming or reversing the decision of the department. Written notice of the decision of the appeal board shall be provided to the parties.

1 (D) A decision by the appeal board under this clause to
2 approve the consolidation and transfer application shall serve
3 as a requirement for the department to approve the application
4 and provide notification of the approval to the local boards of
5 school directors, the special boards of control, the School
6 Reform Commission or other governing authorities which initially
7 approved the charters within ten (10) days of the reversal of
8 the decision of the department. If the department fails to
9 provide notification within ten (10) days of the reversal of the
10 decision of the department, the application shall be deemed to
11 be approved, and the appeal board shall provide notification of
12 the approval to the local boards of school directors, the
13 special boards of control, the School Reform Commission or other
14 governing authorities which initially approved the charters.

15 (E) All decisions of the appeal board shall be subject to
16 appellate review by the Commonwealth Court.

17 (5) No later than thirty (30) days after the receipt of the
18 notification of approval required under paragraph (4), the local
19 boards of school directors, the special boards of control, the
20 School Reform Commission or other governing authorities which
21 initially approved the charters shall transfer to the department
22 all records regarding oversight of the charter schools.

23 (6) A charter school's charter term shall remain in effect
24 until the time of expiration, at which time the department will
25 undertake a comprehensive review prior to granting a ten-year
26 charter renewal.

27 (c) Within thirty (30) days of the effective date of this
28 section, the department shall develop and issue a standard
29 application form for multiple charter school organization
30 applicants and shall publish the application form in the

Pennsylvania Bulletin and on the department's publicly accessible Internet website. The application form shall contain the following information:

(1) The name of the multiple charter school organization.

(2) The names of the charter schools seeking consolidation and transfer under this section.

(3) A copy of the approved charter of each charter school seeking to consolidate and transfer oversight functions to the department.

(4) An organizational chart clearly presenting the proposed governance structure of the multiple charter school organization, including lines of authority and reporting between the board of trustees, chief administrator, administrators, staff and any educational management service provider that will play a role in providing management services to the charter schools under its jurisdiction.

(5) A clear description of the roles and responsibilities for the board of trustees, chief administrator, administrators and any other entities, including a charter school foundation, shown in the organizational chart.

(6) A clear description and method for the appointment or election of members of the board of trustees.

(7) Standards for board of trustees performance, including compliance with all applicable laws, regulations and terms of the charter.

(8) Enrollment procedures for each individual charter school included in its charter.

(9) Any other information as deemed necessary by the department.

(d) A multiple charter school organization may:

1 (1) Participate in the assessment system in the same manner
2 in which a school district participates, with its individual
3 charter schools participating in the assessment system in the
4 same manner as individual schools in school districts. All data
5 gathered for purposes of evaluation shall be gathered in the
6 same manner in which data is gathered in the case of school
7 districts and individual schools in school districts.

8 (2) Beginning ninety-one (91) days after the department
9 publishes the standard application form required under
10 subsection (c), add newly established charter schools to its
11 organization through both of the following:

12 (i) Establish a new charter school by applying for a charter
13 through the local school board under section 1717-A; and

14 (ii) Apply to the department to consolidate and transfer
15 under this section.

16 (3) Amend the individual charters of each charter school
17 under its organization by seeking approval from the department
18 under the amendment process included under section 1720-A.

19 (4) Allow students enrolled in an individual charter school
20 to matriculate to another individual charter school under its
21 oversight so as to complete a course of instruction in an
22 educational institution from kindergarten through grade twelve.

23 (e) The annual report required under section 1728-A shall be
24 provided by the board of trustees and chief administrator of the
25 multiple charter school organization and shall include all
26 information required to provide a basis for evaluation for
27 renewal of each individual charter school under the oversight of
28 the multiple charter school organization.

29 (f) A multiple charter school organization shall be regarded
30 as the holder of the charter of each individual charter school

under its oversight and each previously or subsequently awarded
charter shall be subject to nonrenewal or revocation in
accordance with this act. The nonrenewal or revocation shall not
affect the status of a charter awarded for any other individual
charter school under the oversight of the multiple charter
school organization.

(g) The department shall:

(1) Receive, review and act on multiple charter school
organization consolidation and transfer applications under this
section.

(2) Exercise oversight over multiple charter school
organizations approved under this section.

