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REFERRED TO EDUCATION, JUNE 4, 2021

AN ACT

Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," in preliminary provisions, providing for advertising and for mandate waiver program; in pupils and attendance, providing for transfer of attendance records to another school entity or nonpublic school; in terms and courses of study, further providing for agreements with institutions of higher education; in opportunities for educational excellence, further providing for definitions and for concurrent enrollment agreements; in charter schools, further providing for definitions, for powers of charter schools, for charter school requirements and for powers of board of trustees, providing for duties of administrators, further providing for establishment of charter school, establishing the Public Charter School Commission and providing for application process, further providing for regional charter school, for contents of application, for term and form of charter, for State Charter School Appeal Board, for facilities, for enrollment, for school staff and for funding for charter schools, providing for fee prohibition, further providing for tort liability, for causes for nonrenewal or termination, for multiple charter school organizations, for charter school grants, for provisions applicable to charter schools, for powers and duties of department, for cyber charter school requirements and prohibitions, for school district and intermediate unit responsibilities, for establishment of cyber charter school, for State Charter School Appeal Board review and for applicability of other provisions of this act and of other acts and regulations; and, in educational tax credits, further providing for definitions, for qualification and application by organizations, for application by business
firms, for tax credits, for limitations and for opportunity scholarships.

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

Section 1. The act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, is amended by adding sections to read:

Section 129. Advertising.--(a) A paid media advertisement by a public school entity that refers to the cost of tuition or other services, including transportation, computers, Internet or other electronic devices, may not advertise the expenses as free, and any reference to tuition or other services, including transportation, computers, Internet or other electronic device costs, must stipulate that the cost is covered by taxpayer dollars. A paid media advertisement shall include a television, radio or movie theater advertisement, billboard, bus poster, newspaper, magazine, publicly accessible Internet website or any other commercial method that may promote enrollment in a public school entity.

(b) For the purposes of this section, the term "public school entity" shall mean a school district, charter school, cyber charter school, regional charter school, intermediate unit or area career and technical school.

Section 130. Mandate Waiver Program.--(a) Except as otherwise provided in this section, a governing body may adopt a resolution to apply to the department for a waiver of one or more provisions of this act, regulations of the State Board, standards of the secretary, policies or guidance of the department or any other provisions of law permitted to be waived under this section to enable the school entity to improve instructional programs or operate in a more effective, efficient
(b) The application for a waiver shall be submitted in a manner and on a form established by the department. The application may only require an applicant to:

(1) Specify the provisions of this act, regulations of the State Board, standards of the secretary or policies or guidance of the department for which the applicant is seeking a waiver.

(2) Include the reasons why the waiver is being requested.

(3) Provide supporting data or information to explain the benefits expected to be obtained as a result of the waiver.

(c) Each application for waiver must be adopted by a resolution of a governing body at a regularly scheduled meeting of the governing body. Approval from the department shall be required prior to implementing the waiver.

(d) The department, in considering each waiver application:

(1) May not impose additional requirements on the waiver applicant other than the requirements specified in this section.

(2) Shall approve a waiver application that:

(i) Complies with the application process and provides the information required in the application form developed by the department under subsection (b).

(ii) Does not conflict with a provision of Federal law or regulation or other law or regulation that is not permitted to be waived under this section.

(e) The department shall have thirty (30) days from receipt of the waiver application to issue a written approval or disapproval or request modifications to the application. If the department fails to act within the time period, the waiver application shall be deemed to be approved.

(f) The following shall apply:
(1) If the department requests modification to or disapproves the waiver application, the specific reasons for the department's request or disapproval shall be transmitted to the waiver applicant.

(2) If the department denies an application, the response to the applicant shall include an explanation of any provision of law, regulation of the State Board, standard of the secretary or policies or guidance of the department that is not subject to waiver under this section and would be violated if the application were granted.

(3) The waiver applicant may submit a revised application for a waiver in accordance with subsection (c).

(4) A waiver applicant may appeal a disapproval to the secretary pursuant to 2 Pa.C.S. Chs. 5 (relating to practice and procedure) and 7 (relating to judicial review). A waiver applicant may not be required to revise and resubmit the waiver application prior to appealing a disapproval.

(g) A waiver shall remain in effect permanently unless rescinded by the governing body or found by a court of competent jurisdiction to be in violation of subsection (d)(2)(ii).

(h) The following shall not be subject to waiver under this section:

B, XIII-C, XIII-D, XIII-E, XIV, XVII-A and this section.

(2) The following provisions of 22 Pa. Code (relating to education):

Chapter 4 (relating to academic standards and assessment).
Chapter 10 (relating to safe schools).
Chapter 11 (relating to student attendance).
Chapter 12 (relating to students and student services).
Chapter 14 (relating to special education services and programs).
Chapter 15 (relating to protected handicapped students).
Chapter 16 (relating to special education for gifted students).
Chapter 235 (relating to Code of Professional Practice and Conduct for Educators).
Chapter 711 (relating to charter school and cyber charter school services and programs for children with disabilities).

(3) For intermediate units, Article IX-A and 22 Pa. Code Ch. 17 (relating to intermediate units).

(4) For area career and technical schools, Article XVIII and 22 Pa. Code Ch. 339 (related to vocational education).

(i) The department shall maintain and annually update a listing of all approved waiver applications on the department's publicly accessible Internet website. The listing shall include the name of the school entity and the provisions of law, regulation, standard of the secretary or policies or guidance of the department for which waivers were granted.

(j) Nothing in this section shall be construed to supersede or preempt a provision of a collective bargaining agreement in effect on the effective date of this subsection.

(k) As used in this section, the following words and phrases
shall have the meanings given to them in this subsection unless
the context clearly indicates otherwise:

"Department." The Department of Education of the
Commonwealth.

"Governing body." A board of school directors or other
governing authority of a school entity.

"School entity." A school district, charter school, cyber
charter school, regional charter school, area career and
technical school or intermediate unit.

"Secretary." The Secretary of Education of the Commonwealth.

"State Board." The State Board of Education.

"Waiver applicant." A school entity that applies for a
waiver under this section.

Section 1313.2. Transfer of Attendance Records to Another
School Entity or Nonpublic School.--(a) The following shall
apply:

(1) If a student transfers to another school entity or
nonpublic school within this Commonwealth, a copy of the
student's attendance record shall be transmitted to the school
entity or nonpublic school to which the student has transferred.

(2) The school entity or nonpublic school to which the
student has transferred shall request the attendance record.

(3) The sending school entity or nonpublic school shall have
ten (10) days from the receipt of the request to provide a copy
of the student's attendance record.

(b) For a student transferring during the course of a school
term, the student's unexcused absences shall be included in the
student's attendance record at the school entity or nonpublic
school to which the student has transferred for that school
term.
(c) For purposes of this section, the term "school entity" means a school district, charter school, cyber charter school, regional charter school, intermediate unit or area career and technical school.

Section 2. Section 1525 of the act is amended to read:

Section 1525. Agreements with Institutions of Higher Education.--Notwithstanding any other provision of law to the contrary, a school district, charter school, regional charter school, cyber charter school or area career and technical school may enter into an agreement with one or more institutions of higher education approved to operate in this Commonwealth in order to allow [resident] students to attend such institutions of higher education while the [resident] students are enrolled in the school district, charter school, regional charter school, cyber charter school or area career and technical school. The agreement may be structured so that high school students may receive credits toward completion of courses at the school district, charter school, regional charter school, cyber charter school or area career and technical school and at institutions of higher education approved to operate in this Commonwealth.

Section 3. The definitions of "concurrent student" and "school entity" in section 1602-B of the act are amended to read:

Section 1602-B. Definitions.

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

* * *

"Concurrent student." A student who is enrolled in a school district, a charter school, a regional charter school, a cyber
charter school, an area career and technical school, a nonpublic school, a private school or a home education program under section 1327.1 and who takes a concurrent course through a concurrent enrollment program.

* * *

"School entity." A school district, charter school, regional charter school, cyber charter school or an area career and technical school.

* * *

Section 4. Section 1613-B of the act is amended by adding a subsection to read:

Section 1613-B. Concurrent enrollment agreements.

* * *

(c) Charter schools, regional charter schools and cyber charter schools.--Charter schools, regional charter schools and cyber charter schools shall have the power and authority to enter into a concurrent enrollment agreement with an institution of higher education. Appropriate credit shall be awarded to students concurrently enrolled under an agreement under this subsection.

Section 5. Sections 1703-A, 1714-A, 1715-A and 1716-A of the act are amended to read:

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

"Aid ratio" and "market value/income aid ratio" shall be:
(1) the aid ratio and market value/income aid ratio for the school district that granted a charter to the charter school;
(2) for a regional charter school, the aid ratio and market value/income aid ratio shall be a composite, as determined by the department, based on the school districts that granted the charter; or
(3) for a cyber charter school, the aid ratio and market value/income aid ratio shall be that of the school district in which the administrative offices of the cyber charter school are located.

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

"Assessment" shall mean the Pennsylvania System of School Assessment test, the Keystone Exam or another test established or approved by the State board or the General Assembly to meet the requirements of section 2603-B or 2604-B or 22 Pa. Code § 4.51 (relating to State assessment system) or required under the Every Student Succeeds Act (Public Law 114-95, 129 Stat. 1802) or its successor Federal statute.

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

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

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

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

"Charter school foundation" shall mean a nonprofit organization under section 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)), that provides funding, resources or otherwise serves to support a charter school entity.

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

"Commission" shall mean the Public Charter School Commission established under section 1717.1-A.

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

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

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"Educational management service provider" shall mean a nonprofit charter management organization, for-profit education management organization, school design provider or business manager with which a board of trustees of a charter school entity contracts to provide educational design, business services, comprehensive management or personnel functions or to implement the charter. The term shall not include a charter school foundation.

"Family member" shall mean a parent, child, stepchild, spouse, brother or sister.

"Local board of school directors" shall mean the board of directors or other governing authority of a school district in which a proposed or an approved charter school is located.

"Nonrelated" shall mean an individual who is not a family member.

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

"School district of residence" shall mean the school district in this Commonwealth in which the parents or guardians of a child reside, as determined under section 1302 and 22 Pa. Code § 11.11(a)(1) (relating to entitlement of resident children to attend public schools).

"School entity" shall mean a school district, intermediate unit, joint school or area career and technical school.

