

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 497 Session of 2019

INTRODUCED BY BREWSTER, LEACH AND KEARNEY, MARCH 29, 2019

REFERRED TO EDUCATION, MARCH 29, 2019

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 provisions  
 6 relating to charter schools.

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

9 Section 1. Sections 1702-A, 1703-A, 1714-A, 1715-A, 1716-A,  
 10 1717-A and 1719-A of the act of March 10, 1949 (P.L.30, No.14),  
 11 known as the Public School Code of 1949, are amended to read:

12 Section 1702-A. Legislative Intent.--It is the intent of the  
 13 General Assembly, in enacting this article, to provide pupils  
 14 and community members with the ability to establish and maintain  
 15 schools that operate [~~independently from~~] under contract to,  
 16 collaboratively with and only to the extent established by  
 17 contract and by the provisions of this article, the existing  
 18 school district structure as a method to accomplish all of the  
 19 following:

- 20 (1) Improve pupil learning.

1 (2) Increase learning opportunities for all pupils.

2 (3) Encourage the use of different and innovative teaching  
3 methods.

4 (4) Create new professional opportunities for teachers,  
5 including the opportunity to be responsible for the learning  
6 program at the school site.

7 (5) Provide parents and pupils with expanded choices in the  
8 types of educational opportunities that are available within the  
9 public school system.

10 (6) Hold the schools established under this act accountable  
11 for meeting measurable academic standards and provide the school  
12 with a method to establish accountability systems.

13 (7) Allow school districts to supplement their own and learn  
14 from innovative charter school practices.

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

16 "Administrator" shall include the chief executive officer of  
17 a charter school and all other employes of a charter school who,  
18 by virtue of their positions, exercise management or operational  
19 oversight responsibilities.

20 "Aid ratio" and "market value/income aid ratio" shall be:

21 (1) the aid ratio and market value/income aid ratio for the  
22 school district that granted a charter to the charter school;

23 (2) for a regional charter school, the aid ratio and market  
24 value/income aid ratio shall be a composite, as determined by  
25 the department, based on the school districts that granted the  
26 charter; or

27 (3) for a cyber charter school, the aid ratio and market  
28 value/income aid ratio shall be that of the school district in  
29 which the administrative offices of the cyber charter school are  
30 located.

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

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

7 "Auditor" shall mean an independent certified public  
8 accounting firm or individual certified public accountant or a  
9 Federal, State or local government agency or employe, including,  
10 but not limited to, the department, the Department of the  
11 Auditor General, the Philadelphia Office of the Controller or  
12 the United States Department of Education and their employes.

13 "Charter" shall mean a contract formed between a local board  
14 of school directors and a charter school or between the  
15 department and a cyber charter school.

16 "Charter school" shall mean [an independent] a public school  
17 established and operated under a charter from the local board of  
18 school directors 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 foundation" shall mean a nonprofit  
23 organization under section 501(c)(3) of the Internal Revenue  
24 Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)), that  
25 provides funding, resources or otherwise serves to support a  
26 charter school, regional charter school or cyber charter school,  
27 either directly or through an affiliated entity.

28 "Chief executive officer" shall mean an individual appointed  
29 by the board of trustees to oversee and manage the operation of  
30 the charter school, but who shall not be deemed a professional

1 staff member under this article.

2 "Contract" shall mean the total legal obligation that results  
3 from the parties' agreement as determined by State contract law  
4 as supplemented by this chapter and any other applicable laws.

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

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

15 "Educational management service provider" shall mean:

16 (1) an educational management organization, either for  
17 profit or nonprofit;

18 (2) a school design provider; or

19 (3) the administrators and executives of the education  
20 management organization, including its chief executive officer,  
21 business manager, board member or founder or any other partner  
22 entity with which a board of trustees of a charter school,  
23 regional charter school or cyber charter school contracts to  
24 provide educational design, business services, comprehensive  
25 management or personnel functions or to implement the charter.  
26 The term shall not include a charter school foundation.

27 "Family member" shall mean:

28 (1) a grandparent, parent, spouse, former spouse, child,  
29 grandchild, brother, sister or cousin;

30 (2) a child of a spouse, former spouse, brother, sister or

1 cousin; or

2 (3) a spouse or former spouse of a grandparent, parent,  
3 child, grandchild, brother, sister, cousin, nephew or niece.  
4 Family members in these categories or relationships shall  
5 include first degree, in-law, half, adopted and step relatives.

6 "Founder" shall mean an individual or entity that may  
7 establish a charter school under section 1717-A, including an  
8 individual, one or more teachers who will teach at the proposed  
9 charter school, parents or guardians of students who will attend  
10 the charter school and any nonsectarian corporation not-for-  
11 profit as defined in 15 Pa.C.S. (relating to corporations and  
12 unincorporated associations).

13 "Investigator" shall mean any Federal, State or local  
14 government agency or employe, including, but not limited to, the  
15 State Ethics Commission, the Office of Inspector General, the  
16 United States Office of Inspector General and the Federal Bureau  
17 of Investigation and their employes.

18 "Local board of school directors" shall mean the board of  
19 directors of a school district in which a proposed or an  
20 approved charter school is located.

21 "Local industrial development agency" shall mean an  
22 industrial development agency as defined in the act of May 17,  
23 1956 (1955 P.L.1609, No.537), known as the "Pennsylvania  
24 Industrial Development Authority Act."

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

1       "Related party" shall mean a party that:  
2       (1) has an ownership interest in another party; or  
3       (2) can significantly influence or control, directly or  
4       indirectly, the management of another party,  
5       and as a result of the ownership or significant influence or  
6       control can give rise to a direct or potential conflict of  
7       interest, as defined in 65 Pa.C.S. § 1102 (relating to  
8       definitions). The term includes a relationship between the  
9       charter school and a nonprofit organization, charter school  
10       foundation or educational management service provider that meets  
11       this definition and its administrators, executives, board  
12       members or founders.

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

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

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

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

22       Section 1714-A. Powers of Charter Schools.--(a) A charter  
23 school established under this act is a body corporate and,  
24 subject to its charter and the provisions of this article, shall  
25 have all powers necessary or desirable for carrying out its  
26 charter, including, but not limited to, the power to:

27       (1) Adopt a name and corporate seal; however, any name  
28 selected shall include the words "charter school."

29       (2) Sue and be sued, but only to the same extent and upon  
30 the same condition that political subdivisions and local

1 agencies can be sued.

2 (3) Acquire real property from public or private sources by  
3 purchase, lease, lease with an option to purchase or gift for  
4 use as a charter school facility.

