

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 934 Session of 2013

INTRODUCED BY ROEBUCK, DERMODY, HANNA, FRANKEL, STURLA, GOODMAN, FLECK, O'NEILL, LONGIETTI, CARROLL, CLAY, O'BRIEN, MOLCHANY, HARKINS, SANTARSIERO, CONKLIN, PASHINSKI, MUNDY, BARBIN, SCHLOSSBERG, ROZZI, KORTZ, KOTIK, MAHONEY, GAINNEY, HAGGERTY, HARHAI, FABRIZIO, PAINTER, VITALI, BROWNLEE, HALUSKA, MCGEEHAN, READSHAW, COHEN, DEAN, THOMAS, D. COSTA, CALTAGIRONE, MCCARTER, BIZZARRO, P. DALEY AND KULA, MARCH 21, 2013

REFERRED TO COMMITTEE ON EDUCATION, MARCH 21, 2013

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
 2 act relating to the public school system, including certain  
 3 provisions applicable as well to private and parochial  
 4 schools; amending, revising, consolidating and changing the  
 5 laws relating thereto," in professional employees, further  
 6 providing for rating system; in pupils and attendance,  
 7 providing for transfer of records to another school entity or  
 8 nonpublic school; in charter schools, further providing for  
 9 definitions; providing for Charter School Entities Funding  
 10 Advisory Commission and for Office of Charter School  
 11 Entities; further providing for powers of charter schools,  
 12 for charter school requirements and for powers of board of  
 13 trustees; providing for organization of meetings of boards of  
 14 trustees and for duties of administrators; further providing  
 15 for establishment of charter school, for contents of  
 16 application, for term and form of charter, for State Charter  
 17 School Appeal Board, for facilities, for enrollment, for  
 18 school staff and for funding for charter schools; providing  
 19 for actual costs of educational services; further providing  
 20 for transportation, for annual reports and assessments, for  
 21 causes for nonrenewal or termination and for provisions  
 22 applicable to charter schools; providing for charter school  
 23 fund balance limit; further providing for powers and duties  
 24 of department, for assessment and evaluation, for cyber  
 25 charter school requirements and prohibitions, for school  
 26 district and intermediate unit responsibilities, for  
 27 enrollment and notification and for applicability of other  
 28 provisions of this act and of other acts and regulations;

1 providing for cyber charter school fund balance limit; and in  
2 auditing of school finances, further providing for duties of  
3 controller.

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

6 Section 1. Section 1123(e), (i), (n) and (o) (2) of the act  
7 of March 10, 1949 (P.L.30, No.14), known as the Public School  
8 Code of 1949, amended June 30, 2012 (P.L.684, No.82), are  
9 amended to read:

10 Section 1123. Rating System.--\* \* \*

11 (e) Notwithstanding subsections (b), (c) and (d),  
12 professional employes and temporary professional employes  
13 serving as classroom teachers, principals and nonteaching  
14 professional employes may be evaluated through the use of a  
15 rating tool developed by an individual school district,  
16 intermediate unit [or], area vocational-technical school,  
17 charter school or cyber charter school that the department has  
18 approved as meeting or exceeding the measures of effectiveness  
19 established under this section.

20 \* \* \*

21 (i) All school districts, intermediate units [and], area  
22 vocational-technical schools, charter schools and cyber charter  
23 schools shall provide to the department the aggregate results of  
24 all professional employe and temporary professional employe,  
25 principal and nonteaching professional employe evaluations.

26 \* \* \*

27 (n) The requirements of this section shall apply to all  
28 school districts, intermediate units [and], area vocational-  
29 technical schools, charter schools and cyber charter schools.

30 (o) For purposes of this section:

31 \* \* \*

1 (2) The term "chief school administrator" shall include  
2 individuals who are employed as a school district  
3 superintendent, an executive director of an intermediate unit  
4 [or], a chief school administrator of an area vocational-  
5 technical school and a charter school or cyber charter school  
6 chief executive officer.

7 \* \* \*

8 Section 2. The act is amended by adding a section to read:

9 Section 1313.1. Transfer of Records to Another School Entity  
10 or Nonpublic School.--(a) Whenever a student transfers to  
11 another school entity or nonpublic school within this  
12 Commonwealth, a certified copy of the student's attendance  
13 record shall be transmitted to the school entity or nonpublic  
14 school to which the student has transferred. The school entity  
15 or nonpublic school to which the student has transferred shall  
16 request the record. The sending school entity or nonpublic  
17 school shall have ten (10) days from the receipt of the request  
18 to supply a certified copy of the student's attendance record.

19 (b) In the case of a student transferring during the course  
20 of a school term, the student's unexcused absences shall be  
21 included in the student's attendance record at the school entity  
22 or nonpublic school to which the student has transferred for  
23 that school term.

24 (c) For purposes of this section, the term "school entity"  
25 shall mean a public school district, charter school, cyber  
26 charter school, regional charter school, intermediate unit or  
27 area vocational-technical school.

28 Section 3. Section 1703-A of the act, amended June 29, 2002  
29 (P.L.524, No.88), is amended to read:

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

1 "Administrator" shall include the chief administrator of a  
2 charter school entity and all other employes of a charter school  
3 entity who by virtue of their positions exercise management or  
4 operational oversight responsibilities.

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

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

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

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

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

24 "Charter school fund balance limit" shall mean the amount  
25 determined under section 1733-A.

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

30 "Cyber charter school" shall mean an independent public

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

8 "Cyber charter school fund balance limit" shall mean the  
9 amount determined under section 1752-A.

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

12 "Educational service provider" shall mean a for-profit  
13 education management organization, nonprofit charter management  
14 organization, school design provider, business manager or any  
15 other partner entity with which a charter school entity intends  
16 to contract or presently contracts to provide educational  
17 services, operational services or management services to the  
18 charter school entity. An educational service provider does not  
19 include a charter school foundation.

20 "Financial relationship" shall mean any formal or informal  
21 arrangement pursuant to which a charter school entity is  
22 obligated to make payment or in fact does make payment to an  
23 individual, group of individuals or any entity.

24 "Immediate family member" shall mean a spouse, parent,  
25 brother, sister or child and any descendant of these  
26 individuals, including any relationships established by  
27 marriage.

28 "Local [board of school directors] school board" shall mean  
29 the board of directors of a school district in which a proposed  
30 or an approved charter school is located. The term shall include

1 a board of control established under Article XVII-B, a special  
2 board of control established under section 692 or a school  
3 reform commission established under section 696.

4 "Office" shall mean the Office of Charter School Entities  
5 established within the Department of Education.

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

12 "School district of residence" shall mean the school district  
13 in this Commonwealth in which the parents or guardians of a  
14 child reside.

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

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

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

21 Section 4. The act is amended by adding sections to read:

22 Section 1704-A. Charter School Entities Funding Advisory  
23 Commission.--(a) The Governor shall immediately convene a  
24 Statewide advisory commission, to be known as the Charter School  
25 Entities Funding Advisory Commission, to examine the cost and  
26 funding of charter school entities in the public education  
27 system. The commission shall examine how charter school entities  
28 finances affect opportunities for teachers, parents, pupils and  
29 community members to establish and maintain schools that operate  
30 independently from the existing school district structure as a

1 method to accomplish the intent of section 1702-A. The  
2 commission shall also examine how the financing of charter  
3 school entities affects the finances of existing school  
4 districts and educational opportunities for students in existing  
5 school districts. The commission shall also receive input and  
6 gather information on charter school entities funding  
7 reimbursements regarding eligible students. The Office of the  
8 Budget and the department shall provide administrative support,  
9 meeting space and any other assistance required by the  
10 commission to carry out its duties under this section.

11 (b) The commission shall consist of the following members:

12 (1) One member of the Senate appointed by the Majority  
13 Leader of the Senate.

14 (2) One member of the Senate appointed by the Minority  
15 Leader of the Senate.

16 (3) One member of the House of Representatives appointed by  
17 the Majority Leader of the House of Representatives.

18 (4) One member of the House of Representatives appointed by  
19 the Minority Leader of the House of Representatives.

20 (5) The secretary or a designee.

21 (6) The chairman of the State board or a designee.

22 (7) One member who shall represent charter schools, who  
23 shall be appointed by the Pennsylvania Coalition of Public  
24 Charter Schools.

25 (8) One member who shall represent regional charter schools,  
26 who shall be appointed by the Pennsylvania Coalition of Public  
27 Charter Schools.

28 (9) One member who shall represent cyber charter schools,  
29 who shall be appointed by the Pennsylvania Coalition of Public  
30 Charter Schools.

1 (10) One member who shall represent teachers in a public  
2 school that is not a charter school entity, who shall be  
3 appointed by the American Federation of Teachers --  
4 Pennsylvania.

5 (11) One member who shall represent teachers in a public  
6 school that is not a charter school entity, who shall be  
7 appointed by the Pennsylvania State Education Association.

8 (12) One member who shall represent school administrators,  
9 who shall be appointed by the Pennsylvania Association of School  
10 Administrators.

11 (13) One member who shall represent school board members,  
12 who shall be appointed by the Pennsylvania School Boards  
13 Association.

14 (14) One member who shall be a business manager of a school  
15 district, who shall be appointed by the Pennsylvania Association  
16 of School Business Officials.

17 (15) One member who shall represent an institution of higher  
18 education with experience in operating a charter school entity,  
19 who shall be appointed by the Pennsylvania Association of  
20 Colleges and Universities.

21 (c) Members of the commission shall be appointed within  
22 twenty (20) days of the effective date of this section. Any  
23 vacancy on the commission shall be filled by the original  
24 appointing authority. The commission shall select a chairman and  
25 vice chairman from among its membership at an organizational  
26 meeting. The organizational meeting shall take place not later  
27 than thirty (30) days following the effective date of this  
28 section.

29 (d) The commission shall hold meetings at the call of the  
30 chairman. The commission may also hold public hearings on the

1 matters to be considered by the commission at locations  
2 throughout this commonwealth. All meetings and public hearings  
3 of the commission shall be deemed public meetings for the  
4 purpose of 65 Pa.C.S. Ch. 7 (relating to open meetings). Eight  
5 (8) members of the commission shall constitute a quorum at any  
6 meeting. Each member of the commission may designate another  
7 person to represent that member at meetings of the commission.

8 (e) Commission members shall receive no compensation for  
9 their services but shall be reimbursed for all necessary travel  
10 and other reasonable expenses incurred in connection with the  
11 performance of their duties as members. Whenever possible, the  
12 commission shall utilize the services and expertise of existing  
13 personnel and staff of State government. The department may  
14 utilize undistributed funds not expended, encumbered or  
15 committed from appropriations for grants and subsidies made to  
16 the department, not to exceed three hundred thousand dollars  
17 (\$300,000), to carry out this section.

