

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1085 Session of
2013INTRODUCED BY SMUCKER, WILLIAMS, BAKER, FOLMER, WAUGH, ALLOWAY,
PILEGGI AND VANCE, AUGUST 27, 2013

SENATOR FOLMER, EDUCATION, AS AMENDED, OCTOBER 16, 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," extensively revising charter school
6 provisions.

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

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

12 Section 1703-A. Definitions.--As used in this article,
13 "Administrator" shall include an employe of a charter school
14 ~~or cyber charter school~~ ENTITY, including the chief <--
15 administrator of a charter school ~~or cyber charter school~~ ENTITY <--
16 and any other employe, who by virtue of the employe's position
17 is responsible for taking official action of a nonministerial
18 nature with regard to contracting or procurement, administering
19 or monitoring grants or subsidies, managing or regulating staff,
20 student and school activities or any activity where the official

1 action has an economic impact of greater than a de minimis
2 nature on the interests of any person.

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

5 "Assessment" shall mean the Pennsylvania System of School
6 Assessment test, the Keystone Exam or another test established
7 by the State board to meet the requirements of section 2603-
8 B(d)(10)(i) and required under the No Child Left Behind Act of
9 2001 (Public Law 107-110, 115 Stat. 1425) or its successor
10 Federal statute.

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

15 "Charter school" shall mean an independent public school
16 established and operated under a charter from the local board of
17 school directors or the governing body of an institution of
18 higher education and in which students are enrolled or attend. A
19 charter school must be organized as a public, nonprofit
20 corporation. Charters may not be granted to any for-profit
21 entity.

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

24 "Charter school foundation" shall mean a nonprofit
25 organization, as defined under section 501(c)(3) of the Internal
26 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)),
27 that provides funding, resources or otherwise serves to support
28 a charter school ~~or cyber charter school~~ ENTITY, either directly <--
29 or through an affiliated entity.

30 "Chief administrator" shall mean an individual appointed by a

1 board of trustees to oversee and manage the operation of a
2 charter school ~~or cyber charter school~~ ENTITY. The term shall <--
3 not include a professional staff member under this article.

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

8 "COMMITTEE." THE CHARTER SCHOOL FUNDING ADVISORY COMMITTEE. <--

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

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

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

29 "Governing board of an institution of higher education" shall
30 mean an institution of higher education subject to Article XX-C

1 which elects by affirmative vote of a majority of all members to
2 become an authorizer of charter schools and REGIONAL CHARTER <--
3 SCHOOLS shall assume the same powers and duties as a local board
4 of school directors under this article. The term does not
5 include a governing board of an institution of higher education
6 that does not vote affirmatively to become an authorizer.

7 "Immediate family member" shall mean a parent, spouse, child,
8 brother or sister.

9 "Local board of school directors" shall mean the board of
10 directors of a school district in which a proposed or an
11 approved charter school is located.

12 "Nonrelated" shall mean an individual who is not an immediate
13 family member.

14 "Regional charter school" shall mean an independent public
15 school established and operated under a charter from more than
16 one local board of school directors OR THE GOVERNING BOARD OF AN <--
17 INSTITUTION OF HIGHER EDUCATION and in which students are
18 enrolled or attend. A regional charter school must be organized
19 as a public, nonprofit corporation. Charters may not be granted
20 to any for-profit entity.

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

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

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

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

30 "State board" shall mean the State Board of Education of the

Commonwealth.

SECTION 1.1. THE ACT IS AMENDED BY ADDING A SECTION TO READ: <--

SECTION 1704-A. CHARTER SCHOOL FUNDING ADVISORY COMMITTEE.--

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

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

(1) THE CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION
COMMITTEE OF THE SENATE AND THE CHAIRMAN AND THE MINORITY
CHAIRMAN OF THE EDUCATION COMMITTEE OF THE HOUSE OF
REPRESENTATIVES OR THEIR DESIGNEES.

(2) THE SECRETARY OR A DESIGNEE.

(3) THE CHAIRMAN OF THE STATE BOARD OR A DESIGNEE.

(4) THE FOLLOWING MEMBERS, WHO SHALL BE APPOINTED BY THE
SECRETARY:

(I) ONE MEMBER WHO SHALL REPRESENT CHARTER SCHOOLS.

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

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

(IV) ONE MEMBER WHO SHALL REPRESENT TEACHERS AND MAY BE A
PUBLIC SCHOOL TEACHER, A CHARTER SCHOOL TEACHER, A REGIONAL

CHARTER SCHOOL TEACHER, A CYBER CHARTER SCHOOL TEACHER OR A
NONPUBLIC SCHOOL TEACHER.

(V) ONE MEMBER WHO SHALL REPRESENT SCHOOL ADMINISTRATORS.

(VI) ONE MEMBER WHO SHALL REPRESENT SCHOOL BOARD MEMBERS.

(VII) ONE MEMBER WHO SHALL REPRESENT A BUSINESS MANAGER OF A
SCHOOL DISTRICT.

(VIII) ONE MEMBER WHO SHALL REPRESENT A PARENT OF A CHILD
ATTENDING A CHARTER SCHOOL OR CYBER CHARTER SCHOOL.

(IX) ONE MEMBER WHO SHALL REPRESENT AN INSTITUTION OF HIGHER
EDUCATION.

(C) MEMBERS OF THE COMMITTEE SHALL BE APPOINTED WITHIN
FORTY-FIVE (45) DAYS OF THE EFFECTIVE DATE OF THIS SECTION. ANY
VACANCY ON THE COMMITTEE SHALL BE FILLED BY THE ORIGINAL
APPOINTING OFFICER OR AGENCY. THE COMMITTEE SHALL SELECT A
CHAIRMAN AND VICE CHAIRMAN FROM AMONG ITS MEMBERSHIP AT AN
ORGANIZATIONAL MEETING. THE ORGANIZATIONAL MEETING SHALL TAKE
PLACE NO LATER THAN NINETY (90) DAYS FOLLOWING THE EFFECTIVE
DATE OF THIS SECTION.

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

(E) COMMITTEE MEMBERS SHALL RECEIVE NO COMPENSATION FOR
THEIR SERVICES BUT SHALL BE REIMBURSED FOR ALL NECESSARY TRAVEL
AND OTHER REASONABLE EXPENSES INCURRED IN CONNECTION WITH THE

1 PERFORMANCE OF THEIR DUTIES AS MEMBERS. WHENEVER POSSIBLE, THE
2 COMMITTEE SHALL UTILIZE THE SERVICES AND EXPERTISE OF EXISTING
3 PERSONNEL AND STAFF OF STATE GOVERNMENT.

4 (F) THE COMMITTEE SHALL HAVE THE FOLLOWING POWERS AND
5 DUTIES:

6 (1) MEET WITH CURRENT CHARTER SCHOOL OPERATORS WITHIN THIS
7 COMMONWEALTH, INCLUDING CYBER CHARTER SCHOOLS WITH BLENDED
8 PROGRAMS.

9 (2) REVIEW CHARTER SCHOOL FINANCING LAWS IN OPERATION
10 THROUGHOUT THE UNITED STATES.

11 (3) EVALUATE AND MAKE RECOMMENDATIONS ON THE FOLLOWING:

12 (I) POWERS AND DUTIES EXTENDED TO CHARTER SCHOOLS AND CYBER
13 CHARTER SCHOOLS AS THEY RELATE TO FINANCING.

14 (II) FUNDING FORMULAS FOR CHARTER SCHOOLS AND CYBER CHARTER
15 SCHOOLS, INCLUDING REIMBURSEMENT PROCEDURES AND FUNDING UNDER
16 TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965
17 (PUBLIC LAW 89-10, 20 U.S.C. § 6301 ET SEQ.).

18 (III) THE COST ASSOCIATED WITH ESTABLISHING AN INSTITUTION
19 OF HIGHER EDUCATION AS AN AUTHORIZER OF A CHARTER SCHOOL OR
20 REGIONAL CHARTER SCHOOL.

21 (IV) THE PROCESS BY WHICH CHARTER SCHOOLS AND CYBER CHARTER
22 SCHOOLS ARE FUNDED UNDER SECTION 1725-A.

23 (V) STUDENT RESIDENCY AS IT RELATES TO FUNDING.

24 (VI) SPECIAL EDUCATION AND OTHER SPECIAL PROGRAM FUNDING.

25 (VII) CHARTER SCHOOL TRANSPORTATION.

26 (VIII) CHARTER SCHOOL ELIGIBILITY TO RECEIVE GRANTS AND
27 FUNDING.

28 (IX) APPROPRIATE ASSESSMENT FEES ON CHARTER SCHOOLS AND
29 CYBER CHARTER SCHOOLS.

30 (X) CONSIDERATION OF RECOGNIZING A CHARTER SCHOOL FOR

1 ADDITIONAL DESIGNATIONS AS A LOCAL EDUCATION AGENCY.
2 (G) THE COMMITTEE SHALL, NO LATER THAN AUGUST 31, 2014,
3 ISSUE A REPORT OF ITS FINDINGS AND RECOMMENDATIONS TO THE
4 GOVERNOR, THE PRESIDENT PRO TEMPORE OF THE SENATE, THE MINORITY
5 LEADER OF THE SENATE, THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
6 EDUCATION COMMITTEE OF THE SENATE, THE SPEAKER OF THE HOUSE OF
7 REPRESENTATIVES, THE MINORITY LEADER OF THE HOUSE OF
8 REPRESENTATIVES AND THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
9 EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

10 Section 2. Section 1715-A of the act, amended or added June
11 19, 1997 (P.L.225, No.22) and July 9, 2008 (P.L.846, No.61), is
12 amended to read:

13 Section 1715-A. Charter School ENTITY Requirements.--(a) <--
14 Charter [schools] SCHOOL ENTITIES shall be required to comply <--
15 with the following provisions:

16 (1) Except as otherwise provided in this article, a charter
17 school ENTITY is exempt from statutory requirements established <--
18 in this act, from regulations of the State board and the
19 standards of the secretary not specifically applicable to
20 charter [schools] SCHOOL ENTITIES. Charter [schools] SCHOOL <--
21 ENTITIES are not exempt from statutes applicable to public
22 schools other than this act.

23 (2) A charter school ENTITY shall be accountable to the <--
24 parents, the public and the Commonwealth, with the delineation
25 of that accountability reflected in the charter. Strategies for
26 meaningful parent and community involvement shall be developed
27 and implemented by each school.

28 (3) A charter school ENTITY shall not unlawfully <--
29 discriminate in admissions, hiring or operation.

30 (4) A charter school ENTITY shall be nonsectarian in all <--

1 operations.

2 (5) (i) A charter school ENTITY shall not provide any <--
3 religious instruction, nor shall it display religious objects
4 and symbols on the premises of the charter school. The charter
5 school ENTITY shall provide for discrete and separate entrances <--
6 to buildings utilized for school purposes only.

7 (ii) It shall not be a violation of this section for a
8 charter school ENTITY to utilize a sectarian facility: <--

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

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

14 (6) A charter school ENTITY shall not advocate unlawful <--
15 behavior.

16 (7) A charter school OR REGIONAL CHARTER SCHOOL shall only <--
17 be subject to the laws and regulations as provided for in
18 section 1732-A, or as otherwise provided for in this article.

19 (8) ~~(i)~~ A charter school ENTITY shall participate in [the <--
20 Pennsylvania State Assessment System as provided for in 22 Pa.
21 Code Ch. 5 (relating to curriculum), or subsequent regulations
22 promulgated to replace 22 Pa. Code Ch. 5,] assessments in the
23 manner in which the school district in which the charter school
24 ENTITY is located is scheduled to participate. <--

25 ~~(ii) A charter school shall be treated in the same manner as~~ <--
26 ~~a school district for the purposes of measuring the charter~~
27 ~~school's adequate yearly progress under the No Child Left Behind~~
28 ~~Act of 2001 or any successor statute.~~

29 (9) A charter school ENTITY shall provide a minimum of one <--
30 hundred eighty (180) days of instruction or nine hundred (900)

1 hours per year of instruction at the elementary level, or nine
2 hundred ninety (990) hours per year of instruction at the
3 secondary level. Nothing in this clause shall preclude the use
4 of computer and satellite linkages for delivering instruction to
5 students.

