

AMENDMENTS TO SENATE BILL NO. 1115

Sponsor: REPRESENTATIVE KILLION

Printer's No. 2337

1 Amend Bill, page 1, line 7, by inserting after "EDUCATION;"
2 in duties and powers of boards of school directors, further
3 providing for elementary schools; in terms and courses of study,
4 further providing for agreements with institutions of higher
5 education; in opportunities for educational excellence, further
6 providing for definitions and for concurrent enrollment
7 agreements; extensively revising charter school provisions;

8 Amend Bill, page 2, line 17, by striking out "WITH THE
9 CONSENT OF" and inserting

10 in consultation with

11 Amend Bill, page 6, by inserting between lines 10 and 11

12 (l) The General Assembly shall, through the annual
13 appropriations process, determine the level of State funding for
14 special education and the amount of any change in funding. The
15 special education formula developed under this section shall
16 determine only the distribution of any increase in special
17 education funding among the school districts of this
18 Commonwealth above the amount of special education funding in
19 the base year and shall not be used for any other purpose.

20 (m) Notwithstanding any provision of law to the contrary,
21 for the 2012-2013 school year and each school year thereafter,
22 any State funding for special education in an amount that does
23 not exceed the amount of State funding for special education in
24 the base year shall be allocated in the same manner as the State
25 funding was allocated in the base year.

26 Amend Bill, page 6, line 11, by striking out "(L)" and
27 inserting

28 (n)

29 Amend Bill, page 6, by inserting between lines 17 and 18

30 Section 1.1. Section 501 of the act is amended to read:

31 Section 501. Elementary Schools.--(a) The board of school
32 directors in every school district shall establish, equip,

1 furnish, and maintain a sufficient number of elementary public
2 schools, in compliance with the provisions of this act, to
3 educate every person, residing in such district, between the
4 ages of six and twenty-one years, who may attend.

5 (b) A local board of school directors may satisfy the
6 requirement set forth in subsection (a) by any of the following:

7 (1) Operating a school building.

8 (2) Contracting with any individual or entity authorized to
9 establish a charter school entity under section 1717-A(a).

10 (3) Paying tuition for students residing in the school
11 district to attend school in another school district.

12 Section 1.2. Section 1525 of the act, added July 4, 2004
13 (P.L.536, No.70), is amended to read:

14 Section 1525. Agreements with Institutions of Higher
15 Education.--Notwithstanding any other provision of law to the
16 contrary, a school district, charter school, regional charter
17 school, cyber charter school or an area vocational-technical
18 school may enter into an agreement with one or more institutions
19 of higher education approved to operate in this Commonwealth in
20 order to allow [resident] students to attend such institutions
21 of higher education while the [resident] students are enrolled
22 in the school district, charter school, regional charter school,
23 cyber charter school or an area vocational-technical school. The
24 agreement may be structured so that high school students may
25 receive credits toward completion of courses at the school
26 district, charter school, regional charter school, cyber charter
27 school or an area vocational-technical school and at
28 institutions of higher education approved to operate in this
29 Commonwealth.

30 Section 1.3. The definitions of "concurrent student" and
31 "school entity" in section 1602-B of the act, added July 13,
32 2005 (P.L.226, No.46), are amended to read:

33 Section 1602-B. Definitions.

34 The following words and phrases when used in this article
35 shall have the meanings given to them in this section unless the
36 context clearly indicates otherwise:

37 * * *

38 "Concurrent student." A student who is enrolled in a school
39 district, a charter school, a regional charter school, a cyber
40 charter school, an area vocational-technical school, a nonpublic
41 school, a private school or a home education program under
42 section 1327.1 and who takes a concurrent course through a
43 concurrent enrollment program.

44 * * *

45 "School entity." A school district, a charter school, a
46 regional charter school, a cyber charter school or an area
47 vocational-technical school.

48 * * *

49 Section 1.4. Section 1613-B of the act is amended by adding
50 a subsection to read:

51 Section 1613-B. Concurrent enrollment agreements.

1 * * *

2 (c) Charter school entities.--A charter school, regional
3 charter school, cyber charter school or an area vocational-
4 technical school shall have the power and authority to enter
5 into a concurrent enrollment agreement with an institution of
6 higher education, and appropriate credit shall be awarded to
7 students concurrently enrolled under the agreement.

8 Section 1.5. Section 1703-A of the act, amended June 29,
9 2002 (P.L.524, No.88), is amended to read:

10 Section 1703-A. Definitions.--As used in this article,
11 "Account" shall mean the State Charter School Entities
12 Assessment Account.

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

22 ["Appeal board" shall mean the State Charter School Appeal
23 Board established by this article.]

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

30 "At-risk student" shall mean a student at risk of educational
31 failure because of limited English proficiency, poverty,
32 community factors, truancy, academic difficulties or economic
33 disadvantage.

34 "Board" shall mean the State Charter School Entities Board
35 established by this article.

36 "Charter school" shall mean an independent public school
37 established and operated under a charter from [the local board
38 of school directors] a grantor and in which students are
39 enrolled or attend. A charter school must be organized as a
40 public, nonprofit corporation. Charters may not be granted to
41 any for-profit entity.

42 "Charter school entity" shall mean a charter school, regional
43 charter school or cyber charter school.

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

50 "Chief administrator" shall mean an individual appointed by a
51 board of trustees to oversee and manage the operation of a

1 charter school entity. The term shall not include a professional
2 staff member under this article.

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

7 "Committee" shall mean the Charter School Entities Funding
8 Advisory Committee.

9 "Cyber charter school" shall mean an independent public
10 school established and operated under a charter from the
11 [Department of Education] board and in which the school uses
12 technology in order to provide a significant portion of its
13 curriculum and to deliver a significant portion of instruction
14 to its students through the Internet or other electronic means.
15 A cyber charter school must be organized as a public, nonprofit
16 corporation. A charter may not be granted to a for-profit
17 entity.

18 "Department" shall mean the Department of Education of the
19 Commonwealth.

20 "Educational management service provider" shall mean a for-
21 profit education management organization, nonprofit charter
22 management organization, school design provider, business
23 manager or any other partner entity with which a board of
24 trustees of a charter school entity contracts to provide
25 educational design, business services, comprehensive management
26 or personnel functions or to implement the charter. The term
27 shall not include a charter school foundation.

28 "Grantor" shall mean one of the following:

29 (1) a local board of school directors; or

30 (2) the board in accordance with section 1721-A(h) (2),
31 (2.1), (3), (3.1) and (4).

32 "Immediate family member" shall mean a parent, spouse, child,
33 brother or sister.

34 "Local board of school directors" shall mean the board of
35 directors of a school district in which a proposed or an
36 approved charter school is located. The term shall include a
37 special board of control or a school reform commission.

38 "Nonrelated" shall mean an individual who is not an immediate
39 family member.

40 "Regional charter school" shall mean an independent public
41 school established and operated under a charter from more than
42 one local board of school directors or the board and in which
43 students are enrolled or attend. A regional charter school must
44 be organized as a public, nonprofit corporation. Charters may
45 not be granted to any for-profit entity.

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

48 "School district of residence" shall mean the school district
49 in this Commonwealth in which [the parents or guardians of a
50 child reside] a child resides as determined under section 1302.

51 "School entity" shall mean a school district, intermediate

unit, joint school or area vocational-technical school.

"School Reform Commission" shall mean the School Reform Commission established under section 696.

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

"Special board of control" shall mean a special board of control established under section 692.

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

Section 1.6. The act is amended by adding sections to read:

Section 1705-A. State Charter School Entities Assessment Account.--(a) The State Charter School Entities Assessment Account is established as a restricted account within the General Fund. Money in the account is hereby appropriated on a continuing basis to the board upon approval of the Governor to carry out its duties as set forth under this article.

(b) Board funding shall be as follows:

(1) The board shall annually seek Federal and nonprofit grants to support its operations and deposit the funding into the account.

(2) The following apply:

(i) Until the board establishes a fee structure under paragraph (3), the board shall be funded by an assessment fee, based upon the State and local revenues as reported on a charter school entity's most recent available annual financial report as published on the department's publicly accessible Internet website.

(ii) Existing cyber charter schools shall pay an amount not more than three-tenths of one per centum to the board.

(iii) Existing charter schools and regional charter schools shall pay not more than fifteen-hundredths of one per centum to the board.

(iv) Fees collected under this section shall be deposited in the account.

(3) The board shall develop a fee structure in accordance with the act of June 25, 1982 (P.L.633, No.181), known as the "Regulatory Review Act," for all charter school entities, which may include a sliding fee schedule, fee reduction incentives for performance, cost efficiencies and rebates.

Section 1706-A. Charter School Entities Funding Advisory Committee.--(a) The following shall apply:

(1) The Governor shall convene a Statewide advisory committee, to be known as the Charter School Entities Funding Advisory Committee, to examine the financing of charter school entities in the public education system. The committee 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 to accomplish the requirements of section 1702-A. The Office of the Budget and the department shall provide administrative support, meeting space

1 and any other assistance required by the committee to carry out
2 its duties under this section.

3 (2) The committee shall consist of the following members:

4 (i) One member of the Senate appointed by the President pro
5 tempore of the Senate.

6 (ii) One member of the Senate appointed by the Majority
7 Leader of the Senate.

8 (iii) One member of the Senate appointed by the Minority
9 Leader of the Senate.

10 (iv) One member of the House of Representatives appointed by
11 the Speaker of the House of Representatives.

12 (v) One member of the House of Representatives appointed by
13 the Majority Leader of the House of Representative.

14 (vi) One member of the minority party of the House of
15 Representatives appointed by the Minority Leader of the House of
16 Representatives.

17 (vii) The secretary or a designee.

18 (viii) The chairman of the State board or a designee.

19 (ix) The following members who shall be appointed by the
20 Governor:

21 (A) One member who shall represent charter schools.

22 (B) One member who shall represent regional charter schools.

23 (C) One member who shall represent cyber charter schools.

24 (D) One member who shall represent teachers, who may be a
25 public school teacher, a charter school teacher, a regional
26 charter school teacher, a cyber charter school teacher or a
27 nonpublic school teacher.

28 (E) One member who shall represent school administrators.

29 (F) One member who shall represent school board members.

30 (G) One member who shall represent a business manager of a
31 school district.

32 (H) One member who shall represent a parent of a child
33 attending a charter school entity.

34 (I) One member who shall represent an institution of higher
35 education with experience in operating a charter school entity.

36 (3) Members of the committee shall be appointed within
37 twenty (20) days of the effective date of this section. Any
38 vacancy on the committee shall be filled by the original
39 appointing officer or agency. The committee shall select a
40 chairman and vice chairman from among its membership at an
41 organizational meeting. The organizational meeting must take
42 place no later than thirty (30) days following the effective
43 date of this section.

44 (4) The committee shall hold meetings at the call of the
45 chairman. The committee may hold public hearings on the matters
46 to be considered by the committee at locations throughout this
47 Commonwealth. All meetings and public hearings of the committee
48 shall be deemed public meetings for the purpose of 65 Pa.C.S.
49 Ch. 7 (relating to open meetings). Nine members of the committee
50 shall constitute a quorum at any meeting. Each member of the
51 committee may designate another person to represent that member

1 at meetings of the committee.

2 (5) Committee members shall receive no compensation for
3 their services but shall be reimbursed for all necessary travel
4 and other reasonable expenses incurred in connection with the
5 performance of their duties as members. Whenever possible, the
6 committee shall utilize the services and expertise of existing
7 personnel and staff of State government. The department may
8 utilize undistributed funds not expended, encumbered or
9 committed from appropriations for grants and subsidies made to
10 the department, not to exceed \$300,000, to carry out this
11 section.

12 (6) The committee shall have the following powers and
13 duties:

14 (i) Meet with current charter school entity operators within
15 this Commonwealth, including cyber charter schools with blended
16 programs.

17 (ii) Review charter school entity financing laws in
18 operation throughout the United States.

19 (iii) Evaluate and make recommendations on the following:

20 (A) Powers and duties extended to charter school entities as
21 they relate to financing.

