

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1330 Session of
2011

INTRODUCED BY QUIGLEY, CLYMER, GABLER, COX, ADOLPH, AUMENT,
BAKER, BARRAR, BEAR, BENNINGHOFF, BLOOM, BOYD, B. BOYLE,
BRADFORD, BRENNAN, CALTAGIRONE, CAUSER, CHRISTIANA, CONKLIN,
D. COSTA, P. COSTA, CREIGHTON, CUTLER, DAY, DELOZIER, DeLUCA,
DENLINGER, DePASQUALE, DiGIROLAMO, ELLIS, J. EVANS, EVERETT,
FARRY, FLECK, GEIST, GERGELY, GIBBONS, GILLEN, GINGRICH,
GODSHALL, GRELL, GROVE, HACKETT, HARKINS, HARPER, HARRIS,
HEFFLEY, HENNESSEY, HESS, HORNAMAN, HUTCHINSON, KAUFFMAN,
M. K. KELLER, W. KELLER, KILLION, KNOWLES, KORTZ, KOTIK,
KRIEGER, KULA, MAJOR, MALONEY, MANN, MARSICO, McGEEHAN,
METCALFE, METZGAR, MICCARELLI, MICOZZIE, MILLARD, MILLER,
MILNE, MOUL, MURPHY, MURT, MUSTIO, MYERS, M. O'BRIEN,
O'NEILL, PAYTON, PEIFER, PETRI, PYLE, QUINN, RAPP, READSHAW,
REED, REESE, REICHLEY, ROAE, ROCK, SABATINA, SANTONI, SAYLOR,
SCAVELLO, SCHRODER, SHAPIRO, SONNEY, STEPHENS, STERN,
STEVENSON, TALLMAN, TAYLOR, TOEPEL, TURZAI, VEREB,
VULAKOVICH, WATERS, LAWRENCE, WAGNER, HICKERNELL, EVANKOVICH,
SACCONE, EMRICK, BARBIN, BURNS, TOOHIL AND M. SMITH,
APRIL 11, 2011

SENATOR CORMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, JUNE 30, 2012

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," IN PRELIMINARY PROVISIONS, ←
6 ESTABLISHING THE SPECIAL EDUCATION FUNDING COMMISSION; IN
7 TERMS AND COURSES OF STUDY, FURTHER PROVIDING FOR AGREEMENTS
8 WITH INSTITUTIONS OF HIGHER EDUCATION AND FOR DEFINITIONS; IN
9 OPPORTUNITIES FOR EDUCATIONAL EXCELLENCE, FURTHER PROVIDING
10 FOR CONCURRENT ENROLLMENT AGREEMENTS; EXTENSIVELY REVISING
11 CHARTER SCHOOL PROVISIONS; ESTABLISHING AN EDUCATIONAL
12 OPPORTUNITY SCHOLARSHIP TAX CREDIT; IN REIMBURSEMENTS BY
13 COMMONWEALTH AND BETWEEN SCHOOL DISTRICTS, FURTHER PROVIDING
14 FOR DEFINITIONS AND PROVIDING FOR SPECIAL EDUCATION FUNDING

1 FOR STUDENT ACHIEVEMENT AND INSTRUCTION OF ELIGIBLE STUDENTS,
2 FOR SPECIAL EDUCATION FUNDING FOR ELIGIBLE STUDENTS WITH
3 DISABILITIES IN CATEGORY 3, FOR SPECIAL EDUCATION
4 ACCOUNTABILITY, FOR DATA COLLECTION AND FOR PROTECTIONS;
5 providing for educational improvement tax credit; and ←
6 repealing provisions of the Tax Reform Code of 1971 relating ←
7 to educational improvement tax credit; AND PROVIDING FOR
8 DISTRIBUTION OF CERTAIN APPROPRIATED FUNDS TO THE DEPARTMENT
9 OF EDUCATION FOR REGIONAL COMMUNITY COLLEGE SERVICES.

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

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

15 SECTION 1. THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN ←
16 AS THE PUBLIC SCHOOL CODE OF 1949, IS AMENDED BY ADDING A
17 SECTION TO READ:

18 SECTION 120. SPECIAL EDUCATION FUNDING COMMISSION.-- (A)
19 THERE IS HEREBY ESTABLISHED A SPECIAL EDUCATION FUNDING
20 COMMISSION.

21 (B) THE SPECIAL EDUCATION FUNDING COMMISSION SHALL REVIEW
22 AND MAKE RECOMMENDATIONS RELATED TO SPECIAL EDUCATION FUNDING AS
23 PROVIDED IN THIS SECTION.

24 (C) (1) THE COMMISSION SHALL CONSIST OF THE FOLLOWING
25 MEMBERS:

26 (I) THE CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION
27 COMMITTEE OF THE SENATE AND THE CHAIRMAN AND MINORITY CHAIRMAN
28 OF THE EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR
29 THEIR DESIGNEES.

30 (II) TWO (2) LEGISLATORS FROM EACH OF THE FOUR (4)
31 LEGISLATIVE CAUCUSES, TO BE APPOINTED BY THE PRESIDENT PRO
32 TEMPORE OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
33 REPRESENTATIVES, IN CONSULTATION WITH THE MAJORITY AND MINORITY
34 LEADERS OF THE SENATE AND THE MAJORITY AND MINORITY LEADERS OF

1 THE HOUSE OF REPRESENTATIVES.

2 (III) THE SECRETARY OF EDUCATION, OR A DESIGNEE.

3 (IV) THE SECRETARY OF THE BUDGET, OR A DESIGNEE.

4 (V) THE DEPUTY SECRETARY FOR ELEMENTARY AND SECONDARY
5 EDUCATION, OR A DESIGNEE.

6 (2) THE COMMISSION SHALL APPOINT A MEMBER TO SERVE AS
7 CHAIRPERSON OF THE COMMISSION.

8 (D) THE COMMISSION SHALL HOLD ITS FIRST MEETING WITHIN
9 THIRTY (30) DAYS OF THE EFFECTIVE DATE OF THIS SECTION.

10 REGARDLESS OF WHETHER THE GOVERNOR OR ALL LEGISLATIVE CAUCUSES
11 HAVE ACTUALLY APPROVED MEMBERS TO THE COMMISSION.

12 (E) THE COMMISSION SHALL HOLD MEETINGS AT THE CALL OF THE
13 CHAIRMAN.

14 (F) THE MEMBERS MAY NOT RECEIVE COMPENSATION FOR THEIR
15 SERVICES, BUT MUST BE REIMBURSED FOR ALL NECESSARY TRAVEL AND
16 OTHER REASONABLE EXPENSES INCURRED IN CONNECTION WITH THE
17 PERFORMANCE OF THEIR DUTIES AS MEMBERS OF THE COMMISSION.

18 (G) THE GENERAL ASSEMBLY SHALL PROVIDE ADMINISTRATIVE
19 SUPPORT, MEETING SPACE AND ANY OTHER ASSISTANCE REQUIRED BY THE
20 COMMISSION TO CARRY OUT ITS DUTIES UNDER THIS SECTION IN
21 COOPERATION WITH THE GOVERNOR'S BUDGET OFFICE AND THE
22 DEPARTMENT. THE DEPARTMENT SHALL PROVIDE THE COMMISSION WITH
23 DATA, RESEARCH AND OTHER INFORMATION UPON REQUEST BY THE
24 COMMISSION.

25 (H) THE COMMISSION SHALL IDENTIFY FACTORS THAT MAY BE USED
26 TO DETERMINE THE DISTRIBUTION OF A CHANGE IN SPECIAL EDUCATION
27 FUNDING AMONG THE SCHOOL DISTRICTS IN THIS COMMONWEALTH.

28 (I) THE COMMISSION SHALL HAVE ALL OF THE FOLLOWING POWERS
29 AND DUTIES:

30 (1) REVIEW AND MAKE RECOMMENDATIONS RELATED TO SPECIAL

1 EDUCATION FUNDING IN THIS COMMONWEALTH.

2 (2) CONSULT WITH AND UTILIZE EXPERTS TO ASSIST IN CARRYING
3 OUT THE DUTIES UNDER THIS SUBSECTION.

4 (3) RECEIVE INPUT FROM INTERESTED PARTIES, INCLUDING, BUT
5 NOT LIMITED TO, CHARTER SCHOOL AND CYBER CHARTER SCHOOL
6 OPERATORS.

7 (4) HOLD PUBLIC HEARINGS IN DIFFERENT REGIONS OF THIS
8 COMMONWEALTH.

9 (5) ISSUE A REPORT OF ITS FINDINGS TO THE GOVERNOR, THE
10 PRESIDENT PRO TEMPORE OF THE SENATE, THE MAJORITY LEADER AND
11 MINORITY LEADER OF THE SENATE, THE EDUCATION COMMITTEE OF THE
12 SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE
13 MAJORITY LEADER AND MINORITY LEADER OF THE HOUSE OF
14 REPRESENTATIVES, THE EDUCATION COMMITTEE OF THE HOUSE OF
15 REPRESENTATIVES, THE SECRETARY OF EDUCATION AND THE STATE BOARD
16 OF EDUCATION NOT LATER THAN NOVEMBER 30, 2012.

17 (6) DETERMINE THE FACTORS UNDER THIS PARAGRAPH THAT MAY
18 INCLUDE ALL OF THE FOLLOWING:

19 (I) THREE (3) CATEGORIES OF ELIGIBLE STUDENTS, ESTABLISHED
20 SO THAT STUDENTS WITH DISABILITIES TYPICALLY REQUIRING THE
21 LEAST-INTENSIVE RANGE OF SERVICES WOULD COMPROMISE CATEGORY 1,
22 STUDENTS WITH DISABILITIES TYPICALLY REQUIRING A MIDDLE RANGE OF
23 SERVICES WOULD COMPROMISE CATEGORY 2 AND STUDENTS WITH
24 DISABILITIES TYPICALLY REQUIRING THE MOST INTENSIVE RANGE OF
25 SERVICES WOULD COMPROMISE CATEGORY 3. THE COMMISSION SHALL
26 DETERMINE A DESCRIPTION OF AND PARAMETERS FOR EACH OF THE THREE
27 (3) CATEGORIES.

28 (II) A STUDENT COUNT FOR EACH SCHOOL DISTRICT FOR EACH OF
29 THE THREE (3) MOST RECENT YEARS FOR EACH CATEGORY OF ELIGIBLE
30 STUDENTS. FOR CATEGORY 3, THE NUMBER OF ELIGIBLE STUDENTS

1 RESIDING OR ENROLLED IN THE SCHOOL DISTRICT AND CLASSIFIED IN
2 CATEGORY 3, EXCEPT THAT THE NUMBER OF ELIGIBLE STUDENTS INCLUDED
3 WHO ARE PLACED BY THE SCHOOL DISTRICT AND SERVED IN PUBLIC OR
4 PRIVATE SEPARATE SCHOOLS, RESIDENTIAL PLACEMENTS OR HOMEBOUND OR
5 HOSPITAL PLACEMENTS MUST BE IDENTIFIED SEPARATELY.

6 (III) A WEIGHTING FACTOR THAT DIFFERS FROM EACH OF THE THREE
7 (3) CATEGORIES OF STUDENTS WITH DISABILITIES BASED ON THE
8 TYPICAL RANGE OF SERVICES FOR EACH CATEGORY. THE WEIGHTING MAY
9 INCLUDE ADJUSTMENTS FOR ANY OF THE FOLLOWING:

10 (A) THE MARKET VALUE/PERSONAL INCOME AID RATIO FOR EACH OF
11 THE THREE (3) MOST RECENT YEARS FOR EACH SCHOOL DISTRICT.

12 (B) THE EQUALIZED MILLAGE RATE AVERAGED FOR EACH OF THE
13 THREE (3) MOST RECENT YEARS FOR EACH SCHOOL DISTRICT.

14 (C) GEOGRAPHIC PRICE DIFFERENCES IDENTIFIED FOR EACH SCHOOL
15 DISTRICT OF THE DEPARTMENT.

16 (D) A PROPORTIONAL SYSTEM FOR DISTRIBUTING THE CHANGES IN
17 SPECIAL EDUCATION FUNDING AMONG THE SCHOOL DISTRICTS, BASED ON
18 FACTORS LISTED IN THIS SUBPARAGRAPH.

19 (IV) DEVELOPMENT AND IMPLEMENTATION BY THE DEPARTMENT OF
20 IMPROVED SYSTEMS FOR COLLECTING AND DOCUMENTING STUDENT
21 ENROLLMENT AND MEMBERSHIP IN PUBLIC SCHOOLS, INCLUDING REVISED
22 METHODS FOR CALCULATING AVERAGE DAILY MEMBERSHIP.

23 (V) OTHER FACTORS RELATED TO THE DISTRIBUTION OF SPECIAL
24 EDUCATION FUNDING.

25 (7) REVIEW AND CONSIDER SPECIAL EDUCATION FUNDING FACTORS
26 UTILIZED IN OPERATION THROUGHOUT THE UNITED STATES.

27 (8) IN DEVELOPING THE SPECIAL EDUCATION FUNDING FACTORS
28 UNDER SUBSECTION (H) AND IN COMPLETING THE REPORT REQUIRED UNDER
29 THIS SUBSECTION, CONSIDER THE IMPACT THESE FACTORS MAY HAVE ON
30 THE DISTRIBUTION OF SPECIAL EDUCATION FUNDING AMONG THE SCHOOL

1 DISTRICTS.

2 (9) REVIEW THE ADMINISTRATION OF STATE AND REGIONAL SPECIAL
3 EDUCATION PROGRAMS AND SERVICES TO DETERMINE IF COST SAVINGS MAY
4 BE ACHIEVED AND MAKE RECOMMENDATIONS TO IMPLEMENT THE SAVINGS.

5 (10) CONSULT WITH AND UTILIZE EXPERTS TO ASSIST THEM IN
6 CARRYING OUT THE DUTIES UNDER THIS SUBSECTION.

7 (11) PRIOR TO RECOMMENDING A SPECIAL EDUCATION FORMULA UNDER
8 THIS SECTION, CONSIDER NATIONALLY ACCEPTED ACCOUNTING AND
9 BUDGETING STANDARDS.

10 (J) THE SPECIAL EDUCATION FORMULA DEVELOPED BY THE
11 COMMISSION SHALL NOT GO INTO EFFECT UNLESS THE FORMULA IS
12 APPROVED BY AN ACT OF THE GENERAL ASSEMBLY ENACTED AFTER THE
13 EFFECTIVE DATE OF THIS SECTION.

14 (K) EVERY FIVE YEARS THE COMMISSION SHALL BE RECONSTITUTED
15 UNDER SUBSECTION (C) AND SHALL MEET AND HOLD PUBLIC HEARINGS TO
16 REVIEW THE OPERATIONS OF THE SPECIAL EDUCATION FUNDING PROVISION
17 OF THIS SECTION, SHALL MAKE A FURTHER REPORT AND ISSUE THE
18 REPORT TO THE RECIPIENTS LISTED IN SUBSECTION (I) (5). WHEN IN
19 RECEIPT OF A FURTHER REPORT RECOMMENDING CHANGES TO THE SPECIAL
20 EDUCATION FUNDING FORMULA, THE GENERAL ASSEMBLY SHALL CONSIDER
21 AND TAKE ACTION TO ENACT THE FORMULA INTO LAW IN ACCORDANCE WITH
22 SUBSECTION (J).

23 (L) THE GENERAL ASSEMBLY SHALL, THROUGH THE ANNUAL
24 APPROPRIATIONS PROCESS, DETERMINE THE LEVEL OF STATE FUNDING FOR
25 SPECIAL EDUCATION AND THE AMOUNT OF ANY CHANGE IN FUNDING. THE
26 SPECIAL EDUCATION FORMULA DEVELOPED UNDER THIS SECTION SHALL
27 DETERMINE ONLY THE DISTRIBUTION OF ANY INCREASE IN SPECIAL
28 EDUCATION FUNDING AMONG THE SCHOOL DISTRICTS OF THIS
29 COMMONWEALTH ABOVE THE AMOUNT OF SPECIAL EDUCATION FUNDING IN
30 THE BASE YEAR AND SHALL NOT BE USED FOR ANY OTHER PURPOSE.

1 (M) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY,
2 FOR THE 2012-2013 SCHOOL YEAR AND EACH SCHOOL YEAR THEREAFTER,
3 ANY STATE FUNDING FOR SPECIAL EDUCATION IN AN AMOUNT THAT DOES
4 NOT EXCEED THE AMOUNT OF STATE FUNDING FOR SPECIAL EDUCATION IN
5 THE BASE YEAR SHALL BE ALLOCATED IN THE SAME MANNER AS THE STATE
6 FUNDING WAS ALLOCATED IN THE BASE YEAR.

7 (N) AS USED IN THIS SECTION, THE FOLLOWING WORDS AND PHRASES
8 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SUBSECTION UNLESS
9 THE CONTEXT CLEARLY INDICATES OTHERWISE:

10 "COMMISSION." THE SPECIAL EDUCATION FUNDING COMMISSION
11 ESTABLISHED UNDER THIS SECTION.

12 "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE
13 COMMONWEALTH.

14 SECTION 2. SECTION 1525 OF THE ACT, ADDED JULY 4, 2004
15 (P.L.536, NO.70), IS AMENDED TO READ:

16 SECTION 1525. AGREEMENTS WITH INSTITUTIONS OF HIGHER
17 EDUCATION.--NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
18 CONTRARY, A SCHOOL DISTRICT, CHARTER SCHOOL, REGIONAL CHARTER
19 SCHOOL, CYBER CHARTER SCHOOL OR AN AREA VOCATIONAL-TECHNICAL
20 SCHOOL MAY ENTER INTO AN AGREEMENT WITH ONE OR MORE INSTITUTIONS
21 OF HIGHER EDUCATION APPROVED TO OPERATE IN THIS COMMONWEALTH IN
22 ORDER TO ALLOW [RESIDENT] STUDENTS TO ATTEND SUCH INSTITUTIONS
23 OF HIGHER EDUCATION WHILE THE [RESIDENT] STUDENTS ARE ENROLLED
24 IN THE SCHOOL DISTRICT, CHARTER SCHOOL, REGIONAL CHARTER SCHOOL,
25 CYBER CHARTER SCHOOL OR AN AREA VOCATIONAL-TECHNICAL SCHOOL. THE
26 AGREEMENT MAY BE STRUCTURED SO THAT HIGH SCHOOL STUDENTS MAY
27 RECEIVE CREDITS TOWARD COMPLETION OF COURSES AT THE SCHOOL
28 DISTRICT, CHARTER SCHOOL, REGIONAL CHARTER SCHOOL, CYBER CHARTER
29 SCHOOL OR AN AREA VOCATIONAL-TECHNICAL SCHOOL AND AT
30 INSTITUTIONS OF HIGHER EDUCATION APPROVED TO OPERATE IN THIS

1 COMMONWEALTH.

2 SECTION 2.1. THE DEFINITIONS OF "CONCURRENT STUDENT" AND
3 "SCHOOL ENTITY" IN SECTION 1602-B OF THE ACT, ADDED JULY 13,
4 2005 (P.L.226, NO.46), ARE AMENDED TO READ:

5 SECTION 1602-B. DEFINITIONS.

6 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
7 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
8 CONTEXT CLEARLY INDICATES OTHERWISE:

9 * * *

10 "CONCURRENT STUDENT." A STUDENT WHO IS ENROLLED IN A SCHOOL
11 DISTRICT, A CHARTER SCHOOL, A REGIONAL CHARTER SCHOOL, A CYBER
12 CHARTER SCHOOL, AN AREA VOCATIONAL-TECHNICAL SCHOOL, A NONPUBLIC
13 SCHOOL, A PRIVATE SCHOOL OR A HOME EDUCATION PROGRAM UNDER
14 SECTION 1327.1 AND WHO TAKES A CONCURRENT COURSE THROUGH A
15 CONCURRENT ENROLLMENT PROGRAM.

16 * * *

17 "SCHOOL ENTITY." A SCHOOL DISTRICT, A CHARTER SCHOOL, A
18 REGIONAL CHARTER SCHOOL, A CYBER CHARTER SCHOOL OR AN AREA
19 VOCATIONAL-TECHNICAL SCHOOL.

20 * * *

21 SECTION 3. SECTION 1613-B OF THE ACT IS AMENDED BY ADDING A
22 SUBSECTION TO READ:

23 SECTION 1613-B. CONCURRENT ENROLLMENT AGREEMENTS.

24 * * *

25 (C) CHARTER SCHOOLS, REGIONAL CHARTER SCHOOLS AND CYBER
26 CHARTER SCHOOLS.--CHARTER SCHOOLS, REGIONAL CHARTER SCHOOLS AND
27 CYBER CHARTER SCHOOLS SHALL HAVE THE POWER AND AUTHORITY TO
28 ENTER INTO A CONCURRENT ENROLLMENT AGREEMENT WITH AN INSTITUTION
29 OF HIGHER EDUCATION, AND APPROPRIATE CREDIT SHALL BE AWARDED TO
30 STUDENTS CONCURRENTLY ENROLLED UNDER THE AGREEMENT.

1 SECTION 4. SECTION 1703-A OF THE ACT, AMENDED JUNE 29, 2002
2 (P.L.524, NO.88), IS AMENDED TO READ:

3 SECTION 1703-A. DEFINITIONS.--AS USED IN THIS ARTICLE,
4 "ADMINISTRATOR" SHALL INCLUDE AN EMPLOYEE OF A CHARTER SCHOOL
5 OR CYBER CHARTER SCHOOL, INCLUDING THE CHIEF ADMINISTRATOR OF A
6 CHARTER SCHOOL OR CYBER CHARTER SCHOOL AND ANY OTHER EMPLOYEE,
7 WHO BY VIRTUE OF THE EMPLOYEE'S POSITION IS RESPONSIBLE FOR
8 TAKING OFFICIAL ACTION OF A NONMINISTERIAL NATURE WITH REGARD TO
9 CONTRACTING OR PROCUREMENT, ADMINISTERING OR MONITORING GRANTS
10 OR SUBSIDIES, MANAGING OR REGULATING STAFF, STUDENT AND SCHOOL
11 ACTIVITIES OR ANY ACTIVITY WHERE THE OFFICIAL ACTION HAS AN
12 ECONOMIC IMPACT OF GREATER THAN A DE MINIMIS NATURE ON THE
13 INTERESTS OF ANY PERSON.

14 "APPEAL BOARD" SHALL MEAN THE STATE CHARTER SCHOOL APPEAL
15 BOARD ESTABLISHED BY THIS ARTICLE.

16 "ASSESSMENT" SHALL MEAN THE PENNSYLVANIA SYSTEM OF SCHOOL
17 ASSESSMENT TEST, THE KEYSTONE EXAM OR ANOTHER TEST ESTABLISHED
18 BY THE STATE BOARD TO MEET THE REQUIREMENTS OF SECTION 2603-
19 B(D)(10)(I) AND REQUIRED UNDER THE NO CHILD LEFT BEHIND ACT OF
20 2001 (PUBLIC LAW 107-110, 115 STAT. 1425) OR ITS SUCCESSOR
21 FEDERAL STATUTE.

22 "AT-RISK STUDENT" SHALL MEAN A STUDENT AT RISK OF EDUCATIONAL
23 FAILURE BECAUSE OF LIMITED ENGLISH PROFICIENCY, POVERTY,
24 COMMUNITY FACTORS, TRUANCY, ACADEMIC DIFFICULTIES OR ECONOMIC
25 DISADVANTAGE.

26 "CHARTER SCHOOL" SHALL MEAN AN INDEPENDENT PUBLIC SCHOOL
27 ESTABLISHED AND OPERATED UNDER A CHARTER FROM THE LOCAL BOARD OF
28 SCHOOL DIRECTORS AND IN WHICH STUDENTS ARE ENROLLED OR ATTEND. A
29 CHARTER SCHOOL MUST BE ORGANIZED AS A PUBLIC, NONPROFIT
30 CORPORATION. CHARTERS MAY NOT BE GRANTED TO ANY FOR-PROFIT

1 ENTITY.

2 "CHARTER SCHOOL ENTITY" SHALL MEAN A CHARTER SCHOOL, REGIONAL
3 CHARTER SCHOOL OR CYBER CHARTER SCHOOL.

4 "CHARTER SCHOOL FOUNDATION" SHALL MEAN A NONPROFIT
5 ORGANIZATION, AS DEFINED UNDER SECTION 501(C)(3) OF THE INTERNAL
6 REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 501(C)(3)),
7 THAT PROVIDES FUNDING, RESOURCES OR OTHERWISE SERVES TO SUPPORT
8 A CHARTER SCHOOL OR CYBER CHARTER SCHOOL, EITHER DIRECTLY OR
9 THROUGH AN AFFILIATED ENTITY.

10 "CHIEF ADMINISTRATOR" SHALL MEAN AN INDIVIDUAL APPOINTED BY A
11 BOARD OF TRUSTEES TO OVERSEE AND MANAGE THE OPERATION OF A
12 CHARTER SCHOOL OR CYBER CHARTER SCHOOL. THE TERM SHALL NOT
13 INCLUDE A PROFESSIONAL STAFF MEMBER UNDER THIS ARTICLE.

14 ["CHIEF EXECUTIVE OFFICER" SHALL MEAN AN INDIVIDUAL APPOINTED
15 BY THE BOARD OF TRUSTEES TO OVERSEE AND MANAGE THE OPERATION OF
16 THE CHARTER SCHOOL, BUT WHO SHALL NOT BE DEEMED A PROFESSIONAL
17 STAFF MEMBER UNDER THIS ARTICLE.]

18 "COMMISSION" SHALL MEAN THE CHARTER SCHOOL FUNDING ADVISORY
19 COMMISSION ESTABLISHED BY THIS ARTICLE.

20 "CYBER CHARTER SCHOOL" SHALL MEAN AN INDEPENDENT PUBLIC
21 SCHOOL ESTABLISHED AND OPERATED UNDER A CHARTER FROM THE
22 DEPARTMENT OF EDUCATION AND IN WHICH THE SCHOOL USES TECHNOLOGY
23 IN ORDER TO PROVIDE A SIGNIFICANT PORTION OF ITS CURRICULUM AND
24 TO DELIVER A SIGNIFICANT PORTION OF INSTRUCTION TO ITS STUDENTS
25 THROUGH THE INTERNET OR OTHER ELECTRONIC MEANS. A CYBER CHARTER
26 SCHOOL MUST BE ORGANIZED AS A PUBLIC, NONPROFIT CORPORATION. A
27 CHARTER MAY NOT BE GRANTED TO A FOR-PROFIT ENTITY.

28 "DEPARTMENT" SHALL MEAN THE DEPARTMENT OF EDUCATION OF THE
29 COMMONWEALTH.

30 "EDUCATIONAL MANAGEMENT SERVICE PROVIDER" SHALL MEAN A FOR-

1 PROFIT EDUCATION MANAGEMENT ORGANIZATION, NONPROFIT CHARTER
2 MANAGEMENT ORGANIZATION, SCHOOL DESIGN PROVIDER, BUSINESS
3 MANAGER OR ANY OTHER PARTNER ENTITY WITH WHICH A BOARD OF
4 TRUSTEES OF A CHARTER SCHOOL OR CYBER CHARTER SCHOOL CONTRACTS
5 TO PROVIDE EDUCATIONAL DESIGN, BUSINESS SERVICES, COMPREHENSIVE
6 MANAGEMENT OR PERSONNEL FUNCTIONS OR TO IMPLEMENT THE CHARTER.
7 THE TERM SHALL NOT INCLUDE A CHARTER SCHOOL FOUNDATION.

8 "IMMEDIATE FAMILY MEMBER" SHALL MEAN A PARENT, SPOUSE, CHILD,
9 BROTHER OR SISTER.

10 "LOCAL BOARD OF SCHOOL DIRECTORS" SHALL MEAN THE BOARD OF
11 DIRECTORS OF A SCHOOL DISTRICT IN WHICH A PROPOSED OR AN
12 APPROVED CHARTER SCHOOL IS LOCATED.

13 "NONRELATED" SHALL MEAN AN INDIVIDUAL WHO IS NOT AN IMMEDIATE
14 FAMILY MEMBER.

15 "REGIONAL CHARTER SCHOOL" SHALL MEAN AN INDEPENDENT PUBLIC
16 SCHOOL ESTABLISHED AND OPERATED UNDER A CHARTER FROM MORE THAN
17 ONE LOCAL BOARD OF SCHOOL DIRECTORS AND IN WHICH STUDENTS ARE
18 ENROLLED OR ATTEND. A REGIONAL CHARTER SCHOOL MUST BE ORGANIZED
19 AS A PUBLIC, NONPROFIT CORPORATION. CHARTERS MAY NOT BE GRANTED
20 TO ANY FOR-PROFIT ENTITY.

21 "RIGHT-TO-KNOW LAW" SHALL MEAN THE ACT OF FEBRUARY 14, 2008
22 (P.L.6, NO.3), KNOWN AS THE "RIGHT-TO-KNOW LAW."

23 "SCHOOL DISTRICT OF RESIDENCE" SHALL MEAN THE SCHOOL DISTRICT
24 IN THIS COMMONWEALTH IN WHICH [THE PARENTS OR GUARDIANS OF A
25 CHILD RESIDE] A CHILD RESIDES AS DETERMINED UNDER SECTION 1302.

26 "SCHOOL ENTITY" SHALL MEAN A SCHOOL DISTRICT, INTERMEDIATE
27 UNIT, JOINT SCHOOL OR AREA VOCATIONAL-TECHNICAL SCHOOL.

28 "SECRETARY" SHALL MEAN THE SECRETARY OF EDUCATION OF THE
29 COMMONWEALTH.

30 "STATE BOARD" SHALL MEAN THE STATE BOARD OF EDUCATION OF THE

1 COMMONWEALTH.

2 SECTION 5. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

3 SECTION 1704-A. CHARTER SCHOOL FUNDING ADVISORY

4 COMMISSION.--(A) (1) THE GOVERNOR SHALL IMMEDIATELY CONVENE A

5 STATEWIDE ADVISORY COMMISSION, TO BE KNOWN AS THE CHARTER SCHOOL

6 FUNDING ADVISORY COMMISSION, TO EXAMINE THE FINANCING OF CHARTER

7 SCHOOLS AND CYBER CHARTER SCHOOLS IN THE PUBLIC EDUCATION

8 SYSTEM. THE COMMISSION SHALL EXAMINE HOW CHARTER SCHOOL AND

9 CYBER CHARTER SCHOOL FINANCES AFFECT OPPORTUNITIES FOR TEACHERS,

10 PARENTS, PUPILS AND COMMUNITY MEMBERS TO ESTABLISH AND MAINTAIN

11 SCHOOLS THAT OPERATE INDEPENDENTLY FROM THE EXISTING SCHOOL

12 DISTRICT STRUCTURE AS A METHOD TO ACCOMPLISH THE REQUIREMENTS OF

13 SECTION 1702-A. THE OFFICE OF THE BUDGET AND THE DEPARTMENT

14 SHALL PROVIDE ADMINISTRATIVE SUPPORT, MEETING SPACE AND ANY

15 OTHER ASSISTANCE REQUIRED BY THE COMMISSION TO CARRY OUT ITS

16 DUTIES UNDER THIS SECTION.

17 (2) THE COMMISSION SHALL CONSIST OF THE FOLLOWING MEMBERS:

18 (I) ONE MEMBER OF THE SENATE APPOINTED BY THE PRESIDENT PRO

19 TEMPORE OF THE SENATE.

20 (II) ONE MEMBER OF THE SENATE APPOINTED BY THE MAJORITY

21 LEADER OF THE SENATE.

22 (III) ONE MEMBER OF THE SENATE APPOINTED BY THE MINORITY

23 LEADER OF THE SENATE.

24 (IV) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES APPOINTED BY

25 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

26 (V) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES APPOINTED BY

27 THE MAJORITY LEADER OF THE HOUSE OF REPRESENTATIVES.

28 (VI) ONE MEMBER OF THE MINORITY PARTY OF THE HOUSE OF

29 REPRESENTATIVES APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF

30 REPRESENTATIVES.

1 (VII) THE SECRETARY OR A DESIGNEE.

2 (VIII) THE CHAIRMAN OF THE STATE BOARD OR A DESIGNEE.

3 (IX) THE FOLLOWING MEMBERS, WHO SHALL BE APPOINTED BY THE
4 GOVERNOR:

5 (A) ONE (1) MEMBER WHO SHALL REPRESENT CHARTER SCHOOLS.

