

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 720 Session of 2007

INTRODUCED BY PILEGGI, PICCOLA, EARLL, ERICKSON, A. WILLIAMS,  
FOLMER, PIPPY AND WONDERLING, APRIL 2, 2007

REFERRED TO EDUCATION, APRIL 2, 2007

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," further providing, in charter  
6 schools, for definitions, for administration, for  
7 establishment, for regional schools, for charters, for  
8 funding, for tort liability, for nonrenewal and termination  
9 and for desegregation orders.

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

12 Section 1. The definitions of "charter school" and "regional  
13 charter school" in 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), are amended and the  
16 section is amended by adding definitions to read:

17 Section 1703-A. Definitions.--As used in this article,

18 \* \* \*

19 "Charter school" shall mean an independent public school  
20 established and operated under a charter from [the local board  
21 of school directors] an initial approving authority and in which

1 students are enrolled or attend. A charter school must be  
2 organized as a public, nonprofit corporation. Charters may not  
3 be granted to any for-profit entity.

4 \* \* \*

5 "Initial approving authority" shall mean the department, a  
6 board of school directors or the governing board of an  
7 intermediate unit or an institution of higher education.

8 "Institution of higher education" for purposes of this  
9 article shall mean an accredited college or university under 24  
10 Pa.C.S. § 6501 (relating to applicability of chapter) or Article  
11 XX-A of this act or a community college under Article XIX-A of  
12 this act.

13 \* \* \*

14 "Regional charter school" shall mean an independent public  
15 school established and operated under a charter from more than  
16 one [local board of school directors] initial approving  
17 authority and in which students are enrolled or attend. A  
18 regional charter school must be organized as a public, nonprofit  
19 corporation. Charters may not be granted to any for-profit  
20 entity.

21 \* \* \*

22 Section 2. Sections 1716-A, 1717-A, 1718-A, 1720-A and 1724-  
23 A(d) of the act, added June 19, 1997 (P.L.225, No.22), are  
24 amended to read:

25 Section 1716-A. Powers of Board of Trustees.--(a) The board  
26 of trustees of a charter school shall have the authority to  
27 decide matters related to the operation of the school,  
28 including, but not limited to, budgeting, curriculum and  
29 operating procedures, subject to the school's charter. The board  
30 shall have the authority to employ, discharge and contract with

1 necessary professional and nonprofessional employees subject to  
2 the school's charter and the provisions of this article.

3 (b) No member of [a local board of school directors of a  
4 school entity] the initial approving authority which granted or  
5 renewed a charter shall serve on the board of trustees of a  
6 charter school that is [located in the member's district] the  
7 subject of the granted or renewed charter.

8 (c) The board of trustees shall comply with the act of July  
9 3, 1986 (P.L.388, No.84), known as the "Sunshine Act."

10 Section 1717-A. Establishment of Charter School.--(a) A  
11 charter school may be established by an individual; one or more  
12 teachers who will teach at the proposed charter school; parents  
13 or guardians of students who will attend the charter school; any  
14 nonsectarian college, university or museum located in this  
15 Commonwealth; any nonsectarian corporation not-for-profit, as  
16 defined in 15 Pa.C.S. (relating to corporations and  
17 unincorporated associations); any corporation, association or  
18 partnership; or any combination thereof. A charter school may be  
19 established by creating a new school or by converting an  
20 existing public school or a portion of an existing public  
21 school. No charter school shall be established or funded by and  
22 no charter shall be granted to any sectarian school, institution  
23 or other entity. No funds allocated or disbursed under this  
24 article shall be used to directly support instruction pursuant  
25 to section 1327.1.

26 (b) (1) The conversion of an existing public school or  
27 portion of an existing public school to a charter school may be  
28 initiated by any individual or entity authorized to establish a  
29 charter school under subsection (a).

30 (2) In order to convert an existing public school to a

1 charter school, the applicants must show that:

2 (i) More than fifty per centum of the teaching staff in the  
3 public school have signed a petition in support of the public  
4 school becoming a charter school; and

5 (ii) More than fifty per centum of the parents or guardians  
6 of pupils attending that public school have signed a petition in  
7 support of the school becoming a charter school.