(3) Develop and issue a standard application form for
multiple charter school organization applicants and publish the
application form in the Pennsylvania Bulletin and on the
department's publicly accessible Internet website under
subsection (c).

(h) For purposes of this section, the term "charter school"
shall include a regional charter school.

~~Section 19.~~ Section 1732-A of the act, amended June 29, 2002 (P.L.524, No.88), is amended to read: <--

Section 1732-A. Provisions Applicable to Charter Schools and
Regional Charter Schools.--(a) Charter schools and regional
charter schools shall be subject to the following:

Sections 108, 110, 111, 321, 325, 326, 327, 431, 436, 443,
510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753,
[755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a),
1205.1, 1205.2, 1205.3, 1205.4, 1205.5, 1301, 1302, 1303, 1310,
1317, 1317.1, 1317.2, 1317.3, 1318, 1327, 1330, 1332, 1333,
1303-A, 1513, 1517, 1518, 1521, 1523, 1531, 1547, 2014-A,

1 Article XIII-A and Article XIV.

2 Act of July 19, 1957 (P.L.1017, No.451), known as the "State
3 Adverse Interest Act."

4 Act of July 17, 1961 (P.L.776, No.341), known as the
5 "Pennsylvania Fair Educational Opportunities Act."

6 Act of July 19, 1965 (P.L.215, No.116), entitled "An act
7 providing for the use of eye protective devices by persons
8 engaged in hazardous activities or exposed to known dangers in
9 schools, colleges and universities."

10 Section 4 of the act of January 25, 1966 (1965 P.L.1546,
11 No.541), entitled "An act providing scholarships and providing
12 funds to secure Federal funds for qualified students of the
13 Commonwealth of Pennsylvania who need financial assistance to
14 attend postsecondary institutions of higher learning, making an
15 appropriation, and providing for the administration of this
16 act."

17 Act of July 12, 1972 (P.L.765, No.181), entitled "An act
18 relating to drugs and alcohol and their abuse, providing for
19 projects and programs and grants to educational agencies, other
20 public or private agencies, institutions or organizations."

21 Act of December 15, 1986 (P.L.1595, No.175), known as the
22 "Antihazing Law."

23 The "Right-to-Know Law."

24 65 Pa.C.S. Ch. 7 (relating to open meetings).

25 65 Pa.C.S. Ch. 11 (relating to ethics standards and financial
26 disclosure).

27 (b) Charter schools shall be subject to the following
28 provisions of 22 Pa. Code:

29 [Section 5.216 (relating to ESOL).

30 Section 5.4 (relating to general policies).]

Chapter 4 (relating to academic standards and assessments).

Chapter 11 (relating to pupil attendance).

Chapter 12 (relating to students).

Section 32.3 (relating to assurances).

Section 121.3 (relating to discrimination prohibited).

Section 235.4 (relating to practices).

Section 235.8 (relating to civil rights).

Chapter 711 (relating to charter school services and programs
for children with disabilities).

(c) (1) The secretary may promulgate additional regulations
relating to charter schools AND REGIONAL CHARTER SCHOOLS. <--

(2) The secretary shall have the authority and the
responsibility to ensure that charter schools AND REGIONAL <--
CHARTER SCHOOLS comply with Federal laws and regulations
governing children with disabilities. The secretary shall
promulgate regulations to implement this provision.

(3) (i) Within one (1) year of the effective date of this
clause, the department shall develop a standard performance
matrix to evaluate charter school ENTITY performance and shall <--
promulgate regulations pursuant to the act of June 25, 1982
(P.L.633, No.181), known as the "Regulatory Review Act," to
implement this section.

(ii) The performance matrix shall assess performance by
utilizing objective criteria, including, but not limited to:
student performance on the Pennsylvania System of School
Assessment test, the Keystone Exam or another test established
by the State board to meet the requirements of section 2603-B(d)
(10)(i) and required under the No Child Left Behind Act of 2001
(Public Law 107-110, 115 Stat. 1425) or its successor Federal
statute; annual growth as measured by the Pennsylvania Value-

Added Assessment System; attendance; attrition rates; graduation rates; other standardized test scores; school safety; parent satisfaction; accreditation by a nationally recognized accreditation agency, including the Middle States Association of Colleges and Schools or another regional institutional accrediting agency recognized by the United States Department of Education or an equivalent federally recognized body for charter school education; and other measures of school quality, including measures for assessing teacher effectiveness.