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

Section 1714-A. Powers of Charter School Entities.--(a) A charter school entity established under this act is a body corporate and shall have all powers necessary or desirable for carrying out its charter, including, but not limited to, the power to:

1. Adopt a name and corporate seal; however, any name selected shall include the words "charter school."
2. Sue and be sued, but only to the same extent and upon the same condition that political subdivisions and local agencies can be sued.
3. Acquire real property from public or private sources by purchase, lease, lease with an option to purchase or gift for use as a charter school entity facility.
4. Receive and disburse funds for charter school entity purposes only.
5. Make contracts and leases for the procurement of services, equipment and supplies.
6. Incur temporary debts in anticipation of the receipt of funds.
6.1 Incur debt for the construction of school facilities.
7. Solicit and accept any gifts or grants for charter school entity purposes.

(b) A charter school entity shall have such other powers as are necessary to fulfill its charter and which are not inconsistent with this article.

(c) Any indebtedness incurred by a charter school entity in the exercise of the powers specified in this section shall not impose any liability or legal obligation upon a school entity or
Section 1715-A. Charter School Entity Requirements.--(a) Charter schools school entities shall be required to comply with the following provisions:

(1) Except as otherwise provided in this article, a charter school entity is exempt from statutory requirements established in this act, from regulations of the State board and the standards of the secretary not specifically applicable to charter school entities. Charter school entities are not exempt from statutes applicable to public schools other than this act.

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

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

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

(5) A charter school shall not provide any religious instruction, nor shall it display religious objects and symbols on the premises of the charter school. The following shall apply:

(i) Subject to subparagraph (ii), a charter school entity may not provide religious instruction and may not display religious objects and symbols on the premises of the charter school.

(ii) It shall not be a violation of this paragraph for a charter school entity to utilize a sectarian facility.
(A) if the charter school entity provides for discrete and separate entrances to buildings utilized for school purposes only;

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

(C) in which the unused portion of the facility or its common areas do not contain religious symbols and objects.

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

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

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

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

(10) [Boards] Charter school entities, boards of trustees and contractors of charter [schools] school entities shall be subject to the following statutory requirements governing construction projects and construction-related work:
(i) The following provisions of this act:
   (A) Sections 751 and 751.1.
   (B) Sections 756 and 757 insofar as they are consistent with
       the act of December 20, 1967 (P.L.869, No.385), known as the
       "Public Works Contractors' Bond Law of 1967."
   (ii) Section 1 of the act of May 1, 1913 (P.L.155, No.104),
       entitled "An act regulating the letting of certain contracts for
       the erection, construction, and alteration of public buildings."
   (iii) The act of August 11, 1961 (P.L.987, No.442), known as
       the "Pennsylvania Prevailing Wage Act."
   (v) The act of March 3, 1978 (P.L.6, No.3), known as the
       "Steel Products Procurement Act."

   [(11) Trustees of a charter school shall be public
       officials.

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

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

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

(2) Full review of expense reimbursements for members of the
board of trustees and administrators, including sampling of each
reimbursement.

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

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

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

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

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

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

(d) A charter school entity shall annually provide the department and, for a charter school or regional charter school, shall annually provide the school district with a copy of the annual budget for the operation of the charter school entity. A charter school entity authorized by the commission under section 1717.2-A shall annually provide the department and the commission with a copy of the annual budget for the operation of the charter school entity. A copy of the annual budget under this subsection shall identify all of the following:

(1) The source of funding for each expenditure.
(2) If funding is provided by a charter school foundation, the amount of funds and a description of the use of the funds.
(3) The salaries of each administrator of the charter school entity.
(4) Each expenditure to an educational management service provider.

(e) The annual budgets under subsection (d) are public documents and shall be made available on the charter school entity's publicly accessible Internet website, if available, and, for a charter school or regional charter school, on the school district's publicly accessible Internet website.

(f) The charter school foundation shall make copies of its annual budget available upon request and on the foundation's or the charter school entity's publicly accessible Internet website within thirty (30) days of the close of the charter school foundation's fiscal year. The annual budget shall include the salaries of each employe of the charter school foundation.

Section 1716-A. Powers and Duties of Board of Trustees.--(a)
The board of trustees of a charter school entity shall have the authority to decide matters related to the operation of the school, including, but not limited to, budgeting, curriculum and operating procedures, subject to the school's charter. The board shall have the authority to employ, discharge and contract with necessary professional and nonprofessional employes subject to the school's charter and the provisions of this article.

(b) No member of a local board of school directors of a school entity shall serve on the board of trustees of a charter school entity that is located in the member's district.

(b.1) (1) An individual may not serve as a voting member of the board of trustees of the charter school or regional charter school if the individual or a family member receives compensation from or is employed by or is a member of the local board of school directors who participated in the initial review, approval, oversight, evaluation or renewal process of the charter school or regional charter school chartered by that board.

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

(b.2) A member of the board of trustees of a charter school entity shall take the oath of office as required under section 321 before entering upon the duties of their office.

(b.3) A member of the board of trustees of a charter school entity shall be considered a public official subject to the provisions of 65 Pa.C.S. Ch. 11 (relating to ethics standards and financial disclosures).

(b.4) A member of the board of trustees of a charter school
entity may not be compensated for duties on the board of trustees.

(b.5) A member of the board of trustees of a charter school entity shall be automatically disqualified and immediately removed from the board of trustees upon conviction for an offense graded as a felony, an infamous crime, an offense pertaining to fraud, theft or mismanagement of public funds, any offense pertaining to the member's official capacity as a member of the board of trustees or any crime involving moral turpitude.

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

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

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

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

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

Section 6. The act is amended by adding a section to read:

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Section 1716.2-A. Duties of Administrators.--(a) An individual who serves as an administrator for a charter school entity shall be considered a public employe subject to the provisions of 65 Pa.C.S. Ch. 11 (relating to ethics standards and financial disclosures).

(b) (1) An administrator for a charter school entity may not receive compensation from another charter school entity or from an educational management service provider, unless:

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

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

(2) A copy of the sworn statement under clause (1)(i) and the resolution by the board of trustees granting the permission under clause (1)(ii) shall be provided to, and kept on file with, the charter school entity and the local board of school directors or, in the case of a cyber charter school, the department or, in the case of a charter school entity authorized under section 1717.2-A, the commission.

(c) An administrator of a charter school entity or family member of the administrator may not serve as a voting member of the board of trustees of the charter school entity that employs the administrator.

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

Section 7. Section 1717-A of the act is amended to read:

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

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

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

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

(ii) More than fifty per centum of the parents or guardians of pupils attending that public school have signed a petition in support of the school becoming a charter school.
(3) In no event shall the board of school directors serve as the board of trustees of an existing school which is converted to a charter school pursuant to this subsection.

(c) An application to establish a charter school shall be submitted to the local board of school directors of the district where the charter school will be located by [November 15 October 1] of the school year preceding the school year in which the charter school will be established except that for a charter school beginning in the 1997-1998 school year, an application must be received by July 15, 1997. In the 1997-1998 school year only, applications shall be limited to recipients of fiscal year 1996-1997 Department of Education charter school planning grants.

(c.1) Notwithstanding subsection (c), an individual under subsection (a) may submit an application for the establishment of a charter school to the commission for consideration under section 1717.2-A.

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

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

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

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

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

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

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

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

(4) A charter application shall be deemed approved by the
local board of school directors of a school district upon
affirmative vote by a majority of all the directors. Formal
action approving or denying the application shall be taken by
the local board of school directors at a public meeting, with
notice or consideration of the application given by the board, under \textit{the "Sunshine Act."} 65 Pa.C.S. Ch. 7.

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

(f) At the option of the charter school applicant, a denied application may be revised and resubmitted to the local board of school directors. Following the appointment and confirmation of the Charter School Appeal Board under section 1721-A, the decision of the local board of school directors may be appealed to the appeal board. When an application is revised and resubmitted to the local board of school directors, the board may schedule additional public hearings on the revised application. The board shall consider the revised and resubmitted application at the first board meeting occurring at least forty-five (45) days after receipt of the revised application by the board. For a revised application resubmitted for the 1997-1998 school year, the board shall consider the application at the first board meeting occurring at least thirty (30) days after its receipt. The board shall provide notice of consideration of the revised application under \textit{the "Sunshine Act."} 65 Pa.C.S. Ch. 7. No appeal from a decision of a local school board may be taken until July 1, 1999.

(g) Notwithstanding the provisions of subsection (e)(5), failure by the local board of directors to hold a public hearing and to grant or deny the application for a charter school within the time periods specified in subsections (d), (e) and (f) shall
permit the applicant for a charter to file its application as an appeal to the appeal board. In such case, the appeal board shall meet within thirty (30) days to review the application and make a decision to grant or deny a charter based on the criteria established in subsection (e)(2)[...]. Within sixty (60) days following the review, Failure by the appeal board to meet the time periods specified under this subsection shall deem the charter application approved.

(h) In the case of a review by the appeal board of an application that is revoked or is not renewed, the appeal board shall make its decision based on the criteria established in subsection (e)(2). A decision by the appeal board under this subsection, subsection (g) or section 1717.2-A(c) to grant, to renew or not to revoke a charter shall serve as a requirement for the commission or local board of directors of a school district or school districts, as appropriate, to sign the written charter of the charter school as provided for in section 1717.2-A or 1720-A. Should the commission or local board of directors fail to grant the application and sign the charter within ten (10) days of notice of reversal of the decision of the commission or local board of directors, the charter shall be deemed to be approved and shall be signed by the chairman of the appeal board.

(i) (1) The appeal board shall have the exclusive review of an appeal by a charter school applicant, or by the board of trustees of an existing charter school, of a decision made by the commission or a local board of directors not to grant a charter as provided in this section or section 1717.2-A.

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

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

(4) Each petition shall have appended thereto the affidavit
of some person, not necessarily a signer, setting forth all of
the following:
(i) That the affiant is a resident of the school district referred to in the petition.

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

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

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

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

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

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

(5) If the required number of signatures are obtained within sixty (60) days of the denial of the application, the applicant may present the petition to the court of common pleas of the county in which the charter school would be situated. The court shall hold a hearing only on the sufficiency of the petition. The applicant and local board of school directors shall be given seven (7) days' notice of the hearing. The court shall issue a decree establishing the sufficiency or insufficiency of the petition. If the petition is sufficient, the decree shall be transmitted to the State Charter School Appeal Board for review in accordance with this section. Notification of the decree shall be given to the applicant and the local board of directors[.] and the appeal board shall give notice of acceptance of the appeal to the applicant within thirty (30) days following receipt of the decree.