6 (B) ONE (1) MEMBER WHO SHALL REPRESENT REGIONAL CHARTER
7 SCHOOLS.

8 (C) ONE (1) MEMBER WHO SHALL REPRESENT CYBER CHARTER
9 SCHOOLS.

10 (D) ONE (1) MEMBER WHO SHALL REPRESENT TEACHERS AND MAY BE A
11 PUBLIC SCHOOL TEACHER, A CHARTER SCHOOL TEACHER, A REGIONAL
12 CHARTER SCHOOL TEACHER, A CYBER CHARTER SCHOOL TEACHER OR A
13 NONPUBLIC SCHOOL TEACHER.

14 (E) ONE (1) MEMBER WHO SHALL REPRESENT SCHOOL
15 ADMINISTRATORS.

16 (F) ONE (1) MEMBER WHO SHALL REPRESENT SCHOOL BOARD MEMBERS.

17 (G) ONE (1) MEMBER WHO SHALL REPRESENT A BUSINESS MANAGER OF
18 A SCHOOL DISTRICT.

19 (H) ONE (1) MEMBER WHO SHALL REPRESENT A PARENT OF A CHILD
20 ATTENDING A CHARTER SCHOOL OR CYBER CHARTER SCHOOL.

21 (I) ONE (1) MEMBER WHO SHALL REPRESENT AN INSTITUTION OF
22 HIGHER EDUCATION WITH EXPERIENCE IN OPERATING A CHARTER SCHOOL
23 OR CYBER CHARTER SCHOOL.

24 (3) MEMBERS OF THE COMMISSION SHALL BE APPOINTED WITHIN
25 TWENTY (20) DAYS OF THE EFFECTIVE DATE OF THIS SECTION. ANY
26 VACANCY ON THE COMMISSION SHALL BE FILLED BY THE ORIGINAL
27 APPOINTING AUTHORITY. THE COMMISSION SHALL SELECT A CHAIRMAN AND
28 VICE CHAIRMAN FROM AMONG ITS MEMBERSHIP AT AN ORGANIZATIONAL
29 MEETING. THE ORGANIZATIONAL MEETING SHALL TAKE PLACE NOT LATER
30 THAN THIRTY (30) DAYS FOLLOWING THE EFFECTIVE DATE OF THIS

1 SECTION.

2 (4) THE COMMISSION SHALL HOLD MEETINGS AT THE CALL OF THE
3 CHAIRMAN. THE COMMISSION MAY ALSO HOLD PUBLIC HEARINGS ON THE
4 MATTERS TO BE CONSIDERED BY THE COMMISSION AT LOCATIONS
5 THROUGHOUT THIS COMMONWEALTH. ALL MEETINGS AND PUBLIC HEARINGS
6 OF THE COMMISSION SHALL BE DEEMED PUBLIC MEETINGS FOR THE
7 PURPOSE OF 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS). NINE
8 (9) MEMBERS OF THE COMMISSION SHALL CONSTITUTE A QUORUM AT ANY
9 MEETING. EACH MEMBER OF THE COMMISSION MAY DESIGNATE ANOTHER
10 PERSON TO REPRESENT THAT MEMBER AT MEETINGS OF THE COMMISSION.

11 (5) COMMISSION MEMBERS SHALL RECEIVE NO COMPENSATION FOR
12 THEIR SERVICES BUT SHALL BE REIMBURSED FOR ALL NECESSARY TRAVEL
13 AND OTHER REASONABLE EXPENSES INCURRED IN CONNECTION WITH THE
14 PERFORMANCE OF THEIR DUTIES AS MEMBERS. WHENEVER POSSIBLE, THE
15 COMMISSION SHALL UTILIZE THE SERVICES AND EXPERTISE OF EXISTING
16 PERSONNEL AND STAFF OF STATE GOVERNMENT. THE DEPARTMENT MAY
17 UTILIZE UNDISTRIBUTED FUNDS NOT EXPENDED, ENCUMBERED OR
18 COMMITTED FROM APPROPRIATIONS FOR GRANTS AND SUBSIDIES MADE TO
19 THE DEPARTMENT, NOT TO EXCEED \$300,000, TO CARRY OUT THIS
20 SECTION.

21 (6) THE COMMISSION SHALL HAVE THE FOLLOWING POWERS AND
22 DUTIES:

23 (I) MEET WITH CURRENT CHARTER SCHOOL OPERATORS WITHIN THIS
24 COMMONWEALTH, INCLUDING CYBER CHARTER SCHOOLS WITH BLENDED
25 PROGRAMS.

26 (II) REVIEW CHARTER SCHOOL FINANCING LAWS IN OPERATION
27 THROUGHOUT THE UNITED STATES.

28 (III) EVALUATE AND MAKE RECOMMENDATIONS ON THE FOLLOWING:

29 (A) POWERS AND DUTIES EXTENDED TO CHARTER SCHOOLS AND CYBER
30 CHARTER SCHOOLS AS THEY RELATE TO FINANCING.

1 (B) FUNDING FORMULAS FOR CHARTER SCHOOLS AND CYBER CHARTER
2 SCHOOLS, INCLUDING REIMBURSEMENT PROCEDURES AND FUNDING UNDER
3 TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965
4 (PUBLIC LAW 89-10, 20 U.S.C. § 6301 ET SEQ.).

5 (C) THE PROCESS BY WHICH CHARTER SCHOOLS AND CYBER CHARTER
6 SCHOOLS ARE FUNDED UNDER SECTION 1725-A.

7 (D) STUDENT RESIDENCY AS IT RELATES TO FUNDING.

8 (E) SPECIAL EDUCATION AND OTHER SPECIAL PROGRAM FUNDING.

9 (F) CHARTER SCHOOL TRANSPORTATION.

10 (G) CHARTER SCHOOL ELIGIBILITY TO RECEIVE GRANTS AND
11 FUNDING.

12 (H) APPROPRIATE ASSESSMENT FEES ON CHARTER SCHOOLS AND CYBER
13 CHARTER SCHOOLS.

14 (I) CONSIDERATION OF RECOGNIZING A CHARTER SCHOOL FOR
15 ADDITIONAL DESIGNATIONS AS A LOCAL EDUCATION AGENCY.

16 (IV) THE COMMITTEE SHALL, NO LATER THAN NOVEMBER 30, 2012,
17 ISSUE A REPORT OF ITS FINDINGS AND RECOMMENDATIONS TO THE
18 GOVERNOR, THE PRESIDENT PRO TEMPORE OF THE SENATE, THE MINORITY
19 LEADER OF THE SENATE, THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
20 EDUCATION COMMITTEE OF THE SENATE, THE SPEAKER OF THE HOUSE OF
21 REPRESENTATIVES, THE MINORITY LEADER OF THE HOUSE OF
22 REPRESENTATIVES AND THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
23 EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

24 (B) (RESERVED).

25 SECTION 6. SECTION 1715-A OF THE ACT, AMENDED OR ADDED JUNE
26 19, 1997 (P.L.225, NO.22) AND JULY 9, 2008 (P.L.846, NO.61), IS
27 AMENDED TO READ:

28 SECTION 1715-A. CHARTER SCHOOL REQUIREMENTS.--(A) CHARTER
29 SCHOOLS SHALL BE REQUIRED TO COMPLY WITH THE FOLLOWING
30 PROVISIONS:

1 (1) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, A CHARTER
2 SCHOOL IS EXEMPT FROM STATUTORY REQUIREMENTS ESTABLISHED IN THIS
3 ACT, FROM REGULATIONS OF THE STATE BOARD AND THE STANDARDS OF
4 THE SECRETARY NOT SPECIFICALLY APPLICABLE TO CHARTER SCHOOLS.
5 CHARTER SCHOOLS ARE NOT EXEMPT FROM STATUTES APPLICABLE TO
6 PUBLIC SCHOOLS OTHER THAN THIS ACT.

7 (2) A CHARTER SCHOOL SHALL BE ACCOUNTABLE TO THE PARENTS,
8 THE PUBLIC AND THE COMMONWEALTH, WITH THE DELINEATION OF THAT
9 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 SHALL NOT UNLAWFULLY DISCRIMINATE IN
13 ADMISSIONS, HIRING OR OPERATION.

14 (4) A CHARTER SCHOOL SHALL BE NONSECTARIAN IN ALL
15 OPERATIONS.

16 (5) (I) A CHARTER SCHOOL SHALL NOT PROVIDE ANY RELIGIOUS
17 INSTRUCTION, NOR SHALL IT DISPLAY RELIGIOUS OBJECTS AND SYMBOLS
18 ON THE PREMISES OF THE CHARTER SCHOOL. THE CHARTER SCHOOL SHALL
19 PROVIDE FOR DISCRETE AND SEPARATE ENTRANCES TO BUILDINGS
20 UTILIZED FOR SCHOOL PURPOSES ONLY.

21 (II) IT SHALL NOT BE A VIOLATION OF THIS SECTION FOR A
22 CHARTER SCHOOL TO UTILIZE A SECTARIAN FACILITY:

23 (A) IF THE RELIGIOUS OBJECTS AND SYMBOLS WITHIN THE PORTIONS
24 OF THE FACILITY UTILIZED BY THE SCHOOL ARE COVERED OR REMOVED TO
25 THE EXTENT REASONABLY FEASIBLE; OR

26 (B) IN WHICH THE UNUSED PORTION OF THE FACILITY OR ITS
27 COMMON AREAS CONTAIN RELIGIOUS SYMBOLS AND OBJECTS.

28 (6) A CHARTER SCHOOL SHALL NOT ADVOCATE UNLAWFUL BEHAVIOR.

29 (7) A CHARTER SCHOOL SHALL ONLY BE SUBJECT TO THE LAWS AND
30 REGULATIONS AS PROVIDED FOR IN SECTION 1732-A, OR AS OTHERWISE

1 PROVIDED FOR IN THIS ARTICLE.

2 (8) (I) A CHARTER SCHOOL SHALL PARTICIPATE IN [THE
3 PENNSYLVANIA STATE ASSESSMENT SYSTEM AS PROVIDED FOR IN 22 PA.
4 CODE CH. 5 (RELATING TO CURRICULUM), OR SUBSEQUENT REGULATIONS
5 PROMULGATED TO REPLACE 22 PA. CODE CH. 5,] ASSESSMENTS IN THE
6 MANNER IN WHICH THE SCHOOL DISTRICT IN WHICH THE CHARTER SCHOOL
7 IS LOCATED IS SCHEDULED TO PARTICIPATE.

8 (II) A CHARTER SCHOOL SHALL BE TREATED IN THE SAME MANNER AS
9 A SCHOOL DISTRICT FOR THE PURPOSES OF MEASURING THE CHARTER
10 SCHOOL'S ADEQUATE YEARLY PROGRESS UNDER THE NO CHILD LEFT BEHIND
11 ACT OF 2001 OR ANY SUCCESSOR STATUTE.

12 (9) A CHARTER SCHOOL SHALL PROVIDE A MINIMUM OF ONE HUNDRED
13 EIGHTY (180) DAYS OF INSTRUCTION OR NINE HUNDRED (900) HOURS PER
14 YEAR OF INSTRUCTION AT THE ELEMENTARY LEVEL, OR NINE HUNDRED
15 NINETY (990) HOURS PER YEAR OF INSTRUCTION AT THE SECONDARY
16 LEVEL. NOTHING IN THIS CLAUSE SHALL PRECLUDE THE USE OF COMPUTER
17 AND SATELLITE LINKAGES FOR DELIVERING INSTRUCTION TO STUDENTS.

18 (10) BOARDS OF TRUSTEES AND CONTRACTORS OF CHARTER SCHOOLS
19 SHALL BE SUBJECT TO THE FOLLOWING STATUTORY REQUIREMENTS
20 GOVERNING CONSTRUCTION PROJECTS AND CONSTRUCTION-RELATED WORK:

21 (I) THE FOLLOWING PROVISIONS OF THIS ACT:

22 (A) SECTIONS 751 AND 751.1.

23 (B) SECTIONS 756 AND 757 INSOFAR AS THEY ARE CONSISTENT WITH
24 THE ACT OF DECEMBER 20, 1967 (P.L.869, NO.385), KNOWN AS THE
25 "PUBLIC WORKS CONTRACTORS' BOND LAW OF 1967."

26 (II) SECTION 1 OF THE ACT OF MAY 1, 1913 (P.L.155, NO.104),
27 ENTITLED "AN ACT REGULATING THE LETTING OF CERTAIN CONTRACTS FOR
28 THE ERECTION, CONSTRUCTION, AND ALTERATION OF PUBLIC BUILDINGS."

29 (III) THE ACT OF AUGUST 11, 1961 (P.L.987, NO.442), KNOWN AS
30 THE "PENNSYLVANIA PREVAILING WAGE ACT."

1 (IV) THE "PUBLIC WORKS CONTRACTORS' BOND LAW OF 1967."

2 (V) THE ACT OF MARCH 3, 1978 (P.L.6, NO.3), KNOWN AS THE
3 "STEEL PRODUCTS PROCUREMENT ACT."

4 (11) TRUSTEES OF A CHARTER SCHOOL SHALL BE PUBLIC
5 OFFICIALS[.] FOR THE PURPOSES OF 65 PA.C.S. CH. 11 (RELATING TO
6 ETHICS STANDARDS AND FINANCIAL DISCLOSURE) AND SHALL FILE A
7 STATEMENT OF FINANCIAL INTERESTS FOR THE PRECEDING CALENDAR YEAR
8 WITH THE STATE ETHICS COMMISSION AND THE LOCAL BOARD OF SCHOOL
9 DIRECTORS OR, IN THE CASE OF A CYBER CHARTER SCHOOL, THE
10 DEPARTMENT, NOT LATER THAN MAY 1 OF EACH YEAR THAT MEMBERS HOLD
11 THE POSITION AND OF THE YEAR AFTER A MEMBER LEAVES THE POSITION.
12 ALL MEMBERS OF THE BOARD OF TRUSTEES OF A CHARTER SCHOOL SHALL
13 TAKE THE OATH OF OFFICE AS REQUIRED UNDER SECTION 321 BEFORE
14 ENTERING UPON THE DUTIES OF THEIR OFFICE.

15 [(12) A PERSON WHO SERVES AS AN ADMINISTRATOR FOR A CHARTER
16 SCHOOL SHALL NOT RECEIVE COMPENSATION FROM ANOTHER CHARTER
17 SCHOOL OR FROM A COMPANY THAT PROVIDES MANAGEMENT OR OTHER
18 SERVICES TO ANOTHER CHARTER SCHOOL. THE TERM "ADMINISTRATOR"
19 SHALL INCLUDE THE CHIEF EXECUTIVE OFFICER OF A CHARTER SCHOOL
20 AND ALL OTHER EMPLOYEES OF A CHARTER SCHOOL WHO BY VIRTUE OF
21 THEIR POSITIONS EXERCISE MANAGEMENT OR OPERATIONAL OVERSIGHT
22 RESPONSIBILITIES. A PERSON WHO SERVES AS AN ADMINISTRATOR FOR A
23 CHARTER SCHOOL SHALL BE A PUBLIC OFFICIAL UNDER 65 PA.C.S. CH.
24 11 (RELATING TO ETHICS STANDARDS AND FINANCIAL DISCLOSURE). A
25 VIOLATION OF THIS CLAUSE SHALL CONSTITUTE A VIOLATION OF 65
26 PA.C.S. § 1103(A) (RELATING TO RESTRICTED ACTIVITIES), AND THE
27 VIOLATOR SHALL BE SUBJECT TO THE PENALTIES IMPOSED UNDER THE
28 JURISDICTION OF THE STATE ETHICS COMMISSION.]

29 (B) AN INDIVIDUAL WHO SERVES AS AN ADMINISTRATOR FOR A
30 CHARTER SCHOOL SHALL BE A PUBLIC EMPLOYE FOR THE PURPOSES OF 65

1 PA.C.S. CH. 11 AND SHALL FILE A STATEMENT OF FINANCIAL INTERESTS
2 FOR THE PRECEDING CALENDAR YEAR WITH THE BOARD OF TRUSTEES NOT
3 LATER THAN MAY 1 OF EACH YEAR THAT THE PERSON HOLDS THE POSITION
4 AND OF THE YEAR AFTER THE PERSON LEAVES THE POSITION.

5 (C) (1) NO INDIVIDUAL WHO SERVES AS AN ADMINISTRATOR FOR A
6 CHARTER SCHOOL MAY RECEIVE COMPENSATION FROM ANOTHER CHARTER
7 SCHOOL, CYBER CHARTER SCHOOL OR FROM AN EDUCATIONAL MANAGEMENT
8 SERVICE PROVIDER, UNLESS:

9 (I) THE ADMINISTRATOR HAS SUBMITTED A SWORN STATEMENT TO THE
10 CHARTER SCHOOL BOARD OF TRUSTEES AND THE SWORN STATEMENT DETAILS
11 THE WORK FOR THE OTHER ENTITY AND INCLUDES THE PROJECTED NUMBER
12 OF HOURS, RATE OF COMPENSATION AND PROJECTED DURATION.

13 (II) THE BOARD OF TRUSTEES HAS REVIEWED THE SWORN STATEMENT
14 UNDER SUBCLAUSE (I) AND AGREED BY RESOLUTION TO GRANT PERMISSION
15 TO THE ADMINISTRATOR.

16 (2) A COPY OF THE SWORN STATEMENT UNDER CLAUSE (1) (I) AND
17 THE RESOLUTION BY THE BOARD OF TRUSTEES GRANTING THE PERMISSION
18 SHALL BE KEPT ON FILE WITH THE CHARTER SCHOOL AND THE BOARD OF
19 LOCAL SCHOOL DIRECTORS.

20 (3) NO ADMINISTRATOR OF A CHARTER SCHOOL OR IMMEDIATE FAMILY
21 MEMBER MAY SERVE AS A VOTING MEMBER OF THE BOARD OF TRUSTEES OF
22 THAT INDIVIDUAL'S CHARTER SCHOOL.

23 (4) (I) NO ADMINISTRATOR OF A CHARTER SCHOOL MAY
24 PARTICIPATE IN THE SELECTION, AWARD OR ADMINISTRATION OF A
25 CONTRACT IF THE PERSON HAS A CONFLICT OF INTEREST AS THAT TERM
26 IS DEFINED IN 65 PA.C.S. § 1102 (RELATING TO DEFINITIONS).

27 (II) AN ADMINISTRATOR WHO KNOWINGLY VIOLATES THIS CLAUSE
28 COMMITTS A VIOLATION OF 65 PA.C.S. § 1103(A) (RELATING TO
29 RESTRICTED ACTIVITIES) AND SHALL BE SUBJECT TO THE PENALTIES
30 IMPOSED UNDER THE JURISDICTION OF THE STATE ETHICS COMMISSION.

1 (III) ANY CONTRACT MADE IN VIOLATION OF THIS CLAUSE SHALL BE
2 VOIDABLE BY THE BOARD OF TRUSTEES OF THE CHARTER SCHOOL.

3 (5) AN ADMINISTRATOR SHALL BE IMMEDIATELY DISMISSED UPON
4 CONVICTION FOR AN OFFENSE GRADED AS A FELONY, AN INFAMOUS CRIME,
5 AN OFFENSE PERTAINING TO FRAUD, THEFT OR MISMANAGEMENT OF PUBLIC
6 FUNDS OR ANY CRIME INVOLVING MORAL TURPITUDE.

7 (D) THE BOARD OF TRUSTEES OF A CHARTER SCHOOL ENTITY SHALL
8 SUPPLY THE GRANTOR OF THE CHARTER SCHOOL ENTITY AND THE
9 SECRETARY A LIST OF THE AMOUNT OF RENTAL PAYMENTS, WHICH ARE
10 GUARANTEES FOR SCHOOL BUILDING DEBT OR BONDS THAT BECOME DUE
11 DURING THE FISCAL YEAR TOGETHER WITH THE AMOUNT PAID ON EACH
12 ITEM OF INDEBTEDNESS. ANY CHARTER SCHOOL ENTITY THAT ELECTS TO
13 ISSUE DEBT SHALL HOLD IN ESCROW AN AMOUNT SUFFICIENT TO PAY THE
14 ANNUAL AMOUNT OF THE SUM OF THE PRINCIPAL MATURING OR SUBJECT TO
15 MANDATORY REDEMPTION AND INTEREST OWING BY THE CHARTER SCHOOL
16 ENTITY OR SINKING FUND DEPOSIT DUE BY THE CHARTER SCHOOL ENTITY.

17 (E) FUND BALANCE LIMIT SHALL BE AS FOLLOWS:

18 (1) FOR THE 2013-2014 SCHOOL YEAR AND EACH SCHOOL YEAR
19 THEREAFTER, A CHARTER SCHOOL ENTITY SHALL NOT ACCUMULATE AN
20 UNASSIGNED FUND BALANCE GREATER THAN THE CHARTER SCHOOL ENTITY
21 FUND BALANCE LIMIT, WHICH WILL BE DETERMINED AS FOLLOWS:

<u>CHARTER SCHOOL ENTITY</u>	<u>MAXIMUM UNASSIGNED FUND</u>
<u>TOTAL BUDGETED EXPENDITURES</u>	<u>BALANCE AS PERCENTAGE OF</u>
<u>TOTAL BUDGETED EXPENDITURES</u>	<u>TOTAL BUDGETED EXPENDITURES</u>
<u>LESS THAN OR EQUAL TO \$11,999,999</u>	<u>12%</u>
<u>BETWEEN \$12,000,000 AND \$12,999,999</u>	<u>11.5%</u>
<u>BETWEEN \$13,000,000 AND \$13,999,999</u>	<u>11%</u>
<u>BETWEEN \$14,000,000 AND \$14,999,999</u>	<u>10.5%</u>
<u>BETWEEN \$15,000,000 AND \$15,999,999</u>	<u>10%</u>
<u>BETWEEN \$16,000,000 AND \$16,999,999</u>	<u>9.5%</u>

1 BETWEEN \$17,000,000 AND \$17,999,999 9%
2 BETWEEN \$18,000,000 AND \$18,999,999 8.5%
3 GREATER THAN OR EQUAL TO \$19,000,000 8%

4 (2) ANY UNASSIGNED FUND BALANCE IN PLACE ON JUNE 30, 2013,
5 THAT EXCEEDS THE CHARTER SCHOOL ENTITY FUND BALANCE LIMIT SHALL
6 BE REFUNDED ON A PRO RATA BASIS WITHIN 90 DAYS TO ALL SCHOOL
7 DISTRICTS THAT PAID TUITION TO THE CHARTER SCHOOL ENTITY ON
8 BEHALF OF STUDENTS ENROLLED IN THE 2011-2012 AND 2012-2013
9 SCHOOL YEARS. THE FUNDS MAY NOT BE USED TO PAY BONUSES TO ANY
10 ADMINISTRATOR, BOARD OF TRUSTEE MEMBER, EMPLOYE, STAFF OR
11 CONTRACTOR AND MAY NOT BE TRANSFERRED TO A CHARTER SCHOOL
12 FOUNDATION.

13 (3) FOR THE 2013-2014 SCHOOL YEAR AND EACH SCHOOL YEAR
14 THEREAFTER, ANY UNASSIGNED FUND BALANCE IN EXCESS OF THE CHARTER
15 SCHOOL ENTITY FUND BALANCE LIMIT SHALL BE REFUNDED ON A PRO RATA
16 BASIS TO ALL SCHOOL DISTRICTS THAT PAID TUITION TO THE CHARTER
17 SCHOOL ENTITY IN THE PRIOR SCHOOL YEAR.

18 (4) BY AUGUST 15, 2013, AND AUGUST 15 OF EACH YEAR
19 THEREAFTER, EACH CHARTER SCHOOL ENTITY SHALL PROVIDE ITS GRANTOR
20 AND THE BOARD WITH INFORMATION CERTIFYING COMPLIANCE WITH THIS
21 SECTION. THE INFORMATION SHALL BE PROVIDED IN A FORM AND MANNER
22 PRESCRIBED BY THE BOARD AND SHALL INCLUDE INFORMATION ON THE
23 CHARTER SCHOOL ENTITY'S ESTIMATED ENDING UNASSIGNED FUND BALANCE
24 EXPRESSED AS A DOLLAR AMOUNT AND AS A PERCENTAGE OF THE CHARTER
25 SCHOOL ENTITY'S TOTAL BUDGETED EXPENDITURES FOR THAT SCHOOL
26 YEAR.

27 SECTION 7. SECTION 1716-A(C) OF THE ACT, ADDED JUNE 19, 1997
28 (P.L.225, NO.22), IS AMENDED AND THE SECTION IS AMENDED BY
29 ADDING SUBSECTIONS TO READ:

30 SECTION 1716-A. POWERS OF BOARD OF TRUSTEES.--* * *

1 (B.1) (1) FOR A CHARTER SCHOOL CHARTERED AFTER THE
2 EFFECTIVE DATE OF THIS SUBSECTION, AN INDIVIDUAL SHALL BE
3 PROHIBITED FROM SERVING AS A VOTING MEMBER OF THE BOARD OF
4 TRUSTEES OF THE CHARTER SCHOOL IF THE INDIVIDUAL OR AN IMMEDIATE
5 FAMILY MEMBER RECEIVES COMPENSATION FROM OR IS EMPLOYED BY OR IS
6 A BOARD MEMBER OF THE LOCAL BOARD OF SCHOOL DIRECTORS WHO
7 PARTICIPATED IN THE INITIAL REVIEW, APPROVAL, OVERSIGHT,
8 EVALUATION OR RENEWAL PROCESS OF THE CHARTER SCHOOL CHARTERED BY
9 THAT BOARD.

10 (2) AN EMPLOYEE OF THE SCHOOL DISTRICT THAT CHARTERED THE
11 CHARTER SCHOOL MAY SERVE AS A MEMBER OF THE BOARD OF TRUSTEES
12 WITHOUT VOTING PRIVILEGES.

13 (B.2) (1) NO MEMBER OF THE BOARD OF TRUSTEES OF A CHARTER
14 SCHOOL MAY PARTICIPATE IN THE SELECTION, AWARD OR ADMINISTRATION
15 OF ANY CONTRACT IF THE MEMBER HAS A CONFLICT OF INTEREST AS THAT
16 TERM IS DEFINED IN 65 PA.C.S. § 1102 (RELATING TO DEFINITIONS).

17 (2) ANY MEMBER OF THE BOARD OF TRUSTEES WHO IN THE DISCHARGE
18 OF THE PERSON'S OFFICIAL DUTIES WOULD BE REQUIRED TO VOTE ON A
19 MATTER THAT WOULD RESULT IN A CONFLICT OF INTEREST SHALL ABSTAIN
20 FROM VOTING AND FOLLOW THE PROCEDURES REQUIRED UNDER 65 PA.C.S.
21 § 1103(J) (RELATING TO RESTRICTED ACTIVITIES).

22 (3) A MEMBER OF THE BOARD OF TRUSTEES WHO KNOWINGLY VIOLATES
23 THIS SUBSECTION COMMITS A VIOLATION OF 65 PA.C.S. § 1103(A) AND
24 SHALL BE SUBJECT TO THE PENALTIES IMPOSED UNDER THE JURISDICTION
25 OF THE STATE ETHICS COMMISSION.

26 (4) A CONTRACT MADE IN VIOLATION OF THIS SUBSECTION SHALL BE
27 VOIDABLE BY A COURT OF COMPETENT JURISDICTION, IF THE SUIT IS
28 COMMENCED WITHIN NINETY (90) DAYS OF THE MAKING OF THE CONTRACT.

29 (5) NO MEMBER OF THE BOARD OF TRUSTEES OF A CHARTER SCHOOL
30 SHALL BE COMPENSATED FOR DUTIES ON THE BOARD.

1 (B.3) A MEMBER OF THE BOARD OF TRUSTEES OF A CHARTER SCHOOL
2 SHALL BE AUTOMATICALLY DISQUALIFIED AND IMMEDIATELY REMOVED FROM
3 THE BOARD UPON CONVICTION FOR AN OFFENSE GRADED AS A FELONY, AN
4 INFAMOUS CRIME, AN OFFENSE PERTAINING TO FRAUD, THEFT OR
5 MISMANAGEMENT OF PUBLIC FUNDS, ANY OFFENSE PERTAINING TO HIS
6 OFFICIAL CAPACITY AS A BOARD MEMBER OR ANY CRIME INVOLVING MORAL
7 TURPITUDE.

8 (C) THE BOARD OF TRUSTEES SHALL COMPLY WITH [THE ACT OF JULY
9 3, 1986 (P.L.388, NO.84), KNOWN AS THE "SUNSHINE ACT."] 65
10 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).

11 (D) (1) (I) THE BOARD OF TRUSTEES OF A CHARTER SCHOOL
12 SHALL CONSIST OF A MINIMUM OF FIVE (5) NONRELATED VOTING
13 MEMBERS.

14 (II) IF A CHARTER SCHOOL HAS FEWER THAN FIVE (5) NONRELATED
15 VOTING MEMBERS SERVING ON ITS BOARD ON THE EFFECTIVE DATE OF
16 THIS SUBSECTION, THE CHARTER SCHOOL SHALL, WITHIN SIXTY (60)
17 DAYS, APPOINT ADDITIONAL MEMBERS TO THE BOARD TO MEET THE
18 MINIMUM REQUIREMENTS OF THIS SECTION.

19 (2) WITHIN ONE (1) YEAR OF THE EFFECTIVE DATE OF THIS
20 SUBSECTION, AT LEAST ONE (1) MEMBER OF THE BOARD OF TRUSTEES OF
21 A CHARTER SCHOOL SHALL BE A PARENT OF A CHILD CURRENTLY
22 ATTENDING THE CHARTER SCHOOL. THE BOARD MEMBER SHALL BE ELIGIBLE
23 TO SERVE ONLY SO LONG AS THE CHILD ATTENDS THE CHARTER SCHOOL.

24 (E) (1) A MAJORITY OF THE VOTING MEMBERS OF THE BOARD OF
25 TRUSTEES SHALL CONSTITUTE A QUORUM. IF LESS THAN A MAJORITY IS
26 PRESENT AT ANY MEETING, NO BUSINESS MAY BE TRANSACTED AT THE
27 MEETING.

28 (2) THE AFFIRMATIVE VOTE OF A MAJORITY OF ALL THE VOTING
29 MEMBERS OF THE BOARD OF TRUSTEES, DULY RECORDED, SHALL BE
30 REQUIRED IN ORDER TO TAKE ACTION ON THE SUBJECTS ENUMERATED

1 UNDER SUBSECTION (A) .

2 (F) (1) IN ANY CASE WHERE THE BOARD OF TRUSTEES OF A
3 CHARTER SCHOOL FAILS TO PAY OR TO PROVIDE FOR FOR THE PAYMENT
4 OF:

5 (I) ANY INDEBTEDNESS AT DATE OF MATURITY OR DATE OF
6 MANDATORY REDEMPTION OR ON ANY SINKING FUND DEPOSIT DATE; OR

7 (II) ANY INTEREST DUE ON SUCH INDEBTEDNESS ON ANY INTEREST
8 PAYMENT DATE OR ON ANY SINKING FUND DEPOSIT DATE IN ACCORDANCE
9 WITH THE SCHEDULE UNDER WHICH THE BONDS WERE ISSUED.

10 THE BANK OR TRUSTEE FOR THE BONDS SHALL NOTIFY THE BOARD OF
11 CHARTER SCHOOL TRUSTEES OF ITS OBLIGATION AND SHALL IMMEDIATELY
12 NOTIFY THE GRANTOR OF THE CHARTER SCHOOL AND THE SECRETARY.

13 (2) THE SECRETARY SHALL WITHHOLD ANY APPROPRIATION DUE THE
14 CHARTER SCHOOL IN ANY AMOUNT NECESSARY TO FULLY FUND THE AMOUNT
15 HELD IN ESCROW BY THE CHARTER SCHOOL WHICH SHALL BE EQUAL TO THE
16 SUM OF THE PRINCIPAL AMOUNT MATURING OR SUBJECT TO MANDATORY
17 REDEMPTION AND INTEREST OWING BY THE CHARTER SCHOOL OR SINKING
18 FUND DEPOSIT DUE BY SUCH CHARTER SCHOOL AND SHALL REQUIRE
19 PAYOVER OF THE AMOUNT WITHHELD TO THE BANK OR TRUSTEE ACTING AS
20 THE SINKING FUND DEPOSITARY FOR THE BOND ISSUE FROM THE ESCROW
21 ACCOUNT.

