

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 688 Session of
2023

INTRODUCED BY ROZZI, MADDEN, PROBST, SANCHEZ, HILL-EVANS,
CIRESI, GUENST, DELLOSO, HOHENSTEIN, WARREN, FREEMAN,
KINKEAD, DEASY, CEPEDA-FREYTIZ, KIM, CONKLIN, TAKAC AND
STURLA, MARCH 23, 2023

AS REPORTED FROM COMMITTEE ON EDUCATION, HOUSE OF
REPRESENTATIVES, AS AMENDED, APRIL 25, 2023

AN ACT

~~Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
act relating to the public school system, including certain
provisions applicable as well to private and parochial
schools; amending, revising, consolidating and changing the
laws relating thereto," establishing the PA Teach TEACHER-
PIPELINE Scholarship Program; AND imposing duties on the
Pennsylvania Higher Education Assistance Agency and the State
System of Higher Education; and making an appropriation-
CERTAIN INSTITUTIONS OF HIGHER EDUCATION.~~

Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
act relating to the public school system, including certain
provisions applicable as well to private and parochial
schools; amending, revising, consolidating and changing the
laws relating thereto," in preliminary provisions, providing
for learning pod protection and for advertising; in
opportunities for educational excellence, further providing
for definitions, for responsibilities of school entities and
for concurrent enrollment agreements; in charter schools,
further providing for definitions, providing for ideal
charter schools, further providing for charter school
requirements, for powers of board of trustees and for
facilities, providing for fund balance limits and further
providing for school district and intermediate unit
responsibilities; in educational tax credits, further
providing for limitations; and providing for education
opportunity accounts and establishing the Education
Opportunity Account Program.

The General Assembly of the Commonwealth of Pennsylvania

hereby enacts as follows:



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

4 ~~ARTICLE XX L~~

5 ~~PA TEACH TEACHER PIPELINE SCHOLARSHIP PROGRAM~~

6 ~~Section 2001 L. Purpose.~~

7 ~~The purpose of this article is to help ensure an excellent~~
8 ~~education within the public schools of this Commonwealth by~~
9 ~~addressing the lack of teachers that has jeopardized the~~
10 ~~provision of the constitutionally required thorough and~~
11 ~~efficient system of public education afforded to all children in~~
12 ~~this Commonwealth.~~

13 ~~Section 2002 L. Definitions.~~

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

17 ~~"Academic year." A complete school year commencing on or~~
18 ~~after August 1 of the calendar year.~~

19 ~~"Agency." The Pennsylvania Higher Education Assistance~~
20 ~~Agency.~~

21 ~~"Cost of attendance." The direct and indirect costs relating~~
22 ~~to attendance at an institution. The term includes tuition and~~
23 ~~fees, room and board or living expenses, books, supplies,~~
24 ~~transportation, loan fees, the documented cost of a personal~~
25 ~~computer and other school related miscellaneous expenses,~~
26 ~~allowance for child care or other dependent care, costs related~~
27 ~~to a disability, eligible study abroad programs, costs related~~
28 ~~to student teaching and any other costs approved by the agency.~~

29 ~~"Eligible student." An individual who meets the eligibility~~
30 ~~criteria specified in section 2004 L.~~



1 ~~"INSTITUTION OF HIGHER EDUCATION." THE TERM INCLUDES ANY OF~~
2 ~~THE FOLLOWING:~~

3 ~~(1) A COMMUNITY COLLEGE OPERATING UNDER ARTICLE XIX A.~~

4 ~~(2) A UNIVERSITY WITHIN THE STATE SYSTEM OF HIGHER~~
5 ~~EDUCATION ESTABLISHED UNDER ARTICLE XX A.~~

6 ~~(3) THE PENNSYLVANIA STATE UNIVERSITY, THE UNIVERSITY OF~~
7 ~~PITTSBURGH, TEMPLE UNIVERSITY, LINCOLN UNIVERSITY OR ANY~~
8 ~~OTHER INSTITUTION OF HIGHER EDUCATION DESIGNATED AS "STATE~~
9 ~~RELATED" BY THE COMMONWEALTH.~~

10 ~~(4) AN INSTITUTION OF HIGHER EDUCATION OPERATED NOT FOR~~
11 ~~PROFIT, LOCATED IN AND INCORPORATED OR CHARTERED BY THE~~
12 ~~COMMONWEALTH AND ENTITLED TO CONFER DEGREES AS SPECIFIED IN~~
13 ~~24 PA.C.S. § 6505 (RELATING TO POWER TO CONFER DEGREES) AND~~
14 ~~TO APPLY ITSELF THE DESIGNATION "COLLEGE" OR "UNIVERSITY" AS~~
15 ~~PROVIDED FOR BY THE STANDARDS AND QUALIFICATIONS PRESCRIBED~~
16 ~~BY THE STATE BOARD OF EDUCATION UNDER 24 PA.C.S. CH. 65~~
17 ~~(RELATING TO PRIVATE COLLEGES, UNIVERSITIES AND SEMINARIES).~~

18 ~~"Program." The PA Teach TEACHER PIPELINE Scholarship Program~~
19 ~~established under section 2003-L.~~

20 ~~"State system." The State System of Higher Education~~
21 ~~established under Article XX A.~~

22 ~~"PUBLIC SCHOOL ENTITY." A SCHOOL DISTRICT, CAREER AND~~
23 ~~TECHNICAL SCHOOL, INTERMEDIATE UNIT, CHARTER SCHOOL, REGIONAL~~
24 ~~CHARTER SCHOOL OR CYBER CHARTER SCHOOL.~~

25 ~~"TEACHER." AN INDIVIDUAL WHO HOLDS AN INSTRUCTIONAL~~
26 ~~CERTIFICATE ISSUED BY THE DEPARTMENT OF EDUCATION UNDER THIS ACT~~
27 ~~AND IS EMPLOYED FULL TIME AS A TEMPORARY PROFESSIONAL OR~~
28 ~~PROFESSIONAL EMPLOYEE BY A PUBLIC SCHOOL ENTITY AND PROVIDES~~
29 ~~LEARNING EXPERIENCES DIRECTLY TO STUDENTS DURING THE~~
30 ~~INSTRUCTIONAL DAY.~~



~~Section 2003 L. PA Teach TEACHER PIPELINE Scholarship Program.~~

~~(a) Establishment. The PA Teach TEACHER PIPELINE Scholarship Program is established within the agency.~~

~~(b) Scholarship grant. The agency shall provide a scholarship grant to an eligible student who is a resident of this Commonwealth. The scholarship grant shall be applied against the cost of attendance. The scholarship grant shall be for the amount provided under section 2004 L.~~

~~(c) Other funding. Prior to receiving a scholarship grant under this article, a student must also apply for Federal Pell Grants and State grants available to cover the cost of attendance, as determined by the agency.~~

~~(d) Order of financial aid. An institution of the State system shall apply a scholarship grant received by an eligible student with other financial aid in the following order:~~

- ~~(1) Federal Pell Grant or any successor program.~~
- ~~(2) Pennsylvania State grants.~~
- ~~(3) Institutional aid.~~
- ~~(4) Private scholarships.~~
- ~~(5) Scholarship grants awarded under section 2004 L.~~
- ~~(6) Federal work study.~~
- ~~(7) Federal student loans.~~

~~(1) AN INSTITUTION OF HIGHER EDUCATION SHALL APPLY THE FOLLOWING STUDENT AID GRANTS RECEIVED BY AN ELIGIBLE STUDENT WHO IS AWARDED A SCHOLARSHIP GRANT PRIOR TO APPLYING A SCHOLARSHIP GRANT UNDER SECTION 2004 L:~~

- ~~(I) FEDERAL GRANTS.~~
- ~~(II) STATE GRANTS.~~
- ~~(III) INSTITUTIONAL AID.~~
- ~~(IV) PRIVATE SCHOLARSHIPS.~~



~~(2) SCHOLARSHIP GRANTS AWARDED UNDER SECTION 2004 L AND STUDENT AID GRANTS LISTED IN PARAGRAPH (1) SHALL BE APPLIED PRIOR TO WORK STUDY OR LOAN AWARDS.~~

~~Section 2004 L. Scholarship grant.~~

~~(a) Eligibility. To receive a scholarship grant, a student must meet the following requirements:~~

~~(1) Attend a university within the State system AN INSTITUTION OF HIGHER EDUCATION.~~

~~(2) Be enrolled in an approved course of study in education or another program that is designed to prepare the student to become a teacher in an elementary or secondary school A PUBLIC SCHOOL ENTITY.~~

~~(3) Maintain domicile RESIDENCE in this Commonwealth during the term of the scholarship grant WHILE ATTENDING AN INSTITUTION OF HIGHER EDUCATION.~~