5 (4) Receive and disburse funds for charter school purposes  
6 only.

7 (5) Make contracts and leases for the procurement of  
8 services, equipment and supplies.

9 (6) Incur temporary debts in anticipation of the receipt of  
10 funds.

11 (6.1) Incur debt for the construction of school facilities.

12 (7) Solicit and accept any gifts or grants for charter  
13 school purposes.

14 (8) Establish plans, policies and practices, consistent with  
15 its charter, with this article and with Federal and State law  
16 regarding mission, philosophy, long-term strategic planning,  
17 governance, administration, parent engagement, staffing,  
18 professional development for staff, performance evaluation for  
19 staff, facilities, admissions, enrollment, student placement,  
20 recordkeeping, school climate, student discipline, health and  
21 safety, academic standards, curriculum, assessment, student  
22 services, information resources, technology and extracurricular  
23 activities.

24 (b) A charter school shall, subject to its charter and the  
25 provisions of this article, have such other powers as are  
26 necessary to fulfill its charter and which are not inconsistent  
27 with its charter and the provisions of this article.

28 (c) Any indebtedness incurred by a charter school in the  
29 exercise of the powers specified in this section shall not  
30 impose any liability or legal obligation upon a school entity or

1 upon the Commonwealth.

2 (d) The powers may be limited by the initial contract  
3 between a charter school and a school district that grants the  
4 charter school's charter. An initial limitation of powers, with  
5 the exception of the powers regarding mission, philosophy,  
6 admissions, enrollment, academic standards and curriculum under  
7 subsection (a) (8), shall not be included in the renewal of a  
8 charter by a school district for a period of more than one (1)  
9 year at the end of its initial term.

10 Section 1715-A. Charter School Requirements.--Charter  
11 schools shall be required to comply with the following  
12 provisions:

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

19 (2) A charter school shall be accountable to the local board  
20 of school directors that granted the charter, the local board of  
21 school directors of each school district that has resident  
22 students enrolled in the charter school, the parents, the public  
23 and the Commonwealth, with the delineation of that  
24 accountability reflected in the charter. Strategies for  
25 meaningful parent and community involvement shall be developed  
26 and implemented by each school.

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

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

1 (5) A charter school shall not provide any religious  
2 instruction, nor shall it display religious objects and symbols  
3 on the premises of the charter school.

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

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

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

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

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

23 (i) The following provisions of this act:

24 (A) Sections 751 and 751.1.

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

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

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

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

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

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

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

21 (13) A person who serves as a founder, administrator or  
22 executive of an educational management service provider or an  
23 administrator, executive, board member or founder for a charter  
24 school shall not receive any payments for approved reimbursable  
25 annual rental for leases of buildings or portions of buildings  
26 for charter school use under section 2574.3.

27 (14) The charter school record produced, obtained or  
28 maintained by an educational management service provider for a  
29 charter school under a contract or agreement with the charter  
30 school shall be readily available to auditors and investigators

1 and shall be subject to disclosure under the act of February 14,  
2 2008 (P.L.6, No.3), known as the "Right-to-Know Law."

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

12 (b) No member of a local board of school directors of a  
13 school entity nor a family member of a school director shall  
14 serve on the board of trustees of a charter school that is  
15 located in the member's district.

16 (c) The board of trustees shall comply with the act of July  
17 3, 1986 (P.L.388, No.84), known as the "Sunshine [Act.] Act,"  
18 and with the act of February 14, 2008 (P.L.6, No.3), known as  
19 the "Right-to-Know Law."

20 (d) No public official nor public employee, as defined under  
21 65 Pa.C.S. § 1102 (relating to definitions), shall serve on the  
22 board of trustees of a charter school, including the immediate  
23 staff, employees or family members of a public official or  
24 public employee.

25 (e) No administrator of a charter school nor family member  
26 of the administrator is permitted to serve as a member of the  
27 board of trustees of the charter school where the administrator  
28 is employed.

29 (f) No member of a board of trustees of a charter school  
30 shall receive any payment for lease arrangements between the

1 charter school and a related party or any payment for approved  
2 reimbursable annual rental for leases of buildings or portions  
3 of buildings for use by the charter school under section 2574.3.

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

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

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

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

29 (ii) More than fifty per centum of the parents or guardians  
30 of pupils attending that public school have signed a petition in

1 support of the school becoming a charter school.

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

5 (c) (1) An application to establish a charter school shall  
6 be submitted to the local board of school directors of the  
7 district where the charter school will be located by November 15  
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 (2) Within ten (10) days of submission of an application  
16 under paragraph (1), a copy of the application to establish a  
17 charter school shall be provided by the applicant to the local  
18 board of school directors of each district with resident  
19 students who are expected to attend or have committed to attend  
20 the proposed charter school. Within fifteen (15) days of the  
21 receipt of the application, the local board of school directors  
22 with resident students who are expected to attend or have  
23 committed to attend the proposed charter school may submit  
24 comments regarding the application to the local board of school  
25 directors of the district where the charter school will be  
26 located for consideration during the review and determination on  
27 the charter application.

28 (d) Within forty-five (45) days of receipt of an  
29 application, the local board of school directors in which the  
30 proposed charter school is to be located shall hold at least one

1 public hearing on the provisions of the charter application,  
2 under the act of July 3, 1986 (P.L.388, No.84), known as the  
3 "Sunshine Act." At least forty-five (45) days must transpire  
4 between the first public hearing and the final decision of the  
5 board on the charter application except that for a charter  
6 school beginning in the 1997-1998 school year, only thirty (30)  
7 days must transpire between the first public hearing and the  
8 final decision of the board.

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

15 (2) A charter school application submitted under this  
16 article shall be evaluated by the local board of school  
17 directors based on criteria, including, but not limited to, the  
18 following[:], and specific plans, resources, assigned  
19 responsibilities, time lines and measurable objectives for  
20 meeting the criteria initially and over time shall be included  
21 as provisions in any application to establish or renew a charter  
22 school and in any contract formed between the charter school and  
23 the local board of school directors:

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

28 (ii) The capability of the charter school applicant, in  
29 terms of support [and], planning[,] and implementation to  
30 provide comprehensive learning experiences to students pursuant

1 to the adopted charter[.], using research-based and evidence-  
2 based programs and services, including instruction,  
3 interventions and supports, to meet the academic and behavioral  
4 needs of students.

5 (iii) The extent to which the application details the  
6 charter school's plans for utilizing and implementing the powers  
7 in section 1714-A, considers the information requested in  
8 section 1719-A and conforms to the legislative intent outlined  
9 in section 1702-A.