6 (10) Boards of trustees and contractors of charter [schools] <--
7 SCHOOL ENTITIES shall be subject to the following statutory
8 requirements governing construction projects and construction-
9 related work:

10 (i) The following provisions of this act:

11 (A) Sections 751 and 751.1.

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

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

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

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

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

23 (11) Trustees of a charter school ENTITY shall be public <--
24 officials[.] for the purposes of 65 Pa.C.S. Ch. 11 (relating to
25 ethics standards and financial disclosure) and shall file a
26 statement of financial interests for the preceding calendar year
27 with the State Ethics Commission and the local board of school
28 directors or the governing body of an institution of higher
29 education IN THE CASE OF A CHARTER SCHOOL OR REGIONAL CHARTER <--
30 SCHOOL or, in the case of a cyber charter school, the

department, not later than May 1 of each year that members hold
the position and of the year after a member leaves the position.
All members of the board of trustees of a charter school ENTITY <--
shall take the oath of office as required under section 321
before entering upon the duties of their office.

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

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

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

1 (i) The administrator has submitted a sworn statement to the
2 ~~charter school~~ board of trustees OF THE CHARTER SCHOOL ENTITY <--
3 and the sworn statement details the work for the other entity
4 and includes the projected number of hours, rate of compensation
5 and projected duration.

6 (ii) The board of trustees OF THE CHARTER SCHOOL ENTITY has <--
7 reviewed the sworn statement under subclause (i) and agreed by
8 resolution to grant permission to the administrator.

9 (2) A copy of the sworn statement under clause (1)(i) and
10 the resolution by the board of trustees OF THE CHARTER SCHOOL <--
11 ENTITY granting the permission shall be kept on file with the
12 charter school ENTITY and the board of local school directors. <--

13 (3) No administrator of a charter school ENTITY or immediate <--
14 family member may serve as a voting member of the board of
15 trustees of that individual's charter school.

16 (4) (i) No administrator of a charter school ENTITY may <--
17 participate in the selection, award or administration of a
18 contract if the person has a conflict of interest as that term
19 is defined in 65 Pa.C.S. § 1102 (relating to definitions).

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

24 (iii) Any contract made in violation of this clause shall be
25 voidable by the board of trustees of the charter school ENTITY. <--

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

30 (d) The board of trustees of a charter school entity shall

supply the grantor of the charter school entity and the
secretary a list of the amount of rental payments, which are
guarantees for school building debt or bonds that become due
during the fiscal year together with the amount paid on each
item of indebtedness. Any charter school entity that elects to
issue debt shall hold in escrow an amount sufficient to pay the
annual amount of the sum of the principal maturing or subject to
mandatory redemption and interest owing by the charter school
entity or sinking fund deposit due by the charter school entity.

(e) Fund balance limits shall be as follows:

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

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

(2) Any unassigned fund balance in place on June 30, 2014,
that exceeds the charter school entity fund balance limit shall
be refunded on a pro rata basis within 90 days to all school
districts that paid tuition to the charter school entity on

1 behalf of students enrolled in the 2012-2013 and 2013-2014
2 school years. The funds may not be used to pay bonuses to any
3 administrator, board of trustee member, employe, staff or
4 contractor and may not be transferred to a charter school
5 foundation.

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

11 (4) By August 15, 2014, and August 15 of each year
12 thereafter, each charter school entity shall provide its grantor
13 and the board with information certifying compliance with this
14 section. The information shall be provided in a form and manner
15 prescribed by the board and shall include information on the
16 charter school entity's estimated ending unassigned fund balance
17 expressed as a dollar amount and as a percentage of the charter
18 school entity's total budgeted expenditures for that school
19 year.

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

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

24 (b.1) (1) For a charter school OR REGIONAL CHARTER SCHOOL <--
25 chartered after the effective date of this subsection, an
26 individual shall be prohibited from serving as a voting member
27 of the board of trustees of the charter school OR REGIONAL <--
28 CHARTER SCHOOL if the individual or an immediate family member
29 receives compensation from or is employed by or is a board
30 member of the local board of school directors or the governing

board of an institution of higher education who participated in
the initial review, approval, oversight, evaluation or renewal
process of the charter school OR REGIONAL CHARTER SCHOOL
chartered by that board.

<--

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

<--

<--

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

<--

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

<--

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

<--

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

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

<--

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

8 (c) The board of trustees shall comply with [the act of July
9 3, 1986 (P.L.388, No.84), known as the "Sunshine Act."] 65
10 Pa.C.S. Ch. 7 (relating to open meetings).

11 (d) (1) (i) The board of trustees of a charter school
12 ENTITY shall consist of a minimum of five (5) nonrelated voting <--
13 members.

14 (ii) If a charter school ENTITY has fewer than five (5) <--
15 nonrelated voting members serving on its board on the effective
16 date of this subsection, the charter school ENTITY shall, within <--
17 sixty (60) days, appoint additional members to the board to meet
18 the minimum requirements of this section.

19 (2) Within one (1) year of the effective date of this
20 subsection, at least one (1) member of the board of trustees of
21 a charter school ENTITY shall be a parent of a child currently <--
22 attending the charter school ENTITY. The board member shall be <--
23 eligible to serve only so long as the child attends the charter
24 school ENTITY. <--

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

29 (2) The affirmative vote of a majority of all the voting
30 members of the board of trustees, duly recorded, shall be

required in order to take action on the subjects enumerated
under subsection (a).

(f) (1) In any case where the board of trustees of a
charter school ENTITY fails to pay or to provide for for the <--
payment of:

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

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

The bank or trustee for the bonds shall notify the board of
~~charter school trustees~~ TRUSTEES OF THE CHARTER SCHOOL ENTITY of <--
its obligation and shall immediately notify the grantor of the
charter school ENTITY and the secretary. <--

(2) The secretary shall withhold any appropriation due the
charter school ENTITY in any amount necessary to fully fund the <--
amount held in escrow by the charter school ENTITY which shall <--
be equal to the sum of the principal amount maturing or subject
to mandatory redemption and interest owing by the charter school
ENTITY or sinking fund deposit due by such charter school ENTITY <--
and shall require pay over of the amount withheld to the bank or
trustee acting as the sinking fund depository for the bond issue
from the escrow account.

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

Section 4. Sections 1717-A(c), (d), (e), (f) and (i) and

1 1719-A of the act, added June 19, 1997 (P.L.225, No.22), are
2 amended to read:

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

4 (c) An application to establish a charter school shall be
5 submitted to the local board of school directors of the district
6 where the charter school will be located or the governing board
7 of an institution of higher education by [November 15] October 1
8 of the school year preceding the school year in which the
9 charter school will be established except that for a charter
10 school beginning in the 1997-1998 school year, an application
11 must be received by July 15, 1997. In the 1997-1998 school year
12 only, applications shall be limited to recipients of fiscal year
13 1996-1997 Department of Education charter school planning
14 grants.

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

28 (e) (1) Not later than seventy-five (75) days after the
29 first public hearing on the application, the local board of
30 school directors or the governing board of an institution of

1 higher education shall grant or deny the application. For a
2 charter school beginning in the 1997-1998 school year, the local
3 board of school directors shall grant or deny the application no
4 later than sixty (60) days after the first public hearing.

5 (2) A charter school application submitted under this
6 article shall be evaluated by the local board of school
7 directors or the governing board of an institution of higher
8 education based on criteria, including, but not limited to, the
9 following:

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

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

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

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

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

26 (4) A charter application shall be deemed approved by the
27 local board of school directors of a school district or the
28 governing board of an institution of higher education upon
29 affirmative vote by a majority of all the directors. Formal
30 action approving or denying the application shall be taken by

1 the local board of school directors or the governing board of an
2 institution of higher education at a public meeting, with notice
3 or consideration of the application given by the board, under
4 [the "Sunshine Act."] 65 Pa.C.S. Ch. 7.

5 (5) Written notice of the board's action shall be sent to
6 the applicant, the department and the appeal board. If the
7 application is denied, the reasons for the denial, including a
8 description of deficiencies in the application, shall be clearly
9 stated in the notice sent by the local board of school directors
10 or the governing board of an institution of higher education to
11 the charter school applicant.

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

1 appeal from a decision of a local school board may be taken
2 until July 1, 1999.

3 * * *

4 (i) (1) The appeal board shall have the exclusive review of
5 an appeal by a charter school applicant, or by the board of
6 trustees of an existing charter school, of a decision made by a
7 local board of directors or the governing board of an
8 institution of higher education not to grant a charter as
9 provided in this section.

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

23 (3) Each person signing a petition to appeal denial of a
24 charter under clause (2) shall declare that he or she is a
25 resident of the school district which denied the charter
26 application and shall include his or her printed name;
27 signature; address, including city, borough or township, with
28 street and number, if any; and the date of signing. All pages
29 shall be bound together. Additional pages of the petition shall
30 be numbered consecutively. There shall be appended to the

petition a statement that the local board of directors rejected the petition for a charter school, the names of all applicants for the charter, the date of denial by the board and the proposed location of the charter school. No resident may sign more than one petition relating to the charter school application within the sixty (60) days following denial of the application. The department shall develop a form to be used to petition for an appeal.

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

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

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

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

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

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

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

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

(5) If the required number of signatures are obtained within sixty (60) days of the denial of the application, the applicant may present the petition to the court of common pleas of the county in which the charter school would be situated. The court shall hold a hearing only on the sufficiency of the petition.

The applicant and local board of school directors shall be given

1 seven (7) days' notice of the hearing. The court shall issue a
2 decree establishing the sufficiency or insufficiency of the
3 petition. If the petition is sufficient, the decree shall be
4 transmitted to the State Charter School Appeal Board for review
5 in accordance with this section. Notification of the decree
6 shall be given to the applicant and the local board of
7 directors.]

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

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

25 (8) Not later than sixty (60) days following the review
26 conducted pursuant to clause (6), the appeal board shall issue a
27 written decision affirming or denying the appeal. If the appeal
28 board has affirmed the decision of the local board of directors
29 or the governing board of an institution of higher education,
30 notice shall be provided to both parties.

(9) A decision of the appeal board to reverse the decision of the local board of directors or the governing board of an institution of higher education shall serve as a requirement for the local board of directors of a school district or school districts, as appropriate, or the governing board of an institution of higher education, to grant the application and sign the written charter of the charter school as provided for in section 1720-A. Should the local board of directors or the governing board of an institution of higher education fail to grant the application and sign the charter within ten (10) days of notice of the reversal of the decision of the local board of directors or the governing board of an institution of higher education, the charter shall be deemed to be approved and shall be signed by the chairman of the appeal board.

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

(J) NOTWITHSTANDING THE PROVISIONS OF SECTION 696(I) OR ANY <--
OTHER PROVISION OF LAW TO THE CONTRARY, A SCHOOL REFORM
COMMISSION CONSIDERING AN APPLICATION TO ESTABLISH A CHARTER
SCHOOL IN A SCHOOL DISTRICT OF THE FIRST CLASS SHALL COMPLY WITH
SUBSECTION (E) (5).

(K) NOTWITHSTANDING THE PROVISIONS OF SECTION 696(I) OR ANY
OTHER PROVISION OF LAW TO THE CONTRARY, A CHARTER SCHOOL
APPLICANT MAY APPEAL A DECISION OF A SCHOOL REFORM COMMISSION TO
DENY AN APPLICATION TO ESTABLISH A CHARTER SCHOOL IN A SCHOOL
DISTRICT OF THE FIRST CLASS TO THE APPEAL BOARD. SUBSECTIONS
(G), (H) AND (I) SHALL APPLY TO AN APPEAL UNDER THIS SUBSECTION.