(6) In any appeal, the decision made by the commission or local board of directors shall be reviewed by the appeal board.
on the record as certified by the commission or local board of
directors. The appeal board shall give due consideration to the
findings of the commission or local board of directors and
specifically articulate its reasons for agreeing or disagreeing
with those findings in its written decision. The appeal board
shall have the discretion to allow the commission or local board
of directors and the charter school applicant to supplement the
record if the supplemental information was previously
unavailable.

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

(8) Not later than sixty (60) days following the review
conducted pursuant to clause (6), the appeal board shall issue a
written decision affirming or denying the appeal. If the appeal
board has affirmed the decision of the commission or local board
of directors, notice shall be provided to both parties, the
charter school applicant and either the commission or local
board of directors, as appropriate.

(8.1) Failure by the appeal board to satisfy the time
periods specified under clauses (7) and (8) shall deem the
charter application approved, renewed or not revoked.

(9) A decision of the appeal board to reverse the decision
of the commission or local board of directors shall serve as a
requirement for the commission or local board of directors of a
school district or school districts, as appropriate, to grant
the application and sign the written charter of the charter
school as provided for in section 1717.2-A or 1720-A. Should the
commission or local board of directors fail to grant the
application and sign the charter within ten (10) days of notice
of the reversal of the decision of the commission or local board
of directors, the charter shall be deemed to be approved and
shall be signed by the chairman of the appeal board.
(10) All decisions of the appeal board shall be subject to
appeal review by the Commonwealth Court.
(11) In the case of a charter school applicant appealing the
denial of a charter by the commission, clauses (2), (3), (4) and
(5) shall also apply.
Section 7.1. The act is amended by adding sections to read:
Section 1717.1-A. Public Charter School Commission.--(a)
The Public Charter School Commission is established within the
Commonwealth. The purpose of the commission shall be to act as
an authorizer of high-quality public charter schools throughout
this Commonwealth.
(b) The commission shall consist of citizens of this
Commonwealth who shall be appointed as follows:
(1) One (1) member who shall be appointed by the Governor by
and with the consent of a majority of the members of the Senate.
(2) Six (6) members who shall be appointed by the General
Assembly as follows:
(i) The President pro tempore of the Senate shall appoint
two (2) members.
(ii) The Minority Leader of the Senate shall appoint one (1)
member.
(iii) The Speaker of the House of Representatives shall
appoint two (2) members.
(iv) The Minority Leader of the House of Representatives
shall appoint one (1) member.
(3) Members appointed to the commission shall collectively
possess strong experience and expertise in public and nonprofit
governance, management and finance, public school leadership, assessment, curriculum and instruction and public education law.

(c) The following shall apply to terms:

(1) To establish staggered terms of office, the appointment of the Governor, the first appointment of the President pro tempore of the Senate and the first appointment of the Speaker of the House shall serve an initial term of four (4) years.

(2) The appointment of the Minority Leader of the Senate and the Minority Leader of the House of Representatives shall serve an initial term of two (2) years.

(3) All remaining and subsequent appointments shall be for terms of three (3) years.

(4) Initial appointments shall be made no later than thirty (30) days after the effective date of this section. Members may be reappointed, except that no member shall serve more than three (3) consecutive terms.

(d) A member of the commission shall be automatically disqualified and immediately removed from the commission upon conviction for an offense graded as a felony, an infamous crime, an offense pertaining to fraud, theft or mismanagement of public funds, an offense pertaining to the member's official capacity as a member of the commission or a crime involving moral turpitude.

(e) A member of the commission shall be considered a public official subject to 65 Pa.C.S. Ch.11 (relating to ethics standards and financial disclosures).

(f) A member of the commission shall serve without pay except that the member may receive reimbursement for any reasonable and necessary expenses incurred by reason of service on the commission.
(g) If a vacancy occurs on the commission by death, resignation or removal, the original appointing authority shall appoint a qualifying individual to serve as a member of the commission for the balance of the unexpired term.

(h) The following shall apply to operations:

(1) The members of the commission shall annually elect from among the membership one (1) individual to serve as chairperson. For death, resignation or removal of the member selected to be chairperson, another member shall be selected from among the membership to serve as chairperson for the remainder of the annual term.

(2) A majority of the members of the commission, except for a position that may be vacant, shall constitute a quorum sufficient for conducting the business of the commission.

(3) The commission shall meet at the call of the chairperson, or by a request of the majority of the members, and shall comply with 65 Pa.C.S. Ch. 7 (relating to open meetings).

(i) The following shall apply to personnel and resources:

(1) Subject to rules as may be made by the commission, the chairperson shall have the power to appoint, terminate and fix the pay of an executive director and other personnel deemed necessary to fulfill the purpose of the commission.

(2) The chairperson, on behalf of the commission, shall submit an annual budget request to the Governor, the chairperson and minority chairperson of the Appropriations Committee of the Senate and the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives no later than November 1, 2021, and November 1 each year thereafter.

(3) The General Assembly shall consider the budget request
and make an annual appropriation to the commission for the salary and benefits of the executive director and other necessary expenses.

(4) The department shall provide administrative support, office space, meeting space and any other assistance required by the commission to carry out its duties under this section.

(j) The following shall apply:

(1) As an authorizer of charter school entities, the commission shall:

(i) Receive and evaluate applications to ensure the applications meet the requirements under this article and make approval or denial decisions.

(ii) Execute charters, consistent with approved applications, between the commission and charter school entities detailing the rights and responsibilities of the commission and the charter school entity and setting forth the academic and operational performance expectations and measures by which the charter school entity will be judged. The commission may choose to make the approved application the charter.

(2) Monitor on a regular basis the performance of the charter school entities the commission oversees. The commission shall have ongoing access to the records and facilities of the charter school entity to ensure the charter school entity is in compliance with its charter and this act and that requirements for testing, civil rights and student health and safety are being met.

Section 1717.2-A. Application Process.--(a) In reviewing and evaluating charter applications, the commission shall employ procedures, practices and criteria consistent with this article and shall adopt approval criteria by resolution at a public
meeting of the commission pursuant to 65 Pa.C.S. Ch. 7 (relating to open meetings). The application review process shall include thorough evaluation of each written charter application and an opportunity in a public hearing under 65 Pa.C.S. Ch. 7 for local residents to learn about and provide input on each application. At least thirty (30) days prior to the hearing, the commission shall transmit notice of the hearing and the purpose of the application to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin. The commission shall grant the applicant a reasonable time to provide additional materials and amendments to its application to address any identified deficiencies.

(b) In deciding whether to approve charter applications, the commission shall:

(1) Grant charters only to applicants that have demonstrated competence in each element of the commission's published approval criteria and which are likely to open and operate a successful charter school entity.

(2) Base decisions on documented evidence collected through the application review process.

(3) Follow charter-granting policies and practices that are transparent, based on merit and are void of a conflict of interest or an appearance of a conflict of interest.

(c) No later than seventy-five (75) days after the filing of a charter application, the commission shall approve or deny the charter application. The commission shall adopt by resolution each charter approval or denial decision in a public meeting pursuant to 65 Pa.C.S. Ch. 7. Failure to approve or deny the charter within seventy-five (75) days of receiving the charter application shall permit the applicant to file its application.
as an appeal to the appeal board. The appeal board shall review
the application within thirty (30) days of receipt and make a
decision to grant or deny a charter based on the criteria
established under subsection (a) within sixty (60) days
following the review. Failure by the appeal board to meet the
time periods specified under this subsection shall deem the
charter application approved.

(c.1) Upon approval of a charter application under
subsection (c), a written charter shall be developed containing
the provisions of the charter application. This written charter
may not contain any provision requiring a charter school entity
to forfeit the charter school entity's due process rights under
this article to appeal with the appeal board. The written
charter shall be signed by the commission or the chair of the
appeal board in accordance with sections 1717-A(i)(9) or 1746-
A(b)(4) and the charter school entity's board of trustees. The
written charter, when duly signed, shall act as legal
authorization for the establishment of the charter school entity
and shall be legally binding on the commission and the charter
school entity's board of trustees.

(d) An approval decision may include, if appropriate,
reasonable conditions, excluding enrollment caps, that the
charter applicant must meet before a charter may be executed. An
initial charter executed under this subsection shall be for a
period of no less than three (3) years and no more than five (5)
years.

(e) For a charter denial, the commission shall clearly state
in the resolution adopted under subsection (c) the commission's
reasons for denial. A denied applicant may reapply to the
commission or appeal the decision to the appeal board for
consideration under section 1717-A(i) or 1746-A.

(f) Within fifteen (15) days of taking action to approve or
deny a charter application, the commission shall provide a copy
of the resolution adopted under subsection (c) to the
department.

(g) The following shall apply to renewals, revocations and
nonrenewals:

(1) A charter may be renewed for five (5) year periods upon
reauthorization by the commission. Notwithstanding this
paragraph, the commission may renew a charter for a period of
one (1) year based on the performance, demonstrated capacities
and particular circumstances of the applicant. The commission
may grant renewal with specific conditions for necessary
improvements to a charter school renewal applicant, except that
the commission may not impose conditions inconsistent with this
article.

(2) By November 1 of the final year of the charter approved
under subsection (c), a charter school entity seeking renewal
shall submit a renewal application to the commission. The
commission shall approve or deny the renewal application by
resolution at a public meeting by March 31 of the ensuing year.

(3) During the term of the charter or at the end of the term
of the charter, the commission may choose to revoke or not to
renew the charter based on any of the following:

(i) A material violation of a condition, standard or
procedure contained in the charter signed under subsection
(c.1).

(ii) A failure to meet or make progress toward the
performance expectations under 22 Pa. Code Ch. 5 (relating to
curriculum) or subsequent regulations promulgated to replace 22
Pa. Code Ch. 5 or performance standards in an approved charter.

(iii) A failure to meet generally accepted standards of fiscal management or audit requirements.

(iv) A violation of this article.

(v) A violation of a provision of law from which the charter school entity has not been exempted, including Federal laws and regulations governing children with disabilities.

(vi) A conviction of fraud of the charter school entity.