22 (3) PAYMENTS MADE PURSUANT TO THIS ARTICLE SHALL NOT BE
23 GIVEN PRIORITY OVER PAYMENTS REQUIRED PURSUANT TO SECTIONS 633
24 AND 785 AND 53 PA.C.S. § 8125(B) (RELATING TO SECURITY FOR TAX
25 ANTICIPATION NOTES AND SINKING FUND), OR AN AGREEMENT PURSUANT
26 TO WHICH THE BOARD IS REQUIRED TO MAKE PAYMENT TO A HOLDER OF
27 DEBT ISSUED BY OR ON BEHALF OF A SCHOOL ENTITY.

28 SECTION 8. SECTIONS 1717-A(C), (D), (E), (F) AND (I) AND
29 1719-A OF THE ACT, ADDED JUNE 19, 1997 (P.L.225, NO.22), ARE
30 AMENDED TO READ:

1 SECTION 1717-A. ESTABLISHMENT OF CHARTER SCHOOL.--* * *

2 (C) AN APPLICATION TO ESTABLISH A CHARTER SCHOOL SHALL BE
3 SUBMITTED TO THE LOCAL BOARD OF SCHOOL DIRECTORS OF THE DISTRICT
4 WHERE THE CHARTER SCHOOL WILL BE LOCATED BY [NOVEMBER 15]
5 OCTOBER 1 OF THE SCHOOL YEAR PRECEDING THE SCHOOL YEAR IN WHICH
6 THE CHARTER SCHOOL WILL BE ESTABLISHED EXCEPT THAT FOR A CHARTER
7 SCHOOL BEGINNING IN THE 1997-1998 SCHOOL YEAR, AN APPLICATION
8 MUST BE RECEIVED BY JULY 15, 1997. IN THE 1997-1998 SCHOOL YEAR
9 ONLY, APPLICATIONS SHALL BE LIMITED TO RECIPIENTS OF FISCAL YEAR
10 1996-1997 DEPARTMENT OF EDUCATION CHARTER SCHOOL PLANNING
11 GRANTS.

12 (D) WITHIN FORTY-FIVE (45) DAYS OF RECEIPT OF AN
13 APPLICATION, THE LOCAL BOARD OF SCHOOL DIRECTORS IN WHICH THE
14 PROPOSED CHARTER SCHOOL IS TO BE LOCATED SHALL HOLD AT LEAST ONE
15 PUBLIC HEARING ON THE PROVISIONS OF THE CHARTER APPLICATION,
16 UNDER [THE ACT OF JULY 3, 1986 (P.L.388, NO.84), KNOWN AS THE
17 "SUNSHINE ACT."] 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).
18 AT LEAST FORTY-FIVE (45) DAYS MUST TRANSPIRE BETWEEN THE FIRST
19 PUBLIC HEARING AND THE FINAL DECISION OF THE BOARD ON THE
20 CHARTER APPLICATION EXCEPT THAT FOR A CHARTER SCHOOL BEGINNING
21 IN THE 1997-1998 SCHOOL YEAR, ONLY THIRTY (30) DAYS MUST
22 TRANSPIRE BETWEEN THE FIRST PUBLIC HEARING AND THE FINAL
23 DECISION OF THE BOARD.

24 (E) (1) NOT LATER THAN SEVENTY-FIVE (75) DAYS AFTER THE
25 FIRST PUBLIC HEARING ON THE APPLICATION, THE LOCAL BOARD OF
26 SCHOOL DIRECTORS SHALL GRANT OR DENY THE APPLICATION. FOR A
27 CHARTER SCHOOL BEGINNING IN THE 1997-1998 SCHOOL YEAR, THE LOCAL
28 BOARD OF SCHOOL DIRECTORS SHALL GRANT OR DENY THE APPLICATION NO
29 LATER THAN SIXTY (60) DAYS AFTER THE FIRST PUBLIC HEARING.

30 (2) A CHARTER SCHOOL APPLICATION SUBMITTED UNDER THIS

1 ARTICLE SHALL BE EVALUATED BY THE LOCAL BOARD OF SCHOOL
2 DIRECTORS BASED ON CRITERIA, INCLUDING, BUT NOT LIMITED TO, THE
3 FOLLOWING:

4 (I) THE DEMONSTRATED, SUSTAINABLE SUPPORT FOR THE CHARTER
5 SCHOOL PLAN BY TEACHERS, PARENTS, OTHER COMMUNITY MEMBERS AND
6 STUDENTS, INCLUDING COMMENTS RECEIVED AT THE PUBLIC HEARING HELD
7 UNDER SUBSECTION (D).

8 (II) THE CAPABILITY OF THE CHARTER SCHOOL APPLICANT, IN
9 TERMS OF SUPPORT AND PLANNING, TO PROVIDE COMPREHENSIVE LEARNING
10 EXPERIENCES TO STUDENTS PURSUANT TO THE ADOPTED CHARTER.

11 (III) THE EXTENT TO WHICH THE APPLICATION CONSIDERS THE
12 INFORMATION REQUESTED IN SECTION 1719-A AND CONFORMS TO THE
13 LEGISLATIVE INTENT OUTLINED IN SECTION 1702-A.

14 [(IV) THE EXTENT TO WHICH THE CHARTER SCHOOL MAY SERVE AS A
15 MODEL FOR OTHER PUBLIC SCHOOLS.]

16 (3) THE LOCAL BOARD OF SCHOOL DIRECTORS, IN THE CASE OF AN
17 EXISTING SCHOOL BEING CONVERTED TO A CHARTER SCHOOL, SHALL
18 ESTABLISH THE ALTERNATIVE ARRANGEMENTS FOR CURRENT STUDENTS WHO
19 CHOOSE NOT TO ATTEND THE CHARTER SCHOOL.

20 (4) A CHARTER APPLICATION SHALL BE DEEMED APPROVED BY THE
21 LOCAL BOARD OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT UPON
22 AFFIRMATIVE VOTE BY A MAJORITY OF ALL THE DIRECTORS. FORMAL
23 ACTION APPROVING OR DENYING THE APPLICATION SHALL BE TAKEN BY
24 THE LOCAL BOARD OF SCHOOL DIRECTORS AT A PUBLIC MEETING, WITH
25 NOTICE OR CONSIDERATION OF THE APPLICATION GIVEN BY THE BOARD,
26 UNDER [THE "SUNSHINE ACT."] 65 PA.C.S. CH. 7.

27 (5) WRITTEN NOTICE OF THE BOARD'S ACTION SHALL BE SENT TO
28 THE APPLICANT, THE DEPARTMENT AND THE APPEAL BOARD. IF THE
29 APPLICATION IS DENIED, THE REASONS FOR THE DENIAL, INCLUDING A
30 DESCRIPTION OF DEFICIENCIES IN THE APPLICATION, SHALL BE CLEARLY

1 STATED IN THE NOTICE SENT BY THE LOCAL BOARD OF SCHOOL DIRECTORS
2 TO THE CHARTER SCHOOL APPLICANT.

3 (F) AT THE OPTION OF THE CHARTER SCHOOL APPLICANT, A DENIED
4 APPLICATION MAY BE REVISED AND RESUBMITTED TO THE LOCAL BOARD OF
5 SCHOOL DIRECTORS. FOLLOWING THE APPOINTMENT AND CONFIRMATION OF
6 THE CHARTER SCHOOL APPEAL BOARD UNDER SECTION 1721-A, THE
7 DECISION OF THE LOCAL BOARD OF SCHOOL DIRECTORS MAY BE APPEALED
8 TO THE APPEAL BOARD. WHEN AN APPLICATION IS REVISED AND
9 RESUBMITTED TO THE LOCAL BOARD OF SCHOOL DIRECTORS, THE BOARD
10 MAY SCHEDULE ADDITIONAL PUBLIC HEARINGS ON THE REVISED
11 APPLICATION. THE BOARD SHALL CONSIDER THE REVISED AND
12 RESUBMITTED APPLICATION AT THE FIRST BOARD MEETING OCCURRING AT
13 LEAST FORTY-FIVE (45) DAYS AFTER RECEIPT OF THE REVISED
14 APPLICATION BY THE BOARD. FOR A REVISED APPLICATION RESUBMITTED
15 FOR THE 1997-1998 SCHOOL YEAR, THE BOARD SHALL CONSIDER THE
16 APPLICATION AT THE FIRST BOARD MEETING OCCURRING AT LEAST THIRTY
17 (30) DAYS AFTER ITS RECEIPT. THE BOARD SHALL PROVIDE NOTICE OF
18 CONSIDERATION OF THE REVISED APPLICATION UNDER [THE "SUNSHINE
19 ACT."] 65 PA.C.S. CH. 7. NO APPEAL FROM A DECISION OF A LOCAL
20 SCHOOL BOARD MAY BE TAKEN UNTIL JULY 1, 1999.

21 * * *

22 (I) (1) THE APPEAL BOARD SHALL HAVE THE EXCLUSIVE REVIEW OF
23 AN APPEAL BY A CHARTER SCHOOL APPLICANT, OR BY THE BOARD OF
24 TRUSTEES OF AN EXISTING CHARTER SCHOOL, OF A DECISION MADE BY A
25 LOCAL BOARD OF DIRECTORS NOT TO GRANT A CHARTER AS PROVIDED IN
26 THIS SECTION.

27 [(2) IN ORDER FOR A CHARTER SCHOOL APPLICANT TO BE ELIGIBLE
28 TO APPEAL THE DENIAL OF A CHARTER BY THE LOCAL BOARD OF
29 DIRECTORS, THE APPLICANT MUST OBTAIN THE SIGNATURES OF AT LEAST
30 TWO PER CENTUM OF THE RESIDENTS OF THE SCHOOL DISTRICT OR OF ONE

1 THOUSAND (1,000) RESIDENTS, WHICHEVER IS LESS, WHO ARE OVER
2 EIGHTEEN (18) YEARS OF AGE. FOR A REGIONAL CHARTER SCHOOL, THE
3 APPLICANT MUST OBTAIN THE SIGNATURES OF AT LEAST TWO PER CENTUM
4 OF THE RESIDENTS OF EACH SCHOOL DISTRICT GRANTING THE CHARTER OR
5 OF ONE THOUSAND (1,000) RESIDENTS FROM EACH OF THE SCHOOL
6 DISTRICTS GRANTING THE CHARTER, WHICHEVER IS LESS, WHO ARE OVER
7 EIGHTEEN (18) YEARS OF AGE. THE SIGNATURES SHALL BE OBTAINED
8 WITHIN SIXTY (60) DAYS OF THE DENIAL OF THE APPLICATION BY THE
9 LOCAL BOARD OF DIRECTORS IN ACCORDANCE WITH CLAUSE (3).

10 (3) EACH PERSON SIGNING A PETITION TO APPEAL DENIAL OF A
11 CHARTER UNDER CLAUSE (2) SHALL DECLARE THAT HE OR SHE IS A
12 RESIDENT OF THE SCHOOL DISTRICT WHICH DENIED THE CHARTER
13 APPLICATION AND SHALL INCLUDE HIS OR HER PRINTED NAME;
14 SIGNATURE; ADDRESS, INCLUDING CITY, BOROUGH OR TOWNSHIP, WITH
15 STREET AND NUMBER, IF ANY; AND THE DATE OF SIGNING. ALL PAGES
16 SHALL BE BOUND TOGETHER. ADDITIONAL PAGES OF THE PETITION SHALL
17 BE NUMBERED CONSECUTIVELY. THERE SHALL BE APPENDED TO THE
18 PETITION A STATEMENT THAT THE LOCAL BOARD OF DIRECTORS REJECTED
19 THE PETITION FOR A CHARTER SCHOOL, THE NAMES OF ALL APPLICANTS
20 FOR THE CHARTER, THE DATE OF DENIAL BY THE BOARD AND THE
21 PROPOSED LOCATION OF THE CHARTER SCHOOL. NO RESIDENT MAY SIGN
22 MORE THAN ONE PETITION RELATING TO THE CHARTER SCHOOL
23 APPLICATION WITHIN THE SIXTY (60) DAYS FOLLOWING DENIAL OF THE
24 APPLICATION. THE DEPARTMENT SHALL DEVELOP A FORM TO BE USED TO
25 PETITION FOR AN APPEAL.

26 (4) EACH PETITION SHALL HAVE APPENDED THERETO THE AFFIDAVIT
27 OF SOME PERSON, NOT NECESSARILY A SIGNER, SETTING FORTH ALL OF
28 THE FOLLOWING:

29 (I) THAT THE AFFIANT IS A RESIDENT OF THE SCHOOL DISTRICT
30 REFERRED TO IN THE PETITION.

1 (II) THE AFFIANT'S RESIDENCE, GIVING CITY, BOROUGH OR
2 TOWNSHIP, WITH STREET AND NUMBER, IF ANY.

3 (III) THAT THE SIGNERS SIGNED WITH FULL KNOWLEDGE OF THE
4 PURPOSE OF THE PETITION.

5 (IV) THAT THE SIGNERS' RESPECTIVE RESIDENCES ARE CORRECTLY
6 STATED IN THE PETITION.

7 (V) THAT THE SIGNERS ALL RESIDE IN THE SCHOOL DISTRICT.

8 (VI) THAT EACH SIGNER SIGNED ON THE DATE SET FORTH OPPOSITE
9 THE SIGNER'S NAME.

10 (VII) THAT TO THE BEST OF THE AFFIANT'S KNOWLEDGE AND
11 BELIEF, THE SIGNERS ARE RESIDENTS OF THE SCHOOL DISTRICT.

12 (5) IF THE REQUIRED NUMBER OF SIGNATURES ARE OBTAINED WITHIN
13 SIXTY (60) DAYS OF THE DENIAL OF THE APPLICATION, THE APPLICANT
14 MAY PRESENT THE PETITION TO THE COURT OF COMMON PLEAS OF THE
15 COUNTY IN WHICH THE CHARTER SCHOOL WOULD BE SITUATED. THE COURT
16 SHALL HOLD A HEARING ONLY ON THE SUFFICIENCY OF THE PETITION.
17 THE APPLICANT AND LOCAL BOARD OF SCHOOL DIRECTORS SHALL BE GIVEN
18 SEVEN (7) DAYS' NOTICE OF THE HEARING. THE COURT SHALL ISSUE A
19 DECREE ESTABLISHING THE SUFFICIENCY OR INSUFFICIENCY OF THE
20 PETITION. IF THE PETITION IS SUFFICIENT, THE DECREE SHALL BE
21 TRANSMITTED TO THE STATE CHARTER SCHOOL APPEAL BOARD FOR REVIEW
22 IN ACCORDANCE WITH THIS SECTION. NOTIFICATION OF THE DECREE
23 SHALL BE GIVEN TO THE APPLICANT AND THE LOCAL BOARD OF
24 DIRECTORS.]

25 (6) IN ANY APPEAL, THE DECISION MADE BY THE LOCAL BOARD OF
26 DIRECTORS SHALL BE REVIEWED BY THE APPEAL BOARD ON THE RECORD AS
27 CERTIFIED BY THE LOCAL BOARD OF DIRECTORS. THE APPEAL BOARD
28 SHALL GIVE DUE CONSIDERATION TO THE FINDINGS OF THE LOCAL BOARD
29 OF DIRECTORS AND SPECIFICALLY ARTICULATE ITS REASONS FOR
30 AGREEING OR DISAGREEING WITH THOSE FINDINGS IN ITS WRITTEN

1 DECISION. THE APPEAL BOARD SHALL HAVE THE DISCRETION TO ALLOW
2 THE LOCAL BOARD OF DIRECTORS AND THE CHARTER SCHOOL APPLICANT TO
3 SUPPLEMENT THE RECORD IF THE SUPPLEMENTAL INFORMATION WAS
4 PREVIOUSLY UNAVAILABLE.

5 (7) NOT LATER THAN THIRTY (30) DAYS AFTER THE DATE OF NOTICE
6 OF THE ACCEPTANCE OF THE APPEAL, THE APPEAL BOARD SHALL MEET TO
7 OFFICIALLY REVIEW THE CERTIFIED RECORD.

8 (8) NOT LATER THAN SIXTY (60) DAYS FOLLOWING THE REVIEW
9 CONDUCTED PURSUANT TO CLAUSE (6), THE APPEAL BOARD SHALL ISSUE A
10 WRITTEN DECISION AFFIRMING OR DENYING THE APPEAL. IF THE APPEAL
11 BOARD HAS AFFIRMED THE DECISION OF THE LOCAL BOARD OF DIRECTORS,
12 NOTICE SHALL BE PROVIDED TO BOTH PARTIES.

13 (9) A DECISION OF THE APPEAL BOARD TO REVERSE THE DECISION
14 OF THE LOCAL BOARD OF DIRECTORS SHALL SERVE AS A REQUIREMENT FOR
15 THE LOCAL BOARD OF DIRECTORS OF A SCHOOL DISTRICT OR SCHOOL
16 DISTRICTS, AS APPROPRIATE, TO GRANT THE APPLICATION AND SIGN THE
17 WRITTEN CHARTER OF THE CHARTER SCHOOL AS PROVIDED FOR IN SECTION
18 1720-A. SHOULD THE LOCAL BOARD OF DIRECTORS FAIL TO GRANT THE
19 APPLICATION AND SIGN THE CHARTER WITHIN TEN (10) DAYS OF NOTICE
20 OF THE REVERSAL OF THE DECISION OF THE LOCAL BOARD OF DIRECTORS,
21 THE CHARTER SHALL BE DEEMED TO BE APPROVED AND SHALL BE SIGNED
22 BY THE CHAIRMAN OF THE APPEAL BOARD.

23 (10) ALL DECISIONS OF THE APPEAL BOARD SHALL BE SUBJECT TO
24 APPELLATE REVIEW BY THE COMMONWEALTH COURT.

25 SECTION 1719-A. CONTENTS OF APPLICATION.--[AN] (A) THE
26 DEPARTMENT SHALL CREATE A STANDARD APPLICATION FOR CHARTER
27 SCHOOL APPLICANTS TO ESTABLISH A CHARTER SCHOOL. THE FORM SHALL
28 INCLUDE ALL OF THE FOLLOWING INFORMATION:

29 (1) THE IDENTIFICATION OF THE CHARTER APPLICANT.

30 (2) THE NAME OF THE PROPOSED CHARTER SCHOOL.

1 (3) THE GRADE OR AGE LEVELS SERVED BY THE SCHOOL.

2 (4) [THE PROPOSED GOVERNANCE STRUCTURE OF THE CHARTER
3 SCHOOL, INCLUDING A DESCRIPTION AND METHOD FOR THE APPOINTMENT
4 OR ELECTION OF MEMBERS OF THE BOARD OF TRUSTEES.] AN
5 ORGANIZATION CHART CLEARLY PRESENTING THE PROPOSED GOVERNANCE
6 STRUCTURE OF THE SCHOOL, INCLUDING LINES OF AUTHORITY AND
7 REPORTING BETWEEN THE BOARD OF TRUSTEES, ADMINISTRATORS, STAFF
8 AND ANY EDUCATIONAL MANAGEMENT SERVICE PROVIDER THAT WILL
9 PROVIDE MANAGEMENT SERVICES TO THE CHARTER SCHOOL.

10 (4.1) A CLEAR DESCRIPTION OF THE ROLES AND RESPONSIBILITIES
11 FOR THE BOARD OF TRUSTEES, ADMINISTRATORS AND ANY OTHER
12 ENTITIES, INCLUDING A CHARTER SCHOOL FOUNDATION, SHOWN IN THE
13 ORGANIZATION CHART.

14 (4.2) A CLEAR DESCRIPTION AND METHOD FOR THE APPOINTMENT OR
15 ELECTION OF MEMBERS OF THE BOARD OF TRUSTEES.

16 (4.3) STANDARDS FOR BOARD PERFORMANCE, INCLUDING COMPLIANCE
17 WITH ALL APPLICABLE LAWS, REGULATIONS AND TERMS OF THE CHARTER.

18 (4.4) IF THE CHARTER SCHOOL INTENDS TO CONTRACT WITH AN
19 EDUCATIONAL MANAGEMENT SERVICE PROVIDER FOR SERVICES, ALL OF THE
20 FOLLOWING:

21 (I) EVIDENCE OF THE EDUCATION MANAGEMENT SERVICE PROVIDER'S
22 RECORD IN SERVING STUDENT POPULATIONS, INCLUDING DEMONSTRATED
23 ACADEMIC ACHIEVEMENT AND DEMONSTRATED MANAGEMENT OF NONACADEMIC
24 SCHOOL FUNCTIONS, INCLUDING PROFICIENCY WITH PUBLIC SCHOOL-BASED
25 ACCOUNTING, IF APPLICABLE.

26 (II) A DRAFT CONTRACT STATING ALL OF THE FOLLOWING:

27 (A) THE OFFICERS, CHIEF ADMINISTRATOR AND ADMINISTRATORS OF
28 THE EDUCATION MANAGEMENT SERVICE PROVIDER.

29 (B) THE PROPOSED DURATION OF THE SERVICE CONTRACT.

30 (C) ROLES AND RESPONSIBILITIES OF THE GOVERNING BOARD, THE

1 SCHOOL STAFF AND THE EDUCATIONAL MANAGEMENT SERVICE PROVIDER.

2 (D) THE SCOPE OF SERVICES, PERSONNEL AND RESOURCES TO BE
3 PROVIDED BY THE EDUCATIONAL MANAGEMENT SERVICE PROVIDER.

4 (E) PERFORMANCE EVALUATION MEASURES AND TIMELINES.

5 (F) THE COMPENSATION STRUCTURE, INCLUDING CLEAR
6 IDENTIFICATION OF ALL FEES TO BE PAID TO THE EDUCATIONAL
7 MANAGEMENT SERVICE PROVIDER.

8 (G) METHODS OF CONTRACT OVERSIGHT AND ENFORCEMENT.

9 (H) INVESTMENT DISCLOSURE OR THE ADVANCE OF MONEYS BY THE
10 EDUCATIONAL MANAGEMENT SERVICE PROVIDER ON BEHALF OF THE CHARTER
11 SCHOOL.

12 (I) CONDITIONS FOR RENEWAL AND TERMINATION OF THE CONTRACT.

13 (III) DISCLOSURE AND EXPLANATION OF ANY EXISTING OR
14 POTENTIAL CONFLICTS OF INTEREST BETWEEN THE MEMBERS OF THE BOARD
15 OF TRUSTEES AND THE PROPOSED EDUCATIONAL MANAGEMENT SERVICE
16 PROVIDER OR ANY AFFILIATED BUSINESS ENTITIES, INCLUDING A
17 CHARTER SCHOOL FOUNDATION QUALIFIED AS A SUPPORT ORGANIZATION
18 UNDER THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26
19 U.S.C. § 1 ET SEQ.).

20 (5) THE MISSION AND EDUCATION GOALS OF THE CHARTER SCHOOL,
21 THE CURRICULUM TO BE OFFERED AND THE METHODS OF ASSESSING
22 WHETHER STUDENTS ARE MEETING EDUCATIONAL GOALS.

23 (6) THE ADMISSION POLICY AND CRITERIA FOR EVALUATING THE
24 ADMISSION OF STUDENTS WHICH SHALL COMPLY WITH THE REQUIREMENTS
25 OF SECTION 1723-A.

26 (7) PROCEDURES WHICH WILL BE USED REGARDING THE SUSPENSION
27 OR EXPULSION OF PUPILS. SAID PROCEDURES SHALL COMPLY WITH
28 SECTION 1318.

29 (8) INFORMATION ON THE MANNER IN WHICH COMMUNITY GROUPS WILL
30 BE INVOLVED IN THE CHARTER SCHOOL PLANNING PROCESS.

1 (9) THE FINANCIAL PLAN FOR THE CHARTER SCHOOL AND THE
2 PROVISIONS WHICH WILL BE MADE FOR AUDITING THE SCHOOL UNDER
3 [SECTION] SECTIONS 437 AND 1728-A, INCLUDING THE ROLE OF ANY
4 CHARTER SCHOOL FOUNDATION.

5 (10) PROCEDURES WHICH SHALL BE ESTABLISHED TO REVIEW
6 COMPLAINTS OF PARENTS REGARDING THE OPERATION OF THE CHARTER
7 SCHOOL.

8 (11) A DESCRIPTION OF AND ADDRESS OF THE PHYSICAL FACILITY
9 IN WHICH THE CHARTER SCHOOL WILL BE LOCATED AND THE OWNERSHIP
10 THEREOF AND ANY LEASE ARRANGEMENTS.

11 (12) INFORMATION ON THE PROPOSED SCHOOL CALENDAR FOR THE
12 CHARTER SCHOOL, INCLUDING THE LENGTH OF THE SCHOOL DAY AND
13 SCHOOL YEAR CONSISTENT WITH THE PROVISIONS OF SECTION 1502.

14 (13) THE PROPOSED FACULTY, IF ALREADY DETERMINED, AND A
15 PROFESSIONAL DEVELOPMENT AND CONTINUING EDUCATION PLAN FOR THE
16 FACULTY AND PROFESSIONAL STAFF OF [A] THE CHARTER SCHOOL.

17 (14) WHETHER ANY AGREEMENTS HAVE BEEN ENTERED INTO OR PLANS
18 DEVELOPED WITH THE LOCAL SCHOOL DISTRICT REGARDING PARTICIPATION
19 OF THE CHARTER SCHOOL STUDENTS IN EXTRACURRICULAR ACTIVITIES
20 WITHIN THE SCHOOL DISTRICT. NOTWITHSTANDING ANY PROVISION TO THE
21 CONTRARY, NO SCHOOL DISTRICT OF RESIDENCE SHALL PROHIBIT A
22 STUDENT OF A CHARTER SCHOOL FROM PARTICIPATING IN ANY
23 EXTRACURRICULAR ACTIVITY OF THAT SCHOOL DISTRICT OF RESIDENCE:
24 PROVIDED, THAT THE STUDENT IS ABLE TO FULFILL ALL OF THE
25 REQUIREMENTS OF PARTICIPATION IN SUCH ACTIVITY AND THE CHARTER
26 SCHOOL DOES NOT PROVIDE THE SAME EXTRACURRICULAR ACTIVITY.

27 (15) A REPORT OF CRIMINAL HISTORY RECORD, PURSUANT TO
28 SECTION 111, FOR ALL INDIVIDUALS IDENTIFIED IN THE APPLICATION
29 WHO SHALL HAVE DIRECT CONTACT WITH STUDENTS AND A PLAN FOR
30 SATISFYING THE PROPER CRIMINAL HISTORY RECORD CLEARANCES

1 REQUIRED FOR ALL OTHER STAFF.

2 (16) AN OFFICIAL CLEARANCE STATEMENT REGARDING CHILD INJURY
3 OR ABUSE FROM THE DEPARTMENT OF PUBLIC WELFARE AS REQUIRED BY 23
4 PA.C.S. CH. 63 SUBCH. C.2 (RELATING TO BACKGROUND CHECKS FOR
5 EMPLOYMENT IN SCHOOLS) FOR ALL INDIVIDUALS IDENTIFIED IN THE
6 APPLICATION WHO SHALL HAVE DIRECT CONTACT WITH STUDENTS AND A
7 PLAN FOR SATISFYING THE PROPER OFFICIAL CLEARANCE STATEMENT
8 REGARDING CHILD INJURY OR ABUSE REQUIRED FOR ALL OTHER STAFF.

9 (17) HOW THE CHARTER SCHOOL WILL PROVIDE ADEQUATE LIABILITY
10 AND OTHER APPROPRIATE INSURANCE FOR THE CHARTER SCHOOL, ITS
11 EMPLOYEES AND THE BOARD OF TRUSTEES OF THE CHARTER SCHOOL.

12 (18) POLICIES REGARDING TRUANCY, ABSENCES AND WITHDRAWAL OF
13 STUDENTS, INCLUDING THE MANNER IN WHICH THE CHARTER SCHOOL WILL
14 MONITOR ATTENDANCE CONSISTENT WITH SECTION 1715-A(A) (9).

15 (19) HOW THE CHARTER SCHOOL WILL MEET THE STANDARDS INCLUDED
16 IN THE PERFORMANCE MATRIX DEVELOPED BY THE DEPARTMENT UNDER
17 SECTION 1732-A(C) (3).

18 (20) INDICATE WHETHER OR NOT THE CHARTER SCHOOL WILL SEEK
19 ACCREDITATION BY A NATIONALLY RECOGNIZED ACCREDITATION AGENCY,
20 INCLUDING THE MIDDLE STATES ASSOCIATION OF COLLEGES AND SCHOOLS
21 OR ANOTHER REGIONAL INSTITUTIONAL ACCREDITING AGENCY RECOGNIZED
22 BY THE UNITED STATES DEPARTMENT OF EDUCATION OR AN EQUIVALENT
23 FEDERALLY RECOGNIZED BODY FOR CHARTER SCHOOL EDUCATION.

24 (B) A LOCAL BOARD OF SCHOOL DIRECTORS MAY NOT IMPOSE
25 ADDITIONAL TERMS, DEVELOP ITS OWN APPLICATION OR REQUIRE
26 ADDITIONAL INFORMATION OUTSIDE THE STANDARD APPLICATION FORM
27 REQUIRED UNDER SUBSECTION (A).

28 SECTION 9. SECTION 1720-A OF THE ACT, AMENDED JULY 9, 2008
29 (P.L.846, NO.61), IS AMENDED TO READ:

30 SECTION 1720-A. TERM AND FORM OF CHARTER.-- (A) UPON

1 APPROVAL OF A CHARTER APPLICATION UNDER SECTION 1717-A, A
2 WRITTEN CHARTER SHALL BE DEVELOPED WHICH SHALL CONTAIN THE
3 PROVISIONS OF THE STANDARDIZED CHARTER APPLICATION UNDER SECTION
4 1719-A AND WHICH SHALL BE SIGNED BY THE LOCAL BOARD OF SCHOOL
5 DIRECTORS OF A SCHOOL DISTRICT, BY THE LOCAL BOARDS OF SCHOOL
6 DIRECTORS OF A SCHOOL DISTRICT IN THE CASE OF A REGIONAL CHARTER
7 SCHOOL OR BY THE CHAIRMAN OF THE APPEAL BOARD PURSUANT TO
8 SECTION [1717-A(I) (5)] 1717-A(I) AND THE BOARD OF TRUSTEES OF
9 THE CHARTER SCHOOL. THIS WRITTEN CHARTER, WHEN DULY SIGNED BY
10 THE LOCAL BOARD OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT, OR BY
11 THE LOCAL BOARDS OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT IN THE
12 CASE OF A REGIONAL CHARTER SCHOOL, AND THE CHARTER SCHOOL'S
13 BOARD OF TRUSTEES, SHALL ACT AS LEGAL AUTHORIZATION FOR THE
14 ESTABLISHMENT OF A CHARTER SCHOOL. THIS WRITTEN CHARTER SHALL BE
15 LEGALLY BINDING ON BOTH THE LOCAL BOARD OF SCHOOL DIRECTORS OF A
16 SCHOOL DISTRICT AND THE CHARTER SCHOOL'S BOARD OF TRUSTEES.
17 [EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (B), THE] IF THE
18 CHARTER SCHOOL CONTRACTS WITH AN EDUCATIONAL MANAGEMENT SERVICE
19 PROVIDER, AN EXECUTED CONTRACT SHALL BE SIGNED ONCE THE CHARTER
20 IS APPROVED. THE CHARTER SHALL BE FOR A PERIOD OF [NO LESS THAN
21 THREE (3) NOR MORE THAN] FIVE (5) YEARS AND MAY BE RENEWED FOR
22 [FIVE (5)] TEN (10) YEAR PERIODS UPON REAUTHORIZATION BY THE
23 LOCAL BOARD OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT OR THE
24 APPEAL BOARD. A CHARTER WILL BE GRANTED ONLY FOR A SCHOOL
25 ORGANIZED AS A PUBLIC, NONPROFIT CORPORATION.

26 (B) [(1) NOTWITHSTANDING SUBSECTION (A), A GOVERNING BOARD
27 OF A SCHOOL DISTRICT OF THE FIRST CLASS MAY RENEW A CHARTER FOR
28 A PERIOD OF ONE (1) YEAR IF THE BOARD OF SCHOOL DIRECTORS
29 DETERMINES THAT THERE IS INSUFFICIENT DATA CONCERNING THE
30 CHARTER SCHOOL'S ACADEMIC PERFORMANCE TO ADEQUATELY ASSESS THAT

1 PERFORMANCE AND DETERMINES THAT AN ADDITIONAL YEAR OF
2 PERFORMANCE DATA WOULD YIELD SUFFICIENT DATA TO ASSIST THE
3 GOVERNING BOARD IN ITS DECISION WHETHER TO RENEW THE CHARTER FOR
4 A PERIOD OF FIVE (5) YEARS.