~~(4) Enter into a written agreement with the agency in a form and manner that the agency shall determine to do all of the following:~~

~~(i) Commence employment AS A TEACHER in this Commonwealth within one year after completion of the approved course of study. NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A CAREER AND TECHNICAL EDUCATION TEACHER MAY NOT BE EXCLUDED FROM RECEIVING A SCHOLARSHIP GRANT IF THE INDIVIDUAL COMMENCES WORK FOR A CAREER AND TECHNICAL SCHOOL PRIOR TO RECEIVING AN INSTRUCTIONAL CERTIFICATION.~~

~~(ii) Work within this Commonwealth AS A TEACHER FOR A PUBLIC SCHOOL ENTITY LOCATED IN THIS COMMONWEALTH for a period of one year for each academic year that the eligible student received a scholarship grant under this~~



~~article, unless the agency determines that there are
extenuating circumstances.~~

~~(iii) Reimburse the Commonwealth all amounts
received under this article if the eligible student does
not comply with subparagraphs (i) and (ii).~~

~~(b) Student teaching. An eligible student who is engaged in
student teaching shall be eligible to receive a scholarship
grant.~~

~~(c) Amount. The agency may award a scholarship grant in an
amount up to \$8,000 per academic year to an eligible student.~~

~~(d) Renewal. The scholarship grant may be renewed for up to
four academic years.~~

~~(e) Application. An eligible student shall apply to the
agency for a scholarship grant as prescribed by the agency.~~

~~(f) Termination. If a student who receives a scholarship
grant terminates enrollment at the university INSTITUTION OF
HIGHER EDUCATION during the academic year or prior to completion
of the approved course of study, the university INSTITUTION OF
HIGHER EDUCATION shall notify the agency in writing. The
university INSTITUTION OF HIGHER EDUCATION shall return all
unused portions of the scholarship grant. The returned portion
shall be used to fund other scholarship grants under this
article.~~

~~(g) Transfer. A scholarship grant is only transferrable if
the student transfers to another university within the State
system INSTITUTION OF HIGHER EDUCATION IN AN ELIGIBLE COURSE OF
STUDY OR PROGRAM.~~

~~(h) Limitations. A scholarship grant awarded under the
program shall be made from funds appropriated for that purpose.
First priority for the awarding of grants shall be given to~~



1 ~~renewal applicants. Thereafter, a grant shall be awarded on a~~
2 ~~first come, first served basis.~~

3 ~~Section 2005-L. Miscellaneous provisions.~~

4 ~~(a) Enforcement. The agency shall enforce repayment of all~~
5 ~~scholarship grants for a student who does not comply with the~~
6 ~~provisions of this article. The agency may use all lawful~~
7 ~~collection procedures and may use private collection agencies.~~

8 ~~(b) Scholarship grant not taxable income. Scholarship~~
9 ~~grants received by an eligible student shall not be considered~~
10 ~~taxable income for purposes of Article III of the act of March~~
11 ~~4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.~~

12 ~~(c) Regulations. The agency shall adopt regulations,~~

13 ~~(C) REGULATIONS AND GUIDELINES.~~

14 ~~(1) THE AGENCY SHALL ADOPT REGULATIONS, guidelines and~~
15 ~~procedures necessary to carry out this article.~~

16 ~~(2) THE AGENCY MAY ESTABLISH GUIDELINES AND RESTRICTIONS~~
17 ~~ON THE COURSES OF STUDY AND PROGRAMS ELIGIBLE FOR~~
18 ~~PARTICIPATION TO ENSURE THAT THE MAXIMUM NUMBER OF STUDENTS~~
19 ~~RECEIVING GRANTS COMPLETE THEIR DEGREES AND ENTER AN~~
20 ~~EDUCATION PROFESSION WITHIN THIS COMMONWEALTH.~~

21 ~~(d) Report. The agency shall annually publish on the~~
22 ~~agency's publicly accessible Internet website a report on the~~
23 ~~program. The report shall include information regarding the~~
24 ~~operation of the program, including:~~

25 ~~(1) The number of students receiving an award at each~~
26 ~~university within the State system INSTITUTION OF HIGHER~~
27 ~~EDUCATION.~~

28 ~~(2) Demographic and income statistics of students~~
29 ~~receiving an award.~~

30 ~~(3) Outcome measures, including:~~



1 ~~(i) The number of students receiving an award who go~~
2 ~~on to teach in schools in this Commonwealth.~~

3 ~~(ii) The number of students receiving an award who~~
4 ~~stay in this Commonwealth after graduation.~~

5 ~~(III) THE NUMBER OF GRANT RECIPIENTS CURRENTLY~~
6 ~~EMPLOYED BY A PUBLIC SCHOOL ENTITY AFTER THREE YEARS.~~

7 ~~(IV) THE NUMBER OF GRANT RECIPIENTS CURRENTLY~~
8 ~~EMPLOYED BY A PUBLIC SCHOOL ENTITY AFTER FIVE YEARS.~~

9 ~~(iii) (V) Any other measures determined by the~~
10 ~~agency. or requested by the State system.~~

11 ~~(c) Appropriation. The sum of \$50,000,000 is appropriated~~
12 ~~from the General Fund to the agency for the current fiscal year~~
13 ~~for the program. The General Assembly shall appropriate funds~~
14 ~~for the program for the following fiscal years.~~

15 ~~(E) ADMINISTRATIVE COSTS. FROM FUNDS APPROPRIATED TO THE~~
16 ~~AGENCY FOR THE PROGRAM, THE AGENCY MAY RETAIN A REASONABLE~~
17 ~~AMOUNT NECESSARY TO PAY FOR DIRECT COSTS TO IMPLEMENT THE~~
18 ~~PROGRAM, NOT TO EXCEED 5%. THE AGENCY SHALL INCLUDE AN ESTIMATE~~
19 ~~OF COSTS TO ADMINISTER THE PROGRAM WITHIN ITS ANNUAL SUBMISSIONS~~
20 ~~UNDER SECTION 610 OF THE ACT OF APRIL 9, 1929 (P.L.177, NO.175),~~
21 ~~KNOWN AS THE ADMINISTRATIVE CODE OF 1929.~~

22 ~~Section 2. This act shall take effect in 90 days.~~

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

26 ~~Section 130. Learning Pod Protection.--(a) Notwithstanding~~
27 ~~any other provision of law to the contrary, a learning pod shall~~
28 ~~be exempt from the following provisions:~~

29 ~~(1) All provisions of this act related to staff ratios,~~
30 ~~certifications, background checks and physical accommodations.~~



1 (2) All regulatory provisions of the Department of Human
2 Services related to the operation of a day-care, child-care
3 center or at home day-care, including staff certifications,
4 background checks and physical accommodations.

5 (3) Any State building or fire codes applicable to
6 educational or child-care facilities.

7 (4) Any local building or fire codes applicable to an
8 educational or child-care facility.

9 (5) Any other State or local statute, rule or code which
10 would not be applicable to any group, building or facility but
11 for the operation or presence of a learning pod.

12 (b) No State, local or school district employe may initiate
13 or conduct any site inspection or other investigation or visit
14 that would not have been initiated or made but for the operation
15 or presence of a learning pod.

16 (c) No State, local or school district employe may initiate
17 or conduct any site inspection or other investigation or visit,
18 that would not have been initiated or made but for the operation
19 or presence of a learning pod, on the basis of any provision of
20 Federal code, rule, guideline or any other Federal authority.

21 (d) No school district may take any action or act in any
22 manner discriminate against or otherwise distinguish any student
23 or parent on the basis of participation in a learning pod.

24 (e) No State agency, local government or school district may
25 require that any learning pod be in any manner required to
26 register or otherwise report any information related to the
27 operation of the learning pod.

28 (f) This section shall not alter the regulation of any day-
29 care center, child-care center or home-day-care center related
30 to any operations or other matters not directly related to the



1 operation of a learning pod.

2 (g) The following shall apply to any administrative,
3 judicial hearing or other action regarding this section:

4 (1) Compliance of this section with any State or local law,
5 regulations, guidelines or school district guidelines or other
6 action shall be a judicial question and determined without
7 regard to any assertion of compliance with this section.

8 (2) Any State or local law, regulation, guideline or school
9 district guidelines or other action shall be required to
10 establish by clear and convincing evidence that law, regulation,
11 guideline or action:

12 (i) Does not unduly impede on the freedom of parents and
13 guardians to provide care and supervision of their children.

14 (ii) Does not single out educational activities while
15 similar gatherings of children for recreational or social
16 activities remain unregulated.

17 (iii) Is narrowly tailored to protect the public health and
18 safety.