(4) A notice of revocation or nonrenewal of a charter by the commission shall state the grounds for the action with reasonable specificity and give reasonable notice to the governing board of the charter school entity of the date on which a public hearing concerning the revocation or nonrenewal shall be held. The commission shall conduct a hearing, present evidence in support of the grounds for revocation or nonrenewal stated in its notice and give the charter school entity reasonable opportunity to offer testimony before taking final action.

(5) Formal action by the commission to revoke or not renew a charter shall be adopted by resolution at a public meeting under 65 Pa.C.S. Ch. 7 after the public has had at least thirty (30) days to provide comments to the commission.

(6) The commission shall clearly state in the resolution approved under paragraph (5) the commission's reasons to revoke or not renew the charter.

(7) The charter school entity may appeal the decision of the commission to revoke or not renew the charter to the appeal board under section 1729-A(d).

(8) Within fifteen (15) days of taking action to revoke or not to renew a charter, the commission shall provide a copy of
the resolution adopted under paragraph (5) to the department.

(9) If the health or safety of the school's pupils, staff or both is at serious risk, the commission may take immediate action to revoke a charter.

(10) If a charter is revoked, not renewed, forfeited, surrendered or ceases to operate, the charter school entity shall be dissolved. The following shall apply:

(i) After the disposition of liabilities and obligations of the charter school or regional charter school, real and personal remaining assets of the charter school or regional charter school shall be distributed on a proportional basis to the school entities with students enrolled in the charter school or regional charter school for the last full or partial school year of the charter school or regional charter school. A school entity or the Commonwealth may not be liable for an outstanding liability or obligation of the charter school or regional charter school.

(ii) After the disposition of liabilities and obligations of the cyber charter school, any remaining assets of the cyber charter school shall be transferred to the intermediate unit in which the cyber charter school's administrative office was located for distribution to the school districts in which the students enrolled in the cyber charter school reside at the time of dissolution.

Section 8. Sections 1718-A(b) and (c), 1719-A, 1720-A, 1721-A, 1722-A, 1723-A, 1724-A and 1725-A of the act are amended to read:

Section 1718-A. Regional Charter School.—* * *

(b) The commission or 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 members of the commission or
directors of each of the school districts involved. The
applicant shall apply for a charter to the commission or
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.

Section 1719-A. Contents of Application.--An application to
establish a charter school shall include all of the following
information:

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

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

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

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

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

(6) The admission and enrollment policy [and criteria for
evaluating the admission of students] which shall comply with
the requirements of section 1723-A.
(7) Procedures which will be used regarding the suspension or expulsion of pupils. Said procedures shall comply with section 1318.

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

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

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

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

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

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

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

(15) [A report] Reports of criminal history [record, pursuant to section 111] records and employment history reviews, under sections 111 and 111.1, for all individuals who shall have direct contact with students[,] and a plan for satisfying the proper criminal history record clearances and employment history reviews required for all other staff.

(16) An official clearance statement regarding child injury or abuse from the Department of [Public Welfare] Human Services as required by 23 Pa.C.S. Ch. 63 Subch. [C.2 (relating to background checks for employment in schools) for all individuals who shall have direct contact with students.] C (relating to powers and duties of department) and section 111 for all individuals identified in the application who shall have direct contact with students and a plan for satisfying the proper official clearance statement regarding child injury or abuse required for all other staff.

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

Section 1720-A. Term and Form of Charter.--(a) Upon approval of a charter application under section 1717-A, a written charter shall be developed which shall contain the provisions of the charter application and which shall be signed by the local board of school directors [of a school district], by the local boards of school directors [of a school district] in the case of a regional charter school or by the chairman of 20210SB0001PN0839 - 40 -
the appeal board pursuant to section [1717-A(i)(5)] 1717-A(i)(9)
and the board of trustees of the charter school[,] or regional charter school. This written charter may not contain any provision requiring a charter school or regional charter school to forfeit the due process rights of the charter school or regional charter school under this article to appeal with the appeal board. This written charter, when duly signed by the local board of school directors [of a school district], or by the local boards of school directors [of a school district] in the case of a regional charter school or by the chairman of the appeal board, and the charter school's or regional charter school's board of trustees, shall act as legal authorization for the establishment of a charter school or regional charter school. This written charter shall be legally binding on both the local board of school directors [of a school district] and the charter school's or regional charter school's board of trustees. [Except as otherwise provided in subsection (b), the charter shall be for a period of no less than three (3) nor more than five (5) years and may be renewed for five (5) year periods upon reauthorization by the local board of school directors of a school district or the appeal board.] If the charter school or regional charter school contracts with an educational management service provider, a contract shall be executed when the charter is approved. A charter will be granted only for a school organized as a public, nonprofit corporation.

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

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

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

(c) The following shall apply to each charter granted by a
local board of school directors:

(1) An initial charter executed pursuant to subsection (a)
shall be for a period of no less than three (3) years and no
more than five (5) years.

(2) For charter schools and regional charter schools, a
charter may be renewed for five (5) year periods upon
reauthorization by the local board of school directors or the
appeal board.

(d) (1) A charter school or regional charter school shall
submit a renewal application as provided in section 1719-A(a)
with the local board of school directors by November 1 of the
final year of the charter.

(2) The local board of school directors shall vote to renew
or not renew the charter submitted for renewal under paragraph
(1) by March 31 of the ensuing year.

(3) A decision by the appeal board under this section to
renew a charter shall serve as a requirement for the local board
of school directors of a school district or school districts, as
appropriate, to sign the renewal of the charter for a charter
school or regional charter school as provided for in subsection
(a). If the local board of school directors fails to sign the
renewal within ten (10) days of notice, the charter shall be
signed by the chairman of the appeal board.

Section 1721-A. State Charter School Appeal Board.--(a) The
State Charter School Appeal Board shall consist of the Secretary
of Education and six (6) members who shall be appointed by the
Governor by and with the consent of a majority of all the
members of the Senate. Appointments by the Governor shall not
occur prior to January 1, 1999. The Governor shall select the
chairman of the appeal board to serve at the pleasure of the
Governor. The members shall include:

(1) A parent of a school-aged child.
(2) A school board member.
(3) A certified teacher actively employed in a public
school.
(4) A faculty member or administrative employe of an
institution of higher education.
(5) A member of the business community.
(6) A member of the State Board of Education.

The term of office of members of the appeal board, other than
the secretary, shall be for a period of four (4) years or until
a successor is appointed and qualified, except that, of the
initial appointees, the Governor shall designate two (2) members
to serve terms of two (2) years, two (2) members to serve terms
of three (3) years and two (2) members to serve terms of four
(4) years. Any appointment to fill any vacancy shall be for the
period of the unexpired term or until a successor is appointed
and qualified.

(b) The appeal board shall meet as needed to fulfill the
purposes provided in this subsection. A majority of the members of the appeal board shall constitute a quorum, and a majority of the members of the appeal board shall have authority to act upon any matter properly before the appeal board. The appeal board is authorized to establish rules for its operation.

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

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

(e) Meetings of the appeal board shall be conducted under [the act of July 3, 1986 (P.L.388, No.84), known as the
"Sunshine Act."
] 65 Pa.C.S. Ch. 7 (relating to open meetings).

Documents of the appeal board shall be subject to the [act of June 21, 1957 (P.L.390, No.212), referred to as the Right-to-Know Law.
] act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.

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

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

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

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

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

(3) This subsection shall apply retroactively to all charter
[schools, cyber charter schools] school entities and associated nonprofit foundations that filed an appeal from an assessment, as provided in Article V of The General County Assessment Law, prior to the effective date of this subsection.

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

(f) School districts, intermediate units, community colleges and institutions under Article XX-A shall provide a cyber charter school with reasonable access to their facilities for the administration of standardized testing as follows:

(1) A cyber charter school shall provide an intermediate unit, school district, community college or institution under Article XX-A with at least sixty (60) days' notice of the need for facilities to be used for the administration of standardized tests.

(2) Within thirty (30) days of the cyber charter school's request, the intermediate unit, school district, community college or institution under Article XX-A shall notify the cyber charter school of the location of the facilities that will be provided, which shall be a quiet, separate location in which cyber charter school students will not be commingled with students of the intermediate unit, school district, community college or institution under Article XX-A.

(3) An intermediate unit, school district of residence, community college or institution under Article XX-A may not be required to make facilities available to a cyber charter school on dates and at times that may cause undue interference with the educational programs of the intermediate unit, school district, community college or institution under Article XX-A.
(4) A facilities rental fee charged to the cyber charter school and the payment of the fee shall be in compliance with the facility rental policy of the intermediate unit, school district, community college or institution under Article XX-A that applies generally to all organizations and community groups that are given access to their facilities under a rental agreement.

(g) As used in this section, "charter school entity" shall mean a charter school, regional charter school or cyber charter school.

Section 1723-A. [Enrollment] Admission and Enrollment Requirements.--(a) (1) All resident children in this Commonwealth who submit a completed enrollment form in accordance with paragraphs (3) and (4) qualify for admission to a charter school entity within the provisions of subsection (b).

[If] For a charter school or regional charter school, if more students apply to the charter school or regional charter school than the number of attendance slots available in the school, then students must be selected on a random basis from a pool of qualified applicants meeting the established eligibility criteria and submitting an application eligible applicants who have submitted an enrollment form in accordance with paragraphs (3) and (4) by the deadline established by the charter school or regional charter school, except that the charter school or regional charter school may give preference in enrollment to a child of a parent who has actively participated in the development of the charter school or regional charter school to siblings of students presently enrolled in the charter school or regional charter school and to siblings of students selected for enrollment during the lottery process. First
preference shall be given to students who reside in the district or districts in which the charter school is physically located or in which the regional charter school is chartered.

(2) If a charter school or regional charter school has a waiting list following its initial selection of eligible applicants under paragraph (1), the charter school or regional charter school shall select and enroll eligible applicants from the waiting list as spaces become available. Each child shall be assigned to the waiting list on a random basis. When selecting and enrolling eligible applicants from the waiting list, a charter school or regional charter school shall give first preference to students as provided under paragraph (1) and to students who reside in a district in which the charter school is physically located or in which the regional charter school is chartered until the charter school or regional charter school again reaches its maximum capacity of students. If a charter school or regional charter school has a waiting list, once the charter school or regional charter school has exhausted the waiting list of resident children, the charter school or regional charter school may enroll children on the waiting list who reside outside of the district. Nonresident children shall be selected and enrolled on a random basis.