Section 1719-A. Contents of Application.--[An] (a) The
department shall create a standard application for charter
school applicants to establish a charter school ENTITY AND FOR <--

1 EXISTING CHARTER SCHOOL ENTITIES SEEKING RENEWAL OF THEIR
2 CHARTER. THE FORM SHALL BE PUBLISHED IN THE PENNSYLVANIA
3 BULLETIN AND POSTED ON THE DEPARTMENT'S PUBLICLY ACCESSIBLE
4 INTERNET WEBSITE. The form shall include all of the following
5 information:

6 (1) The identification of the charter SCHOOL applicant. <--

7 (2) The name of the proposed charter school ENTITY. <--

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

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

12 organizational chart clearly presenting the proposed governance
13 structure of the school, including lines of authority and
14 reporting between the board of trustees, administrators, staff
15 and any educational management service provider that will
16 provide management services to the charter school ENTITY. <--

17 (4.1) A clear description of the roles and responsibilities
18 for the board of trustees, administrators and any other
19 entities, including a charter school foundation, shown in the
20 organizational chart.

21 (4.2) A clear description and method for the appointment or
22 election of members of the board of trustees.

23 (4.3) Standards for board performance, including compliance
24 with all applicable laws, regulations and terms of the charter.

25 (4.4) If the charter school ENTITY intends to contract with <--
26 an educational management service provider for services, all of
27 the following:

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

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

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

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

(B) The proposed duration of the service contract.

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

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

(E) Performance evaluation measures and timelines.

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

(G) Methods of contract oversight and enforcement.

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

<--

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

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

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

(6) The admission policy [and criteria for evaluating the

<--

1 admission of students] AND ENROLLMENT which shall comply with <--
2 the requirements of section 1723-A.

3 (7) Procedures which will be used regarding the suspension
4 or expulsion of pupils. Said procedures shall comply with
5 section 1318.

6 (8) Information on the manner in which community groups will
7 be involved in the charter school ENTITY planning process. <--

8 (9) The financial plan for the charter school ENTITY and the <--
9 provisions which will be made for auditing the school under
10 [section] sections 437 and 1728-A, including the role of any
11 charter school foundation.

12 (10) Procedures which shall be established to review
13 complaints of parents regarding the operation of the charter
14 school ENTITY. <--

15 (11) A description of and address of the physical facility
16 in which the charter school ENTITY will be located and the <--
17 ownership thereof and any lease arrangements.

18 (12) Information on the proposed school calendar for the
19 charter school ENTITY, including the length of the school day <--
20 and school year consistent with the provisions of section 1502.

21 (13) The proposed faculty, if already determined, and a
22 professional development and continuing education plan for the
23 faculty and professional staff of [a] the charter school ENTITY. <--

24 (14) Whether any agreements have been entered into or plans
25 developed with the local school district regarding participation
26 of the charter school ENTITY'S students in extracurricular <--
27 activities within the school district. Notwithstanding any
28 provision to the contrary, no school district of residence shall
29 prohibit a student of a charter school ENTITY from participating <--
30 in any extracurricular activity of that school district of

1 residence: Provided, That the student is able to fulfill all of
2 the requirements of participation in such activity and the
3 charter school ENTITY does not provide the same extracurricular <--
4 activity.

5 (15) A report of criminal history record, pursuant to
6 section 111, for all individuals identified in the application
7 who shall have direct contact with students and a plan for
8 satisfying the proper criminal history record clearances
9 required for all other staff.

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

17 (17) How the charter school ENTITY will provide adequate <--
18 liability and other appropriate insurance for the charter school
19 ENTITY, its employes and the board of trustees of the charter <--
20 school ENTITY. <--

21 (18) Policies regarding truancy, absences and withdrawal of
22 students, including the manner in which the charter school
23 ENTITY will monitor attendance consistent with section 1715-A(a) <--
24 (9).

25 (19) How the charter school ENTITY will meet the standards <--
26 included in the performance matrix developed by the department
27 under section 1732-A(c)(3).

28 (20) Indicate whether or not the charter school ENTITY will <--
29 seek accreditation by a nationally recognized accreditation
30 agency, including the Middle States Association of Colleges and

Schools or another regional institutional accrediting agency
recognized by the United States Department of Education or an
equivalent federally recognized body for charter school
education.

(b) A local board of school directors or the governing board
of an institution of higher education may not impose additional
terms, develop its own application or require additional
information outside the standard application form required under
subsection (a).

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

Section 1720-A. Term and Form of Charter.--(a) Upon
approval of a charter application under section 1717-A, a
written charter shall be developed which shall contain the
provisions of the standardized charter application under section
1719-A and which shall be signed by the local board of school
directors of a school district, by the local boards of school
directors of a school district in the case of a regional charter
school, by the governing board of an institution of higher
education or by the chairman of the appeal board pursuant to
section [1717-A(i)(5)] 1717-A(i) and the board of trustees of
the charter school OR REGIONAL CHARTER SCHOOL. This written <--
charter, when duly signed by the local board of school directors
of a school district, or by the local boards of school directors
of a school district in the case of a regional charter school or
the governing board of an institution of higher education, and
the charter school's OR REGIONAL CHARTER SCHOOL'S board of <--
trustees, shall act as legal authorization for the establishment
of a charter school OR REGIONAL CHARTER SCHOOL. This written <--
charter shall be legally binding on both the local board of

1 school directors of a school district or the governing board of
2 an institution of higher education and the charter school's OR <--
3 REGIONAL CHARTER SCHOOL'S board of trustees. [Except as
4 otherwise provided in subsection (b), the] If the charter school
5 OR REGIONAL CHARTER SCHOOL contracts with an educational <--
6 management service provider, an executed contract shall be
7 signed once the charter is approved. The charter shall be for a
8 period of [no less than [three (3) nor more than] five (5) years <--
9 and]. UPON THE EFFECTIVE DATE OF THE REGULATIONS IMPLEMENTING <--
10 THE PERFORMANCE MATRIX AS REQUIRED BY SECTION 1732-A, CHARTER
11 SCHOOLS AND REGIONAL CHARTER SCHOOLS THAT HAVE SATISFIED THE
12 ACADEMIC QUALITY BENCHMARK ESTABLISHED BY THE DEPARTMENT
13 PURSUANT TO SECTION 1732-A may be renewed for [five (5)] ten
14 (10) year periods upon reauthorization by the local board of
15 school directors of a school district or the governing board of
16 an institution of higher education or the appeal board. CHARTER <--
17 SCHOOLS AND REGIONAL CHARTER SCHOOLS THAT HAVE NOT SATISFIED THE
18 ACADEMIC QUALITY BENCHMARK ESTABLISHED BY THE DEPARTMENT
19 PURSUANT TO SECTION 1732-A, MAY BE RENEWED FOR FIVE (5) YEAR
20 PERIODS UPON REAUTHORIZATION BY THE LOCAL BOARD OF SCHOOL
21 DIRECTORS OR THE GOVERNING BOARD OF AN INSTITUTION OF HIGHER
22 EDUCATION OR THE APPEAL BOARD. A charter will be granted only
23 for a school organized as a public, nonprofit corporation.
24 (b) [(1) Notwithstanding subsection (a), a governing board
25 of a school district of the first class may renew a charter for
26 a period of one (1) year if the board of school directors
27 determines that there is insufficient data concerning the
28 charter school's academic performance to adequately assess that
29 performance and determines that an additional year of
30 performance data would yield sufficient data to assist the

governing board in its decision whether to renew the charter for a period of five (5) years.

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

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

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

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

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

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

Section 6. Section 1721-A(a) and (e) of the act, added June

1 19, 1997 (P.L.225, No.22), are amended to read:

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

10 (1) A parent of a school-aged child enrolled at a charter <--
11 school, regional charter school or cyber charter school. IN A <--
12 CHARTER SCHOOL ENTITY.

13 (2) A school board member.

14 (3) A certified teacher actively employed in a public
15 school.

16 (4) A faculty member or administrative employe of an
17 institution of higher education.

18 (5) A member of the business community.

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

20 (7) An administrator of a charter school, regional charter <--
21 school or cyber charter school ENTITY. <--

22 (8) A member of the board of trustees of a charter school, <--
23 regional charter school or cyber charter school ENTITY. <--

24 The term of office of members of the appeal board, other than
25 the secretary, shall be for a period of four (4) years or until
26 a successor is appointed and qualified, except that, of the
27 initial appointees, the Governor shall designate two (2) members
28 to serve terms of two (2) years, two (2) members to serve terms
29 of three (3) years and two (2) members to serve terms of four
30 (4) years. A parent member appointed under paragraph (1) shall

1 serve a term of four (4) years, provided the member's child
2 remains enrolled in the charter school ~~or cyber charter school~~ <--
3 ENTITY. Any appointment to fill any vacancy shall be for the <--
4 period of the unexpired term or until a successor is appointed
5 and qualified.

6 * * *

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

14 Section 7. Section 1722-A of the act, amended November 17,
15 2010 (P.L.996, No.104), is amended to read:

16 Section 1722-A. Facilities.--(a) A charter school ENTITY <--
17 may be located in an existing public school building, in a part
18 of an existing public school building, in space provided on a
19 privately owned site, in a public building or in any other
20 suitable location. A charter school has a right of first refusal
21 to purchase or lease an existing public school building, a part
22 of an existing public school building or space in a public
23 building at or below fair market value.

24 (b) The charter school ENTITY facility shall be exempt from <--
25 public school facility regulations except those pertaining to
26 the health or safety of [the pupils] students.

27 (d) Notwithstanding any other provision of this act, a
28 school district [of the first class] may, in its discretion,
29 permit a charter school OR REGIONAL CHARTER SCHOOL to operate <--
30 its school at more than one location.

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

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

27 (3) This subsection shall apply retroactively to all charter
28 schools, cyber charter schools [and], associated nonprofit
29 foundations and associated nonprofit corporations that filed an
30 appeal from an assessment, as provided in Article V of The

1 General County Assessment Law, prior to the effective date of
2 this subsection and until such time as a final order has been
3 entered.

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

7 (f) (1) Alcoholic beverages shall not be available for
8 consumption, purchase or sale in any charter school ~~or cyber~~ <--
9 ~~charter school facility~~ ENTITY. <--

10 (2) If, IN THE CASE OF A CHARTER SCHOOL OR REGIONAL CHARTER <--
11 SCHOOL, the local board of school directors or the governing
12 board of an institution of higher education reasonably believes
13 that alcoholic beverages have been made available for
14 consumption, purchase or sale in any charter school ~~or cyber~~ <--
15 ~~charter school~~ ENTITY facility, the local board of school <--
16 directors or the governing board of an institution of higher
17 education shall notify the department, and the secretary shall
18 order the following forfeitures against the charter school or
19 cyber charter school:

20 (i) A fine of \$1,000 for the first violation.

21 (ii) A fine of \$5,000 for the second or subsequent
22 violation.

23 (3) The charter school ~~or cyber charter school~~ ENTITY may <--
24 appeal the order of the secretary under 2 Pa.C.S. Chs. 5
25 (relating to practice and procedure) and 7 (relating to judicial
26 review).