(iii) In developing the performance matrix, the department shall determine an academic quality benchmark the satisfaction of which shall qualify a charter school, ~~regional charter school~~ or ~~cyber charter school~~ ENTITY for a ten (10) year renewal term pursuant to sections 1720-A and 1745-A(f). The academic quality benchmark shall be included in the regulations required under subclause (i).

(iv) The department shall develop the performance matrix with input from charter school ENTITY operators and may contract for consulting services with an entity that has experience in developing performance matrices if the services are procured through a competitive bidding process.

(v) No local board of school directors or the governing board of an institution of higher education may develop a separate performance matrix for the evaluation of a charter school ENTITY.

(vi) A local board of school directors or the governing board of an institution of higher education shall utilize the standard performance matrix as a primary factor in evaluating new charter school and regional charter school applicants and applicants for charter school and regional charter school

1 renewal and in annual monitoring and evaluation of charter
2 schools. ~~AND REGIONAL CHARTER SCHOOLS.~~ <--

3 (VII) THE DEPARTMENT SHALL UTILIZE THE STANDARD PERFORMANCE
4 MATRIX AS A PRIMARY FACTOR IN EVALUATING NEW AND RENEWAL CYBER
5 CHARTER SCHOOL APPLICANTS AND IN ANNUAL MONITORING AND
6 EVALUATION OF CYBER CHARTER SCHOOLS.

7 ~~(vii)~~ (VIII) The department shall distribute the performance <--
8 matrix to all local boards of school directors or the governing
9 board of an institution of higher education and shall publish
10 the matrix on the department's publicly accessible Internet
11 website.

12 Section ~~16~~ 20. The act is amended by adding a section to <--
13 read:

14 Section 1733-A. Effect on Existing Charter School
15 Entities.--(a) Within one (1) year of the effective date of
16 this section, a charter school entity established under section
17 1717-A or 1718-A prior to the effective date of this section
18 shall amend the current charter through the amendment process
19 under ~~section 1720-A(c)~~ SECTIONS 1720-A(C) AND 1745-A(F) (5) as <--
20 needed to reflect the requirements of this article. Any renewal
21 that takes effect after July 15, 2013, shall be for the term
22 specified under ~~section 1720-A(a)~~ SECTIONS 1720-A(A) AND 1745- <--
23 A(F) (3).

24 (b) A charter school entity approved after the effective
25 date of this section shall be in full compliance with this
26 article.

27 ~~Section 17. Sections 1741-A(c) and 1742-A of the act, added~~ <--

28 SECTION 21. SECTIONS 1741-A(C), 1742-A AND 1743-A(A) AND (E) <--
29 OF THE ACT, ADDED June 29, 2002 (P.L.524, No.88), are amended to
30 read:

1 Section 1741-A. Powers and duties of department.

2 * * *

3 (c) Documents.--Documents of the appeal board shall be
4 subject to [the act of June 21, 1957 (P.L.390, No.212), referred
5 to as] the Right-to-Know Law.] THE ACT OF FEBRUARY 14, 2008 <--
6 (P.L.6, NO.3), KNOWN AS THE RIGHT-TO-KNOW LAW.

7 Section 1742-A. Assessment and evaluation.

8 The department shall:

9 (1) Annually assess whether each cyber charter school is
10 meeting the goals of its charter and is in compliance with
11 the provisions of the charter and conduct a comprehensive
12 review prior to granting a [five-year] ~~ten-year~~ renewal of <--
13 the charter.

14 (2) Annually review each cyber charter school's
15 performance on the Pennsylvania System of School Assessment
16 test, standardized tests and other performance indicators to
17 ensure compliance with 22 Pa. Code Ch. 4 (relating to
18 academic standards and assessment) or subsequent regulations
19 promulgated to replace 22 Pa. Code Ch. 4.

20 (3) Have ongoing access to all records, instructional
21 materials and student and staff records of each cyber charter
22 school and to every cyber charter school facility to ensure
23 the cyber charter school is in compliance with its charter
24 and this subdivision.