19 (h) As used in this section, the following words and phrases
20 shall have the meanings given to them in this subsection:

21 "Learning pod." A group of children who otherwise meet the
22 compulsory attendance requirements under Article XIII and meet
23 at various times or places to participate in educational
24 activities. The term shall include payment for any services
25 provided to the children participating in a learning pod by a
26 parent.

27 "Operation of a learning pod." Any actions taken by a parent
28 or individual assisting a parent while engaged in any actions
29 taken to organize, facilitate or operate a learning pod at any
30 facility, home or other structure utilized by a learning pod.



1 Section 131. Advertising.--(a) A paid media advertisement
2 by a public school entity that refers to the cost of tuition or
3 transportation shall not advertise those expenses as free, and
4 any reference to tuition or transportation costs must stipulate
5 that the cost is covered by taxpayer dollars.

6 (b) As used in this section, the following words and phrases
7 shall have the meanings given to them in this subsection:

8 "Paid media advertisement." The term includes a television,
9 radio or movie theater advertisement, billboard, bus poster,
10 newspaper, magazine, publicly accessible Internet website or any
11 other commercial method that may promote enrollment in a public
12 school entity.

13 "Public school entity." A public school district, charter
14 school, cyber charter school, regional charter school,
15 intermediate unit or area career and technical school.

16 Section 2. The definitions of "concurrent student" and
17 "school entity" in section 1602-B of the act are amended to
18 read:

19 Section 1602-B. Definitions.

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

23 * * *

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

30 * * *



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

4 * * *

5 Section 3. Sections 1611-B and 1613-B of the act are amended
6 by adding subsections to read:

7 Section 1611-B. Responsibilities of school entities.

8 * * *

9 (g) Revenue received by school district.--Notwithstanding
10 any provision of law to the contrary, the revenues received by a
11 school district under section 1603-B shall not be included in
12 the school district's budgeted total expenditure per average
13 daily membership used to calculate the amount to be paid to a
14 charter school entity under section 1725-A(a)(2) and (3).

15 Section 1613-B. Concurrent enrollment agreements.

16 * * *

17 (c) Charter schools, regional charter schools and cyber
18 charter schools.--Charter schools, regional charter schools and
19 cyber charter schools shall have the power and authority to
20 enter into a concurrent enrollment agreement with an institution
21 of higher education, and appropriate credit shall be awarded to
22 students concurrently enrolled under the agreement.

23 Section 4. Section 1703-A of the act is amended to read:

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

25 "Administrator" shall include an employe of a charter school
26 entity, including the chief administrator of a charter school
27 entity and any other employe, who by virtue of the employe's
28 position is responsible for taking official action of a
29 nonministerial nature with regard to contracting or procurement,
30 administering or monitoring grants or subsidies, managing or



1 regulating staff, student and school activities or any activity
2 where the official action has an economic impact of greater than
3 a de minimis nature on the interests of any person.

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

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

7 (2) for a regional charter school, the aid ratio and market
8 value/income aid ratio shall be a composite, as determined by
9 the department, based on the school districts that granted the
10 charter; or

11 (3) for a cyber charter school, the aid ratio and market
12 value/income aid ratio shall be that of the school district in
13 which the administrative offices of the cyber charter school are
14 located.

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

17 "Assessment" shall mean the Pennsylvania System of School
18 Assessment test, the Keystone Exam or another test established
19 or approved by the State board or the General Assembly to meet
20 the requirements of section 2603-B or 2604-B or 22 Pa. Code §
21 4.51 (relating to State assessment system) or required under the
22 Every Student Succeeds Act (Public Law 114-95, 129 Stat. 1802)
23 or its successor Federal statute.

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

28 "Charter school" shall mean an independent public school
29 established and operated under a charter from the local board of
30 school directors and in which students are enrolled or attend. A



1 charter school must be organized as a public, nonprofit
2 corporation. Charters may not be granted to any for-profit
3 entity.

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

10 "Charter school foundation" shall mean a nonprofit
11 organization under 26 U.S.C. § 501(c)(3) (relating to exemption
12 from tax on corporations, certain trusts, etc.), that provides
13 funding, resources or otherwise serves to support a charter
14 school entity, either directly or through an affiliated entity.

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

19 "Community college" shall mean a community college
20 established under Article XIX-A.

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

30 "Department" shall mean the Department of Education of the



1 Commonwealth.

2 "Educational management service provider" shall mean a
3 nonprofit charter management organization, for-profit education
4 management organization, school design provider, business
5 manager or any other partner entity with which a board of
6 trustees of a charter school entity contracts to provide
7 educational design, business services, comprehensive management
8 or personnel functions or to implement the charter. The term
9 shall not include a charter school foundation.

10 "Immediate family member" shall mean a parent, spouse, child,
11 brother, sister, grandparent or grandchild.

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

15 "Nonrelated" shall mean an individual who is not an immediate
16 family member.

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

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 and 22 Pa. Code § 11.11(a)(1) (relating to entitlement of
27 resident children to attend public schools).

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

30 "Secretary" shall mean the Secretary of Education of the



1 Commonwealth.

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

4 "State System institution" shall mean a member institution of
5 the State System of Higher Education established under Article
6 XX-A.

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

8 Section 1714.1-A. Ideal Charter Schools.--(a)
9 Notwithstanding any other provision of law, an applicant seeking
10 to establish a public charter school in this Commonwealth may
11 submit the charter petition to any of the following:

12 (1) The elected governing authority of a county
13 or municipality.

14 (2) The mayor of a city of the first class.

15 (3) Any school district located in this Commonwealth.

16 (4) The State Board of Education.

17 (5) The board of trustees of a two-year or four-year
18 institution of higher education as defined by section 2001-A.

19 (6) The Public Charter School Commission established in
20 subsection (n).

21 (b) Public university authorizers are established in this
22 Commonwealth. A public university authorizer shall be
23 responsible for sponsoring a charter school. The responsibility
24 for maintaining sponsorship shall rest with the university's
25 board of trustees. The university's board of trustees may vote
26 to assign sponsorship authority and sponsorship responsibilities
27 to another person or entity that functions under the direction
28 of the university's board. Prior to a university sponsoring a
29 charter school, the university must conduct a public meeting
30 with public notice in the county where the charter school will



1 be located. A charter authorizer shall:

2 (1) Receive applications, evaluate applications to ensure
3 that they meet the minimal requirements set forth by statute,
4 and make approval and denial decisions.

5 (2) Execute contracts, incorporating and consistent with
6 approved applications, between the authorizer and public charter
7 schools detailing the rights and responsibilities of the
8 authorizer and the charter school and setting forth the academic
9 and operational performance expectations and measures by which
10 the charter school will be judged. The authorizer may choose to
11 make the approved application the charter contract.

12 (3) Monitor, on a regular basis, the performance of the
13 charter schools it oversees.

14 (4) Establish, through formal rulemaking, renewal and
15 revocation criteria and processes for the charter schools it
16 oversees.

17 (c) In reviewing and evaluating charter applications,
18 authorizers shall employ procedures, practices and criteria
19 consistent with this section. The application review process
20 shall include thorough evaluation of each written charter
21 application, an in-person interview with the applicant group and
22 an opportunity in a public forum for local residents to learn
23 about and provide input on each application. The authority shall
24 provide each applicant with a detailed analysis of the
25 application and grant the applicant a reasonable time to provide
26 additional materials and amendments to an application to address
27 any identified deficiencies. In deciding whether to approve
28 charter applications, an authorizer shall:

29 (1) Grant charters only to applicants that have demonstrated
30 competence in each element of the authorizer's published



1 approval criteria and are likely to open and operate a
2 successful public charter school.

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

5 (3) Follow charter-granting policies and practices that are
6 transparent, based on merit and avoid conflicts of interest or
7 any appearance thereof.

8 (d) No later than thirty (30) days after the filing of a
9 charter application, the authorizer shall decide to approve or
10 deny the charter application. The authorizer shall adopt by
11 resolution all charter approval or denial decisions in an open
12 meeting of the authorizer's governing board. An approval
13 decision may include, if appropriate, reasonable conditions that
14 the charter applicant must meet before a charter contract may be
15 executed under this section. Conditions under this subsection
16 may not include enrollment caps or operational requirements that
17 in any manner contradict this section. For any charter denial,
18 the authorizer shall clearly state, for public record, any
19 reasons for denial. A denied applicant may subsequently reapply
20 to any authorizer in this Commonwealth.

21 (e) Within fifteen (15) days of an action to approve or deny
22 a charter application, the authorizer shall report the action to
23 the department. The authorizer shall provide a copy of the
24 report to the charter applicant at the same time that the report
25 is submitted to the department. The report shall include a copy
26 of the authorizer governing board's resolution setting forth the
27 action taken and reasons for the decision and assurances as to
28 compliance with all of the procedural requirements and
29 application elements set forth in this section.