8 (3) In no event shall the [board of school directors]  
9 initial approving authority serve as the board of trustees of an  
10 existing school which is converted to a charter school pursuant  
11 to this subsection.

12 (c) An application to establish a charter school shall be  
13 submitted to the [local board of school directors of the  
14 district where the charter school will be located] initial  
15 approving authority by November 15 of the school year preceding  
16 the school year in which the charter school will be established.  
17 [except that for a charter school beginning in the 1997-1998  
18 school year, an application must be received by July 15, 1997.  
19 In the 1997-1998 school year only, applications shall be limited  
20 to recipients of fiscal year 1996-1997 Department of Education  
21 charter school planning grants.]

22 (d) Within forty-five (45) days of receipt of an  
23 application, the [local board of school directors in which the  
24 proposed charter school is to be located] initial approving  
25 authority shall hold at least one public hearing on the  
26 provisions of the charter application, under the act of July 3,  
27 1986 (P.L.388, No.84), known as the "Sunshine Act." At least  
28 forty-five (45) days must transpire between the first public  
29 hearing and the final decision of the [board] initial approving  
30 authority on the charter application. [except that for a charter

1 school beginning in the 1997-1998 school year, only thirty (30)  
2 days must transpire between the first public hearing and the  
3 final decision of the board.]

4 (e) (1) Not later than seventy-five (75) days after the  
5 first public hearing on the application, the [local board of  
6 school directors] initial approving authority which received the  
7 application shall grant or deny the application. For a charter  
8 school beginning in the 1997-1998 school year, the local board  
9 of school directors shall grant or deny the application no later  
10 than sixty (60) days after the first public hearing.

11 (2) A charter school application submitted under this  
12 article shall be evaluated by the [local board of school  
13 directors] initial approving authority based on criteria,  
14 including, but not limited to, the following:

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

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

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

25 (iv) The extent to which the charter school may serve as a  
26 model for other public schools.

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

1       (4) A charter application shall be deemed approved by the  
2 [local board of school directors of a school district] initial  
3 approving authority upon affirmative vote by a majority of all  
4 the [directors. Formal] members of the board of school directors  
5 or members of the governing board of an intermediate unit or  
6 institution of higher education. Except for approval by the  
7 department, formal action approving or denying the application  
8 shall be taken by [the local board of school directors] that  
9 entity at a public meeting, with notice or consideration of the  
10 application given by the board, under the "Sunshine Act." A  
11 charter application shall be deemed by the department upon the  
12 issuance of written approval by the department.

13       (5) Written notice of the [board's] action of an initial  
14 approving authority shall be sent to the applicant, the  
15 department and the appeal board. If the application is denied,  
16 the reasons for the denial, including a description of  
17 deficiencies in the application, shall be clearly stated in the  
18 notice [sent by the local board of school directors] to the  
19 charter school applicant.

20       (f) At the option of the charter school applicant, a denied  
21 application may be revised and resubmitted to the [local board  
22 of school directors] initial approving authority which denied  
23 the application. Following the appointment and confirmation of  
24 the Charter School Appeal Board under section 1721-A, the  
25 decision of the [local board of school directors] initial  
26 approving authority may be appealed to the appeal board. When an  
27 application is revised and resubmitted to the [local board of  
28 school directors, the board] initial approving authority which  
29 denied the application, that initial approving authority may  
30 schedule additional public hearings on the revised application.

1 The [board] initial approving authority shall consider the  
2 revised and resubmitted application [at the first board meeting  
3 occurring] at least forty-five (45) days after receipt of the  
4 revised application by [the board] that initial approving  
5 authority. For a revised application resubmitted for the 1997-  
6 1998 school year, the board shall consider the application at  
7 the first board meeting occurring at least thirty (30) days  
8 after its receipt. The [board] initial approving authority shall  
9 provide notice of consideration of the revised application under  
10 the "Sunshine Act." [No appeal from a decision of a local school  
11 board may be taken until July 1, 1999.]