5 (2) A ONE-YEAR RENEWAL PURSUANT TO PARAGRAPH (1) SHALL NOT
6 BE CONSIDERED AN ADJUDICATION AND MAY NOT BE APPEALED TO THE
7 STATE CHARTER SCHOOL APPEAL BOARD.

8 (3) A GOVERNING BOARD OF A SCHOOL DISTRICT OF THE FIRST
9 CLASS DOES NOT HAVE THE AUTHORITY TO RENEW A CHARTER FOR
10 SUCCESSIVE ONE (1) YEAR PERIODS] (RESERVED).

11 (C) (1) A CHARTER SCHOOL MAY REQUEST AMENDMENTS TO ITS
12 APPROVED WRITTEN CHARTER BY FILING A WRITTEN DOCUMENT DESCRIBING
13 THE REQUESTED AMENDMENT TO THE LOCAL BOARD OF SCHOOL DIRECTORS.

14 (2) WITHIN TWENTY (20) DAYS OF ITS RECEIPT OF THE REQUEST
15 FOR AN AMENDMENT, THE LOCAL BOARD OF SCHOOL DIRECTORS SHALL HOLD
16 A PUBLIC HEARING ON THE REQUESTED AMENDMENT UNDER 65 PA.C.S. CH.
17 7 (RELATING TO OPEN MEETINGS).

18 (3) WITHIN TWENTY (20) DAYS AFTER THE HEARING, THE LOCAL
19 BOARD OF SCHOOL DIRECTORS SHALL GRANT OR DENY THE REQUESTED
20 AMENDMENT. FAILURE BY THE LOCAL BOARD OF SCHOOL DIRECTORS TO
21 HOLD A PUBLIC HEARING AND TO GRANT OR DENY THE AMENDMENTS WITHIN
22 THE TIME PERIOD SPECIFIED SHALL BE DEEMED A DENIAL.

23 (4) AN APPLICANT FOR AN AMENDMENT SHALL HAVE THE RIGHT TO
24 APPEAL THE DENIAL OF A REQUESTED AMENDMENT TO THE APPEAL BOARD
25 PROVIDED FOR UNDER SECTION 1721-A.

26 SECTION 10. SECTION 1721-A(A) AND (E) OF THE ACT, ADDED JUNE
27 19, 1997 (P.L.225, NO.22), ARE AMENDED TO READ:

28 SECTION 1721-A. STATE CHARTER SCHOOL APPEAL BOARD.-- (A) THE
29 STATE CHARTER SCHOOL APPEAL BOARD SHALL CONSIST OF THE SECRETARY
30 OF EDUCATION AND [SIX (6)] THE FOLLOWING MEMBERS WHO SHALL BE

1 APPOINTED BY THE GOVERNOR BY AND WITH THE CONSENT OF A MAJORITY
2 OF ALL THE MEMBERS OF THE SENATE. [APPOINTMENTS BY THE GOVERNOR
3 SHALL NOT OCCUR PRIOR TO JANUARY 1, 1999.] THE GOVERNOR SHALL
4 SELECT THE CHAIRMAN OF THE APPEAL BOARD TO SERVE AT THE PLEASURE
5 OF THE GOVERNOR. THE MEMBERS SHALL INCLUDE:

6 (1) A PARENT OF A SCHOOL-AGED CHILD ENROLLED AT A CHARTER
7 SCHOOL, REGIONAL CHARTER SCHOOL OR CYBER CHARTER SCHOOL.

8 (2) A SCHOOL BOARD MEMBER.

9 (3) A CERTIFIED TEACHER ACTIVELY EMPLOYED IN A PUBLIC
10 SCHOOL.

11 (4) A FACULTY MEMBER OR ADMINISTRATIVE EMPLOYEE OF AN
12 INSTITUTION OF HIGHER EDUCATION.

13 (5) A MEMBER OF THE BUSINESS COMMUNITY.

14 (6) A MEMBER OF THE STATE BOARD OF EDUCATION.

15 (7) AN ADMINISTRATOR OF A CHARTER SCHOOL, REGIONAL CHARTER
16 SCHOOL OR CYBER CHARTER SCHOOL.

17 (8) A MEMBER OF THE BOARD OF TRUSTEES OF A CHARTER SCHOOL,
18 REGIONAL CHARTER SCHOOL OR CYBER CHARTER SCHOOL.

19 THE TERM OF OFFICE OF MEMBERS OF THE APPEAL BOARD, OTHER THAN
20 THE SECRETARY, SHALL BE FOR A PERIOD OF FOUR (4) YEARS OR UNTIL
21 A SUCCESSOR IS APPOINTED AND QUALIFIED, EXCEPT THAT, OF THE
22 INITIAL APPOINTEES, THE GOVERNOR SHALL DESIGNATE TWO (2) MEMBERS
23 TO SERVE TERMS OF TWO (2) YEARS, TWO (2) MEMBERS TO SERVE TERMS
24 OF THREE (3) YEARS AND TWO (2) MEMBERS TO SERVE TERMS OF FOUR
25 (4) YEARS. A PARENT MEMBER APPOINTED UNDER PARAGRAPH (1) SHALL
26 SERVE A TERM OF FOUR (4) YEARS, PROVIDED THE MEMBER'S CHILD
27 REMAINS ENROLLED IN THE CHARTER SCHOOL OR CYBER CHARTER SCHOOL.

28 ANY APPOINTMENT TO FILL ANY VACANCY SHALL BE FOR THE PERIOD OF
29 THE UNEXPIRED TERM OR UNTIL A SUCCESSOR IS APPOINTED AND
30 QUALIFIED.

1 * * *

2 (E) MEETINGS OF THE APPEAL BOARD SHALL BE CONDUCTED UNDER
3 [THE ACT OF JULY 3, 1986 (P.L.388, NO.84), KNOWN AS THE
4 "SUNSHINE ACT."] 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).
5 DOCUMENTS OF THE APPEAL BOARD SHALL BE SUBJECT TO THE ACT OF
6 [JUNE 21, 1957 (P.L.390, NO.212), REFERRED TO AS THE RIGHT-TO-
7 KNOW LAW.] FEBRUARY 14, 2008 (P.L.6, NO.3), KNOWN AS THE "RIGHT-
8 TO-KNOW LAW."

9 SECTION 11. SECTION 1722-A OF THE ACT, AMENDED NOVEMBER 17,
10 2010 (P.L.996, NO.104), IS AMENDED TO READ:

11 SECTION 1722-A. FACILITIES.--(A) A CHARTER SCHOOL MAY BE
12 LOCATED IN AN EXISTING PUBLIC SCHOOL BUILDING, IN A PART OF AN
13 EXISTING PUBLIC SCHOOL BUILDING, IN SPACE PROVIDED ON A
14 PRIVATELY OWNED SITE, IN A PUBLIC BUILDING OR IN ANY OTHER
15 SUITABLE LOCATION.

16 (B) THE CHARTER SCHOOL FACILITY SHALL BE EXEMPT FROM PUBLIC
17 SCHOOL FACILITY REGULATIONS EXCEPT THOSE PERTAINING TO THE
18 HEALTH OR SAFETY OF [THE PUPILS] STUDENTS.

19 (D) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, A
20 SCHOOL DISTRICT [OF THE FIRST CLASS] MAY, IN ITS DISCRETION,
21 PERMIT A CHARTER SCHOOL TO OPERATE ITS SCHOOL AT MORE THAN ONE
22 LOCATION.

23 (E) (1) NOTWITHSTANDING THE PROVISIONS OF SECTION 204 OF
24 THE ACT OF MAY 22, 1933 (P.L.853, NO.155), KNOWN AS THE GENERAL
25 COUNTY ASSESSMENT LAW, ALL SCHOOL PROPERTY, REAL AND PERSONAL,
26 OWNED BY ANY CHARTER SCHOOL, CYBER CHARTER SCHOOL OR AN
27 ASSOCIATED NONPROFIT FOUNDATION, OR OWNED BY A NONPROFIT
28 CORPORATION, ASSOCIATED NONPROFIT CORPORATION OR NONPROFIT
29 FOUNDATION AND LEASED TO A CHARTER SCHOOL, CYBER CHARTER SCHOOL
30 [OR], ASSOCIATED NONPROFIT FOUNDATION OR ASSOCIATED NONPROFIT

1 CORPORATION AT OR BELOW FAIR MARKET VALUE, THAT IS OCCUPIED AND
2 USED BY ANY CHARTER SCHOOL OR CYBER CHARTER SCHOOL FOR PUBLIC
3 SCHOOL, RECREATION OR ANY OTHER PURPOSES PROVIDED FOR BY THIS
4 ACT, SHALL BE MADE EXEMPT FROM EVERY KIND OF STATE, COUNTY,
5 CITY, BOROUGH, TOWNSHIP OR OTHER REAL ESTATE TAX, INCLUDING
6 PAYMENTS IN LIEU OF TAXES ESTABLISHED THROUGH AGREEMENT WITH THE
7 COMMONWEALTH OR ANY LOCAL TAXING AUTHORITY, AS WELL AS FROM ALL
8 COSTS OR EXPENSES FOR PAVING, CURBING, SIDEWALKS, SEWERS OR
9 OTHER MUNICIPAL IMPROVEMENTS, PROVIDED, THAT ANY CHARTER SCHOOL
10 OR CYBER CHARTER SCHOOL OR OWNER OF PROPERTY LEASED TO A CHARTER
11 SCHOOL OR CYBER CHARTER SCHOOL MAY MAKE A MUNICIPAL IMPROVEMENT
12 IN A STREET ON WHICH ITS SCHOOL PROPERTY ABUTS OR MAY CONTRIBUTE
13 A SUM TOWARD THE COST OF THE IMPROVEMENT.

14 (2) ANY AGREEMENT ENTERED INTO BY A CHARTER SCHOOL, CYBER
15 CHARTER SCHOOL [OR], ASSOCIATED NONPROFIT FOUNDATION OR
16 ASSOCIATED NONPROFIT CORPORATION WITH THE COMMONWEALTH OR A
17 LOCAL TAXING AUTHORITY FOR PAYMENTS IN LIEU OF TAXES PRIOR TO
18 DECEMBER 31, 2009, SHALL BE NULL AND VOID.

19 (3) THIS SUBSECTION SHALL APPLY RETROACTIVELY TO ALL CHARTER
20 SCHOOLS, CYBER CHARTER SCHOOLS [AND], ASSOCIATED NONPROFIT
21 FOUNDATIONS AND ASSOCIATED NONPROFIT CORPORATIONS THAT FILED AN
22 APPEAL FROM AN ASSESSMENT, AS PROVIDED IN ARTICLE V OF THE
23 GENERAL COUNTY ASSESSMENT LAW, PRIOR TO THE EFFECTIVE DATE OF
24 THIS SUBSECTION AND UNTIL SUCH TIME AS A FINAL ORDER HAS BEEN
25 ENTERED.

26 (4) FOR PURPOSES OF THIS SUBSECTION, "LOCAL TAXING
27 AUTHORITY" SHALL INCLUDE, BUT NOT BE LIMITED TO, A COUNTY, CITY,
28 BOROUGH, INCORPORATED TOWN, TOWNSHIP OR SCHOOL DISTRICT.

29 (F) (1) ALCOHOLIC BEVERAGES SHALL NOT BE AVAILABLE FOR
30 CONSUMPTION, PURCHASE OR SALE IN ANY CHARTER SCHOOL OR CYBER

1 CHARTER SCHOOL FACILITY.

2 (2) IF THE LOCAL BOARD OF SCHOOL DIRECTORS REASONABLY
3 BELIEVES THAT ALCOHOLIC BEVERAGES HAVE BEEN MADE AVAILABLE FOR
4 CONSUMPTION, PURCHASE OR SALE IN ANY CHARTER SCHOOL OR CYBER
5 CHARTER SCHOOL FACILITY, THE LOCAL BOARD OF SCHOOL DIRECTORS
6 SHALL NOTIFY THE DEPARTMENT, AND THE SECRETARY SHALL ORDER THE
7 FOLLOWING FORFEITURES AGAINST THE CHARTER SCHOOL OR CYBER
8 CHARTER SCHOOL:

9 (I) A FINE OF \$1,000 FOR THE FIRST VIOLATION.

10 (II) A FINE OF \$5,000 FOR THE SECOND OR SUBSEQUENT
11 VIOLATION.

12 (3) THE CHARTER SCHOOL OR CYBER CHARTER SCHOOL MAY APPEAL
13 THE ORDER OF THE SECRETARY UNDER 2 PA.C.S. CHS. 5 (RELATING TO
14 PRACTICE AND PROCEDURE) AND 7 (RELATING TO JUDICIAL REVIEW).

15 SECTION 12. SECTION 1723-A(A) AND (D) OF THE ACT, AMENDED
16 JUNE 26, 1999 (P.L.394, NO.36) AND JULY 9, 2008 (P.L.846,
17 NO.61), ARE AMENDED TO READ:

18 SECTION 1723-A. ENROLLMENT.--(A) ALL RESIDENT CHILDREN IN
19 THIS COMMONWEALTH QUALIFY FOR ADMISSION TO A CHARTER SCHOOL
20 WITHIN THE PROVISIONS OF SUBSECTION (B). IF MORE STUDENTS APPLY
21 TO THE CHARTER SCHOOL THAN THE NUMBER OF ATTENDANCE SLOTS
22 AVAILABLE IN THE SCHOOL, THEN STUDENTS MUST BE SELECTED ON A
23 RANDOM BASIS FROM A POOL OF QUALIFIED APPLICANTS MEETING THE
24 ESTABLISHED ELIGIBILITY CRITERIA AND SUBMITTING AN APPLICATION
25 BY THE DEADLINE ESTABLISHED BY THE CHARTER SCHOOL, EXCEPT THAT
26 THE CHARTER SCHOOL MAY GIVE PREFERENCE IN ENROLLMENT TO A CHILD
27 OF A PARENT WHO HAS ACTIVELY PARTICIPATED IN THE DEVELOPMENT OF
28 THE CHARTER SCHOOL [AND], TO SIBLINGS OF STUDENTS PRESENTLY
29 ENROLLED IN THE CHARTER SCHOOL AND TO SIBLINGS OF STUDENTS
30 SELECTED FOR ENROLLMENT DURING THE LOTTERY PROCESS. FIRST

1 PREFERENCE SHALL BE GIVEN TO STUDENTS WHO RESIDE IN THE DISTRICT
2 OR DISTRICTS.

3 * * *

4 (D) (1) ENROLLMENT OF STUDENTS IN A CHARTER SCHOOL OR CYBER
5 CHARTER SCHOOL SHALL NOT BE SUBJECT TO A CAP OR OTHERWISE
6 LIMITED BY ANY PAST OR FUTURE ACTION OF A BOARD OF SCHOOL
7 DIRECTORS, A BOARD OF CONTROL ESTABLISHED UNDER ARTICLE XVII-B,
8 A SPECIAL BOARD OF CONTROL ESTABLISHED UNDER SECTION 692 OR ANY
9 OTHER GOVERNING AUTHORITY[, UNLESS AGREED TO BY THE CHARTER
10 SCHOOL OR CYBER CHARTER SCHOOL AS PART OF A WRITTEN CHARTER
11 PURSUANT TO SECTION 1720-A].

12 (2) THE PROVISIONS OF THIS SUBSECTION SHALL APPLY TO A
13 CHARTER SCHOOL OR CYBER CHARTER SCHOOL REGARDLESS OF WHETHER THE
14 CHARTER WAS APPROVED PRIOR TO OR IS APPROVED SUBSEQUENT TO THE
15 EFFECTIVE DATE OF THIS SUBSECTION.

16 SECTION 13. SECTION 1725-A OF THE ACT, AMENDED OR ADDED JUNE
17 19, 1997 (P.L.225, NO.22), JUNE 22, 2001 (P.L.530, NO.35) AND
18 JUNE 29, 2002 (P.L.524, NO.88), IS AMENDED TO READ:

19 SECTION 1725-A. FUNDING FOR CHARTER SCHOOLS.--(A) [FUNDING
20 FOR A CHARTER SCHOOL SHALL BE PROVIDED IN THE FOLLOWING MANNER:

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

23 (2) FOR NON-SPECIAL EDUCATION STUDENTS, THE CHARTER SCHOOL
24 SHALL RECEIVE FOR EACH STUDENT ENROLLED NO LESS THAN THE
25 BUDGETED TOTAL EXPENDITURE PER AVERAGE DAILY MEMBERSHIP OF THE
26 PRIOR SCHOOL YEAR, AS DEFINED IN SECTION 2501(20), MINUS THE
27 BUDGETED EXPENDITURES OF THE DISTRICT OF RESIDENCE FOR NONPUBLIC
28 SCHOOL PROGRAMS; ADULT EDUCATION PROGRAMS; COMMUNITY/JUNIOR
29 COLLEGE PROGRAMS; STUDENT TRANSPORTATION SERVICES; FOR SPECIAL
30 EDUCATION PROGRAMS; FACILITIES ACQUISITION, CONSTRUCTION AND

1 IMPROVEMENT SERVICES; AND OTHER FINANCING USES, INCLUDING DEBT
2 SERVICE AND FUND TRANSFERS AS PROVIDED IN THE MANUAL OF
3 ACCOUNTING AND RELATED FINANCIAL PROCEDURES FOR PENNSYLVANIA
4 SCHOOL SYSTEMS ESTABLISHED BY THE DEPARTMENT. THIS AMOUNT SHALL
5 BE PAID BY THE DISTRICT OF RESIDENCE OF EACH STUDENT.

6 (3) FOR SPECIAL EDUCATION STUDENTS, THE CHARTER SCHOOL SHALL
7 RECEIVE FOR EACH STUDENT ENROLLED THE SAME FUNDING AS FOR EACH
8 NON-SPECIAL EDUCATION STUDENT AS PROVIDED IN CLAUSE (2), PLUS AN
9 ADDITIONAL AMOUNT DETERMINED BY DIVIDING THE DISTRICT OF
10 RESIDENCE'S TOTAL SPECIAL EDUCATION EXPENDITURE BY THE PRODUCT
11 OF MULTIPLYING THE COMBINED PERCENTAGE OF SECTION 2509.5(K)
12 TIMES THE DISTRICT OF RESIDENCE'S TOTAL AVERAGE DAILY MEMBERSHIP
13 FOR THE PRIOR SCHOOL YEAR. THIS AMOUNT SHALL BE PAID BY THE
14 DISTRICT OF RESIDENCE OF EACH STUDENT.

15 (4) A CHARTER SCHOOL MAY REQUEST THE INTERMEDIATE UNIT IN
16 WHICH THE CHARTER SCHOOL IS LOCATED TO PROVIDE SERVICES TO
17 ASSIST THE CHARTER SCHOOL TO ADDRESS THE SPECIFIC NEEDS OF
18 EXCEPTIONAL STUDENTS. THE INTERMEDIATE UNIT SHALL ASSIST THE
19 CHARTER SCHOOL AND BILL THE CHARTER SCHOOL FOR THE SERVICES. THE
20 INTERMEDIATE UNIT MAY NOT CHARGE THE CHARTER SCHOOL MORE FOR ANY
21 SERVICE THAN IT CHARGES THE CONSTITUENT DISTRICTS OF THE
22 INTERMEDIATE UNIT.

23 (5) PAYMENTS SHALL BE MADE TO THE CHARTER SCHOOL IN TWELVE
24 (12) EQUAL MONTHLY PAYMENTS, BY THE FIFTH DAY OF EACH MONTH,
25 WITHIN THE OPERATING SCHOOL YEAR. A STUDENT ENROLLED IN A
26 CHARTER SCHOOL SHALL BE INCLUDED IN THE AVERAGE DAILY MEMBERSHIP
27 OF THE STUDENT'S DISTRICT OF RESIDENCE FOR THE PURPOSE OF
28 PROVIDING BASIC EDUCATION FUNDING PAYMENTS AND SPECIAL EDUCATION
29 FUNDING PURSUANT TO ARTICLE XXV. IF A SCHOOL DISTRICT FAILS TO
30 MAKE A PAYMENT TO A CHARTER SCHOOL AS PRESCRIBED IN THIS CLAUSE,

1 THE SECRETARY SHALL DEDUCT THE ESTIMATED AMOUNT, AS DOCUMENTED
2 BY THE CHARTER SCHOOL, FROM ANY AND ALL STATE PAYMENTS MADE TO
3 THE DISTRICT AFTER RECEIPT OF DOCUMENTATION FROM THE CHARTER
4 SCHOOL.

5 (6) WITHIN THIRTY (30) DAYS AFTER THE SECRETARY MAKES THE
6 DEDUCTION DESCRIBED IN CLAUSE (5), A SCHOOL DISTRICT MAY NOTIFY
7 THE SECRETARY THAT THE DEDUCTION MADE FROM STATE PAYMENTS TO THE
8 DISTRICT UNDER THIS SUBSECTION IS INACCURATE. THE SECRETARY
9 SHALL PROVIDE THE SCHOOL DISTRICT WITH AN OPPORTUNITY TO BE
10 HEARD CONCERNING WHETHER THE CHARTER SCHOOL DOCUMENTED THAT ITS
11 STUDENTS WERE ENROLLED IN THE CHARTER SCHOOL, THE PERIOD OF TIME
12 DURING WHICH EACH STUDENT WAS ENROLLED, THE SCHOOL DISTRICT OF
13 RESIDENCE OF EACH STUDENT AND WHETHER THE AMOUNTS DEDUCTED FROM
14 THE SCHOOL DISTRICT WERE ACCURATE.

15 (B) THE COMMONWEALTH SHALL PROVIDE TEMPORARY FINANCIAL
16 ASSISTANCE TO A SCHOOL DISTRICT DUE TO THE ENROLLMENT OF
17 STUDENTS IN A CHARTER SCHOOL WHO ATTENDED A NONPUBLIC SCHOOL IN
18 THE PRIOR SCHOOL YEAR IN ORDER TO OFFSET THE ADDITIONAL COSTS
19 DIRECTLY RELATED TO THE ENROLLMENT OF THOSE STUDENTS IN A PUBLIC
20 CHARTER SCHOOL. THE COMMONWEALTH SHALL PAY THE SCHOOL DISTRICT
21 OF RESIDENCE OF A STUDENT ENROLLED IN A NONPUBLIC SCHOOL IN THE
22 PRIOR SCHOOL YEAR WHO IS ATTENDING A CHARTER SCHOOL AN AMOUNT
23 EQUAL TO THE SCHOOL DISTRICT OF RESIDENCE'S BASIC EDUCATION
24 SUBSIDY FOR THE CURRENT SCHOOL YEAR DIVIDED BY THE DISTRICT'S
25 AVERAGE DAILY MEMBERSHIP FOR THE PRIOR SCHOOL YEAR. THIS PAYMENT
26 SHALL OCCUR ONLY FOR THE FIRST YEAR OF THE ATTENDANCE OF THE
27 STUDENT IN A CHARTER SCHOOL, STARTING WITH SCHOOL YEAR
28 1997-1998. TOTAL PAYMENTS OF TEMPORARY FINANCIAL ASSISTANCE TO
29 SCHOOL DISTRICTS ON BEHALF OF A STUDENT ENROLLING IN A CHARTER
30 SCHOOL WHO ATTENDED A NONPUBLIC SCHOOL IN THE PRIOR SCHOOL YEAR

1 SHALL BE LIMITED TO FUNDS APPROPRIATED FOR THIS PROGRAM IN A
2 FISCAL YEAR. IF THE TOTAL OF THE AMOUNT NEEDED FOR ALL STUDENTS
3 ENROLLED IN A NONPUBLIC SCHOOL IN THE PRIOR SCHOOL YEAR WHO
4 ENROLL IN A CHARTER SCHOOL EXCEEDS THE APPROPRIATION FOR THE
5 TEMPORARY FINANCIAL ASSISTANCE PROGRAM, THE AMOUNT PAID TO A
6 SCHOOL DISTRICT FOR EACH QUALIFYING STUDENT SHALL BE PRO RATA
7 REDUCED. RECEIPT OF FUNDS UNDER THIS SUBSECTION SHALL NOT
8 PRECLUDE A SCHOOL DISTRICT FROM APPLYING FOR A GRANT UNDER
9 SUBSECTION (C).

10 (C) THE COMMONWEALTH SHALL CREATE A GRANT PROGRAM TO PROVIDE
11 TEMPORARY TRANSITIONAL FUNDING TO A SCHOOL DISTRICT DUE TO THE
12 BUDGETARY IMPACT RELATING TO ANY STUDENT'S FIRST-YEAR ATTENDANCE
13 AT A CHARTER SCHOOL. THE DEPARTMENT SHALL DEVELOP CRITERIA WHICH
14 SHALL INCLUDE, BUT NOT BE LIMITED TO, THE OVERALL FISCAL IMPACT
15 ON THE BUDGET OF THE SCHOOL DISTRICT RESULTING FROM STUDENTS OF
16 A SCHOOL DISTRICT ATTENDING A CHARTER SCHOOL. THE CRITERIA SHALL
17 BE PUBLISHED IN THE PENNSYLVANIA BULLETIN. THIS SUBSECTION SHALL
18 NOT APPLY TO A PUBLIC SCHOOL CONVERTED TO A CHARTER SCHOOL UNDER
19 SECTION 1717-A(B). GRANTS SHALL BE LIMITED TO FUNDS APPROPRIATED
20 FOR THIS PURPOSE.

21 (D) IT SHALL BE LAWFUL FOR ANY CHARTER SCHOOL TO RECEIVE,
22 HOLD, MANAGE AND USE, ABSOLUTELY OR IN TRUST, ANY DEVISE,
23 BEQUEST, GRANT, ENDOWMENT, GIFT OR DONATION OF ANY PROPERTY,
24 REAL OR PERSONAL AND/OR MIXED, WHICH SHALL BE MADE TO THE
25 CHARTER SCHOOL FOR ANY OF THE PURPOSES OF THIS ARTICLE.

26 (E) IT SHALL BE UNLAWFUL FOR ANY TRUSTEE OF A CHARTER SCHOOL
27 OR ANY BOARD OF TRUSTEES OF A CHARTER SCHOOL OR ANY OTHER PERSON
28 AFFILIATED IN ANY WAY WITH A CHARTER SCHOOL TO DEMAND OR
29 REQUEST, DIRECTLY OR INDIRECTLY, ANY GIFT, DONATION OR
30 CONTRIBUTION OF ANY KIND FROM ANY PARENT, TEACHER, EMPLOYE OR

1 ANY OTHER PERSON AFFILIATED WITH THE CHARTER SCHOOL AS A
2 CONDITION FOR EMPLOYMENT OR ENROLLMENT AND/OR CONTINUED
3 ATTENDANCE OF ANY PUPIL. ANY DONATION, GIFT OR CONTRIBUTION
4 RECEIVED BY A CHARTER SCHOOL SHALL BE GIVEN FREELY AND
5 VOLUNTARILY.] FUNDING FOR A CHARTER SCHOOL ENTITY SHALL BE
6 PROVIDED IN THE FOLLOWING MANNER AND SHALL NOT BE IN VIOLATION
7 OF ANY APPLICABLE FEDERAL OR STATE LAW, REGULATION OR AGREEMENT:

8 (1) THERE SHALL BE NO TUITION CHARGE FOR A RESIDENT OR
9 NONRESIDENT STUDENT ATTENDING A CHARTER SCHOOL ENTITY.

10 (2) THE FOLLOWING APPLY:

11 (I) FOR NONSPECIAL EDUCATION STUDENTS, THE CHARTER SCHOOL
12 ENTITY SHALL RECEIVE FOR EACH STUDENT ENROLLED NO LESS THAN THE
13 BUDGETED TOTAL EXPENDITURE PER AVERAGE DAILY MEMBERSHIP OF THE
14 PRIOR SCHOOL YEAR, AS DEFINED IN SECTION 2501(20), MINUS THE
15 BUDGETED EXPENDITURES OF THE DISTRICT OF RESIDENCE FOR ALL OF
16 THE FOLLOWING:

17 (A) NONPUBLIC SCHOOL PROGRAMS.

18 (B) ADULT EDUCATION PROGRAMS.

19 (C) COMMUNITY AND JUNIOR COLLEGE PROGRAMS.

20 (D) STUDENT TRANSPORTATION SERVICES.

21 (E) SPECIAL EDUCATION PROGRAMS.

22 (F) FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT
23 SERVICES.

24 (G) OTHER FINANCING USES, INCLUDING DEBT SERVICE AND FUND
25 TRANSFERS AS PROVIDED IN THE MANUAL OF ACCOUNTING AND RELATED
26 FINANCIAL PROCEDURES FOR PENNSYLVANIA SCHOOL SYSTEMS ESTABLISHED
27 BY THE DEPARTMENT.

28 (I.1) THE AMOUNT UNDER SUBCLAUSE (I) SHALL BE CALCULATED BY
29 EACH SCHOOL DISTRICT ON A FORM PRESCRIBED BY THE SECRETARY IN
30 ACCORDANCE WITH THIS SECTION. THE SECRETARY, UPON RECEIPT OF A

1 DISTRICT'S CALCULATION, SHALL REVIEW THE DISTRICT'S CALCULATION
2 AND MAY REQUEST SUPPORTING DOCUMENTATION FROM THE DISTRICT
3 REGARDING ITS CALCULATION. IF THE SECRETARY FINDS AN ERROR OR
4 DISCREPANCY IN A DISTRICT'S CALCULATION, THE SECRETARY SHALL
5 REQUIRE THE DISTRICT TO CORRECT THE CALCULATION AND REQUIRE THE
6 SCHOOL DISTRICT TO NOTIFY AFFECTED CHARTER SCHOOL ENTITIES.

7 (II) THE FOLLOWING APPLY:

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

12 (B) IF A CHARTER SCHOOL ENTITY DISPUTES THE ACCURACY OF A
13 DISTRICT'S CALCULATION UNDER THIS CLAUSE, THE CHARTER SCHOOL
14 ENTITY SHALL FILE A NOTICE OF THE DISPUTE WITH THE SECRETARY,
15 WHO SHALL HOLD A HEARING TO DETERMINE THE ACCURACY OF THE
16 DISTRICT'S CALCULATION WITHIN THIRTY (30) DAYS OF THE NOTICE.

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

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

21 (E) THE DISTRICT SHALL BE LIABLE FOR THE REASONABLE LEGAL
22 FEES INCURRED BY A CHARTER SCHOOL ENTITY IF THE CHARTER SCHOOL
23 ENTITY IS THE SUBSTANTIALLY PREVAILING PARTY AFTER A HEARING
24 UNDER THIS SECTION. THE CHARTER SCHOOL ENTITY SHALL BE LIABLE
25 FOR THE REASONABLE LEGAL FEES INCURRED BY THE DISTRICT IF THE
26 DISTRICT IS THE SUBSTANTIALLY PREVAILING PARTY AFTER A HEARING
27 UNDER THIS SECTION.

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

30 (3) THE FOLLOWING APPLY:

1 (I) FOR SPECIAL EDUCATION STUDENTS, THE CHARTER SCHOOL
2 ENTITY SHALL RECEIVE FOR EACH STUDENT ENROLLED THE SAME FUNDING
3 AS FOR EACH NONSPECIAL EDUCATION STUDENT AS PROVIDED UNDER
4 CLAUSE (2), PLUS AN ADDITIONAL AMOUNT DETERMINED BY DIVIDING THE
5 TOTAL SPECIAL EDUCATION EXPENDITURE OF THE SCHOOL DISTRICT OF
6 RESIDENCE BY THE PRODUCT OF:

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

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

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

15 (III) IF A CHARTER SCHOOL ENTITY DISPUTES THE ACCURACY OF A
16 DISTRICT'S CALCULATION UNDER THIS CLAUSE, THE CHARTER SCHOOL
17 ENTITY SHALL FILE A NOTICE OF THE DISPUTE WITH THE SECRETARY,
18 WHO SHALL HOLD A HEARING TO DETERMINE THE ACCURACY OF THE
19 DISTRICT'S CALCULATION WITHIN THIRTY (30) DAYS OF THE NOTICE.