30 (f) A charter may be renewed for successive ten-year terms



1 of duration, although the authorizer may vary the term based on
2 the performance, demonstrated capacities and particular
3 circumstances of each public charter school. An authorizer may
4 grant renewal with specific conditions for necessary
5 improvements to a public charter school, but may not impose
6 conditions inconsistent with this section. No later than July 30
7 of each year, the authorizer shall issue a public charter school
8 performance report and charter renewal application guidance to
9 any public charter school whose charter will expire the
10 following year. The performance report shall summarize the
11 public charter school's performance record to date, based on the
12 data required by this section and the charter contract, and
13 shall provide notice of any weaknesses or concerns related to
14 the public charter school that may jeopardize its position in
15 seeking renewal if not timely rectified. The public charter
16 school shall have sixty (60) days to respond to the performance
17 report and submit any corrections or clarifications for the
18 report.

19 (g) The renewal application guidance shall:

20 (1) Provide an opportunity for the public charter school to:

21 (i) Present additional evidence, beyond the data contained
22 in the performance report, supporting its case for
23 charter renewal.

24 (ii) Describe improvements undertaken or planned for the
25 school.

26 (iii) Detail the school's plans for the next charter term.

27 (2) Include or refer explicitly to the criteria that will
28 guide the authorizer's renewal decisions, which shall be based
29 on the performance framework set forth in the charter contract
30 and consistent with this section.



1 (h) No later than April 1 of each year, the governing board
2 of a public charter school seeking renewal shall submit a
3 renewal application to the charter authorizer in accordance with
4 the renewal application guidance issued by the authorizer. The
5 authorizer shall rule, by resolution, on the renewal application
6 no later than thirty (30) days after the filing of the renewal
7 application. In making charter renewal decisions, every
8 authorizer shall:

9 (1) Ground its decisions in evidence of the school's
10 performance over the term of the charter contract in accordance
11 with the performance framework set forth in the charter
12 contract.

13 (2) Ensure that data used in making renewal decisions are
14 available to the school and the public.

15 (3) Provide a public report summarizing the evidence basis
16 for each decision.

17 (i) A charter contract may be revoked at any time or not
18 renewed if the authorizer determines that the public charter
19 school did any of the following or otherwise failed to comply
20 with the provisions of this section:

21 (1) commits a material and substantial violation of any of
22 the terms, conditions, standards or procedures required under
23 this section or the charter contract, and has persistently
24 failed to correct the violation after fair and specific notice
25 from the authorizer;

26 (2) fails to meet or make progress toward the performance
27 expectations set forth in the charter contract;

28 (3) fails to meet generally accepted standards of fiscal
29 management, and has failed to correct the violation after fair
30 and specific notice from the authorizer; or



1 (4) substantially violates any material provision of law
2 from which the public charter school was not exempted and has
3 failed to correct the violation after fair and specific notice
4 from the authorizer.

5 (j) In the case of a violation that threatens the health and
6 safety of the students of any public charter school or if
7 members of the public charter school committed a material
8 violation of the law, the authorizer may take immediate action.

9 (k) An authorizer must develop revocation and nonrenewal
10 processes that:

11 (1) Provide the holders of the charter with a timely
12 notification of the prospect of revocation or nonrenewal and of
13 the reasons for possible closure.

14 (2) Allow the holders of the charter a reasonable amount of
15 time to prepare a response.

16 (3) Provide the holders of the charter with an opportunity
17 to submit documents and give testimony challenging the rationale
18 for closure and in support of the continuation of the school at
19 an orderly proceeding held for that purpose.

20 (4) Allow the holders of the charter access to
21 representation by counsel and to call witnesses on their behalf.

22 (5) Permit the recording of proceedings.

23 (6) After a reasonable period for deliberation, require a
24 final determination be made and conveyed in writing to the
25 holders of the charter.

26 (7) If an authorizer revokes or does not renew a charter,
27 clearly state, in a resolution of its governing board, the
28 reasons for the revocation or nonrenewal.

29 (1) Within thirty (30) days of taking action, the authorizer
30 shall report to the department the action taken, and shall



1 provide a copy of the report to the public charter school at the
2 same time that the report is submitted to the department. The
3 report shall include a copy of the authorizer governing board's
4 resolution setting forth the action taken and reasons for the
5 decision and assurances as to compliance with all of the
6 requirements of this section.

7 (m) Prior to any public charter school closure decision, an
8 authorizer shall have developed a public charter school closure
9 protocol to ensure timely notification to parents, orderly
10 transition of students and student records to new schools and
11 proper disposition of school funds, property and assets in
12 accordance with the requirements of this section. The protocol
13 shall specify tasks, timelines and responsible parties,
14 including delineating the respective duties of the school and
15 the authorizer. In the event of a public charter school closure
16 for any reason, the authorizer shall oversee and work with the
17 closing school to ensure a smooth and orderly closure and
18 transition for students and parents, as guided by the closure
19 protocol. In the event of a public charter school closure for
20 any reason, the assets of the school shall be distributed first
21 to satisfy outstanding payroll obligations for employes of the
22 school, then to creditors of the school and then to the State
23 Treasury to the credit of the General Fund. If the assets of the
24 school are insufficient to pay all parties to whom the school
25 owes compensation, the prioritization of the distribution of
26 assets may be determined by decree of a court of law.

27 (n) The Public Charter School Commission is established in
28 the Commonwealth. The commission shall authorize high-quality
29 public charter schools in this Commonwealth consistent with this
30 section. The commission shall consist of eleven (11)



1 geographically diverse residents of this Commonwealth, no more
2 than six (6) of whom shall be members of the same political
3 party, who shall be appointed as follows:

4 (1) Three (3) members shall be appointed by the Governor.

5 (2) Three (3) members shall be appointed by the President
6 pro tempore of the Senate and one (1) member by the Minority
7 Leader of the Senate.

8 (3) Three (3) members shall be appointed by the Speaker of
9 the House of Representatives and one (1) member by the Minority
10 Leader of the House of Representatives.

11 (o) Members appointed to the commission shall collectively
12 possess experience and expertise in public and nonprofit
13 governance, management and finance, public school leadership,
14 assessment, curriculum and instruction and public education law.

15 All members of the commission shall have demonstrated
16 understanding of and commitment to charter schooling as a
17 strategy for strengthening public education by providing
18 additional high-quality choices.

19 (p) The first appointment of the Governor, the first
20 appointment of the President pro tempore of the Senate and the
21 first appointment of the Speaker of the House of Representatives
22 shall serve an initial term of four (4) years. The second
23 appointment by the Governor and the first appointment of the
24 Minority Leader of the Senate and the first appointment of the
25 Minority Leader of the House of Representatives shall serve an
26 initial term of three (3) years. All remaining appointments
27 shall serve an initial term of two (2) years. The initial
28 appointments shall be made no later than thirty (30) days after
29 the effective date of this section. A member may
30 be reappointed, however no member may be appointed to a new term.



1 after the member has served seven (7) consecutive years.

2 (g) A member of the commission may be removed for
3 any cause that renders the member incapable or unfit to
4 discharge the duties of the office. If a vacancy on the
5 commission exists, the original appointing authority shall
6 appoint a member for the remaining portion of the term.

7 (r) The members of the commission shall annually elect one
8 individual from its membership to serve as chairperson after
9 members of the commission have been appointed to fill any
10 vacancies caused by the regular expiration of previous members'
11 terms, or when requested by a majority vote of the members of
12 the commission. A majority of the members of the commission
13 shall constitute a quorum. The commission shall meet at the call
14 of the chairperson, subject to any hearing requirements of the
15 commission.

16 (s) Members of the commission shall serve without pay,
17 but may receive reimbursement for any reasonable and necessary
18 expenses incurred by reason of service on the commission.

19 (t) Subject to any rules as may be promulgated by the
20 commission, the chairperson shall have the authority to appoint,
21 terminate and fix the pay of an executive director and other
22 personnel of the commission as the chairperson deems
23 necessary. The commission shall be authorized to use the
24 services, personnel and facilities of the department. Any start-
25 up expenses of the commission shall be paid from funds available
26 to the department. Within forty-five (45) days of the effective
27 date of this section, the department shall make available no
28 less than one hundred fifty thousand dollars (\$150,000) to the
29 commission.

30 (u) The commission shall provide for an audit of the



1 financial statements of the commission by an independent
2 certified public accountant in accordance with auditing
3 standards for financial audits issued by the Comptroller General
4 of the United States.

5 (v) The sum of three hundred thousand dollars (\$300,000) may
6 be appropriated to the commission for fiscal year 2023 and such
7 sums as may be necessary for each of the three (3) succeeding
8 fiscal years. This appropriation shall not lapse.