10 (iv) The extent to which the charter school may serve as a  
11 model for other public schools[.] regarding innovative practices  
12 for improving student achievement, and the capability of the  
13 charter school for sharing the practices with other public  
14 schools in the school district in which the charter school is  
15 located.

16 (v) The extent to which the charter school may complement  
17 the educational options and opportunities to learn currently  
18 provided by the local board of school directors and not  
19 duplicate the options and opportunities.

20 (vi) The charter school enrollment projections and any cap  
21 or limit on enrollment for each grade level and for each year of  
22 the charter contract.

23 (vii) The projected fiscal impact of the charter school on  
24 each school district with resident students enrolled in the  
25 charter school over the term of the charter contract, including  
26 the projected fiscal impact of the individual charter school  
27 calculated by multiplying the projected charter school  
28 enrollment by the per-student payment under section 1725-A for  
29 the charter school and the projected aggregate impact caused by  
30 addition of the charter school to the total number of charter

1 schools operating in the school district.

2 (viii) The financial sustainability of the charter school  
3 financial plan.

4 (ix) The capability of the charter school to operate in  
5 collaboration with the local board of school directors,  
6 including collaboration on measuring and monitoring the  
7 operations and performance of the charter school and on forming  
8 and implementing corrective action plans to resolve deficiencies  
9 over time.

10 (x) The sufficiency of measurements for public reporting and  
11 monitoring the operations and performance of the charter school,  
12 including student academic performance, student enrollment,  
13 retention, discipline and withdrawal, fiscal performance,  
14 student health and safety, teacher qualifications and  
15 effectiveness and facilities. This shall include the method of  
16 disaggregating the measurements for different student groups and  
17 the various levels of each measurement to be used as annual  
18 targets of accomplishment and to be considered as an indication  
19 of deficiency.

20 (xi) The lawful preferences in student admissions for the  
21 charter school, including whether the charter school will  
22 provide an enrollment preference for students residing in an  
23 attendance zone within the school district.

24 (xii) The capability of the charter school to ensure that  
25 all children eligible for admission receive an equal opportunity  
26 for admission and equal educational opportunities upon  
27 enrollment, regardless of gender, disability, limited English  
28 proficiency, poverty, community factors, truancy, academic or  
29 behavioral difficulties or economic disadvantage, and the  
30 capability of the charter school to perform outreach in the

1 community and to structure its policies, practices and  
2 operations to accomplish the objectives. This shall include a  
3 plan for reaching and maintaining measurable targets for  
4 recruiting, enrolling and retaining a student body that reflects  
5 the diversity in the local school district in which the charter  
6 school is located, including the programs, supports and services  
7 to be provided by the charter school to accomplish the  
8 objectives.

9 (xiii) The membership of the board of trustees for the  
10 charter school, including whether the membership of the board of  
11 trustees reflects the diversity of the community in which the  
12 charter school will be located, whether the members of the board  
13 of trustees have expertise in the practices and operations  
14 necessary for the charter school to accomplish its objectives  
15 and whether the bylaws of the board of trustees provides for at  
16 least two parents of students enrolled in the school to serve on  
17 the board of trustees when the school is operational.

18 (xiv) The plans for all members of the board of trustees to  
19 receive annual training to ensure that they are knowledgeable  
20 regarding their duties.

21 (2.1) The length of an initial charter contract shall not be  
22 less than three (3) years nor more than five (5) years.

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

27 (4) A charter application shall be deemed approved by the  
28 local board of school directors of a school district 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 at a public meeting, with  
2 notice or consideration of the application given by the board,  
3 under the "Sunshine Act."

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

10 (f) At the option of the charter school applicant, a denied  
11 application may be revised and resubmitted to the local board of  
12 school directors. Following the appointment and confirmation of  
13 the Charter School Appeal Board under section 1721-A, the  
14 decision of the local board of school directors may be appealed  
15 to the appeal board. When an application is revised and  
16 resubmitted to the local board of school directors, the board  
17 may schedule additional public hearings on the revised  
18 application. The board shall consider the revised and  
19 resubmitted application at the first board meeting occurring at  
20 least forty-five (45) days after receipt of the revised  
21 application by the board. For a revised application resubmitted  
22 for the 1997-1998 school year, the board shall consider the  
23 application at the first board meeting occurring at least thirty  
24 (30) days after its receipt. The board shall provide notice of  
25 consideration of the revised application under the "Sunshine  
26 Act." No appeal from a decision of a local school board may be  
27 taken until July 1, 1999.

28 (g) Notwithstanding the provisions of subsection (e) (5),  
29 failure by the local board of directors to hold a public hearing  
30 and to grant or deny the application for a charter school within

1 the time periods specified in subsections (d), (e) and (f) shall  
2 permit the applicant for a charter to file its application as an  
3 appeal to the appeal board. In such case, the appeal board shall  
4 review the application and make a decision to grant or deny a  
5 charter based on the criteria established in subsection (e)(2).  
6 If the appeal board makes a decision to grant the charter under  
7 this subsection, the charter shall be signed by the chairman of  
8 the appeal board.

9 (h) In the case of a review by the appeal board of an  
10 application that is revoked or is not renewed, the appeal board  
11 shall make its decision based on whether the decision of the  
12 local board of school directors was arbitrary and capricious or  
13 contrary to law, pursuant to the local board's evaluation of  
14 the criteria established in subsection (e)(2). A [decision]  
15 determination by the appeal board under this subsection [or]  
16 that the local board of school directors acted arbitrarily and  
17 capriciously or contrary to law or a decision by the appeal  
18 board under subsection (g) to grant, to renew or not to revoke a  
19 charter shall serve as a requirement for the local board of  
20 directors of a school district or school districts, as  
21 appropriate, to [sign] negotiate with the charter school  
22 applicant to determine the written charter of the charter school  
23 as provided for in section 1720-A. Should the local board of  
24 directors fail to [grant the application and sign] negotiate and  
25 determine the charter within [ten (10)] thirty (30) days of  
26 notice of [reversal of] the decision of the [local board of  
27 directors,] appeal board, the appeal board shall appoint a  
28 neutral mediator to assist the local board of school directors  
29 and the charter school applicant or the board of trustees of the  
30 charter school in determining the contents of the charter. If

1 the local board of school directors and the applicant or board  
2 of trustees of the charter school do not agree to the contents  
3 of the charter within fifteen (15) days of the appointment of  
4 the mediator, the mediator shall submit a recommendation for the  
5 contents of the charter to the appeal board within thirty (30)  
6 days of the appointment of the mediator. The mediator shall  
7 provide a copy of the recommendation to the local board of  
8 school directors and the applicant or the board of trustees of  
9 the charter school, which may be provided electronically. The  
10 appeal board shall consider the recommendation and, if the  
11 recommendation receives approval by vote of the appeal board,  
12 the charter shall be deemed to be approved and shall be signed  
13 by the chairman of the appeal board.