18 (f) The commission shall have the following powers and  
19 duties:

20 (1) Meet with current charter school entity operators within  
21 this Commonwealth, including cyber charter schools with blended  
22 programs.

23 (2) Meet with public education organizations, including, but  
24 not limited to, the Pennsylvania School Boards Association, the  
25 Pennsylvania Association of School Business Officials, the  
26 Pennsylvania State Education Association and the American  
27 Federation of Teachers - Pennsylvania.

28 (3) Review charter school entity financing laws in operation  
29 throughout the United States.

30 (4) Determine the per-pupil cost of charter school entities

1 in terms of their instructional expenditures, noninstructional  
2 student services expenditures, special education expenditures  
3 and administrative expenditures based on these expenditures in  
4 existing charter school entities in this Commonwealth and in  
5 other states and on existing research on the costs of providing  
6 an adequate education to students enrolled in charter school  
7 entities.

8 (5) Review the process by which charter school entities are  
9 funded under section 1725-A, including review of those budget  
10 expenditures of a school district that should be excluded from  
11 funding that a school district shall provide to a charter school  
12 entity for a student enrolling in a charter school entity.

13 (6) Evaluate and make recommendations on the following:

14 (i) Powers and duties extended to charter school entities as  
15 they relate to financing.

16 (ii) Funding formulas for charter school entities, including  
17 reimbursement procedures and funding under Title I of the  
18 Elementary and Secondary Education Act of 1965 (Public Law 89-  
19 10, 20 U.S.C. § 6301 et seq.).

20 (iii) The process by which charter school entities are  
21 funded under section 1725-A, including what budget expenditures  
22 of a school district should be excluded from funding that a  
23 school district shall provide to a charter school entity for a  
24 student enrolling in a charter school entity.

25 (iv) Student residency as it relates to funding.

26 (v) Special education funding reimbursements and other  
27 special program funding.

28 (vi) Charter school entity transportation.

29 (vii) Charter school entity eligibility to receive grants  
30 and funding.

1 (7) The commission shall, not later than September 30, 2013,  
2 issue a report of its findings and recommendations to the  
3 Governor, the President pro tempore of the Senate, the Minority  
4 Leader of the Senate, the chairman and minority chairman of the  
5 Appropriations Committee of the Senate, the chairman and  
6 minority chairman of the Education Committee of the Senate, the  
7 Speaker of the House of Representatives, the Minority Leader of  
8 the House of Representatives, the chairman and minority chairman  
9 of the Appropriations Committee of the House of Representatives  
10 and the chairman and minority chairman of the Education  
11 Committee of the House of Representatives.

12 Section 1705-A. Office of Charter School Entities.--(a) The  
13 department shall establish an Office of Charter School Entities  
14 within one hundred twenty (120) days of the effective date of  
15 this section. The office shall report directly to the secretary.  
16 The office shall be responsible for:

17 (1) Implementing the provisions of this article.

18 (2) Overseeing the performance and effectiveness of all  
19 charter school entities under subsection (b).

20 (3) Collecting, developing and disseminating information,  
21 policies, strategies and best practices for the effective  
22 management and operation of charter school entities.

23 (4) Identifying model charter school entity applications and  
24 providing best practices.

25 (5) Organizing and providing mandatory training for members  
26 of the board of trustees and chief administrators of a charter  
27 school entity. The training shall be paid for exclusively by the  
28 charter school entity. The following apply:

29 (i) A person who serves as a member of a charter school  
30 entity board of trustees or as a chief administrator shall be

1 required to complete a minimum of eight (8) hours of continuing  
2 education annually in coursework directly related to his  
3 position in a charter school entity.

4 (ii) Continuing education training shall be provided by an  
5 eligible provider selected by the office. Training topics that  
6 may be provided include:

7 (A) Charter school best practices.

8 (B) Overview of charter school law, including special  
9 education topics.

10 (C) Role of the board of trustees and administrators.

11 (D) Audits and financing.

12 (E) The act of July 19, 1957 (P.L.1017, No.451), known as  
13 the "State Adverse Interest Act."

14 (F) The act of February 14, 2008 (P.L.6, No.3), known as the  
15 "Right-to-Know Law."

16 (G) 15 Pa.C.S. Pt. II Subpt. C (relating to nonprofit  
17 corporations).

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

19 (I) 65 Pa.C.S. Ch. 11 (relating to ethics standards and  
20 financial disclosure).

21 (iii) The charter school entity shall annually certify to  
22 the office on a form developed by the office for this purpose  
23 and supported by submitted documentary evidence that each member  
24 of the charter school entities board of trustees and chief  
25 administrator have completed the minimum hours of continuing  
26 education as required under this section. The charter school  
27 entity shall also include this certification in its annual  
28 report and publish the same on its Internet website.

29 (6) The development and issuance of standardized forms that  
30 shall be used by all applicants, local school boards, charter

1 school entities and student applicants as required under  
2 sections 1717-A, 1719-A, 1723-A, 1728-A, 1731-A, 1747-A and  
3 1748-A.

4 (7) Directing all charter school entities to submit an  
5 annual report to the office not later than September 1 of each  
6 year and to publish the same on the department's Internet  
7 website on an annual basis.

8 (8) Providing administrative support for the appeal board.

9 (b) The office shall have the following powers and duties:

10 (1) To conduct a special review of a local school board or  
11 charter school entity in the event of persistently  
12 unsatisfactory performance of a local school board's portfolio  
13 of charter schools, a pattern of well-founded complaints about a  
14 local school board or its charter schools or other objective  
15 circumstances, and take any appropriate action authorized under  
16 this article.

17 (2) To investigate fraud, waste, mismanagement and  
18 misconduct in the operation of a local school board or charter  
19 school entity, including any of the following:

20 (i) Misuse of movable and immovable property.

21 (ii) Evidence of a pattern of wasteful spending or  
22 misappropriation of funds by board of trustee members,  
23 administrators or staff.

24 (iii) Mismanagement of school operations.

25 (iv) Waste or abuse of things of value belonging to State or  
26 local government.

27 (v) Allegations of collusion or coercion.

28 (3) To receive complaints of fraud, waste, mismanagement,  
29 misconduct or persistently unsatisfactory academic performance  
30 by a local school board or charter school entity.

1 (4) To receive and investigate a complaint from any parent  
2 who has a student enrolled in a charter school entity regarding  
3 a member of the board of trustees who refuses or neglects to  
4 perform any duty imposed upon the member under this article or  
5 has violated any requirement established under this article or  
6 has committed misfeasance or malfeasance while in office as a  
7 trustee.

8 (5) To notify the local school board or charter school  
9 entity in writing if at any time the office finds that a local  
10 school board or charter school entity is not in compliance with  
11 an existing charter contract or the requirements of this act and  
12 to allow the local school board or charter school entity to have  
13 reasonable opportunity to respond and comply.

14 (6) If the local school board or charter school entity fails  
15 to comply with the direction given pursuant to this subsection,  
16 to notify the secretary, who shall have the authority to  
17 withhold payment of all funds to the local school board or  
18 charter school entity or order school districts not to make any  
19 payments to the charter school entity until the secretary  
20 determines that the charter school entity has complied with the  
21 direction given pursuant to this subsection. If the secretary  
22 withholds payment of the subsidy to a local school board based  
23 on the actions of that board, the local board shall not  
24 intentionally withhold payment of per pupil allocation payments  
25 to a charter school entity unless directed by the secretary.

26 (7) To refer findings to the district attorney with  
27 jurisdiction or to the Office of Attorney General or to any  
28 other appropriate law enforcement agency for prosecution if the  
29 office discovers or receives information about possible  
30 violations of law by any person affiliated with or employed by a

1 local school board or charter school entity.

2 Section 5. Section 1714-A(a) introductory paragraph and (5)  
3 of the act, amended July 4, 2004 (P.L.536, No.70), are amended  
4 to read:

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

9 \* \* \*

10 (5) Make contracts and leases for the procurement of  
11 services, equipment and supplies[.], subject to the following:

12 (i) No contract or lease entered into by a charter school  
13 entity for an amount greater than one hundred dollars (\$100) may  
14 provide for a payment in excess of the fair market value of the  
15 services, equipment, supplies or other property being acquired  
16 or leased.

17 (ii) A charter school entity may not enter into or continue  
18 operating under a contract for management, operations or  
19 educational services that involve the charter school entity  
20 providing a percentage of the charter school entity's revenues  
21 to the educational service provider.

22 (iii) No contract entered into by a charter school entity  
23 shall have a term that extends beyond the charter school  
24 entity's existing charter agreement with a local school board or  
25 the department.

26 \* \* \*

27 Section 6. Section 1715-A(11) and (12) of the act, amended  
28 or added June 19, 1997 (P.L.225, No.22) and July 9, 2008  
29 (P.L.846, No.61), are amended to read:

30 Section 1715-A. Charter School Requirements.--Charter

1 schools shall be required to comply with the following  
2 provisions:

3 \* \* \*

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

6 (12) A person who serves as an administrator for a charter  
7 school shall not receive compensation from another charter  
8 school or from a company that provides management or other  
9 services to another charter school. The term "administrator"  
10 shall include the chief executive officer of a charter school  
11 and all other employees of a charter school who by virtue of  
12 their positions exercise management or operational oversight  
13 responsibilities. A person who serves as an administrator for a  
14 charter school shall be a public official under 65 Pa.C.S. Ch.  
15 11 (relating to ethics standards and financial disclosure). A  
16 violation of this clause shall constitute a violation of 65  
17 Pa.C.S. § 1103(a) (relating to restricted activities), and the  
18 violator shall be subject to the penalties imposed under the  
19 jurisdiction of the State Ethics Commission.]

20 (11) The board of trustees of a charter school entity must  
21 record in written format the minutes of each meeting of the  
22 board at which any business of the charter school entity is  
23 considered or transacted. All meeting minutes must be maintained  
24 by a charter school entity for at least seven (7) years.

25 (12) The board minutes of the trustees of a charter school  
26 entity must reflect the board's approval or disapproval of all  
27 contracts, agreements and obligations in excess of one hundred  
28 dollars (\$100), including how each member voted on the contract,  
29 agreement or obligation.

30 (13) The board minutes of the trustees of a charter school

1 entity must reflect the board's approval of an annual budget,  
2 including how each member voted on the budget.

3 (14) An individual who is a trustee of a charter school  
4 entity shall not serve as a trustee at any other charter school  
5 entity.

6 (15) An individual who is a trustee of a charter school  
7 entity shall not serve as an employe of any other charter school  
8 entity.

9 (16) An individual who is a trustee of a charter school  
10 entity shall not have a financial relationship with an entity  
11 with which the charter school entity transacts any business,  
12 including educational service providers.

13 (17) Members of the board of trustees and administrators of  
14 a charter school entity shall be deemed to be public officials  
15 and subject to the provisions of 65 Pa.C.S. Chs. 7 (relating to  
16 open meetings) and 11 (relating to ethics standards and  
17 financial disclosure).