22 (B) Funding formulas for charter school entities, including
23 reimbursement procedures and funding under Title I of the
24 Elementary and Secondary Education Act of 1965 (Public Law
25 89-10, 20 U.S.C. Ch. 63 et seq.).

26 (C) The process by which charter schools entities are funded
27 under section 1725-A.

28 (D) Student residency as it relates to funding.

29 (E) Special education and other special program funding.

30 (F) Charter school entity transportation.

31 (G) Charter school entity eligibility to receive grants and
32 funding.

33 (H) Appropriate assessment fees on charter school entities.

34 (I) Consideration of recognizing charter school entities for
35 additional designations as a local education agency.

36 (iv) The committee shall, no later than November 30, 2012,
37 issue a report of its findings and recommendations to the
38 Governor, the President pro tempore of the Senate, the Minority
39 Leader of the Senate, the chairman and minority chairman of the
40 Education Committee of the Senate, the Speaker of the House of
41 Representatives, the Minority Leader of the House of
42 Representatives and the chairman and minority chairman of the
43 Education Committee of the House of Representatives.

44 (b) (Reserved).

45 Section 1.7. Section 1715-A of the act, amended or added
46 June 19, 1997 (P.L.225, No.22) and July 9, 2008 (P.L.846,
47 No.61), is amended to read:

48 Section 1715-A. Charter School Requirements.--(a) Charter
49 schools shall be required to comply with the following
50 provisions:

51 (1) Except as otherwise provided in this article, a charter

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

6 (2) A charter school shall be accountable to the parents,
7 the public and the Commonwealth, with the delineation of that
8 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 shall not unlawfully discriminate in
12 admissions, hiring or operation.

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

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

28 (7) A charter school shall only be subject to the laws and
29 regulations as provided for in section 1732-A, or as otherwise
30 provided for in this article.

31 (8) (i) A charter school shall participate in [the
32 Pennsylvania State Assessment System as provided for in 22 Pa.
33 Code Ch. 5 (relating to curriculum), or subsequent regulations
34 promulgated to replace 22 Pa. Code Ch. 5,] assessments in the
35 manner in which the school district in which the charter school
36 is located is scheduled to participate.

37 (ii) A charter school entity shall be treated in the same
38 manner as a school district for the purposes of measuring the
39 charter entity's adequate yearly progress under the No Child
40 Left Behind Act of 2001 or any successor statute.

41 (9) A charter school shall provide a minimum of one hundred
42 eighty (180) days of instruction or nine hundred (900) hours per
43 year of instruction at the elementary level, or nine hundred
44 ninety (990) hours per year of instruction at the secondary
45 level. Nothing in this clause shall preclude the use of computer
46 and satellite linkages for delivering instruction to students.

47 (10) Boards of trustees and contractors of charter schools
48 shall be subject to the following statutory requirements
49 governing construction projects and construction-related work:

50 (i) The following provisions of this act:

51 (A) Sections 751 and 751.1.

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

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

7 (iii) The act of August 11, 1961 (P.L.987, No.442), known as
8 the "Pennsylvania Prevailing Wage Act."

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

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

12 (11) Trustees of a charter school entity shall be public
13 officials[.] for the purposes of 65 Pa.C.S. Ch. 11 (relating to
14 ethics standards and financial disclosure) and shall file a
15 statement of financial interests for the preceding calendar year
16 with the State Ethics Commission and the grantor not later than
17 May 1 of each year that members hold the position and of the
18 year after a member leaves the position. All members of the
19 board of trustees of a charter school entity shall take the oath
20 of office as required under section 321 before entering upon the
21 duties of their office.

22 [(12) A person who serves as an administrator for a charter
23 school shall not receive compensation from another charter
24 school or from a company that provides management or other
25 services to another charter school. The term "administrator"
26 shall include the chief executive officer of a charter school
27 and all other employees of a charter school who by virtue of
28 their positions exercise management or operational oversight
29 responsibilities. A person who serves as an administrator for a
30 charter school shall be a public official under 65 Pa.C.S. Ch.
31 11 (relating to ethics standards and financial disclosure). A
32 violation of this clause shall constitute a violation of 65
33 Pa.C.S. § 1103(a) (relating to restricted activities), and the
34 violator shall be subject to the penalties imposed under the
35 jurisdiction of the State Ethics Commission.]

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

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

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

51 (ii) The board of trustees has reviewed the sworn statement

1 under subclause (i) and agreed by resolution to grant permission
2 to the administrator.

3 (2) A copy of the sworn statement under clause (1)(i) and
4 the resolution by the board of trustees granting the permission
5 shall be kept on file with the charter school entity and the
6 grantor.

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

10 (4) (i) No administrator of a charter school entity may
11 participate in the selection, award or administration of a
12 contract if the individual has a conflict of interest as that
13 term is defined in 65 Pa.C.S. § 1102 (relating to definitions).

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

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

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

24 (d) The board of trustees of a charter school entity shall
25 supply the grantor of the charter school entity and the
26 secretary a list of the amount of rental payments, which are
27 guarantees for school building debt or bonds that become due
28 during the fiscal year together with the amount paid on each
29 item of indebtedness. Any charter school entity that elects to
30 issue debt shall hold in escrow an amount sufficient to pay the
31 annual amount of the sum of the principal maturing or subject to
32 mandatory redemption and interest owing by the charter school
33 entity or sinking fund deposit due by the charter school entity.

34 (e) Fund balance limit shall be as follows:

35 (1) For the 2013-2014 school year and each school year
36 thereafter, a charter school entity shall not accumulate an
37 unassigned fund balance greater than the charter school entity
38 fund balance limit, which will be determined as follows:

<u>Charter School Entity</u>	<u>Maximum Unassigned Fund</u>
<u>Total Budgeted Expenditures</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>

51 (2) Any unassigned fund balance in place on June 30, 2013,

1 that exceeds the charter school entity fund balance limit shall
2 be refunded on a pro rata basis within 90 days to all school
3 districts that paid tuition to the charter school entity on
4 behalf of students enrolled in the 2011-2012 and 2012-2013
5 school years. The funds may not be used to pay bonuses to any
6 administrator, board of trustee member, employee, staff or
7 contractor and may not be transferred to a charter school
8 foundation.

9 (3) For the 2013-2014 school year and each school year
10 thereafter, any unassigned fund balance in excess of the charter
11 school entity fund balance limit shall be refunded on a pro rata
12 basis to all school districts that paid tuition to the charter
13 school entity in the prior school year.

14 (4) By August 15, 2013, and August 15 of each year
15 thereafter, each charter school entity shall provide its grantor
16 and the board with information certifying compliance with this
17 section. The information shall be provided in a form and manner
18 prescribed by the board and shall include information on the
19 charter school entity's estimated ending unassigned fund balance
20 expressed as a dollar amount and as a percentage of the charter
21 school entity's total budgeted expenditures for that school
22 year.

23 Section 1.8. Section 1716-A(c) of the act, added June 19,
24 1997 (P.L.225, No.22), is amended and the section is amended by
25 adding subsections to read:

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

27 (b.1) (1) For a charter school entity chartered after the
28 effective date of this subsection, an individual shall be
29 prohibited from serving as a voting member of the board of
30 trustees of the charter school entity if the individual or an
31 immediate family member receives compensation from or is
32 employed by or is a member of the grantor who participated in
33 the initial review, approval, oversight, evaluation or renewal
34 process of the charter school entity.

35 (2) An employee of the grantor that chartered the charter
36 school entity may serve as a member of the board of trustees
37 without voting privileges.

38 (b.2) (1) No member of the board of trustees of a charter
39 school entity may participate in the selection, award or
40 administration of any contract if the member has a conflict of
41 interest as that term is defined in 65 Pa.C.S. § 1102 (relating
42 to definitions).

43 (2) Any member of the board of trustees who in the discharge
44 of the person's official duties would be required to vote on a
45 matter that would result in a conflict of interest shall abstain
46 from voting and follow the procedures required under 65 Pa.C.S.
47 § 1103(j) (relating to restricted activities).

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

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

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

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

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

17 (d) (1) (i) The board of trustees of a charter school
18 entity shall consist of a minimum of five (5) nonrelated voting
19 members.

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

25 (2) Within one (1) year of the effective date of this
26 subsection, at least one (1) member of the board of trustees of
27 a charter school entity shall be a parent of a child currently
28 attending the charter school entity. The board member shall be
29 eligible to serve only so long as the child attends the charter
30 school entity.

31 (e) (1) A majority of the voting members of the board of
32 trustees shall constitute a quorum. If less than a majority is
33 present at any meeting, no business may be transacted at the
34 meeting.

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

39 (f) (1) In any case where the board of trustees of a
40 charter school fails to pay or to provide for for the payment
41 of:

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

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

47 The bank or trustee for the bonds shall notify the board of
48 charter school trustees of its obligation and shall immediately
49 notify the grantor of the charter school and the secretary.

50 (2) The secretary shall withhold any appropriation due the
51 charter school in any amount necessary to fully fund the amount

1 held in escrow by the charter school which shall be equal to the
2 sum of the principal amount maturing or subject to mandatory
3 redemption and interest owing by the charter school or sinking
4 fund deposit due by such charter school and shall require
5 payover of the amount withheld to the bank or trustee acting as
6 the sinking fund depository for the bond issue from the escrow
7 account.

8 (3) Payments made pursuant to this article shall not be
9 given priority over payments required pursuant to sections 633
10 and 785 and 53 Pa.C.S. § 8125(b) (relating to security for tax
11 anticipation notes and sinking fund), or an agreement pursuant
12 to which the board is required to make payment to a holder of
13 debt issued by or on behalf of a school entity.

14 Section 1.9. Sections 1717-A, 1718-A and 1719-A of the act,
15 added June 19, 1997 (P.L.225, No.22), are amended to read:

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

34 (b) (1) The conversion of an existing public school or
35 portion of an existing public school to a charter school may be
36 initiated by any individual or entity authorized to establish a
37 charter school under subsection (a).

38 (2) In order to convert an existing public school to a
39 charter school, the applicants must show that:

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

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

46 (3) In no event shall the board of school directors serve as
47 the board of trustees of an existing school which is converted
48 to a charter school pursuant to this subsection.

49 (4) (Reserved).

50 (5) (Reserved).

51 (6) This article shall apply to an existing public school

1 building or a portion of an existing public school building
2 converted to a charter school.

3 (7) In the case of an existing school being converted to a
4 charter school, the local board of school directors, the special
5 board of control or the School Reform Commission shall establish
6 the alternative arrangements for current students who choose not
7 to attend the charter school.

8 (8) In the case of an existing school being converted to a
9 charter school, preference for enrollment shall be given to
10 students residing within the former attendance boundary of that
11 school.

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] grantor by
15 [November 15] October 1 of the school year preceding the school
16 year in which the charter school will be established except that
17 for a charter school beginning in the 1997-1998 school year, an
18 application must be received by July 15, 1997. In the 1997-1998
19 school year only, applications shall be limited to recipients of
20 fiscal year 1996-1997 Department of Education charter school
21 planning grants.

22 (c.1) Grantors shall be as follows:

23 (1) The following entities shall be grantors of charter
24 schools and regional charter schools:

25 (i) The board in accordance with section 1721-A(h) (2.1),
26 (3), (3.1) and (4).

27 (ii) A local board of school directors.

28 (2) The board shall be the grantor of cyber charter schools
29 and regional charter schools.

30 (c.2) Grantor powers and duties shall be as follows:

31 (1) The board shall have the following powers and duties:

32 (i) Receive, review and act on applications for the creation
33 of a charter school entity in accordance with section
34 1721-A(h) (2), (2.1), (3), (3.1) and (4), obtain input from
35 interested persons or entities and hold hearings regarding
36 applications.

37 (ii) Execute a charter with an approved charter school
38 entity applicant.

39 (iii) Monitor and evaluate the operation of each charter
40 school entity granted by the board on an annual basis in order
41 to determine whether the charter school entity is in compliance
42 with the terms of its charter and all applicable laws and
43 regulations, and identify and implement corrective action to
44 remedy issues of noncompliance.