27 Section 8. Section 1723-A(a), (b) and (d) of the act,
28 amended June 26, 1999 (P.L.394, No.36) and July 9, 2008
29 (P.L.846, No.61), are amended AND THE SECTION IS AMENDED BY <--
30 ADDING A SUBSECTION to read:

1 Section 1723-A. [Enrollment] ADMISSION AND ENROLLMENT <--
2 REQUIREMENTS.--(a) (1) All resident children in this
3 Commonwealth WHO SUBMIT A COMPLETED ENROLLMENT IN ACCORDANCE <--
4 WITH CLAUSE (3) qualify for admission to a charter school ENTITY <--
5 within the provisions of subsection (b). [If] IN THE CASE OF A <--
6 CHARTER SCHOOL, IF more students apply to the charter school
7 than the number of attendance slots available in the school,
8 then students must be selected on a random basis from a pool of
9 [qualified applicants meeting the established eligibility
10 criteria and submitting] ~~resident children who have submitted~~ an <--
11 application] ELIGIBLE APPLICANTS WHO HAVE SUBMITTED AN <--
12 ENROLLMENT FORM in accordance with clauses (3) and (4) by the
13 deadline established by the charter school, except that the
14 charter school may give preference in enrollment to a child of a
15 parent who has actively participated in the development of the
16 charter school ~~and~~, to siblings of students presently enrolled <--
17 in the charter school ~~and to siblings of students selected for~~ <--
18 ~~enrollment during the lottery process.~~ First preference shall be
19 given to students who reside in the district or districts IN <--
20 WHICH THE CHARTER SCHOOL IS PHYSICALLY LOCATED.
21 ~~(2) Resident children not selected from the initial pool~~ <--
22 ~~shall be placed on a waiting list in the order by which they~~
23 ~~were randomly selected. Resident children who apply after a~~
24 ~~waiting list has been created shall be placed on the waiting~~
25 ~~list in the order in which their applications were received. The~~
26 ~~charter school shall enroll additional resident children off the~~
27 ~~waiting list when space becomes available.~~
28 ~~(3) Applications for admission to a charter school shall be~~
29 ~~made on a form developed by the department and shall be made~~
30 ~~available at the charter school and on a charter school's~~

~~publicly accessible Internet website if the charter school has
such a website.~~

~~(4) Applications for admission to a charter school or
entrance into a pool for random selection shall not require or
include a request for any other information that goes beyond the
contents of the application form developed by the department,
unless delineated in the school's charter and approved by the
department.~~

(2) IF A CHARTER SCHOOL HAS A WAITING LIST FOLLOWING ITS
INITIAL SELECTION OF ELIGIBLE APPLICANTS UNDER CLAUSE (1), THE
CHARTER SCHOOL SHALL SELECT ELIGIBLE APPLICANTS FROM THE WAITING
LIST AS SPACES BECOME AVAILABLE. ALL CHILDREN SHALL BE ASSIGNED
TO THE WAITING LIST ON A RANDOM BASIS. WHEN SELECTING ELIGIBLE
APPLICANTS FROM THE WAITING LIST, A CHARTER SCHOOL SHALL GIVE
FIRST PREFERENCE TO STUDENTS AS PROVIDED UNDER CLAUSE (1) AND TO
THOSE WHO RESIDE IN THE DISTRICT OR DISTRICTS IN WHICH THE
CHARTER SCHOOL IS PHYSICALLY LOCATED UNTIL THE CHARTER SCHOOL
AGAIN REACHES ITS MAXIMUM CAPACITY OF STUDENTS. IF A CHARTER
SCHOOL HAS A WAITING LIST, ONCE THE CHARTER SCHOOL HAS EXHAUSTED
THE WAITING LIST OF RESIDENT CHILDREN, IT MAY THEN ENROLL
CHILDREN ON THE WAITING LIST WHO RESIDE OUTSIDE OF THE DISTRICT.
NONRESIDENT CHILDREN SHALL ALSO BE SELECTED ON A RANDOM BASIS.
IF A CHARTER SCHOOL AND THE SCHOOL DISTRICT FROM WHICH IT IS
AUTHORIZED HAVE VOLUNTARILY CAPPED ENROLLMENT OR THE DISTRICT
ATTEMPTS TO INVOLUNTARILY CAP ENROLLMENT OF RESIDENT STUDENTS
AND THE CHARTER SCHOOL HAS ENROLLED THE MAXIMUM NUMBER OF
RESIDENT STUDENTS, IT MAY ENROLL STUDENTS RESIDING OUTSIDE OF
THE DISTRICT.

(3) THE DEPARTMENT, IN CONSULTATION WITH REPRESENTATIVES OF
CHARTER SCHOOL ENTITIES, SHALL DEVELOP A STANDARD ENROLLMENT

1 FORM THAT SHALL BE USED BY ALL ELIGIBLE APPLICANTS TO APPLY TO A
2 CHARTER SCHOOL ENTITY. THE STANDARD ENROLLMENT FORM SHALL ONLY
3 REQUEST INFORMATION NECESSARY TO ALLOW THE CHARTER SCHOOL ENTITY
4 TO IDENTIFY THE STUDENT, GRADE LEVEL AND RESIDENCY, INCLUDING:

5 (I) THE STUDENT'S NAME, PHYSICAL ADDRESS, TELEPHONE NUMBER,
6 AGE, BIRTH DATE AND CURRENT GRADE LEVEL.

7 (II) THE NAME, PHYSICAL ADDRESS, TELEPHONE NUMBER AND E-MAIL
8 ADDRESS OF THE STUDENT'S PARENT OR GUARDIAN.

9 (4) THE STANDARD ENROLLMENT FORM SHALL BE MADE PHYSICALLY
10 AVAILABLE AT EACH CHARTER SCHOOL ENTITY, IN A FORM THAT COMPLIES
11 WITH FEDERAL AND STATE LAW AND POSTED ON THE PUBLICLY ACCESSIBLE
12 INTERNET WEBSITE OF EACH CHARTER SCHOOL ENTITY, IF AVAILABLE. A
13 CHARTER SCHOOL ENTITY MAY ACCEPT THE ENROLLMENT FORM VIA
14 ELECTRONIC MEANS.

15 (5) WHEN A STUDENT APPLIES TO A CHARTER SCHOOL ENTITY, A
16 CHARTER SCHOOL ENTITY SHALL NOT REQUIRE OR REQUEST INFORMATION
17 BEYOND THE CONTENTS OF THE STANDARD ENROLLMENT FORM DEVELOPED BY
18 THE DEPARTMENT.

19 ~~(5)~~ (6) Nothing in this section shall prohibit a charter <--
20 school ENTITY from requesting the submission of additional <--
21 records and information that public schools are entitled to
22 after acceptance A STUDENT IS ACCEPTED for admission to a <--
23 charter school- ENTITY. <--

24 AS USED IN THIS SUBSECTION:

25 "ELIGIBLE APPLICANT" SHALL MEAN A STUDENT WHO IS SEEKING TO
26 ENTER A GRADE LEVEL OFFERED BY THE CHARTER SCHOOL AND MEETS THE
27 REQUIREMENTS OF 22 PA. CODE §§ 11.12 (RELATING TO SCHOOL AGE),
28 11.13 (RELATING TO COMPULSORY SCHOOL AGE), 11.14 (RELATING TO
29 ADMISSION TO KINDERGARTEN WHEN PROVIDED), 11.15 (RELATING TO
30 ADMISSION OF BEGINNERS), 11.16 (RELATING TO EARLY ADMISSION OF

1 BEGINNERS) AND 12.1 (RELATING TO FREE EDUCATION AND ATTENDANCE)
2 AND STUDENT RESIDENCY REQUIREMENTS.

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

10 (2) A charter school ENTITY may limit [admission] ITS <--
11 ACADEMIC FOCUS to a particular grade level[, or a targeted
12 population group composed of at-risk students[, or areas of
13 concentration of the school such as mathematics, science or the
14 arts. A charter school may establish reasonable criteria to
15 evaluate prospective students which shall be outlined in the
16 school's charter.] ~~. Only a charter school with a concentrated, <--~~
17 ~~specialized or accelerated program of study in science,~~
18 ~~technology, engineering and mathematics (STEM) or the performing~~
19 ~~arts for students in grades nine (9) through twelve (12)~~
20 ~~outlined in the school's charter, made publicly available on the~~
21 ~~charter school's Internet website, and in accordance with clause~~
22 ~~(1), may establish reasonable criteria to evaluate prospective~~
23 ~~students for enrollment purposes. Each child who meets the~~
24 ~~admission criteria shall be eligible for admission and included~~
25 ~~in a pool for random selection should one be necessary. .] OR A <--~~
26 SPECIALIZED AREA OR ACCELERATED PROGRAM OF STUDY, SUCH AS
27 MATHEMATICS, SCIENCE OR THE ARTS.

28 * * *

29 (d) (1) Enrollment of students in a charter school, <--
30 REGIONAL CHARTER SCHOOL or cyber charter school, OR EXPANSION OF <--

1 A CHARTER SCHOOL, REGIONAL CHARTER SCHOOL OR CYBER CHARTER
2 SCHOOL INTO ADDITIONAL GRADE LEVELS, shall not be subject to a
3 cap or otherwise limited by any past or future action of a board
4 of school directors, a board of control established under
5 Article XVII-B, a special board of control established under
6 section 692 or any other governing authority[, unless agreed to
7 by the charter school or cyber charter school as part of a
8 written charter pursuant to section 1720-A].

9 (2) The provisions of this subsection shall apply to a
10 charter school, REGIONAL CHARTER SCHOOL or cyber charter school <--
11 regardless of whether the charter was approved prior to or is
12 approved subsequent to the effective date of this subsection.

13 (E) A SCHOOL DISTRICT'S OBLIGATION TO MAKE PAYMENT FOR <--
14 STUDENTS ENROLLED IN A CHARTER SCHOOL SHALL BE GOVERNED BY
15 SECTION 1725-A OR, IN THE CASE OF STUDENTS WHO ARE BELOW A
16 SCHOOL DISTRICT'S AGE OF ENROLLMENT, BY THE TERMS OF ANY CHARTER
17 OR SERVICE CONTRACT BETWEEN A SCHOOL DISTRICT AND A CHARTER
18 SCHOOL.

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

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

23 (c) All employes of a charter school shall be enrolled in
24 the Public School Employees' Retirement System in the same
25 manner as set forth in 24 Pa.C.S. § 8301(a) (relating to
26 mandatory and optional membership) unless at the time of the
27 application for the charter school the sponsoring district or
28 the board of trustees of the charter school has a retirement
29 program which covers the employes or the employe is currently
30 enrolled in another retirement program. [The Commonwealth shall

1 make contributions on behalf of charter school employees enrolled
2 in the Public School Employees' Retirement System.] The charter
3 school shall be considered a school district and shall make
4 payments by employers to the Public School Employees' Retirement
5 System and payments on account of Social Security as established
6 under 24 Pa.C.S. Pt. IV (relating to retirement for school
7 employees). [The market value/income aid ratio used in
8 calculating payments as prescribed in this subsection shall be
9 the market value/income aid ratio for the school district in
10 which the charter school is located or, in the case of a
11 regional charter school, shall be a composite market
12 value/income aid ratio for the participating school districts as
13 determined by the department.] Except as otherwise provided,
14 employees of a charter school shall make regular member
15 contributions as required for active members under 24 Pa.C.S.
16 Pt. IV. If the employees of the charter school participate in
17 another retirement plan, then those employees shall have no
18 concurrent claim on the benefits provided to public school
19 employees under 24 Pa.C.S. Pt. IV. For purposes of this
20 subsection, a charter school shall be deemed to be a "public
21 school" as defined in 24 Pa.C.S. § 8102 (relating to
22 definitions). NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO <--
23 REQUIRE THE COMMONWEALTH TO MAKE CONTRIBUTIONS, FROM
24 APPROPRIATED FUNDS, AS PROVIDED IN 24 PA.C.S. § 8329(A)
25 (RELATING TO PAYMENTS ON ACCOUNT OF SOCIAL SECURITY DEDUCTIONS
26 FROM APPROPRIATIONS) ON ACCOUNT OF SOCIAL SECURITY PAYMENTS MADE
27 BY A CHARTER SCHOOL.