18 (18) Members of the board of trustees and administrators of  
19 a charter school entity shall be subject to the following  
20 statutory requirements:

21 (i) The act of July 19, 1957 (P.L.1017, No.451), known as  
22 the "State Adverse Interest Act."

23 (ii) The act of February 14, 2008 (P.L.6, No.3), known as  
24 the "Right-to-Know Law."

25 (19) Notwithstanding section 322, an administrator,  
26 supervisor, principal, teacher or employe of a charter school  
27 entity shall not serve on a local school board which granted or  
28 renewed its charter. This clause shall not prevent any  
29 administrator, supervisor, teacher or employe of any charter  
30 school entity from being a school director in a district other

1 than a district that granted the charter school entity's  
2 charter.

3 (20) All members of the board of trustees and administrators  
4 of a charter school entity shall take the oath of office as  
5 required by section 321 before entering upon the duties of the  
6 office.

7 (21) All payments made by a charter school entity shall be  
8 cosigned by the treasurer of the board of trustees and the chief  
9 administrator of the charter school entity.

10 (22) Within ten (10) days of the execution of an agreement  
11 between a charter school entity and any educational service  
12 provider, the board of trustees shall publish on the charter  
13 school entity's publicly accessible Internet website all of the  
14 following:

15 (i) a copy of the executed agreement;

16 (ii) a plain language explanation of all costs and fees  
17 associated with the agreement;

18 (iii) a description of all financial relationships between  
19 the charter school entity and the educational service provider  
20 or any of its board members or employees;

21 (iv) the educational service provider's status as a for-  
22 profit or nonprofit organization; and

23 (v) if the educational service provider is a for-profit  
24 organization, a plain language explanation of how any profit  
25 will be determined and distributed between the charter school  
26 and the educational service provider.

27 Section 7. Section 1716-A of the act, added June 19, 1997  
28 (P.L.225, No.22), is amended to read:

29 Section 1716-A. [Powers of] Board of Trustees.--(a) The  
30 board of trustees of a charter school entity shall have the

1 authority to decide matters related to the operation of the  
2 school, including, but not limited to, budgeting, curriculum and  
3 operating procedures, subject to the school's charter. [The  
4 board]

5 (a.1) The board of trustees shall have the authority to  
6 employ, discharge and contract with necessary professional and  
7 nonprofessional employees subject to the school's charter and the  
8 provisions of this [article.] act. The board of trustees, only  
9 with written permission of the department, may contract with  
10 educators who are not employes of the charter school entity to  
11 serve as teaching staff, provided that no more than five per  
12 centum of the teaching staff of a charter school entity shall be  
13 contracted out, except that a charter school entity may, upon  
14 written permission of the department, contract for teaching  
15 staff in specialized subjects above the five per centum limit.

16 (a.2) The board of trustees of a charter school entity shall  
17 have a minimum of five (5) voting members. If a charter school  
18 entity has fewer than five (5) voting members serving on its  
19 board as of the effective date of this subsection, the charter  
20 school entity shall have sixty (60) days to appoint additional  
21 members to the board to meet the minimum requirements of this  
22 section.

23 (b) The following shall apply to all members of the board of  
24 trustees of a charter school:

25 (1) No member of a local school board [of school directors]  
26 of a school entity shall serve on the board of trustees of a  
27 charter school that is located in the member's district.

28 (2) No administrator or member of a local school board which  
29 granted or renewed a charter shall serve on the board of  
30 trustees of a charter school that is the subject of the granted

1 or renewed charter.

2 (3) No member of the board of trustees shall be employed in  
3 any capacity or have any financial relationship with the local  
4 school board from which the charter school received its charter.  
5 No member of the board of trustees of a cyber charter school  
6 shall be employed in any capacity or have any financial  
7 relationship with the department.

8 (4) No member of the board of trustees or a member of the  
9 immediate family of the member of the board of trustees shall be  
10 employed by the charter school entity or have a financial  
11 relationship with the charter school entity, nor be employed by  
12 any entity that has a financial relationship with the charter  
13 school entity or any related or associated foundation unless the  
14 charter school or cyber charter school complies with the  
15 requirements of 65 Pa.C.S. § 1103(f) (relating to restricted  
16 activities).

17 (5) No member of the board of trustees or a member of the  
18 immediate family of the member of the board of trustees shall be  
19 employed by or have a financial relationship with an educational  
20 service provider which is under contract with the charter school  
21 entity or any related or associated foundation.

22 (6) A member of the board of trustees shall disqualify  
23 himself and abstain from voting in a proceeding which  
24 constitutes a conflict of interest or where the objectivity,  
25 impartiality, integrity or independence of judgment of the  
26 member may be reasonably questioned.

27 (7) A member of the board of trustees shall be automatically  
28 disqualified from serving on the board upon conviction for an  
29 offense graded as a felony, an infamous crime or any offense  
30 pertaining to the member's official capacity as a board member

1 or any crime involving moral turpitude.

2 (8) No member of the board of trustees, employe or  
3 administrator of a charter school entity shall convert to his  
4 own use or use by way of investment or contract any portion of  
5 the charter school entity's funds or school property or deposit  
6 any of the funds of the charter school entity in any other name.

7 (9) No business entity, including for-profit and nonprofit  
8 entities with which a member of the board of trustees, an  
9 administrator or a member of the immediate family of the member  
10 of the board of trustees or administrator is associated shall  
11 contract with the charter school entity unless the charter  
12 school complies with the requirements of 65 Pa.C.S. § 1103(f).

13 (10) No member of the board of trustees or a member of the  
14 immediate family of the member of the board of trustees shall  
15 act as an agent for any vendor or subvendor for goods or  
16 services with the local school board or charter school entity.

17 (11) No member of the board of trustees shall commingle or  
18 allow the commingling of any portion of the charter school  
19 entity's funds or property or deposit any of the funds of the  
20 charter school entity in accounts unrelated to the charter  
21 school entity.

22 (12) No member of the board of trustees of a charter school  
23 entity shall be employed by a charter school entity foundation  
24 or any entity affiliated with a charter school entity  
25 foundation. No immediate family member of a member of the board  
26 of trustees shall serve on, receive compensation from or be  
27 employed by a charter school entity foundation or any entity  
28 affiliated with a charter school entity foundation.

29 (13) No member of the board of trustees of a charter school  
30 entity shall be employed in any capacity or have a financial

1 relationship with the department.

2 (14) Any member of the board of trustees, elected officials,  
3 administrators or their immediate families or staff determined  
4 to have engaged in any conduct in contravention of any aspect of  
5 this subsection shall be immediately barred and prohibited from  
6 the handling or receipt of funds, directly or indirectly, for a  
7 period of five (5) consecutive years from the date of receipt,  
8 expenditure, oversight or handling in any fashion, directly or  
9 indirectly, of the funds of any school board, charter school  
10 entity, charter school entity foundation or appropriated by the  
11 Commonwealth, including, but not limited to, awards of contracts  
12 to third parties, hiring or retention of employes or consultants  
13 and the purchase or acquisition of goods or services.

14 [(c) The board of trustees shall comply with the act of July  
15 3, 1986 (P.L.388, No.84), known as the "Sunshine Act."]

16 (c.1) At least one member of the board of trustees of a  
17 charter school entity shall be a parent of a child attending  
18 that charter school entity.

19 (d) The following shall apply:

20 (1) The secretary, upon a petition, may remove a member of a  
21 board of trustees if the secretary determines the member has  
22 refused or neglected to perform any duty imposed under this  
23 article or has violated any requirement established under this  
24 article or has committed misfeasance or malfeasance while in  
25 office as a trustee.

26 (2) Before a trustee is removed, that trustee shall be  
27 provided with a written statement of the reasons for removal and  
28 an opportunity to be heard in accordance with 2 Pa.C.S. Chs. 5  
29 Subch. A (relating to practice and procedure of Commonwealth  
30 agencies) and 7 Subch. A (relating to judicial review of

1 Commonwealth agency action).

2 (3) When in the judgment of the secretary the immediate  
3 removal of a board member is reasonably necessary, the removal  
4 process described under this subsection may be expedited.

5 (4) Any person removed as a member of the board of trustees  
6 of a charter school entity under this subsection shall not be  
7 eligible again to serve as a board member or administrator for  
8 the period of five (5) years from the date of removal.

9 Section 8. The act is amended by adding sections to read:

10 Section 1716.1-A. Organization of Meetings of Boards of  
11 Trustees.--(a) A majority of the members of the board of  
12 trustees shall constitute a quorum. If less than a majority is  
13 present at any meeting, no business shall be transacted at the  
14 meeting.

15 (b) The affirmative vote of a majority of all the members of  
16 the board of trustees, duly recorded, shall be required in order  
17 to take action on the subjects enumerated under section 508.

18 Section 1716.2-A. Duties of Administrators.--(a) The chief  
19 administrator shall have the duty of the general supervision of  
20 all business affairs of the charter school entity, subject to  
21 the direction of the board of trustees, and the following duties  
22 subject to the direction of the board of trustees:

23 (1) Upon action by the board as described in this article,  
24 to approve any bill or account for payment of money and to  
25 prepare and sign an order for the payment of money.

26 (2) To attest in writing the executing of all deeds,  
27 contracts, reports and other instruments that are to be executed  
28 by the board.

29 (3) To furnish when requested to do so all reports as  
30 required under this act.

1 (4) Notwithstanding other provisions of this act and other  
2 laws, to serve as custodian of all records, offices and property  
3 of the charter school entity.

4 (5) To receive all funds and make payments out of the same  
5 on proper orders approved by the board of trustees.

6 (6) To deposit funds and at the end of each month make a  
7 report to the school controller of the amount of funds received  
8 and the amount dispersed during the month.

9 (7) To perform other duties pertaining to the business of  
10 the charter school entity as required under this act.

11 (b) The following restrictions and requirements shall apply:

12 (1) No administrator shall receive compensation from another  
13 charter school entity or from a company that provides management  
14 or other services to another charter school entity.

15 (2) No administrator shall be employed by or have a  
16 financial relationship with the local school boards from which  
17 the charter school received its charter.

18 (2.1) No administrator of a cyber charter school shall be  
19 employed or have a financial relationship with the department.

20 (3) No immediate family member of an administrator shall be  
21 employed by or have any financial relationship with the charter  
22 school entity unless the charter school entity complies with the  
23 requirements of 65 Pa.C.S. § 1103(f) (relating to restricted  
24 activities).

25 (4) No administrator shall be employed by or have a  
26 financial relationship with an educational service provider.

27 (5) No immediate family member of an administrator shall be  
28 employed by or have a financial relationship with an educational  
29 service provider which is under contract with the charter school  
30 entity.

1 (6) An administrator shall be dismissed upon conviction for  
2 an offense graded as a felony, an infamous crime or any crime  
3 involving moral turpitude.