45 (iv) Renew, revoke or deny renewal of a charter school
46 entity's charter under section 1729-A.

47 (2) The local board of school directors shall have the
48 following powers and duties:

49 (i) Receive, review and act on applications for the creation
50 of a charter school or regional charter school, obtain input
51 from interested persons or entities and hold hearings regarding

1 applications.

2 (ii) Execute a charter with an approved charter school or
3 regional charter school applicant.

4 (iii) Monitor and evaluate the operation of each charter
5 school or regional charter school granted by the local board of
6 school directors on an annual basis in order to determine
7 whether the charter school or regional charter school is in
8 compliance with the terms of its charter and all applicable laws
9 and regulations, and identify and implement corrective action to
10 remedy issues of noncompliance.

11 (iv) Renew, revoke or deny renewal of a charter school or
12 regional charter school's charter under section 1729-A.

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

25 (e) (1) Not later than seventy-five (75) days after the
26 first public hearing on the application, the [local board of
27 school directors] grantor shall grant or deny the application.
28 For a charter school beginning in the 1997-1998 school year, the
29 local board of school directors shall grant or deny the
30 application no later than sixty (60) days after the first public
31 hearing.

32 (2) A charter school application submitted under this
33 article shall be evaluated by the [local board of school
34 directors] grantor based on criteria, including, but not limited
35 to, the following:

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

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

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

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

48 (3) The local board of school directors, in the case of an
49 existing school being converted to a charter school, shall
50 establish the alternative arrangements for current students who
51 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] grantor
3 upon affirmative vote by a majority of all the [directors]
4 members. Formal action approving or denying the application
5 shall be taken by the [local board of school directors] grantor
6 at a public meeting, with notice or consideration of the
7 application given by the [board] grantor, under [the "Sunshine
8 Act."] 65 Pa.C.S. Ch. 7.

9 (5) Written notice of the [board's] grantor's action shall
10 be sent to the applicant, the department and the [appeal] board.
11 If the application is denied, the reasons for the denial,
12 including a description of deficiencies in the application,
13 shall be clearly stated in the notice sent by the [local board
14 of school directors] grantor to the charter school applicant.

15 (f) (1) At the option of the charter school applicant, a
16 denied application may be revised and resubmitted to the [local
17 board of school directors. Following the appointment and
18 confirmation of the Charter School Appeal Board under section
19 1721-A, the decision of the local board of school directors may
20 be appealed to the appeal board.] grantor that initially denied
21 the application.

22 (2) At the option of the charter school applicant, a denied
23 application by a local board of school directors may be appealed
24 directly to the board.

25 (3) When an application is revised and resubmitted to the
26 local board of school directors, or the board under this
27 section, either may schedule additional public hearings on the
28 revised application. The board or local board of school
29 directors shall consider the revised and resubmitted application
30 at the first [board] meeting occurring at least forty-five (45)
31 days after receipt of the revised application [by the board. For
32 a revised application resubmitted for the 1997-1998 school year,
33 the board shall consider the application at the first board
34 meeting occurring at least thirty (30) days after its receipt].
35 The board shall provide notice of consideration of the revised
36 application under [the "Sunshine Act." No appeal from a decision
37 of a local school board may be taken until July 1, 1999.] 65
38 Pa.C.S. Ch. 7.

39 (g) Notwithstanding the provisions of subsection (e)(5),
40 failure by the local board of directors to hold a public hearing
41 and to grant or deny the application for a charter school within
42 the time periods specified in subsections (d), (e) and (f) shall
43 permit the applicant for a charter to file its application as an
44 appeal to the [appeal] board. In such case, the [appeal] board
45 shall review the application and make a decision to grant or
46 deny a charter based on the criteria established in subsection
47 (e)(2). The board shall review the application de novo. The
48 board shall not be bound by, but may consider, the factual or
49 legal conclusions of the local board of school directors.

50 (h) In the case of a review by the [appeal] board of an
51 application that is revoked or is not renewed, the [appeal]

1 board shall make its decision based on the criteria established
2 in subsection (e) (2). [A decision by the appeal board under this
3 subsection or subsection (g) to grant, to renew or not to revoke
4 a charter shall serve as a requirement for the local board of
5 directors of a school district or school districts, as
6 appropriate, to sign the written charter of the charter school
7 as provided for in section 1720-A. Should the local board of
8 directors fail to grant the application and sign the charter
9 within ten (10) days of notice of reversal of the decision of
10 the local board of directors, the charter shall be deemed to be
11 approved and shall be signed by the chairman of the appeal
12 board.]

13 (i) (1) The [appeal] board shall have the exclusive review
14 of an appeal by a charter school applicant, or by the board of
15 trustees of an existing charter school, of a decision made by a
16 local board of directors not to grant a charter as provided in
17 this section.

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

31 (3) Each person signing a petition to appeal denial of a
32 charter under clause (2) shall declare that he or she is a
33 resident of the school district which denied the charter
34 application and shall include his or her printed name;
35 signature; address, including city, borough or township, with
36 street and number, if any; and the date of signing. All pages
37 shall be bound together. Additional pages of the petition shall
38 be numbered consecutively. There shall be appended to the
39 petition a statement that the local board of directors rejected
40 the petition for a charter school, the names of all applicants
41 for the charter, the date of denial by the board and the
42 proposed location of the charter school. No resident may sign
43 more than one petition relating to the charter school
44 application within the sixty (60) days following denial of the
45 application. The department shall develop a form to be used to
46 petition for an appeal.

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

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

1 (ii) The affiant's residence, giving city, borough or
2 township, with street and number, if any.
3 (iii) That the signers signed with full knowledge of the
4 purpose of the petition.
5 (iv) That the signers' respective residences are correctly
6 stated in the petition.
7 (v) That the signers all reside in the school district.
8 (vi) That each signer signed on the date set forth opposite
9 the signer's name.
10 (vii) That to the best of the affiant's knowledge and
11 belief, the signers are residents of the school district.
12 (5) If the required number of signatures are obtained within
13 sixty (60) days of the denial of the application, the applicant
14 may present the petition to the court of common pleas of the
15 county in which the charter school would be situated. The court
16 shall hold a hearing only on the sufficiency of the petition.
17 The applicant and local board of school directors shall be given
18 seven (7) days' notice of the hearing. The court shall issue a
19 decree establishing the sufficiency or insufficiency of the
20 petition. If the petition is sufficient, the decree shall be
21 transmitted to the State Charter School Appeal Board for review
22 in accordance with this section. Notification of the decree
23 shall be given to the applicant and the local board of
24 directors.
25 [(6) In any appeal, the decision made by the local board of
26 directors shall be reviewed by the appeal board on the record as
27 certified by the local board of directors. The appeal board
28 shall give due consideration to the findings of the local board
29 of directors and specifically articulate its reasons for
30 agreeing or disagreeing with those findings in its written
31 decision. The appeal board shall have the discretion to allow
32 the local board of directors and the charter school applicant to
33 supplement the record if the supplemental information was
34 previously unavailable.]
35 (7) Not later than thirty (30) days after the date of notice
36 of the acceptance of the appeal, the [appeal] board shall meet
37 to officially review the certified record.
38 (8) Not later than sixty (60) days following the review
39 conducted pursuant to clause (6), the [appeal] board shall issue
40 a written decision affirming or denying the appeal. If the
41 [appeal] board has affirmed the decision of the local board of
42 directors, notice shall be provided to both parties.
43 (9) [A] If the decision of the [appeal] board is to reverse
44 the decision of the local board of directors [shall serve as a
45 requirement for the local board of directors of a school
46 district or school districts, as appropriate, to grant the
47 application and sign the written charter of the charter school
48 as provided for in section 1720-A. Should the local board of
49 directors fail to grant the application and sign the charter
50 within ten (10) days of notice of the reversal of the decision
51 of the local board of directors, the charter shall be deemed to

1 be approved and shall be signed by the chairman of the appeal
2 board.], the board shall grant the application and sign the
3 written charter of the charter school as the grantor as provided
4 for in section 1720-A.

5 (10) If the board is reviewing an appeal of a revocation or
6 nonrenewal decision, the board shall review the record and shall
7 have the discretion to supplement the record if the supplemental
8 information was previously unavailable. The board may consider
9 the charter school entity's plan, annual reports, student
10 performance and employe and community support for the charter
11 school entity in addition to the record. The board shall review
12 the appeal de novo. The board shall not be bound by, but may
13 consider, the factual or legal conclusions of the local board of
14 school directors.

15 (11) If the board determines that the charter should not be
16 revoked or should be renewed, the board shall issue an order
17 reversing the decision of the local board of school directors
18 and shall initiate charter transfer proceedings under section
19 1733-A(c) (5).

20 (12) Except as provided in clause (13), the charter shall
21 remain in effect until final disposition by the board.

22 (13) In cases where the health or safety of the school's
23 students, staff or both is at serious risk, the grantor may take
24 immediate action to revoke a charter.

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

36 (15) When a charter is revoked or is not renewed, a student
37 who attended the charter school entity shall apply to another
38 public school in the student's school district of residence.
39 Normal application deadlines will be disregarded under these
40 circumstances. All student records maintained by the charter
41 school entity shall be forwarded to the student's district of
42 residence.

43 [(10)] (16) All decisions of the [appeal] board shall be
44 subject to appellate review by the Commonwealth Court.

45 Section 1718-A. Regional Charter School.--(a) [A regional
46 charter school may be established by an individual, one or more
47 teachers who will teach at the proposed charter school; parents
48 or guardians of students who will attend the charter school; any
49 nonsectarian college, university or museum located in this
50 Commonwealth; any nonsectarian corporation not-for-profit, as
51 defined in 15 Pa.C.S. (relating to corporations and

unincorporated associations); any corporation, association or partnership; or any combination thereof. A regional charter school may be established by creating a new school or by converting an existing public school or a portion of an existing public school. Conversion of an existing public school to a regional charter school shall be accomplished in accordance with section 1714-A(b). No regional charter school shall be established or funded by and no charter shall be granted to any sectarian school, institution or other entity.

(b) The boards of school directors of one or more school districts may act jointly to receive and consider an application for a regional charter school, except that any action to approve an application for a charter or to sign a written charter of an applicant shall require an affirmative vote of a majority of all the directors of each of the school districts involved. The applicant shall apply for a charter to the board of directors of any school district in which the charter school will be located.

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

(1) A regional charter school may be established by any individual or entity allowed under section 1717-A(a).

(2) A regional charter school may be established by creating a new school under subsection (b) or by converting an existing public school building or a portion of an existing public school building. Conversion of an existing public school building or a portion of an existing public school building to a regional charter school shall be accomplished in accordance with section 1717-A(b).

(3) No regional charter school may be established or funded by, and no charter shall be granted to, any sectarian school, institution or other entity.

(4) A regional charter school must be organized as a public, nonprofit corporation. A charter may not be granted to any for-profit entity.

(b) The following apply to applications:

(1) The local boards of school directors of one or more school districts may act jointly to receive and consider an application for a regional charter school, except that any action to approve an application for a charter or to sign a written charter of an applicant shall require an affirmative vote of a majority of all the directors of each of the school districts involved. The applicant shall apply for a charter to the local board of school directors of any school district in which the regional charter school will be located.

(2) If students from five or more school districts will be enrolled in a regional charter school, the board may receive and consider an application for a regional charter school. Any

1 action to approve an application for a charter or to sign a
2 written charter of an applicant under this section shall require
3 an affirmative vote of a majority of all board members.

4 (c) The provisions of this article relating to charter
5 schools and the powers and duties of grantors shall apply to
6 regional charter schools, except as provided under this article.

7 Section 1719-A. Contents of Application.--[An] (a) The
8 board shall create a standard application for charter school
9 applicants to establish a charter school. The form shall include
10 all of the following information:

11 (1) The identification of the charter school entity
12 applicant.

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

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

15 (4) [The proposed governance structure of the charter
16 school, including a description and method for the appointment
17 or election of members of the board of trustees.] An
18 organization chart clearly presenting the proposed governance
19 structure of the school, including lines of authority and
20 reporting between the board of trustees, administrators, staff
21 and any educational management service provider that will
22 provide management services to the charter school.