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

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

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

(5) If a student applies to a charter school entity, a charter school entity may not require or request information beyond the contents of the standard enrollment form developed by the department.

(6) Nothing in this subsection shall prohibit a charter school entity from requesting the submission of additional records and information that public schools are entitled to receive after a student is accepted for admission to, and has indicated an intent to enroll in, the charter school entity.

(7) As used in this subsection, "eligible applicant" shall mean a student who is seeking to enter a grade level offered by the charter school entity and meets the requirements of 22 Pa. Code §§ 11.12 (relating to school age), 11.13 (relating to compulsory school age), 11.14 (relating to admission to kindergarten when provided), 11.15 (relating to admission of beginners), 11.16 (relating to early admission of beginners) and 12.1 (relating to free education and attendance) and student residency requirements.

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

(2) A charter school entity may limit admission to a particular grade level, a targeted population group composed of at-risk students or areas of concentration of the school such as mathematics, science or the arts. A charter school may establish reasonable criteria to evaluate prospective students which shall be outlined in the school's charter.

(c) If available classroom space permits, a charter school or regional charter school may enroll nonresident students on a space-available basis, and the student's district of residence shall permit the student to attend the charter school. The terms and conditions of the enrollment shall be outlined in the school's charter.

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

(2) The provisions of this subsection shall apply to a
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 1724-A. School Staff.--(a) The board of trustees shall determine the level of compensation and all terms and conditions of employment of the staff except as may otherwise be provided in this article. At least seventy-five per centum of the professional staff members of a charter school entity shall hold appropriate State certification. Employes of a charter school entity may organize under the act of July 23, 1970 (P.L.563, No.195), known as the "Public Employe Relations Act."

The board of trustees of a charter school entity shall be considered an employer for the purposes of Article XI-A. Upon formation of one or more collective bargaining units at the school, the board of trustees shall bargain with the employes based on the provisions of this article, Article XI-A and the "Public Employe Relations Act." Collective bargaining units at a charter school entity shall be separate from any collective bargaining unit of the school district in which the charter school entity is located and shall be separate from any other collective bargaining unit. A charter school entity shall be considered a school entity as provided for in section 1161-A for the purpose of the secretary seeking an injunction requiring the charter school entity to meet the minimum requirements for instruction as provided for in this article.

(b) Each charter application shall list the general qualifications needed to staff any noncertified positions. Professional employes who do not hold appropriate Pennsylvania certification must present evidence that they:

(i) Meet the qualifications in sections 1109 and 1209.

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Have demonstrated satisfactorily a combination of experience, achievement and qualifications as defined in the charter school entity application in basic skills, general knowledge, professional knowledge and practice and subject matter knowledge in the subject area where an individual will teach.

All employees of a charter school entity shall be enrolled in the Public School Employees' Retirement System in the same manner as set forth in 24 Pa.C.S. § 8301(a) (relating to mandatory and optional membership) unless at the time of the application for the charter school entity the sponsoring district or the board of trustees of the charter school entity has a retirement program which covers the employees or the employee is currently enrolled in another retirement program. The charter school entity shall be considered a public school as defined in 24 Pa.C.S. § 8102 (relating to definitions) and shall make quarterly payments by employers to the Public School Employees' Retirement System and monthly payments on account of Social Security as established under 24 Pa.C.S. Pt. IV (relating to retirement for school employees). Except as otherwise provided, employees of a charter school entity shall make regular member contributions as required for active members under 24 Pa.C.S. Pt. IV. If the employees of the charter school entity participate in another retirement plan, then those employees shall have no concurrent claim on the benefits provided to public school employees under 24 Pa.C.S. Pt. IV. Notwithstanding any other provision of law to the contrary, nothing in this article shall be construed to require the Commonwealth to make payments to charter [schools] school entities or contributions on behalf of charter school entity employees from appropriated funds.
funds, as provided in 24 Pa.C.S. §§ 8326 (relating to contributions by the Commonwealth) and 8535 (relating to payments to school entities by Commonwealth) on account of charter school entity employes enrolled in the Public School Employees' Retirement System and 24 Pa.C.S. § 8329(a) (relating to payments on account of social security deductions from appropriations) on account of Social Security payments made by a charter school entity.

(d) Every employe of a charter school entity shall be provided the same 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 entity to provide the same 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 entity 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.

(e) Any public school employe of a school entity may request a leave of absence for up to five (5) years in order to work in a charter school located in the district of employment or in a regional charter school in which the employing school district is a participant. Approval for a leave shall not be unreasonably withheld.

(f) Temporary professional employes on leave from a school district may accrue tenure in the non-charter public school system at the discretion of the local board of school directors, the same as they would under Article XI if they had continued to

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be employed by that district. Professional employees on leave from a school district shall retain their tenure rights, as defined in Article XI, in the school entity from which they came. No temporary professional employee or professional employee shall have tenure rights as against a charter school. Both temporary professional employees and professional employees shall continue to accrue seniority in the school entity from which they came if they return to that school entity when the leave ends.

(g) Professional employees who hold a first level teaching or administrative certificate may, at their option, have the time completed in satisfactory service in a charter school applied to the length of service requirements for the next level of certification.

(h) (1) Any temporary professional employee or professional employee who leaves employment at a charter school shall have the right to return to a comparable position for which the person is properly certified in the school entity which granted the leave of absence. In the case where a teacher has been dismissed by the charter school, the school entity which granted the leave of absence is to be provided by the charter school with the reasons for such dismissal at the time it occurs, a list of any witnesses who were relied on by the charter school in moving for dismissal, a description of and access to any physical evidence used by the charter school in moving for dismissal and a copy of any record developed at any dismissal proceeding conducted by the charter school. The record of any such hearing may be admissible in a hearing before the school entity which granted the leave of absence. Nothing in this section shall affect the authority of the board of school directors to initiate
proceedings under Article XI if the board determines that occurrences at the charter school leading to dismissal of a teacher constitute adequate and independent grounds for discipline under section 1122.

(2) No temporary employe or professional employe who is leaving employment at a charter school shall be returned to a position in the public school district which granted his leave of absence until such public school district is in receipt of a current criminal history record under sections 111 and 111.1 and the official clearance statement regarding child injury or abuse from the Department of Public Welfare as required by 23 Pa.C.S. Ch. 63 Subch. [C.2 (relating to background checks for employment in schools)] C (relating to powers and duties of department).

(i) All individuals who shall have direct contact with students shall be required to submit a report of criminal history record information as provided for in sections 111 and 111.1 prior to accepting a position with the charter school. This subsection shall also apply to any individual who volunteers to work on a full-time or part-time basis at the charter school entity.

(j) All applicants for a position as a school employe shall be required to submit the official clearance statement regarding child injury or abuse from the Department of Public Welfare as required by 23 Pa.C.S. Ch. 63 Subch. [C.2] C. This section shall also apply to any individual who volunteers to work on a full-time or part-time basis at a charter school.

Section 1725-A. Funding for Charter School Entities.--(a) Funding for a charter school entity shall be provided in the following manner:
(1) There shall be no tuition charge for a resident or nonresident student attending a charter school entity.

(2) For non-special education students, the charter school entity 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 entity 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 entity may request the intermediate unit in which the charter school entity is located to provide services to assist the charter school entity to address the specific needs of exceptional students. The intermediate unit shall assist the charter school entity and bill the charter school for the services. The intermediate unit may not charge
the charter school entity more for any service than it charges
the constituent districts of the intermediate unit.

(5) Payments shall be made to the charter school entity in
twelve (12) equal monthly payments, by the fifth day of each
month, within the operating school year. A student enrolled in a
charter school entity shall be included in the average daily
membership of the student's district of residence for the
purpose of providing basic education funding payments and
special education funding pursuant to Article XXV. If a school
district fails to make a payment to a charter school as
prescribed in this clause, the secretary shall deduct the
estimated amount, as documented by the charter school entity,
from any and all State payments made to the district after
receipt of documentation from the charter school. No later than
October 1 of each year, a charter school entity shall submit to
the school district of residence of each student final
documentation of payment to be made based on the average daily
membership for the students enrolled in the charter school
entity from the school district for the previous school year. If
a school district fails to make payment to the charter school
entity, the secretary shall deduct and pay the amount as
documented by the charter school entity from any and all State
payments made to the district after receipt of documentation
from the charter school entity from the appropriations for the
fiscal year in which the final documentation of payment was
submitted to the school district of residence.

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

(b) The Commonwealth shall provide temporary financial assistance to a school district due to the enrollment of students in a charter school entity who attended a nonpublic school in the prior school year in order to offset the additional costs directly related to the enrollment of those students in a [public] charter school entity. The Commonwealth shall pay the school district of residence of a student enrolled in a nonpublic school in the prior school year who is attending a charter school entity an amount equal to the school district of residence's basic education subsidy for the current school year divided by the district's average daily membership for the prior school year. This payment shall occur only for the first year of the attendance of the student in a charter school entity, starting with school year 1997-1998. Total payments of temporary financial assistance to school districts on behalf of a student enrolling in a charter school entity who attended a nonpublic school in the prior school year shall be limited to funds appropriated for this program in a fiscal year. If the total of the amount needed for all students enrolled in a nonpublic school in the prior school year who enroll in a charter school entity exceeds the appropriation for the temporary financial assistance program, the amount paid to a school district for each qualifying student shall be pro rata reduced. Receipt of funds under this subsection shall not
preclude a school district from applying for a grant under subsection (c).

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

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

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

Section 9. The act is amended by adding a section to read:

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Section 1725.1-A. Fee Prohibition.--Notwithstanding the authority granted under section 1 of the act of April 2, 1925 (P.L.122, No.87), entitled "An act to authorize the Superintendent of Public Instruction to fix and to collect reasonable fees for certain services rendered by that Department," the secretary may not charge a fee for any service or act performed by the department under this article unless otherwise expressly permitted in this article.

Section 10. Sections 1727-A, 1729-A, 1729.1-A(c), (d) and (f) and 1731-A of the act are amended to read:

Section 1727-A. Tort Liability.--For purposes of tort liability, employes of the charter school entity shall be considered public employes and the board of trustees shall be considered the public employer in the same manner as political subdivisions and local agencies. The board of trustees of a charter school entity and the charter school entity shall be solely liable for any and all damages of any kind resulting from any legal challenge involving the operation of a charter school entity. Notwithstanding this requirement, the local board of directors of a school entity, the commission or the department shall not be held liable for any activity or operation related to the program of the charter school entity.