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

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

1 local board of directors in accordance with clause (3).

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

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

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

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

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

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

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

30 (vi) That each signer signed on the date set forth opposite

1 the signer's name.

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

4 (5) If the required number of signatures are obtained within  
5 sixty (60) days of the denial of the application, the applicant  
6 may present the petition to the court of common pleas of the  
7 county in which the charter school would be situated. The court  
8 shall hold a hearing only on the sufficiency of the petition.  
9 The applicant and local board of school directors shall be given  
10 seven (7) days' notice of the hearing. The court shall issue a  
11 decree establishing the sufficiency or insufficiency of the  
12 petition. If the petition is sufficient, the decree shall be  
13 transmitted to the State Charter School Appeal Board for review  
14 in accordance with this section. Notification of the decree  
15 shall be given to the applicant and the local board of  
16 directors.

17 (6) In any appeal, the decision made by the local board of  
18 directors shall be reviewed by the appeal board on the record as  
19 certified by the local board of directors. The appeal board  
20 shall [give due consideration to] determine whether the findings  
21 of the local board of directors are arbitrary or capricious and  
22 specifically articulate its reasons for [agreeing or disagreeing  
23 with those findings] the determination in its written decision.  
24 The appeal board shall have the discretion to allow the local  
25 board of directors and the charter school applicant to  
26 supplement the record if the supplemental information was  
27 previously unavailable, to submit written briefs, to make oral  
28 argument in person or to provide other relevant information.

29 (7) Not later than thirty (30) days after the date of notice  
30 of the acceptance of the appeal, the appeal board shall meet to

1 officially review the certified record and, if allowed by the  
2 appeal board, to consider any written briefs, oral argument and  
3 other relevant information.

4 (8) Not later than sixty (60) days following the review  
5 conducted pursuant to clause (6), the appeal board shall issue a  
6 written decision affirming or denying the appeal. If the appeal  
7 board has affirmed the decision of the local board of directors,  
8 notice shall be provided to both parties.

9 (9) A decision of the appeal board to reverse the decision  
10 of the local board of directors shall serve as a requirement for  
11 the local board of directors of a school district or school  
12 districts, as appropriate, to [grant the application and sign]  
13 negotiate with the charter school applicant or board of trustees  
14 of the charter school to determine the contents of the written  
15 charter of the charter school as provided for in section 1720-A.  
16 Should the local board of directors fail to [grant the  
17 application and sign] negotiate with the charter school  
18 applicant or board of trustees of the charter school to  
19 determine the contents of the charter within [ten (10)] thirty  
20 (30) days of notice of the reversal of the decision of the local  
21 board of directors, the appeal board shall appoint a neutral  
22 mediator to assist the local board of school directors and the  
23 charter school applicant or the board of trustees of the charter  
24 school in determining the contents of the charter. If the local  
25 board of school directors and the charter school applicant or  
26 the board of trustees of the charter school do not agree to the  
27 contents of the charter within fifteen (15) days of the  
28 appointment of the mediator, the mediator shall submit a  
29 recommendation for the contents of the charter to the appeal  
30 board within thirty (30) days of the appointment of the

1 mediator. The mediator shall provide a copy of the  
2 recommendation to the local board of school directors and the  
3 charter school applicant or the board of trustees of the charter  
4 school, which may be provided electronically. The appeal board  
5 shall consider the recommendation and, if the recommendation  
6 receives approval by vote of the appeal board, the charter shall  
7 be deemed to be approved and shall be signed by the chairman of  
8 the appeal board.

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

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

14 (1) The identification of the charter applicant.

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

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

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

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

23 (6) The admission policy and criteria for evaluating the  
24 admission of students which shall comply with the requirements  
25 of section 1723-A.

26 (7) Procedures which will be used regarding the suspension  
27 or expulsion of pupils. Said procedures shall comply with  
28 section 1318.

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

1 (9) The financial plan for the charter school and the  
2 provisions which will be made for auditing the school under  
3 section 437.

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

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

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

13 (13) The proposed faculty and a professional development  
14 plan for the faculty of a charter school.

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

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

28 (16) An official clearance statement regarding child injury  
29 or abuse from the Department of Public Welfare as required by 23  
30 Pa.C.S. Ch. 63 Subch. C.2 (relating to background checks for

1 employment in schools) for all individuals who shall have direct  
2 contact with students.

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

6 (18) A written statement on the projected fiscal impact of  
7 the individual charter school on the school district which shall  
8 be calculated by multiplying the projected charter school  
9 enrollment by the applicable per-student payments under section  
10 1725-A.

11 (19) The projected aggregate impact to the school district  
12 resulting from the addition of the charter school to the total  
13 number of charter schools operating within the school district.

14 (20) A report on the condition of any existing physical  
15 plant to be conducted and prepared by a department employe  
16 following the employe's inspection of the physical plant at the  
17 location of the proposed charter school. A copy of the report  
18 shall be provided to the charter applicant and a copy of the  
19 report shall be posted on the department's publicly accessible  
20 Internet website. The charter applicant shall provide the  
21 department employe with necessary access to the proposed  
22 physical plant for the inspection. The department may establish  
23 regulations to implement this paragraph.

24 (21) The written approval from the local board of school  
25 directors of each school district with one (1) or more students  
26 who expressed interest in attending or committed to attend the  
27 charter school.

28 (22) A detailed report of the financing for the operations  
29 of the charter school, including the contracts and financial  
30 arrangements between the charter school, charter school

1 foundation and all educational management service providers.

2 (23) The arrangements relating to compliance with section  
3 1719.1-A.

4 (24) Any other information deemed necessary by the local  
5 board of school directors to evaluate the criteria established  
6 by section 1717-A(e) (2).

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

8 Section 1719.1-A. Surety Requirement.--(a) (1) For charter  
9 school applications submitted to a school district after  
10 December 31, 2019, a charter school applicant that receives  
11 approval to operate a charter school shall comply with  
12 subsection (b) within twenty (20) days of the charter school's  
13 receipt of approval to operate.

14 (2) For charter schools that are operating on December 31,  
15 2019, a charter school operator shall comply with subsection (b)  
16 within twenty (20) days of the effective date of this section.