23 (4.1) A clear description of the roles and responsibilities
24 for the board of trustees, administrators and any other
25 entities, including a charter school foundation, shown in the
26 organization chart.

27 (4.2) A clear description and method for the appointment or
28 election of members of the board of trustees.

29 (4.3) Standards for board performance, including compliance
30 with all applicable laws, regulations and terms of the charter.

31 (4.4) If the charter school intends to contract with an
32 educational management service provider for services, all of the
33 following:

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

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

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

42 (B) The proposed duration of the service contract.

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

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

47 (E) Performance evaluation measures and timelines.

48 (F) The compensation structure, including clear
49 identification of all fees to be paid to the educational
50 management service provider.

51 (G) Methods of contract oversight and enforcement.

1 (H) Investment disclosure or the advance of moneys by the
2 educational management service provider on behalf of the charter
3 school entity.

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

5 (iii) Disclosure and explanation of any existing or
6 potential conflicts of interest between the members of the board
7 of trustees and the proposed educational management service
8 provider or any affiliated business entities, including a
9 charter school foundation qualified as a support organization
10 under the Internal Revenue Code of 1986 (Public Law 99-514, 26
11 U.S.C. § 1 et seq.).

12 (5) The mission and education goals of the charter school,
13 the curriculum to be offered and the methods of assessing
14 whether students are meeting educational goals.

15 (6) The admission policy and criteria for evaluating the
16 admission of students which shall comply with the requirements
17 of section 1723-A.

18 (7) Procedures which will be used regarding the suspension
19 or expulsion of pupils. Said procedures shall comply with
20 section 1318.

21 (8) Information on the manner in which community groups will
22 be involved in the charter school planning process.

23 (9) The financial plan for the charter school and the
24 provisions which will be made for auditing the school under
25 [section] sections 437 and 1728-A, including the role of any
26 charter school foundation.

27 (10) Procedures which shall be established to review
28 complaints of parents regarding the operation of the charter
29 school.

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

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

36 (13) The proposed faculty, if already determined, and a
37 professional development and continuing education plan for the
38 faculty and professional staff of [a] the charter school.

39 (14) Whether any agreements have been entered into or plans
40 developed with the local school district regarding participation
41 of the charter school students in extracurricular activities
42 within the school district. Notwithstanding any provision to the
43 contrary, no school district of residence shall prohibit a
44 student of a charter school from participating in any
45 extracurricular activity of that school district of residence:
46 Provided, That the student is able to fulfill all of the
47 requirements of participation in such activity and the charter
48 school does not provide the same extracurricular activity.

49 (15) A report of criminal history record, pursuant to
50 section 111, for all individuals identified in the application
51 who shall have direct contact with students and a plan for

1 satisfying the proper criminal history record clearances
2 required for all other staff.

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

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

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

17 (19) How the charter school entity will meet the standards
18 included in the performance matrix developed by the board under
19 section 1721-A(h) (11).

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

26 (b) A grantor may not impose additional terms, develop a
27 separate application or require additional information outside
28 the standard application form required under subsection (a).

29 Section 1.10. Section 1720-A of the act, amended July 9,
30 2008 (P.L.846, No.61), is amended to read:

31 Section 1720-A. Term and Form of Charter.--(a) Upon
32 approval of a charter application under section 1717-A, a
33 written charter shall be developed which shall contain the
34 provisions of the standardized charter application under section
35 1719-A and which shall be signed by the [local board of school
36 directors of a school district, by the local boards of school
37 directors of a school district in the case of a regional charter
38 school or by the chairman of the appeal board pursuant to
39 section 1717-A(i) (5)] grantor and the board of trustees of the
40 charter school entity. This written charter, when duly signed by
41 the [local board of school directors of a school district, or by
42 the local boards of school directors of a school district in the
43 case of a regional charter school,] grantor and the charter
44 [school's] school entity's board of trustees, shall act as legal
45 authorization for the establishment of a charter school entity.
46 This written charter shall be legally binding on both the [local
47 board of school directors of a school district] grantor and the
48 charter [school's] school entity's board of trustees. [Except as
49 otherwise provided in subsection (b), the] If the charter school
50 entity contracts with an educational management service
51 provider, an executed contract shall be signed once the charter

1 is approved. The charter shall be for a period of [no less than
2 three (3) nor more than] five (5) years and may be renewed for
3 [five (5)] ten (10) year periods upon [reauthorization] renewal
4 by the [local board of school directors of a school district or
5 the appeal board] grantor. A charter will be granted only for a
6 school organized as a public, nonprofit corporation.

7 (b) [(1) Notwithstanding subsection (a), a governing board
8 of a school district of the first class may renew a charter for
9 a period of one (1) year if the board of school directors
10 determines that there is insufficient data concerning the
11 charter school's academic performance to adequately assess that
12 performance and determines that an additional year of
13 performance data would yield sufficient data to assist the
14 governing board in its decision whether to renew the charter for
15 a period of five (5) years.

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

19 (3) A governing board of a school district of the first
20 class does not have the authority to renew a charter for
21 successive one (1) year periods] (Reserved).

22 (c) (1) A charter school may request amendments to its
23 approved written charter by filing a written document describing
24 the requested amendment to the grantor.

25 (2) Within twenty (20) days of its receipt of the request
26 for an amendment, the grantor shall hold a public hearing on the
27 requested amendment under 65 Pa.C.S. Ch. 7 (relating to open
28 meetings).

29 (3) Within twenty (20) days after the hearing, the grantor
30 shall grant or deny the requested amendment. Failure by the
31 grantor to hold a public hearing and to grant or deny the
32 amendments within the time period specified shall be deemed an
33 approval.

34 (4) An applicant for an amendment shall have the right to
35 appeal the denial of a requested amendment to the board provided
36 for under section 1721-A. The board shall review the appeal de
37 novo. The board shall not be bound by, but may consider, the
38 factual or legal conclusion of the local board of school
39 directors.

40 Section 1.11. Section 1721-A of the act, added June 19, 1997
41 (P.L.225, No.22), is amended to read:

42 Section 1721-A. State Charter School [Appeal] Entities
43 Board.--(a) The State Charter School [Appeal] Entities Board is
44 hereby established as an independent administrative board and
45 shall consist of the [Secretary of Education and six (6)]
46 following members who shall be appointed by the Governor by and
47 with the consent of a majority of all the members of the Senate.
48 [Appointments by the Governor shall not occur prior to January
49 1, 1999.] The Governor shall select the chairman of the [appeal]
50 board to serve at the pleasure of the Governor. The members
51 shall include:

1 (1) A parent of a school-aged child enrolled at a charter
2 school entity.

3 (2) A school board member.

4 (3) A certified teacher actively employed in a public
5 school.

6 (4) A faculty member or administrative employe of an
7 institution of higher education.

8 (5) A member of the business community.

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

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

11 (8) A member of the board of trustees of a charter school
12 entity.

13 (9) A member with expertise in school business
14 administration or financing.

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

26 (b) The [appeal] board shall meet [as needed] at least
27 monthly to fulfill the purposes provided in this [subsection]
28 section. A majority of the members of the [appeal] board shall
29 constitute a quorum, and a majority of the members of the
30 [appeal] board shall have authority to act upon any matter
31 properly before the [appeal] board. The [appeal] board is
32 authorized to establish rules for its operation.

33 (c) The members shall receive no payment for their services.
34 Members who are not employees of State government shall be
35 reimbursed for expenses incurred in the course of their official
36 duties [from funds appropriated for the general government
37 operations of the department].

38 [(d) The department shall provide assistance and staffing
39 for the appeal board. The Governor, through the Governor's
40 General Counsel, shall provide such legal advice and assistance
41 as the appeal board may require.]

42 (e) Meetings of the [appeal] board shall be conducted under
43 [the act of July 3, 1986 (P.L.388, No.84), known as the
44 "Sunshine Act."] 65 Pa.C.S. Ch. 7 (relating to open meetings).
45 Documents of the [appeal] board shall be subject to the [act of
46 June 21, 1957 (P.L.390, No.212), referred to as the Right-to-
47 Know Law.] "Right-to-Know Law."

48 (f) An executive director shall be appointed by the members
49 of the board. The executive director shall be paid compensation
50 as determined by the board. The executive director may employ
51 personnel and contract for consulting services as necessary and

1 may carry out the purposes of this article if the services are
2 procured through a competitive bidding process.

3 (g) All board hearings shall be conducted in accordance with
4 2 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of
5 Commonwealth agencies).

6 (h) The board shall have the following powers and duties:

7 (1) Implement this article and promulgate regulations.

8 (2) Serve as a grantor for cyber charter schools.

9 (2.1) Serve as a grantor for regional charter schools as
10 provided under section 1718-A(b) (2).

11 (3) Serve as a grantor for charter schools who elect to
12 transfer their charter under section 1733-A(c).

13 (3.1) Serve as a grantor for charter schools it approves
14 under section 1717-A(i) (11).

15 (4) Serve as a grantor for charter schools it approves under
16 section 1717-A(i) (9).

17 (5) Develop and issue standardized forms and reports that
18 shall be used by all applicants, grantors and charter school
19 entities under sections 1717-A, 1718-A, 1719-A, 1728-A, 1733-A,
20 1734-A, 1741-A, 1743-A and 1747-A. The board may receive input
21 from the department, grantors and charter school entity
22 operators to develop the standardized forms.

23 (6) Receive, review and act on applications for the creation
24 of a charter school entity as provided for under section
25 1721-A(h) (2), (2.1), (3), (3.1) and (4), obtain input from
26 interested persons or entities and hold hearings regarding
27 applications.

28 (7) Monitor and evaluate on an annual basis the operation of
29 each charter school entity the board serves as a grantor in
30 order to determine whether the school is in compliance with the
31 terms of its charter and applicable statutes and regulations,
32 and identify and implement corrective action to remedy any
33 issues of noncompliance.

34 (8) Set assessment fees through the promulgation of
35 regulations, subject to the act of June 25, 1982 (P.L.633,
36 No.181), known as the "Regulatory Review Act," on charter school
37 entities as provided under section 1705-A.

38 (9) For all charter school entities that the board serves as
39 a grantor, renew, revoke or deny renewal of a school's charter
40 under section 1729-A.

41 (10) Receive, review and act on multiple charter school
42 organization transfers under sections 1733-A(d) and 1734-A.

43 (11) Develop a standard performance matrix as follows:

44 (i) Within one year of the effective date of this subclause,
45 the board shall develop a standard performance matrix to
46 evaluate charter school entity performance and shall promulgate
47 regulations pursuant to the "Regulatory Review Act" to implement
48 this section.

49 (ii) The performance matrix may assess performance by
50 utilizing objective criteria, including:

51 (A) 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.

(B) Annual growth as measured by the Pennsylvania Value-Added Assessment System.

(C) Attendance.

(D) Attrition rates.

(E) Graduation rates.

(F) Other standardized test scores.

(G) School safety.

(H) Parent satisfaction.

(I) 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.

(J) Other measures of school quality.

(iii) The board 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.

(iv) Grantors shall utilize the standard performance matrix as a primary factor in evaluating new and renewal charter school entity applicants, and in the annual monitoring and evaluation of charter school entities.

(v) The standard performance matrix shall be distributed by the board to all known grantors and shall be published on the board's publicly accessible Internet website.

(vi) Grantors shall utilize the standard performance matrix as a primary factor in evaluating new and renewal charter school entity applicants, and in the annual monitoring and evaluation of charter school entities.

(12) Provide a list of nationally recognized accreditation agencies, including the Middle States Association of Colleges and Schools or other regional institutional accrediting agencies recognized by the United States Department of Education or an equivalent federally recognized body for charter school education, that a charter school entity may use to seek accreditation.

(13) Develop a hearing process for consideration of charter school and regional charter school appeals of denied amendments under section 1720-A(c) and for cyber charter amendments under section 1745-A(f).

(14) Develop policies, procedures and regulations pertaining to cyber charter school student truancy.