4 (7) No business with which an administrator, or a member of  
5 the immediate family of the administrator, is associated shall  
6 contract with the charter school entity unless the charter  
7 school or cyber charter school complies with the requirements of  
8 65 Pa.C.S. § 1103(f).

9 (8) No administrator shall commingle or convert to his own  
10 use or use by way of investment any portion of the school funds  
11 or school property or deposit any of the funds of the school in  
12 accounts unrelated to the charter school entity.

13 (9) No administrator shall act as an agent for any vendor  
14 for school supplies, program materials or related educational  
15 services with the local school board.

16 (10) No administrator shall receive compensation from or be  
17 employed by a charter school entity foundation or any entity  
18 affiliated with a charter school entity foundation. No immediate  
19 family member of an administrator shall serve on or be employed  
20 by a charter school entity foundation or any entity affiliated  
21 with a charter school entity foundation.

22 Section 9. Sections 1717-A(e) and 1719-A of the act, added  
23 June 19, 1997 (P.L.225, No.22), are amended to read:

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

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

1 first public hearing.

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

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

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

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

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

18 (v) The student performance baselines and objectives for  
19 future student performance that will be used to evaluate the  
20 charter school.

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

25 (4) A charter application shall be deemed approved by the  
26 local [board of school directors] school board of a school  
27 district upon affirmative vote by a majority of all the  
28 directors. Formal action approving or denying the application  
29 shall be taken by the local [board of school directors] school  
30 board at a public meeting, with notice or consideration of the

1 application given by the board, under the "Sunshine Act."

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

8 \* \* \*

9 Section 1719-A. Contents of Application.--[An] (a) The  
10 office shall develop and issue a standard application form that  
11 shall be used by all applicants to establish a charter school or  
12 cyber charter school. The application to establish a charter  
13 school entity shall include all of the following information:

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

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

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

18 (4) [The proposed governance structure of the charter  
19 school, including a description and method for the appointment  
20 or election of members of the board of trustees.] An  
21 organization chart clearly presenting the proposed governance  
22 structure of the charter school entity, including lines of  
23 authority and reporting among the board of trustees,  
24 administrators, staff and any educational service provider that  
25 will play a role in providing management services to the charter  
26 school entity.

27 (4.1) A clear description of the roles and responsibilities  
28 for the board of trustees, administrators and any other  
29 entities, including a charter school entity foundation, shown in  
30 the organization chart.

1 (4.2) A clear description and method for the appointment or  
2 election of members of the board of trustees.

3 (4.3) Standards for board performance and stewardship,  
4 including compliance with all applicable laws, regulations and  
5 terms of the charter.

6 (4.4) If the charter school entity intends to contract with  
7 an educational service provider for services, the charter or  
8 cyber charter school applicant shall:

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

14 (ii) Provide a copy of the finalized management agreement,  
15 which shall include all of the following:

16 (A) The proposed duration of the service contract.

17 (B) Roles and responsibilities of the governing board, the  
18 school staff and the educational service provider.

19 (C) The scope of services and resources to be provided by  
20 the educational service provider.

21 (D) Performance evaluation measures and timelines.

22 (E) The compensation structure, including clear  
23 identification of all fees to be paid to the educational service  
24 provider.

25 (F) Methods of contract oversight and enforcement.

26 (G) Investment disclosure or the advance of moneys by the  
27 educational service provider on behalf of the charter school  
28 entity.

29 (H) Conditions for renewal and termination of the contract.

30 (iii) Disclose and explain any existing or potential

1 conflicts of interest between the board of trustees and proposed  
2 educational service provider and any affiliated business  
3 entities, including a charter school entity foundation.

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

7 (6) The admission policy and criteria for evaluating the  
8 admission of students which shall comply with the requirements  
9 of section 1723-A, including the maximum number of students the  
10 school will enroll during each year of its charter.

11 (7) Procedures which will be used regarding the suspension  
12 or expulsion of pupils. Said procedures shall comply with  
13 section 1318.

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

16 (9) The financial plan for the charter school entity based  
17 on the projected range of the number of students enrolled in the  
18 school during each year of the proposed charter period and the  
19 provisions which will be made for auditing the school under  
20 section 437, including the role of any charter school entity  
21 foundation.

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

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

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

1 (13) The proposed faculty and a professional development  
2 plan for the faculty and staff of a charter school entity.

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

13 (15) A report of criminal history record, pursuant to  
14 section 111, for all individuals who shall have direct contact  
15 with students.

16 (16) An official clearance statement regarding child injury  
17 or abuse from the Department of Public Welfare as required by 23  
18 Pa.C.S. Ch. 63 Subch. C.2 (relating to background checks for  
19 employment in schools) for all individuals who shall have direct  
20 contact with students.

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

25 (18) The proposed manner in which the charter school entity  
26 will assess student performance, including the manner in which  
27 the State assessment set forth in 22 Pa. Code Ch. 4 (relating to  
28 academic standards and assessment) will be utilized.

29 (b) A local school board may not impose additional terms or  
30 require additional information outside the standard application

1 required under subsection (a).

2 Section 10. Section 1720-A of the act, amended July 9, 2008  
3 (P.L.846, No.61), is amended to read:

4 Section 1720-A. Term and Form of Charter.--(a) Upon  
5 approval of a charter application under section 1717-A, a  
6 written charter shall be developed which shall contain the  
7 provisions of the standardized charter application under section  
8 1719-A and which shall be signed by the local board of school  
9 directors of a school district, by the local boards of school  
10 directors of a school district in the case of a regional charter  
11 school or by the chairman of the appeal board pursuant to  
12 section 1717-A(i) (5) and the board of trustees of the charter  
13 school or regional charter school. This written charter, when  
14 duly signed by the local board of school directors of a school  
15 district, or by the local boards of school directors of a school  
16 district in the case of a regional charter school, and the  
17 charter school's or regional charter school's board of trustees,  
18 shall act as legal authorization for the establishment of a  
19 charter school or regional charter school. This written charter  
20 shall be legally binding on both the local board of school  
21 directors of a school district and the charter school's and  
22 regional charter school's board of trustees. [Except as  
23 otherwise provided in subsection (b), the] If the charter school  
24 or regional charter school contracts with an educational service  
25 provider, an executed contract shall be signed once the charter  
26 is approved. The charter shall be for a period of no less than  
27 three (3) nor more than five (5) years and may be renewed for  
28 five (5) year periods upon reauthorization by the local board of  
29 school directors of a school district or the appeal board. A  
30 charter will be granted only for a school organized as a public,

1 nonprofit corporation.

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

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

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

17 (c) (1) A charter school or regional charter school shall  
18 request an amendment to its approved written charter if at any  
19 time after the approval or renewal of its written charter the  
20 charter school or regional charter school seeks to contract out  
21 services of the charter school or regional charter school with  
22 an educational service provider or contract with another  
23 educational service provider not disclosed in the charter school  
24 or regional charter school's application under section 1719-A.

25 (2) The charter school or regional charter school shall file  
26 a written document describing the requested amendment with the  
27 local board of school directors and include the following:

28 (i) Provide evidence of the educational service provider's  
29 record in serving student populations, including demonstrated  
30 academic achievement and demonstrated management of nonacademic

1 school functions, including proficiency with public school-based  
2 accounting, if applicable.

3 (ii) Provide a copy of the finalized management agreement,  
4 which shall include all of the following:

5 (A) The proposed duration of the service contract.

6 (B) Roles and responsibilities of the governing board, the  
7 school staff and the educational service provider.

8 (C) The scope of services and resources to be provided by  
9 the educational service provider.

10 (D) Performance evaluation measures and timelines.

11 (E) The compensation structure, including clear  
12 identification of all fees to be paid to the educational service  
13 provider.

14 (F) Methods of contract oversight and enforcement.

15 (G) Investment disclosure or the advance of moneys by the  
16 educational service provider on behalf of the charter school or  
17 regional charter school.

18 (H) Conditions for renewal and termination of the contract.

19 (iii) Disclose and explain any existing or potential  
20 conflicts of interest between the board of trustees and proposed  
21 educational service provider and any affiliated business  
22 entities, including a charter school entity.

23 (3) Within twenty (20) days of its receipt of the request  
24 for an amendment, the local board of school directors shall hold  
25 a public hearing on the requested amendment under 65 Pa.C.S. Ch.  
26 7 (relating to open meetings).

27 (4) Within twenty (20) days after the hearing, the local  
28 board of school directors shall grant or deny the requested  
29 amendment. Failure by the local board of school directors to  
30 hold a public hearing and to grant or deny the amendment within

1 the time period specified in this subsection shall be deemed an  
2 approval.

3 (5) An applicant for an amendment shall have the right to  
4 appeal the denial of the requested amendment to the appeal board  
5 provided for under section 1721-A.

6 Section 11. Section 1721-A(e) of the act, added June 19,  
7 1997 (P.L.225, No.22), is amended to read:

8 Section 1721-A. State Charter School Appeal Board.--\* \* \*

9 (e) Meetings of the appeal board shall be conducted under  
10 [the act of July 3, 1986 (P.L.388, No.84), known as the  
11 "Sunshine Act."] 65 Pa.C.S. Ch. 7 (relating to open meetings).  
12 Documents of the appeal board shall be subject to the act of  
13 [June 21, 1957 (P.L.390, No.212), referred to as the Right-to-  
14 Know Law.] February 14, 2008 (P.L.6, No.3), known as the "Right-  
15 to-Know Law."

16 Section 12. Section 1722-A of the act is amended by adding  
17 subsections to read:

18 Section 1722-A. Facilities.--\* \* \*

19 (b.1) (1) Alcoholic beverages shall not be available for  
20 consumption, purchase or sale in any charter school facility.

21 (2) If the secretary reasonably believes that alcoholic  
22 beverages have been made available for consumption, purchase or  
23 sale in any charter school facility, the department shall order  
24 the following forfeitures against the charter school:

25 (i) One thousand dollars (\$1,000) for a first violation.

26 (ii) Five thousand dollars (\$5,000) for a second or  
27 subsequent violation.

28 The department shall deduct the amount of the forfeiture from  
29 any and all State payments made to the charter school or order  
30 school districts to redirect payments to the department that the

1 school district would have made to the charter school until the  
2 department determines that the amount of the forfeiture has been  
3 paid.

4 (3) The charter school may appeal the order of the secretary  
5 pursuant to 2 Pa.C.S. Chs. 5 (relating to practice and  
6 procedure) and 7 (relating to judicial review).

7 (b.2) A charter school facility shall not be located in a  
8 building that is within three hundred (300) feet of a place that  
9 has a liquor license. This subsection shall not apply to a  
10 charter school facility in existence and operating on the  
11 effective date of this subsection.