17 (b) A charter school shall submit one of the following forms  
18 of surety to the school district where the charter school is  
19 located and shall submit notice of the surety to each school  
20 district that has resident students who are enrolled in the  
21 charter school or who intend to enroll or are committed to  
22 enroll in the newly approved charter school:

23 (1) An indemnity bond to cover the cost incurred by the  
24 school district where the charter school is located and other  
25 school districts with resident students enrolled in the charter  
26 school for the costs to educate those students in the event of a  
27 default and closure of the charter school as follows:

28 (i) The bond shall be payable to each school district with  
29 resident students enrolled in the charter school in proportion  
30 to the number of resident students enrolled in the charter

1 school.

2 (ii) The amount of the bond shall be agreed upon by the  
3 local board of school directors of the district where the  
4 charter school is located and the board of trustees of the  
5 charter school.

6 (iii) The bond shall be executed by the charter school  
7 applicant and a corporate surety licensed to do business in this  
8 Commonwealth and approved by the school district where the  
9 charter school is located.

10 (iv) The school district where the charter school is located  
11 and the charter school shall agree upon the duration of the  
12 bond, which may not exceed five (5) years.

13 (2) An escrow account established and maintained on a  
14 current basis with a bank, trust company or other escrow agent  
15 within this Commonwealth, for payment to the school district  
16 where the charter school is located and to each school district  
17 with students enrolled in the charter school for the costs  
18 incurred in educating the students in the event of a default and  
19 closure of the charter school as follows:

20 (i) A portion of all payments received by the charter school  
21 from all sources in an amount not to exceed twenty per centum of  
22 each amount received shall be paid into the escrow account. The  
23 aggregate amount paid into the escrow account shall not exceed  
24 the total of twenty-five per centum of all payments received by  
25 the charter school from the Commonwealth and the school  
26 districts with resident students enrolled in the charter school  
27 over the next twelve (12) months during the operation of the  
28 charter school.

29 (ii) Interest earned on the money in the escrow account  
30 shall be credited to and become part of the escrow account.

1 (iii) The school district where the charter school is  
2 located and the charter school shall agree upon the duration of  
3 the escrow account, which may not exceed three (3) years.

4 (3) Other surety in an amount and duration that is agreed  
5 upon by the school district where the charter school is located  
6 and the charter school.

7 Section 3. Section 1720-A of the act is amended to read:

8 Section 1720-A. Term and Form of Charter.--(a) Upon  
9 approval of a charter application under section 1717-A, a  
10 written charter shall be developed which shall contain the  
11 provisions of the charter application and other provisions  
12 related to the operation of the charter school, as amended  
13 through negotiation between the charter school and the local  
14 board of school directors and which shall be signed by the local  
15 board of school directors of a school district, by the local  
16 boards of school directors of a school district in the case of a  
17 regional charter school or by the chairman of the appeal board  
18 pursuant to section 1717-A(i) (5) and the board of trustees of  
19 the charter school. This written charter, when duly signed by  
20 the local board of school directors of a school district, or by  
21 the local boards of school directors of a school district in the  
22 case of a regional charter school, and the charter school's  
23 board of trustees, shall act as the contract providing legal  
24 authorization for the establishment and operation of a charter  
25 school. This written charter shall be legally binding on both  
26 the local board of school directors of a school district and the  
27 charter school's board of trustees. Except as otherwise provided  
28 in subsection (b), the charter shall be for a period of no less  
29 than three (3) nor more than five (5) years and may be renewed  
30 for [five (5) year periods] no less than one (1) year nor more

1 than ten (10) years upon reauthorization by the local board of  
2 school directors of a school district or the appeal board. A  
3 charter will be granted only for a school organized as a public,  
4 nonprofit corporation.

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

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

17 (3)] A [governing] local board of [a school district of the  
18 first class does] school directors shall not have the authority  
19 to renew a charter for successive one (1) year periods.

20 (c) The written charter shall include all provisions for the  
21 establishment and operation of the charter school, including  
22 collaboration with and oversight by the local board of school  
23 directors.

24 (d) A written charter may include an enrollment preference  
25 for students residing in an attendance zone within the school  
26 district.

27 (e) The charter school shall collaborate with the local  
28 board of school directors for the accurate measurement of its  
29 performance and the sharing of this information in a form and in  
30 a timely manner pursuant to the provisions of the charter,

1 including sharing information with the public.

2 (f) The charter shall include provisions for measuring the  
3 operations and performance of the charter school and identifying  
4 deficiencies, including:

5 (1) The criteria for evaluating the charter application  
6 under section 1717-A(e)(2) and the contents of the charter  
7 application under section 1719-A, as amended through negotiation  
8 between the charter school and the local board of school  
9 directors.

10 (2) The success of the charter school in performing outreach  
11 in the community and providing an equal opportunity for  
12 admission to all children eligible for admission, regardless of  
13 disability, limited English proficiency, poverty, community  
14 factors, truancy, academic or behavioral difficulties or  
15 economic disadvantage.

16 (3) The success of the charter school in providing an equal  
17 opportunity to learn for all children enrolled in the school,  
18 regardless of disability, limited English proficiency, poverty,  
19 community factors, truancy, academic or behavioral difficulties  
20 or economic disadvantage, including how the charter school  
21 provides supports and services to meet the needs of all children  
22 enrolled in the charter school.

23 (4) The data on the academic performance of the students  
24 enrolled in the charter school.

25 (5) The data on student discipline at the charter school,  
26 including expulsions and suspensions.

27 (6) The data on students who withdraw from the charter  
28 school, including the identity of the students and the reason  
29 for the students' withdrawal if known.

30 (7) The data on the fiscal performance of the charter

1 school, including the annual audit required under section 437.

2 (8) The information on the charter school's health and  
3 safety for the students and staff, including information on the  
4 safety of the charter school facilities.

5 (g) The written charter shall include provisions for the  
6 formation and implementation of corrective action plans to  
7 resolve the charter school's operational and performance  
8 deficiencies as identified by the local board of school  
9 directors, and for the termination or nonrenewal of the charter  
10 by the local board of school directors when the deficiencies are  
11 substantial and remain unresolved within the time frame of the  
12 corrective action plan.

13 (h) The written charter shall include duties of the school  
14 district in which the charter school is located regarding the  
15 charter school, including:

16 (1) Providing sufficient qualified staff to process in a  
17 timely manner charter school inquiries, applications and  
18 requests.

19 (2) Maintaining official rules and procedures and complying  
20 with the official rules and procedures regarding charter school  
21 operations in the school district.