Section 1729-A. Causes for Nonrenewal or Termination.--(a) During the term of the charter or at the end of the term of the charter signed and approved under section 1720-A, the local board of school directors or, for a cyber charter school, the department may choose to revoke or not to renew the charter based on any of the following:

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

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

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

(4) Violation of provisions of this article.

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

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

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

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

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

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

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

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

(d) Following the appointment and confirmation of the appeal board, but not before July 1, 1999, the charter school entity may appeal the decision of the local board of school directors, the commission or the department to revoke or not renew the charter to the appeal board. The appeal board shall have the exclusive review of a decision not to renew or revoke a charter.
The appeal board shall review the record within thirty (30) days of receipt and shall have the discretion to supplement the record if the supplemental information was previously unavailable. The appeal board may consider the charter school entity plan, annual reports, student performance and employe and community support for the charter school in addition to the record. The appeal board shall give due consideration to the findings of the local board of directors, the commission or the department and specifically articulate its reasons for agreeing or disagreeing with those findings in its written decision within sixty (60) days following the review. Failure by the appeal board to meet the time periods specified under this subsection shall deem the charter application renewed or not revoked.

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

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

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

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

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

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

Section 1729.1-A. Multiple Charter School Organizations.--*

* * *

(c) Within ninety (90) days of the effective date of this section, the department shall develop and issue a standard application form that multiple charter school organization applicants must submit to the department and to the commission or the local board of school directors of each school district that granted the initial charter of any charter school included in the proposed consolidation. The application form shall contain the following information:

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

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

(3) A copy of the approved charter of each charter school seeking to consolidate under this section.

(4) An organizational chart clearly presenting the proposed governance structure of the multiple charter school organization, including lines of authority and reporting between

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the board of trustees, chief administrator, administrators, staff and any educational management service provider that will play a role in providing management services to the charter schools under its jurisdiction.

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

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

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

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

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

(d) A multiple charter school organization may:

(1) Participate in the assessment system in the same manner in which a school district participates, with its individual charter schools participating in the assessment system in the same manner as individual schools within school districts. All data gathered for purposes of evaluation shall be gathered in the same manner in which data is gathered in the case of school districts and individual schools within school districts. Nothing in this paragraph shall alter the manner in which charter school performance on assessments is measured as required under the Every Student Succeeds Act (Public Law 114-95, 129 Stat. 1802), or its successor Federal statute.

(2) Add existing charter schools to its organization by
obtaining the approval of the department and [or] the commission or the local board of school directors that granted the initial charter of each charter school proposed to be added under subsection (a)(1).

(3) Allow students enrolled in an individual charter school to matriculate to another individual charter school under its oversight so as to complete a course of instruction in an educational institution from kindergarten through grade twelve or otherwise in the best interests of the student.

* * *

(f) Appeals shall be as follows:

(1) The appeal board shall have the exclusive review of an appeal by an applicant for consolidation, with respect to the rejection of a proposed consolidation by either the department or a school district.

(2) In considering an appeal under this section, the appeal board shall:

(i) Review the decision made by [either] the department, commission or [the] school district on the record as certified by the entity that made the decision being appealed, provided that the appeal board may allow the department, the commission, a school district or the applicant for consolidation to supplement the record if the supplemental information was previously unavailable.

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

(iii) Issue a written decision affirming or denying the appeal no later than sixty (60) days following its review of the certified record.

(iv) Make its decision based on whether the proposed
consolidation satisfies the requirements of subsections (b) and (c).

(3) The secretary shall recuse himself from all appeals of decisions by the department and shall not participate in a hearing, deliberation or vote on any appeal of a decision made by the department.

(4) All decisions of the appeal board shall be subject to appellate review by the Commonwealth Court. In the event of an appeal of a decision by the appeal board to the Commonwealth Court, the decision of the appeal board shall be stayed only upon order of the appeal board, the Commonwealth Court or the Pennsylvania Supreme Court.

* * *

Section 1731-A. Charter School Grants.--(a) The secretary shall allocate grants for planning and start-up funding to eligible applicants under section 1717-A from funds appropriated for the implementation of this act.

(1) Planning grant applications shall be filed on a form and by a date determined by the secretary. The amount of a grant may vary depending on the size and scope of the planning needed by the applicant. The application shall address the manner in which the applicant plans to address the criteria established for charter schools in sections 1715-A and 1717-A.

(2) Start-up funding grant applications shall be filed on a form and by a date determined by the secretary. The applicant for the charter school shall submit its application for a charter when applying for the grant. A grant for start-up funding may vary depending on the size and special characteristics of the charter school. A start-up grant may be used to meet the expenses of the charter school as established
in their charter and as authorized in the provisions of this
article.

(b) The applicant shall include a copy of a letter informing
the local board of school directors of the school district of
the application for the planning grant if the location of the
proposed charter school is known. An applicant receiving a
start-up funding grant shall notify the school district or
districts signing the charter of receipt of this grant.

Section 11. Sections 1732-A, 1741-A, 1743-A, 1744-A, 1745-A
and 1746-A of the act are amended to read:

Section 1732-A. Provisions Applicable to Charter Schools.--
(a) Charter schools shall be subject to the following:
Sections 108, 110, 111, 321, 325, 326, 327, 431, 436, 443,
510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 742, 752, 753,
[755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a), 1301,
1310, 1317, 1317.1, 1317.2, 1318, 1326, 1327, 1327.2, 1329,
1330, 1332, 1333, 1333.1, 1333.2, 1333.3, 1303-A, 1333.4, 1341,
1342, 1343, 1344, 1345, 1513, 1517, 1518, 1521, 1523, 1531,
1547, 2014-A, Article XIII-A and Article XIV.

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

providing for the use of eye protective devices by persons
engaged in hazardous activities or exposed to known dangers in
schools, colleges and universities."

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

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

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

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

- Section 5.216 (relating to ESOL).
- Section 5.4 (relating to general policies).
- Chapter 11 (relating to pupil attendance).
- Chapter 12 (relating to students).
- Section 32.3 (relating to assurances).
- Section 121.3 (relating to discrimination prohibited).
- Section 235.4 (relating to practices).
- Section 235.8 (relating to civil rights).
- Chapter 711 (relating to charter school services and programs for children with disabilities).

(c) (1) The secretary may promulgate additional regulations relating to charter schools.

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

Section 1741-A. Powers and duties of department.

(a) Powers and duties.--The department shall:

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

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

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

(i) Notwithstanding the provisions of section 1717.2-A or 1729-A(i), when the department has revoked or denied renewal of a charter, the cyber charter school shall be dissolved. After the disposition of the liabilities and obligations of the cyber charter school, any remaining assets of the cyber charter school shall be given over to the intermediate unit in which the cyber charter school's administrative office was located for distribution to the school districts in which the students enrolled in the cyber charter school reside at the time of dissolution.

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

(A) a material component of the student's education as required under this subdivision is not
being provided; or

(B) the cyber charter school has failed to maintain the financial ability to provide services as required under this subdivision.

(4) Execute charters after approval.

(5) Develop forms, including the notification form under section 1748-A(b), necessary to carry out the provisions of this subdivision.

(b) Hearings.--Hearings conducted by the department shall be conducted under 65 Pa.C.S. Ch. 7 (relating to open meetings).

(c) Documents.--Documents of the appeal board shall be subject to the act of June 21, 1957 (P.L.390, No.212), referred to as the Right-to-Know Law.

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

(a) Special financial requirements prohibited.--A cyber charter school shall not:

(1) provide discounts to a school district or waive payments under section 1725-A for any student;

(2) except as provided for in subsection (e), provide payments to parents or guardians for the purchase of instructional materials; or

(3) except as compensation for the provision of specific services, enter into agreements to provide funds to a school entity.

(b) Enrollment.--A cyber charter school shall report to the department an increase or a decrease of 30% or more in its anticipated enrollment set forth in the application under section 1747-A(11).
(c) School district.--A cyber charter school shall make
available upon request, either in writing or electronically, to
each student's school district of residence the following:

1. A copy of the charter.
2. A copy of the cyber charter school application.
3. A copy of all annual reports prepared by the cyber
   charter school.
4. A list of all students from that school district
   enrolled in the cyber charter school.

(d) Parent or guardian.--Upon request and prior to the
student's first day in a cyber charter school, the cyber charter
school shall, either in writing or electronically, provide to
the parent or guardian of a student the following:

1. A list and brief description of the courses of
   instruction the student will receive. The list shall be
   updated annually for each grade level in which the student is
   enrolled.
2. A description of the lessons and activities to be
   offered both online and offline.
3. The manner in which attendance will be reported and
   work will be authenticated.
4. A list of all standardized tests the student will be
   required to take during the school year and the place where
   the test will be administered, if available.
5. The meetings to be held during the school year
   between a parent or guardian and a teacher and among other
   school officials or parents or guardians and the manner in
   which the parent or guardian will be notified of the time and
   place for the meeting.
6. The address of the cyber charter school and the
name, telephone number and e-mail address of the school
administrator and other school personnel.

(7) A list of any extracurricular activities provided by
the cyber charter school.

(8) The names of the student's teachers, if available,
and the manner in which each teacher can be contacted by the
student or the parent or guardian.

(9) A list of all services that will be provided to the
student by the cyber charter school.

(10) Copies of policies relating to computer security
and privacy, truancy, absences, discipline and withdrawal or
expulsion of students.

(11) Information on:

(i) The cyber charter school's professional staff,
including the number of staff personnel, their education
level and experience.

(ii) The cyber charter school's performance on the
PSSA and other standardized test scores.

(12) Information regarding the proper usage of equipment
and materials and the process for returning equipment and
materials supplied to the students by the cyber charter
school. A parent or guardian shall acknowledge, either in
writing or electronically, the receipt of this information.

(13) A description of the school calendar, including,
but not limited to, the time frame that will constitute a
school year and a school week, holidays and term breaks.

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

(1) provide all instructional materials[;], which may_
include electronic or digital books in place of textbooks;
(2) provide all equipment, including, but not limited to, a computer, computer monitor and printer, except that a parent or guardian of more than one child who is enrolled in the same cyber charter school may elect not to receive a separate printer for each enrolled child; and

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

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

(f) Annual report.--A cyber charter school shall submit an annual report no later than August 1 of each year to the department in the form prescribed by the department.