12 (g) Notwithstanding the provisions of subsection (e)(5),  
13 failure by the [local board of directors] initial approving  
14 authority to hold a public hearing and to grant or deny the  
15 application for a charter school within the time periods  
16 specified in subsections (d)[, (e) and (f)] and (e) shall permit  
17 the applicant for a charter to file its application [as an  
18 appeal to] with the appeal board. In such case, the appeal board  
19 shall review the application and make a decision to grant or  
20 deny a charter based on the criteria established in subsection  
21 (e)(2).

22 (h) In the case of a review by the appeal board of an  
23 application that is revoked or is not renewed, the appeal board  
24 shall make its decision based on the criteria established in  
25 subsection (e)(2). A decision by the appeal board under this  
26 subsection or subsection (g) to grant, to renew or not to revoke  
27 a charter shall serve as a requirement for the local board of  
28 directors of a school district or school districts, as  
29 appropriate, to sign the written charter of the charter school  
30 as provided for in section 1720-A. Should the local board of

1 directors fail to grant the application and sign the charter  
2 within ten (10) days of notice of reversal of the decision of  
3 the local board of directors, the charter shall be deemed to be  
4 approved and shall be signed by the chairman of the appeal  
5 board.

6 (i) (1) The appeal board shall have the exclusive review of  
7 an appeal by a charter school applicant, or by the board of  
8 trustees of an existing charter school, of a decision made by [a  
9 local board of directors] an initial approving authority not to  
10 grant a charter as provided in this section. The department  
11 shall develop a form to be used for an appeal.

12 (2) In order for a charter school applicant to be eligible  
13 to appeal the denial of a charter by [the local board of  
14 directors] an initial approving authority, the applicant must  
15 obtain the signatures of at least two per centum of the  
16 residents of the school district or of one thousand (1,000)  
17 residents, whichever is less, who are over eighteen (18) years  
18 of age. For a regional charter school, the applicant must obtain  
19 the signatures of at least two per centum of the residents of  
20 each school district granting the charter or of one thousand  
21 (1,000) residents from each of the school districts granting the  
22 charter, whichever is less, who are over eighteen (18) years of  
23 age. The signatures shall be obtained within sixty (60) days of  
24 the denial of the application by the local board of directors in  
25 accordance with clause (3).

26 (3) Each person signing a petition to appeal denial of a  
27 charter under clause (2) shall declare that he or she is a  
28 resident of the school district which denied the charter  
29 application and shall include his or her printed name;  
30 signature; address, including city, borough or township, with



1 street and number, if any; and the date of signing. All pages  
2 shall be bound together. Additional pages of the petition shall  
3 be numbered consecutively. There shall be appended to the  
4 petition a statement that the local board of directors rejected  
5 the petition for a charter school, the names of all applicants  
6 for the charter, the date of denial by the board and the  
7 proposed location of the charter school. No resident may sign  
8 more than one petition relating to the charter school  
9 application within the sixty (60) days following denial of the  
10 application. The department shall develop a form to be used to  
11 petition for an appeal.

12 (4) Each petition to appeal denial of a charter under clause  
13 (2) shall have appended thereto the affidavit of some person,  
14 not necessarily a signer, setting forth all of the following:

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

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

19 (iii) That the signers signed with full knowledge of the  
20 purpose of the petition.

21 (iv) That the signers' respective residences are correctly  
22 stated in the petition.

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

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

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

28 (5) If the required number of signatures are obtained on a  
29 petition to appeal denial of a charter under clause (2) within  
30 sixty (60) days of the denial of the application by an initial

1 approving authority, the applicant may present the petition to  
2 the court of common pleas of the county in which the charter  
3 school would be situated. The court shall hold a hearing only on  
4 the sufficiency of the petition. The applicant and local board  
5 of school directors shall be given seven (7) days' notice of the  
6 hearing. The court shall issue a decree establishing the  
7 sufficiency or insufficiency of the petition. If the petition is  
8 sufficient, the decree shall be transmitted to the State Charter  
9 School Appeal Board for review in accordance with this section.  
10 Notification of the decree shall be given to the applicant and  
11 the local board of directors.