12 \* \* \*

13 Section 13. Section 1723-A(d) of the act, added July 9, 2008  
14 (P.L.846, No.61), is amended and the section is amended by  
15 adding a subsection to read:

16 Section 1723-A. Enrollment.--\* \* \*

17 (d) (1) Enrollment of students in a charter school or cyber  
18 charter school shall not be subject to a cap or otherwise  
19 limited by any past or future action of a [board of school  
20 directors] local school board, a board of control established  
21 under Article XVII-B, a special board of control established  
22 under section 692 or any other governing authority, unless  
23 agreed to by the charter school or cyber charter school as part  
24 of a written charter pursuant to section 1720-A. A charter  
25 school entity or applicant for a charter school entity and the  
26 governing authority shall negotiate maximum reasonable  
27 enrollment levels in good faith.

28 (2) The provisions of this subsection shall apply to a  
29 charter school [or cyber charter school] entity regardless of  
30 whether the charter was approved prior to or is approved

1 subsequent to the effective date of this subsection.

2 (e) The department, through the office established under  
3 section 1705-A, shall develop a standard application form that  
4 shall be used by all charter school entities for admission.

5 Section 14. Section 1724-A(g) and (i) of the act, added June  
6 19, 1997 (P.L.225, No.22), are amended to read:

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

8 (g) [Professional] Except as provided under section 1743-A,  
9 professional employees who hold a first level teaching or  
10 administrative certificate may, at their option, have the time  
11 completed in satisfactory service in a charter school applied to  
12 the length of service requirements for the next level of  
13 certification.

14 \* \* \*

15 (i) All individuals who shall have direct contact with  
16 students or contact through electronic means via the Internet or  
17 e-mail with students shall be required to submit a report of  
18 criminal history record information as provided for in section  
19 111 prior to accepting a position with the charter school  
20 entity. This subsection shall also apply to any individual who  
21 volunteers to work on a full-time or part-time basis at the  
22 charter school entity.

23 \* \* \*

24 Section 15. Section 1725-A(a) of the act, amended June 29,  
25 2002 (P.L.524, No.88), is amended and the section is amended by  
26 adding a subsection to read:

27 Section 1725-A. Funding for Charter [Schools] School  
28 Entities.--(a) Funding for a charter school entity shall be  
29 provided in the following manner and shall not be in violation  
30 of any applicable Federal or State law, regulation or agreement:

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

3 (2) For non-special education students, the charter school  
4 entity shall receive for each student enrolled no less than the  
5 [budgeted] actual total expenditure per average daily membership  
6 of the prior school year, as defined in section 2501(20), minus  
7 the [budgeted] actual expenditures at the end of the most recent  
8 fiscal year of the district of residence for nonpublic school  
9 programs; adult education programs; community/junior college  
10 programs and services; student transportation services; for  
11 special education programs; facilities acquisition, construction  
12 and improvement services; athletic funds and school-sponsored  
13 extracurricular activities set up in accordance with section  
14 511; the full employer's share of retirement contributions paid  
15 to the Public School Employees' Retirement System; tuition to  
16 Pennsylvania charter schools for educational services provided  
17 to students attending the charter school; for programs and  
18 services to the extent they are funded from Federal funds; for  
19 programs and services to the extent they are funded from the  
20 proceeds of competitive grants from private or public sources or  
21 from contributions or donations from private sources; and other  
22 financing uses, including debt service and fund transfers as  
23 provided in the manual of accounting and related financial  
24 procedures for pennsylvania school systems established by the  
25 department. This amount shall be paid by the district of  
26 residence of each student[.] or, upon written request of the  
27 charter school entity, by the department to the charter school  
28 entity in which a Pennsylvania resident student is enrolled from  
29 any allocation for basic education funding to which the school  
30 district in which the student resides is entitled. The

1 department shall establish payment guidelines and notify the  
2 school district of receipt of a request for direct payment by  
3 the department. Beginning in the 2013-2014 school year, the  
4 charter school entity shall receive for each student enrolled in  
5 a cyber charter school not less than the amount calculated under  
6 this clause minus a cyber program deduction; a district pupil  
7 services deduction; and an extracurricular activities deduction.

8 (3) The following shall apply to special education:

9 (i) For special education students, the charter school  
10 entity shall receive for each student enrolled the same funding  
11 as for each non-special education student as provided in clause  
12 (2), plus an additional amount determined by dividing the  
13 district of residence's total special education expenditure by  
14 the product of multiplying the combined percentage of section  
15 2509.5(k) times the district of residence's total average daily  
16 membership for the prior school year. This amount shall be paid  
17 by the district of residence of each student[.], but shall not  
18 exceed the actual cost of the educational services provided for  
19 each special education student. Upon written request of the  
20 charter school, this amount shall be paid by the department to  
21 the charter school entity in which a Pennsylvania resident  
22 student is enrolled from any allocation for basic education  
23 funding to which the school district where the student resides  
24 is entitled. The department shall establish payment guidelines  
25 and notify the school district of the receipt of a request for  
26 direct payment by the department.

27 (ii) If a non-special education student is identified by the  
28 charter school entity in which the student is enrolled as a  
29 student with a disability in need of special education services,  
30 the district of residence shall have the power to administer and

1 deliver the educational services required to address the  
2 specific needs of the exceptional student in lieu of payments by  
3 the district of residence for such student.

4 (iii) A resident school district may not pay out to charter  
5 schools or cyber charter schools an amount greater than it  
6 receives for special education in a school year.

7 (iv) Beginning in the 2013-2014 school year, the charter  
8 school entity shall receive for each student enrolled in a cyber  
9 charter school, no less than the amount calculated under this  
10 clause minus a cyber program deduction; a district pupil  
11 services deduction; and an extracurricular activities deduction.

12 (4) A charter school entity may request the intermediate  
13 unit in which the charter school entity is located to provide  
14 services to assist the charter school entity to address the  
15 specific needs of exceptional students. The intermediate unit  
16 shall assist the charter school entity and bill the charter  
17 school entity for the services. The intermediate unit may not  
18 charge the charter school entity more for any service than it  
19 charges the constituent districts of the intermediate unit. If  
20 the service is provided by the intermediate unit or school  
21 district, the charter school entity shall provide a copy of the  
22 contract and invoice for the services to the student's school  
23 district of residence.

24 (5) Payments shall be made to the charter school entity in  
25 twelve (12) equal monthly payments, by the fifth day of each  
26 month, within the operating school year, unless the charter  
27 school entity receives direct payment from the department. A  
28 student enrolled in a charter school entity shall be included in  
29 the average daily membership of the student's district of  
30 residence for the purpose of providing basic education funding

1 payments and special education funding pursuant to Article XXV.  
2 If a school district fails to make a payment to a charter school  
3 entity as prescribed in this clause, the secretary shall deduct  
4 the estimated amount, as documented by the charter school  
5 entity, from any and all State payments made to the district  
6 after receipt of documentation from the charter school entity.

7 (6) Within thirty (30) days after the secretary makes the  
8 deduction described in clause (5) or if the charter school  
9 entity receives direct payment from the department, a school  
10 district [may notify] shall file a notice of dispute with the  
11 secretary if the school district determines that the deduction  
12 made from State payments to the district under this subsection  
13 is inaccurate. The secretary shall hold a hearing within thirty  
14 (30) days of the notice to provide the school district with an  
15 opportunity to be heard concerning whether the charter school  
16 entity accurately documented that its students were enrolled in  
17 the charter school entity, the period of time during which each  
18 student was enrolled, the school district of residence of each  
19 student and whether the amounts deducted from the school  
20 district were accurate. The secretary shall, within thirty (30)  
21 days of the school district's hearing, make a determination of  
22 the accuracy of the deduction.

23 \* \* \*

24 (f) As used in this section,

25 "Cyber charter school" shall mean a charter school as defined  
26 in section 1703-A which uses technology in order to provide a  
27 significant portion of its curriculum and delivers a significant  
28 portion of its instruction to students through the Internet or  
29 other electronic means.

30 "Cyber program deduction" shall mean an amount equal to fifty

1 per centum of the expenditure per average daily membership for a  
2 cyber education program offered by the district of residence,  
3 including a cyber education program offered in conjunction with  
4 an intermediate unit.

5 "District pupil services deduction" shall mean an amount  
6 equal to one hundred per centum of the expenditure per average  
7 daily membership for student health services, food services and  
8 library services offered by the district of residence.

9 "Extracurricular activities deduction" shall mean an amount  
10 equal to fifty per centum of the expenditure per average daily  
11 membership for extracurricular activities offered by the  
12 district of residence.

13 Section 16. The act is amended by adding a section to read:

14 Section 1725.1-A. Actual Costs of Educational Services.--(a)  
15 Within one hundred eighty (180) days of the effective date of  
16 this section, the department shall promulgate audit standards  
17 under this article which shall be used in determining the year-  
18 end actual costs of educational services per non-special  
19 education student and special education student provided by a  
20 charter school entity to any child who is a resident of a school  
21 district, which are subject to payment in accordance with  
22 section 1725-A. The department shall follow the procedures  
23 provided in the act of July 31, 1968 (P.L.769, No.240), referred  
24 to as the Commonwealth Documents Law, and the act of June 25,  
25 1982 (P.L.633, No.181), known as the "Regulatory Review Act,"  
26 for promulgation and review of final-omitted regulations.  
27 Subsequent audit standards promulgated under this section or  
28 amendments to the initial audit standards may not be in final-  
29 omitted form. The audit standards shall take effect at the  
30 beginning of the first school year after which such audit

1 standards have been promulgated.

2 (b) In order for the year-end actual costs of educational  
3 services per non-special education student and special education  
4 student to be thoroughly and properly determined, the audit  
5 standards promulgated by the department shall:

6 (1) Specify reasonable costs associated with the operation  
7 of the educational program offered by a charter school entity.  
8 The following may not be considered reasonable costs associated  
9 with the operation of the educational program offered by a  
10 charter school entity:

11 (i) Any paid media advertisement, including television,  
12 radio, movie theater, billboard, bus poster, newspaper,  
13 magazine, the Internet or any other commercial method that may  
14 promote enrollment of a charter school entity.

15 (ii) Any bonuses or additional compensation beyond the  
16 annual or termed contractual compensation for all faculty,  
17 administration and staff, including salary, benefits and any  
18 additional compensation not specifically enumerated in the  
19 contract.

20 (2) Allow a closely related business entity to charge up to  
21 one hundred seven per centum of the actual educational costs.

22 (3) Require information as necessary for a full-scope review  
23 of a finalized management agreement entered into between a  
24 charter school entity and a closely related business entity,  
25 including:

26 (i) All payments received from school districts of  
27 residence.

28 (ii) Expenditures of the closely related business entity  
29 related to the delivery of educational and administrative  
30 services pursuant to the management agreement.

1 (4) List and show all receipts and expenditures for an  
2 educational service provider that provides any service to a  
3 charter school or cyber charter school.

4 (5) Provide reasonable penalties for failure to comply.