22 (3) Providing technical assistance and support to the  
23 charter school.

24 (4) Providing regular opportunities for feedback and  
25 interaction with the administrators and the board of trustees of  
26 the charter school regarding issues of mutual concern.

27 (5) Providing regular opportunities for sharing and learning  
28 from successful innovative practices implemented in school  
29 district schools and in charter schools.

30 (6) Providing regular opportunities for sharing and jointly

1 evaluating data regarding charter school operations and  
2 performance, the formation and implementation of corrective  
3 action plans and school district compliance with the provisions  
4 of this act.

5 Section 4. The act is amended by adding a section to read:

6 Section 1721.1-A. Oversight.--(a) The board of trustees of  
7 a charter school shall submit a quarterly financial report to  
8 the local board of directors of the school district that grants  
9 the charter school's charter and to the local board of school  
10 directors of each school district with one (1) or more students  
11 enrolled in the charter school. The quarterly financial report  
12 shall be considered a public record.

13 (b) A local board of school directors that oversees the  
14 operations of a charter school shall provide an annual written  
15 report to the secretary, pursuant to guidelines issued by the  
16 department, including measurements and an evaluation of the  
17 operations and performance of each charter school in the school  
18 district, a description of corrective action taken to resolve  
19 charter school deficiencies, technical assistance provided by  
20 the school district and the status regarding corrective action  
21 plans and decisions by the local board of school directors  
22 regarding the formation, renewal, nonrenewal or termination of  
23 charters. The annual written report shall be posted in a timely  
24 manner on the school district's publicly accessible Internet  
25 website and shall be subject to the act of February 14, 2008  
26 (P.L.6, No.3), known as the "Right-to-Know Law."

27 (c) The secretary shall review the annual written reports  
28 regarding charter school operations and performance as provided  
29 by the local board of school directors and may identify  
30 operational and performance deficiencies based on these reports.

1 The secretary shall have the authority to order a local board of  
2 school directors to collaborate with a charter school located in  
3 its school district to form and implement a corrective action  
4 plan to resolve the charter school's operational and performance  
5 deficiencies as identified by the secretary. The secretary shall  
6 have the authority to order the local board of school directors  
7 to terminate or not renew a charter when the deficiencies are  
8 substantial and remain unresolved within the time frame of a  
9 corrective action plan ordered by the secretary. Pursuant to the  
10 orders and when requested by the secretary, the department shall  
11 provide technical assistance for forming, implementing and  
12 monitoring corrective action plans.

13 (d) If the charter school and the local board of school  
14 directors fail to form and successfully implement a corrective  
15 action plan in a timely manner under section 1720-A(g), the  
16 secretary shall have the authority to identify the charter  
17 school's operational and performance deficiencies, to form and  
18 implement a corrective action plan to resolve the deficiencies  
19 and to terminate the charter school when the deficiencies are  
20 substantial and remain unresolved within the time frame of the  
21 corrective action plan.

22 (e) The secretary shall:

23 (1) Utilize the annual written reports and other sources to  
24 establish and maintain a current database of best practices and  
25 related resources for charter school operations and performance.

26 (2) Make the database and related resources available to the  
27 public through the department's publicly accessible Internet  
28 website.

29 (3) Offer technical assistance, training and support to  
30 charter schools and school districts for utilization of the best

1 practices and resources.

2 (4) Feature examples of the effective use of the best  
3 practices by charter schools and school districts within this  
4 Commonwealth.

5 Section 5. Sections 1722-A, 1723-A and 1724-A(a) of the act  
6 are amended to read:

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

12 (a.1) Regardless of whether an approved reimbursable annual  
13 rental is received under section 2574.3, a charter school may  
14 not be located in a building owned by a related party, including  
15 a charter school or a related nonprofit organization, charter  
16 school foundation or educational management service provider or  
17 its administrators, executives or founders.

18 (a.2) A project to construct a new charter school facility  
19 that utilizes a financing arrangement with a local industrial  
20 development agency or any other government entity that equals or  
21 exceeds one million dollars (\$1,000,000) shall receive the  
22 written approval of the board of directors of the school  
23 district where the proposed facility is located.

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

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 to operate its school at more than one  
30 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 or nonprofit foundation and leased to a charter  
7 school, cyber charter school or associated nonprofit foundation  
8 at or below fair market value, that is occupied and used by any  
9 charter school or cyber charter school for public school,  
10 recreation or any other purposes provided for by this act, shall  
11 be made exempt from every kind of State, county, city, borough,  
12 township or other real estate tax, including payments in lieu of  
13 taxes established through agreement with the Commonwealth or any  
14 local taxing authority, as well as from all costs or expenses  
15 for paving, curbing, sidewalks, sewers or other municipal  
16 improvements, Provided, That any charter school or cyber charter  
17 school or owner of property leased to a charter school or cyber  
18 charter school may make a municipal improvement in a street on  
19 which its school property abuts or may contribute a sum toward  
20 the cost of the improvement.

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

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

30 (4) For purposes of this subsection, "local taxing

1 authority" shall include, but not be limited to, a county, city,  
2 borough, incorporated town, township or school district.

3 (f) The facilities of a charter school shall be accessible  
4 to students, parents, staff and other individuals with a  
5 disability under Federal law.

6 Section 1723-A. Enrollment.--(a) All resident children in  
7 this Commonwealth qualify for admission to a charter school  
8 within the provisions of subsection (b). If more students apply  
9 to the charter school than the number of attendance slots  
10 available in the school, then students must be selected on a  
11 random basis from a pool of qualified applicants meeting the  
12 established eligibility criteria and submitting an application  
13 by the deadline established by the charter school, except that  
14 the charter school may give preference in enrollment to a child  
15 of a parent who has actively participated in the development of  
16 the charter school and to siblings of students presently  
17 enrolled in the charter school. [First preference shall be  
18 given] Preference shall be given first to students who reside in  
19 any attendance zone established for the charter school within  
20 the school district and second to students who reside in the  
21 district or districts.

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

28 (2) A charter school may limit admission to a particular  
29 grade level, a targeted population group composed of at-risk  
30 students, or areas of concentration of the school such as

1 mathematics, science or the arts. A charter school may establish  
2 reasonable criteria to evaluate prospective students which shall  
3 be outlined in the school's charter.

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

9 (d) [(1)] Enrollment of students in a charter school or  
10 cyber charter school [shall not] may be subject to a cap or  
11 otherwise limited [by any past or future action of a board of  
12 school directors, a board of control established under Article  
13 XVII-B, a special board of control established under section 692  
14 or any other governing authority, unless] if agreed to by the  
15 local board of school directors and the charter school or cyber  
16 charter school as part of a written charter pursuant to section  
17 1720-A.