9 (w) The Commonwealth shall remit to each authorizer under
10 subsection (a) an oversight fee for each public charter school
11 the authorizer approves. The oversight fee shall be drawn from
12 and calculated as a uniform percentage of the per-student
13 operational funding allocated to each public charter school, not
14 to exceed three per centum of each public charter school's per-
15 student funding in a single school year. The department shall
16 establish a Statewide formula for authorizer funding, which
17 shall apply uniformly to every authorizer in this Commonwealth.
18 The General Assembly may establish a sliding scale for
19 authorizer funding, with the funding percentage decreasing after
20 the authorizer has achieved a threshold determined by the
21 General Assembly. An authorizer's oversight fee may not include
22 any costs incurred in delivering services that a public charter
23 school may purchase at its discretion from the authorizer. The
24 authorizer shall use funding provided under this section
25 exclusively for the purpose of fulfilling authorizing
26 obligations in accordance with this section.

27 (x) The commission shall operate with dedicated resources
28 and staff qualified to execute the day-to-day responsibilities
29 of a public charter school authorized in accordance with this
30 section.



1 (y) The commission shall annually submit a report to the
2 General Assembly summarizing:

3 (1) The academic and financial performance of all operating
4 public charter schools overseen by the commission, according to
5 the performance expectations for public charter schools set
6 forth in this section.

7 (2) The status of the commission's public charter school
8 portfolio, identifying all public charter schools in each of the
9 following categories:

10 (i) approved but not yet open;

11 (ii) operating;

12 (iii) renewed;

13 (iv) transferred;

14 (v) revoked;

15 (vi) not renewed;

16 (vii) voluntarily closed; or

17 (viii) never opened.

18 (3) The authorizing functions provided by the commission to
19 the public charter schools under its purview, including its
20 operating costs and expenses detailed in annual audited
21 financial statements that conform with generally accepted
22 accounting principles.

23 (z) As used in this section, the term "commission" means the
24 Public Charter School Commission established under subsection
25 (n).

26 Section 6. Section 1715-A of the act is amended to read:

27 Section 1715-A. Charter School Entity Requirements.--(a)
28 Charter [schools] school entities shall be required to comply
29 with the following provisions:

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



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

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

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

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

16 (5) [A] (i) Subject to subclause (ii), a charter school
17 entity shall not provide any religious instruction, nor shall it
18 display religious objects and symbols on the premises of the
19 charter school entity.

20 (ii) It shall not be a violation of this clause for a
21 charter school entity to utilize a sectarian facility:

22 (A) if the charter school entity provides for discrete and
23 separate entrances to buildings utilized for school purposes
24 only;

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

28 (C) in which the unused portion of the facility or its
29 common areas contain religious symbols and objects.

30 (6) A charter school entity shall not advocate unlawful



1 behavior.

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

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

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

18 (10) Boards of trustees and contractors of charter [schools]
19 school entities shall be subject to the following statutory
20 requirements governing construction projects and construction-
21 related work:

22 (i) The following provisions of this act:

23 (A) Sections 751 and 751.1.

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

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

30 (iii) The act of August 11, 1961 (P.L.987, No.442), known as



1 the "Pennsylvania Prevailing Wage Act."

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

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

5 (11) Trustees of a charter school entity shall be public
6 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.] for the purposes

21 of 65 Pa.C.S. Ch. 11 (relating to ethics standards and financial
22 disclosure) and shall file a statement of financial interests
23 for the preceding calendar year with the State Ethics Commission
24 and either the local board of school directors in the case of a
25 charter school or regional charter school, or the department in
26 the case of a cyber charter school, not later than May 1 of each
27 year that members hold the position and of the year after a
28 member leaves the position. All members of the board of trustees
29 of a charter school entity shall take the oath of office as
30 required under section 321 before entering upon the duties of



1 their office.

2 (b) An individual who serves as an administrator for a
3 charter school entity shall be a public employe for the purposes
4 of 65 Pa.C.S. Ch. 11 and shall file a statement of financial
5 interests for the preceding calendar year with the board of
6 trustees not later than May 1 of each year that the person holds
7 the position and of the year after the person leaves the
8 position.

9 (c) (1) No individual who serves as an administrator for a
10 charter school entity may receive compensation from another
11 charter school entity or from an educational management service
12 provider, unless:

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

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

21 (2) A copy of the sworn statement under clause (1)(i) and
22 the resolution by the board of trustees granting the permission
23 under clause (1)(ii) shall be provided to, and kept on file
24 with, the charter school entity and the local board of school
25 directors or, in the case of a cyber charter school, the
26 department.

27 (3) No administrator of a charter school entity or immediate
28 family member of the administrator may serve as a voting member
29 of the board of trustees of the charter school entity that
30 employs the administrator.



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

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

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

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

15 Section 7. Sections 1716-A(c) and 1722-A(a), (b) and (d) of
16 the act are amended and the sections are amended by adding
17 subsections to read:

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

19 (b.1) (1) For a charter school or regional charter school
20 chartered after the effective date of this subsection, an
21 individual shall be prohibited from serving as a voting member
22 of the board of trustees of the charter school or regional
23 charter school if the individual or an immediate family member
24 receives compensation from or is employed by or is a member of
25 the local board of school directors who participated in the
26 initial review, approval, oversight, evaluation or renewal
27 process of the charter school or regional charter school
28 chartered by that board.

29 (2) An employe of the school district that chartered a
30 charter school or regional charter school may serve as a member



1 of the board of trustees of the charter school or regional
2 charter school without voting privileges.

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

8 (2) Any member of the board of trustees of a charter school
9 entity who in the discharge of the person's official duties
10 would be required to vote on a matter that would result in a
11 conflict of interest shall abstain from voting and follow the
12 procedures required under 65 Pa.C.S. § 1103(j) (relating to
13 restricted activities).

14 (3) A member of the board of trustees of a charter school
15 entity who knowingly violates this subsection commits a
16 violation of 65 Pa.C.S. § 1103(a) and shall be subject to the
17 penalties imposed under the jurisdiction of the State Ethics
18 Commission.

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

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

25 (b.3) A member of the board of trustees of a charter school
26 entity shall be automatically disqualified and immediately
27 removed from the board of trustees upon conviction for an
28 offense graded as a felony, an infamous crime, an offense
29 pertaining to fraud, theft or mismanagement of public funds, any
30 offense pertaining to the member's official capacity as a member.



1 of the board of trustees or any crime involving moral turpitude.

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

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

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

14 (2) Within one (1) year of the effective date of this
15 subsection, at least one member of the board of trustees of a
16 charter school entity shall be a parent of a child currently
17 attending the charter school entity. The board of trustees
18 member provided for under this clause shall be eligible to serve
19 only so long as the child attends the charter school entity.
20 This clause shall not apply to a charter school that primarily
21 serves adjudicated youth.

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

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

30 (f) A charter school entity shall form an independent audit.



1 committee of its board of trustees members which shall review at
2 the close of each fiscal year a complete certified audit of the
3 operations of the charter school entity. The audit shall be
4 conducted by a qualified independent certified public
5 accountant. The audit shall be conducted under generally
6 accepted audit standards of the Governmental Accounting
7 Standards Board and shall include the following:

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

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

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

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

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

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

24 (7) Review of all board policies and procedures with regard
25 to internal controls, code of ethics, conflicts of interest,
26 whistle-blower protections, complaints from parents or the
27 public, compliance with 65 Pa.C.S. Ch. 7, finances, budgeting,
28 audits, public bidding and bonding.

29 (g) The certified audit under subsection (f) and the annual
30 budget under subsection (i) are public documents and shall be



1 made available on the charter school entity's publicly
2 accessible Internet website, if available, and, in the case of a
3 charter school or regional charter school, on the school
4 district's publicly accessible Internet website.

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

8 (i) A charter school entity shall annually provide the
9 department and, in the case of a charter school or regional
10 charter school, shall annually provide the school district with
11 a copy of the annual budget for the operation of the charter
12 school entity that identifies the following:

13 (1) The source of funding for all expenditures.

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

17 (3) The salaries of all administrators of the charter school
18 entity.

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

21 (j) (1) Notwithstanding any other provision of law, a
22 charter school entity and any affiliated charter school
23 foundation shall make copies of its annual Federal and State tax
24 filings available upon request and on the charter school
25 entity's or foundation's publicly accessible Internet website,
26 if available, including Internal Revenue Service Form 990,
27 Return of Organization Exempt from Income Tax and all related
28 schedules and appendices.

29 (2) The charter school foundation shall also make copies of
30 its annual budget available upon request and on the foundation's



1 or the charter school entity's publicly accessible Internet
2 website within thirty (30) days of the close of the foundation's
3 fiscal year.