25 ~~Section 17.1. Section 1743-A(e) of the act, added June 29,~~ <--
26 ~~2002 (P.L.524, No.88), is amended to read:~~

27 Section 1743-A. Cyber charter school requirements and
28 prohibitions.

29 (A) SPECIAL FINANCIAL REQUIREMENTS PROHIBITED.--A CYBER
30 CHARTER SCHOOL SHALL NOT:

(1) PROVIDE DISCOUNTS TO A SCHOOL DISTRICT OR WAIVE
PAYMENTS UNDER SECTION [1725-A] 1752-A FOR ANY STUDENT;

(2) EXCEPT AS PROVIDED FOR IN SUBSECTION (E), PROVIDE
PAYMENTS TO PARENTS OR GUARDIANS FOR THE PURCHASE OF
INSTRUCTIONAL MATERIALS; OR

(3) EXCEPT AS COMPENSATION FOR THE PROVISION OF SPECIFIC
SERVICES, ENTER INTO AGREEMENTS TO PROVIDE FUNDS TO A SCHOOL
ENTITY.

* * *

(e) Students.--For each student enrolled, a cyber charter
school shall:

(1) provide all instructional materials, which may
include electronic or digital books in place of textbooks;

(2) provide all equipment, including, but not limited
to, a computer, computer monitor and printer; and

(3) provide or reimburse for all technology and services
necessary for the on-line delivery of the curriculum and
instruction.

The Commonwealth shall not be liable for any reimbursement owed
to students, parents or guardians by a cyber charter school
under paragraph (3).

* * *

Section ~~18~~ 22. Section 1745-A(f) of the act, added June 29, <--
2002 (P.L.524, No.88), is amended and the section is amended by
adding a subsection to read:

Section 1745-A. Establishment of cyber charter school.

* * *

(b.1) Local board of school directors or intermediate
unit.--

(1) A cyber charter school may be established by a local

board of school directors or an intermediate unit if the
procedures and requirements of this article are satisfied.

(2) Nothing in this article shall be construed to
preclude a school district or an intermediate unit from
offering instruction via the Internet or other electronic
means, except that the instruction shall not be recognized as
a cyber charter school under this article.

* * *

(f) Evaluation criteria.--

(1) A cyber charter school application submitted under
this subdivision shall be evaluated by the department based
on the following criteria:

(i) The demonstrated, sustainable support for the
cyber charter school plan by teachers, parents or
guardians and students.

(ii) The capability of the cyber charter school
applicant, in terms of support and planning, to provide
comprehensive learning experiences to students under the
charter.

(iii) The extent to which the programs outlined in
the application will enable students to meet the academic
standards under 22 Pa. Code Ch. 4 (relating to academic
standards and assessment) or subsequent regulations
promulgated to replace 22 Pa. Code Ch. 4.

(iv) The extent to which the application meets the
requirements of section 1747-A.

[(v) The extent to which the cyber charter school
may serve as a model for other public schools.]

(2) Written notice of the action of the department shall
be sent by certified mail to the applicant and published on

1 the department's [World Wide Web site] publicly accessible
2 Internet website. If the application is denied, the reasons
3 for denial, including a description of deficiencies in the
4 application, shall be clearly stated in the notice.

5 (3) Upon approval of a cyber charter school application,
6 a written charter shall be developed which shall contain the
7 provisions of the charter application and be signed by the
8 secretary and each member of the board of trustees of the
9 cyber charter school. The charter, when duly signed, shall
10 act as legal authorization of the establishment of a cyber
11 charter school. The charter shall be legally binding on the
12 department, the cyber charter school and its board of
13 trustees. The charter shall be for a period of [no less than

14 three years nor more than] five years. UPON THE EFFECTIVE <--
15 DATE OF THE REGULATIONS IMPLEMENTING THE PERFORMANCE MATRIX
16 AS REQUIRED BY SECTION 1732-A(C) (3), A CYBER CHARTER SCHOOL
17 THAT SATISFIED THE ACADEMIC QUALITY BENCHMARK ESTABLISHED BY
18 THE DEPARTMENT PURSUANT TO SECTION 1732-A(C) (3) and may be
19 renewed for a period of [five] ten years by the department. A
20 CYBER CHARTER SCHOOL THAT HAS NOT SATISFIED THE ACADEMIC
21 QUALITY BENCHMARK ESTABLISHED BY THE DEPARTMENT PURSUANT TO
22 SECTION 1732-A(C) (3) MAY BE RENEWED FOR FIVE (5) YEAR PERIODS
23 UPON REAUTHORIZATION BY THE DEPARTMENT.