12 (6) In any appeal, the decision made by the [local board of  
13 directors] initial approving authority shall be reviewed by the  
14 appeal board on the record as certified by the [local board of  
15 directors] initial approving authority. The appeal board shall  
16 give due consideration to the findings of the [local board of  
17 directors] initial approving authority and specifically  
18 articulate its reasons for agreeing or disagreeing with those  
19 findings in its written decision. The appeal board shall have  
20 the discretion to allow the [local board of directors] initial  
21 approving authority and the charter school applicant to  
22 supplement the record if the supplemental information was  
23 previously unavailable.

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

27 (8) Not later than sixty (60) days following the review  
28 conducted pursuant to clause (6), the appeal board shall issue a  
29 written decision affirming or denying the appeal. If the appeal  
30 board has affirmed the decision of the [local board of

1 directors] initial approving authority, notice shall be provided  
2 to both parties.

3 (9) A decision of the appeal board to reverse the decision  
4 of the [local board of directors] initial approving authority  
5 shall serve as a requirement for the [local board of directors  
6 of a school district or school districts] initial approving  
7 authority, as appropriate, to grant the application and sign the  
8 written charter of the charter school as provided for in section  
9 1720-A. Should the [local board of directors] initial approving  
10 authority fail to grant the application and sign the charter  
11 within ten (10) days of notice of the reversal of the decision  
12 of the [local board of directors] initial approving authority,  
13 the charter shall be deemed to be approved and shall be signed  
14 by the chairman of the appeal board.

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

17 Section 1718-A. Regional Charter School.--(a) A regional  
18 charter school may be established by an individual, one or more  
19 teachers who will teach at the proposed charter school; parents  
20 or guardians of students who will attend the charter school; any  
21 nonsectarian college, university or museum located in this  
22 Commonwealth; any nonsectarian corporation not-for-profit, as  
23 defined in 15 Pa.C.S. (relating to corporations and  
24 unincorporated associations); any corporation, association or  
25 partnership; or any combination thereof. A regional charter  
26 school may be established by creating a new school or by  
27 converting an existing public school or a portion of an existing  
28 public school. Conversion of an existing public school to a  
29 regional charter school shall be accomplished in accordance with  
30 section 1714-A(b). No regional charter school shall be

1 established or funded by and no charter shall be granted to any  
2 sectarian school, institution or other entity.

3 (b) The boards of school directors of one or more school  
4 districts, or the governing board of any combination of one or  
5 more initial approving authorities, may act jointly to receive  
6 and consider an application for a regional charter school,  
7 except that any action to approve an application for a charter  
8 or to sign a written charter of an applicant shall require an  
9 affirmative vote of a majority of all the school directors of  
10 each of the school districts or a majority of the members of the  
11 governing board of each of the initial approving authorities  
12 involved. [The applicant shall apply for a charter to the board  
13 of directors of any school district in which the charter school  
14 will be located.]

15 (c) The provisions of this article as they pertain to  
16 charter schools and the powers and duties of the local board of  
17 school directors of a school district and the appeal board shall  
18 apply to regional charter schools, except as provided in  
19 subsections (a) and (b) or as otherwise clearly stated in this  
20 article.