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

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

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

14 (b.1) (1) A charter school entity shall have the right of
15 first refusal to purchase or lease, for educational purposes
16 only, a public school building or a part of a public school
17 building that is no longer in use by a school entity which is
18 the property titleholder, at the price of one of the following:

19 (i) The last best offer above fair market value received in
20 the ninety (90) days preceding the charter school entity's
21 offer.

22 (ii) Fair market value, if no offer has been received in the
23 ninety (90) days preceding the charter school entity's offer.

24 (iii) Below fair market value, upon the mutual agreement of
25 the school entity and the charter school entity.

26 (2) A school entity shall accept an offer from a charter
27 school entity that conforms to the provisions of clause (1).

28 (3) The department shall provide a page on its publicly
29 accessible Internet website on which school entities are
30 required to post a notice for each public school building or



1 part of a public school building that is available for purchase
2 or lease. A school entity shall submit a notice to the
3 department on a form developed by the department. The department
4 shall post the notice within five (5) days of receiving the
5 form.

6 (4) The following shall apply to the sale or lease of a
7 public school building or a part of a public school building by
8 a school entity:

9 (i) A school entity may not enter into a contract to sell or
10 lease a building or part of a building until at least thirty
11 (30) days after the posting of a notice as required under
12 paragraph (3).

13 (ii) If two or more charter school entities make offers on
14 the same building or part of a building that conforms to the
15 provisions of this subsection, the school entity shall:

16 (A) Accept the first offer, if the offers are equal in
17 dollar amount.

18 (B) Accept the best offer, if the offers differ in dollar
19 amount.

20 (d) Notwithstanding any other provision of this act, [a
21 school district of the first class may, in its discretion,
22 permit a charter school to operate its school at more than one
23 location.] a charter school or regional charter school that does
24 not have in the written charter any limits on student enrollment
25 or caps is permitted to operate the school at more than one
26 location within the district that authorized the charter.

27 * * *

28 (f) School districts, intermediate units, community colleges
29 and institutions under Article XX-A shall provide a cyber
30 charter school with reasonable access to their facilities for



1 the administration of standardized testing as follows:

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

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

15 (3) An intermediate unit, school district of residence,
16 community college or institution under Article XX-A shall not be
17 required to make facilities available to a cyber charter school
18 on dates and at times that may cause undue interference with the
19 educational programs of the intermediate unit, school district,
20 community college or institution under Article XX-A.

21 (4) Any facilities rental fee charged to the cyber charter
22 school and the payment thereof shall be in compliance with the
23 facility rental policy of the intermediate unit, school
24 district, community college or institution under Article XX-A
25 that applies generally to all organizations and community
26 groups.

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

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



Section 1731.1-A. Fund Balance Limits.--Fund balance limits shall be as follows:

(1) For the 2023-2024 school year and each school year thereafter, a charter school entity shall not accumulate an unassigned fund balance greater than the charter school entity unassigned fund balance limit, which will be determined as follows:

<u>Charter School Entity</u>	<u>Maximum Unassigned Fund 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) For the 2023-2024 school year and each school year thereafter, any unassigned fund balance in place on June 30, 2022, and on June 30 of each year thereafter in excess of the charter school entity unassigned fund balance limit shall be refunded on a pro rata basis within ninety (90) days to all school districts that paid tuition to the charter school entity in the prior school year, based upon the number of students for whom each school district paid tuition to the charter school entity multiplied by the school district's per student payment under section 1725-A.

(3) By October 31, 2023, and by October 31 of each year



1 thereafter, each charter school entity shall provide the
2 department and all school districts that paid tuition to the
3 charter school entity in the prior school year with information
4 certifying compliance with this section. The information shall
5 be provided in a form and manner prescribed by the department
6 and shall include information on the charter school entity's
7 estimated ending unassigned fund balance expressed as a dollar
8 amount and as a percentage of the charter school entity's total
9 budgeted expenditures for that school year.

10 (4) Unassigned funds of the charter school entity in excess
11 of the unassigned fund balance limit may not be used to pay
12 bonuses to any administrator, board of trustees member, employe,
13 staff member or contractor and may not be transferred to a
14 charter school foundation. If a charter school entity uses funds
15 in excess of the unassigned fund balance limit to pay bonuses to
16 any administrator, board of trustees member, employe, staff
17 member or contractor or transfers such funds to a charter school
18 foundation, the value of the bonus payment or fund transfer
19 shall be refunded on a pro rata basis to all school districts
20 that paid tuition to the charter school entity in the prior
21 school year, based upon the number of students for whom each
22 school district paid tuition to the charter school entity
23 multiplied by the school district's per student payment under
24 section 1725-A.

25 (5) As used in this section, "unassigned fund balance" shall
26 mean that portion of the fund balance of a charter school entity
27 that provides funding that serves to support the charter school
28 entity that is:

29 (i) available for expenditure or not legally or otherwise
30 segregated for a specific or tentative future use; and



1 (ii) held in the General Fund accounts of the charter school
2 entity.

3 Section 9. Section 1744-A(2) of the act is amended to read:
4 Section 1744-A. School district and intermediate unit
5 responsibilities.

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

9 * * *

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

13 * * *

14 Section 10. Section 2006-B of the act is amended by adding
15 subsections to read:
16 Section 2006-B. Limitations.

17 * * *

18 (a.1) Amount.--

19 (1) Notwithstanding the provisions of subsection (a),
20 the total aggregate amount of all tax credits approved for
21 contributions from business firms to scholarship
22 organizations, educational improvement organizations and pre-
23 kindergarten scholarship organizations shall not exceed
24 \$250,000,000 in fiscal year 2023-2024.

25 (i) No less than \$185,000,000 shall be used to
26 provide tax credits for contributions from business firms
27 to scholarship organizations.

28 (ii) No less than \$50,000,000 shall be used to
29 provide tax credits for contributions from business firms
30 to educational improvement organizations.



1 (iii) The total aggregate amount of all tax credits
2 approved for contributions from business firms to pre-
3 kindergarten scholarship organizations shall not exceed
4 \$15,000,000 or 10% of the total aggregate amount under
5 this paragraph.

6 (2) The total aggregate amount of all tax credits
7 approved for contributions from business firms to opportunity
8 scholarship organizations shall not exceed \$150,000,000 in a
9 fiscal year.

10 (a.2) Increases.--

11 (1) Beginning in fiscal year 2023-2024, in any fiscal
12 year in which the total aggregate amount of tax credits
13 approved under subsection (a)(1) for the prior fiscal year is
14 equal to or greater than 90% of the total aggregate amount of
15 all tax credits available under subsection (a)(1) for the
16 prior fiscal year, the total aggregate amount of all tax
17 credits available under subsection (a)(1) shall increase by
18 25%. The department shall publish on its publicly accessible
19 Internet website the total aggregate amount of all tax
20 credits available when the amount is increased under this
21 paragraph.

22 (2) Beginning in fiscal year 2023-2024, in any fiscal
23 year in which the total aggregate amount of tax credits
24 approved under subsection (a)(2) for the prior fiscal year is
25 equal to or greater than 90% of the total aggregate amount of
26 all tax credits available under subsection (a)(2) for the
27 prior fiscal year, the total aggregate amount of all tax
28 credits available under subsection (a)(2) shall increase by
29 25%. The department shall publish on its publicly accessible
30 Internet website the total aggregate amount of all tax



1 credits available when the amount is increased under this
2 paragraph.

3 * * *

4 Section 11. The act is amended by adding an article to read:

5 ARTICLE XX-L

6 EDUCATION OPPORTUNITY ACCOUNTS

7 Section 2001-L. Short title.

8 This article shall be known and may be cited as the Education
9 Opportunity Account Act.

10 Section 2002-L. Definitions.

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

14 "Applicant." A parent who applies for an education
15 opportunity account under section 2003-L(b) on behalf of an
16 eligible student.

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

19 "Education opportunity account." A spending account
20 established and administered by the State Treasury, and
21 controlled by a parent, for a school-age child with money that
22 may be spent on a qualified education expense as provided under
23 section 2005-L.

24 "Eligible student." A school-age child who meets the
25 requirements under section 2003-L(b) and whose parent has
26 entered into an agreement under section 2003-L(d).

27 "Institution of higher education." As defined under section
28 118(c).

29 "Nonpublic school." A school, other than a public school,
30 located in this Commonwealth where a Commonwealth resident may



1 legally fulfill the compulsory attendance requirements of this
2 act, that complies with section 1521 and meets the applicable
3 requirements of 42 U.S.C. Ch. 21 Subch. V (relating to federally
4 assisted programs).

5 "Parent." An individual who:

6 (1) is a resident of this Commonwealth; and

7 (2) either:

8 (i) has legal custody or guardianship of a student;

9 or

10 (ii) keeps in the individual's home a student and
11 supports the student gratis as if the student were a
12 lineal descendant of the individual.