(g) Records and facilities.--A cyber charter school shall provide the department with ongoing access to all records and facilities necessary for the department to assess the cyber charter school in accordance with the provisions of this subdivision.

(h) Offices and facilities.--A cyber charter school shall maintain an administrative office within this Commonwealth where all student records shall be maintained at all times and shall provide the department with the addresses of all offices and facilities of the cyber charter school, the ownership thereof and any lease arrangements. The administrative office of the cyber charter school shall be considered as the principal place of business for service of process for any action brought against the cyber charter school or cyber charter school staff members. The cyber charter school shall notify the department of any changes in this information within ten days of the change.
Applicable law.--Any action taken against the cyber charter school, its successors or assigns or its employees, including any cyber charter school staff member as defined in the act of December 12, 1973 (P.L.397, No.141), known as the Professional Educator Discipline Act, shall be governed by the laws of this Commonwealth. If the department initiates an investigation or pursues an action pursuant to the Professional Educator Discipline Act involving any current or former charter school staff member outside this Commonwealth, any reasonable expenses incurred by the department in such investigation or action shall be paid by the cyber charter school which employed that staff member at the time of the alleged misconduct.

Section 1744-A. School district and intermediate unit responsibilities.

An intermediate unit or a school district in which a student enrolled in a cyber charter school resides shall do all of the following:

(1) Provide the cyber charter school within ten days of receipt of the notice of the admission of the student under section 1748-A(a) with all records relating to the student, including transcripts, test scores and a copy of any individualized education program for that student.

(2) Provide the cyber charter school with reasonable access to its facilities for the administration of standardized tests required under this subdivision.

(3) Upon request, provide assistance to the cyber charter school in the delivery of services to a student with disabilities. The school district or intermediate unit shall not charge the cyber charter school more for a service than it charges a school district.
(4) Make payments to the cyber charter school under section 1725-A.

Section 1745-A. Establishment of cyber charter school.

(a) Establishment.--A cyber charter school may be established by an individual; one or more teachers who will teach at the proposed cyber charter school; parents or guardians of students who will enroll in the cyber charter school; a nonsectarian college, university or museum located in this Commonwealth; a nonsectarian corporation not-for-profit as defined in 15 Pa.C.S. § 5103 (relating to definitions); a corporation, association or partnership; or any combination of the foregoing. Section 1327.1 shall not apply to a cyber charter school established under this subdivision.

(b) Sectarian entities.--No cyber charter school shall be established or funded by and no charter shall be granted to a sectarian school, institution or other entity.

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

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

(2) A cyber charter school may be established by a local board of school directors or an intermediate unit if the procedures and requirements of this article are satisfied.

(c) Attendance.--Attendance at a cyber charter school shall satisfy requirements for compulsory attendance.
(d) Application.--An application to establish a cyber charter school shall be submitted to the department by October 1 of the school year preceding the school year in which the cyber charter school proposes to commence operation.

(d.1) Notwithstanding subsection (d), an individual under subsection (a) may submit an application for the establishment of a cyber charter school to the commission for consideration under section 1717.2-A.

(e) Grant or denial.--Within 120 days of receipt of an application, the department shall grant or deny the application. The department shall review the application and shall hold at least one public hearing under 65 Pa.C.S. Ch. 7 (relating to open meetings). At least 30 days prior to the hearing, the department shall publish in the Pennsylvania Bulletin and on the department's World Wide Web site shall transmit notice of the hearing and the purpose of the application to the Legislative Reference Bureau for publication in the Pennsylvania Bulletin and shall publish notice of the hearing and the purpose of the application on the department's publicly accessible Internet website.

(f) Evaluation criteria.--

(1) A cyber charter school application under section 1719-A submitted under this subdivision shall be evaluated by the department based on the following criteria:

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

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

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

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

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

(2) Written notice of the action of the department shall be sent by certified mail to the applicant and published on the department's [World Wide Web site] 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 and each member of the board of trustees of the cyber charter school. This written charter may not contain any provision requiring a cyber charter school to forfeit the cyber charter school's due process rights under this article to appeal with the appeal board. 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, the cyber charter school and its board of trustees. The charter [shall be for a period of no less than three years nor more than five years and may be renewed for a period of five years by the department.] term
shall be as follows:

(i) An initial charter granted under this section shall be for a period of no less than three (3) years and no more than five (5) years.

(ii) For cyber charter schools, a charter may be renewed for five-year (5) periods upon reauthorization by the department.

(4) (i) A cyber charter school shall submit a renewal application with the department by October 1 of the final year of the charter.

(ii) Within 120 days of its receipt of the renewal application, the department shall renew or not renew the charter.

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

(g) Denied application.--A cyber charter school applicant may revise and resubmit a denied application to the department. The department shall grant or deny the revised application within 60 days after its receipt.

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

Section 1746-A. State Charter School Appeal Board review.

(a) Jurisdiction.--The appeal board shall have the exclusive review of an appeal by a cyber charter school applicant or by the board of trustees of a cyber charter school on the decisions of the commission or department, including:
(1) The denial of an application for a charter.
(2) The denial of a renewal of a charter.
(3) The revocation of a charter.
(4) An appeal under section 1717.2-A or 1745-A(h).

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

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

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

(3) Issue a written decision affirming or denying the appeal no later than 60 days following its review. Failure by the appeal board to satisfy the time periods specified under paragraph (2) and this paragraph shall deem the charter application approved, renewed or not revoked.

(4) In the case of a decision by the department to deny a cyber charter application, make its decision based on section 1745-A(f)(1)[1] or in the case of a decision made by the commission to deny a cyber charter application, make its decision based on section 1717.2-A. A decision by the appeal board to reverse the decision of the commission or department and grant a charter shall serve as a requirement for the commission or secretary to sign the written charter of the
cyber charter school. If the commission or the secretary fails to sign the charter within ten (10) days of notice, the charter shall be signed by the chairman of the appeal board.

(5) In the case of a decision by the department to revoke or deny renewal of a cyber school charter in accordance with section 1741-A(a)(3), make its decision based on section 1729-A(a) [.] or in the case of a decision made by the commission to revoke or deny renewal of a cyber charter application, make its decision based on section 1717.2-A. A decision of the appeal board to reverse the decision of the commission or department to not revoke or deny renewal of a charter shall serve as a requirement of the commission or department to not revoke or to not deny renewal of the charter of the cyber charter school.

(c) Stay.--If the commission or department appeals the decision of the appeal board, the appeal board's decision shall be stayed only upon order of the appeal board, the Commonwealth Court or the Pennsylvania Supreme Court.

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

Section 12. Section 1749-A of the act, amended October 29, 2020 (P.L.722, No.84), is amended to read:

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

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

(1) Sections 108, 110, 111, 321, 325, 326, 327, 431, 436, 443, 510, 518, 527, 708, 752, 753, [755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a), 1205.1, 1205.2, 1301, 1302, 1310, 1317.2, 1318, 1326, 1327, 1327.2, 1329, 1330, 20210SB0001PN0839 - 81 -
(2) The act of July 17, 1961 (P.L.776, No.341), known as the Pennsylvania Fair Educational Opportunities Act.

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

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

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


(b) Regulations.--Cyber charter schools shall be subject to the following provisions of 22 Pa. Code (relating to education):

(1) Chapter 4 (relating to academic standards and assessment).

(2) Chapter 11 (relating to pupil attendance).
Chapter 12 (relating to students).
Section 32.3 (relating to assurances).
Section 121.3 (relating to discrimination prohibited).
Section 235.4 (relating to practices).
Section 235.8 (relating to civil rights).
Chapter 711 (relating to charter school services and programs for children with disabilities).

(c) Existing charter schools.--

(1) The charter of a charter school approved under section 1717-A or 1718-A which provides instruction through the Internet or other electronic means shall remain in effect for the duration of the charter and shall be subject to the provisions of Subdivision (b).

(2) In addition to subsections (a) and (b), the following provisions of this subdivision shall apply to a charter school approved under section 1717-A or 1718-A which provides instruction through the Internet or other electronic means:

(i) Section 1743-A(c), (d), (e), (h) and (i).

(ii) Section 1744-A.

(iii) Section 1748-A.

Section 13. The definitions of "economically disadvantaged school" and "school-related fees" in section 2002-B of the act are amended and the section is amended by adding definitions to read:

Section 2002-B. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:
"Economically disadvantaged school." Any school within this Commonwealth at which at least 75% of the students attending the school in the immediately preceding school year received a scholarship of at least $1,000 pursuant to this article.

"Fiscal year." The Commonwealth's fiscal year beginning July 1 and ending June 30.

"School-related fees." Fees charged by a school to all students for books, instructional materials, technology equipment and services, uniforms and activities and concurrent enrollment programs under Article XVI-B.

"Taxable year." A taxpayer's annual accounting period or, if a return is made for a period of less than 12 months, the period for which the return is made.

Section 14. Sections 2003-B(d.3) and 2004-B(a)(2) of the act are amended to read:

Section 2003-B. Qualification and application by organizations.

(d.3) [Opportunity scholarship] Scholarship organization for economically disadvantaged schools.--

(1) [In] Effective July 1, 2021, in addition to the other requirements of this article, [an opportunity] a scholarship organization that intends to provide [opportunity] scholarship awards to applicants of economically disadvantaged schools must demonstrate a history of serving schools throughout this Commonwealth and the
capacity to distribute opportunity scholarships Statewide to applicants of economically disadvantaged schools.

(2) A scholarship organization must agree to distribute opportunity scholarships to applicants of economically disadvantaged schools not later than [December] February 1 of the applicable school year.

(3) Notwithstanding any other provision of this article to the contrary, the department may not for any school year qualify more than one opportunity scholarship organization for the provision of opportunity scholarships to applicants of economically disadvantaged schools.

* * *

Section 2004-B. Application by business firms.

(a) Scholarship organization, pre-kindergarten scholarship organization or opportunity scholarship organization.--

* * *

(2) A business firm that intends to apply to the department for a tax credit for contributions [to the opportunity scholarship organization that qualifies under section 2003-B(d.3)] for students attending an economically disadvantaged school must submit an application separate from an application for tax credits to a scholarship organization, pre-kindergarten scholarship organization or [other] opportunity scholarship organization. The contribution shall be made to the designated scholarship organization for the economically disadvantaged schools and shall be separately accounted for and distributed by the designated scholarship organization.