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

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

10 * * *

11 Section 10. Section 1725-A of the act, amended or added June
12 19, 1997 (P.L.225, No.22), June 22, 2001 (P.L.530, No.35) and
13 June 29, 2002 (P.L.524, No.88), is amended to read:

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

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

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

<--

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

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

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

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

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

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

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

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

17 CHARTER SCHOOL SHALL BE PROVIDED IN THE FOLLOWING MANNER AND
18 SHALL NOT BE IN VIOLATION OF ANY APPLICABLE FEDERAL OR STATE
19 LAW, REGULATION OR AGREEMENT:

20 (1) THERE SHALL BE NO TUITION CHARGE FOR A RESIDENT OR
21 NONRESIDENT STUDENT ATTENDING A CHARTER SCHOOL OR A REGIONAL
22 CHARTER SCHOOL.

23 (2) THE FOLLOWING APPLY:

24 (I) FOR NONSPECIAL EDUCATION STUDENTS, THE CHARTER SCHOOL OR
25 REGIONAL CHARTER SCHOOL SHALL RECEIVE FOR EACH STUDENT ENROLLED
26 NO LESS THAN THE BUDGETED TOTAL EXPENDITURE PER AVERAGE DAILY
27 MEMBERSHIP OF THE PRIOR SCHOOL YEAR, AS DEFINED IN SECTION
28 2501(20), MINUS THE BUDGETED EXPENDITURES OF THE DISTRICT OF
29 RESIDENCE FOR ALL OF THE FOLLOWING:

30 (A) NONPUBLIC SCHOOL PROGRAMS.

1 (B) ADULT EDUCATION PROGRAMS.

2 (C) COMMUNITY AND JUNIOR COLLEGE PROGRAMS.

3 (D) STUDENT TRANSPORTATION SERVICES.

4 (E) SPECIAL EDUCATION PROGRAMS.

5 (F) FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT
6 SERVICES.

7 (G) PROGRAMS AND SERVICES TO THE EXTENT THEY ARE FUNDED FROM
8 THE PROCEEDS OF COMPETITIVE GRANTS FROM PRIVATE OR PUBLIC
9 RESOURCES OR FROM CONTRIBUTIONS OR DONATIONS FROM PRIVATE
10 SOURCES.

11 (H) OTHER FINANCING USES, INCLUDING DEBT SERVICE AND FUND
12 TRANSFERS AS PROVIDED IN THE MANUAL OF ACCOUNTING AND RELATED
13 FINANCIAL PROCEDURES FOR PENNSYLVANIA SCHOOL SYSTEMS ESTABLISHED
14 BY THE DEPARTMENT.

15 (I.1) THE AMOUNT UNDER SUBCLAUSE (I) SHALL BE CALCULATED BY
16 EACH SCHOOL DISTRICT ON A FORM PRESCRIBED BY THE SECRETARY IN
17 ACCORDANCE WITH THIS SECTION. THE SECRETARY, UPON RECEIPT OF A
18 DISTRICT'S CALCULATION, SHALL REVIEW THE DISTRICT'S CALCULATION
19 AND MAY REQUEST SUPPORTING DOCUMENTATION FROM THE DISTRICT
20 REGARDING ITS CALCULATION. IF THE SECRETARY FINDS AN ERROR OR
21 DISCREPANCY IN A DISTRICT'S CALCULATION, THE SECRETARY SHALL
22 REQUIRE THE DISTRICT TO CORRECT THE CALCULATION AND REQUIRE THE
23 SCHOOL DISTRICT TO NOTIFY AFFECTED CHARTER SCHOOLS AND REGIONAL
24 CHARTER SCHOOLS.

25 (II) THE FOLLOWING APPLY:

26 (A) THE AMOUNT UNDER SUBCLAUSE (I) SHALL BE PAID BY THE
27 SCHOOL DISTRICT OF RESIDENCE OF EACH STUDENT BY DEDUCTION AND
28 TRANSFER FROM ALL STATE PAYMENTS DUE TO THE DISTRICT AS PROVIDED
29 UNDER CLAUSE (5).

30 (B) IF A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL DISPUTES

1 THE ACCURACY OF A DISTRICT'S CALCULATION UNDER THIS CLAUSE, THE
2 CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL SHALL FILE A NOTICE OF
3 THE DISPUTE WITH THE SECRETARY, WHO SHALL HOLD A HEARING TO
4 DETERMINE THE ACCURACY OF THE DISTRICT'S CALCULATION WITHIN
5 THIRTY (30) DAYS OF THE NOTICE.

6 (C) THE SECRETARY SHALL DETERMINE THE ACCURACY OF THE
7 DISTRICT'S CALCULATION WITHIN THIRTY (30) DAYS OF THE HEARING.

8 (D) THE DISTRICT SHALL BEAR THE BURDEN OF PRODUCTION AND
9 PROOF WITH RESPECT TO ITS CALCULATION UNDER THIS CLAUSE.

10 (E) THE DISTRICT SHALL BE LIABLE FOR THE REASONABLE LEGAL
11 FEES INCURRED BY A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL IF
12 THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL IS THE
13 SUBSTANTIALLY PREVAILING PARTY AFTER A HEARING UNDER THIS
14 SECTION. THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL SHALL BE
15 LIABLE FOR THE REASONABLE LEGAL FEES INCURRED BY THE DISTRICT IF
16 THE DISTRICT IS THE SUBSTANTIALLY PREVAILING PARTY AFTER A
17 HEARING UNDER THIS SECTION.

18 (F) ALL DECISIONS OF THE SECRETARY UNDER THIS CLAUSE SHALL
19 BE SUBJECT TO APPELLATE REVIEW BY COMMONWEALTH COURT.

20 (3) THE FOLLOWING APPLY:

21 (I) FOR SPECIAL EDUCATION STUDENTS, THE CHARTER SCHOOL OR
22 REGIONAL CHARTER SCHOOL SHALL RECEIVE FOR EACH STUDENT ENROLLED
23 THE SAME FUNDING AS FOR EACH NONSPECIAL EDUCATION STUDENT AS
24 PROVIDED UNDER CLAUSE (2), PLUS AN ADDITIONAL AMOUNT DETERMINED
25 BY DIVIDING THE TOTAL SPECIAL EDUCATION EXPENDITURE OF THE
26 SCHOOL DISTRICT OF RESIDENCE BY THE PRODUCT OF:

27 (A) THE COMBINED PERCENTAGE OF SECTION 2509.5(K) APPLICABLE
28 TO THE SCHOOL YEAR; AND

29 (B) THE TOTAL AVERAGE DAILY MEMBERSHIP OF THE SCHOOL
30 DISTRICT OF RESIDENCE FOR THE PRIOR SCHOOL YEAR.

1 (II) THE AMOUNT UNDER SUBCLAUSE (I) SHALL BE PAID BY THE
2 SCHOOL DISTRICT OF RESIDENCE OF EACH STUDENT BY DEDUCTION AND
3 TRANSFER FROM ALL STATE PAYMENTS DUE TO THE DISTRICT AS PROVIDED
4 UNDER CLAUSE (5).

5 (III) IF A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL
6 DISPUTES THE ACCURACY OF A DISTRICT'S CALCULATION UNDER THIS
7 CLAUSE, THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL SHALL FILE
8 A NOTICE OF THE DISPUTE WITH THE SECRETARY, WHO SHALL HOLD A
9 HEARING TO DETERMINE THE ACCURACY OF THE DISTRICT'S CALCULATION
10 WITHIN THIRTY (30) DAYS OF THE NOTICE.

11 (IV) THE SECRETARY SHALL DETERMINE THE ACCURACY OF THE
12 DISTRICT'S CALCULATION WITHIN THIRTY (30) DAYS OF THE HEARING.

13 (V) THE DISTRICT SHALL BEAR THE BURDEN OF PRODUCTION AND
14 PROOF WITH RESPECT TO ITS CALCULATION UNDER THIS CLAUSE.

15 (VI) THE DISTRICT SHALL BE LIABLE FOR THE REASONABLE LEGAL
16 FEES INCURRED BY A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL IF
17 THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL IS THE
18 SUBSTANTIALLY PREVAILING PARTY AFTER A HEARING UNDER THIS
19 SECTION. THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL SHALL BE
20 LIABLE FOR THE REASONABLE LEGAL FEES INCURRED BY THE SCHOOL
21 DISTRICT IF THE DISTRICT IS THE SUBSTANTIALLY PREVAILING PARTY
22 AFTER A HEARING UNDER THIS SECTION.

23 (VII) ALL DECISIONS OF THE SECRETARY UNDER THIS SECTION
24 SHALL BE SUBJECT TO APPELLATE REVIEW BY COMMONWEALTH COURT.

25 (4) A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL MAY REQUEST
26 THE INTERMEDIATE UNIT OR SCHOOL DISTRICT IN WHICH THE CHARTER
27 SCHOOL OR REGIONAL CHARTER SCHOOL IS LOCATED TO PROVIDE SERVICES
28 TO ASSIST THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL TO
29 ADDRESS THE SPECIFIC NEEDS OF NONSPECIAL EDUCATION AND
30 EXCEPTIONAL STUDENTS. THE INTERMEDIATE UNIT OR SCHOOL DISTRICT

SHALL PROVIDE THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL WITH
SUCH SERVICES AND BILL THE CHARTER SCHOOL OR REGIONAL CHARTER
SCHOOL FOR THE SERVICES. THE INTERMEDIATE UNIT OR SCHOOL
DISTRICT MAY NOT CHARGE THE CHARTER SCHOOL OR REGIONAL CHARTER
SCHOOL MORE FOR ANY SERVICE THAN IT CHARGES THE CONSTITUENT
DISTRICTS OF THE INTERMEDIATE UNIT. NOTHING UNDER THIS CLAUSE
SHALL PRECLUDE AN INTERMEDIATE UNIT OR SCHOOL DISTRICT FROM
CONTRACTING WITH A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL TO
PROVIDE THE INTERMEDIATE UNIT OR SCHOOL DISTRICT WITH SERVICES
TO ASSIST THE INTERMEDIATE UNIT OR SCHOOL DISTRICT TO ADDRESS
SPECIFIC NEEDS OF NONSPECIAL EDUCATION AND SPECIAL EDUCATION
STUDENTS.

(5) BEGINNING IN THE 2014-2015 SCHOOL YEAR, THE FOLLOWING
APPLY:

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

(II) EXCEPT AS PROVIDED FOR IN SUBCLAUSE (VI), PAYMENTS
SHALL BE MADE DIRECTLY BY THE SECRETARY DEDUCTING AND PAYING TO
THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL THE ESTIMATED
AMOUNT, AS DOCUMENTED BY THE CHARTER SCHOOL OR REGIONAL CHARTER
SCHOOL, FROM:

(A) ALL STATE PAYMENTS DUE TO THE SCHOOL DISTRICT OF
RESIDENCE; OR

(B) IF NO PAYMENTS ARE DUE TO THE SCHOOL DISTRICT OF
RESIDENCE, FROM ALL STATE PAYMENTS REASONABLY EXPECTED TO BE DUE
IN THE NEXT ESTABLISHED MONTHLY UNIPAY SCHEDULE, AFTER RECEIPT
OF DOCUMENTATION FROM THE CHARTER SCHOOL OR REGIONAL CHARTER
SCHOOL AS TO ITS ENROLLMENT.