(15) Employ personnel and contract for consulting services as may be necessary and carry out the purposes of this article

1 if the services are procured through a competitive bidding
2 process.

3 (16) Refer to the district attorney with jurisdiction or to
4 the Office of Attorney General for prosecution if the board
5 discovers or receives information about possible violations of
6 law by any person affiliated with or employed by a grantor or a
7 charter school entity.

8 Section 1.12. Section 1722-A of the act, amended November
9 17, 2010 (P.L.996, No.104), is amended to read:

10 Section 1722-A. Facilities.--(a) A charter school may be
11 located in an existing public school building, in a part of an
12 existing public school building, in space provided on a
13 privately owned site, in a public building or in any other
14 suitable location.

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

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

22 (e) (1) Notwithstanding the provisions of section 204 of
23 the act of May 22, 1933 (P.L.853, No.155), known as The General
24 County Assessment Law, all school property, real and personal,
25 owned by any charter school, cyber charter school or an
26 associated nonprofit foundation, or owned by a nonprofit
27 corporation, associated nonprofit corporation or nonprofit
28 foundation and leased to a charter school[, cyber charter
29 school] entity [or], associated nonprofit foundation or
30 associated nonprofit corporation at or below fair market value,
31 that is occupied and used by any charter school or cyber charter
32 school for public school, recreation or any other purposes
33 provided for by this act, shall be made exempt from every kind
34 of State, county, city, borough, township or other real estate
35 tax, including payments in lieu of taxes established through
36 agreement with the Commonwealth or any local taxing authority,
37 as well as from all costs or expenses for paving, curbing,
38 sidewalks, sewers or other municipal improvements, Provided,
39 That any charter school or cyber charter school or owner of
40 property leased to a charter school [or cyber charter school]
41 entity may make a municipal improvement in a street on which its
42 school property abuts or may contribute a sum toward the cost of
43 the improvement.

44 (2) Any agreement entered into by a charter school[, cyber
45 charter school or] entity, associated nonprofit foundation or
46 associated nonprofit corporation with the Commonwealth or a
47 local taxing authority for payments in lieu of taxes prior to
48 December 31, 2009, shall be null and void.

49 (3) This subsection shall apply retroactively to all charter
50 [schools, cyber charter schools and] school entities, associated
51 nonprofit foundations and associated nonprofit corporations that

1 filed an appeal from an assessment, as provided in Article V of
2 The General County Assessment Law, prior to the effective date
3 of this subsection and until such time as a final order has been
4 entered.

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

8 (f) (1) Alcoholic beverages shall not be available for
9 consumption, purchase or sale in any charter school entity
10 facility.

11 (2) If the grantor reasonably believes that alcoholic
12 beverages have been made available for consumption, purchase or
13 sale in any charter school entity facility, the grantor shall
14 notify the department, and the secretary shall order the
15 following forfeitures against the charter school entity:

16 (i) A fine of one thousand dollars (\$1,000) for the first
17 violation.

18 (ii) A fine of five thousand dollars (\$5,000) for the second
19 or subsequent violation.

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

23 Section 1.13. Section 1723-A(a) and (d) of the act, amended
24 June 26, 1999 (P.L.394, No.36) and July 9, 2008 (P.L.846,
25 No.61), are amended to read:

26 Section 1723-A. Enrollment.--(a) All resident children in
27 this Commonwealth qualify for admission to a charter school
28 entity within the provisions of subsection (b). If more students
29 apply to the charter school entity than the number of attendance
30 slots available in the school, then students must be selected on
31 a random basis from a pool of qualified applicants meeting the
32 established eligibility criteria and submitting an application
33 by the deadline established by the charter school, except that
34 the charter school entity may give preference in enrollment to a
35 child of a parent who has actively participated in the
36 development of the charter school [and], to siblings of students
37 presently enrolled in the charter school and to siblings of
38 students selected for enrollment during the lottery process.
39 First preference shall be given to students who reside in the
40 district or districts.

41 * * *

42 (d) (1) Enrollment of students in a charter school [or
43 cyber charter school] entity shall not be subject to a cap or
44 otherwise limited by any past or future action of a board of
45 school directors, a board of control established under Article
46 XVII-B, a special board of control established under section 692
47 or any other governing authority[, unless agreed to by the
48 charter school or cyber charter school as part of a written
49 charter pursuant to section 1720-A].

50 (2) The provisions of this subsection shall apply to a
51 charter school [or cyber charter school] entity regardless of

whether the charter was approved prior to or is approved subsequent to the effective date of this subsection.

Section 1.14. Section 1724-A(d) of the act, added June 19, 1997 (P.L.225, No.22) is amended to read:

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

(d) Every employe of a charter school shall be provided the [same] similar health care benefits as the employe would be provided if he or she were an employe of the local district. The local board of school directors may require the charter school to provide the [same] similar terms and conditions with regard to health insurance as the collective bargaining agreement of the school district to include employe contributions to the district's health benefits plan. The charter school shall make any required employer's contribution to the district's health plan to an insurer, a local board of school directors or a contractual representative of school employes, whichever is appropriate to provide the required coverage.

* * *

Section 1.15. Section 1725-A of the act, amended or added June 19, 1997 (P.L.225, No.22), June 22, 2001 (P.L.530, No.35) and 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.

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

(4) A charter school may request the intermediate unit in which the charter school is located to provide services to assist the charter school to address the specific needs of exceptional students. The intermediate unit shall assist the

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

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

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

27 (b) The Commonwealth shall provide temporary financial
28 assistance to a school district due to the enrollment of
29 students in a charter school who attended a nonpublic school in
30 the prior school year in order to offset the additional costs
31 directly related to the enrollment of those students in a public
32 charter school. The Commonwealth shall pay the school district
33 of residence of a student enrolled in a nonpublic school in the
34 prior school year who is attending a charter school an amount
35 equal to the school district of residence's basic education
36 subsidy for the current school year divided by the district's
37 average daily membership for the prior school year. This payment
38 shall occur only for the first year of the attendance of the
39 student in a charter school, starting with school year
40 1997-1998. Total payments of temporary financial assistance to
41 school districts on behalf of a student enrolling in a charter
42 school who attended a nonpublic school in the prior school year
43 shall be limited to funds appropriated for this program in a
44 fiscal year. If the total of the amount needed for all students
45 enrolled in a nonpublic school in the prior school year who
46 enroll in a charter school exceeds the appropriation for the
47 temporary financial assistance program, the amount paid to a
48 school district for each qualifying student shall be pro rata
49 reduced. Receipt of funds under this subsection shall not
50 preclude a school district from applying for a grant under
51 subsection (c).

1 (c) The Commonwealth shall create a grant program to provide
2 temporary transitional funding to a school district due to the
3 budgetary impact relating to any student's first-year attendance
4 at a charter school. The department shall develop criteria which
5 shall include, but not be limited to, the overall fiscal impact
6 on the budget of the school district resulting from students of
7 a school district attending a charter school. The criteria shall
8 be published in the Pennsylvania Bulletin. This subsection shall
9 not apply to a public school converted to a charter school under
10 section 1717-A(b). Grants shall be limited to funds appropriated
11 for this purpose.

12 (d) It shall be lawful for any charter school to receive,
13 hold, manage and use, absolutely or in trust, any devise,
14 bequest, grant, endowment, gift or donation of any property,
15 real or personal and/or mixed, which shall be made to the
16 charter school for any of the purposes of this article.

17 (e) It shall be unlawful for any trustee of a charter school
18 or any board of trustees of a charter school or any other person
19 affiliated in any way with a charter school to demand or
20 request, directly or indirectly, any gift, donation or
21 contribution of any kind from any parent, teacher, employee or
22 any other person affiliated with the charter school as a
23 condition for employment or enrollment and/or continued
24 attendance of any pupil. Any donation, gift or contribution
25 received by a charter school shall be given freely and
26 voluntarily.] Funding for a charter school entity shall be
27 provided in the following manner and shall not be in violation
28 of any applicable Federal or State law, regulation or agreement:

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

31 (2) The following apply:

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

38 (A) Nonpublic school programs.

39 (B) Adult education programs.

40 (C) Community and junior college programs.

41 (D) Student transportation services.

42 (E) Special education programs.

43 (F) Facilities acquisition, construction and improvement
44 services.

45 (G) Other financing uses, including debt service and fund
46 transfers as provided in the Manual of Accounting and Related
47 Financial Procedures for Pennsylvania School Systems established
48 by the department.

49 (i.1) The amount under subclause (i) shall be calculated by
50 each school district on a form prescribed by the secretary in
51 accordance with this section. The secretary, upon receipt of a

1 district's calculation, shall review the district's calculation
2 and may request supporting documentation from the district
3 regarding its calculation. If the secretary finds an error or
4 discrepancy in a district's calculation, the secretary shall
5 require the district to correct the calculation and require the
6 school district to notify affected charter school entities.

7 (ii) The following apply:

8 (A) The amount under subclause (i) shall be paid by the
9 school district of residence of each student by deduction and
10 transfer from all State payments due to the district as provided
11 under clause (5).

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

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

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

21 (E) The district shall be liable for the reasonable legal
22 fees incurred by a charter school entity if the charter school
23 entity is the substantially prevailing party after a hearing
24 under this section. The charter school entity shall be liable
25 for the reasonable legal fees incurred by the district if the
26 district is the substantially prevailing party after a hearing
27 under this section.

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

30 (3) The following apply:

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

37 (A) the combined percentage of section 2509.5(k) applicable
38 to the school year; and

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

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

45 (iii) If a charter school entity disputes the accuracy of a
46 district's calculation under this clause, the charter school
47 entity shall file a notice of the dispute with the secretary,
48 who shall hold a hearing to determine the accuracy of the
49 district's calculation within thirty (30) days of the notice.

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

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

3 (vi) The district shall be liable for the reasonable legal
4 fees incurred by a charter school entity if the charter school
5 entity is the substantially prevailing party after a hearing
6 under this section. The charter school entity shall be liable
7 for the reasonable legal fees incurred by the school district if
8 the district is the substantially prevailing party after a
9 hearing under this section.

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

12 (4) A charter school entity may request the intermediate
13 unit or school district in which the school is located to
14 provide services to assist the school to address the specific
15 needs of nonspecial education and exceptional students. The
16 intermediate unit or school district shall assist the charter
17 school entity and bill the school for the services. The
18 intermediate unit may not charge the charter school entity more
19 for any service than it charges the constituent districts of the
20 intermediate unit. Nothing under this clause shall preclude an
21 intermediate unit or school district from contracting with a
22 charter school entity to provide the intermediate unit or school
23 district with services to assist the intermediate unit or school
24 district to address specific needs of nonspecial education and
25 special education students.

26 (5) The following apply:

27 (i) Payments shall be made to the charter school entity in
28 twelve (12) equal monthly payments, according to the established
29 monthly unipay schedule within the operating school year.

30 (ii) Except as provided for in subclause (v), payments shall
31 be made directly by the secretary deducting and paying to the
32 charter school entity the estimated amount, as documented by the
33 charter school entity, from all State payments due to the
34 district or, if no payments are due to the district from all
35 State payments reasonably expected to be due in the next
36 established monthly unipay schedule, after receipt of
37 documentation from the charter school entity as to its
38 enrollment.

39 (iii) The secretary's obligation to make payments under this
40 section is mandatory and ministerial.

41 (iv) If there are insufficient State payments due to a
42 district in the established monthly unipay schedule to cover all
43 charter school entity deductions and transfers, the district
44 shall be responsible for paying the unpaid balance directly to
45 the charter school entity not more than seven (7) days following
46 the established monthly unipay schedule.

47 (v) The board of trustees of a charter school entity may
48 elect on an annual basis to be paid directly from the school
49 district of residence. Any board of trustees of a charter school
50 entity that elects to be paid directly by the school district of
51 residence shall notify the department in accordance with the

1 timelines established in the department guidelines. The school
2 district of residence shall provide for payment to the charter
3 school entity as follows:

4 (A) Payments shall be made to the charter school entity in
5 twelve (12) equal monthly payments, according to the established
6 monthly unipay schedule, within the operating school year.