5 (c) The following shall apply:

6 (1) The department shall effectuate an annual year-end final  
7 reconciliation process of tuition payments against actual costs  
8 of educational services per non-special education student and  
9 special education student providing any necessary procedures for  
10 the transfer of funds from the charter school entity to the  
11 school district of residence. The final reconciliation process  
12 shall include one of the following:

13 (i) Allowing a school district of residence to withhold its  
14 last monthly payment from a charter school entity to account for  
15 any overpayments as identified by the year-end audit. If the  
16 school district of residence has sent overpayments, the district  
17 may adjust its last monthly payment accordingly.

18 (ii) Requiring a charter school entity at the end of each  
19 school year to return any overpayments to a school district of  
20 residence owed a refund. A charter school entity may not return  
21 any overpayments on a pro rata basis.

22 (2) Procedures for the transfer of funds may not permit the  
23 department to deduct from a school district of residence's basic  
24 education subsidy any amount in excess of the selected  
25 expenditure per average daily membership amount calculated in  
26 accordance with section 1725-A.

27 (d) Charter school entities, educational service providers  
28 and closely related business entities shall provide to the  
29 department, unless already retained by the department, any  
30 information necessary to carry out the provisions of this

1 section.

2 (e) Except as provided under subsection (c), nothing  
3 contained under this section shall permit a school district of  
4 residence to provide funding for charter school entities in a  
5 manner other than that which is specified in section 1725-A.

6 (f) As used in this section,

7 "Closely related business entity" shall mean any organization  
8 with a management or operational relationship with a charter  
9 school involving either shared or overlapping aspects of  
10 corporate identity such as ownership, board of directors or  
11 trustees membership, capital or profits.

12 "Educational and administrative services" shall mean any  
13 direct expenditure for any instruction and the administration of  
14 the instructional program. The term shall not include any  
15 expenditures not pertaining directly to the instruction and the  
16 administration of the instructional program.

17 "Educational service provider" shall mean a for-profit  
18 education management organization, nonprofit charter management  
19 organization, school design provider, business manager or any  
20 other partner entity with which a charter school or cyber  
21 charter school intends to contract or presently contracts to  
22 provide educational services, operational services or management  
23 services to the charter school. The term shall not include a  
24 charter school or cyber charter school foundation.

25 "Management agreement" shall mean any contract establishing a  
26 management or operational relationship between a charter school  
27 or cyber charter school and closely related business entity for  
28 the provision of professional or nonprofessional services to the  
29 charter school or cyber charter school.

30 Section 17. Section 1726-A(a) of the act, amended July 9,

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

2 Section 1726-A. Transportation.--(a) (1) Students who  
3 attend a charter school located in their school district of  
4 residence, a regional charter school of which the school  
5 district is a part or a charter school located outside district  
6 boundaries at a distance not exceeding ten (10) miles by the  
7 nearest public highway shall be provided free transportation to  
8 the charter school by their school district of residence on such  
9 dates and periods that the charter school is in regular session  
10 [whether or not transportation is provided on such dates and  
11 periods to students attending schools of the district].

12 (2) Transportation is not required for elementary students,  
13 including kindergarten students, residing within one and one-  
14 half (1.5) miles or for secondary students residing within two  
15 (2) miles of the nearest public highway from the charter school  
16 in which the students are enrolled unless the road or traffic  
17 conditions are such that walking constitutes a hazard to the  
18 safety of the students when so certified by the Department of  
19 Transportation, except that if the school district provides  
20 transportation to the public schools of the school district for  
21 elementary students, including kindergarten students, residing  
22 within one and one-half (1.5) miles or for secondary students  
23 residing within two (2) miles of the nearest public highway  
24 under nonhazardous conditions, transportation shall also be  
25 provided to charter schools under the same conditions.

26 (3) Notwithstanding any other provision of this article, a  
27 school district that does not transport resident school district  
28 students on a daily basis shall not be required to transport  
29 students who attend a charter school or regional charter school.

30 (4) Districts providing transportation to a charter school

1 outside the district and, for the 2007-2008 school year and each  
2 school year thereafter, districts providing transportation to a  
3 charter school within the district shall be eligible for  
4 payments under section 2509.3 for each public school student  
5 transported.

6 \* \* \*

7 Section 18. Section 1728-A of the act, added June 19, 1997  
8 (P.L.225, No.22), is amended to read:

9 Section 1728-A. Annual Reports and Assessments.--(a) The  
10 local [board of school directors] school board shall annually  
11 assess on a standard form developed by the office whether each  
12 charter school is meeting the goals of its charter and shall  
13 conduct a comprehensive review prior to granting a five (5) year  
14 renewal of the charter. The local [board of school directors]  
15 school board shall have ongoing access to the records and  
16 facilities of the charter school and any educational service  
17 provider of the charter school that provides management,  
18 operations or educational services to the charter school to  
19 ensure that the charter school is in compliance with its charter  
20 and this act and that requirements for testing, civil rights and  
21 student health and safety are being met. Ongoing reasonable  
22 access to a charter school's or educational service provider's  
23 records shall mean that the local school board shall have access  
24 to records such as financial reports, financial audits and  
25 aggregate standardized test scores without student identifying  
26 information and teacher certification and personnel records.  
27 Charter schools and local school boards shall comply fully with  
28 the requirements of the Family Educational Rights and Privacy  
29 Act of 1974 (Public Law 90-247, 20 U.S.C. § 1232g) and its  
30 implementing regulations, and no personally identifiable

1 information from education records shall be provided by the  
2 charter school to the local school board which authorized it  
3 except in compliance with the Family Educational Rights and  
4 Privacy Act of 1974 and subsequent regulations.

5 (b) In order to facilitate the local board's review and  
6 secretary's report, each charter school shall submit an annual  
7 report no later than August 1 of each year to the local [board  
8 of school directors] school board and the [secretary] office in  
9 the form prescribed by the [secretary.] office. Within ten (10)  
10 days of receipt of the charter school's annual report, the local  
11 school board and the secretary shall each certify to the charter  
12 school that the annual report has been received with an  
13 indication of the date of receipt. Within thirty (30) days of  
14 the date of receipt, the local school board and the secretary  
15 shall each certify to the charter school that the annual report  
16 has been reviewed and is complete or, alternatively, has been  
17 reviewed and is missing specific information referenced in the  
18 certification. This review does not constitute a review for the  
19 accuracy of the contents of the charter school's annual report.

20 (c) Five (5) years following the effective date of this  
21 article, the secretary shall contract with an independent  
22 professional consultant with expertise in public and private  
23 education. The consultant shall receive input from members of  
24 the educational community and the public on the charter school  
25 program. The consultant shall submit a report to the secretary,  
26 the Governor and the General Assembly and an evaluation of the  
27 charter school program, which shall include a recommendation on  
28 the advisability of the continuation, modification, expansion or  
29 termination of the program and any recommendations for changes  
30 in the structure of the program.

1 (c.1) Each charter school entity shall form an independent  
2 audit committee of its board members which shall review at the  
3 close of each fiscal year a complete certified audit of the  
4 operations of the charter school entity. The audit shall be  
5 conducted by a qualified independent certified public accountant  
6 as selected from a list of approved providers established by the  
7 office. The audit shall be conducted under generally accepted  
8 audit standards of the Governmental Accounting Standards Board  
9 and shall include, but not be limited to, the following tests:  
10 (1) An enrollment test to verify the accuracy of student  
11 enrollment and reporting to the Commonwealth.  
12 (2) Full review of expense reimbursements for board members  
13 and administrators, including sampling of all reimbursements.  
14 (3) Review of internal controls, including review of  
15 receipts and disbursements.  
16 (4) Review of annual Federal and State tax filings,  
17 including the Internal Revenue Service Code Form 990, Return of  
18 Organization Exempt from Income Tax, and all related schedules  
19 and appendices for the charter school entity and charter school  
20 entity foundation, if applicable, including any educational  
21 service providers of the charter school entity.  
22 (5) Review of the financials of any charter school entity  
23 foundation, including any educational service providers of the  
24 charter school entity.  
25 (6) Review of all contracts over five thousand dollars  
26 (\$5,000) regarding the selection and acceptance process.  
27 (7) Review of potential conflicts of interest among board  
28 members and senior level administrators with employes of  
29 educational service providers of the charter school entity.  
30 (8) Review of employe files for compliance purposes but in

1 accordance with Federal and State regulations governing  
2 confidentiality protection for employes.

3 (9) Any other test the office deems appropriate.

4 (c.2) The certified audit as required by subsection (c.1) is  
5 a public document and shall be made available on the  
6 department's Internet website and the charter school entity's  
7 Internet website, if applicable.

8 (d) Charter school entities may be subject to an annual  
9 audit by the office, the department, its local school board or  
10 the Auditor General, in addition to any other audits required by  
11 Federal law or this act. Charter school entities located within  
12 a school district of the first class may be subject to an annual  
13 audit by the controller of the city of the first class.

14 (e) The department shall publish an annual report that does  
15 all of the following:

16 (1) Identifies charter schools whose students are  
17 academically outperforming comparable students enrolled in the  
18 chartering school district.

19 (2) Describes best practices used in the charter school  
20 entities identified under clause (1) that should be disseminated  
21 to all school districts and charter school entities.

22 (3) Makes any necessary recommendations to the General  
23 Assembly to further the dissemination and implementation of the  
24 best practices identified under clause (2).

25 (f) Charter school entities shall annually provide a copy of  
26 the annual budget for the operation of the school that  
27 identifies the following:

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

30 (2) Where funding is provided by a charter school entity

1 foundation, including any educational service providers of the  
2 charter school entity, the amount of funds and a description of  
3 the use of such funds.

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

6 (g) Notwithstanding any other provisions of law, the charter  
7 school entity, any affiliated charter school entity foundation  
8 and educational service providers of the charter school entity,  
9 shall make copies of annual Federal and State tax filings  
10 available upon request and on the foundation's Internet website,  
11 including Internal Revenue Service Code Form 990, Return of  
12 Organization Exempt from Income Tax, and all related schedules  
13 and appendices. The charter school entity foundation, including  
14 any educational service providers of the charter school entity,  
15 shall also make copies of its annual budget available upon  
16 request and on the foundation's, educational service provider's  
17 or the charter school entity's Internet website within thirty  
18 (30) days of the close of the foundation's or educational  
19 service provider's fiscal year. The annual budget must include  
20 the salaries of all employes of the charter school entity  
21 foundation or educational service provider of the charter school  
22 entity.

23 (h) All operations of an educational service provider for a  
24 charter school entity pursuant to a contract or agreement with  
25 the charter school entity which relate to the charter school  
26 entity shall be subject to public audit requirements under  
27 section 2553. In addition, funds provided by a charter school  
28 entity to an educational service provider for a charter school  
29 entity pursuant to a contract or agreement with the charter  
30 school entity and the use of such funds by such educational

1 service provider shall be subject to the audit provisions of  
2 section 403 of the act of April 9, 1929 (P.L.343, No.176), known  
3 as "The Fiscal Code."