1 (III) AT LEAST THIRTY (30) DAYS PRIOR TO THE SCHEDULED
2 PAYMENT DATE EACH MONTH, A CHARTER SCHOOL OR REGIONAL CHARTER
3 SCHOOL SHALL PROVIDE TO THE DEPARTMENT AND TO THE SCHOOL
4 DISTRICT OF RESIDENCE OF EACH STUDENT ENROLLED IN THE CHARTER
5 SCHOOL OR REGIONAL CHARTER SCHOOL, DOCUMENTATION OF THE CHARTER
6 SCHOOL'S OR REGIONAL CHARTER SCHOOL'S ENROLLMENT, ON A FORM TO
7 BE DEVELOPED BY THE SECRETARY WITHIN SIXTY (60) DAYS OF THE
8 EFFECTIVE DATE OF THIS SECTION. THE FORM, WHICH SHALL BE
9 DEVELOPED IN CONSULTATION WITH REPRESENTATIVES OF CHARTER
10 SCHOOLS OR REGIONAL CHARTER SCHOOLS AND SCHOOL DISTRICTS, SHALL
11 REQUIRE THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL TO PROVIDE
12 TO THE DEPARTMENT AND TO THE SCHOOL DISTRICT OF RESIDENCE OF
13 EACH STUDENT ENROLLED IN THE CHARTER SCHOOL OR REGIONAL CHARTER
14 SCHOOL, DOCUMENTATION OF EACH STUDENT'S CURRENT ENROLLMENT IN
15 THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL AND CURRENT
16 RESIDENCE IN THE SCHOOL DISTRICT, INCLUDING THE FOLLOWING
17 INFORMATION:

- 18 (A) STUDENT'S NAME.
19 (B) STUDENT'S HOME ADDRESS.
20 (C) NAME AND TELEPHONE NUMBER OF STUDENT'S PARENT OR
21 GUARDIAN.
22 (D) STUDENT'S DATE OF BIRTH.
23 (E) STUDENT'S GRADE LEVEL.
24 (F) TYPE OF SCHOOL IN WHICH STUDENT WAS PREVIOUSLY ENROLLED.
25 (G) STUDENT'S DATE OF ENROLLMENT.
26 (H) WHETHER EACH STUDENT IS BEING EDUCATED UNDER AN
27 INDIVIDUALIZED EDUCATION PLAN UNDER THE INDIVIDUALS WITH
28 DISABILITIES EDUCATION ACT (PUBLIC LAW 91-230, 20 U.S.C. § 1400
29 ET SEQ.).
30 (I) THE TUITION AMOUNT DUE ON ACCOUNT OF EACH STUDENT.

1 (J) THE TOTAL AMOUNT DUE FROM THE SCHOOL DISTRICT FOR THAT
2 MONTH.

3 (K) COPIES OF THE ACTUAL DOCUMENTS USED BY THE CHARTER
4 SCHOOL OR REGIONAL CHARTER SCHOOL TO VERIFY EACH STUDENT'S
5 RESIDENCE IN THE SCHOOL DISTRICT.

6 (IV) THE SECRETARY SHALL NOT MAKE PAYMENTS UNDER THIS
7 SECTION UNTIL THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL
8 PROVIDES THE DEPARTMENT AND THE SCHOOL DISTRICT OF RESIDENCE
9 WITH A COMPLETED FORM AND ACCOMPANYING DOCUMENTATION AS REQUIRED
10 UNDER THIS CLAUSE. A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL
11 MAY MAKE ONLY ONE (1) PAYMENT REQUEST PER MONTH UNDER THIS
12 CLAUSE. AFTER A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL MAKES
13 A PAYMENT REQUEST UNDER THIS CLAUSE, ANY NECESSARY CORRECTIONS
14 OR ADJUSTMENTS MAY BE MADE IN THE NEXT SUBSEQUENT MONTHLY
15 PAYMENT REQUEST.

16 (V) THE SECRETARY'S OBLIGATION TO MAKE PAYMENTS UNDER THIS
17 SECTION IS MANDATORY AND MINISTERIAL, EXCEPT THAT PAYMENTS MADE
18 PURSUANT TO THIS SECTION SHALL NOT BE GIVEN PRIORITY OVER
19 PAYMENTS REQUIRED PURSUANT TO SECTIONS 633 AND 785 AND 53
20 PA.C.S. § 8125(B) (RELATING TO SECURITY FOR TAX ANTICIPATION
21 NOTES AND SINKING FUND), OR AN AGREEMENT PURSUANT TO WHICH THE
22 COMMONWEALTH IS REQUIRED TO MAKE PAYMENT TO A HOLDER OF DEBT
23 ISSUED BY OR ON BEHALF OF A SCHOOL ENTITY. IF PAYMENTS REQUIRED
24 UNDER SECTIONS 633 AND 785 AND 53 PA.C.S. § 8125(B) PRECLUDE THE
25 TIMELY PAYMENT OF FUNDS TO A CHARTER SCHOOL OR REGIONAL CHARTER
26 SCHOOL UNDER THIS SECTION OR WILL CAUSE THE BOARD OF SCHOOL
27 DIRECTORS OF A SCHOOL DISTRICT TO FAIL TO PAY OR PROVIDE FOR
28 PAYMENT UNDER THIS SUBSECTION, NOTHING SHALL PRECLUDE THE
29 SECRETARY FROM WITHHOLDING FUNDS FROM ANY AND ALL STATE PAYMENTS
30 MADE TO THE SCHOOL DISTRICT FOR THE OPERATING SCHOOL YEAR OR FOR

1 ANY SUBSEQUENT OPERATING SCHOOL YEAR.

2 (VI) IF THERE ARE INSUFFICIENT STATE PAYMENTS DUE TO A
3 SCHOOL DISTRICT IN THE ESTABLISHED MONTHLY UNIPAY SCHEDULE TO
4 COVER ALL CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL DEDUCTIONS
5 AND TRANSFERS, THE SCHOOL DISTRICT SHALL BE RESPONSIBLE FOR
6 PAYING THE UNPAID BALANCE DIRECTLY TO THE CHARTER SCHOOL OR
7 REGIONAL CHARTER SCHOOL NOT MORE THAN TEN (10) DAYS FOLLOWING
8 THE ESTABLISHED MONTHLY UNIPAY SCHEDULE.

9 (VII) A STUDENT ENROLLED IN A CHARTER SCHOOL OR REGIONAL
10 CHARTER SCHOOL SHALL BE INCLUDED IN THE AVERAGE DAILY MEMBERSHIP
11 OF THE STUDENT'S SCHOOL DISTRICT OF RESIDENCE FOR THE PURPOSE OF
12 PROVIDING BASIC EDUCATION FUNDING PAYMENTS AND SPECIAL EDUCATION
13 FUNDING UNDER ARTICLE XXV.

14 (6) THE FOLLOWING APPLY:

15 (I) WITHIN THIRTY (30) DAYS AFTER THE PAYMENT IS MADE TO THE
16 CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL AS DESCRIBED UNDER
17 CLAUSE (5), A SCHOOL DISTRICT MAY NOTIFY THE SECRETARY THAT THE
18 ESTIMATED AMOUNT, AS DOCUMENTED BY THE CHARTER SCHOOL OR
19 REGIONAL CHARTER SCHOOL, IS INACCURATE.

20 (II) WITHIN THIRTY (30) DAYS OF THE NOTICE BY THE SCHOOL
21 DISTRICT UNDER SUBCLAUSE (I), THE SECRETARY SHALL PROVIDE THE
22 SCHOOL DISTRICT WITH A HEARING CONCERNING WHETHER THE CHARTER
23 SCHOOL OR REGIONAL CHARTER SCHOOL DOCUMENTED THAT STUDENTS WERE
24 ENROLLED IN THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL, THE
25 PERIOD OF TIME DURING WHICH EACH STUDENT WAS ENROLLED IN THE
26 CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL, THE SCHOOL DISTRICT
27 OF RESIDENCE OF EACH STUDENT ENROLLED IN THE CHARTER SCHOOL OR
28 REGIONAL CHARTER SCHOOL AND WHETHER THE AMOUNTS DEDUCTED FROM OR
29 PAID BY THE SCHOOL DISTRICT WERE ACCURATE.

30 (III) THE BURDEN OF PROOF AND PRODUCTION AT THE HEARING

1 SHALL BE ON THE SCHOOL DISTRICT. A HEARING SHALL NOT BE HELD
2 BEFORE THE SECRETARY DEDUCTS AND TRANSFERS TO THE CHARTER SCHOOL
3 OR REGIONAL CHARTER SCHOOL THE AMOUNT ESTIMATED BY THE CHARTER
4 SCHOOL OR REGIONAL CHARTER SCHOOL.

5 (IV) THE SECRETARY SHALL DETERMINE THE ACCURACY OF THE
6 AMOUNT DOCUMENTED BY THE CHARTER SCHOOL OR REGIONAL CHARTER
7 SCHOOL AND MAKE ANY NECESSARY PAYMENT ADJUSTMENT WITHIN THIRTY
8 (30) DAYS OF THE HEARING.

9 (V) THE SCHOOL DISTRICT SHALL BE LIABLE FOR THE REASONABLE
10 LEGAL FEES INCURRED BY A CHARTER SCHOOL OR REGIONAL CHARTER
11 SCHOOL IF THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL IS THE
12 SUBSTANTIALLY PREVAILING PARTY AFTER A HEARING UNDER THIS
13 SECTION. THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL SHALL BE
14 LIABLE FOR THE REASONABLE LEGAL FEES INCURRED BY THE SCHOOL
15 DISTRICT IF THE SCHOOL DISTRICT IS THE SUBSTANTIALLY PREVAILING
16 PARTY AFTER A HEARING UNDER THIS SECTION.

17 (VI) ALL DECISIONS OF THE SECRETARY UNDER THIS SECTION SHALL
18 BE SUBJECT TO APPELLATE REVIEW BY COMMONWEALTH COURT.

19 (VII) SUPERSEDEAS SHALL NOT BE GRANTED TO THE SECRETARY OR
20 ANY PARTY TO THE PROCEEDING ON AN APPEAL FROM THE DECISION OF
21 THE SECRETARY UNDER THIS SECTION; AND, ABSENT A COURT ORDER, THE
22 SECRETARY SHALL NOT HOLD ANY PAYMENTS IN ESCROW.

23 (d) It shall be lawful for any charter school OR REGIONAL <--
24 CHARTER SCHOOL to receive, hold, manage and use, absolutely or
25 in trust, any devise, bequest, grant, endowment, gift or
26 donation of any property, real or personal and/or mixed, which
27 shall be made to the charter school OR REGIONAL CHARTER SCHOOL <--
28 for any of the purposes of this article.