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

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

24 (VI) THE DISTRICT SHALL BE LIABLE FOR THE REASONABLE LEGAL
25 FEES INCURRED BY A CHARTER SCHOOL ENTITY IF THE CHARTER SCHOOL
26 ENTITY IS THE SUBSTANTIALLY PREVAILING PARTY AFTER A HEARING
27 UNDER THIS SECTION. THE CHARTER SCHOOL ENTITY SHALL BE LIABLE
28 FOR THE REASONABLE LEGAL FEES INCURRED BY THE SCHOOL DISTRICT IF
29 THE DISTRICT IS THE SUBSTANTIALLY PREVAILING PARTY AFTER A
30 HEARING UNDER THIS SECTION.

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

3 (4) A CHARTER SCHOOL ENTITY MAY REQUEST THE INTERMEDIATE
4 UNIT OR SCHOOL DISTRICT IN WHICH THE SCHOOL IS LOCATED TO
5 PROVIDE SERVICES TO ASSIST THE SCHOOL TO ADDRESS THE SPECIFIC
6 NEEDS OF NONSPECIAL EDUCATION AND EXCEPTIONAL STUDENTS. THE
7 INTERMEDIATE UNIT OR SCHOOL DISTRICT SHALL ASSIST THE CHARTER
8 SCHOOL ENTITY AND BILL THE SCHOOL FOR THE SERVICES. THE
9 INTERMEDIATE UNIT MAY NOT CHARGE THE CHARTER SCHOOL ENTITY MORE
10 FOR ANY SERVICE THAN IT CHARGES THE CONSTITUENT DISTRICTS OF THE
11 INTERMEDIATE UNIT. NOTHING UNDER THIS CLAUSE SHALL PRECLUDE AN
12 INTERMEDIATE UNIT OR SCHOOL DISTRICT FROM CONTRACTING WITH A
13 CHARTER SCHOOL ENTITY TO PROVIDE THE INTERMEDIATE UNIT OR SCHOOL
14 DISTRICT WITH SERVICES TO ASSIST THE INTERMEDIATE UNIT OR SCHOOL
15 DISTRICT TO ADDRESS SPECIFIC NEEDS OF NONSPECIAL EDUCATION AND
16 SPECIAL EDUCATION STUDENTS.

17 (5) THE FOLLOWING APPLY:

18 (I) PAYMENTS SHALL BE MADE TO THE CHARTER SCHOOL ENTITY IN
19 TWELVE (12) EQUAL MONTHLY PAYMENTS, ACCORDING TO THE ESTABLISHED
20 MONTHLY UNIPAY SCHEDULE WITHIN THE OPERATING SCHOOL YEAR.

21 (II) EXCEPT AS PROVIDED FOR IN SUBCLAUSE (V), PAYMENTS SHALL
22 BE MADE DIRECTLY BY THE SECRETARY DEDUCTING AND PAYING TO THE
23 CHARTER SCHOOL ENTITY THE ESTIMATED AMOUNT, AS DOCUMENTED BY THE
24 CHARTER SCHOOL ENTITY, FROM ALL STATE PAYMENTS DUE TO THE
25 DISTRICT OR, IF NO PAYMENTS ARE DUE TO THE DISTRICT FROM ALL
26 STATE PAYMENTS REASONABLY EXPECTED TO BE DUE IN THE NEXT
27 ESTABLISHED MONTHLY UNIPAY SCHEDULE, AFTER RECEIPT OF
28 DOCUMENTATION FROM THE CHARTER SCHOOL ENTITY AS TO ITS
29 ENROLLMENT.

30 (III) THE SECRETARY'S OBLIGATION TO MAKE PAYMENTS UNDER THIS

1 SECTION IS MANDATORY AND MINISTERIAL.

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

8 (V) THE BOARD OF TRUSTEES OF A CHARTER SCHOOL ENTITY MAY
9 ELECT ON AN ANNUAL BASIS TO BE PAID DIRECTLY FROM THE SCHOOL
10 DISTRICT OF RESIDENCE. ANY BOARD OF TRUSTEES OF A CHARTER SCHOOL
11 ENTITY THAT ELECTS TO BE PAID DIRECTLY BY THE SCHOOL DISTRICT OF
12 RESIDENCE SHALL NOTIFY THE DEPARTMENT IN ACCORDANCE WITH THE
13 TIMELINES ESTABLISHED IN THE DEPARTMENT GUIDELINES. THE SCHOOL
14 DISTRICT OF RESIDENCE SHALL PROVIDE FOR PAYMENT TO THE CHARTER
15 SCHOOL ENTITY AS FOLLOWS:

16 (A) PAYMENTS SHALL BE MADE TO THE CHARTER SCHOOL ENTITY IN
17 TWELVE (12) EQUAL MONTHLY PAYMENTS, ACCORDING TO THE ESTABLISHED
18 MONTHLY UNIPAY SCHEDULE, WITHIN THE OPERATING SCHOOL YEAR.

19 (B) PAYMENTS SHALL BE MADE DIRECTLY BY THE SCHOOL DISTRICT
20 OF RESIDENCE PAYING TO THE CHARTER SCHOOL ENTITY THE ESTIMATED
21 AMOUNT, AS DOCUMENTED BY THE CHARTER SCHOOL ENTITY, AFTER
22 RECEIPT OF DOCUMENTATION FROM THE CHARTER SCHOOL ENTITY AS TO
23 ITS ENROLLMENT.

24 (VI) A STUDENT ENROLLED IN A CHARTER SCHOOL ENTITY SHALL BE
25 INCLUDED IN THE AVERAGE DAILY MEMBERSHIP OF THE STUDENT'S SCHOOL
26 DISTRICT OF RESIDENCE FOR THE PURPOSE OF PROVIDING BASIC
27 EDUCATION FUNDING PAYMENTS AND SPECIAL EDUCATION FUNDING UNDER
28 ARTICLE XXV.

29 (6) THE FOLLOWING APPLY:

30 (I) WITHIN THIRTY (30) DAYS AFTER THE PAYMENT IS MADE TO THE

1 CHARTER SCHOOL ENTITY AS DESCRIBED UNDER CLAUSE (5), A SCHOOL
2 DISTRICT MAY NOTIFY THE SECRETARY THAT THE ESTIMATED AMOUNT, AS
3 DOCUMENTED BY THE CHARTER SCHOOL ENTITY, IS INACCURATE.

4 (II) THE SECRETARY SHALL PROVIDE THE SCHOOL DISTRICT WITH AN
5 OPPORTUNITY TO BE HEARD CONCERNING WHETHER THE CHARTER SCHOOL
6 ENTITY DOCUMENTED THAT ITS STUDENTS WERE ENROLLED IN THE CHARTER
7 SCHOOL ENTITY, THE PERIOD OF TIME DURING WHICH EACH STUDENT WAS
8 ENROLLED, THE SCHOOL DISTRICT OF RESIDENCE OF EACH STUDENT AND
9 WHETHER THE AMOUNTS DEDUCTED FROM OR PAID BY THE SCHOOL DISTRICT
10 WERE ACCURATE.

11 (III) THE BURDEN OF PROOF AND PRODUCTION AT THE HEARING
12 SHALL BE ON THE SCHOOL DISTRICT. A HEARING SHALL NOT BE HELD
13 BEFORE THE SECRETARY DEDUCTS AND TRANSFERS TO THE CHARTER SCHOOL
14 ENTITY THE AMOUNT ESTIMATED BY THE CHARTER SCHOOL ENTITY.

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

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

24 (VI) SUPERSEDEAS SHALL NOT BE GRANTED TO THE SECRETARY OR
25 ANY PARTY TO THE PROCEEDING ON AN APPEAL FROM THE DECISION OF
26 THE SECRETARY UNDER THIS SECTION; AND, ABSENT A COURT ORDER, THE
27 SECRETARY SHALL NOT HOLD ANY PAYMENTS IN ESCROW.

28 (B) IT SHALL BE LAWFUL FOR ANY CHARTER SCHOOL ENTITY TO
29 RECEIVE, HOLD, MANAGE AND USE, ABSOLUTELY OR IN TRUST, ANY
30 DEVISE, BEQUEST, GRANT, ENDOWMENT, GIFT OR DONATION OF ANY

1 PROPERTY, REAL OR PERSONAL AND MIXED, WHICH SHALL BE MADE TO THE
2 CHARTER SCHOOL ENTITY FOR ANY PURPOSE OF THIS ARTICLE.

3 (C) IT SHALL BE UNLAWFUL FOR ANY TRUSTEE OF A CHARTER SCHOOL
4 ENTITY OR ANY BOARD OF TRUSTEES OF A CHARTER SCHOOL ENTITY OR
5 ANY OTHER PERSON AFFILIATED IN ANY WAY WITH A CHARTER SCHOOL
6 ENTITY TO DEMAND OR REQUEST, DIRECTLY OR INDIRECTLY, ANY GIFT,
7 DONATION OR CONTRIBUTION OF ANY KIND FROM ANY PARENT, TEACHER,
8 EMPLOYE OR ANY OTHER PERSON AFFILIATED WITH THE SCHOOL AS A
9 CONDITION FOR EMPLOYMENT OR ENROLLMENT AND CONTINUED ATTENDANCE
10 OF ANY PUPIL. ANY DONATION, GIFT OR CONTRIBUTION RECEIVED BY A
11 CHARTER SCHOOL ENTITY MUST BE GIVEN FREELY AND VOLUNTARILY.

12 (D) A CYBER CHARTER SCHOOL MAY NOT PROVIDE DISCOUNTS TO A
13 SCHOOL DISTRICT OR WAIVE PAYMENTS UNDER THIS SECTION FOR ANY
14 STUDENT.

15 (E) THE DEPARTMENT SHALL DEVELOP A TRANSITION PROCEDURE TO
16 BE ABLE TO RECOUP IN SUBSEQUENT FISCAL YEARS ANY PAYMENTS MADE
17 IN ERROR TO A CHARTER SCHOOL ENTITY AS A RESULT OF DIRECT
18 PAYMENT BY THE DEPARTMENT TO THE CHARTER SCHOOL ENTITY.

19 SECTION 14. SECTION 1728-A(A) OF THE ACT, ADDED JUNE 19,
20 1997 (P.L.225, NO.22), IS AMENDED AND THE SECTION IS AMENDED BY
21 ADDING SUBSECTIONS TO READ:

22 SECTION 1728-A. ANNUAL REPORTS AND ASSESSMENTS.--(A) (1)
23 THE LOCAL BOARD OF SCHOOL DIRECTORS SHALL ANNUALLY ASSESS
24 WHETHER EACH CHARTER SCHOOL IS MEETING THE GOALS OF ITS CHARTER
25 AND SHALL CONDUCT A COMPREHENSIVE REVIEW PRIOR TO GRANTING A
26 [FIVE (5)] TEN (10) YEAR RENEWAL OF THE CHARTER. THE LOCAL BOARD
27 OF SCHOOL DIRECTORS SHALL HAVE ONGOING ACCESS TO THE RECORDS AND
28 FACILITIES OF THE CHARTER SCHOOL TO ENSURE THAT THE CHARTER
29 SCHOOL IS IN COMPLIANCE WITH ITS CHARTER AND THIS ACT AND THAT
30 REQUIREMENTS FOR TESTING, CIVIL RIGHTS AND STUDENT HEALTH AND

1 SAFETY ARE BEING MET.

2 (2) ONGOING ACCESS TO A CHARTER SCHOOL'S RECORDS SHALL MEAN
3 THAT THE LOCAL BOARD OF SCHOOL DIRECTORS SHALL HAVE ACCESS TO
4 RECORDS SUCH AS FINANCIAL REPORTS, FINANCIAL AUDITS, AGGREGATE
5 STANDARDIZED TEST SCORES WITHOUT STUDENT-IDENTIFYING INFORMATION
6 AND TEACHER CERTIFICATION AND PERSONNEL RECORDS.

7 (3) SCHOOLS AND SCHOOL ENTITIES SHALL COMPLY FULLY WITH THE
8 REQUIREMENTS OF THE FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF
9 1974 (PUBLIC LAW 90-247, 20 U.S.C. § 1232G) AND ASSOCIATED
10 REGULATIONS. NO PERSONALLY IDENTIFIABLE INFORMATION FROM
11 EDUCATION RECORDS SHALL BE PROVIDED BY THE CHARTER SCHOOL TO THE
12 SCHOOL DISTRICT EXCEPT IN COMPLIANCE WITH THE FAMILY EDUCATIONAL
13 RIGHTS AND PRIVACY ACT OF 1974.

14 * * *

15 (D) A CHARTER SCHOOL SHALL FORM AN INDEPENDENT AUDIT
16 COMMITTEE OF ITS BOARD MEMBERS WHICH SHALL REVIEW AT THE CLOSE
17 OF EACH FISCAL YEAR A COMPLETE CERTIFIED AUDIT OF THE OPERATIONS
18 OF THE CHARTER SCHOOL. THE AUDIT SHALL BE CONDUCTED BY A
19 QUALIFIED INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT. THE AUDIT
20 SHALL BE CONDUCTED UNDER GENERALLY ACCEPTED AUDIT STANDARDS OF
21 THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD AND SHALL INCLUDE
22 THE FOLLOWING:

23 (1) AN ENROLLMENT TEST TO VERIFY THE ACCURACY OF STUDENT
24 ENROLLMENT AND REPORTING TO THE STATE.

25 (2) FULL REVIEW OF EXPENSE REIMBURSEMENTS FOR BOARD MEMBERS
26 AND ADMINISTRATORS, INCLUDING SAMPLING OF ALL REIMBURSEMENTS.

27 (3) REVIEW OF INTERNAL CONTROLS, INCLUDING REVIEW OF
28 RECEIPTS AND DISBURSEMENTS.

29 (4) REVIEW OF ANNUAL FEDERAL AND STATE TAX FILINGS,
30 INCLUDING THE INTERNAL REVENUE SERVICE CODE FORM 990, RETURN OF

1 ORGANIZATION EXEMPT FROM INCOME TAX AND ALL RELATED SCHEDULES
2 AND APPENDICES FOR THE CHARTER SCHOOL AND CHARTER SCHOOL
3 FOUNDATION, IF APPLICABLE.

4 (5) REVIEW OF THE FINANCIAL STATEMENTS OF ANY CHARTER SCHOOL
5 FOUNDATION.

6 (6) REVIEW THE SELECTION AND ACCEPTANCE PROCESS OF ALL
7 CONTRACTS PUBLICLY BID PURSUANT TO SECTION 751.

8 (7) REVIEW OF ALL BOARD POLICIES AND PROCEDURES WITH REGARD
9 TO INTERNAL CONTROLS, CODE OF ETHICS, CONFLICTS OF INTEREST,
10 WHISTLE-BLOWER PROTECTIONS, COMPLAINTS FROM PARENTS OR THE
11 PUBLIC, COMPLIANCE WITH 65 PA.C.S. CH. 7 (RELATING TO OPEN
12 MEETINGS), COMPLIANCE WITH THE "RIGHT-TO-KNOW LAW," FINANCES,
13 BUDGETING, AUDITS, PUBLIC BIDDING AND BONDING.

14 (E) THE CERTIFIED AUDIT UNDER SUBSECTION (D) AND THE ANNUAL
15 BUDGET UNDER SUBSECTION (G) ARE PUBLIC DOCUMENTS AND SHALL BE
16 MADE AVAILABLE ON THE SCHOOL DISTRICT'S PUBLICLY ACCESSIBLE
17 INTERNET WEBSITE AND THE CHARTER SCHOOL'S PUBLICLY ACCESSIBLE
18 INTERNET WEBSITE, IF APPLICABLE.

19 (F) A CHARTER SCHOOL MAY BE SUBJECT TO AN ANNUAL AUDIT BY
20 THE AUDITOR GENERAL, IN ADDITION TO ANY OTHER AUDITS REQUIRED BY
21 FEDERAL LAW OR THIS ARTICLE.

22 (G) A CHARTER SCHOOL SHALL ANNUALLY PROVIDE THE SCHOOL
23 DISTRICT AND THE DEPARTMENT WITH A COPY OF THE ANNUAL BUDGET FOR
24 THE OPERATION OF THE SCHOOL THAT IDENTIFIES THE FOLLOWING:

25 (1) THE SOURCE OF FUNDING FOR ALL EXPENDITURES AS PART OF
26 ITS REPORTING UNDER SUBSECTION (A).

27 (2) WHERE FUNDING IS PROVIDED BY A CHARTER SCHOOL
28 FOUNDATION, THE AMOUNT OF FUNDS AND A DESCRIPTION OF THE USE OF
29 THE FUNDS.

30 (3) THE SALARIES OF ALL ADMINISTRATORS OF THE CHARTER

1 SCHOOL.

2 (4) ALL EXPENDITURES TO AN EDUCATIONAL MANAGEMENT SERVICE
3 PROVIDER.

4 (H) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A
5 CHARTER SCHOOL AND ANY AFFILIATED CHARTER SCHOOL FOUNDATION
6 SHALL MAKE COPIES OF ITS ANNUAL FEDERAL AND STATE TAX FILINGS
7 AVAILABLE UPON REQUEST AND ON THE FOUNDATION'S OR SCHOOL'S
8 PUBLICLY ACCESSIBLE INTERNET WEBSITE, IF APPLICABLE, INCLUDING
9 INTERNAL REVENUE SERVICE CODE FORM 990, RETURN OF ORGANIZATION
10 EXEMPT FROM INCOME TAX AND ALL RELATED SCHEDULES AND APPENDICES.

11 (2) THE CHARTER SCHOOL FOUNDATION SHALL ALSO MAKE COPIES OF
12 ITS ANNUAL BUDGET AVAILABLE UPON REQUEST AND ON THE FOUNDATION'S
13 OR THE SCHOOL'S PUBLICLY ACCESSIBLE INTERNET WEBSITE WITHIN
14 THIRTY (30) DAYS OF THE CLOSE OF THE FOUNDATION'S FISCAL YEAR.

15 (3) THE ANNUAL BUDGET SHALL INCLUDE THE SALARIES OF ALL
16 EMPLOYEES OF THE CHARTER SCHOOL FOUNDATION.

17 SECTION 15. SECTION 1729-A(A), (B) AND (C) OF THE ACT, ADDED
18 JUNE 19, 1997 (P.L.225, NO.22), ARE AMENDED TO READ:

19 SECTION 1729-A. CAUSES FOR NONRENEWAL OR TERMINATION.--(A)
20 DURING THE TERM OF THE CHARTER OR AT THE END OF THE TERM OF THE
21 CHARTER, THE LOCAL BOARD OF SCHOOL DIRECTORS MAY CHOOSE TO
22 REVOKE OR NOT TO RENEW THE CHARTER BASED ON ANY OF THE
23 FOLLOWING:

24 (1) ONE OR MORE MATERIAL VIOLATIONS OF ANY OF THE
25 CONDITIONS, STANDARDS OR PROCEDURES CONTAINED IN THE WRITTEN
26 CHARTER SIGNED PURSUANT TO SECTION 1720-A.

27 (2) FAILURE TO MEET THE REQUIREMENTS FOR STUDENT PERFORMANCE
28 [SET FORTH IN 22 PA. CODE CH. 5 (RELATING TO CURRICULUM) OR
29 SUBSEQUENT REGULATIONS PROMULGATED TO REPLACE 22 PA. CODE CH. 5]
30 ASSESSMENTS OR FAILURE TO MEET ANY PERFORMANCE STANDARD SET

1 FORTH IN THE WRITTEN CHARTER SIGNED PURSUANT TO SECTION 1716-A.

2 (3) FAILURE TO MEET GENERALLY ACCEPTED STANDARDS OF FISCAL
3 MANAGEMENT OR AUDIT REQUIREMENTS.

4 (4) VIOLATION OF PROVISIONS OF THIS ARTICLE.

5 (5) VIOLATION OF ANY PROVISION OF LAW FROM WHICH THE CHARTER
6 SCHOOL HAS NOT BEEN EXEMPTED, INCLUDING FEDERAL LAWS AND
7 REGULATIONS GOVERNING CHILDREN WITH DISABILITIES.

8 [(6) THE CHARTER SCHOOL HAS BEEN CONVICTED OF FRAUD.]

9 * * *

10 (B) [A MEMBER OF THE BOARD OF TRUSTEES WHO IS CONVICTED OF A
11 FELONY OR ANY CRIME INVOLVING MORAL TURPITUDE SHALL BE
12 IMMEDIATELY DISQUALIFIED FROM SERVING ON THE BOARD OF TRUSTEES.]
13 IF, AFTER A HEARING UNDER THIS SECTION, A LOCAL BOARD OF SCHOOL
14 DIRECTORS PROVES BY A PREPONDERANCE OF THE EVIDENCE THAT AN
15 ADMINISTRATOR OR BOARD MEMBER OF A CHARTER SCHOOL HAS VIOLATED
16 THIS ARTICLE, THE TERMS AND CONDITIONS OF THE CHARTER OR ANY
17 OTHER VIOLATION OF LAW, THE LOCAL BOARD OF SCHOOL DIRECTORS MAY
18 REQUIRE THE CHARTER SCHOOL TO REPLACE THE ADMINISTRATOR OR BOARD
19 MEMBER IN ORDER TO OBTAIN RENEWAL OF THE CHARTER. THE LOCAL
20 BOARD OF SCHOOL DIRECTORS MAY REFER ITS FINDINGS TO THE DISTRICT
21 ATTORNEY WITH JURISDICTION OR TO THE OFFICE OF ATTORNEY GENERAL
22 FOR PROSECUTION IF THE LOCAL BOARD OF SCHOOL DIRECTORS DISCOVERS
23 OR RECEIVES INFORMATION ABOUT POSSIBLE VIOLATIONS OF LAW BY ANY
24 PERSON AFFILIATED WITH OR EMPLOYED BY A CHARTER SCHOOL.

25 (C) ANY NOTICE OF REVOCATION OR NONRENEWAL OF A CHARTER
26 GIVEN BY THE LOCAL BOARD OF SCHOOL DIRECTORS OF A SCHOOL
27 DISTRICT SHALL STATE THE GROUNDS FOR SUCH ACTION WITH REASONABLE
28 SPECIFICITY AND GIVE REASONABLE NOTICE TO THE GOVERNING BOARD OF
29 THE CHARTER SCHOOL OF THE DATE ON WHICH A PUBLIC HEARING
30 CONCERNING THE REVOCATION OR NONRENEWAL WILL BE HELD. THE LOCAL

1 BOARD OF SCHOOL DIRECTORS SHALL CONDUCT SUCH HEARING, PRESENT
2 EVIDENCE IN SUPPORT OF THE GROUNDS FOR REVOCATION OR NONRENEWAL
3 STATED IN ITS NOTICE AND GIVE THE CHARTER SCHOOL REASONABLE
4 OPPORTUNITY TO OFFER TESTIMONY BEFORE TAKING FINAL ACTION.
5 FORMAL ACTION REVOKING OR NOT RENEWING A CHARTER SHALL BE TAKEN
6 BY THE LOCAL BOARD OF SCHOOL DIRECTORS AT A PUBLIC MEETING
7 PURSUANT TO [THE ACT OF JULY 3, 1986 (P.L.388, NO.84), KNOWN AS
8 THE "SUNSHINE ACT,"] 65 PA.C.S. CH. 7 (RELATING TO OPEN
9 MEETINGS) AFTER THE PUBLIC HAS HAD THIRTY (30) DAYS TO PROVIDE
10 COMMENTS TO THE BOARD. ALL PROCEEDINGS OF THE LOCAL BOARD
11 PURSUANT TO THIS SUBSECTION SHALL BE SUBJECT TO 2 PA.C.S. CH. 5
12 SUBCH. B (RELATING TO PRACTICE AND PROCEDURE OF LOCAL AGENCIES).
13 EXCEPT AS PROVIDED IN SUBSECTION (D), THE DECISION OF THE LOCAL
14 BOARD SHALL NOT BE SUBJECT TO 2 PA.C.S. CH. 7 SUBCH. B (RELATING
15 TO JUDICIAL REVIEW OF LOCAL AGENCY ACTION).

16 * * *

17 SECTION 16. SECTION 1732-A OF THE ACT, AMENDED JUNE 29, 2002
18 (P.L.524, NO.88), IS AMENDED TO READ:

19 SECTION 1732-A. PROVISIONS APPLICABLE TO CHARTER SCHOOLS.--

20 (A) CHARTER SCHOOLS SHALL BE SUBJECT TO THE FOLLOWING:

21 SECTIONS 108, 110, 111, 321, 325, 326, 327, 431, 436, 443,
22 510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753,
23 [755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(A),
24 1205.3, 1205.4, 1205.5, 1301, 1302, 1303, 1310, 1317, 1317.1,
25 1317.2, 1317.3, 1318, 1327, 1330, 1332, 1303-A, 1513, 1517,
26 1518, 1521, 1523, 1531, 1547, 2014-A, ARTICLE XIII-A AND ARTICLE
27 XIV.

28 ACT OF JULY 19, 1957 (P.L.1017, NO.451), KNOWN AS THE "STATE
29 ADVERSE INTEREST ACT."

30 ACT OF JULY 17, 1961 (P.L.776, NO.341), KNOWN AS THE

1 "PENNSYLVANIA FAIR EDUCATIONAL OPPORTUNITIES ACT."

2 ACT OF JULY 19, 1965 (P.L.215, NO.116), ENTITLED "AN ACT
3 PROVIDING FOR THE USE OF EYE PROTECTIVE DEVICES BY PERSONS
4 ENGAGED IN HAZARDOUS ACTIVITIES OR EXPOSED TO KNOWN DANGERS IN
5 SCHOOLS, COLLEGES AND UNIVERSITIES."

6 SECTION 4 OF THE ACT OF JANUARY 25, 1966 (1965 P.L.1546,
7 NO.541), ENTITLED "AN ACT PROVIDING SCHOLARSHIPS AND PROVIDING
8 FUNDS TO SECURE FEDERAL FUNDS FOR QUALIFIED STUDENTS OF THE
9 COMMONWEALTH OF PENNSYLVANIA WHO NEED FINANCIAL ASSISTANCE TO
10 ATTEND POSTSECONDARY INSTITUTIONS OF HIGHER LEARNING, MAKING AN
11 APPROPRIATION, AND PROVIDING FOR THE ADMINISTRATION OF THIS
12 ACT."

13 ACT OF JULY 12, 1972 (P.L.765, NO.181), ENTITLED "AN ACT
14 RELATING TO DRUGS AND ALCOHOL AND THEIR ABUSE, PROVIDING FOR
15 PROJECTS AND PROGRAMS AND GRANTS TO EDUCATIONAL AGENCIES, OTHER
16 PUBLIC OR PRIVATE AGENCIES, INSTITUTIONS OR ORGANIZATIONS."

17 ACT OF DECEMBER 15, 1986 (P.L.1595, NO.175), KNOWN AS THE
18 "ANTIHAZING LAW."

19 THE "RIGHT-TO-KNOW LAW."

20 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).

21 65 PA.C.S. CH. 11 (RELATING TO ETHICS STANDARDS AND FINANCIAL
22 DISCLOSURE).

23 (B) CHARTER SCHOOLS SHALL BE SUBJECT TO THE FOLLOWING
24 PROVISIONS OF 22 PA. CODE:

25 [SECTION 5.216 (RELATING TO ESOL) .

26 SECTION 5.4 (RELATING TO GENERAL POLICIES) .]

27 CHAPTER 4 (RELATING TO ACADEMIC STANDARDS AND ASSESSMENTS) .

28 CHAPTER 11 (RELATING TO PUPIL ATTENDANCE) .

29 CHAPTER 12 (RELATING TO STUDENTS) .

30 SECTION 32.3 (RELATING TO ASSURANCES) .

1 SECTION 121.3 (RELATING TO DISCRIMINATION PROHIBITED) .

2 SECTION 235.4 (RELATING TO PRACTICES) .

3 SECTION 235.8 (RELATING TO CIVIL RIGHTS) .

4 CHAPTER 711 (RELATING TO CHARTER SCHOOL SERVICES AND PROGRAMS
5 FOR CHILDREN WITH DISABILITIES) .

6 (C) (1) THE SECRETARY MAY PROMULGATE ADDITIONAL REGULATIONS
7 RELATING TO CHARTER SCHOOLS.

8 (2) THE SECRETARY SHALL HAVE THE AUTHORITY AND THE
9 RESPONSIBILITY TO ENSURE THAT CHARTER SCHOOLS COMPLY WITH
10 FEDERAL LAWS AND REGULATIONS GOVERNING CHILDREN WITH
11 DISABILITIES. THE SECRETARY SHALL PROMULGATE REGULATIONS TO
12 IMPLEMENT THIS PROVISION.

13 (3) (I) WITHIN ONE (1) YEAR OF THE EFFECTIVE DATE OF THIS
14 CLAUSE, THE DEPARTMENT SHALL DEVELOP A STANDARD PERFORMANCE
15 MATRIX TO EVALUATE CHARTER SCHOOL PERFORMANCE AND SHALL
16 PROMULGATE REGULATIONS PURSUANT TO THE ACT OF JUNE 25, 1982
17 (P.L.633, NO.181), KNOWN AS THE "REGULATORY REVIEW ACT," TO
18 IMPLEMENT THIS SECTION.

19 (II) THE PERFORMANCE MATRIX MAY ASSESS PERFORMANCE BY
20 UTILIZING OBJECTIVE CRITERIA, INCLUDING, BUT NOT LIMITED TO:
21 STUDENT PERFORMANCE ON THE PENNSYLVANIA SYSTEM OF SCHOOL
22 ASSESSMENT TEST, THE KEYSTONE EXAM OR ANOTHER TEST ESTABLISHED
23 BY THE STATE BOARD TO MEET THE REQUIREMENTS OF SECTION 2603-B(D)
24 (10) (I) AND REQUIRED UNDER THE NO CHILD LEFT BEHIND ACT OF 2001
25 (PUBLIC LAW 107-110, 115 STAT. 1425) OR ITS SUCCESSOR FEDERAL
26 STATUTE; ANNUAL GROWTH AS MEASURED BY THE PENNSYLVANIA VALUE-
27 ADDED ASSESSMENT SYSTEM; ATTENDANCE; ATTRITION RATES; GRADUATION
28 RATES; OTHER STANDARDIZED TEST SCORES; SCHOOL SAFETY; PARENT
29 SATISFACTION; ACCREDITATION BY A NATIONALLY RECOGNIZED
30 ACCREDITATION AGENCY, INCLUDING THE MIDDLE STATES ASSOCIATION OF

1 COLLEGES AND SCHOOLS OR ANOTHER REGIONAL INSTITUTIONAL
2 ACCREDITING AGENCY RECOGNIZED BY THE UNITED STATES DEPARTMENT OF
3 EDUCATION OR AN EQUIVALENT FEDERALLY RECOGNIZED BODY FOR CHARTER
4 SCHOOL EDUCATION; AND OTHER MEASURES OF SCHOOL QUALITY,
5 INCLUDING MEASURES FOR ASSESSING TEACHER EFFECTIVENESS.

6 (III) THE DEPARTMENT SHALL DEVELOP THE PERFORMANCE MATRIX
7 WITH INPUT FROM CHARTER SCHOOL OPERATORS AND MAY CONTRACT FOR
8 CONSULTING SERVICES WITH AN ENTITY THAT HAS EXPERIENCE IN
9 DEVELOPING PERFORMANCE MATRICES IF THE SERVICES ARE PROCURED
10 THROUGH A COMPETITIVE BIDDING PROCESS.

11 (IV) NO LOCAL BOARD OF SCHOOL DIRECTORS MAY DEVELOP A
12 SEPARATE PERFORMANCE MATRIX FOR THE EVALUATION OF A CHARTER
13 SCHOOL.

14 (V) A LOCAL BOARD OF SCHOOL DIRECTORS SHALL UTILIZE THE
15 STANDARD PERFORMANCE MATRIX AS A PRIMARY FACTOR IN EVALUATING
16 NEW AND RENEWAL CHARTER SCHOOL APPLICANTS AND IN ANNUAL
17 MONITORING AND EVALUATION OF CHARTER SCHOOLS.

18 (VI) THE DEPARTMENT SHALL DISTRIBUTE THE PERFORMANCE MATRIX
19 TO ALL LOCAL BOARDS OF SCHOOL DIRECTORS AND SHALL PUBLISH THE
20 MATRIX ON THE DEPARTMENT'S PUBLICLY ACCESSIBLE INTERNET WEBSITE.