4 (i) The charter school entity records produced, obtained or  
5 maintained by an educational service provider for a charter  
6 school entity pursuant to a contract or agreement with the  
7 charter school entity shall be subject to disclosure under the  
8 act of February 14, 2008 (P.L.6, No.3), known as the "Right-to-  
9 Know Law."

10 Section 19. Section 1729-A of the act, amended or added June  
11 19, 1997 (P.L.225, No.22), July 4, 2004 (P.L.536, No.70) and  
12 July 9, 2008 (P.L.846, No.61), is amended to read:

13 Section 1729-A. Charter Renewal, Causes for Nonrenewal or  
14 Termination.--(a) Charter schools seeking renewal shall send a  
15 renewal application in a form prescribed by the office to the  
16 local school board not later than October 1 of the final school  
17 year of the charter school's current charter. During the term of  
18 the charter or at the end of the term of the charter, the local  
19 [board of school directors] school board may choose to revoke or  
20 not to renew the charter based on any of the following:

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

24 (2) Failure to meet the requirements for student performance  
25 [set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or  
26 subsequent regulations promulgated to replace 22 Pa. Code Ch. 5  
27 or], failure to meet any performance standard set forth in the  
28 written charter signed pursuant to section [1716-A.] 1720-A or  
29 failure to make adequate yearly progress for at least three (3)  
30 consecutive years under the Pennsylvania accountability

1 standards that apply the requirements set forth in the  
2 Elementary and Secondary Education Act of 1965 (Public Law 89-  
3 10, 20 U.S.C. § 6301 et seq.).

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

6 (3.1) Failure to maintain the financial ability to continue  
7 as a going concern according to generally accepted accounting  
8 principles.

9 (4) Violation of provisions of this article.

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

13 (6) [The charter school has been convicted of fraud.]  
14 Administrators or board members have been convicted of offenses  
15 pertaining to fraud, theft or mismanagement of public funds or  
16 any crime committed in the course of their official duties.

17 (7) Failure to obtain and submit a certified independent  
18 audit to the department for any year of the school's operation  
19 by November 15 after the close of the school year.

20 (8) Except as permitted pursuant to section 1716-A(a.1),  
21 failure of the charter school to be the employer of all teaching  
22 staff in the school.

23 (9) Demonstration by the charter-granting entity that a  
24 material misrepresentation of fact was contained in the charter  
25 school's application or in its annual charter school report that  
26 was submitted to the chartering entity under section 1728-A(a)  
27 or 1743-A(f).

28 (10) Failure to correct within thirty (30) days of receiving  
29 notice from the department any conflict of interest by a member  
30 of its board of trustees or administrators pursuant to sections

1 1716-A(b) and 1716.2-A.

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

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

11 (ii)] If a charter school entity has failed to make adequate  
12 yearly progress for one (1) or two (2) years under the  
13 Pennsylvania accountability standards that apply the  
14 requirements set forth in the Elementary and Secondary Education  
15 Act of 1965 and is seeking renewal of its charter and the  
16 charter-granting entity renews the charter, it may do so for a  
17 time period less than five (5) years and may require the charter  
18 school entity to meet specific performance targets within  
19 defined periods of time, subject to the following:

20 (1) The performance targets and the periods of time in which  
21 the performance targets must be met shall be reasonable. For  
22 purposes of this section, the standards defined as adequate  
23 yearly progress under the Elementary and Secondary Education Act  
24 of 1965 shall be deemed reasonable.

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

28 [(iii)] (3) If the charter school fails to meet the  
29 performance targets within the stated period of time, such  
30 failure shall be sufficient cause for revocation of the charter.

1     (a.2) A school district shall revoke the charter of a  
2 charter school that has failed to make adequate yearly progress  
3 for at least five (5) consecutive years under the Pennsylvania  
4 accountability standards that apply the requirements set forth  
5 in the Elementary and Secondary Education Act of 1965. Any  
6 revocation pursuant to this subsection shall not be subject to  
7 the automatic stay provided for in subsection (f).

8     (a.3) If, after a hearing under this section, a local school  
9 board proves by a preponderance of the evidence that certain  
10 administrators or board members have violated this act or the  
11 terms and conditions of the charter, the local school board  
12 shall have the authority to require the charter school to  
13 replace those administrators and board members in order to  
14 obtain renewal of the charter.

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

18     (c) Any notice of revocation or nonrenewal of a charter  
19 given by the local [board of school directors] school board of a  
20 school district shall state the grounds for such action with  
21 reasonable specificity and give reasonable notice to the  
22 governing board of the charter school of the date on which a  
23 public hearing concerning the revocation or nonrenewal will be  
24 held. The local [board of school directors] school board shall  
25 conduct such hearing, present evidence in support of the grounds  
26 for revocation or nonrenewal stated in its notice and give the  
27 charter school reasonable opportunity to offer testimony before  
28 taking final action. Formal action revoking or not renewing a  
29 charter shall be taken by the local [board of school directors]  
30 school board at a public meeting pursuant to [the act of July 3,

1 1986 (P.L.388, No.84), known as the "Sunshine Act,"] 65 Pa.C.S.  
2 Ch. 7 (relating to open meetings) after the public has had  
3 thirty (30) days to provide comments to the board. All  
4 proceedings of the local board pursuant to this subsection shall  
5 be subject to 2 Pa.C.S. Ch. 5 Subch. B (relating to practice and  
6 procedure of local agencies). Except as provided in subsection  
7 (d), the decision of the local board shall not be subject to 2  
8 Pa.C.S. Ch. 7 Subch. B (relating to judicial review of local  
9 agency action).

10 (d) [Following the appointment and confirmation of the  
11 appeal board, but not before July 1, 1999, the] The charter  
12 school may appeal the decision of the local [board of school  
13 directors] school board to revoke or not renew the charter to  
14 the appeal board. The appeal board shall have the exclusive  
15 review of a decision not to renew or revoke a charter. The  
16 appeal board shall review the record and shall have the  
17 discretion to supplement the record if the supplemental  
18 information was previously unavailable. The appeal board may  
19 consider the charter school plan, annual reports, student  
20 performance and employe and community support for the charter  
21 school in addition to the record. The appeal board shall give  
22 due consideration to the findings of the local [board of  
23 directors] school board and specifically articulate its reasons  
24 for agreeing or disagreeing with those findings in its written  
25 decision.

26 (e) If the appeal board determines that the charter should  
27 not be revoked or should be renewed, the appeal board shall  
28 order the local [board of directors] school board to rescind its  
29 revocation or nonrenewal decision.

30 (f) Except as provided in subsection (g), the charter shall

1 remain in effect until final disposition by the appeal board.

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

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

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

18 (j) When a charter is revoked or is not renewed, a student  
19 who attended the charter school shall apply to another public  
20 school in the student's school district of residence. Normal  
21 application deadlines will be disregarded under these  
22 circumstances. All student records maintained by the charter  
23 school shall be forwarded to the student's district of residence  
24 within ten (10) days of the revocation or nonrenewal of the  
25 charter.

26 Section 20. Section 1732-A(a) of the act, amended June 29,  
27 2002 (P.L.524, No.88), is amended to read:

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

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

30 Sections 108, 110, 111, 321, 325, 326, 327, 431, 436, 443,

1 510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753,  
2 [755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a), 1123,  
3 1301, 1310, 1317, 1317.1, 1317.2, 1318, 1327, 1330, 1332, 1333,  
4 1303-A, 1513, 1517, 1518, 1521, 1523, 1531, 1547, 2014-A,  
5 Article XIII-A and Article XIV.

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

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

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

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

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

25 65 Pa.C.S. Ch. 7 (relating to open meetings).

26 65 Pa.C.S. §§ 1102 (relating to definitions) and 1103(f)  
27 (relating to restricted activities).

28 \* \* \*

29 Section 21. The act is amended by adding a section to read:

30 Section 1733-A. Charter School Fund Balance Limit.--(a) for

1 the 2012-2013 school year and each school year thereafter, a  
 2 charter school that is not a cyber charter school shall not  
 3 accumulate an unassigned fund balance greater than the charter  
 4 school fund balance limit, which will be determined as follows:

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

18 (b) Any unassigned fund balance in place on June 30, 2013,  
 19 that exceeds the charter school fund balance limit shall be  
 20 refunded on a per student pro rata basis within ninety (90) days  
 21 of the effective date of this subsection to all school districts  
 22 that made payments under section 1725-A in the 2011-2012 and  
 23 2012-2013 school years. The funds may not be used to pay bonuses  
 24 to any administrator, board of trustee member, employe, staff or  
 25 contractor or be transferred to a charter school foundation.

26 (c) For The 2013-2014 school year and each school year  
 27 thereafter, any unassigned fund balance in excess of the charter  
 28 school fund balance limit shall be refunded on a per student pro  
 29 rata basis to all school districts that made payments under  
 30 section 1725-A in the prior school year.

1 (d) By August 15, 2013, and August 15 of each year  
2 thereafter, each charter school shall provide the department  
3 with information certifying compliance with this section. The  
4 information shall be provided in a form and manner prescribed by  
5 the department and shall include information on the charter  
6 school's estimated ending unassigned fund balance expressed as a  
7 dollar amount and as a percentage of the charter school's total  
8 budgeted expenditures for that school year.

9 (e) As used in this section, "unassigned fund balance" shall  
10 mean that portion of the fund balance which represents the part  
11 of spendable fund balance that has not been categorized as  
12 restricted, committed or assigned.

13 Section 22. Section 1741-A(c) of the act, added June 29,  
14 2002 (P.L.524, No.88), is amended and subsection (a) is amended  
15 by adding a paragraph to read:

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

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

18 \* \* \*

19 (6) Promulgate regulations in accordance with the act of  
20 June 25, 1982 (P.L.633, No.181), known as the Regulatory  
21 Review Act, that provide all of the following with regard to  
22 cyber charter schools:

23 (i) The minimum number of hours that students must  
24 be online and offline engaged in educational activities  
25 in order to meet the attendance requirements of 22 Pa.  
26 Code Ch. 11 (relating to student attendance).

27 (ii) The requirements that each cyber charter school  
28 must meet to be able to demonstrate in its annual report  
29 to the department due by September 1 of each year under  
30 section 1743-A(f) that the minimum number of online and

1 offline hours has been attained by each student.

2 \* \* \*

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

7 Section 23. Section 1742-A of the act, added June 29, 2002  
8 (P.L.524, No.88), is amended to read:

9 Section 1742-A. Assessment and evaluation.

10 The department shall:

11 (1) Annually assess on a standard form developed by the  
12 office whether each cyber charter school is meeting the goals  
13 of its charter and is in compliance with the provisions of  
14 the charter and conduct a comprehensive review prior to  
15 granting a five-year renewal of the charter.