29 (e) It shall be unlawful for any trustee of a charter school
30 OR REGIONAL CHARTER SCHOOL or any board of trustees of a charter <--

1 school OR REGIONAL CHARTER SCHOOL or any other person affiliated <--
2 in any way with a charter school OR REGIONAL CHARTER SCHOOL to <--
3 demand or request, directly or indirectly, any gift, donation or
4 contribution of any kind from any parent, teacher, employe or
5 any other person affiliated with the charter school OR REGIONAL <--
6 CHARTER SCHOOL as a condition for employment or enrollment
7 and/or continued attendance of any pupil. Any donation, gift or
8 contribution received by a charter school OR REGIONAL CHARTER <--
9 SCHOOL shall be given freely and voluntarily.} ~~Funding for a~~ <--
10 ~~charter school entity shall be provided in the following manner~~
11 ~~and shall not be in violation of any applicable Federal or State~~
12 ~~law, regulation or agreement:~~
13 ~~(1) There shall be no tuition charge for a resident or~~
14 ~~nonresident student attending a charter school entity.~~
15 ~~(2) The following apply:~~
16 ~~(i) For nonspecial education students, the charter school~~
17 ~~entity shall receive for each student enrolled no less than the~~
18 ~~budgeted total expenditure per average daily membership of the~~
19 ~~prior school year, as defined in section 2501(20), minus the~~
20 ~~budgeted expenditures of the district of residence for all of~~
21 ~~the following:~~
22 ~~(A) Nonpublic school programs.~~
23 ~~(B) Adult education programs.~~
24 ~~(C) Community and junior college programs.~~
25 ~~(D) Student transportation services.~~
26 ~~(E) Special education programs.~~
27 ~~(F) Facilities acquisition, construction and improvement~~
28 ~~services.~~
29 ~~(G) Programs and services to the extent they are funded from~~
30 ~~the proceeds of competitive grants from private or public~~

~~resources or from contributions or donations from private sources.~~

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

~~(i.1) The amount under subclause (i) shall be calculated by each school district on a form prescribed by the secretary in accordance with this section. The secretary, upon receipt of a district's calculation, shall review the district's calculation and may request supporting documentation from the district regarding its calculation. If the secretary finds an error or discrepancy in a district's calculation, the secretary shall require the district to correct the calculation and require the school district to notify affected charter school entities.~~

~~(ii) The following apply:~~

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

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

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

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

~~(E) The district shall be liable for the reasonable legal~~

~~fees incurred by a charter school entity if the charter school entity is the substantially prevailing party after a hearing under this section. The charter school entity shall be liable for the reasonable legal fees incurred by the district if the district is the substantially prevailing party after a hearing under this section.~~

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

~~(3) The following apply:~~

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

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

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

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

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

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

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

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

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

~~(4) A charter school entity may request the intermediate unit or school district in which the charter school entity is located to provide services to assist the charter school entity to address the specific needs of nonspecial education and exceptional students. The intermediate unit or school district shall provide the charter school entity with such services and bill the charter school entity for the services. The intermediate unit or school district may not charge the charter school entity more for any service than it charges the constituent districts of the intermediate unit. Nothing under this clause shall preclude an intermediate unit or school district from contracting with a charter school entity to provide the intermediate unit or school district with services to assist the intermediate unit or school district to address specific needs of nonspecial education and special education students.~~

~~(5) The following apply:~~

~~(i) Payments shall be made to the charter school entity in twelve (12) equal monthly payments, according to the established~~

~~monthly unipay schedule within the operating school year.~~

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

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

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

~~(v) The board of trustees of a charter school entity may elect on an annual basis to be paid directly from the school district of residence. Any board of trustees of a charter school entity that elects to be paid directly by the school district of residence shall notify the department in accordance with the timelines established in the department guidelines. The school district of residence shall provide for payment to the charter school entity as follows:~~

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

~~(B) Payments shall be made directly by the school district~~

~~of residence paying to the charter school entity the estimated amount, as documented by the charter school entity, after receipt of documentation from the charter school entity as to its enrollment.~~

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

~~(6) The following apply:~~

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

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

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

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

~~district is the substantially prevailing party after a hearing under this section.~~

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

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

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

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

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

~~(F) A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL MAY NOT PROVIDE DISCOUNTS TO A SCHOOL DISTRICT OR WAIVE PAYMENTS UNDER THIS SECTION FOR ANY STUDENT.~~

~~(e) (G) The department shall develop a transition procedure to be able to recoup in subsequent fiscal years any payments~~

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<--

1 made in error to a charter school entity OR REGIONAL CHARTER <--
2 SCHOOL as a result of direct payment by the department to the
3 charter school entity OR REGIONAL CHARTER SCHOOL. <--

4 Section 11. Section 1728-A(a) AND (B) of the act, added June <--
5 19, 1997 (P.L.225, No.22), ~~is~~ ARE amended and the section is <--
6 amended by adding subsections to read:

7 Section 1728-A. Annual Reports and Assessments.--(a) (1)

8 The local board of school directors or the governing board of an
9 institution of higher education shall annually assess whether
10 each charter school OR REGIONAL CHARTER SCHOOL is meeting the <--
11 goals of its charter and shall conduct a comprehensive review
12 prior to granting a [five (5)] ~~ten (10)~~ year] renewal of the <--
13 charter. The local board of school directors or the governing
14 board of an institution of higher education shall have ongoing
15 access to the records and facilities of the charter school OR <--
16 REGIONAL CHARTER SCHOOL to ensure that the charter school OR <--
17 REGIONAL CHARTER SCHOOL is in compliance with its charter and
18 this act and that requirements for testing, civil rights and
19 student health and safety are being met.

20 (2) Ongoing access to a charter school's OR REGIONAL CHARTER <--
21 SCHOOL'S records shall mean that the local board of school
22 directors or the governing board of an institution of higher
23 education shall have access to records such as financial
24 reports, financial audits, aggregate standardized test scores
25 without student-identifying information and teacher
26 certification and personnel records.

27 (3) ~~Schools and school entities~~ CHARTER SCHOOLS AND REGIONAL <--
28 CHARTER SCHOOLS shall comply fully with the requirements of the
29 Family Educational Rights and Privacy Act of 1974 (Public Law
30 90-247, 20 U.S.C. § 1232g) and associated regulations. No

personally identifiable information from education records shall be provided by the charter school to the school district except in compliance with the Family Educational Rights and Privacy Act of 1974.

(B) IN ORDER TO FACILITATE THE LOCAL BOARD'S REVIEW AND SECRETARY'S REPORT, EACH CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL SHALL SUBMIT AN ANNUAL REPORT NO LATER THAN AUGUST 1 OF EACH YEAR TO THE LOCAL BOARD OF SCHOOL DIRECTORS AND THE SECRETARY IN THE FORM PRESCRIBED BY THE SECRETARY.

* * *

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

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

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

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

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

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

foundation.

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

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

(e) The certified audit under subsection (d) and the annual budget under subsection (g) are public documents and shall be made available on the school district's publicly accessible Internet website and the charter school's SCHOOL ENTITY'S publicly accessible Internet website, if applicable.

<--

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

<--

~~(g) A charter school shall annually provide the school district and the department with a copy of the annual budget for the operation of the school that identifies the following:~~

<--

(G) A CHARTER SCHOOL ENTITY SHALL ANNUALLY PROVIDE THE DEPARTMENT AND, IN THE CASE OF A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL, SHALL ANNUALLY PROVIDE THE SCHOOL DISTRICT, WITH A COPY OF THE ANNUAL BUDGET FOR THE OPERATION OF THE CHARTER SCHOOL ENTITY THAT IDENTIFIES THE FOLLOWING:

<--

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

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

1 (3) The salaries of all administrators of the charter school
2 ENTITY. <--

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

5 (h) (1) Notwithstanding any other provision of law, a
6 charter school ENTITY and any affiliated charter school <--
7 foundation shall make copies of its annual Federal and State tax
8 filings available upon request and on the foundation's or

9 ~~school's~~ CHARTER SCHOOL ENTITY'S publicly accessible Internet <--
10 website, if applicable, including Internal Revenue Service Code
11 Form 990, Return of Organization Exempt from Income Tax and all
12 related schedules and appendices.

13 (2) The charter school foundation shall also make copies of
14 its annual budget available upon request and on the foundation's
15 or the ~~school's~~ CHARTER SCHOOL ENTITY'S publicly accessible <--
16 Internet website within thirty (30) days of the close of the
17 foundation's fiscal year.

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

20 Section 12. The act is amended by adding a section to read:

21 Section 1728.1-A. Charter Authorizer Accountability.--(a)
22 Each local board of school directors of a district and the
23 governing board of an institution of higher education shall be
24 required to submit to the department an annual report
25 summarizing:

26 (1) The strategic vision for chartering and progress toward
27 achieving that vision.

28 (2) The academic and financial performance of all operating
29 public charter schools overseen by the local board or the
30 governing board of an institution of higher education, according

1 to the performance expectations for public charter schools set
2 forth in this act.

3 (3) The status of the local board of school directors' or
4 the governing board of an institution of higher education's
5 public charter school portfolio, identifying all public charter
6 schools in each of the following categories: (i) approved, but
7 not open; (ii) open and operating; and (iii) closed, including
8 the year closed and the reason for closure.

9 (4) The authorizing functions provided by the local board of
10 school directors or the governing board of an institution of
11 higher education to the public charter schools under its
12 purview, including the authorizer's operating costs and expenses
13 detailed in annual audited financial statements that conform to
14 generally accepted accounting principles.

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

16 (1) Oversight of the performance of each established local
17 board of school directors of a district and the governing board
18 of an institution of higher education.

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

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

26 (4) In reviewing or evaluating the performance of each local
27 board of school directors of a district and the governing board
28 of an institution of higher education, the department shall
29 apply nationally recognized principles and standards of quality
30 charter school authorizing as determined by the National

1 Association of Charter School Authorizers.

2 (c) The department shall publish the annual reviews on its
3 publicly accessible Internet website and submit a summary report
4 regarding authorizer performance to the Governor and the General
5 Assembly.

6 (d) The department shall develop a plan for sanctioning
7 local boards of school directors of a district or governing
8 boards of an institution of higher education that maintain
9 portfolios with persistently low-performing charter schools and
10 fail to provide adequate authorizer oversight or intervention
11 that may include a corrective action plan for the authorizer and
12 other sanctions deemed necessary by the department.

13 Section 13. Section 1729-A(a), (b) and (c) of the act, added
14 June 19, 1997 (P.L.225, No.22), are amended to read:

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

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

23 (2) Failure to meet the requirements for student performance
24 [set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or
25 subsequent regulations promulgated to replace 22 Pa. Code Ch. 5]
26 assessments or failure to meet any performance standard set
27 forth in the written charter signed pursuant to section [1716-A] <--
28 1720-A.

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

1 (4) Violation of provisions of this article.

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

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

6 * * *

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

10 If, after a hearing under this section, a local board of school
11 directors or the governing board of an institution of higher
12 education OR, IN THE CASE OF A CYBER CHARTER SCHOOL, THE <--
13 DEPARTMENT proves by a preponderance of the evidence that an
14 administrator or board member of a charter school ENTITY has <--
15 violated this article, the terms and conditions of the charter
16 or any other violation of law, the local board of school
17 directors or the governing board of an institution of higher
18 education may require the charter school ENTITY to replace the <--
19 administrator or board member in order to obtain renewal of the
20 charter. The local board of school directors or the governing
21 board of an institution of higher education may refer its
22 findings to the district attorney with jurisdiction or to the
23 Office of Attorney General for prosecution if the local board of
24 school directors or the governing board of an institution of
25 higher education discovers or receives information about
26 possible violations of law by any person affiliated with or
27 employed by a charter school ENTITY. <--

28 (c) Any notice of revocation or nonrenewal of a charter
29 given by the local board of school directors of a school
30 district or the governing board of an institution of higher

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

23 * * *

24 Section 14. The act is amended by adding sections to read:

25 Section 1729.1-A. Evaluation of Educators.--(a) All
26 applications by a charter school entity for a charter or for the
27 renewal of a charter shall include a system of evaluation for
28 educators that includes both of the following:

29 (1) At least four (4) rating categories of educator
30 performance.

1 (2) Multiple measures of student performance which shall
2 include, but may not be limited to, value-added assessment
3 system data made available by the department under section 221
4 and student performance on the most recent assessments for which
5 results have been released by the department and may include
6 goals specific to the mission of the charter school entity's
7 charter.

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

11 (C) FOR PURPOSES OF THIS SECTION, THE TERM "EDUCATOR" SHALL <--
12 INCLUDE ALL PROFESSIONAL EMPLOYES WHO ARE CERTIFIED AS TEACHERS
13 AND NONCERTIFIED STAFF MEMBERS WHO TEACH IN A CHARTER SCHOOL
14 ENTITY.

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

16 (a) Establishment shall be as follows:

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

21 (2) The multiple charter school organization shall be:

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

27 (ii) considered a charter school entity; and

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

30 (3) Nothing under this subsection shall be construed to

affect or change the terms or conditions of any individual
charter previously granted that is consolidated under this
section.