21 Section 1720-A. Term and Form of Charter.--Upon approval of  
22 a charter application under section 1717-A, a written charter  
23 shall be developed which shall contain the provisions of the  
24 charter application and which shall be signed by the [local  
25 board of school directors of a school district, by the local  
26 boards of school directors of a school district in the case of a  
27 regional charter school or by the chairman of the appeal board  
28 pursuant to section 1717-A(i)(5)] initial approving authority  
29 and the board of trustees of the charter school. This written  
30 charter, when duly signed by the [local board of school

1 directors of a school district, or by the local boards of school  
2 directors of a school district in the case of a regional charter  
3 school,] initial approving authority and the charter school's  
4 board of trustees, shall act as legal authorization for the  
5 establishment of a charter school. This written charter shall be  
6 legally binding on both [the local board of school directors of  
7 a school district and the charter school's board of trustees]  
8 the charter school's board of trustees and on the initial  
9 approving authority, as applicable. The charter [shall be for a  
10 period of no less than three (3) nor more than five (5) years  
11 and may be renewed for five (5) year periods upon  
12 reauthorization by the local board of school directors of a  
13 school district or the appeal board.] may be for a fixed term of  
14 no less than three (3) years, may provide for renewal, or it may  
15 provide that it is to remain in force unless revoked for cause  
16 by the department or initial approving authority. A charter will  
17 be granted only for a school organized as a public, nonprofit  
18 corporation.

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

20 (d) Every employe of a charter school shall be provided the  
21 same health care benefits as the employe would be provided if he  
22 or she were an employe of the local district. The [local board  
23 of school directors] initial approving authority may require the  
24 charter school to provide the same terms and conditions with  
25 regard to health insurance as the collective bargaining  
26 agreement of the school district to include employe  
27 contributions to the district's health benefits plan. The  
28 charter school shall make any required employer's contribution  
29 to the district's health plan to an insurer, [a local board of  
30 school directors] an initial approving authority or a

contractual representative of school employees, whichever is appropriate to provide the required coverage.

\* \* \*

Section 3. Section 1725-A(a) of the act, amended June 29, 2002 (P.L.524, No.88), is amended to read:

Section 1725-A. Funding for Charter Schools.--(a) Funding for a charter school shall be provided in the following manner:

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

(2) For non-special education students, the 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 nonpublic school programs; adult education programs; community/junior college programs; student transportation services; for special education programs; facilities acquisition, construction and improvement services; and other financing uses, including debt service and fund transfers as provided in the Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems established by the department. This amount shall be paid by the district of residence of each student[.] or, upon written request of the charter school, by the department to the charter school in which a Pennsylvania resident student is enrolled from any State allocation to which the school district in which the student resides is entitled. The department shall notify the school district of the receipt of a request for direct payment by the department. When the student's district of residence Annual Financial Report (AFR) contains final school district fiscal information that causes the funding per student

1 as defined in this clause to be two percent (2%) or more than  
2 the amount determined by the figures in the budget of the school  
3 district of residence, then the funding per charter school  
4 student shall be recalculated and the difference sent to the  
5 charter school where the student is enrolled.

6 (3) For special education students, the charter school shall  
7 receive for each student enrolled the same funding as for each  
8 non-special education student as provided in clause (2), plus an  
9 additional amount determined by dividing the district of  
10 residence's total special education expenditure by the product  
11 of multiplying the combined percentage of section 2509.5(k)  
12 times the district of residence's total average daily membership  
13 for the prior school year. This amount shall be paid by the  
14 [district of residence of each student.] department to the  
15 charter school which a Pennsylvania resident student is enrolled  
16 from any State allocation to which the school district in which  
17 the special education student resides is entitled. When the  
18 student's district of residence Annual Financial Report (AFR)  
19 contains final school district fiscal information that causes  
20 the funding per student as defined in this clause to be two  
21 percent (2%) or more that the amount determined by the figures  
22 in the budget of the school district of residence, then the  
23 funding per charter school student shall be recalculated and the  
24 difference sent to the charter school where the student is  
25 enrolled.

26 (4) A charter school may request the intermediate unit in  
27 which the charter school is located to provide services to  
28 assist the charter school to address the specific needs of  
29 exceptional students. The intermediate unit shall assist the  
30 charter school and bill the charter school for the services. The

1 intermediate unit may not charge the charter school more for any  
2 service than it charges the constituent districts of the  
3 intermediate unit.