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

22 (3) Have ongoing access to all records, instructional  
23 materials and student and staff records of each cyber charter  
24 school [and], to every cyber charter school facility and to  
25 any educational service provider of the cyber charter school  
26 that provides management, operations or educational services  
27 to the cyber charter school to ensure the cyber charter  
28 school is in compliance with its charter and this  
29 subdivision. Ongoing reasonable access to a cyber charter  
30 school's records shall mean that the department shall have

1 access to records, including, but not limited to, financial  
2 records, financial audits, standardized test scores, teacher  
3 certification and personnel records. Cyber charter schools  
4 and the department shall comply fully with the requirements  
5 of the Family Educational Rights and Privacy Act of 1974  
6 (Public Law 90-247, 20 U.S.C. § 1232g) and its implementing  
7 regulations.

8 (3.1) Every cyber charter school shall also comply with  
9 the requirements of section 1728-A(c.1), (c.2), (d), (e),  
10 (f), (g) and (h).

11 (4) Under section 1743-A(f) and within ten days of  
12 receipt of the cyber charter school's annual report, the  
13 secretary shall certify to the cyber charter school that the  
14 annual report has been received with an indication of the  
15 date of receipt. Within 45 days of the date of receipt, the  
16 secretary shall certify to the cyber charter school that the  
17 annual report has been reviewed and is complete or,  
18 alternatively, has been reviewed and is missing specific  
19 information referenced in the certification. This review does  
20 not constitute a review for the accuracy of the contents of  
21 the cyber charter school's annual report.

22 Section 24. Section 1743-A(a)(1), (e) and (f) of the act,  
23 added June 29, 2002 (P.L.524, No.88), are amended and the  
24 section is amended by adding subsections to read:

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

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

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

1 \* \* \*

2 (a.1) Truancy.--In order to enroll a student, the school  
3 district in which the student is a resident must certify to the  
4 office whether the student is in compliance with section 1327.

5 \* \* \*

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

8 (1) provide all instructional materials;

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

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

14 The Commonwealth shall not be liable for any reimbursement owed  
15 to students, parents or guardians by a cyber charter school  
16 under paragraph (3). All computers, software and Internet  
17 connections purchased by the cyber charter school shall be the  
18 property of the cyber charter school. If a student discontinues  
19 enrollment in a cyber charter school, the student must return  
20 the school's property in usable condition or pay a civil penalty  
21 in the form of fair market value for the property.

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

25 \* \* \*

26 (j) Out-of-State students.--A cyber charter school may not  
27 expend any funds, including funds provided by the Commonwealth,  
28 on the education of any student who is not a resident of a  
29 Pennsylvania school district.

30 Section 25. Section 1744-A of the act, added June 29, 2002

1 (P.L.524, No.88), is amended to read:

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

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

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

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

15 (3) Upon request and subject to agreement between a  
16 cyber charter school and an intermediate unit or school  
17 district, provide assistance to the cyber charter school in  
18 the delivery of services to a student with disabilities. The  
19 school district or intermediate unit shall not charge the  
20 cyber charter school more for a service than it charges a  
21 school district.

22 (4) Make payments to the cyber charter school under  
23 section 1725-A.

24 Section 26. Section 1748-A(a) of the act, added June 19,  
25 2002 (P.L.524, No.88), is amended and the section is amended by  
26 adding a subsection to read:

27 Section 1748-A. Enrollment and notification.

28 (a) Notice to school district.--

29 (1) Within [15] ten days of the enrollment of a student  
30 to a cyber charter school, the parent or guardian and the

1 cyber charter school shall notify the student's school  
2 district of residence of the enrollment through the use of  
3 the notification form under subsection (b).

4 (2) If a school district which has received notice under  
5 paragraph (1) determines that a student is not a resident of  
6 the school district, the following apply:

7 (i) Within [seven] 20 days of receipt of the notice  
8 under paragraph (1), the school district shall notify the  
9 cyber charter school and the department that the student  
10 is not a resident of the school district. Notification of  
11 nonresidence shall include the basis for the  
12 determination.

13 (ii) Within seven days of notification under  
14 subparagraph (i), the cyber charter school shall review  
15 the notification of nonresidence, respond to the school  
16 district and provide a copy of the response to the  
17 department. If the cyber charter school agrees that a  
18 student is not a resident of the school district, it  
19 shall determine the proper district of residence of the  
20 student [before requesting funds from another school  
21 district].

22 (iii) Within seven days of receipt of the response  
23 under subparagraph (ii), the school district shall notify  
24 the cyber charter school that it agrees with the cyber  
25 charter school's determination or does not agree with the  
26 cyber charter school's determination.

27 (iv) A school district that has notified the cyber  
28 charter school that it does not agree with the cyber  
29 charter school's determination under subparagraph (iii)  
30 shall appeal to the department for a final determination.

1 (v) All decisions of the department regarding the  
2 school district of residence of a student shall be  
3 subject to review by the Commonwealth Court.

4 [(vi) A school district shall continue to make  
5 payments to a cyber charter school under section 1725-A  
6 during the time in which the school district of residence  
7 of a student is in dispute.

8 (vii) If a final determination is made that a  
9 student is not a resident of an appealing school  
10 district, the cyber charter school shall return all funds  
11 provided on behalf of that student to the school district  
12 within 30 days.]

13 (3) When a school district has received notice under  
14 paragraph (1), the school district shall certify to the cyber  
15 charter school whether the student is in compliance with  
16 section 1327.

17 \* \* \*

18 (d) Truancy.--

19 (1) When a school district receives a notification form,  
20 as required by subsection (a)(1), that a resident student who  
21 is truant from the school district schools has enrolled in a  
22 cyber charter school, the school district shall notify the  
23 cyber charter school and the office in writing about the  
24 student's truancy.

25 (2) Upon receipt of notice from the resident school  
26 district of a student's truancy at the school district  
27 school, the cyber charter school must provide to the  
28 student's resident school district evidence during the first  
29 three months that the student is enrolled in the cyber  
30 charter school and that the student is receiving educational

1 instruction and completing assignments as required by the  
2 cyber charter school. This evidence shall be provided by the  
3 cyber charter school monthly, as determined by the office.

4 (3) If the cyber charter school fails to comply with the  
5 requirements of this subsection, the student's resident  
6 school district shall notify the office.

7 (4) If any student enrolled in the cyber charter school  
8 accrues three or more days of unlawful absences, the cyber  
9 charter school has the authority to, and shall be responsible  
10 for, instituting truancy proceedings as set forth in section  
11 1333.

12 (5) Truancy proceedings shall be held in the  
13 jurisdiction wherein the truant student resides.

14 Section 27. Section 1749-A(a) of the act, added June 29,  
15 2002 (P.L.524, No.88), is amended to read:

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

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

20 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431,  
21 436, 443, 510, 518, 527, 609, 687(a), (b), (c), (d), (h) and  
22 (j), 708, 752, 753, [755,] 771, 776, 777, 807.1, 808, 809,  
23 810, 1109, 1111, 1112(a), 1123, 1205.1, 1205.2, 1301, 1302,  
24 1310, 1317.2, 1318, 1330, 1332, 1333, 1354, 1355, 1303-A,  
25 1518, 1521, 1523, 1531, 1547, 1702-A, 1703-A, 1704-A, 1714-A,  
26 1715-A, 1716-A, 1716.1-A, 1716.2-A, 1719-A, 1721-A, 1722-A,  
27 1723-A(a) and (b), 1724-A, 1725-A, 1727-A, 1729-A, 1730-A,  
28 1731-A(a) (1) and (b) and 2014-A and Articles [XII-A,] XIII-A  
29 and XIV.

30 (2) The act of July 17, 1961 (P.L.776, No.341), known as

1 the Pennsylvania Fair Educational Opportunities Act.

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

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

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

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

20 (7) The act of February 18, 2008 (P.L.6, No.3), known as  
21 the Right-to-Know Law.

22 (8) 65 Pa.C.S. Ch. 7 (relating to open meetings).

23 (9) 65 Pa.C.S. §§ 1102 (relating to definitions) and  
24 1103(f) (relating to restricted activities).

25 \* \* \*

26 Section 28. The act is amended by adding a section to read:  
27 Section 1752-A. Cyber charter school fund balance limit.

28 (a) Limit.--For the 2012-2013 school year and each school  
29 year thereafter, no cyber charter school shall accumulate an  
30 unassigned fund balance greater than the cyber charter school

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

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

15 (b) Distribution.--Any unassigned fund balance in place on  
16 June 30, 2013, that exceeds the cyber charter school fund  
17 balance limit shall be distributed by the cyber charter school  
18 on a per student pro rata basis within 90 days of the effective  
19 date of this subsection to all school districts that made  
20 payments under section 1725-A to the cyber charter school in the  
21 2011-2012 and 2012-2013 school years. The funds may not be used  
22 to pay bonuses to any administrator, board of trustee member,  
23 employee, staff or contractor or be transferred to a cyber  
24 charter school foundation.

25 (c) Refunds.--For the 2013-2014 school year and each school  
26 year thereafter, any unassigned fund balance in excess of the  
27 cyber charter school fund balance limit shall be refunded on a  
28 per student pro rata basis to all school districts that made  
29 payments to the cyber charter school under section 1725-A in the  
30 prior school year.

1 (d) Certification of compliance.--By August 15, 2013, and  
2 August 15 of each year thereafter, each cyber charter school  
3 shall provide the department with information certifying  
4 compliance with this section. The information shall be provided  
5 in a form and manner prescribed by the department and shall  
6 include information on the cyber charter school's estimated  
7 ending unassigned fund balance expressed as a dollar amount and  
8 as a percentage of the cyber charter school's total budgeted  
9 expenditures for that school year.

10 (e) Definitions.--As used in this section, "unassigned fund  
11 balance" shall mean that portion of the fund balance which  
12 represents the part of spendable fund balance that has not been  
13 categorized as restricted, committed or assigned.

14 Section 29. Section 2421 of the act is amended to read:

15 Section 2421. Duties of Controller.--The school controller,  
16 herein provided in each school district of the first class,  
17 shall properly audit the finances of the school district,  
18 including the accounts of the receiver of school taxes, school  
19 treasurer, or other proper authority collecting school taxes,  
20 school depositories, and all other funds under the control of  
21 the board of public education[.] and all funds provided by the  
22 school district of the first class to a charter school entity,  
23 including, but not limited to, those funds provided by a charter  
24 school entity to an educational service provider contractor or  
25 subcontractor that provides management, operations or  
26 educational services to the charter school entity.

27 The school controller shall, at the end of each school year,  
28 certify to the board of public education that he has audited the  
29 several accounts above stated, and shall report to it the result  
30 of such audit.

1 Section 30. This act shall take effect in 120 days.