7 (B) Payments shall be made directly by the school district
8 of residence paying to the charter school entity the estimated
9 amount, as documented by the charter school entity, after
10 receipt of documentation from the charter school entity as to
11 its enrollment.

12 (vi) A student enrolled in a charter school entity shall be
13 included in the average daily membership of the student's school
14 district of residence for the purpose of providing basic
15 education funding payments and special education funding under
16 Article XXV.

17 (6) The following apply:

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

22 (ii) The secretary shall provide the school district with an
23 opportunity to be heard concerning whether the charter school
24 entity documented that its students were enrolled in the charter
25 school entity, the period of time during which each student was
26 enrolled, the school district of residence of each student and
27 whether the amounts deducted from or paid by the school district
28 were accurate.

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

33 (iv) The district shall be liable for the reasonable legal
34 fees incurred by a charter school entity if the charter school
35 entity is the substantially prevailing party after a hearing
36 under this section. The charter school entity shall be liable
37 for the reasonable legal fees incurred by the district if the
38 district is the substantially prevailing party after a hearing
39 under this section.

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

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

46 (b) It shall be lawful for any charter school entity to
47 receive, hold, manage and use, absolutely or in trust, any
48 devise, bequest, grant, endowment, gift or donation of any
49 property, real or personal and mixed, which shall be made to the
50 charter school entity for any purpose of this article.

51 (c) It shall be unlawful for any trustee of a charter school

1 entity or any board of trustees of a charter school entity or
2 any other person affiliated in any way with a charter school
3 entity to demand or request, directly or indirectly, any gift,
4 donation or contribution of any kind from any parent, teacher,
5 employee or any other person affiliated with the school as a
6 condition for employment or enrollment and continued attendance
7 of any pupil. Any donation, gift or contribution received by a
8 charter school entity must be given freely and voluntarily.

9 (d) A cyber charter school may not provide discounts to a
10 school district or waive payments under this section for any
11 student.

12 (e) The department shall develop a transition procedure to
13 be able to recoup in subsequent fiscal years any payments made
14 in error to a charter school entity as a result of direct
15 payment by the department to the charter school entity.

16 Section 1.16. Sections 1727-A and 1728-A of the act, added
17 June 19, 1997 (P.L.225, No.22), are amended to read:

18 Section 1727-A. Tort Liability.--For purposes of tort
19 liability, employees of the charter school shall be considered
20 public employees and the board of trustees shall be considered
21 the public employer in the same manner as political subdivisions
22 and local agencies. The board of trustees of a charter school
23 and the charter school shall be solely liable for any and all
24 damages of any kind resulting from any legal challenge involving
25 the operation of a charter school. Notwithstanding this
26 requirement, the [local board of directors of a school entity]
27 grantor shall not be held liable for any activity or operation
28 related to the program of the charter school.

29 Section 1728-A. Annual Reports and Assessments.--(a) (1)
30 The [local board of school directors] grantor shall annually
31 assess whether each charter school is meeting the goals of its
32 charter and shall conduct a comprehensive review prior to
33 granting a [five (5)] ten (10) year renewal of the charter. The
34 [local board of school directors] grantor shall have ongoing
35 access to the records and facilities of the charter school to
36 ensure that the charter school is in compliance with its charter
37 and this act and that requirements for testing, civil rights and
38 student health and safety are being met.

39 (2) Ongoing reasonable access to a charter school entity's
40 records shall mean that the grantor shall have access to records
41 such as financial reports, financial audits, aggregate
42 standardized test scores without student-identifying information
43 and teacher certification and personnel records.

44 (3) Charter school entities and their grantors shall comply
45 fully with the requirements of the Family Educational Rights and
46 Privacy Act of 1974 (Public Law 90-247, 20 U.S.C. § 1232g) and
47 associated regulations. No personally identifiable information
48 from education records shall be provided by the charter school
49 entity to the school district except in compliance with the
50 Family Educational Rights and Privacy Act of 1974.

51 (b) In order to facilitate the [local board's review and

1 secretary's report] grantor's review, each charter school shall
2 submit an annual report no later than August 1 of each year to
3 the [local board of school directors and the secretary] grantor
4 in the form prescribed by the [secretary] board.

5 [(c) Five (5) years following the effective date of this
6 article, the secretary shall contract with an independent
7 professional consultant with expertise in public and private
8 education. The consultant shall receive input from members of
9 the educational community and the public on the charter school
10 program. The consultant shall submit a report to the secretary,
11 the Governor and the General Assembly and an evaluation of the
12 charter school program, which shall include a recommendation on
13 the advisability of the continuation, modification, expansion or
14 termination of the program and any recommendations for changes
15 in the structure of the program.]

16 (c.1) For fiscal year 2013-2014 and each fiscal year
17 thereafter, all grantors other than the board shall submit to
18 the board an annual financial report on a standard form
19 developed by the board by October 1. The financial report shall
20 list all oversight activities performed by the grantor in the
21 previous year, as well as a financial accounting of all staff
22 and resources used for oversight activities for each charter
23 school entity chartered by the grantor. The annual financial
24 report under this subsection shall be a public document under
25 the "Right-to-Know Law" and shall be made available on the
26 board's publicly accessible Internet website.

27 (c.2) In order to facilitate the grantor's review, each
28 charter school entity shall submit an annual report on a
29 standard form developed by the board no later than September 1
30 of each year to the authorizer. Within ten days of receipt of
31 the annual report, the grantor shall certify to the charter
32 school entity that the annual report has been received with an
33 indication of the date of receipt. Within 30 days of the date of
34 receipt, the grantor shall certify to the charter school entity
35 that the annual report has been reviewed and is complete or
36 alternatively, has been reviewed and is missing specific
37 information referenced in the certification.

38 (d) A charter school entity shall form an independent audit
39 committee of its board members which shall review at the close
40 of each fiscal year a complete certified audit of the operations
41 of the charter school entity. The audit shall be conducted by a
42 qualified independent certified public accountant. The audit
43 shall be conducted under generally accepted audit standards of
44 the Governmental Accounting Standards Board and shall include
45 the following:

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

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

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

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

6 (5) Review of the financial statements of any charter school
7 foundation, which shall be included in the independent audit.

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

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

16 (e) The certified audit under subsection (d) and the annual
17 budget under subsection (g) are public documents under the
18 "Right-to-Know Law," and shall be made available on the
19 grantor's publicly accessible Internet website and the charter
20 school entity's publicly accessible Internet website, if
21 applicable.

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

25 (g) A charter school entity shall annually provide the
26 grantor and the department with a copy of the annual budget for
27 the operation of the school that identifies the following:

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

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

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

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

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

44 (2) The charter school foundation shall also make copies of
45 its annual budget available upon request and on the foundation's
46 or the school's publicly accessible Internet website within
47 thirty (30) days of the close of the foundation's fiscal year.

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

50 Section 1.17. Section 1729-A of the act, amended or added
51 June 19, 1997 (P.L.225, No.22), July 4, 2004 (P.L.536, No.70)

1 and July 9, 2008 (P.L.846, No.61), is amended to read:

2 Section 1729-A. Causes for Nonrenewal or Termination.--(a)
3 During the term of the charter or at the end of the term of the
4 charter, the [local board of school directors] grantor may
5 choose to revoke or not to renew the charter based on any of the
6 following:

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

10 (2) Failure to meet the requirements for student performance
11 [set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or
12 subsequent regulations promulgated to replace 22 Pa. Code Ch. 5]
13 assessments or failure to meet any performance standard set
14 forth in the written charter signed pursuant to section 1716-A.

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

17 (4) Violation of provisions of this article.

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

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

22 (a.1) When a charter school located in a school district of
23 the first class is in corrective action status and seeks renewal
24 of its charter, if the governing body of the school district of
25 the first class renews the charter, it may place specific
26 conditions in the charter that require the charter school to
27 meet specific student performance targets within stated periods
28 of time subject to the following:

29 (i) The performance targets and the periods of time in which
30 the performance targets must be met shall be reasonable.

31 (ii) The placement of conditions in a charter as specified
32 in this subsection shall not be considered an adjudication and
33 may not be appealed to the [State Charter School Appeal Board]
34 board.

35 (iii) If the charter school fails to meet the performance
36 targets within the stated period of time, such failure shall be
37 sufficient cause for revocation of the charter.

38 (a.2) In making a determination under subsection (a), a
39 grantor may consider failure to satisfactorily meet the
40 performance standards set forth in the performance matrix
41 developed by the board under section 1721-A(h)(11).

42 (b) [A member of the board of trustees who is convicted of a
43 felony or any crime involving moral turpitude shall be
44 immediately disqualified from serving on the board of trustees.]
45 If, after a hearing under this section, a grantor proves by a
46 preponderance of the evidence that an administrator or board
47 member of a charter school entity has violated this article, the
48 terms and conditions of the charter or any other violation of
49 law, the grantor may require the charter school entity to
50 replace the administrator or board member in order to obtain
51 renewal of the charter. The grantor may refer its findings to

1 the district attorney with jurisdiction or to the Office of
2 Attorney General for prosecution if the grantor discovers or
3 receives information about possible violations of law by any
4 person affiliated with or employed by a charter school entity.

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

27 [(d) Following the appointment and confirmation of the
28 appeal board, but not before July 1, 1999, the charter school
29 may appeal the decision of the local board of school directors
30 to revoke or not renew the charter to the appeal board. The
31 appeal board shall have the exclusive review of a decision not
32 to renew or revoke a charter. The appeal board shall review the
33 record and shall have the discretion to supplement the record if
34 the supplemental information was previously unavailable. The
35 appeal board may consider the charter school plan, annual
36 reports, student performance and employe and community support
37 for the charter school in addition to the record. The appeal
38 board shall give due consideration to the findings of the local
39 board of directors and specifically articulate its reasons for
40 agreeing or disagreeing with those findings in its written
41 decision.

42 (e) If the appeal board determines that the charter should
43 not be revoked or should be renewed, the appeal board shall
44 order the local board of directors to rescind its revocation or
45 nonrenewal decision.

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

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

51 (h) All decisions of the charter school appeal board shall

1 be subject to appellate review by the Commonwealth Court.

2 (i) When a charter is revoked, not renewed, forfeited,
3 surrendered or otherwise ceases to operate, the charter school
4 shall be dissolved. After the disposition of any liabilities and
5 obligations of the charter school, any remaining assets of the
6 charter school, both real and personal, shall be distributed on
7 a proportional basis to the school entities with students
8 enrolled in the charter school for the last full or partial
9 school year of the charter school. In no event shall such school
10 entities or the Commonwealth be liable for any outstanding
11 liabilities or obligations of the charter school.

12 (j) When a charter is revoked or is not renewed, a student
13 who attended the charter school shall apply to another public
14 school in the student's school district of residence. Normal
15 application deadlines will be disregarded under these
16 circumstances. All student records maintained by the charter
17 school shall be forwarded to the student's district of
18 residence.]

19 Section 1.18. Section 1732-A of the act, amended June 29,
20 2002 (P.L.524, No.88), is amended to read:

21 Section 1732-A. Provisions Applicable to Charter Schools.--

22 (a) Charter schools shall be subject to the following:

23 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431, 436,
24 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753,
25 [755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a),
26 1205.3, 1205.4, 1205.5, 1301, 1302, 1303, 1310, 1317, 1317.1,
27 1317.2, 1317.3, 1318, 1327, 1330, 1332, 1303-A, 1513, 1517,
28 1518, 1521, 1523, 1531, 1547, 2014-A, Article XIII-A and Article
29 XIV.

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

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

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

38 (5) Section 4 of the act of January 25, 1966 (1965 P.L.1546,
39 No.541), entitled "An act providing scholarships and providing
40 funds to secure Federal funds for qualified students of the
41 Commonwealth of Pennsylvania who need financial assistance to
42 attend postsecondary institutions of higher learning, making an
43 appropriation, and providing for the administration of this
44 act."

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

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

51 (8) The "Right-to-Know Law," except records of vendors of

1 local agencies shall not be accessible.