21 SECTION 17. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

22 SECTION 1733-A. EFFECT ON EXISTING CHARTER SCHOOLS.-- (A)
23 WITHIN ONE (1) YEAR OF THE EFFECTIVE DATE OF THIS SECTION, A
24 CHARTER SCHOOL ESTABLISHED UNDER SECTION 1717-A OR 1718-A PRIOR
25 TO THE EFFECTIVE DATE OF THIS SECTION SHALL AMEND THE CURRENT
26 CHARTER THROUGH THE AMENDMENT PROCESS UNDER SECTION 1720-A(B) AS
27 NEEDED TO REFLECT THE REQUIREMENTS OF THIS ARTICLE. ANY RENEWAL
28 THAT TAKES EFFECT AFTER JULY 15, 2012, SHALL BE FOR THE TERM
29 SPECIFIED UNDER SECTION 1720-A(A).

30 (B) A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL APPROVED

1 AFTER THE EFFECTIVE DATE OF THIS SECTION SHALL BE IN FULL
2 COMPLIANCE WITH THIS ARTICLE.

3 SECTION 18. SECTIONS 1741-A(C) AND 1742-A OF THE ACT, ADDED
4 JUNE 29, 2002 (P.L.524, NO.88), ARE AMENDED TO READ:

5 SECTION 1741-A. POWERS AND DUTIES OF DEPARTMENT.

6 * * *

7 (C) DOCUMENTS.--DOCUMENTS OF THE APPEAL BOARD SHALL BE
8 SUBJECT TO [THE ACT OF JUNE 21, 1957 (P.L.390, NO.212), REFERRED
9 TO AS] THE RIGHT-TO-KNOW LAW.

10 SECTION 1742-A. ASSESSMENT AND EVALUATION.

11 THE DEPARTMENT SHALL:

12 (1) ANNUALLY ASSESS WHETHER EACH CYBER CHARTER SCHOOL IS
13 MEETING THE GOALS OF ITS CHARTER AND IS IN COMPLIANCE WITH
14 THE PROVISIONS OF THE CHARTER AND CONDUCT A COMPREHENSIVE
15 REVIEW PRIOR TO GRANTING A [FIVE-YEAR] TEN-YEAR RENEWAL OF
16 THE CHARTER.

17 (2) ANNUALLY REVIEW EACH CYBER CHARTER SCHOOL'S
18 PERFORMANCE ON THE PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT
19 TEST, STANDARDIZED TESTS AND OTHER PERFORMANCE INDICATORS TO
20 ENSURE COMPLIANCE WITH 22 PA. CODE CH. 4 (RELATING TO
21 ACADEMIC STANDARDS AND ASSESSMENT) OR SUBSEQUENT REGULATIONS
22 PROMULGATED TO REPLACE 22 PA. CODE CH. 4.

23 (3) HAVE ONGOING ACCESS TO ALL RECORDS, INSTRUCTIONAL
24 MATERIALS AND STUDENT AND STAFF RECORDS OF EACH CYBER CHARTER
25 SCHOOL AND TO EVERY CYBER CHARTER SCHOOL FACILITY TO ENSURE
26 THE CYBER CHARTER SCHOOL IS IN COMPLIANCE WITH ITS CHARTER
27 AND THIS SUBDIVISION.

28 SECTION 19. SECTION 1745-A(F) OF THE ACT, ADDED JUNE 29,
29 2002 (P.L.524, NO.88), IS AMENDED AND THE SECTION IS AMENDED BY
30 ADDING A SUBSECTION TO READ:

1 SECTION 1745-A. ESTABLISHMENT OF CYBER CHARTER SCHOOL.

2 * * *

3 (B.1) LOCAL BOARD OF SCHOOL DIRECTORS OR INTERMEDIATE
4 UNIT.--

5 (1) A CYBER CHARTER SCHOOL MAY BE ESTABLISHED BY A LOCAL
6 BOARD OF SCHOOL DIRECTORS OR AN INTERMEDIATE UNIT IF THE
7 PROCEDURES AND REQUIREMENTS OF THIS ARTICLE ARE SATISFIED.

8 (2) NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO
9 PRECLUDE A SCHOOL DISTRICT OR AN INTERMEDIATE UNIT FROM
10 OFFERING INSTRUCTION VIA THE INTERNET OR OTHER ELECTRONIC
11 MEANS, EXCEPT THAT THE INSTRUCTION SHALL NOT BE RECOGNIZED AS
12 A CYBER CHARTER SCHOOL UNDER THIS ARTICLE.

13 * * *

14 (F) EVALUATION CRITERIA.--

15 (1) A CYBER CHARTER SCHOOL APPLICATION SUBMITTED UNDER
16 THIS SUBDIVISION SHALL BE EVALUATED BY THE DEPARTMENT BASED
17 ON THE FOLLOWING CRITERIA:

18 (I) THE DEMONSTRATED, SUSTAINABLE SUPPORT FOR THE
19 CYBER CHARTER SCHOOL PLAN BY TEACHERS, PARENTS OR
20 GUARDIANS AND STUDENTS.

21 (II) THE CAPABILITY OF THE CYBER CHARTER SCHOOL
22 APPLICANT, IN TERMS OF SUPPORT AND PLANNING, TO PROVIDE
23 COMPREHENSIVE LEARNING EXPERIENCES TO STUDENTS UNDER THE
24 CHARTER.

25 (III) THE EXTENT TO WHICH THE PROGRAMS OUTLINED IN
26 THE APPLICATION WILL ENABLE STUDENTS TO MEET THE ACADEMIC
27 STANDARDS UNDER 22 PA. CODE CH. 4 (RELATING TO ACADEMIC
28 STANDARDS AND ASSESSMENT) OR SUBSEQUENT REGULATIONS
29 PROMULGATED TO REPLACE 22 PA. CODE CH. 4.

30 (IV) THE EXTENT TO WHICH THE APPLICATION MEETS THE

1 REQUIREMENTS OF SECTION 1747-A.

2 [(V) THE EXTENT TO WHICH THE CYBER CHARTER SCHOOL
3 MAY SERVE AS A MODEL FOR OTHER PUBLIC SCHOOLS.]

4 (2) WRITTEN NOTICE OF THE ACTION OF THE DEPARTMENT SHALL
5 BE SENT BY CERTIFIED MAIL TO THE APPLICANT AND PUBLISHED ON
6 THE DEPARTMENT'S [WORLD WIDE WEB SITE] PUBLICLY ACCESSIBLE
7 INTERNET WEBSITE. IF THE APPLICATION IS DENIED, THE REASONS
8 FOR DENIAL, INCLUDING A DESCRIPTION OF DEFICIENCIES IN THE
9 APPLICATION, SHALL BE CLEARLY STATED IN THE NOTICE.

10 (3) UPON APPROVAL OF A CYBER CHARTER SCHOOL APPLICATION,
11 A WRITTEN CHARTER SHALL BE DEVELOPED WHICH SHALL CONTAIN THE
12 PROVISIONS OF THE CHARTER APPLICATION AND BE SIGNED BY THE
13 SECRETARY AND EACH MEMBER OF THE BOARD OF TRUSTEES OF THE
14 CYBER CHARTER SCHOOL. THE CHARTER, WHEN DULY SIGNED, SHALL
15 ACT AS LEGAL AUTHORIZATION OF THE ESTABLISHMENT OF A CYBER
16 CHARTER SCHOOL. THE CHARTER SHALL BE LEGALLY BINDING ON THE
17 DEPARTMENT, THE CYBER CHARTER SCHOOL AND ITS BOARD OF
18 TRUSTEES. THE CHARTER SHALL BE FOR A PERIOD OF [NO LESS THAN
19 THREE YEARS NOR MORE THAN] FIVE (5) YEARS AND MAY BE RENEWED
20 FOR A PERIOD OF [FIVE] TEN (10) YEARS BY THE DEPARTMENT.

21 (4) THE DECISION OF THE DEPARTMENT TO DENY AN
22 APPLICATION MAY BE APPEALED TO THE APPEAL BOARD.

23 (5) (I) A CYBER CHARTER SCHOOL MAY REQUEST AMENDMENTS
24 TO ITS APPROVED WRITTEN CHARTER BY FILING A WRITTEN DOCUMENT
25 DESCRIBING THE REQUESTED AMENDMENT TO THE DEPARTMENT.

26 (II) WITHIN TWENTY (20) DAYS OF ITS RECEIPT OF THE
27 REQUEST FOR AN AMENDMENT, THE DEPARTMENT SHALL HOLD A PUBLIC
28 HEARING ON THE REQUESTED AMENDMENT UNDER 65 PA.C.S. CH. 7
29 (RELATING TO OPEN MEETINGS).

30 (III) WITHIN TWENTY (20) DAYS AFTER THE HEARING, THE

1 DEPARTMENT SHALL GRANT OR DENY THE REQUESTED AMENDMENT.
2 FAILURE BY THE DEPARTMENT TO HOLD A PUBLIC HEARING AND TO
3 GRANT OR DENY THE AMENDMENTS WITHIN THE TIME PERIOD SPECIFIED
4 SHALL BE DEEMED A DENIAL.

5 (IV) AN APPLICANT FOR AN AMENDMENT SHALL HAVE THE RIGHT
6 TO APPEAL THE DENIAL OF A REQUESTED AMENDMENT TO THE APPEAL
7 BOARD PROVIDED FOR UNDER SECTION 1721-A.

8 * * *

9 SECTION 20. SECTION 1749-A(A) OF THE ACT, ADDED JUNE 29,
10 2002 (P.L.524, NO.88), IS AMENDED TO READ:

11 SECTION 1749-A. APPLICABILITY OF OTHER PROVISIONS OF THIS ACT
12 AND OF OTHER ACTS AND REGULATIONS.

13 (A) GENERAL REQUIREMENTS.--CYBER CHARTER SCHOOLS SHALL BE
14 SUBJECT TO THE FOLLOWING:

15 (1) SECTIONS 108, 110, 111, 321, 325, 326, 327, 431,
16 436, 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741,
17 752, 753, [755,] 771, 776, 777, 808, 809, 810, 1109, 1111,
18 1112(A), 1205.1, 1205.2, 1301, 1302, 1310, 1317, 1317.2,
19 1318, 1327, 1330, 1332, 1303-A, 1513, 1517, 1518, 1521, 1523,
20 1531, 1547, 1702-A, 1703-A, 1714-A, 1715-A, 1716-A, 1719-A,
21 1721-A, 1722-A, 1723-A(A) AND (B), 1724-A, 1725-A, 1727-A,
22 1728-A(D), (E), (F), (G) AND (H), 1729-A, 1730-A, 1731-A(A)

23 (1) AND (B) AND 2014-A AND ARTICLES XII-A, XIII-A AND XIV.

24 (1.1) ACT OF JULY 19, 1957 (P.L.1017, NO.451), KNOWN AS
25 THE STATE ADVERSE INTEREST ACT.

26 (2) THE ACT OF JULY 17, 1961 (P.L.776, NO.341), KNOWN AS
27 THE PENNSYLVANIA FAIR EDUCATIONAL OPPORTUNITIES ACT.

28 (3) THE ACT OF JULY 19, 1965 (P.L.215, NO.116), ENTITLED
29 "AN ACT PROVIDING FOR THE USE OF EYE PROTECTIVE DEVICES BY
30 PERSONS ENGAGED IN HAZARDOUS ACTIVITIES OR EXPOSED TO KNOWN

1 DANGERS IN SCHOOLS, COLLEGES AND UNIVERSITIES."

2 (4) SECTION 4 OF THE ACT OF JANUARY 25, 1966 (1965
3 P.L.1546, NO.541), ENTITLED "AN ACT PROVIDING SCHOLARSHIPS
4 AND PROVIDING FUNDS TO SECURE FEDERAL FUNDS FOR QUALIFIED
5 STUDENTS OF THE COMMONWEALTH OF PENNSYLVANIA WHO NEED
6 FINANCIAL ASSISTANCE TO ATTEND POSTSECONDARY INSTITUTIONS OF
7 HIGHER LEARNING, MAKING AN APPROPRIATION, AND PROVIDING FOR
8 THE ADMINISTRATION OF THIS ACT."

9 (5) THE ACT OF JULY 12, 1972 (P.L.765, NO.181) ENTITLED
10 "AN ACT RELATING TO DRUGS AND ALCOHOL AND THEIR ABUSE,
11 PROVIDING FOR PROJECTS AND PROGRAMS AND GRANTS TO EDUCATIONAL
12 AGENCIES, OTHER PUBLIC OR PRIVATE AGENCIES, INSTITUTIONS OR
13 ORGANIZATIONS."

14 (6) THE ACT OF DECEMBER 15, 1986 (P.L.1595, NO.175),
15 KNOWN AS THE ANTIHAZING LAW.

16 (7) THE RIGHT-TO-KNOW LAW.

17 (8) 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).

18 (9) 65 PA.C.S. CH. 11 (RELATING TO ETHICS STANDARDS AND
19 FINANCIAL DISCLOSURE).

20 * * *

21 SECTION 21. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

22 ARTICLE XVII-G

23 EDUCATIONAL OPPORTUNITY

24 SCHOLARSHIP TAX CREDIT

25 SECTION 1701-G. SCOPE OF ARTICLE.

26 THIS ARTICLE ESTABLISHES THE EDUCATIONAL OPPORTUNITY

27 SCHOLARSHIP TAX CREDIT.

28 SECTION 1702-G. DEFINITIONS.

29 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE

30 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE

1 CONTEXT CLEARLY INDICATES OTHERWISE:

2 "APPLICANT." AN ELIGIBLE STUDENT WHO APPLIES FOR A
3 SCHOLARSHIP.

4 "ASSESSMENT." THE PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT
5 TEST, THE KEYSTONE EXAM, AN EQUIVALENT LOCAL ASSESSMENT OR
6 ANOTHER TEST ESTABLISHED BY THE STATE BOARD OF EDUCATION TO MEET
7 THE REQUIREMENTS OF SECTION 2603-B(D)(10)(I) AND REQUIRED UNDER
8 THE NO CHILD LEFT BEHIND ACT OF 2001 (PUBLIC LAW 107-110, 115
9 STAT. 1425) OR ITS SUCCESSOR STATUTE OR ANY OTHER TEST REQUIRED
10 TO ACHIEVE OTHER STANDARDS ESTABLISHED BY THE DEPARTMENT OF
11 EDUCATION FOR THE PUBLIC SCHOOL OR SCHOOL DISTRICT UNDER 22 PA.
12 CODE § 403.3 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM).

13 "ATTENDANCE BOUNDARY." A GEOGRAPHIC AREA OF RESIDENCE USED
14 BY A SCHOOL DISTRICT TO ASSIGN A STUDENT TO A PUBLIC SCHOOL.

15 "AVERAGE DAILY MEMBERSHIP." AS DEFINED IN SECTION 2501(3).

16 "BUSINESS FIRM." AN ENTITY AUTHORIZED TO DO BUSINESS IN THIS
17 COMMONWEALTH AND SUBJECT TO A TAX UNDER ARTICLE XVI OF THE ACT
18 OF MAY 17, 1921 (P.L.682, NO.284), KNOWN AS THE INSURANCE
19 COMPANY LAW OF 1921, OR TAXES IMPOSED UNDER ARTICLE III, IV, VI,
20 VII, VIII, IX OR XV OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2),
21 KNOWN AS THE TAX REFORM CODE OF 1971. THE TERM INCLUDES A PASS-
22 THROUGH ENTITY.

23 "CONTRIBUTION." A DONATION OF CASH, PERSONAL PROPERTY OR
24 SERVICES, THE VALUE OF WHICH IS THE NET COST OF THE DONATION TO
25 THE DONOR OR THE PRO RATA HOURLY WAGE, INCLUDING BENEFITS, OF
26 THE INDIVIDUAL PERFORMING THE SERVICES.

27 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC
28 DEVELOPMENT OF THE COMMONWEALTH.

29 "ELEMENTARY SCHOOL." A SCHOOL WHICH IS NOT A SECONDARY
30 SCHOOL.

1 "ELIGIBLE STUDENT." A STUDENT OR A STUDENT WITH A DISABILITY

2 WHO:

3 (1) RESIDES WITHIN THE ATTENDANCE BOUNDARY OF A LOW-
4 ACHIEVING SCHOOL AS OF THE FIRST DAY OF CLASSES OF THE SCHOOL
5 YEAR; AND

6 (2) IS A MEMBER OF A HOUSEHOLD WHICH HAS A HOUSEHOLD
7 INCOME NO GREATER THAN THE MAXIMUM ANNUAL HOUSEHOLD INCOME
8 ALLOWANCE.

9 "HOUSEHOLD." AN INDIVIDUAL WHO LIVES ALONE OR WITH THE
10 FOLLOWING: A SPOUSE, PARENT AND THEIR UNEMANCIPATED MINOR
11 CHILDREN, OTHER UNEMANCIPATED MINOR CHILDREN WHO ARE RELATED BY
12 BLOOD OR MARRIAGE OR OTHER ADULTS OR UNEMANCIPATED MINOR
13 CHILDREN LIVING IN THE HOUSEHOLD WHO ARE DEPENDENT UPON THE
14 INDIVIDUAL.

15 "HOUSEHOLD INCOME." ALL MONEYS OR PROPERTY RECEIVED BY A
16 HOUSEHOLD OF WHATEVER NATURE AND FROM WHATEVER SOURCE DERIVED.
17 THE TERM DOES NOT INCLUDE THE FOLLOWING:

18 (1) PERIODIC PAYMENTS FOR SICKNESS AND DISABILITY OTHER
19 THAN REGULAR WAGES RECEIVED DURING A PERIOD OF SICKNESS OR
20 DISABILITY.

21 (2) DISABILITY, RETIREMENT OR OTHER PAYMENTS ARISING
22 UNDER WORKERS' COMPENSATION ACTS, OCCUPATIONAL DISEASE ACTS
23 AND SIMILAR LEGISLATION BY ANY GOVERNMENT.

24 (3) PAYMENTS COMMONLY RECOGNIZED AS OLD-AGE OR
25 RETIREMENT BENEFITS PAID TO PERSONS RETIRED FROM SERVICE
26 AFTER REACHING A SPECIFIC AGE OR AFTER A STATED PERIOD OF
27 EMPLOYMENT.

28 (4) PAYMENTS COMMONLY KNOWN AS PUBLIC ASSISTANCE OR
29 UNEMPLOYMENT COMPENSATION PAYMENTS BY A GOVERNMENTAL AGENCY.

30 (5) PAYMENTS TO REIMBURSE ACTUAL EXPENSES.

1 (6) PAYMENTS MADE BY EMPLOYERS OR LABOR UNIONS FOR
2 PROGRAMS COVERING HOSPITALIZATION, SICKNESS, DISABILITY OR
3 DEATH, SUPPLEMENTAL UNEMPLOYMENT BENEFITS, STRIKE BENEFITS,
4 SOCIAL SECURITY AND RETIREMENT.

5 (7) COMPENSATION RECEIVED BY UNITED STATES SERVICEMEN
6 SERVING IN A COMBAT ZONE.
7 "INCOME ALLOWANCE."

8 (1) THE FOLLOWING SHALL APPLY:

9 (I) AFTER JUNE 30, 2012, AND THROUGH JUNE 30, 2013,
10 \$12,000 FOR EACH DEPENDENT MEMBER OF THE HOUSEHOLD.

11 (II) AFTER JUNE 30, 2013, AND THROUGH JUNE 30, 2014,
12 \$15,000 FOR EACH DEPENDENT MEMBER OF THE HOUSEHOLD.

13 (2) BEGINNING JULY 1, 2014, THE DEPARTMENT OF COMMUNITY
14 AND ECONOMIC DEVELOPMENT SHALL ANNUALLY ADJUST THE INCOME
15 ALLOWANCE AMOUNTS UNDER PARAGRAPH (1) TO REFLECT ANY UPWARD
16 CHANGES IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS
17 FOR THE PENNSYLVANIA, NEW JERSEY, DELAWARE AND MARYLAND AREA
18 IN THE PRECEDING 12 MONTHS AND SHALL IMMEDIATELY SUBMIT THE
19 ADJUSTED AMOUNTS TO THE LEGISLATIVE REFERENCE BUREAU FOR
20 PUBLICATION AS A NOTICE IN THE PENNSYLVANIA BULLETIN.

21 "KINDERGARTEN." A ONE-YEAR FORMAL EDUCATIONAL PROGRAM THAT
22 OCCURS DURING THE SCHOOL YEAR IMMEDIATELY PRIOR TO FIRST GRADE.
23 THE TERM INCLUDES A PART-TIME AND A FULL-TIME PROGRAM.

24 "LOW-ACHIEVING SCHOOL." A PUBLIC SCHOOL THAT RANKED IN THE
25 LOWEST 15% OF ITS DESIGNATION AS AN ELEMENTARY SCHOOL OR A
26 SECONDARY SCHOOL BASED ON COMBINED MATHEMATICS AND READING
27 SCORES FROM THE ANNUAL ASSESSMENT ADMINISTERED IN THE PREVIOUS
28 SCHOOL YEAR AND FOR WHICH THE DEPARTMENT OF EDUCATION HAS POSTED
29 RESULTS ON ITS PUBLICLY ACCESSIBLE INTERNET WEBSITE. THE TERM
30 DOES NOT INCLUDE A CHARTER SCHOOL, CYBER CHARTER SCHOOL OR AREA

1 VOCATIONAL-TECHNICAL SCHOOL.

2 "MAXIMUM ANNUAL HOUSEHOLD INCOME ALLOWANCE."

3 (1) EXCEPT AS STATED IN PARAGRAPH (2) AND SUBJECT TO
4 ADJUSTMENT UNDER PARAGRAPH (3), THE SUM OF:

5 (I) EITHER:

6 (A) AFTER JUNE 30, 2012, AND THROUGH JUNE 30,
7 2013, NOT MORE THAN \$60,000; OR

8 (B) AFTER JUNE 30, 2013, NOT MORE THAN \$75,000.

9 (II) THE APPLICABLE INCOME ALLOWANCE.

10 (2) WITH RESPECT TO A STUDENT WITH A DISABILITY, AS
11 CALCULATED BY MULTIPLYING:

12 (I) THE APPLICABLE AMOUNT UNDER PARAGRAPH (1); BY

13 (II) THE APPLICABLE SUPPORT LEVEL FACTOR ACCORDING
14 TO THE FOLLOWING TABLE:

<u>SUPPORT LEVEL</u>	<u>SUPPORT LEVEL FACTOR</u>
<u>1</u>	<u>1.50</u>
<u>2</u>	<u>2.993</u>

18 (3) BEGINNING JULY 1, 2014, THE DEPARTMENT OF COMMUNITY
19 AND ECONOMIC DEVELOPMENT SHALL ANNUALLY ADJUST THE INCOME
20 AMOUNTS UNDER PARAGRAPHS (1) AND (2) TO REFLECT ANY UPWARD
21 CHANGES IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS
22 FOR THE PENNSYLVANIA, NEW JERSEY, DELAWARE AND MARYLAND AREA
23 IN THE PRECEDING 12 MONTHS AND SHALL IMMEDIATELY SUBMIT THE
24 ADJUSTED AMOUNTS TO THE LEGISLATIVE REFERENCE BUREAU FOR
25 PUBLICATION AS A NOTICE IN THE PENNSYLVANIA BULLETIN.

26 "NONPUBLIC SCHOOL." A SCHOOL WHICH IS A NONPROFIT
27 ORGANIZATION AND WHICH IS LOCATED IN THE COMMONWEALTH. THE TERM
28 DOES NOT INCLUDE A PUBLIC SCHOOL.

29 "PARENT." AN INDIVIDUAL WHO:

30 (1) IS A RESIDENT OF THE COMMONWEALTH; AND

1 (2) EITHER:
2 (I) HAS LEGAL CUSTODY OR GUARDIANSHIP OF A STUDENT;
3 OR
4 (II) KEEPS IN HIS HOME A STUDENT AND SUPPORTS THE
5 STUDENT GRATIS AS IF THE STUDENT WERE A LINEAL DESCENDANT
6 OF THE INDIVIDUAL.

7 "PARTICIPATING NONPUBLIC SCHOOL." A NONPUBLIC SCHOOL WHICH
8 NOTIFIES THE DEPARTMENT OF EDUCATION UNDER SECTION 1710-G THAT
9 IT WISHES TO PARTICIPATE IN THE PROGRAM.

10 "PARTICIPATING PUBLIC SCHOOL." A PUBLIC SCHOOL IN A SCHOOL
11 DISTRICT WHICH NOTIFIES THE DEPARTMENT OF EDUCATION UNDER
12 SECTION 1710-G(B) THAT IT WISHES TO PARTICIPATE IN THE PROGRAM.
13 THE TERM SHALL NOT INCLUDE A LOW-ACHIEVING SCHOOL.

14 "PASS-THROUGH ENTITY." A PARTNERSHIP AS DEFINED IN SECTION
15 301(N.0) OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE
16 TAX REFORM CODE OF 1971, A SINGLE-MEMBER LIMITED LIABILITY
17 COMPANY TREATED AS A DISREGARDED ENTITY FOR FEDERAL INCOME TAX
18 PURPOSES OR A PENNSYLVANIA S CORPORATION AS DEFINED IN SECTION
19 301(N.1) OF THE TAX REFORM CODE OF 1971.

20 "PROGRAM." THE EDUCATIONAL OPPORTUNITY SCHOLARSHIP TAX
21 CREDIT PROGRAM ESTABLISHED UNDER THIS ARTICLE.

22 "RECIPIENT." AN APPLICANT WHO RECEIVES A SCHOLARSHIP.

23 "SCHOLARSHIP." AN AWARD GIVEN TO AN APPLICANT FOR THE
24 RECIPIENT TO PAY TUITION AND SCHOOL-RELATED FEES NECESSARY TO
25 ATTEND A PARTICIPATING NONPUBLIC SCHOOL OR A PARTICIPATING
26 PUBLIC SCHOOL LOCATED IN A SCHOOL DISTRICT WHICH IS NOT THE
27 RECIPIENT'S SCHOOL DISTRICT OF RESIDENCE.

28 "SCHOLARSHIP ORGANIZATION." A NONPROFIT ENTITY WHICH:

29 (1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C)
30 (3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514,

1 26 U.S.C. § 1 ET SEQ.); AND

2 (2) CONTRIBUTES AT LEAST 80% OF ITS ANNUAL CASH RECEIPTS
3 TO A SCHOLARSHIP PROGRAM.

4 FOR PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY
5 "CONTRIBUTES" ITS ANNUAL CASH RECEIPTS TO A SCHOLARSHIP PROGRAM
6 WHEN IT EXPENDS OR OTHERWISE IRREVOCABLY ENCUMBERS THOSE FUNDS
7 FOR DISTRIBUTION DURING THE THEN CURRENT FISCAL YEAR OF THE
8 NONPROFIT ENTITY OR DURING THE NEXT SUCCEEDING FISCAL YEAR OF
9 THE NONPROFIT ENTITY.

10 "SCHOOL." AN ELEMENTARY SCHOOL OR A SECONDARY SCHOOL AT
11 WHICH THE COMPULSORY ATTENDANCE REQUIREMENTS OF THE COMMONWEALTH
12 MAY BE MET AND WHICH MEETS THE APPLICABLE REQUIREMENTS OF TITLE
13 VI OF THE CIVIL RIGHTS ACT OF 1964 (PUBLIC LAW 88-352, 78 STAT.
14 241).

15 "SCHOOL AGE." THE AGE OF AN INDIVIDUAL FROM THE EARLIEST
16 ADMISSION AGE TO A SCHOOL'S KINDERGARTEN OR, WHEN NO
17 KINDERGARTEN IS PROVIDED, THE SCHOOL'S EARLIEST ADMISSION AGE
18 FOR BEGINNERS, UNTIL THE END OF THE SCHOOL YEAR THE INDIVIDUAL
19 ATTAINS 21 YEARS OF AGE OR GRADUATION FROM HIGH SCHOOL,
20 WHICHEVER OCCURS FIRST.

21 "SCHOOL DISTRICT OF RESIDENCE." THE SCHOOL DISTRICT IN WHICH
22 THE STUDENT'S PRIMARY DOMICILE IS LOCATED.

23 "SCHOOL-RELATED FEES." FEES CHARGED BY A SCHOOL TO ALL
24 STUDENTS FOR BOOKS, INSTRUCTIONAL MATERIALS, TECHNOLOGY
25 EQUIPMENT AND SERVICES, UNIFORMS AND ACTIVITIES.

26 "SECONDARY SCHOOL." A SCHOOL WITH AN ELEVENTH GRADE.

27 "SPECIAL EDUCATION SCHOOL." A SCHOOL OR PROGRAM WITHIN A
28 SCHOOL THAT IS DESIGNATED SPECIFICALLY AND EXCLUSIVELY FOR
29 STUDENTS WITH ANY OF THE DISABILITIES LISTED IN 34 CFR § 300.8
30 (RELATING TO CHILD WITH A DISABILITY) AND MEETS ONE OF THE

1 FOLLOWING:

2 (1) IS LICENSED UNDER THE ACT OF JANUARY 28, 1988
3 (P.L.24, NO.11), KNOWN AS THE PRIVATE ACADEMIC SCHOOLS ACT;

4 (2) IS ACCREDITED BY AN ACCREDITING ASSOCIATION APPROVED
5 BY THE STATE BOARD OF EDUCATION;

6 (3) IS A SCHOOL FOR THE BLIND OR DEAF RECEIVING
7 COMMONWEALTH APPROPRIATIONS; OR

8 (4) IS OPERATED BY OR UNDER THE AUTHORITY OF A BONA FIDE
9 RELIGIOUS INSTITUTION OR BY THE COMMONWEALTH OR ANY POLITICAL
10 SUBDIVISION THEREOF.

11 "STUDENT." AN INDIVIDUAL WHO MEETS ALL OF THE FOLLOWING:

12 (1) IS SCHOOL AGE.

13 (2) IS A RESIDENT OF THIS COMMONWEALTH.

14 (3) ATTENDS OR IS ABOUT TO ATTEND A SCHOOL.

15 "STUDENT WITH A DISABILITY." A STUDENT WHO MEETS ALL OF THE
16 FOLLOWING:

17 (1) IS EITHER ENROLLED IN A SPECIAL EDUCATION SCHOOL OR
18 HAS OTHERWISE BEEN IDENTIFIED, IN ACCORDANCE WITH 22 PA. CODE
19 CH. 14 (RELATING TO SPECIAL EDUCATION SERVICES AND PROGRAMS),
20 AS A "CHILD WITH A DISABILITY," AS DEFINED IN 34 CFR § 300.8
21 (RELATING TO CHILD WITH A DISABILITY).

22 (2) NEEDS SPECIAL EDUCATION AND RELATED SERVICES.

23 "SUPPORT LEVEL." THE LEVEL OF SUPPORT NEEDED BY AN ELIGIBLE
24 STUDENT WITH A DISABILITY, AS PROVIDED IN THE FOLLOWING MATRIX:

25 SUPPORT LEVEL 1 - THE STUDENT IS NOT ENROLLED IN A
26 SPECIAL EDUCATION SCHOOL.

27 SUPPORT LEVEL 2 - THE STUDENT IS ENROLLED AS A STUDENT IN
28 A SPECIAL EDUCATION SCHOOL.

29 "TAX REFORM CODE OF 1971." THE ACT OF MARCH 4, 1971 (P.L.6,
30 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

1 SECTION 1703-G. QUALIFICATION AND APPLICATION.

2 (A) ESTABLISHMENT.--THE EDUCATIONAL OPPORTUNITY SCHOLARSHIP
3 TAX CREDIT PROGRAM IS ESTABLISHED. THE PROGRAM SHALL PROVIDE TAX
4 CREDITS TO ENTITIES THAT PROVIDE CONTRIBUTIONS TO SCHOLARSHIP
5 ORGANIZATIONS. THE SCHOLARSHIP ORGANIZATIONS MUST ENHANCE THE
6 EDUCATIONAL OPPORTUNITIES AVAILABLE TO STUDENTS IN THIS
7 COMMONWEALTH BY PROVIDING SCHOLARSHIPS TO ELIGIBLE STUDENTS WHO
8 RESIDE WITHIN THE ATTENDANCE BOUNDARY OF LOW-ACHIEVING SCHOOLS
9 TO ATTEND SCHOOLS WHICH ARE NOT LOW-ACHIEVING SCHOOLS AND WHICH
10 ARE NOT A PUBLIC SCHOOL WITHIN THE SCHOOL DISTRICT OF RESIDENCE.

11 (B) INFORMATION.--IN ORDER TO QUALIFY UNDER THIS ARTICLE, A
12 SCHOLARSHIP ORGANIZATION MUST SUBMIT INFORMATION TO THE
13 DEPARTMENT THAT ENABLES THE DEPARTMENT TO CONFIRM THAT THE
14 SCHOLARSHIP ORGANIZATION IS EXEMPT FROM TAXATION UNDER SECTION
15 501(C) (3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW
16 99-514, 26 U.S.C. § 1 ET SEQ.).