24 (4) The decision of the department to deny an
25 application may be appealed to the appeal board.

26 (5) (i) A cyber charter school may request amendments
27 to its approved written charter by filing WITH THE DEPARTMENT <--
28 a written document describing the requested amendment to the <--
29 department.

30 (ii) Within 20 days of its receipt of the request for an

1 amendment, the department shall hold a public hearing on the
2 requested amendment under 65 Pa.C.S. Ch. 7 (relating to open
3 meetings).

4 (iii) Within 20 days after the hearing, the department
5 shall grant or deny the requested amendment. Failure by the
6 department to hold a public hearing and to grant or deny the
7 amendments within the time period specified shall be deemed a<--
8 denial AN APPROVAL. <--

9 (iv) An applicant for an amendment shall have the right
10 to appeal the denial of a requested amendment to the appeal
11 board provided for under section 1721-A.

12 * * *

13 ~~Section 19.~~ Section 23. SECTIONS 1748-A(A) (2) (VI) AND 1749- <--
14 A(a) of the act, added June 29, 2002 (P.L.524, No.88), ~~is~~ ARE <--
15 amended to read:

16 SECTION 1748-A. ENROLLMENT AND NOTIFICATION. <--

17 (A) NOTICE TO SCHOOL DISTRICT.--

18 * * *

19 (2) IF A SCHOOL DISTRICT WHICH HAS RECEIVED NOTICE UNDER
20 PARAGRAPH (1) DETERMINES THAT A STUDENT IS NOT A RESIDENT OF
21 THE SCHOOL DISTRICT, THE FOLLOWING APPLY:

22 * * *

23 (VI) A SCHOOL DISTRICT SHALL CONTINUE TO MAKE
24 PAYMENTS TO A CYBER CHARTER SCHOOL UNDER SECTION [1725-A]
25 1752-A DURING THE TIME IN WHICH THE SCHOOL DISTRICT OF
26 RESIDENCE OF A STUDENT IS IN DISPUTE.

27 * * *

28 Section 1749-A. Applicability of other provisions of this act
29 and of other acts and regulations.

30 (a) General requirements.--Cyber charter schools shall be

1 subject to the following:

2 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431,
3 436, 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741,
4 752, 753, [755,] 771, 776, 777, 808, 809, 810, 1109, 1111,
5 1112(a), 1205.1, 1205.2, 1205.3, 1205.5, 1301, 1302, 1303,
6 1310, 1317, 1317.2, 1318, 1327, 1330, 1332, 1333, 1303-A,
7 1513, 1517, 1518, 1521, 1523, 1525, 1531, 1547, 1602-B, 1613- <--
8 B, 1702-A, 1703-A, 1704-A, 1714-A, 1715-A, 1716-A, 1719-A,
9 1721-A, 1722-A, [1723-A(a) and (b)] 1723-A (a), (b) and (d),
10 1724-A, [1725-A,] 1727-A, 1728-A(d), (e), (f), (g) and (h),
11 1729-A, 1729.1-A, 1730-A, 1731-A(a) (1) and (b), 1732-A(C) (3), <--
12 1733-A and 2014-A and Articles [XII-A,] XIII-A and XIV.

13 (1.1) Act THE ACT of July 19, 1957 (P.L.1017, No.451), <--
14 known as the State Adverse Interest Act.

15 (2) The act of July 17, 1961 (P.L.776, No.341), known as
16 the Pennsylvania Fair Educational Opportunities Act.

17 (3) The act of July 19, 1965 (P.L.215, No.116), entitled
18 "An act providing for the use of eye protective devices by
19 persons engaged in hazardous activities or exposed to known
20 dangers in schools, colleges and universities."

21 (4) Section 4 of the act of January 25, 1966 (1965
22 P.L.1546, No.541), entitled "An act providing scholarships
23 and providing funds to secure Federal funds for qualified
24 students of the Commonwealth of Pennsylvania who need
25 financial assistance to attend postsecondary institutions of
26 higher learning, making an appropriation, and providing for
27 the administration of this act."