(b) ~~The~~ INCLUDING, BUT NOT LIMITED TO, ANY OBLIGATION OF A <--
SCHOOL DISTRICT FOR TRANSPORTATION, THE following apply to
consolidation of two or more individual charter schools into a
multiple charter school organization:

(1) A charter school that, prior to the effective date of
this section, was approved by a local board of school directors,
a special board of control, a School Reform Commission or
another governing authority and that chooses to consolidate into
a multiple charter school organization under this section may
apply to the department to consolidate all affiliated school
charters into a single charter within ninety (90) days after the
department publishes the standard application form required
under subsection (c). Beginning ninety-one (91) days after the
department publishes the standard application form required
under subsection (c), no charter school that was approved prior
to the effective date of this section shall be eligible to
consolidate with another charter school.

(2) Consolidation is restricted as follows:

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

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

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

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

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

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

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

14 (4) (i) Upon receipt of a consolidation and transfer
15 application and all necessary documentation as required by the
16 department, the department shall have thirty (30) days to
17 approve or deny the consolidation and transfer application.

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

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

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

1 under this paragraph:

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

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

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

15 (D) A decision by the appeal board under this clause to
16 approve the consolidation and transfer application shall serve
17 as a requirement for the department to approve the application
18 and provide notification of the approval to the local boards of
19 school directors, the special boards of control, the School
20 Reform Commission or other governing authorities which initially
21 approved the charters within ten (10) days of the reversal of
22 the decision of the department. If the department fails to
23 provide notification within ten (10) days of the reversal of the
24 decision of the department, the application shall be deemed to
25 be approved, and the appeal board shall provide notification of
26 the approval to the local boards of school directors, the
27 special boards of control, the School Reform Commission or other
28 governing authorities which initially approved the charters.

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

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

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

11 (c) Within thirty (30) days of the effective date of this
12 section, the department shall develop and issue a standard
13 application form for multiple charter school organization
14 applicants and shall publish the application form in the
15 Pennsylvania Bulletin and on the department's publicly
16 accessible Internet website. The application form shall contain
17 the following information:

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

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

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

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

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

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

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

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

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

14 (d) A multiple charter school organization may:

15 (1) Participate in the assessment system in the same manner
16 in which a school district participates, with its individual
17 charter schools participating in the assessment system in the
18 same manner as individual schools in school districts. All data
19 ~~gathered~~ GATHERED for purposes of evaluation shall be gathered <--
20 in the same manner in which data is gathered in the case of
21 school districts and individual schools in school districts.

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

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

28 (ii) Apply to the department to consolidate and transfer
29 under this section.

30 (3) Amend the individual charters of each charter school

under its organization by seeking approval from the department
under the amendment process included under section 1720-A.

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

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

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

(g) The department shall:

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

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

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

1 subsection (c).

2 (H) FOR PURPOSES OF THIS SECTION, THE TERM "CHARTER SCHOOL" <--
3 SHALL INCLUDE A REGIONAL CHARTER SCHOOL.

4 Section 15. Section 1732-A of the act, amended June 29, 2002
5 (P.L.524, No.88), is amended to read:

6 Section 1732-A. Provisions Applicable to Charter Schools AND <--
7 REGIONAL CHARTER SCHOOLS.--(a) Charter schools AND REGIONAL <--
8 CHARTER SCHOOLS shall be subject to the following:

9 Sections 108, 110, 111, 321, 325, 326, 327, 431, 436, 443,
10 510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753,
11 [755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a),
12 1205.1, 1205.2, 1205.3, 1205.4, 1205.5, 1301, 1302, 1303, 1310, <--
13 1317, 1317.1, 1317.2, 1317.3, 1318, 1327, 1330, 1332, 1333, <--
14 1303-A, 1513, 1517, 1518, 1521, 1523, 1531, 1547, 2014-A,
15 Article XIII-A and Article XIV.

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

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

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

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

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

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

7 The "Right-to-Know Law."

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

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

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

13 [Section 5.216 (relating to ESOL).

14 Section 5.4 (relating to general policies).]

15 Chapter 4 (relating to academic standards and assessments).

16 Chapter 11 (relating to pupil attendance).

17 Chapter 12 (relating to students).

18 Section 32.3 (relating to assurances).

19 Section 121.3 (relating to discrimination prohibited).

20 Section 235.4 (relating to practices).

21 Section 235.8 (relating to civil rights).

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

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

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

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

7 (ii) The performance matrix ~~may~~ SHALL assess performance by <--
8 utilizing objective criteria, including, but not limited to:
9 student performance on the Pennsylvania System of School
10 Assessment test, the Keystone Exam or another test established
11 by the State board to meet the requirements of section 2603-B(d)
12 (10)(i) and required under the No Child Left Behind Act of 2001
13 (Public Law 107-110, 115 Stat. 1425) or its successor Federal
14 statute; annual growth as measured by the Pennsylvania Value-
15 Added Assessment System; attendance; attrition rates; graduation
16 rates; other standardized test scores; school safety; parent
17 satisfaction; accreditation by a nationally recognized
18 accreditation agency, including the Middle States Association of
19 Colleges and Schools or another regional institutional
20 accrediting agency recognized by the United States Department of
21 Education or an equivalent federally recognized body for charter
22 school education; and other measures of school quality,
23 including measures for assessing teacher effectiveness.

24 (III) IN DEVELOPING THE PERFORMANCE MATRIX, THE DEPARTMENT <--
25 SHALL DETERMINE AN ACADEMIC QUALITY BENCHMARK THE SATISFACTION
26 OF WHICH SHALL QUALIFY A CHARTER SCHOOL, REGIONAL CHARTER SCHOOL
27 OR CYBER CHARTER SCHOOL FOR A TEN (10) YEAR RENEWAL TERM
28 PURSUANT TO SECTIONS 1720-A AND 1745-A(F). THE ACADEMIC QUALITY
29 BENCHMARK SHALL BE INCLUDED IN THE REGULATIONS REQUIRED UNDER
30 SUBCLAUSE (I).

1 ~~(iii)~~ (IV) The department shall develop the performance <--
2 matrix with input from charter school operators and may contract
3 for consulting services with an entity that has experience in
4 developing performance matrices if the services are procured
5 through a competitive bidding process.

6 ~~(iv)~~ (V) No local board of school directors or the governing <--
7 board of an institution of higher education may develop a
8 separate performance matrix for the evaluation of a charter
9 school.

10 ~~(v)~~ (VI) A local board of school directors or the governing <--
11 board of an institution of higher education shall utilize the
12 standard performance matrix as a primary factor in evaluating
13 new charter school AND REGIONAL CHARTER SCHOOL applicants and <--
14 applicants for charter school AND REGIONAL CHARTER SCHOOL <--
15 renewal and in annual monitoring and evaluation of charter
16 schools.

17 ~~(vi)~~ (VII) The department shall distribute the performance <--
18 matrix to all local boards of school directors or the governing
19 board of an institution of higher education and shall publish
20 the matrix on the department's publicly accessible Internet
21 website.

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

23 Section 1733-A. Effect on Existing Charter ~~Schools~~ SCHOOL <--
24 ENTITIES.--(a) Within one (1) year of the effective date of
25 this section, a charter school ENTITY established under section <--
26 1717-A or 1718-A prior to the effective date of this section
27 shall amend the current charter through the amendment process
28 under section 1720-A(c) as needed to reflect the requirements of
29 this article. Any renewal that takes effect after July 15, 2013,
30 shall be for the term specified under section 1720-A(a).

<--

1 (b) A charter school ~~or regional charter school~~ ENTITY
2 approved after the effective date of this section shall be in
3 full compliance with this article.

4 Section 17. Sections 1741-A(c) and 1742-A of the act, added
5 June 29, 2002 (P.L.524, No.88), are amended to read:

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

7 * * *

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

11 Section 1742-A. Assessment and evaluation.

12 The department shall:

13 (1) Annually assess whether each cyber charter school is
14 meeting the goals of its charter and is in compliance with
15 the provisions of the charter and conduct a comprehensive
16 review prior to granting a [five-year] ten-year renewal of
17 the charter.

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

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

29 SECTION 17.1. SECTION 1743-A(E) OF THE ACT, ADDED JUNE 29, <--
30 2002 (P.L.524, NO.88), IS AMENDED TO READ:

SECTION 1743-A. CYBER CHARTER SCHOOL REQUIREMENTS AND
PROHIBITIONS.

* * *

(E) STUDENTS.--FOR EACH STUDENT ENROLLED, A CYBER CHARTER
SCHOOL SHALL:

(1) PROVIDE ALL INSTRUCTIONAL MATERIALS, WHICH MAY
INCLUDE ELECTRONIC OR DIGITAL BOOKS IN PLACE OF TEXTBOOKS;

(2) PROVIDE ALL EQUIPMENT, INCLUDING, BUT NOT LIMITED
TO, A COMPUTER, COMPUTER MONITOR AND PRINTER; AND

(3) PROVIDE OR REIMBURSE FOR ALL TECHNOLOGY AND SERVICES
NECESSARY FOR THE ON-LINE DELIVERY OF THE CURRICULUM AND
INSTRUCTION.

THE COMMONWEALTH SHALL NOT BE LIABLE FOR ANY REIMBURSEMENT OWED
TO STUDENTS, PARENTS OR GUARDIANS BY A CYBER CHARTER SCHOOL
UNDER PARAGRAPH (3).

* * *

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

Section 1745-A. Establishment of cyber charter school.

* * *

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

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

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

1 a cyber charter school under this article.

2 * * *

3 (f) Evaluation criteria.--

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

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

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

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

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

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

23 (2) Written notice of the action of the department shall
24 be sent by certified mail to the applicant and published on
25 the department's [World Wide Web site] publicly accessible
26 Internet website. If the application is denied, the reasons
27 for denial, including a description of deficiencies in the
28 application, shall be clearly stated in the notice.

29 (3) Upon approval of a cyber charter school application,
30 a written charter shall be developed which shall contain the

1 provisions of the charter application and be signed by the
2 secretary and each member of the board of trustees of the
3 cyber charter school. The charter, when duly signed, shall
4 act as legal authorization of the establishment of a cyber
5 charter school. The charter shall be legally binding on the
6 department, the cyber charter school and its board of
7 trustees. The charter shall be for a period of [no less than
8 three years nor more than] five years and may be renewed for
9 a period of [five] ten years by the department.

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

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

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

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

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

27 * * *

28 Section 19. Section 1749-A(a) of the act, added June 29,
29 2002 (P.L.524, No.88), is amended to read:

30 Section 1749-A. Applicability of other provisions of this act

and of other acts and regulations.

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

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

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

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

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

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

(5) The act of July 12, 1972 (P.L.765, No.181) entitled

1 "An act relating to drugs and alcohol and their abuse,
2 providing for projects and programs and grants to educational
3 agencies, other public or private agencies, institutions or
4 organizations."

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

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

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

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

11 * * *

12 Section 20. The act is amended by adding a section to read:

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

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

16 (1) For non-special education students, the cyber
17 charter school shall receive for each student enrolled, the <--
18 lesser of the median of the amounts calculated to be paid by
19 all districts of residence under section 1725-A(a)(2), or 90%
20 95% of the amount calculated to be paid by the district of <--
21 residence under section 1725-A(a)(2). This amount shall be
22 paid by the school district of residence of each student.

23 (2) For special education students, the cyber charter
24 school shall receive for each student enrolled, the lesser of <--
25 the median of the amounts calculated to be paid by all
26 districts of residence under section 1725-A(a)(3), or 90% 95% <--
27 of the amount calculated to be paid by the district of
28 residence under section 1725-A(a)(3). This amount shall be
29 paid by the school district of residence of each student.

30 Section 21. This act shall take effect as follows:

1 (1) The following provisions shall take effect
2 immediately:
3 (i) The addition of section 1733-A of the act.
4 (ii) This section.
5 (2) The remainder of this act shall take effect in 60
6 days.