* * *

Section 15. Section 2005-B(b), (c)(2), (d), (i)(5) and (j)

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(1) and (2) of the act are amended and subsection (i) is amended by adding a paragraph to read:

Section 2005-B. Tax credits.

* * *

(b) Additional amount.--In accordance with section 2006-B, the Department of Revenue shall grant a tax credit of up to 90% of the total amount contributed during the taxable year if the business firm provides a written commitment to provide the scholarship organization, educational improvement organization or opportunity scholarship organization with the same amount of contribution for two consecutive taxable years. The business firm must provide the written commitment under this subsection to the department at the time of application.

(c) Pre-kindergarten scholarship organizations.--In accordance with section 2006-B, the Department of Revenue shall grant a tax credit against any applicable tax to a business firm providing proof of a contribution to a pre-kindergarten scholarship organization in the taxable year in which the contribution is made in accordance with the following:

* * *

(2) For each fiscal year, the tax credit shall not exceed $200,000 annually per business firm for contributions made to pre-kindergarten scholarship organizations, except as provided in subsection (i).

(d) Combination of tax credits.--In accordance with section 2006-B, a business firm may receive tax credits from the Department of Revenue in any fiscal year for any combination of contributions under subsection (a), (a.1), (b) or (c). Except as provided in subsection (i), in no case may a business firm receive tax credits in any fiscal year in

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excess of the following:

(1) $750,000 for combined contributions to scholarship
and educational improvement organizations under subsections
(a) and (b).

(2) $750,000 for contributions to opportunity
scholarship organizations under subsections (a.1) and (b).

(3) $200,000 for contributions to pre-kindergarten
scholarship organizations under subsection (c).

* * *

(i) Temporary increase in maximum tax credits available.--

* * *

(4.1) If all tax credits authorized under this article
for contributions to the category of scholarship
organizations, opportunity scholarship organizations or pre-
kindergarten scholarship organizations have not been awarded
as of November 30 of any fiscal year, then for applications
accepted by the department from December 1 through the end of
the fiscal year, the limitations set forth in subsections
(a), (a.1), (c) and (d) relating to the maximum amount of tax
credits a business firm can receive during a fiscal year for
contributions to each such category of organizations shall
not apply. Under this paragraph, the department may accept
applications under section 2004-B from December 1 through the
end of the fiscal year and shall award tax credits under this
article for contributions to the category of scholarship
organizations, opportunity scholarship organizations or pre-
kindergarten scholarship organizations on a first-come,
first-served basis until all tax credits available for the
fiscal year have been exhausted.

(5) Notwithstanding a temporary increase in maximum tax
credits available under this subsection, the limitations set
forth in subsections (a), (a.1), (c) and (d) relating to the
maximum amount of tax credits a business firm can receive
during a year for contributions to a category of scholarship
organizations, opportunity scholarship organizations or pre-
kindergarten scholarship organizations shall be reinstated
for all applications accepted by the department [on or] after
December 1 June 30 of the fiscal year.

(j) Reallocation of tax credits.--

(1) Beginning on January 1 of any fiscal year, if any
tax credits authorized under this article for contributions
to any of the categories of scholarship organizations,
opportunity scholarship organizations or pre-kindergarten
scholarship organizations remain unawarded, such unawarded
tax credits may be reallocated to any of the categories of
scholarship organizations, opportunity scholarship
organizations or pre-kindergarten scholarship organizations
for which all available tax credits have been awarded. The
department shall, within 10 business days, inform each
business firm on the waiting list maintained by the
department under subsection (h) that tax credits remain
available under another category for which the business firm
has not yet applied. If a business firm notified under this
paragraph elects, the department shall reallocate available
tax credits for award to the business firm in the business
firm's preferred tax credit category, notwithstanding the
limitations contained in section 2006-B(a). [The amount of
tax credits to be awarded to a business firm under this
paragraph shall not exceed the amount of tax credits
available for reallocation or the maximum amount of tax
credits for which a business firm is eligible under subsections (a), (a.1), (c) and (d).] Each business firm shall have 10 business days from the date of the department's notice to elect a reallocation of tax credits under this paragraph. The department shall award tax credits on a first-come, first-served basis.

(2) After the department has awarded tax credits under paragraph (1), the department shall accept new applications for reallocation of tax credits from any of the categories of scholarship organizations, opportunity scholarship organizations or pre-kindergarten scholarship organizations for which tax credits remain available to the applicant's preferred category of scholarship organizations, opportunity scholarship organizations or pre-kindergarten scholarship organizations for which all available tax credits have been awarded, notwithstanding any limitations contained in section 2006-B(a)[. The amount of tax credits to be awarded to a business firm under this paragraph shall not exceed the amount of tax credits available for reallocation or the maximum amount of tax credits for which a business firm is eligible under] or the limitations in subsections (a), (a.1), (c) and (d). The department shall award tax credits on a first-come, first-served basis.

* * *

Section 16. Section 2006-B(a) of the act is amended and the section is amended by adding a subsection to read:

Section 2006-B. Limitations.

(a) Amount.--

(1) The total aggregate amount of all tax credits approved for contributions from business firms to scholarship
organizations, educational improvement organizations and pre-
kindergarten scholarship organizations shall not exceed
$185,000,000 in a fiscal year, or $300,000,000 beginning in
fiscal year 2021-2022.

(i) No less than [$135,000,000] $185,000,000 or
61.66% of the total aggregate amount shall be used to
provide tax credits for contributions from business firms
to scholarship organizations.

(ii) No less than [$37,500,000] $50,000,000 or
16.67% of the total aggregate amount shall be used to
provide tax credits for contributions from business firms
to educational improvement organizations.

(iii) The total aggregate amount of all tax credits
approved for contributions from business firms to pre-
kindergarten scholarship organizations shall not exceed
[$12,500,000] $15,000,000 or 5% in a fiscal year.

(iv) No more than $50,000,000 or 16.67% of the total
aggregate amount shall be used to provide tax credits for
contributions from business firms to increase the
scholarship or pre-kindergarten scholarship by $2,000 or,
in the case of a scholarship for a student attending a
secondary school, by $4,000, for a student attending an
economically disadvantaged school, to the extent that the
total amount of scholarships, pre-kindergarten
scholarships and opportunity scholarships will not exceed
the lesser of $7,500 of the school's tuition.

(2) The total aggregate amount of all tax credits
approved for contributions from business firms to opportunity
scholarship organizations shall not exceed [$55,000,000]
$100,000,000. [in a fiscal year and no less than $5,000,000
of the total aggregate amount shall be used to provide tax
credits for contributions from business firms to increase the
scholarship amount to students attending an economically
disadvantaged school by up to $1,000 more than the amount
provided during the immediately preceding school year.]

(a.1) Increases.--

(1) Beginning in fiscal year 2022-2023, in any fiscal
year in which the total aggregate amount of tax credits
approved under subsection (a)(1) for the prior fiscal year is
equal to or greater than 90% of the total aggregate amount of
tax credits available under subsection (a)(1) for the prior
fiscal year, the total aggregate amount of tax credits
available under subsection (a)(1) shall increase by 25%. The
department shall publish on its publicly accessible Internet
website the total aggregate amount of tax credits available
if the amount is increased under this paragraph.

(2) Beginning in fiscal year 2022-2023, in any fiscal
year in which the total aggregate amount of tax credits
approved under subsection (a)(2) for the prior fiscal year is
equal to or greater than 90% of the total aggregate amount of
tax credits available under subsection (a)(2) for the prior
fiscal year, the total aggregate amount of tax credits
available under subsection (a)(2) shall increase by 25%. The
department shall publish on its publicly accessible Internet
website the total aggregate amount of tax credits available
if the amount is increased under this paragraph.

* * *

Section 17. Section 2009-B(e) and (f)(1) and (5) of the act
are amended to read:

Section 2009-B. Opportunity scholarships.
* * *

(e) Amount.--

(1) [(i) Except as otherwise provided in subparagraph (ii), the] The maximum amount of an opportunity scholarship awarded to an applicant without a disability shall be

[$8,500] $7,500.

[(ii) For a student attending an economically disadvantaged school, the maximum amount of an opportunity scholarship awarded to an applicant without a disability shall be $9,500.]

(2) [(i) Except as otherwise provided in subparagraph (ii), the] The maximum amount of an opportunity scholarship awarded to an applicant with a disability shall be $15,000.

[(ii) For a student attending an economically disadvantaged school, the maximum amount of an opportunity scholarship awarded to an applicant with a disability shall be $16,000.]

(3) In no case shall the combined amount of the opportunity scholarship awarded to a recipient and any additional financial assistance provided to the recipient exceed the tuition rate and school-related fees for the participating public school or participating nonpublic school that the recipient will attend.

(f) Designation, reports and notices.--For purposes of section 2006-B(d.2):

(1) Each school that desires to be designated as an economically disadvantaged school for a school year shall report the following information to the department by the January 1 preceding the applicable school year:

(i) The total number of students who attend the
school as of the date of the report and are the recipients of a scholarship under this article.

(ii) The total number of students attending the school as of the date of the report.

* * *

(5) (i) Each school that has been designated by the department as an economically disadvantaged school for an applicable school year shall notify the department by no later than October 15 of the applicable school year of the following information for each recipient of a scholarship registered to attend the school for the applicable school year:

(A) The recipient's name and address.
(B) The grade of the recipient for the school year with respect to which the scholarship and tuition grant shall be received.
(C) The type and amount of scholarships under this article entitled to educational tax credits that were received by the recipient.
(D) The names and address of the recipient's parents or guardians.
(E) The amount of tuition charged.

(ii) The information submitted in this paragraph shall be provided to the opportunity scholarship organization for economically disadvantaged schools who shall distribute the money in accordance with section 2006-B(d.2).

(iii) Information submitted by a school designated by the department as an economically disadvantaged school
shall remain confidential and shall not be subject to the 
act of February 14, 2008 (P.L.6, No.3), known as the 
Right-to-Know Law. The information can be used for 
administration of the program.

Section 18. This act shall take effect as follows:

(1) This section shall take effect immediately.

(2) The addition of section 129 of the act shall take 
effect in 180 days.

(3) The amendment of sections 1725-A, 2002-B, 2003-B, 
effect July 1, 2021, or immediately, whichever is later.

(4) The remainder of this act shall take effect in 60 
days.