13 "Participating entity." The following:

14 (1) Any of the following where a school-age child
15 receives instruction or support under section 2003-L(d):

16 (i) A nonpublic school for grades kindergarten
17 through 12, or a combination of grades.

18 (ii) An institution of higher education.

19 (iii) A distance learning program.

20 (iv) A tutor who is a teacher licensed in any state,
21 has tutored or taught at an eligible postsecondary
22 institution, has tutored or taught at an eligible
23 nonpublic school or is a subject matter expert or a tutor
24 or tutoring agency otherwise approved by the department.

25 (v) A counselor who is licensed or accredited by the
26 the Commonwealth to work with school-age children.

27 (vi) A provider of home education services or
28 curriculum that adheres to education laws of the
29 Commonwealth.

30 (2) The term does not include a parent of a school-age



1 child to the extent that the parent provides educational
2 services directly to the school-age child.

3 "Program." The Education Opportunity Account Program
4 established under section 2003-L(a).

5 "Public school." A school district, charter school, cyber
6 charter school, regional charter school, intermediate unit or
7 area career and technical school.

8 "Receiving school district." A school district in which a
9 potential transfer student does not reside and a potential
10 transfer student would like to attend.

11 "Resident school district." The school district in which a
12 school-age child resides.

13 "School-age child." A child enrolled in kindergarten through
14 grade 12 and who resides in this Commonwealth.

15 "Sending school district." The school district in which a
16 potential transfer student resides.

17 "Student with special needs." A child who:

18 (1) is subject to an individualized education program
19 under 20 U.S.C. Ch. 33 Subch. I (relating to general
20 provisions) and 22 Pa. Code Ch. 14 (relating to special
21 education services and programs);

22 (2) is subject to a section 504 service agreement under
23 29 U.S.C. Ch. 16 (relating to vocational rehabilitation and
24 other rehabilitation services) and 22 Pa. Code Ch. 15
25 (relating to protected handicapped students);

26 (3) is subject to a gifted individualized education plan
27 under 22 Pa. Code Ch. 16 (relating to special education for
28 gifted students);

29 (4) is eligible for early intervention services under 55
30 Pa. Code § 4226.22 (relating to eligibility for early



1 intervention services); or

2 (5) meets the definition of "child with a disability"
3 under 20 U.S.C. Ch. 33 Subch. I or who meets the definition
4 of a "handicapped person" under 29 U.S.C. Ch. 16 and its
5 implementing regulations under 34 CFR 104.3(j) (relating to
6 definitions). The term includes a student for whom an
7 evaluation is pending under either 20 U.S.C. Ch. 33 Subch. I
8 or 29 U.S.C. Ch. 16.

9 Section 2003-L. Establishment, application and agreement.

10 (a) Establishment.--The Education Opportunity Account
11 Program is established as a program of the department.

12 (b) Individuals who may apply.--A parent may apply for an
13 education opportunity account for any school-age child in this
14 Commonwealth.

15 (c) Application form.--The form may not exceed one page that
16 measures 8.5 inches by 11 inches and may be filled out and
17 submitted through the department's publicly accessible Internet
18 website.

19 (d) Review and approval.--The department shall review the
20 application to determine if the applicant meets the requirements
21 under subsection (b). If the requirements have been met, the
22 department shall approve the application and enter into an
23 agreement with the applicant. The agreement shall provide that:

24 (1) The school-age child:

25 (i) withdraw from public school; and

26 (ii) receive instruction in this Commonwealth from a
27 participating entity or enroll in a home education
28 program as provided in section 1327.1 for the school year
29 for which the agreement applies.

30 (2) The school-age child shall not accept a scholarship.



1 in the educational improvement tax credit program under
2 Article XX-B or the opportunity scholarship tax credit
3 program under Article XX-B.

4 (3) The parent receive a grant on behalf of the school-
5 age child, in the form of money deposited under section 2004-
6 L in the education opportunity account.

7 (4) The money in the education opportunity account be
8 expended only as authorized under this article.

9 (e) Education opportunity account.--The following shall
10 apply:

11 (1) If an agreement is entered into under subsection
12 (d), an education opportunity account shall be established.
13 The education opportunity account shall be administered by
14 the State Treasury under this article.

15 (2) Failure of a parent to enter into an agreement under
16 subsection (d) for a school year shall not preclude the
17 parent from entering into an agreement for a subsequent
18 school year if the school-age child is eligible under
19 subsection (b).

20 (f) Term of agreement.--Except as otherwise provided under
21 this article, an agreement entered into under subsection (d)
22 shall be valid for one school year.

23 (g) Termination.--The following shall apply:

24 (1) Notwithstanding subsection (h), an agreement entered
25 into under subsection (d) may be terminated early.

26 (2) If an agreement is terminated early by either the
27 parent or the department, all available money in the
28 education opportunity account shall revert to the State
29 Treasury and be used in the resident school district.

30 (h) Automatic termination.--The following shall apply:



1 (1) An agreement entered into under subsection (d) shall
2 terminate automatically if the school-age child no longer
3 resides in this Commonwealth.

4 (2) The parent shall notify the department if the child
5 no longer resides in this Commonwealth within 15 days of the
6 change of residence. After the child's parent has notified
7 the department, money remaining in the education opportunity
8 account shall revert to the State Treasury and be used in the
9 resident school district.

10 (i) Renewal.--The following shall apply:

11 (1) Subject to subsection (l), an agreement entered into
12 under subsection (d) may be renewed for each school year for
13 the school-age child.

14 (2) Failure of a parent to renew an agreement for a
15 school year shall not preclude a parent from renewing the
16 agreement for a subsequent school year if the school-age
17 child remains eligible under subsection (b).

18 (j) Number.--A parent may enter into separate agreements
19 under subsection (d) for each school-age child of the parent.
20 Not more than one education opportunity account may be
21 established for a school-age child.

22 (k) Explanation.--Upon entering into an agreement under
23 subsection (d) or renewing an agreement under subsection (i),
24 the department shall provide the parent with a written
25 explanation of the authorized uses of the money in the education
26 opportunity account and the responsibilities of the parent, the
27 department and the State Treasury under the agreement and this
28 article.

29 (l) Application and renewal period.--The following shall
30 apply:



1 (1) A parent may apply or seek renewal between January 1
2 and April 1 for the following school year.

3 (2) The department shall notify parents and school
4 districts of approved applications by April 30.

5 Section 2004-L. Amount.

6 (a) General rule.--If a parent of an eligible student enters
7 into or renews an agreement under section 2003-L with the
8 department for a school year, the State Treasury shall deposit a
9 grant for that school year in the education opportunity account
10 of the eligible student. The amount of the grant shall be as
11 follows:

12 (1) For an eligible student who does not have a
13 disability, the grant amount shall be equal to the State
14 revenue received by school districts minus the State revenue
15 received for transportation divided by the State total
16 average daily membership.

17 (2) For an eligible student with special needs, the
18 grant amount shall be based on the category of disability by
19 which the resident school district is required to categorize
20 the eligible student for the purpose of the report required
21 under section 1372(8) as follows:

22 (i) For an eligible student in Category 1, multiply
23 the grant amount in paragraph (1) by 1.51.

24 (ii) For an eligible student in Category 2, multiply
25 the grant amount in paragraph (1) by 3.77.

26 (iii) For an eligible student in Category 3A and 3B,
27 multiply the grant amount in paragraph (1) by 7.46.

28 (3) For an eligible student receiving a grant, the
29 amount of basic education funding and other subsidies paid by
30 the department to the resident school district shall be



1 reduced by the grant amount calculated for the student.

2 (4) If a school district's basic education funding and
3 other subsidies are reduced under this section, the resident
4 school district shall include the grant recipient in the
5 resident school district's average daily membership for the
6 purpose of calculating school subsidies.

7 (b) Installments.--The State Treasury shall deposit the
8 money for each grant in quarterly installments under a schedule
9 determined by the State Treasury.

10 (c) Disposition.--The following shall apply to money
11 remaining in an education opportunity account:

12 (1) For money remaining in an education opportunity
13 account at the end of a school year, the money may be carried
14 forward to any other school year of the eligible student if
15 the agreement entered into under section 2003-L(d) is renewed
16 for the other school year.

17 (2) Subject to paragraph (3), money remaining in an
18 education opportunity account when an agreement entered into
19 under section 2003-L(d) is not renewed or is terminated shall
20 revert to the State Treasury and be used in the resident
21 school district.

22 (3) Money remaining in an education opportunity account
23 after the school-age child graduates from high school may be
24 used for qualified education expenses under section 2005-L
25 for up to two years after the date of high school graduation.
26 After the two-year time period under this paragraph has
27 expired, money remaining in the education opportunity account
28 shall revert to the General Fund.