2 (9) 65 Pa.C.S. Ch. 7 (relating to open meetings).

3 (10) 65 Pa.C.S. Ch. 11 (relating to ethics standards and
4 financial disclosure).

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

7 [Section 5.216 (relating to ESOL).

8 Section 5.4 (relating to general policies).]

9 (1) Chapter 4 (relating to academic standards and
10 assessments).

11 (2) Chapter 11 (relating to pupil attendance).

12 (3) Chapter 12 (relating to students).

13 (4) Section 32.3 (relating to assurances).

14 (5) Section 121.3 (relating to discrimination prohibited).

15 (6) Section 235.4 (relating to practices).

16 (7) Section 235.8 (relating to civil rights).

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

19 (c) (1) The [secretary] board may promulgate additional
20 regulations relating to charter schools.

21 (2) The secretary shall have the authority and the
22 responsibility to ensure that charter schools comply with
23 Federal laws and regulations governing children with
24 disabilities. The secretary shall promulgate regulations to
25 implement this provision.

26 (3) Grantors may not exercise the power and duties of the
27 department as provided under Federal or State laws or
28 regulations.

29 Section 1.19. The act is amended by adding sections to read:

30 Section 1733-A. Effect on Certain Existing Charter
31 Schools.--(a) A charter school or regional charter school
32 approved by a local board of school directors, a special board
33 of control or a School Reform Commission prior to the effective
34 date of this section shall continue to operate under the current
35 charter. A charter school or regional charter school approved
36 after the effective date of this section shall be in full
37 compliance with this article.

38 (b) Upon expiration of its charter, a charter school or
39 regional charter school approved under section 1717-A or 1718-A
40 shall seek renewal of its charter from its grantor. The charter
41 shall be amended as needed to reflect the requirements of this
42 article. Any renewal that takes effect after June 30, 2013,
43 shall be for the term specified under section 1720-A(a).

44 (c) The following shall apply to transfers of charter:

45 (1) A charter school or regional charter school approved by
46 a local board of school directors, a special board of control or
47 a School Reform Commission prior to the effective date of this
48 section may transfer its charter to the oversight of the board
49 at any time after June 30, 2013.

50 (2) The board of trustees of the charter school or regional
51 charter school may submit the school's current charter and

1 annual reports to the board and request that the board become
2 the grantor of the charter school or regional charter school.
3 The board shall develop the transfer request form and procedures
4 for charter school or regional charter schools to follow.

5 (3) Upon receipt of a transfer request and all necessary
6 documentation as required by the board, the request shall be
7 deemed approved unless, within thirty (30) days of that date,
8 the board schedules a public hearing concerning the transfer
9 request. The transfer shall be presumed approved and may be
10 denied only if the board determines that the charter school or
11 regional charter school would otherwise be subject to revocation
12 or nonrenewal under section 1729-A. The board shall conduct the
13 hearing, present evidence in support of the transfer denial
14 stated in its notice and give the charter school or regional
15 charter school reasonable opportunity to offer testimony before
16 taking final action. If a hearing does occur relating to a
17 school's transfer request, formal action approving or denying
18 the transfer shall be taken by the board at a public meeting
19 under 65 Pa.C.S. Ch. 7 (relating to open meetings) after the
20 public has had thirty (30) days to provide comments to the
21 members of the board.

22 (4) If the board denies the transfer, the following shall
23 apply:

24 (i) The decision may not act as revocation or nonrenewal of
25 the current charter.

26 (ii) The proceedings and board decision related to the
27 transfer may not be used as evidence in any revocation or non-
28 renewal proceedings conducted by an grantor.

29 (5) If the board approves the transfer, the board shall
30 provide notification by certified board resolution to the local
31 board of school directors, the special board of control or the
32 School Reform Commission which initially approved the charter.
33 No later than thirty (30) days after receipt of the certified
34 board resolution, the local board of school directors, the
35 special board of control or the School Reform Commission which
36 initially approved the charter shall transfer to the board all
37 records regarding oversight of the charter school or regional
38 charter school.

39 (6) The school's charter term shall remain in effect until
40 the time of expiration, at which time the board shall undertake
41 a comprehensive review prior to granting a ten (10) year charter
42 renewal.

43 (7) The Commonwealth Court shall have exclusive review of an
44 appeal by a charter school or regional charter school of a
45 decision made by the board to deny a charter transfer.

46 (d) The following apply to merger:

47 (1) A charter school that, prior to the effective date of
48 this section, was approved by a local board of school directors,
49 a special board of control or a School Reform Commission and
50 that chooses to merge into a multiple charter school
51 organization under section 1734-A, may apply to the board to

consolidate all affiliated school charters into a single charter.

(2) Consolidation and merger are restricted as follows:

(i) Except as set forth in subclause (ii), a charter school shall not be eligible to consolidate or merge 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 1721-A(h)(11).

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

(3) The board of trustees of each charter school shall jointly submit their charter school's current charter and annual report to the board and request that the board become the grantor of the multiple charter school organization.

(4) Upon receipt of the consolidation and transfer request and all necessary documentation as required by the board, the board shall have thirty (30) days to approve or deny the consolidation and transfer request by a majority vote. If the board approves the consolidation and transfer, the board shall provide notification by certified board resolution to the local board of school directors, the special board of control or the School Reform Commission which initially approved the charter.

(5) No later than thirty (30) days after the receipt of the certified board resolution, the local board of school directors, the special board of control or the School Reform Commission which initially approved the charter shall transfer to the board all records regarding oversight of the charter school.

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

Section 1734-A. Multiple Charter School Organization.--(a) Establishment shall be as follows:

(1) Subject to the requirements of section 1733-A(d), two or more charter schools may merge or 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;

1 (ii) considered a charter school; and
2 (iii) subject to all of the requirements of this article
3 unless otherwise provided for under this section.

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

8 (b) The board shall develop and issue a standard application
9 form for multiple charter school organization applicants, which
10 shall contain the following information:

11 (1) The identification of the multiple charter school
12 organization.

13 (2) The names of the charter schools seeking merger or
14 consolidation under subsection (a).

15 (3) A copy of the approved charters of each charter school
16 agreeing to merge or consolidate administrative functions with
17 the board under subsection (a).

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

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

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

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

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

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

36 (c) The board shall serve as the grantor of a multiple
37 charter school organization.

38 (d) A multiple charter school organization may:

39 (1) Participate in the assessment systems in the same manner
40 in which a school district participates and its individual
41 charter schools shall participate in the assessment systems in
42 the same manner as individual schools in school districts. All
43 data gathered for purposes of evaluation shall be gathered in a
44 like manner.

45 (2) Add new charter schools to its organization by the
46 application process through the local school board included
47 under section 1717-A.

48 (3) Add existing charter schools to its organization or
49 amend the individual charters of each charter school under its
50 organization by the amendment process included under section
51 1720-A.

1 (4) Allow students enrolled in an individual charter school
2 to matriculate to another individual charter school under its
3 oversight so as to complete a course of instruction in an
4 educational institution from kindergarten through grade 12.

5 (e) The annual report required under section 1728-A shall be
6 provided by the board of trustees and chief administrator of the
7 multiple charter school organization and shall include all
8 information required to provide a basis for evaluation for
9 renewal of each individual charter school under the
10 organization's oversight.

11 (f) A multiple charter school organization shall be regarded
12 as the holder of the charter of each individual charter school
13 under its oversight and each previously or subsequently awarded
14 charter shall be subject to nonrenewal or revocation in
15 accordance with this act. The nonrenewal or revocation shall not
16 affect the status of a charter awarded for any other individual
17 charter school under its oversight.

18 Section 1.20. Sections 1741-A, 1742-A and 1743-A(b), (f),
19 (g) and (h) of the act, added June 29, 2002 (P.L.524, No.88),
20 are amended to read:

21 Section 1741-A. Powers and duties of [department] board.

22 (a) Powers and duties.--The [department] board shall:

23 (1) Receive, review and act on applications for the
24 creation of a cyber charter school and have the power to
25 request further information from applicants, obtain input
26 from interested persons or entities and hold hearings
27 regarding applications.

28 (2) Renew the charter of cyber charter school and renew
29 the charter of a charter school approved under section 1717-A
30 or 1718-A which provides instruction through the Internet or
31 other electronic means. Upon renewal of a charter of a
32 charter school approved under section 1717-A or 1718-A, the
33 charter school shall qualify as a cyber charter school under
34 this subdivision and shall be subject to the provisions of
35 this subdivision.

36 (3) Revoke or deny renewal of a cyber charter school's
37 charter under the provisions of section 1729-A.

38 (i) Notwithstanding the provisions of section 1729-
39 A(i), when the [department] board has revoked or denied
40 renewal of a charter, the cyber charter school shall be
41 dissolved. After the disposition of the liabilities and
42 obligations of the cyber charter school, any remaining
43 assets of the cyber charter school shall be given over to
44 the intermediate unit in which the cyber charter school's
45 administrative office was located for distribution to the
46 school districts in which the students enrolled in the
47 cyber charter school reside at the time of dissolution.

48 (ii) Notwithstanding any laws to the contrary, the
49 [department] board may, after notice and hearing, take
50 immediate action to revoke a charter if:

51 (A) a material component of the student's

1 education as required under this subdivision is not
2 being provided; or
3 (B) the cyber charter school has failed to
4 maintain the financial ability to provide services as
5 required under this subdivision.
6 (4) Execute charters after approval.
7 (5) Develop forms, including the notification form under
8 section 1748-A(b), necessary to carry out the provisions of
9 this subdivision.
10 (b) Hearings.--Hearings conducted by the [department] board
11 shall be conducted under 65 Pa.C.S. Ch. 7 (relating to open
12 meetings).
13 (c) Documents.--Documents of the [appeal] board shall be
14 subject to the act of [June 21, 1957 (P.L.390, No.212), referred
15 to] February 14, 2008 (P.L.6, No.3), known as the Right-to-Know
16 Law.
17 Section 1742-A. Assessment and evaluation.
18 The [department] board shall:
19 (1) Annually assess whether each cyber charter school is
20 meeting the goals of its charter and is in compliance with
21 the provisions of the charter and conduct a comprehensive
22 review prior to granting a [five-year] ten-year renewal of
23 the charter.
24 (2) Annually review each cyber charter school's
25 performance on [the Pennsylvania System of School Assessment
26 test, standardized tests and other performance indicators to
27 ensure compliance with 22 Pa. Code Ch. 4 (relating to
28 academic standards and assessment) or subsequent regulations
29 promulgated to replace 22 Pa. Code Ch. 4] assessments.
30 (3) Have ongoing access to all records, instructional
31 materials and student and staff records of each cyber charter
32 school and to every cyber charter school facility to ensure
33 the cyber charter school is in compliance with its charter
34 and this subdivision.
35 Section 1743-A. Cyber charter school requirements and
36 prohibitions.
37 * * *
38 [(b) Enrollment.--A cyber charter school shall report to the
39 department an increase or a decrease of 30% or more in its
40 anticipated enrollment set forth in the application under
41 section 1747-A(11).]
42 * * *
43 (f) Annual report.--A cyber charter school shall submit an
44 annual report no later than August 1 of each year to the
45 [department] board in the form prescribed by the [department]
46 board.
47 (g) Records and facilities.--A cyber charter school shall
48 provide the [department] board with ongoing access to all
49 records and facilities necessary for the department to assess
50 the cyber charter school in accordance with the provisions of
51 this subdivision.

1 (h) Offices and facilities.--A cyber charter school shall
2 maintain an administrative office within this Commonwealth where
3 all student records shall be maintained at all times and shall
4 provide the [department] board with the addresses of all offices
5 and facilities of the cyber charter school, the ownership
6 thereof and any lease arrangements. The administrative office of
7 the cyber charter school shall be considered as the principal
8 place of business for service of process for any action brought
9 against the cyber charter school or cyber charter school staff
10 members. The cyber charter school shall notify the [department]
11 board of any changes in this information within ten days of the
12 change.