18 [(2) The provisions of this subsection shall apply to a  
19 charter school or cyber charter school regardless of whether the  
20 charter was approved prior to or is approved subsequent to the  
21 effective date of this subsection.]

22 (e) A charter school shall enroll new students whenever an  
23 attendance slot is available in the same manner as school  
24 districts.

25 Section 1724-A. School Staff.--(a) (1) The board of  
26 trustees shall determine the level of compensation and all terms  
27 and conditions of employment of the staff except as may  
28 otherwise be provided in this article. [At] Subject to the  
29 provisions of this article, at least seventy-five per centum of  
30 the professional staff members of a charter school shall hold

1 appropriate State certification.

2 (2) (i) At least ninety per centum of the professional  
3 staff members of a charter school who commence employment after  
4 the effective date of this paragraph shall hold appropriate  
5 State certification.

6 (ii) Professional staff members of a charter school who are  
7 employed on the effective date of this paragraph and who do not  
8 possess appropriate State certification as of the effective date  
9 of this paragraph shall not be required to obtain appropriate  
10 State certification.

11 (3) Employees of a charter school may organize under the act  
12 of July 23, 1970 (P.L.563, No.195), known as the "Public Employe  
13 Relations Act." The board of trustees of a charter school shall  
14 be considered an employer for the purposes of Article XI-A. Upon  
15 formation of one or more collective bargaining units at the  
16 school, the board of trustees shall bargain with the employes  
17 based on the provisions of this article, Article XI-A and the  
18 "Public Employe Relations Act." Collective bargaining units at a  
19 charter school shall be separate from any collective bargaining  
20 unit of the school district in which the charter school is  
21 located and shall be separate from any other collective  
22 bargaining unit. A charter school shall be considered a school  
23 entity as provided for in section 1161-A for the purpose of the  
24 secretary seeking an injunction requiring the charter school to  
25 meet the minimum requirements for instruction as provided for in  
26 this article.

27 \* \* \*

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

29 Section 1725.1-A. Taxpayer protections.--(a) A charter  
30 school or a regional charter school shall not use taxpayer

1 dollars to advertise the services provided by the school, the  
2 facilities that are available to prospective students or a  
3 particular educational philosophy.

4 (b) A charter school or a regional charter school shall not  
5 use taxpayer dollars to pay for membership in an organization or  
6 association of charter schools or a Statewide association,  
7 individual or firm that advocates on behalf of charter schools.

8 (c) Taxpayer dollars that are invested by a charter school  
9 or a regional charter school and any interest accrued on  
10 investments that are not used to pay the necessary expenses for  
11 the operation of the charter school or regional charter school  
12 shall be returned to the sponsoring school district.

13 (d) As used in this section, the term "taxpayer dollars"  
14 shall mean any funds appropriated by the General Assembly or by  
15 a political subdivision.

16 Section 7. Section 1729-A of the act is amended to read:

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

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

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

30 (3) Failure to meet generally accepted standards of fiscal

1 management or audit requirements.

2 (4) Violation of provisions of this article.

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

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

7 (7) The local board of school directors where the charter  
8 school is located finds that the charter school has failed to  
9 successfully implement a corrective action plan to resolve the  
10 charter school's operational and performance deficiencies as  
11 identified by the local board of school directors, resulting in  
12 substantial deficiencies that remain unresolved within the time  
13 frame for the corrective action plan or the secretary issues an  
14 order based on the finding of deficiencies as determined by the  
15 local board of school directors.

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

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

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

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

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

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

24 (d) Following the appointment and confirmation of the appeal  
25 board, but not before July 1, 1999, the charter school may  
26 appeal the decision of the local board of school directors to  
27 revoke or not renew the charter to the appeal board. The appeal  
28 board shall have the exclusive review of a decision not to renew  
29 or revoke a charter. The appeal board shall review the record  
30 and shall have the discretion to [supplement the record if the

1 supplemental information was previously unavailable.] allow the  
2 local board of directors and the charter school to supplement  
3 the record if the supplemental information was previously  
4 unavailable, to submit written briefs, to make oral argument in  
5 person or to provide other relevant information. The appeal  
6 board may consider the charter school plan, annual reports,  
7 student performance and employe and community support for the  
8 charter school in addition to the record. The appeal board shall  
9 [give due consideration to the] determine whether the nonrenewal  
10 or revocation decision and findings of the local board of  
11 directors are arbitrary or capricious and specifically  
12 articulate its reasons for [agreeing or disagreeing with those  
13 findings] the determination in its written decision.

14 (e) [If the appeal board determines that the charter should  
15 not be revoked or should be renewed, the appeal board shall  
16 order the local board of directors to rescind its revocation or  
17 nonrenewal decision.] Not later than thirty (30) days after the  
18 date of notice of the acceptance of the appeal, the appeal board  
19 shall meet to officially review the certified record and, if  
20 allowed by the appeal board, to consider any written briefs,  
21 oral arguments and other relevant information.

22 (e.1) Not later than sixty (60) days following the review  
23 conducted under subsection (d), the appeal board shall issue a  
24 written decision affirming or denying the appeal or, only upon a  
25 specific finding of arbitrariness or capriciousness by the local  
26 board of school directors, affirming the appeal. The appeal  
27 board shall provide a written notice explaining its decision to  
28 both parties.

29 (e.2) A decision of the appeal board to reverse the  
30 nonrenewal decision of the local board of school directors shall

1 serve as a requirement for the local board of school directors  
2 to negotiate with the charter school and form and sign a charter  
3 renewal for the charter school. Should the local board of school  
4 directors fail to sign the charter renewal within thirty (30)  
5 days of notice of the reversal of the decision of the local  
6 board of school directors, the appeal board shall appoint a  
7 neutral, unbiased master to recommend the content of the charter  
8 renewal to the appeal board. The master shall submit a  
9 recommendation for the contents of the charter to the appeal  
10 board within thirty (30) days of the appointment of the master.  
11 The master shall provide a copy of the recommendation to the  
12 local board of school directors and the charter school applicant  
13 or the board of trustees of the charter school, which may be  
14 provided electronically. The appeal board shall consider the  
15 recommendation and, if the recommendation receives approval by  
16 vote of the appeal board, the charter shall be deemed to be  
17 approved and shall be signed by the chairman of the appeal  
18 board.