29 Section 2005-L. Qualified education expenses.

30 (a) General rule.--Money deposited in an education



1 opportunity account may be used to pay for any of the following
2 expenses incurred by or associated with the school-age child:

3 (1) Tuition, fees and uniforms required by a
4 participating entity.

5 (2) Textbooks or uniforms required by a participating
6 entity.

7 (3) Fees for tutoring or other teaching services
8 provided by a participating entity.

9 (4) Fees for a nationally norm-referenced test, advanced
10 placement or similar examination or standardized examination
11 required for admission to an institution of higher education
12 and career and technical education examination fees.

13 (5) Curriculum, textbooks or other instructional
14 materials.

15 (6) Hardware, software and Internet connectivity
16 associated with instruction or any of the qualifying expenses
17 described in this subsection.

18 (7) If the eligible student is a student with a
19 disability, fees for special instruction or special services
20 provided to the eligible student, including occupational,
21 physical, speech and behavioral therapies.

22 (8) Costs associated with evaluation and identification
23 of special needs.

24 (9) Other valid educational expenses approved by the
25 department.

26 (b) Prohibitions.--A participating entity that receives a
27 payment for qualified education expenses authorized under
28 subsection (a) may not:

29 (1) Refund a portion of the payment directly to the
30 parent who made the payment.



1 (2) Rebate or otherwise directly share a portion of the
2 payment with the parent who made the payment.

3 (c) Refund.--A participating entity shall deposit a refund
4 for an item that is being returned or an item or service that
5 has not been provided directly to the education opportunity
6 account of the school-age child from which payment for the item
7 or service was made.

8 (d) Payment system.--The following shall apply:

9 (1) The State Treasury shall develop a system that
10 enables a parent to pay for services provided by
11 participating entities under the program by electronic money
12 transfer, including electronic payment systems or other means
13 of electronic payment that the State Treasury determines to
14 be commercially viable and cost effective.

15 (2) The State Treasury may not adopt a system that
16 exclusively requires a parent to be reimbursed for out-of-
17 pocket expenses.

18 (e) Source of payment.--The following shall apply:

19 (1) An individual may not deposit personal money into or
20 otherwise make gifts or contributions of private money to an
21 education opportunity account.

22 (2) Nothing in this section shall be construed to
23 prohibit a parent or school-age child from paying for
24 qualified education expenses from a source other than the
25 education opportunity account.

26 Section 2006-L. Audits and penalties.

27 (a) Audit.--The State Treasury may provide for audits of an
28 education opportunity account as the State Treasury determines
29 necessary.

30 (b) Penalties.--If the State Treasury determines that money



1 in an education opportunity account has been expended for an
2 expense other than a qualified education expense under section
3 2005-L(a), the State Treasury may do any of the following:

4 (1) Freeze or dissolve the education opportunity
5 account, subject to regulations adopted by the State Treasury
6 providing for notice of the action and opportunity to respond
7 to the notice.

8 (2) Refer the matter to the Attorney General or district
9 attorney of the county in which the parent resides for
10 investigation and criminal prosecution, if appropriate.

11 (3) Impose a civil penalty equal to 300% of the amount
12 in the education opportunity account prior to the fraudulent
13 use.

14 (4) Disqualify the parent from future participation in
15 the program.

16 Section 2007-L. Accountability standards for a participating
17 entity.

18 (a) General rule.--A participating entity shall:

19 (1) Comply with all health and safety laws or codes that
20 apply to the participating entity.

21 (2) Hold a valid occupancy permit if required by the
22 municipality in which the participating entity is located.

23 (3) Comply with the nondiscrimination policies set forth
24 in 42 U.S.C. § 1981 (relating to equal rights under the law)
25 and with section 1521.

26 (4) Comply with the provisions of sections 111 and
27 111.1.

28 (b) Financial accountability standards.--The following shall
29 apply:

30 (1) A participating entity shall provide parents with a



1 receipt for all qualifying expenses incurred by the
2 participating entity.

3 (2) The department may require a participating entity
4 that expects to receive at least \$10,000 in payments from
5 education opportunity accounts during the school year to file
6 financial viability documentation. The financial viability
7 documentation may include:

8 (i) a surety bond payable to the Commonwealth in an
9 amount equal to the aggregate amount of money from the
10 education opportunity accounts expected to be paid during
11 the school year on behalf of eligible students admitted
12 at the participating entity; or

13 (ii) financial information that demonstrates that
14 the participating entity has the ability to pay an
15 aggregate amount equal to the amount of money from the
16 educational opportunity accounts expected to be paid
17 during the school year on behalf of eligible students
18 admitted to the participating entity.

19 (c) Academic accountability standards.--The following shall
20 apply:

21 (1) A parent of an eligible student shall ensure that
22 the department is informed of the eligible student's
23 graduation from high school.

24 (2) The department shall:

25 (i) Ensure compliance with all student privacy laws,
26 including 20 U.S.C. § 1232g (relating to family
27 educational and privacy rights).

28 (ii) Administer an annual parental satisfaction
29 survey that shall ask parents of eligible students
30 participating in the program to express:



1 (A) The parent's satisfaction with the program.

2 (B) The number of years the eligible student has
3 participated in the program.

4 (C) The parent's opinions on other topics, items
5 or issues that the department determines would elicit
6 information about the effectiveness of the program.

7 (d) Participating entity autonomy.--The following shall
8 apply:

9 (1) A participating entity shall be autonomous and may
10 not be an agent of the department or the Commonwealth.

11 (2) The department or any other State agency may not
12 regulate the educational program of a participating entity
13 that accepts money from an education opportunity account.

14 (3) The establishment of the program may not be
15 construed to expand the regulatory authority of the
16 Commonwealth, the officers of the Commonwealth or any school
17 district to impose any additional regulation of a
18 participating entity beyond those necessary to enforce the
19 requirements of the program.

20 Section 2008-L. Bar of certain participating entities.

21 (a) General rule.--The department may bar a participating
22 entity from participation in the program if the department
23 establishes that the participating entity has:

24 (1) routinely failed to comply with the accountability
25 standards established in section 2007-L; or

26 (2) failed to provide an eligible student with the
27 educational services funded by the eligible student's
28 education opportunity account.

29 (b) Notice.--If the department bars a participating entity
30 from participation in the program, the department shall post the



1 decision on the department's publicly accessible Internet
2 website. A participating entity may appeal the department's
3 decision under this section.

4 Section 2009-L. Duties of resident school districts.

5 (a) School records.--A resident school district shall
6 provide a participating entity that has admitted an eligible
7 student participating in the program with a complete copy of the
8 student's school records immediately upon the student's
9 enrollment or when services in the participating entity begin,
10 subject to 20 U.S.C. § 1232g (relating to family educational and
11 privacy rights).

12 (b) Transportation.--A resident school district shall
13 provide transportation for an eligible student to and from the
14 participating entity under the same conditions as the resident
15 school district provides transportation of other resident
16 students to nonpublic schools under section 1361. The resident
17 school district shall qualify for State transportation
18 reimbursement for each eligible student transported.

19 Section 2010-L. Legal proceedings.

20 (a) Liability.--No liability shall arise on the part of the
21 agency, the Commonwealth or a public school or school district
22 based on the award or use of an education opportunity account
23 under this article.

24 (b) Challenges.--If any part of this article is challenged
25 in a State court as violating either the Constitution of the
26 United States or the Constitution of Pennsylvania, parents of
27 eligible students and students who previously had an education
28 opportunity account shall be permitted to intervene as of right
29 in the lawsuit for the purposes of defending the program's
30 constitutionality. For the purposes of judicial administration,



1 a court may require that all parents file a joint brief but may
2 not require all parents to join a brief filed on behalf of a
3 named State defendant.

4 (c) Severability.--If any provision of this article or the
5 application thereof to any person or circumstance is held
6 invalid, the invalidity shall not affect other provisions or
7 applications of this article which can be given effect without
8 the invalid provision or application, and to this end the
9 provisions of this article are declared to be severable.

10 Section 2011-L. Listing of participating entities.

11 The department shall annually post on the department's
12 publicly accessible Internet website a listing of all
13 participating entities.

14 Section 2012-L. Regulations.

15 The State Treasury and the department shall jointly develop
16 guidelines as necessary for the administration of this article
17 within 60 days of the effective date of this section.

18 Section 12. All acts and parts of acts are repealed insofar
19 as they are inconsistent with this act.

20 Section 13. This act shall take effect as follows:

21 (1) The addition of section 131 of the act shall take
22 effect in 180 days.

23 (2) The amendment of sections 1715-A, 1722-A and 1744-A
24 of the act shall take effect in 60 days.

25 (3) The remainder of this act shall take effect
26 immediately.