17 (C) ANNUAL CERTIFICATION OF ELIGIBILITY.--BY AUGUST 15,
18 2012, AND BY FEBRUARY 15, 2013, AND EACH FEBRUARY 15 THEREAFTER,
19 A SCHOLARSHIP ORGANIZATION MUST CERTIFY TO THE DEPARTMENT THAT
20 THE ORGANIZATION IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM.

21 (D) REPORT.--

22 (1) A SCHOLARSHIP ORGANIZATION MUST AGREE TO REPORT THE
23 FOLLOWING INFORMATION ON A FORM PROVIDED BY THE DEPARTMENT BY
24 SEPTEMBER 1, 2013, AND EACH SEPTEMBER 1 THEREAFTER:

25 (I) THE TOTAL NUMBER OF APPLICATIONS FOR
26 SCHOLARSHIPS RECEIVED DURING THE IMMEDIATELY PRECEDING
27 SCHOOL YEAR FROM ELIGIBLE STUDENTS IN GRADES KINDERGARTEN
28 THROUGH EIGHT.

29 (II) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
30 IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE STUDENTS IN

1 GRADES KINDERGARTEN THROUGH EIGHT.

2 (III) THE TOTAL AND AVERAGE AMOUNTS OF THE
3 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
4 SCHOOL YEAR TO ELIGIBLE STUDENTS IN GRADES KINDERGARTEN
5 THROUGH EIGHT.

6 (IV) THE TOTAL NUMBER OF APPLICATIONS FOR
7 SCHOLARSHIPS RECEIVED DURING THE IMMEDIATELY PRECEDING
8 SCHOOL YEAR FROM ELIGIBLE STUDENTS IN GRADES 9 THROUGH
9 12.

10 (V) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
11 IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE STUDENTS IN
12 GRADES 9 THROUGH 12.

13 (VI) THE TOTAL AND AVERAGE AMOUNTS OF THE
14 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
15 SCHOOL YEAR TO ELIGIBLE STUDENTS IN GRADES 9 THROUGH 12.

16 (VII) WHERE THE SCHOLARSHIP ORGANIZATION COLLECTS
17 INFORMATION ON A COUNTY-BY-COUNTY BASIS, THE TOTAL NUMBER
18 AND THE TOTAL AMOUNT OF SCHOLARSHIPS AWARDED DURING THE
19 IMMEDIATELY PRECEDING SCHOOL YEAR TO RESIDENTS OF EACH
20 COUNTY IN WHICH THE SCHOLARSHIP ORGANIZATION AWARDED
21 SCHOLARSHIPS.

22 (VIII) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
23 IMMEDIATELY PRECEDING SCHOOL YEAR TO APPLICANTS WITH A
24 HOUSEHOLD INCOME THAT DOES NOT EXCEED 185% OF THE FEDERAL
25 POVERTY LEVEL.

26 (IX) THE TOTAL AND AVERAGE AMOUNTS OF THE
27 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
28 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
29 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL.

30 (X) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE

1 IMMEDIATELY PRECEDING SCHOOL YEAR TO APPLICANTS WITH A
2 HOUSEHOLD INCOME THAT DOES NOT EXCEED 185% OF THE FEDERAL
3 POVERTY LEVEL AND WHO RESIDE WITHIN A FIRST CLASS SCHOOL
4 DISTRICT.

5 (XI) THE TOTAL AND AVERAGE AMOUNTS OF THE
6 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
7 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
8 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL AND WHO
9 RESIDE WITHIN A FIRST CLASS SCHOOL DISTRICT.

10 (XII) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
11 IMMEDIATELY PRECEDING SCHOOL YEAR TO APPLICANTS WITH A
12 HOUSEHOLD INCOME THAT DOES NOT EXCEED 185% OF THE FEDERAL
13 POVERTY LEVEL AND WHO RESIDE WITHIN A SCHOOL DISTRICT
14 WITH AN AVERAGE DAILY MEMBERSHIP GREATER THAN 7,500 AND
15 THAT RECEIVES AN ADVANCE OF ITS BASIC EDUCATION SUBSIDY
16 AT ANY TIME.

17 (XIII) THE TOTAL AND AVERAGE AMOUNTS OF THE
18 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
19 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
20 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL AND WHO
21 RESIDE WITHIN A SCHOOL DISTRICT WITH AN AVERAGE DAILY
22 MEMBERSHIP GREATER THAN 7,500 AND THAT RECEIVES AN
23 ADVANCE OF ITS BASIC EDUCATION SUBSIDY AT ANY TIME.

24 (XIV) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
25 IMMEDIATELY PRECEDING SCHOOL YEAR TO APPLICANTS WITH A
26 HOUSEHOLD INCOME THAT DOES NOT EXCEED 185% OF THE FEDERAL
27 POVERTY LEVEL AND WHO RESIDE WITHIN A SCHOOL DISTRICT
28 THAT RECEIVES AN ADVANCE OF ITS BASIC EDUCATION SUBSIDY
29 AT ANY TIME AND IS EITHER SUBJECT TO A DECLARATION OF
30 FINANCIAL DISTRESS UNDER SECTION 691 OR ENGAGED IN

1 LITIGATION AGAINST THE COMMONWEALTH IN WHICH THE SCHOOL
2 DISTRICT SEEKS FINANCIAL ASSISTANCE FROM THE COMMONWEALTH
3 TO ALLOW THE SCHOOL DISTRICT TO CONTINUE TO OPERATE.

4 (XV) THE TOTAL AND AVERAGE AMOUNTS OF THE
5 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
6 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
7 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL AND WHO
8 RESIDE WITHIN A SCHOOL DISTRICT THAT RECEIVES AN ADVANCE
9 OF ITS BASIC EDUCATION SUBSIDY AT ANY TIME AND IS EITHER
10 SUBJECT TO A DECLARATION OF FINANCIAL DISTRESS UNDER
11 SECTION 691 OR IS ENGAGED IN LITIGATION AGAINST THE
12 COMMONWEALTH IN WHICH THE SCHOOL DISTRICT SEEKS FINANCIAL
13 ASSISTANCE FROM THE COMMONWEALTH TO ALLOW THE SCHOOL
14 DISTRICT TO CONTINUE TO OPERATE.

15 (XVI) THE TOTAL NUMBER OF SCHOLARSHIP APPLICATIONS
16 PROCESSED AND THE AMOUNTS OF ANY APPLICATION FEES CHARGED
17 EITHER PER SCHOLARSHIP APPLICATION OR IN THE AGGREGATE
18 THROUGH A THIRD-PARTY PROCESSOR.

19 (XVII) THE SCHOLARSHIP ORGANIZATION'S FEDERAL FORM
20 990 OR OTHER FEDERAL FORM INDICATING THE TAX STATUS OF
21 THE SCHOLARSHIP ORGANIZATION FOR FEDERAL TAX PURPOSES, IF
22 ANY, AND A COPY OF A COMPILATION, REVIEW OR AUDIT OF THE
23 SCHOLARSHIP ORGANIZATION'S FINANCIAL STATEMENTS CONDUCTED
24 BY A CERTIFIED PUBLIC ACCOUNTING FIRM.

25 (2) NO LATER THAN MAY 1, 2013, AND EACH MAY 1
26 THEREAFTER, THE DEPARTMENT SHALL ANNUALLY DISTRIBUTE SUCH
27 SAMPLE FORMS, TOGETHER WITH THE FORMS ON WHICH THE REPORTS
28 ARE REQUIRED TO BE MADE, TO EACH LISTED SCHOLARSHIP
29 ORGANIZATION.

30 (3) THE DEPARTMENT MAY NOT REQUIRE ANY OTHER INFORMATION

1 TO BE PROVIDED BY SCHOLARSHIP ORGANIZATIONS, EXCEPT AS
2 EXPRESSLY AUTHORIZED IN THIS ARTICLE.

3 (E) NOTIFICATION.--THE DEPARTMENT SHALL NOTIFY A SCHOLARSHIP
4 ORGANIZATION THAT IT MEETS THE REQUIREMENTS OF THIS ARTICLE FOR
5 THAT FISCAL YEAR NO LATER THAN 60 DAYS AFTER THE SCHOLARSHIP
6 ORGANIZATION SUBMITS THE INFORMATION REQUIRED UNDER THIS
7 SECTION.

8 (F) PUBLICATION.--THE DEPARTMENT SHALL ANNUALLY PUBLISH A
9 LIST OF EACH SCHOLARSHIP ORGANIZATION QUALIFIED UNDER THIS
10 SECTION IN THE PENNSYLVANIA BULLETIN AND SHALL POST AND UPDATE
11 THE LIST AS NECESSARY ON THE PUBLICLY ACCESSIBLE INTERNET
12 WEBSITE OF THE DEPARTMENT.

13 SECTION 1704-G. TAX CREDIT APPLICATION.

14 (A) SCHOLARSHIP ORGANIZATION.--A BUSINESS FIRM SHALL APPLY
15 TO THE DEPARTMENT FOR A TAX CREDIT UNDER SECTION 1705-G. A
16 BUSINESS FIRM SHALL RECEIVE A TAX CREDIT UNDER THIS ARTICLE IF
17 THE SCHOLARSHIP ORGANIZATION THAT RECEIVES THE CONTRIBUTION
18 APPEARS ON THE LIST PUBLISHED UNDER SECTION 1703-G(F).

19 (B) AVAILABILITY OF TAX CREDITS.--TAX CREDITS UNDER THIS
20 ARTICLE SHALL BE MADE AVAILABLE BY THE DEPARTMENT ON A FIRST-
21 COME-FIRST-SERVED BASIS WITHIN THE LIMITATION ESTABLISHED UNDER
22 SECTION 1706-G(A).

23 (C) CONTRIBUTIONS.--A CONTRIBUTION BY A BUSINESS FIRM TO A
24 SCHOLARSHIP ORGANIZATION SHALL BE MADE NO LATER THAN 60 DAYS
25 FOLLOWING THE APPROVAL OF AN APPLICATION UNDER SUBSECTION (A).
26 SECTION 1705-G. TAX CREDIT.

27 (A) SCHOLARSHIP ORGANIZATIONS.--

28 (1) IN ACCORDANCE WITH SECTION 1706-G(A), THE DEPARTMENT
29 OF REVENUE SHALL GRANT A TAX CREDIT AGAINST ANY TAX DUE UNDER
30 ARTICLE XVI OF THE ACT OF MAY 17, 1921 (P.L.682, NO.284),

1 KNOWN AS THE INSURANCE COMPANY LAW OF 1921, OR UNDER ARTICLE
2 III, IV, VI, VII, VIII, IX OR XV OF THE TAX REFORM CODE OF
3 1971 TO A BUSINESS FIRM PROVIDING PROOF OF A CONTRIBUTION TO
4 A SCHOLARSHIP ORGANIZATION IN THE TAXABLE YEAR IN WHICH THE
5 CONTRIBUTION IS MADE WHICH SHALL NOT EXCEED 75% OF THE TOTAL
6 AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS
7 FIRM.

8 (2) FOR THE FISCAL YEAR 2012-2013, THE TAX CREDIT SHALL
9 NOT EXCEED \$400,000 ANNUALLY PER BUSINESS FIRM FOR
10 CONTRIBUTIONS MADE TO SCHOLARSHIP ORGANIZATIONS.

11 (3) FOR THE FISCAL YEARS 2013-2014 AND EACH FISCAL YEAR
12 THEREAFTER, THE TAX CREDIT SHALL NOT EXCEED \$750,000 ANNUALLY
13 PER BUSINESS FIRM FOR CONTRIBUTIONS MADE TO SCHOLARSHIP
14 ORGANIZATIONS.

15 (B) ADDITIONAL AMOUNT.--

16 (1) THE DEPARTMENT OF REVENUE SHALL GRANT A TAX CREDIT
17 OF UP TO 90% OF THE TOTAL AMOUNT CONTRIBUTED DURING THE
18 TAXABLE YEAR IF THE BUSINESS FIRM PROVIDES A WRITTEN
19 COMMITMENT TO PROVIDE THE SCHOLARSHIP ORGANIZATION WITH THE
20 SAME AMOUNT OF CONTRIBUTION FOR TWO CONSECUTIVE TAX YEARS.

21 (2) THE BUSINESS FIRM MUST PROVIDE THE WRITTEN
22 COMMITMENT UNDER THIS SUBSECTION TO THE DEPARTMENT AT THE
23 TIME OF APPLICATION.

24 (C) COMBINATION OF TAX CREDITS.--

25 (1) A BUSINESS FIRM MAY RECEIVE TAX CREDITS FROM THE
26 DEPARTMENT OF REVENUE IN ANY TAX YEAR FOR ANY COMBINATION OF
27 CONTRIBUTIONS UNDER SUBSECTION (A) OR (B).

28 (2) IN NO CASE MAY A BUSINESS FIRM RECEIVE TAX CREDITS
29 IN ANY TAX YEAR:

30 (I) IN EXCESS OF \$400,000 FOR CONTRIBUTIONS UNDER

1 SUBSECTIONS (A) AND (B) MADE DURING FISCAL YEAR

2 2012-2013; OR

3 (II) IN EXCESS OF \$750,000 FOR CONTRIBUTIONS UNDER
4 SUBSECTIONS (A) AND (B) MADE DURING FISCAL YEAR 2013-2014
5 OR ANY FISCAL YEAR THEREAFTER.

6 (D) PASS-THROUGH ENTITY.--

7 (1) IF A PASS-THROUGH ENTITY DOES NOT INTEND TO USE ALL
8 APPROVED TAX CREDITS UNDER THIS SECTION, IT MAY ELECT IN
9 WRITING TO TRANSFER ALL OR A PORTION OF THE CREDIT TO
10 SHAREHOLDERS, MEMBERS OR PARTNERS IN PROPORTION TO THE SHARE
11 OF THE ENTITY'S DISTRIBUTIVE INCOME TO WHICH THE SHAREHOLDER,
12 MEMBER OR PARTNER IS ENTITLED FOR USE IN THE TAXABLE YEAR IN
13 WHICH THE CONTRIBUTION IS MADE OR IN THE TAXABLE YEAR
14 IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE CONTRIBUTION IS
15 MADE. THE ELECTION SHALL DESIGNATE THE YEAR IN WHICH THE
16 TRANSFERRED CREDITS ARE TO BE USED AND SHALL BE MADE
17 ACCORDING TO PROCEDURES ESTABLISHED BY THE DEPARTMENT OF
18 REVENUE.

19 (2) A PASS-THROUGH ENTITY AND A SHAREHOLDER, MEMBER OR
20 PARTNER OF A PASS-THROUGH ENTITY SHALL NOT CLAIM THE CREDIT
21 UNDER THIS SECTION FOR THE SAME CONTRIBUTION.

22 (3) THE SHAREHOLDER, MEMBER OR PARTNER MAY NOT CARRY
23 FORWARD, CARRY BACK, OBTAIN A REFUND OF OR SELL OR ASSIGN THE
24 CREDIT.

25 (E) RESTRICTION ON APPLICABILITY OF CREDITS.--NO CREDITS
26 GRANTED UNDER THIS SECTION SHALL BE APPLIED AGAINST ANY TAX
27 WITHHELD BY AN EMPLOYER FROM AN EMPLOYEE UNDER ARTICLE III OF
28 THE TAX REFORM CODE OF 1971.

29 (F) TIME OF APPLICATION FOR CREDITS.--

30 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), THE DEPARTMENT

1 MAY ACCEPT APPLICATIONS FOR TAX CREDITS AVAILABLE DURING A
2 FISCAL YEAR NO EARLIER THAN JULY 1 OF EACH FISCAL YEAR.

3 (2) THE APPLICATION OF ANY BUSINESS FIRM FOR TAX CREDITS
4 AVAILABLE DURING A FISCAL YEAR AS PART OF THE SECOND YEAR OF
5 A TWO-YEAR COMMITMENT OR AS A RENEWAL OF A TWO-YEAR
6 COMMITMENT THAT WAS FULFILLED IN THE PREVIOUS FISCAL YEAR MAY
7 BE ACCEPTED NO EARLIER THAN MAY 15 PRECEDING THE FISCAL YEAR.

8 SECTION 1706-G. TAX CREDIT LIMITATIONS.

9 (A) AMOUNT.--THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS
10 APPROVED SHALL NOT EXCEED \$50,000,000 IN A FISCAL YEAR.

11 (B) ACTIVITIES.--NO TAX CREDIT SHALL BE APPROVED FOR
12 ACTIVITIES THAT ARE A PART OF A BUSINESS FIRM'S NORMAL COURSE OF
13 BUSINESS.

14 (C) TAX LIABILITY.--

15 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), A TAX CREDIT
16 GRANTED FOR ANY ONE TAXABLE YEAR MAY NOT EXCEED THE TAX
17 LIABILITY OF A BUSINESS FIRM.

18 (2) IN THE CASE OF A CREDIT GRANTED TO A PASS-THROUGH
19 ENTITY WHICH ELECTS TO TRANSFER THE CREDIT ACCORDING TO
20 SECTION 1705-G(D), A TAX CREDIT GRANTED FOR ANY ONE TAXABLE
21 YEAR AND TRANSFERRED TO A SHAREHOLDER, MEMBER OR PARTNER MAY
22 NOT EXCEED THE TAX LIABILITY OF THE SHAREHOLDER, MEMBER OR
23 PARTNER.

24 (D) USE.--A TAX CREDIT NOT USED BY THE APPLICANT IN THE
25 TAXABLE YEAR THE CONTRIBUTION WAS MADE OR IN THE YEAR DESIGNATED
26 BY THE SHAREHOLDER, MEMBER OR PARTNER TO WHOM THE CREDIT WAS
27 TRANSFERRED UNDER SECTION 1705-G(D) MAY NOT BE CARRIED FORWARD
28 OR CARRIED BACK AND IS NOT REFUNDABLE OR TRANSFERABLE.

29 (E) NONTAXABLE INCOME.--A SCHOLARSHIP RECEIVED BY AN
30 ELIGIBLE STUDENT SHALL NOT BE CONSIDERED TO BE TAXABLE INCOME

1 FOR THE PURPOSES OF ARTICLE III OF THE TAX REFORM CODE OF 1971.
2 SECTION 1707-G. TAX CREDIT LISTS.

3 THE DEPARTMENT OF REVENUE SHALL PROVIDE A LIST OF ALL
4 SCHOLARSHIP ORGANIZATIONS RECEIVING CONTRIBUTIONS FROM BUSINESS
5 FIRMS GRANTED A TAX CREDIT UNDER THIS ARTICLE TO THE GENERAL
6 ASSEMBLY BY JUNE 30 OF EACH YEAR.

7 SECTION 1708-G. SCHOLARSHIPS.

8 (A) NOTICE.--BY AUGUST 15, 2012, AND BY FEBRUARY 1 OF EACH
9 YEAR THEREAFTER, THE DEPARTMENT SHALL PROVIDE ALL SCHOLARSHIP
10 ORGANIZATIONS WITH A LIST OF THE LOW-ACHIEVING SCHOOLS LOCATED
11 WITHIN EACH SCHOOL DISTRICT.

12 (B) AWARD.--A SCHOLARSHIP ORGANIZATION MAY AWARD A
13 SCHOLARSHIP TO AN APPLICANT WHO RESIDES WITHIN THE ATTENDANCE
14 BOUNDARY OF A LOW-ACHIEVING SCHOOL TO ATTEND A PARTICIPATING
15 PUBLIC SCHOOL OR A PARTICIPATING NONPUBLIC SCHOOL SELECTED BY
16 THE PARENT OF THE APPLICANT. IN AWARDING SCHOLARSHIPS, A
17 SCHOLARSHIP ORGANIZATION SHALL GIVE PREFERENCE TO ANY OF THE
18 FOLLOWING:

19 (1) AN APPLICANT WHO RECEIVED A SCHOLARSHIP FOR THE
20 PRIOR SCHOOL YEAR.

21 (2) AN APPLICANT OF A HOUSEHOLD WITH A HOUSEHOLD INCOME
22 THAT DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL FOR
23 THE SCHOOL YEAR PRECEDING THE SCHOOL YEAR FOR WHICH THE
24 APPLICATION IS BEING MADE.

25 (3) AN APPLICANT OF A HOUSEHOLD WITH A HOUSEHOLD INCOME
26 THAT DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL FOR
27 THE SCHOOL YEAR PRECEDING THE SCHOOL YEAR FOR WHICH THE
28 APPLICATION IS BEING MADE AND WHO RESIDES WITHIN ANY OF THE
29 FOLLOWING:

30 (I) A FIRST CLASS SCHOOL DISTRICT;

1 (II) A SCHOOL DISTRICT WITH AN AVERAGE DAILY
2 MEMBERSHIP GREATER THAN 7,500 AND THAT RECEIVES AN
3 ADVANCE OF ITS BASIC EDUCATION SUBSIDY AT ANY TIME; OR

4 (III) A SCHOOL DISTRICT THAT RECEIVES AN ADVANCE OF
5 ITS BASIC EDUCATION SUBSIDY AT ANY TIME AND IS EITHER
6 SUBJECT TO A DECLARATION OF FINANCIAL DISTRESS UNDER
7 SECTION 691 OR ENGAGED IN LITIGATION AGAINST THE
8 COMMONWEALTH IN WHICH THE SCHOOL DISTRICT SEEKS FINANCIAL
9 ASSISTANCE FROM THE COMMONWEALTH TO ALLOW THE SCHOOL
10 DISTRICT TO CONTINUE TO OPERATE.

11 (C) HOME SCHOOLING.--A SCHOLARSHIP ORGANIZATION SHALL NOT
12 AWARD A SCHOLARSHIP TO AN APPLICANT FOR ENROLLMENT IN A HOME
13 EDUCATION PROGRAM UNDER SECTION 1327.1.

14 (D) FUNDING.--THE AGGREGATE AMOUNT OF SCHOLARSHIPS SHALL NOT
15 EXCEED THE AGGREGATE AMOUNT OF CONTRIBUTIONS MADE BY BUSINESS
16 FIRMS TO THE SCHOLARSHIP ORGANIZATION.

17 (E) AMOUNT.--

18 (1) THE MAXIMUM AMOUNT OF A SCHOLARSHIP AWARDED TO
19 AN APPLICANT WITHOUT A DISABILITY SHALL BE \$8,500.

20 (2) THE MAXIMUM AMOUNT OF A SCHOLARSHIP AWARDED TO
21 AN APPLICANT WITH A DISABILITY SHALL BE \$15,000.

22 (3) IN NO CASE SHALL THE COMBINED AMOUNT OF THE
23 SCHOLARSHIP AWARDED TO A RECIPIENT AND ANY ADDITIONAL
24 FINANCIAL ASSISTANCE PROVIDED TO THE RECIPIENT EXCEED THE
25 TUITION RATE AND SCHOOL-RELATED FEES FOR THE
26 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC
27 SCHOOL THAT THE RECIPIENT WILL ATTEND.

28 (F) TAXATION.--A SCHOLARSHIP SHALL NOT BE CONSIDERED TAXABLE
29 INCOME FOR PURPOSES OF ARTICLE III OF THE TAX REFORM CODE OF
30 1971, OR A LOCAL TAXING ORDINANCE.

1 (G) FINANCIAL ASSISTANCE.--A SCHOLARSHIP SHALL NOT
2 CONSTITUTE FINANCIAL ASSISTANCE OR AN APPROPRIATION TO THE
3 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL
4 ATTENDED BY A RECIPIENT.

5 SECTION 1709-G. LOW-ACHIEVING SCHOOLS.

6 (A) LIST OF LOW-ACHIEVING SCHOOLS.--BY SEPTEMBER 1, 2012,
7 AND BY FEBRUARY 1 OF EACH YEAR THEREAFTER, THE DEPARTMENT OF
8 EDUCATION SHALL PUBLISH ON ITS PUBLICLY ACCESSIBLE INTERNET
9 WEBSITE AND IN THE PENNSYLVANIA BULLETIN A LIST OF THE LOW-
10 ACHIEVING SCHOOLS FOR THE FOLLOWING SCHOOL YEAR.

11 (B) NOTICE.--BY AUGUST 1, 2012, AND BY FEBRUARY 1 OF EACH
12 YEAR THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL NOTIFY EVERY
13 SCHOOL DISTRICT IDENTIFIED AS HAVING AT LEAST ONE LOW-ACHIEVING
14 SCHOOL OF ITS DESIGNATION AND SHALL FURNISH THE SCHOOL DISTRICT
15 WITH A LIST OF THE LOW-ACHIEVING SCHOOLS LOCATED WITHIN THE
16 SCHOOL DISTRICT.

17 (C) PUBLICATION.--WITHIN 15 DAYS OF RECEIPT OF A
18 NOTIFICATION UNDER SUBSECTION (B), A SCHOOL DISTRICT SHALL POST
19 ON ITS PUBLICLY ACCESSIBLE INTERNET WEBSITE NOTICE OF ALL OF THE
20 FOLLOWING:

21 (1) A DESCRIPTION OF THE PROGRAM.

22 (2) INSTRUCTIONS FOR APPLYING FOR A SCHOLARSHIP.

23 (3) A LIST OF SCHOOLS IN THE SCHOOL DISTRICT THAT HAVE
24 BEEN DESIGNATED BY THE DEPARTMENT OF EDUCATION AS LOW-
25 ACHIEVING SCHOOLS.

26 (4) NOTICE THAT A PARENT MUST CONTACT DIRECTLY A SCHOOL
27 DISTRICT OF A PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING
28 NONPUBLIC SCHOOL IF THE PARENT SEEKS TO ENROLL THE STUDENT IN
29 THE PROGRAM.

30 (D) NOTIFICATION TO PARENTS.--

1 (1) WITHIN 15 DAYS OF RECEIPT OF A NOTIFICATION UNDER
2 SUBSECTION (B), A SCHOOL DISTRICT SHALL NOTIFY THE PARENTS OF
3 EACH STUDENT WHO IS CURRENTLY ATTENDING OR RESIDING WITHIN
4 THE ATTENDANCE BOUNDARY OF A LOW-ACHIEVING SCHOOL DURING THE
5 SCHOOL YEAR OF THE SCHOOL'S DESIGNATION.

6 (2) UPON REGISTRATION OF A KINDERGARTEN STUDENT, A
7 SCHOOL DISTRICT SHALL NOTIFY THE PARENTS OF THE KINDERGARTEN
8 STUDENT THAT THE STUDENT WILL BE ASSIGNED TO A LOW-ACHIEVING
9 SCHOOL DURING THE SCHOOL YEAR OF THE SCHOOL'S DESIGNATION.

10 (3) THE NOTICE SHALL BE IN A FORM PROVIDED BY THE
11 DEPARTMENT OF EDUCATION AND SHALL PROVIDE THE FOLLOWING
12 INFORMATION REGARDING THE PROGRAM:

13 (I) A DESCRIPTION OF THE PROGRAM.

14 (II) INSTRUCTIONS FOR OBTAINING INFORMATION ABOUT
15 APPLYING FOR A SCHOLARSHIP UNDER THE PROGRAM.

16 (III) NOTICE OF THE PARENT'S RESPONSIBILITIES WITH
17 REGARD TO APPLYING TO A SCHOOL DISTRICT OF A
18 PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING NONPUBLIC
19 SCHOOL IF THE PARENT SEEKS TO ENROLL THE STUDENT IN THE
20 PROGRAM.

21 (E) AVERAGE DAILY MEMBERSHIP.--

22 (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
23 CONTRARY, A RECIPIENT WHO WAS ENROLLED IN THE RECIPIENT'S
24 RESIDENT SCHOOL DISTRICT OR IN A CHARTER SCHOOL, REGIONAL
25 CHARTER SCHOOL OR CYBER CHARTER SCHOOL WHEN THE RECIPIENT
26 FIRST RECEIVED A SCHOLARSHIP SHALL CONTINUE TO BE COUNTED IN
27 THE AVERAGE DAILY MEMBERSHIP OF THE SCHOOL DISTRICT FOR A
28 PERIOD OF ONE YEAR AFTER ENROLLING IN A PARTICIPATING PUBLIC
29 SCHOOL OR A PARTICIPATING NONPUBLIC SCHOOL.

30 (2) DURING THE YEAR REFERENCED IN PARAGRAPH (1) AND EACH

1 SCHOOL YEAR THEREAFTER, A SCHOOL DISTRICT OF A PARTICIPATING
2 PUBLIC SCHOOL IN WHICH THE RECIPIENT IS ENROLLED SHALL NOT
3 INCLUDE THE RECIPIENT IN THE SCHOOL DISTRICT'S AVERAGE DAILY
4 MEMBERSHIP.

5 SECTION 1710-G. SCHOOL PARTICIPATION IN PROGRAM.

6 (A) ELECTION.--

7 (1) BY AUGUST 15, 2012, AND BY FEBRUARY 15 OF EACH YEAR
8 THEREAFTER, A NONPUBLIC SCHOOL MAY ELECT TO PARTICIPATE IN
9 THE PROGRAM FOR THE FOLLOWING SCHOOL YEAR.

10 (2) BY AUGUST 15, 2012, AND BY FEBRUARY 15 OF EACH YEAR
11 THEREAFTER, A SCHOOL DISTRICT MAY ELECT TO PARTICIPATE IN THE
12 PROGRAM FOR THE FOLLOWING SCHOOL YEAR.

13 (B) NOTICE.--

14 (1) A SCHOOL DISTRICT OR NONPUBLIC SCHOOL THAT ELECTS TO
15 PARTICIPATE UNDER SUBSECTION (A) MUST NOTIFY THE DEPARTMENT
16 OF EDUCATION OF ITS INTENT TO PARTICIPATE.

17 (2) FOR A SCHOOL DISTRICT, THE NOTICE UNDER PARAGRAPH
18 (1) MUST BE SUBMITTED ON A FORM DEVELOPED BY THE DEPARTMENT
19 OF EDUCATION AND SHALL SPECIFY ALL OF THE FOLLOWING:

20 (I) EACH SCHOOL WITHIN THE SCHOOL DISTRICT WHICH THE
21 SCHOOL DISTRICT INTENDS TO MAKE A PARTICIPATING PUBLIC
22 SCHOOL.

23 (II) THE AMOUNT OF TUITION AND SCHOOL-RELATED FEES
24 ATTRIBUTABLE TO EACH AVAILABLE SEAT. THE AMOUNT UNDER
25 THIS SUBPARAGRAPH SHALL NOT EXCEED THE AMOUNT CALCULATED
26 UNDER SECTION 2561.

27 (3) FOR A NONPUBLIC SCHOOL, THE NOTICE UNDER PARAGRAPH
28 (1) MUST BE SUBMITTED ON A FORM DEVELOPED BY THE DEPARTMENT
29 OF EDUCATION AND SHALL SPECIFY THE AMOUNT OF TUITION AND
30 SCHOOL-RELATED FEES ATTRIBUTABLE TO AN AVAILABLE SEAT.

1 (C) TUITION RATES.--

2 (1) NO SCHOOL DISTRICT OF A PARTICIPATING PUBLIC SCHOOL
3 OR PARTICIPATING NONPUBLIC SCHOOL MAY CHARGE A RECIPIENT A
4 HIGHER TUITION RATE OR SCHOOL-RELATED FEE THAN THE SCHOOL
5 DISTRICT OR PARTICIPATING NONPUBLIC SCHOOL WOULD HAVE CHARGED
6 TO A SIMILARLY SITUATED STUDENT WHO IS NOT RECEIVING A
7 SCHOLARSHIP.

8 (2) NOTWITHSTANDING THE PROVISIONS OF SECTION 2561, A
9 SCHOOL DISTRICT OF A PARTICIPATING PUBLIC SCHOOL MAY CHARGE A
10 RECIPIENT A TUITION RATE THAT IS LOWER THAN THAT CHARGED TO
11 STUDENTS WHO ARE NOT RECIPIENTS OF SCHOLARSHIPS.