13 * * *

14 Section 1.21. Section 1745-A(d), (e), (f), (g) and (h) of
15 the act, added June 29, 2002 (P.L.524, No.88), are amended and
16 the section is amended by adding a subsection to read:
17 Section 1745-A. Establishment of cyber charter school.

18 * * *

19 (b.1) Local board of school directors or intermediate
20 unit.--The following shall apply to a local board of school
21 directors or intermediate unit:

22 (1) A local board of school directors or an intermediate
23 unit may seek to establish a cyber charter school if it follows
24 the procedures and requirements of this article.

25 (2) Nothing under this article shall be construed to
26 preclude a school district or an intermediate unit seeking to
27 establish a cyber charter school from offering instruction via
28 the Internet or other electronic means, except that the
29 instruction may not be recognized as a cyber charter school
30 under this article.

31 * * *

32 (d) Application.--An application to establish a cyber
33 charter school shall be submitted to the [department] board by
34 October 1 of the school year preceding the school year in which
35 the cyber charter school proposes to commence operation.

36 (e) Grant or denial.--Within 120 days of receipt of an
37 application, the [department] board shall grant or deny the
38 application. The [department] board shall review the application
39 and shall hold at least one public hearing under 65 Pa.C.S. Ch.
40 7 (relating to open meetings). At least 30 days prior to the
41 hearing, the [department] board shall publish in the
42 Pennsylvania Bulletin and on the [department's World Wide Web
43 site] board's publicly accessible Internet website notice of the
44 hearing and the purpose of the application.

45 (f) Evaluation criteria.--

46 (1) A cyber charter school application submitted under
47 this subdivision shall be evaluated by the [department] board
48 based on the following criteria:

49 (i) The demonstrated, sustainable support for the
50 cyber charter school plan by teachers, parents or
51 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] board shall be sent by certified mail to the applicant and published on the [department's World Wide Web site] board's publicly accessible Internet website. If the application is denied, the reasons for denial, including a description of deficiencies in the application, shall be clearly stated in the notice.

(3) Upon approval of a cyber charter school application, a written charter shall be developed which shall contain the provisions of the charter application and be signed by the [secretary] board's chairperson and each member of the board of trustees of the cyber charter school. The charter, when duly signed, shall act as legal authorization of the establishment of a cyber charter school. The charter shall be legally binding on the [department] board, the cyber charter school and its board of trustees. The charter shall be for a period of [no less than three] five years [nor more than five years] and may be renewed for a period of [five] ten years by the [department] board.

(4) The decision of the [department] board to deny an application may be appealed to the [appeal board] Commonwealth Court.

(5) (i) A cyber charter school may request amendments to its approved written charter by filing a written document describing the requested amendment to the board.

(ii) Within 20 days of its receipt of the request for an amendment, the board shall hold a public hearing on the requested amendment under 65 Pa.C.S. Ch. 7 (relating to open meetings).

(iii) Within 20 days after the hearing, the board must grant or deny the requested amendment. Failure by the board to hold a public hearing and to grant or deny the amendments within the time period specified shall be deemed a denial.

(iv) An applicant for an amendment shall have the right to appeal the denial of a requested amendment to the Commonwealth Court.

(g) Denied application.--A cyber charter school applicant may revise and resubmit a denied application to the [department]

1 board. The [department] board shall grant or deny the revised
2 application within 60 days after its receipt.

3 (h) Appeal.--If the [department] board fails to hold the
4 required public hearing or to approve or disapprove the charter,
5 the applicant may file its application as an appeal to the
6 [appeal board. The appeal board shall review the application and
7 make a decision to approve or disapprove the charter based on
8 the criteria in subsection (f)] Commonwealth Court.

9 Section 1.22. Sections 1746-A, 1749-A(a), 1750-A and 1751-A
10 of the act, added June 29, 2002 (P.L.524, No.88), are amended to
11 read:

12 Section 1746-A. [State Charter School Appeal Board review]
13 Cyber charter school appeal.

14 [(a) Jurisdiction.--The appeal board shall have the
15 exclusive review of an appeal by a cyber charter school
16 applicant or by the board of trustees of a cyber charter school
17 on the decisions of the department, including:

18 (1) The denial of an application for a charter.

19 (2) The denial of a renewal of a charter.

20 (3) The revocation of a charter.

21 (4) An appeal under section 1745-A(h).

22 (b) Procedure.--The appeal board shall:

23 (1) Review the decision made by the department under
24 subsection (a) on the record as certified by the department.
25 The secretary shall recuse himself from all cyber charter
26 school appeals and shall not participate in a hearing,
27 deliberation or vote on a cyber charter school appeal. The
28 appeal board may allow the department, the cyber charter
29 school applicant or the board of trustees of a cyber charter
30 school to supplement the record if the supplemental
31 information was previously unavailable.

32 (2) Meet to officially review the certified record no
33 later than 30 days after the date of filing the appeal.

34 (3) Issue a written decision affirming or denying the
35 appeal no later than 60 days following its review.

36 (4) In the case of a decision by the department to deny
37 a cyber charter application, make its decision based on
38 section 1745-A(f)(1). A decision by the appeal board to
39 reverse the decision of the department and grant a charter
40 shall serve as a requirement for the secretary to sign the
41 written charter of the cyber charter school.

42 (5) In the case of a decision by the department to
43 revoke or deny renewal of a cyber school charter in
44 accordance with section 1741-A(a)(3), make its decision based
45 on section 1729-A(a). A decision of the appeal board to
46 reverse the decision of the department to not revoke or deny
47 renewal of a charter shall serve as a requirement of the
48 department to not revoke or to not deny renewal of the
49 charter of the cyber charter school.

50 (c) Stay.--If the department appeals the decision of the
51 appeal board, the appeal board's decision shall be stayed only

1 upon order of the appeal board, the Commonwealth Court or the
2 Pennsylvania Supreme Court.]

3 (d) Review.--All decisions of the [appeal] board shall be
4 subject to appellate review by the Commonwealth Court.

5 Section 1749-A. Applicability of other provisions of this act
6 and of other acts and regulations.

7 (a) General requirements.--Cyber charter schools shall be
8 subject to the following:

9 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431,
10 436, 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741,
11 752, 753, [755,] 771, 776, 777, 808, 809, 810, 1109, 1111,
12 1112(a), 1205.1, 1205.2, 1301, 1302, 1310, 1317, 1317.2,
13 1318, 1327, 1330, 1332, 1303-A, 1513, 1517, 1518, 1521, 1523,
14 1531, 1547, 1702-A, 1703-A, 1714-A, 1715-A, 1716-A, 1719-A,
15 1721-A, 1722-A, 1723-A(a) and (b), 1724-A, 1725-A, 1727-A,
16 1728-A(d), (e), (f), (g) and (h), 1729-A, 1730-A, 1731-A(a)
17 (1) and (b) and 2014-A and Articles XII-A, XIII-A and XIV.

18 (1.1) The act of July 19, 1957 (P.L.1017, No.451), known
19 as the State Adverse Interest Act.

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

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

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

33 (5) The act of July 12, 1972 (P.L.765, No.181) entitled
34 "An act relating to drugs and alcohol and their abuse,
35 providing for projects and programs and grants to educational
36 agencies, other public or private agencies, institutions or
37 organizations."

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

40 (7) The Right-to-Know Law, except records of vendors of
41 local agencies shall not be accessible.

42 (8) 65 Pa.C.S. Ch. 7 (relating to open meetings).

43 (9) 65 Pa.C.S. Ch. 11 (relating to ethics standards and
44 financial disclosure).

45 * * *

46 Section 1750-A. Effect on certain existing cyber charter
47 schools.

48 (a) Determination.--For a charter school approved under
49 section 1717-A or 1718-A which provides instruction through the
50 Internet or other electronic means, prior to August 15, 2002,
51 the department shall determine:

1 (1) whether the charter school is in compliance with
2 this subdivision;

3 (2) whether the charter school has provided notification
4 of the enrollment of each existing student to the school
5 district of residence; and

6 (3) how the charter school plans to comply with section
7 1743-A(d).

8 (b) Notification of compliance.--Prior to August 15, 2002,
9 the department shall:

10 (1) Notify each charter school and the chartering school
11 district of the department's determination under subsection

12 (a). The notification shall include specific requirements
13 with which the charter school has failed to comply.

14 (2) Publish a copy of the notification on the
15 department's World Wide Web site.

16 (c) Charter school requirement.--A charter school subject to
17 the requirements of this section shall, either in writing or
18 electronically, provide the parent or guardian of any student
19 enrolled in the charter school a copy of the department's
20 determination under subsection (b).

21 (d) School districts.--A school district shall not renew the
22 charter of a charter school approved under section 1717-A or
23 1718-A which provides instruction through the Internet or other
24 electronic means or approve a charter for a cyber charter
25 school.

26 [(e) Renewal of charter for certain existing charter
27 schools.--Upon the expiration of its charter, a charter school
28 approved under section 1717-A or 1718-A which provides
29 instruction through the Internet or other electronic means shall
30 seek renewal of its charter from the department under this
31 subdivision. The charter shall be amended as needed to reflect
32 the requirements of this subdivision.]

33 (f) Continued operation.--A cyber charter school approved by
34 the department prior to the effective date of this subsection
35 shall continue to operate under the current charter, except that
36 all oversight shall transfer to the board beginning July 1,
37 2013.

38 (g) Expiration of existing cyber charter school charters.--
39 Upon expiration of its charter, a cyber charter school approved
40 prior to the effective date of this subsection shall seek
41 renewal of its charter from the board under this article. The
42 charter shall be amended as needed to reflect the requirements
43 of this article. All cyber charter schools approved or renewed
44 on or after the effective date of this subsection must be in
45 full compliance with this article.

46 Section 1751-A. Regulations.

47 The [department] board may issue regulations to implement
48 this subdivision.

49 Amend Bill, page 26, lines 15 through 18, by striking out all

1 of said lines and inserting

2 Section 4. The Secretary of Education shall propose
3 regulations for promulgation by the State Board of Education
4 which implement the amendment or addition of the following
5 provisions of the act:

- 6 (1) Section 120.
- 7 (2) Section 2501(26), (31), (32), (33), (34), (35),
8 (36), (37), (38) and (39).
- 9 (3) Section 2509.13.
- 10 (4) Section 2509.14.
- 11 (5) Section 2509.15.
- 12 (6) Section 2509.16.
- 13 (7) Section 2509.17.

14 Section 5. The addition of sections 1732-A(a)(8) and 1749-
15 A(a)(7) of the act shall be retroactive to January 1, 2009.

16 Section 6. This act shall take effect as follows:

17 (1) The amendment or addition of the following
18 provisions of the act shall take effect in 60 days:

- 19 (i) Section 501.
- 20 (ii) Section 1525.
- 21 (iii) Section 1602-B.
- 22 (iv) Section 1613-B(c).
- 23 (v) Section 1703-A.
- 24 (vi) Section 1715-A.
- 25 (vii) Section 1716-A(b.1), (b.2), (b.3), (c), (d)
26 and (e).
- 27 (ix) Section 1717-A.
- 28 (x) Section 1718-A.
- 29 (xi) Section 1719-A.
- 30 (xii) Section 1720-A.
- 31 (xiii) Section 1721-A.
- 32 (xiv) Section 1722-A.
- 33 (xv) Section 1723-A(a) and (d).
- 34 (xvi) Section 1725-A.
- 35 (xvii) Section 1727-A.
- 36 (xviii) Section 1728-A.
- 37 (xix) Section 1729-A.
- 38 (xx) Section 1732-A.
- 39 (xxi) Section 1733-A.
- 40 (xxii) Section 1734-A.
- 41 (xxiii) Section 1741-A.
- 42 (xxiv) Section 1742-A.
- 43 (xxv) Section 1743-A(b), (f), (g) and (h).
- 44 (xxvi) Section 1745-A(b.1), (d), (e), (f), (g) and
45 (h).
- 46 (xxvii) Section 1746-A.
- 47 (xxviii) Section 1749-A(a).
- 48 (xxix) Section 1750-A.
- 49 (xxx) Section 1751-A.

1 (2) The remainder of this act shall take effect
2 immediately.