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

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

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

26 (i) When a charter is revoked, not renewed, forfeited,  
27 surrendered or otherwise ceases to operate, the charter school  
28 shall be dissolved. After the disposition of any liabilities and  
29 obligations of the charter school, any remaining assets of the  
30 charter school, both real and personal, shall be distributed on

1 a proportional basis to the school entities with students  
2 enrolled in the charter school for the last full or partial  
3 school year of the charter school. In no event shall such school  
4 entities or the Commonwealth be liable for any outstanding  
5 liabilities or obligations of the charter school.

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

13 Section 8. The act is amended by adding a section to read:  
14 Section 1745.1-A. Review and moratorium.

15 (a) Legislative Budget and Finance Committee study.--The  
16 Legislative Budget and Finance Committee shall conduct a study  
17 of all aspects of the funding, operation and performance of all  
18 cyber charter schools in this Commonwealth, including the  
19 potential impact of the approval of new cyber charter schools  
20 and an expansion of existing cyber charter school enrollments on  
21 students attending those cyber charter schools and on students  
22 attending school districts with students enrolled in the new or  
23 expanded cyber charter schools.

24 (b) Time period for completion of study and dissemination.--  
25 The study under subsection (a) shall be completed by December  
26 31, 2019, and shall be posted by the Legislative Budget and  
27 Finance Committee on its publicly accessible Internet website  
28 and by the department on its publicly accessible Internet  
29 website. The Legislative Budget and Finance Committee shall  
30 provide a copy, which may be in an electronic format, to the

1 Governor, the chairperson and minority chairperson of the  
2 Education Committee of the Senate and the chairperson and  
3 minority chairperson of the Education Committee of the House of  
4 Representatives.

5 (c) Period and effect of moratorium.--Notwithstanding any  
6 provision of law to the contrary, beginning on the effective  
7 date of this section and until June 30, 2021, a moratorium is  
8 established on the formation and approval of new cyber charter  
9 schools and the expansion of existing cyber charter schools in  
10 order to provide the General Assembly with sufficient time to  
11 review the completed study under subsection (a) and to take  
12 appropriate action. During the period of the moratorium, no new  
13 cyber charter school shall be formed or approved and no existing  
14 cyber charter school shall have its enrollment expanded.

15 Section 9. Section 1749-A(a) of the act is amended to read:  
16 Section 1749-A. Applicability of other provisions of this act  
17 and of other acts and regulations.

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

20 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431,  
21 436, 443, 510, 518, 527, 708, 752, 753, 755, 771, 776, 777,  
22 808, 809, 810, 1109, 1111, 1112(a), 1205.1, 1205.2, 1301,  
23 1302, 1310, 1317.2, 1318, 1326, 1327, 1327.2, 1329, 1330,  
24 1332, 1333, 1333.1, 1333.2, 1333.3, 1303-A, 1518, 1521, 1523,  
25 1531, 1547, 1702-A, 1703-A, 1714-A, 1715-A, 1716-A, 1719-A,  
26 1721-A, 1722-A, 1723-A(a) and (b), 1724-A, 1725-A, 1725.1-A,  
27 1727-A, 1729-A, 1730-A, 1731-A(a) (1) and (b) and 2014-A and  
28 Articles XII-A, XIII-A and XIV.

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

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

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

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

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

19 \* \* \*

20 Section 10. Section 2574.3 of the act is amended by adding  
21 subsections to read:

22 Section 2574.3. Approved Reimbursable Annual Rental for  
23 Leases of Buildings or Portions of Buildings for Charter School  
24 Use.--\* \* \*

25 (c) In its application for funding under this section, the  
26 charter school shall provide the following documentation:

27 (1) A copy of the signed lease agreement for the leased  
28 building.

29 (2) A copy of the deed for the leased building.

30 (3) The names of the board of trustees and administrators of

1 the charter school.

2 (4) The names of the administrators or executives of the  
3 educational management service provider.

4 (5) If the owner of the leased building is a nonprofit  
5 organization or a charter school foundation, the names of the  
6 members of its governing board.

7 (d) A charter school may not apply for, nor may the  
8 department authorize, any charter lease reimbursement if the  
9 reimbursement is for lease payments to the following exclusions  
10 which incorporate terms as defined in 65 Pa.C.S. § 1102  
11 (relating to definitions):

12 (1) an administrator of the charter school or a member of  
13 the administrator's immediate family, or a business with which  
14 the administrator or a member of the administrator's immediate  
15 family is associated;

16 (2) a member of the board of trustees of the charter school  
17 or a member of the member's immediate family, or a business with  
18 which the member or a member of the member's immediate family is  
19 associated;

20 (3) a founder of the charter school or a member of the  
21 founder's immediate family, or a business with which the founder  
22 or a member of the founder's immediate family is associated;

23 (4) an administrator or executive of the educational  
24 management service provider or a member of the administrator's  
25 or executive's immediate family, or a business with which the  
26 administrator or executive or a member of the administrator's or  
27 executive's immediate family is associated; or

28 (5) any other entity or individual that has a substantial  
29 financial interest with the charter school, outside of the lease  
30 agreement.

1 (e) (1) An approved reimbursable annual rental  
2 reimbursement that does not meet the criteria provided for in  
3 this section shall require the department to promptly order the  
4 charter school to refund the reimbursement to the Commonwealth.  
5 Any charter school staff, including those charter school staff  
6 who are subject to the act of December 12, 1973 (P.L.397,  
7 No.141), known as the Educator Discipline Act, who intentionally  
8 fail to comply with an enforcement order of the department for  
9 any prior or current calendar year shall be subject to the  
10 following civil penalties:

11 (i) one thousand dollars (\$1,000) for a first violation;  
12 (ii) five thousand dollars (\$5,000) for a second violation;  
13 and  
14 (iii) ten thousand dollars (\$10,000) for a third or  
15 subsequent violation.

16 (2) All penalties and any interest imposed under this  
17 subsection shall be payable to the Commonwealth and credited to  
18 the department for the implementation and enforcement of this  
19 section.

20 (f) Within six months of the effective date of this section,  
21 the State Board of Education shall promulgate final-omitted  
22 regulations that are necessary to implement and enforce the  
23 provisions of this section.

24 (g) The department shall regularly post on its publicly  
25 accessible Internet website a list of:

26 (1) All annual lease reimbursements paid to charter schools.  
27 (2) Any paid reimbursements that required a refund to the  
28 Commonwealth because it did not meet the criteria under this  
29 section.

30 (h) For the purposes of this section, the term "charter

1 school" shall mean a charter school or a regional charter  
2 school.

3 Section 11. This act shall take effect in 60 days.