4 (5) Payments shall be made to the charter school in twelve  
5 (12) equal monthly payments, by the fifth day of each month,  
6 within the operating school year. A student enrolled in a  
7 charter school shall be included in the average daily membership  
8 of the student's district of residence for the purpose of  
9 providing basic education funding payments and special education  
10 funding pursuant to Article XXV. [If a school district fails to  
11 make a payment to a charter school as prescribed in this clause,  
12 the secretary shall deduct the estimated amount, as documented  
13 by the charter school, from any and all State payments made to  
14 the district after receipt of documentation from the charter  
15 school.]

16 (6) Within thirty (30) days after the secretary makes the  
17 deduction described in clause (5), a school district may notify  
18 the secretary that the deduction made from State payments to the  
19 district under this subsection is inaccurate. The secretary  
20 shall provide the school district with an opportunity to be  
21 heard concerning whether the charter school documented that its  
22 students were enrolled in the charter school, the period of time  
23 during which each student was enrolled, the school district of  
24 residence of each student and whether the amounts deducted from  
25 the school district were accurate.

26 \* \* \*

27 Section 4. Sections 1727-A and 1728-A of the act, added June  
28 19, 1997 (P.L.225, No.22), are amended to read:

29 Section 1727-A. Tort Liability.--For purposes of tort  
30 liability, employees of the charter school shall be considered



1 public employees and the board of trustees shall be considered  
2 the public employer in the same manner as political subdivisions  
3 and local agencies. The board of trustees of a charter school  
4 and the charter school shall be solely liable for any and all  
5 damages of any kind resulting from any legal challenge involving  
6 the operation of a charter school. Notwithstanding this  
7 requirement, the local board of directors of a school entity, an  
8 initial approving authority shall not be held liable for any  
9 activity or operation related to the program of the charter  
10 school.

11 Section 1728-A. Annual Reports and Assessments.--(a) The  
12 [local board of school directors] initial approving authority  
13 shall annually assess whether each charter school is meeting the  
14 goals of its charter and shall conduct a comprehensive review  
15 [prior to granting a five (5) year renewal of the charter] every  
16 five (5) years. The [local board of school directors] initial  
17 approving authority shall have ongoing access to the records and  
18 facilities of the charter school to ensure that the charter  
19 school is in compliance with its charter and this act and that  
20 requirements for testing, civil rights and student health and  
21 safety are being met.

22 (b) In order to facilitate the [local board's] initial  
23 approving authority's review and secretary's report, each  
24 charter school shall submit an annual report no later than  
25 August 1 of each year to the [local board of school directors]  
26 initial approving authority and the secretary in the form  
27 prescribed by the secretary.

28 (c) Five (5) years following the effective date of this  
29 article, the secretary shall contract with an independent  
30 professional consultant with expertise in public and private

1 education. The consultant shall receive input from members of  
2 the educational community and the public on the charter school  
3 program. The consultant shall submit a report to the secretary,  
4 the Governor and the General Assembly and an evaluation of the  
5 charter school program, which shall include a recommendation on  
6 the advisability of the continuation, modification, expansion or  
7 termination of the program and any recommendations for changes  
8 in the structure of the program.

9 Section 5. Section 1729-A of the act, amended or added June  
10 19, 1997 (P.L.225, No.22) and July 4, 2004 (P.L.536, No.,.70), is  
11 amended to 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] initial approving  
15 authority may choose to revoke or not to renew the charter based  
16 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 or failure to meet any performance standard set forth in the  
24 written charter signed pursuant to section 1716-A.

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

27 (4) Violation of provisions of this article.

28 (5) Violation of any provision of law from which the charter  
29 school has not been exempted, including Federal laws and  
30 regulations governing children with disabilities.

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

(b) A member of the board of trustees who is convicted of a felony or any crime involving moral turpitude shall be immediately disqualified from serving on the board of trustees.