28 (5) The act of July 12, 1972 (P.L.765, No.181) entitled
29 "An act relating to drugs and alcohol and their abuse,
30 providing for projects and programs and grants to educational

1 agencies, other public or private agencies, institutions or
2 organizations."

3 (6) The act of December 15, 1986 (P.L.1595, No.175),
4 known as the Antihazing Law.

5 (7) The Right-to-Know Law.

6 (8) 65 Pa.C.S. Ch. 7 (relating to open meetings).

7 (9) 65 Pa.C.S. Ch. 11 (relating to ethics standards and
8 financial disclosure).

9 * * *

10 Section ~~20~~ 24. The act is amended by adding a section to <--
11 read:

12 Section 1752-A. Funding for cyber charter schools.

13 (A) GENERAL RULE.--Funding for a cyber charter school shall <--
14 be provided under section 1725-A(a) (1), (4), (5) and (6) and as
15 follows:

16 (1) For non-special education students, the cyber
17 charter school shall receive for each student enrolled, 95%
18 of the amount calculated to be paid by the district of
19 residence under section 1725-A(a) (2). This amount shall be
20 paid by the school district of residence of each student.

21 (2) For special education students, the cyber charter
22 school shall receive for each student enrolled, 95% of the
23 amount calculated to be paid by the district of residence
24 under section 1725-A(a) (3). This amount shall be paid by the
25 school district of residence of each student.

26 (B) TRANSITION PROCEDURE.--THE DEPARTMENT SHALL DEVELOP A <--
27 TRANSITION PROCEDURE TO BE ABLE TO RECOUP IN SUBSEQUENT FISCAL
28 YEARS ANY PAYMENTS MADE IN ERROR TO A CYBER CHARTER SCHOOL AS A
29 RESULT OF DIRECT PAYMENT BY THE DEPARTMENT TO THE CYBER CHARTER
30 SCHOOL.

1 (C) DONATIONS.--

2 (1) IT SHALL BE LAWFUL FOR ANY CYBER CHARTER SCHOOL TO
3 RECEIVE, HOLD, MANAGE AND USE, ABSOLUTELY OR IN TRUST, ANY
4 DEVISE, BEQUEST, GRANT, ENDOWMENT, GIFT OR DONATION OF ANY
5 PROPERTY, REAL, PERSONAL OR MIXED, WHICH SHALL BE MADE TO THE
6 CYBER CHARTER SCHOOL FOR ANY OF THE PURPOSES OF THIS ARTICLE.

7 (2) IT SHALL BE UNLAWFUL FOR ANY TRUSTEE OF A CYBER
8 CHARTER SCHOOL OR ANY BOARD OF TRUSTEES OF A CYBER CHARTER
9 SCHOOL OR ANY OTHER PERSON AFFILIATED IN ANY WAY WITH A CYBER
10 CHARTER SCHOOL TO DEMAND OR REQUEST, DIRECTLY OR INDIRECTLY,
11 ANY GIFT, DONATION OR CONTRIBUTION OF ANY KIND FROM ANY
12 PARENT, TEACHER, EMPLOYEE OR ANY OTHER PERSON AFFILIATED WITH
13 THE CYBER CHARTER SCHOOL AS A CONDITION FOR EMPLOYMENT OR
14 ENROLLMENT OR CONTINUED ATTENDANCE OF ANY PUPIL. ANY
15 DONATION, GIFT OR CONTRIBUTION RECEIVED BY A CYBER CHARTER
16 SCHOOL MUST BE GIVEN FREELY AND VOLUNTARILY.

17 Section ~~24~~ 25. This act shall take effect as follows: <--

18 (1) The following provisions shall take effect
19 immediately:

20 (i) The addition of section 1733-A of the act.

21 (ii) This section.

22 (2) THE AMENDMENT OR ADDITION OF SECTIONS 1724-A, 1725-A <--
23 AND 1752-A OF THE ACT SHALL TAKE EFFECT JULY 1, 2014, OR
24 IMMEDIATELY, WHICHEVER OCCURS LATER.

25 ~~(2)~~ (3) The remainder of this act shall take effect in <--
26 60 days.