(c) Any notice of revocation or nonrenewal of a charter [given by the local board of school directors of a school district] shall state the grounds for such action with reasonable specificity and give reasonable notice to the governing board of the charter school of the date on which a public hearing concerning the revocation or nonrenewal will be held. The [local board of school directors] initial approving authority shall conduct such hearing, present evidence in support of the grounds for revocation or nonrenewal stated in its notice and give the charter school reasonable opportunity to offer testimony before taking final action. Formal action revoking or not renewing a charter shall be taken by the [local board of school directors] initial approving authority at a public meeting pursuant to the act of July 3, 1986 (P.L.388, No.84), known as the "Sunshine Act," after the public has had thirty (30) days to provide comments to the board. All proceedings of the local board pursuant to this subsection shall be subject to 2 Pa.C.S. Ch. 5 Subch. B (relating to practice and procedure of local agencies). Except as provided in subsection (d), the decision of the local board shall not be subject to 2 Pa.C.S. Ch. 7 Subch. B (relating to judicial review of local agency action).

(d) Following the appointment and confirmation of the appeal board, but not before July 1, 1999, the charter school may appeal the decision of the local board of school directors to revoke or not renew the charter to the appeal board. The appeal

1 board shall have the exclusive review of a decision not to renew  
2 or revoke a charter. The appeal board shall review the record  
3 and shall have the discretion to supplement the record if the  
4 supplemental information was previously unavailable. The appeal  
5 board may consider the charter school plan, annual reports,  
6 student performance and employee and community support for the  
7 charter school in addition to the record. The appeal board shall  
8 give due consideration to the findings of the local board of  
9 directors and specifically articulate its reasons for agreeing  
10 or disagreeing with those findings in its written decision.

11 (e) If the appeal board determines that the charter should  
12 not be revoked or should be renewed, the appeal board shall  
13 order the local board of directors to rescind its revocation or  
14 nonrenewal decision.

15 (f) Except as provided in subsection (g), the charter shall  
16 remain in effect until final disposition by the appeal board.

17 (g) In cases where the health or safety of the school's  
18 pupils, staff or both is at serious risk, the local board of  
19 school directors may take immediate action to revoke a charter.

20 (h) All decisions of the charter school appeal board shall  
21 be subject to appellate review by the Commonwealth Court.

22 (i) When a charter is revoked, not renewed, forfeited,  
23 surrendered or otherwise ceases to operate, the charter school  
24 shall be dissolved. After the disposition of any liabilities and  
25 obligations of the charter school, any remaining assets of the  
26 charter school, both real and personal, shall be distributed on  
27 a proportional basis to the school entities with students  
28 enrolled in the charter school for the last full or partial  
29 school year of the charter school. In no event shall such school  
30 entities or the Commonwealth be liable for any outstanding

1 liabilities or obligations of the charter school.

2 (j) When a charter is revoked or is not renewed, a student  
3 who attended the charter school shall apply to another public  
4 school in the student's school district of residence. Normal  
5 application deadlines will be disregarded under these  
6 circumstances. All student records maintained by the charter  
7 school shall be forwarded to the student's district of  
8 residence.

9 Section 6. Section 1730-A of the act, added June 19, 1997  
10 (P.L.225, No.22), is amended to read:

11 Section 1730-A. Desegregation Orders.--[The local board of  
12 school directors of] If a school district [which] is operating  
13 under a desegregation plan approved by the Pennsylvania Human  
14 Relations Commission or a desegregation order by a Federal or  
15 State court, an initial approving authority shall not approve a  
16 charter school application if such charter school would place  
17 the school district in noncompliance with its desegregation  
18 order.

19 Section 7. The following provisions shall apply to charter  
20 school applications made on or after the effective date of this  
21 section:

22 (1) The amendment or addition of the definition of  
23 "charter school," "regional charter school," "initial  
24 approving authority" and "institution of higher education" in  
25 section 1703-A of the act.

26 (2) The amendment of sections 1716-A, 1717-A, 1718-A,  
27 1720-A, 1724-A, 1725-A, 1727-A, 1728-A, 1729-A and 1730-A of  
28 the act.

29 Section 8. This act shall take effect in 60 days.