12 (D) PARTICIPATING PUBLIC SCHOOL CRITERIA.--THE FOLLOWING
13 CRITERIA APPLY TO A PARTICIPATING PUBLIC SCHOOL:

14 (1) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, A
15 SCHOOL DISTRICT SHALL ENROLL STUDENTS IN A PARTICIPATING
16 PUBLIC SCHOOL ON A LOTTERY BASIS FROM A POOL OF RECIPIENTS
17 WHO MEET THE APPLICATION DEADLINE SET BY THE DEPARTMENT OF
18 EDUCATION UNTIL THE PARTICIPATING PUBLIC SCHOOL FILLS ITS
19 AVAILABLE SEATS. THE POOL MAY NOT INCLUDE A RECIPIENT WHO:

20 (I) HAS BEEN EXPELLED OR IS IN THE PROCESS OF BEING
21 EXPELLED UNDER SECTION 1317.2 OR 1318 AND APPLICABLE
22 REGULATIONS OF THE STATE BOARD OF EDUCATION; OR

23 (II) HAS BEEN RECRUITED BY THE SCHOOL DISTRICT OR
24 ITS REPRESENTATIVES FOR ATHLETIC PURPOSES.

25 (2) THE ENROLLMENT OF RECIPIENTS MAY NOT PLACE THE
26 SCHOOL DISTRICT IN VIOLATION OF A VALID AND BINDING
27 DESEGREGATION ORDER.

28 (3) PRIORITY SHALL BE GIVEN TO:

29 (I) AN EXISTING RECIPIENT.

30 (II) A RECIPIENT WHO IS A SIBLING OF A STUDENT

1 CURRENTLY ENROLLED IN THE SCHOOL DISTRICT.

2 (E) PARTICIPATING NONPUBLIC SCHOOL CRITERIA.--THE FOLLOWING
3 CRITERIA APPLY TO A PARTICIPATING NONPUBLIC SCHOOL:

4 (1) THE PARTICIPATING NONPUBLIC SCHOOL MAY NOT
5 DISCRIMINATE ON A BASIS WHICH IS ILLEGAL UNDER FEDERAL OR
6 STATE LAWS APPLICABLE TO NONPUBLIC SCHOOLS.

7 (2) THE PARTICIPATING NONPUBLIC SCHOOL SHALL COMPLY WITH
8 SECTION 1521.

9 (3) THE PARTICIPATING NONPUBLIC SCHOOL OR ITS
10 REPRESENTATIVES MAY NOT RECRUIT A STUDENT FOR ATHLETIC
11 PURPOSES.

12 (F) STUDENT RULES, POLICIES AND PROCEDURES.--

13 (1) PRIOR TO ENROLLMENT OF A RECIPIENT, A SCHOOL
14 DISTRICT OF A PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING
15 NONPUBLIC SCHOOL SHALL INFORM THE PARENT OF A RECIPIENT OF
16 ANY AND ALL RULES, POLICIES AND PROCEDURES OF THE
17 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC
18 SCHOOL, INCLUDING ANY ACADEMIC POLICIES, DISCIPLINARY RULES
19 AND ADMINISTRATIVE PROCEDURES OF THE PARTICIPATING PUBLIC
20 SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL.

21 (2) ENROLLMENT OF A RECIPIENT IN A PARTICIPATING PUBLIC
22 SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL SHALL CONSTITUTE
23 ACCEPTANCE OF ANY RULES, POLICIES AND PROCEDURES OF THE
24 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC
25 SCHOOL.

26 (G) TRANSPORTATION.--

27 (1) TRANSPORTATION OF RECIPIENTS SHALL BE PROVIDED UNDER
28 SECTION 1361.

29 (2) REIMBURSEMENT SHALL BE AS FOLLOWS:

30 (I) TRANSPORTATION OF A RECIPIENT ATTENDING A

1 PARTICIPATING PUBLIC SCHOOL SHALL BE SUBJECT TO
2 REIMBURSEMENT UNDER SECTION 2541.

3 (II) TRANSPORTATION OF A RECIPIENT ATTENDING A
4 PARTICIPATING NONPUBLIC SCHOOL SHALL BE SUBJECT TO
5 REIMBURSEMENT UNDER SECTIONS 2509.3 AND 2541.

6 (H) CONSTRUCTION.--NOTHING IN THIS ARTICLE SHALL BE
7 CONSTRUED TO:

8 (1) PROHIBIT A PARTICIPATING NONPUBLIC SCHOOL FROM
9 LIMITING ADMISSION TO A PARTICULAR GRADE LEVEL, A SINGLE
10 GENDER OR AREAS OF CONCENTRATION OF THE PARTICIPATING
11 NONPUBLIC SCHOOL, INCLUDING MATHEMATICS, SCIENCE AND THE
12 ARTS.

13 (2) AUTHORIZE THE COMMONWEALTH OR ANY OF ITS AGENCIES OR
14 OFFICERS OR POLITICAL SUBDIVISIONS TO IMPOSE ANY ADDITIONAL
15 REQUIREMENTS ON A PARTICIPATING NONPUBLIC SCHOOL WHICH ARE
16 NOT OTHERWISE AUTHORIZED UNDER THE LAWS OF THIS COMMONWEALTH
17 OR TO REQUIRE A PARTICIPATING NONPUBLIC SCHOOL TO ENROLL A
18 RECIPIENT IF THE PARTICIPATING NONPUBLIC SCHOOL DOES NOT
19 OFFER APPROPRIATE PROGRAMS OR IS NOT STRUCTURED OR EQUIPPED
20 WITH THE NECESSARY FACILITIES TO MEET THE SPECIAL NEEDS OF
21 THE RECIPIENT OR DOES NOT OFFER A PARTICULAR PROGRAM
22 REQUESTED.

23 SECTION 1711-G. TUITION GRANTS BY SCHOOL DISTRICTS.

24 (A) GENERAL RULE.--THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL
25 DISTRICT MAY USE FUNDS RECEIVED FROM THE COMMONWEALTH FOR
26 EDUCATIONAL PURPOSES TO ESTABLISH A PROGRAM OF TUITION GRANTS TO
27 PROVIDE FOR THE EDUCATION OF STUDENTS WHO RESIDE WITHIN THE
28 DISTRICT AND ATTEND OR WILL ATTEND A PUBLIC OR NONPUBLIC SCHOOL
29 ON A TUITION-PAYING BASIS.

30 (B) NONPUBLIC SCHOOL GRANT AMOUNT.--FOR STUDENTS WHO ATTEND

1 OR WILL ATTEND A NONPUBLIC SCHOOL, THE GRANT AMOUNT FOR EACH
2 STUDENT SHALL NOT EXCEED THE AMOUNT OF THE PER PUPIL STATE
3 SUBSIDY FOR BASIC EDUCATION OF THE SCHOOL DISTRICT OF RESIDENCE.

4 (C) AVERAGE DAILY MEMBERSHIP.--

5 (1) A STUDENT WHO RECEIVES A TUITION GRANT UNDER THIS
6 SECTION SHALL BE INCLUDED IN THE AVERAGE DAILY MEMBERSHIP FOR
7 PURPOSES OF DETERMINING THE SCHOOL DISTRICT OF RESIDENCE'S
8 BASIC EDUCATION FUNDING.

9 (2) A STUDENT WHO RECEIVES A GRANT UNDER THIS SECTION TO
10 ATTEND A PUBLIC SCHOOL OUTSIDE THE SCHOOL DISTRICT AWARDING
11 THE TUITION GRANT SHALL NOT BE INCLUDED IN THE AVERAGE DAILY
12 MEMBERSHIP OF THE SCHOOL DISTRICT THE STUDENT ATTENDS.

13 (D) GUIDELINES.--

14 (1) THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT
15 SHALL PREPARE GUIDELINES ESTABLISHING AN APPLICATION FORM AND
16 APPROVAL PROCESS, STANDARDS FOR VERIFICATION AS TO THE
17 ACCURACY OF APPLICATION INFORMATION, CONFIRMATION OF
18 ATTENDANCE BY A STUDENT WHO RECEIVES A TUITION GRANT,
19 RESTRICTIVE ENDORSEMENT OF GRANT CHECKS BY PARENTS TO THE
20 SCHOOL CHOSEN BY THE PARENTS, PRO RATA REFUNDS OF GRANTS FOR
21 STUDENTS WHO WITHDRAW DURING THE SCHOOL YEAR, REPAYMENT OF
22 REFUNDED GRANTS TO THE SCHOOL DISTRICT AND REASONABLE
23 DEADLINE DATES FOR SUBMISSION OF GRANT APPLICATIONS.

24 (2) THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL SHALL
25 ANNOUNCE THE AWARD OF GRANTS NO LATER THAN AUGUST 1 OF THE
26 SCHOOL YEAR IN WHICH THE GRANTS WILL BE UTILIZED.

27 (3) UPON RECEIPT OF WRITTEN CONFIRMATION OF ENROLLMENT
28 FROM THE STUDENT'S SCHOOL OF CHOICE, GRANTS SHALL BE PAID TO
29 THE PARENTS OF A STUDENT BY A CHECK THAT MAY ONLY BE ENDORSED
30 TO THE SELECTED SCHOOL.

1 (4) IN THE EVENT A STUDENT IS NO LONGER ENROLLED PRIOR
2 TO THE COMPLETION OF THE SCHOOL TERM, THE SCHOOL SHALL SEND
3 WRITTEN NOTICE THEREOF TO THE SCHOOL DISTRICT.

4 (E) NONTAXABLE.--GRANTS AWARDED TO STUDENTS UNDER THIS
5 SECTION SHALL NOT BE CONSIDERED TAXABLE INCOME FOR PURPOSES OF
6 ANY LOCAL TAXING ORDINANCE OR FOR PURPOSES OF ARTICLE III OF THE
7 TAX REFORM CODE OF 1971, NOR SHALL SUCH GRANTS CONSTITUTE
8 FINANCIAL ASSISTANCE OR APPROPRIATIONS TO THE SCHOOL ATTENDED BY
9 THE STUDENT.

10 (F) CONSTRUCTION.--NOTHING IN THIS SECTION SHALL BE
11 CONSTRUED TO EMPOWER THE COMMONWEALTH OR ANY SCHOOL DISTRICT OR
12 ANY OF THEIR AGENCIES OR OFFICERS TO:

13 (1) PRESCRIBE THE COURSE CONTENT OR ADMISSIONS CRITERIA
14 FOR ANY RELIGIOUSLY AFFILIATED SCHOOL;

15 (2) COMPEL ANY PRIVATE SCHOOL TO ACCEPT OR ENROLL A
16 STUDENT;

17 (3) IMPOSE ANY ADDITIONAL REQUIREMENTS ON ANY PRIVATE
18 SCHOOL THAT ARE NOT OTHERWISE AUTHORIZED; OR

19 (4) REQUIRE ANY SCHOOL TO ACCEPT OR RETAIN A STUDENT IF
20 THE SCHOOL DOES NOT OFFER PROGRAMS OR IS NOT STRUCTURED OR
21 EQUIPPED WITH THE NECESSARY FACILITIES TO MEET THE SPECIAL
22 NEEDS OF THE STUDENT OR DOES NOT OFFER A PARTICULAR PROGRAM
23 REQUESTED.

24 SECTION 1712-G. ORIGINAL JURISDICTION.

25 THE PENNSYLVANIA SUPREME COURT SHALL HAVE EXCLUSIVE AND
26 ORIGINAL JURISDICTION TO HEAR ANY CHALLENGE OR TO RENDER A
27 DECLARATORY JUDGMENT CONCERNING THE CONSTITUTIONALITY OF THIS
28 ARTICLE. THE PENNSYLVANIA SUPREME COURT MAY TAKE SUCH ACTION AS
29 IT DEEMS APPROPRIATE, CONSISTENT WITH THE PENNSYLVANIA SUPREME
30 COURT'S RETAINING JURISDICTION OVER SUCH A MATTER, TO FIND FACTS

1 OR TO EXPEDITE A FINAL JUDGMENT IN CONNECTION WITH SUCH A
2 CHALLENGE OR REQUEST FOR DECLARATORY RELIEF.

3 SECTION 22. SECTION 2501(26) OF THE ACT, ADDED JULY 9, 2008
4 (P.L.846, NO.61), IS AMENDED AND THE SECTION IS AMENDED BY
5 ADDING CLAUSES TO READ:

6 SECTION 2501. DEFINITIONS.--FOR THE PURPOSES OF THIS ARTICLE
7 THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

8 * * *

9 (26) "ACTUAL SPENDING." AN AMOUNT EQUAL TO A SCHOOL
10 DISTRICT'S TOTAL EXPENDITURES TO INCLUDE GENERAL FUND
11 EXPENDITURES IN ALL FUNCTIONAL CLASSIFICATIONS, AS DESIGNATED IN
12 THE MANUAL OF ACCOUNTING AND RELATED FINANCIAL PROCEDURES FOR
13 PENNSYLVANIA SCHOOL SYSTEMS, EXCEPT FOR:

- 14 (I) ACTUAL SPECIAL EDUCATION SPENDING;
- 15 (II) ADULT EDUCATION;
- 16 (III) HIGHER EDUCATION;
- 17 (IV) STUDENT TRANSPORTATION;
- 18 (V) COMMUNITY SERVICES;
- 19 (VI) SCHOLARSHIPS AND AWARDS;
- 20 (VII) FACILITIES ACQUISITION;
- 21 (VIII) CONSTRUCTION AND IMPROVEMENT SERVICES; AND
- 22 [(IX) OTHER EXPENDITURES AND FINANCING USES; AND]
- 23 (X) TUITION FROM PATRONS REVENUE.

24 * * *

25 (31) "ACTUAL SPECIAL EDUCATION SPENDING." AN AMOUNT EQUAL TO
26 A SCHOOL DISTRICT'S TOTAL ANNUAL EXPENDITURES FOR SPECIAL
27 EDUCATION AS ESTABLISHED BY THE DEPARTMENT OF EDUCATION AND
28 DESIGNATED IN THE MANUAL OF ACCOUNTING AND RELATED FINANCIAL
29 PROCEDURES FOR PENNSYLVANIA SCHOOL SYSTEMS. THE AMOUNT SHALL NOT
30 INCLUDE EXPENDITURES THAT ARE EXCLUSIVELY FOR GIFTED STUDENTS

1 WHO DO NOT RECEIVE SPECIAL EDUCATION PURSUANT TO AN
2 INDIVIDUALIZED EDUCATION PROGRAM.

3 (32) "ELIGIBLE STUDENT." A STUDENT WHO HAS BEEN IDENTIFIED
4 AS A STUDENT WITH A DISABILITY WHO IS IN NEED OF SPECIAL
5 EDUCATION UNDER FEDERAL AND STATE LAW.

6 (33) "PERFORMANCE INDICATORS." MEASURABLE ANNUAL OBJECTIVES
7 ESTABLISHED BY THE DEPARTMENT OF EDUCATION PURSUANT TO SECTION
8 612(A) (15) OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT
9 (PUBLIC LAW 91-230, 20 U.S.C. § 1412(A) (15)) TO ASSESS PROGRESS
10 TOWARD ACHIEVING STATE GOALS FOR THE PERFORMANCE OF ELIGIBLE
11 STUDENTS.

12 (34) "PUBLIC NOTICE." FULL AND TIMELY RELEASE OF INFORMATION
13 AND DOCUMENTS FOR PUBLIC ACCESS AT A MINIMUM THROUGH PUBLICATION
14 BY THE DEPARTMENT OF EDUCATION:

15 (I) IN THE PENNSYLVANIA BULLETIN;

16 (II) ON THE DEPARTMENT'S PUBLICLY ACCESSIBLE INTERNET
17 WEBSITE FOR NO LESS THAN A DURATION OF TWELVE (12) MONTHS; AND

18 (III) THROUGH THE DEPARTMENT'S TIMELY ISSUANCE OF A RELATED
19 STATEWIDE PRESS RELEASE.

20 (35) "REGULAR CLASSROOM." A CLASSROOM IN A REGULAR SCHOOL
21 OPERATED PRIMARILY FOR STUDENTS WHO HAVE NOT BEEN IDENTIFIED AS
22 STUDENTS WITH DISABILITIES WHO ARE IN NEED OF SPECIAL EDUCATION.

23 (36) "REGULAR SCHOOL." A NEIGHBORHOOD SCHOOL, MAGNET SCHOOL
24 OR OTHER PUBLIC SCHOOL OPERATED FOR ALL STUDENTS, NOT SOLELY
25 ELIGIBLE STUDENTS, IN A SCHOOL DISTRICT.

26 (37) "SPECIAL EDUCATION PLAN." A COMPREHENSIVE PLAN AS WELL
27 AS REVISIONS, UPDATES AND AMENDMENTS FOR ALL SPECIAL EDUCATION
28 PERSONNEL, PROGRAMS, SERVICES AND SUPPORTS PROVIDED BY EACH
29 SCHOOL DISTRICT FOR ELIGIBLE STUDENTS, FILED BY EACH DISTRICT
30 WITH THE DEPARTMENT OF EDUCATION UNDER THIS ACT AND OTHER

1 APPLICABLE FEDERAL AND STATE LAW.

2 (38) "BASE YEAR." FISCAL YEAR 2010-2011 OR ANOTHER YEAR
3 DESIGNATED BY STATUTE.

4 (39) "SPECIAL EDUCATION ALLOCATION." THE AMOUNT OF SPECIAL
5 EDUCATION FUNDING RECEIVED BY A SCHOOL DISTRICT FROM THE
6 COMMONWEALTH.

7 SECTION 23. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

8 SECTION 2509.13. SPECIAL EDUCATION FUNDING FOR STUDENT
9 ACHIEVEMENT AND INSTRUCTION OF ELIGIBLE STUDENTS.-- (A) (1) THE
10 DEPARTMENT OF EDUCATION SHALL SET ASIDE ONE PERCENT (1%) OF THE
11 TOTAL STATE SPECIAL EDUCATION APPROPRIATION IN EACH YEAR FOR
12 EXTRAORDINARY SPECIAL EDUCATION PROGRAM EXPENSES UNDER SECTION
13 2509.8. THE DEPARTMENT SHALL UTILIZE THE FUNDS UNDER SECTION
14 2509.8(E) IN ORDER TO MEET, TO THE EXTENT THAT FUNDS ARE
15 AVAILABLE, EXTRAORDINARY SPECIAL EDUCATION EXPENSES NOT
16 ANTICIPATED THROUGH THE SPECIAL EDUCATION FUNDING FORMULA.
17 SCHOOL DISTRICTS AND CHARTER AND CYBER CHARTER SCHOOLS MAY APPLY
18 FOR RESOURCES THROUGH THE FUND UNDER PROCEDURES ESTABLISHED BY
19 THE DEPARTMENT. THE DEPARTMENT SHALL MAKE PAYMENTS FROM THE FUND
20 IN RESPONSE TO THE APPLICATIONS.

21 (2) THE DEPARTMENT OF EDUCATION SHALL ISSUE A COMPREHENSIVE
22 ANNUAL REPORT DOCUMENTING USE OF THE FUND TO THE GENERAL
23 ASSEMBLY AND SHALL GIVE PUBLIC NOTICE ABOUT THE REPORT.

24 (3) AS USED IN THIS SUBSECTION, "EXTRAORDINARY SPECIAL
25 EDUCATION EXPENSES" SHALL MEAN EXPENSES THAT RESULT FROM NEEDS
26 AND CIRCUMSTANCES OF AN ELIGIBLE STUDENT WITH SIGNIFICANT
27 DISABILITIES WHICH ARE NOT ORDINARILY PRESENT IN A TYPICAL
28 SPECIAL EDUCATION SERVICE AND PROGRAM DELIVERY SYSTEM AND WHICH
29 HAVE COSTS EXCEEDING THE SCHOOL DISTRICT OR CHARTER OR CYBER
30 CHARTER SCHOOL FUNDING FOR SPECIAL EDUCATION, IN ORDER TO

1 PROVIDE THE STUDENT WITH AN APPROPRIATE EDUCATION IN THE LEAST
2 RESTRICTIVE ENVIRONMENT.

3 (B) (1) TO THE EXTENT THAT FUNDS ARE APPROPRIATED ANY YEAR
4 BY THE GENERAL ASSEMBLY, THE DEPARTMENT OF EDUCATION SHALL
5 ESTABLISH AND IMPLEMENT A COMPETITIVE GRANT PROGRAM FOR SCHOOL
6 DISTRICTS, CHARTER SCHOOLS AND CYBER CHARTER SCHOOLS MEETING THE
7 FOLLOWING CRITERIA:

8 (I) PROVIDING INSTRUCTION WITHIN THE REGULAR CLASSROOM AT
9 LEAST EIGHTY PERCENT (80%) OF THE SCHOOL DAY FOR AT LEAST SIXTY-
10 FIVE PERCENT (65%) OF ELIGIBLE STUDENTS, AS AVERAGED FOR THE TWO
11 (2) MOST RECENT SCHOOL YEARS FOR WHICH DATA ARE AVAILABLE OR
12 INCREASING THE NUMBER OF ELIGIBLE STUDENTS RECEIVING INSTRUCTION
13 WITHIN THE REGULAR CLASSROOM BY AT LEAST FIFTEEN PERCENT (15%)
14 IN THE MOST RECENT SCHOOL YEAR FOR WHICH DATA ARE AVAILABLE.

15 (II) IN THE MOST RECENT SCHOOL YEAR FOR WHICH DATA ARE
16 AVAILABLE, PERFORMANCE BY ELIGIBLE STUDENTS ON STATE ACADEMIC
17 ASSESSMENTS IN READING AND MATH, AVERAGED FOR THE ENTIRE
18 DISTRICT, MEETING STATE STANDARDS FOR ADEQUATE YEARLY PROGRESS
19 BY ANY METHOD APPROVED BY THE FEDERAL AND STATE GOVERNMENTS,
20 SUCH AS MEETING THE ANNUAL TARGET, THE CONFIDENCE INTERVAL, THE
21 SAFE HARBOR TARGET OR BY APPEAL.

22 (III) IMPLEMENTING PROGRAMS OR SERVICES THAT SERVE AS A
23 MODEL OF EXCELLENCE FOR MEETING HIGH STANDARDS FOR INCLUSION AND
24 STUDENT ACHIEVEMENT THROUGH QUALITY SPECIAL EDUCATION.

25 (2) THE DEPARTMENT OF EDUCATION SHALL DEVELOP GUIDELINES FOR
26 THE ADMINISTRATION OF THE GRANT PROGRAM ESTABLISHED UNDER THIS
27 SUBSECTION, WHICH SHALL BE ALLOCATED TO SCHOOL DISTRICTS,
28 CHARTER SCHOOLS AND CYBER CHARTER SCHOOLS ON A COMPETITIVE
29 BASIS.

30 (3) THE DEPARTMENT OF EDUCATION SHALL ISSUE AN ANNUAL REPORT

1 TO THE GENERAL ASSEMBLY DOCUMENTING USE OF THE GRANTS ISSUED
2 UNDER PARAGRAPH (1) AND SHALL GIVE PUBLIC NOTICE ABOUT THE
3 REPORT.

4 (4) NOTHING UNDER PARAGRAPH (1) OR ANY OTHER PROVISION OF
5 THIS ACT SHALL ALTER FEDERAL OR STATE LAW REGARDING THE
6 PROTECTIONS PROVIDED TO AN ELIGIBLE STUDENT FOR RECEIVING
7 EDUCATION IN THE LEAST RESTRICTIVE ENVIRONMENT OR SHALL ALTER
8 THE LEGAL AUTHORITY OF INDIVIDUALIZED EDUCATION PROGRAM TEAMS TO
9 MAKE APPROPRIATE PROGRAM AND PLACEMENT DECISIONS FOR ELIGIBLE
10 STUDENTS IN ACCORDANCE WITH THE INDIVIDUALIZED EDUCATION PROGRAM
11 DEVELOPED FOR EACH ELIGIBLE STUDENT.

12 SECTION 2509.14. SPECIAL EDUCATION FUNDING FOR ELIGIBLE
13 STUDENTS WITH DISABILITIES IN CATEGORY 3.--(A) FOR THE
14 2014-2015 SCHOOL YEAR AND EACH SCHOOL YEAR THEREAFTER, THE
15 DEPARTMENT OF EDUCATION SHALL SET ASIDE AN AMOUNT NOT LESS THAN
16 ONE PERCENT (1%) OF THE STATE SPECIAL EDUCATION APPROPRIATION
17 ABOVE THE LEVEL OF THE APPROPRIATION IN THE BASE YEAR. THE
18 DEPARTMENT OF EDUCATION SHALL DISTRIBUTE THIS AMOUNT AS PROVIDED
19 IN SUBSECTION (B).

20 (B) FOR THE 2014-2015 SCHOOL YEAR AND EACH SCHOOL YEAR
21 THEREAFTER, EACH SCHOOL DISTRICT IN THIS COMMONWEALTH SHALL
22 RECEIVE A PRO RATA SHARE OF THE AMOUNT SET ASIDE UNDER
23 SUBSECTION (A) BASED UPON THE NUMBER OF ELIGIBLE STUDENTS
24 RESIDING OR ENROLLED IN EACH SCHOOL DISTRICT AND CLASSIFIED IN
25 CATEGORY 3 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR.

26 (C) THE FUNDING PROVIDED UNDER THIS SECTION SHALL BE
27 ACCOUNTED FOR AS PART OF ACTUAL SPECIAL EDUCATION SPENDING AND
28 AS PART OF THE SPECIAL EDUCATION ALLOCATION RECEIVED BY A SCHOOL
29 DISTRICT, ACCORDING TO THE DEFINITIONS IN SECTION 2501. SCHOOL
30 DISTRICTS SHALL ALSO ACCOUNT FOR THE FUNDING PROVIDED UNDER THIS

1 SECTION AND THE RESULTING SERVICES AND SUPPORTS FOR ELIGIBLE
2 STUDENTS THROUGH THE SPECIAL EDUCATION PLANS, REVISIONS, UPDATES
3 AND AMENDMENTS REQUIRED BY SECTION 2509.15.

4 SECTION 2509.15. SPECIAL EDUCATION ACCOUNTABILITY.-- (A) (1)
5 THE DEPARTMENT OF EDUCATION SHALL DETERMINE THE FORM AND MANNER
6 IN WHICH SCHOOL DISTRICTS SHALL SUBMIT A SPECIAL EDUCATION PLAN
7 AND REVISIONS, UPDATES AND AMENDMENTS TO THE SPECIAL EDUCATION
8 PLAN UNDER THIS SECTION. THE SPECIAL EDUCATION PLAN SHALL BE
9 CONSISTENT WITH OTHER EXISTING PLANS AND REPORTS REQUIRED BY THE
10 DEPARTMENT TO THE GREATEST EXTENT POSSIBLE. SPECIAL EDUCATION
11 PLANS SHALL BE WRITTEN IN A MANNER THAT IS EASY TO USE AND
12 UNDERSTAND BY PARENTS AND THE PUBLIC, INCLUDING A GENERAL
13 SUMMARY.

14 (2) THE DEPARTMENT OF EDUCATION SHALL:

15 (I) REVIEW THE SPECIAL EDUCATION PLANS AND REVISIONS,
16 UPDATES AND AMENDMENTS;

17 (II) PROVIDE RECOMMENDATIONS AND TECHNICAL ASSISTANCE TO
18 SCHOOL DISTRICTS;

19 (III) APPROVE OR DISAPPROVE THE PLAN WITHIN NINETY (90)
20 CALENDAR DAYS OF RECEIPT;

21 (IV) PROVIDE A WRITTEN EXPLANATION WHEN DISAPPROVING A PLAN;
22 AND

23 (V) PROVIDE GUIDANCE RELATED TO PLAN RESUBMISSION.

24 (3) THE DEPARTMENT OF EDUCATION SHALL APPROVE A SPECIAL
25 EDUCATION PLAN AND REVISIONS, UPDATES AND AMENDMENTS THAT IN THE
26 DETERMINATION OF THE DEPARTMENT:

27 (I) MEET THE REQUIREMENTS OF THIS SECTION;

28 (II) ADDRESS THE ACADEMIC AND DEVELOPMENTAL CHALLENGES FOR
29 ELIGIBLE STUDENTS IDENTIFIED IN THE SCHOOL DISTRICT'S MOST
30 RECENT STUDENT ACHIEVEMENT RESULTS AND PURSUANT TO PERFORMANCE

1 INDICATORS;

2 (III) DESCRIBE PROGRAMS AND STRATEGIES THAT ARE MOST LIKELY
3 TO IMPROVE STUDENT OUTCOMES IN THE SCHOOL DISTRICT; AND

4 (IV) DESCRIBE POLICIES OF THE SCHOOL DISTRICT TO ENSURE THAT
5 A STUDENT IDENTIFIED AS HAVING A DISABILITY IS NO LONGER
6 IDENTIFIED AS SUCH IF THE STUDENT NO LONGER QUALIFIES UNDER 22
7 PA. CODE CH. 14 (RELATING TO SPECIAL EDUCATION SERVICES AND
8 PROGRAMS), OR ANY SUCCESSOR REGULATION.

9 (4) UPON DISAPPROVING A SCHOOL DISTRICT'S SPECIAL EDUCATION
10 PLAN, UPDATE OR REVISION SUBMITTED UNDER THIS SECTION, THE
11 DEPARTMENT OF EDUCATION MAY WITHHOLD THE PORTION OF THE ANNUAL
12 STATE INCREASE IN SPECIAL EDUCATION FUNDING WHICH EXCEEDS THE
13 INDEX UNTIL A WRITTEN SPECIAL EDUCATION PLAN, UPDATE OR REVISION
14 IS APPROVED.

15 (5) THE SECRETARY OF EDUCATION SHALL INVOLVE AS APPROPRIATE
16 IN SPECIAL EDUCATION MONITORING, SUPPORT, INTERVENTION,
17 TECHNICAL ASSISTANCE AND SPECIAL EDUCATION PLAN REVIEW BY THE
18 DEPARTMENT OF EDUCATION, THE STAFF IN RELEVANT OFFICES, BUREAUS
19 AND DIVISIONS OF THE DEPARTMENT, AS WELL AS ANY OTHER RESOURCES
20 AS APPROPRIATE.

21 (B) (1) PURSUANT TO THE TIMETABLE SET FORTH IN SECTION 218,
22 EACH SCHOOL DISTRICT RECEIVING AN INCREASE IN ITS STATE SPECIAL
23 EDUCATION FUNDING ALLOCATION OF MORE THAN THE INDEX SHALL UPDATE
24 ITS SPECIAL EDUCATION PLAN BY ATTACHING THE DISTRICT'S SPECIAL
25 EDUCATION EXPENDITURES AS REPORTED ON THE ANNUAL FINANCIAL
26 REPORTS AND SHALL SUBMIT THE UPDATES AND REVISIONS TO THE
27 DEPARTMENT OF EDUCATION FOR APPROVAL UNDER SUBSECTION (A). THE
28 DEPARTMENT SHALL ALLOW A DISTRICT TO MEET THE REQUIREMENTS OF
29 THIS SECTION BY ADDING THE INFORMATION AS AN APPENDIX TO THE
30 EXISTING PLAN.

1 (2) SCHOOL DISTRICTS SHALL USE STATE FUNDS FOR PROGRAMS AND
2 SUPPORTS THAT EXPRESSLY BENEFIT ELIGIBLE STUDENTS EDUCATED IN
3 THE LEAST RESTRICTIVE ENVIRONMENT IN ACCORDANCE WITH FEDERAL AND
4 STATE LAW AND CONTRIBUTE TO ACHIEVEMENT OF PERFORMANCE
5 INDICATORS.

6 (3) THE DEPARTMENT OF EDUCATION SHALL IDENTIFY RESOURCES FOR
7 PROGRAMS AND SUPPORTS THAT BENEFIT ELIGIBLE STUDENTS AND
8 CONTRIBUTE TO ACHIEVEMENT OF PERFORMANCE INDICATORS AND ADDRESS
9 THE FOLLOWING AREAS OR RELATED AREAS:

10 (I) CURRICULA ADAPTATION;

11 (II) COTEACHING;

12 (III) ASSISTIVE TECHNOLOGY;

13 (IV) SCHOOL-WIDE POSITIVE BEHAVIOR SUPPORTS;

14 (V) SUPPLEMENTARY AIDS AND SERVICES;

15 (VI) PROFESSIONAL DEVELOPMENT;

16 (VII) READING SERVICES AND SUPPORTS;

17 (VIII) CASELOAD MANAGEMENT FOR SPECIAL EDUCATION TEACHERS
18 AND RELATED SERVICES PERSONNEL; AND

19 (IX) PLACING AND SERVING ELIGIBLE STUDENTS IN REGULAR
20 CLASSROOMS WITH SUPPORTS IN ACCORDANCE WITH THE INDIVIDUALIZED
21 EDUCATION PROGRAM DEVELOPED FOR EACH ELIGIBLE STUDENT.

22 (4) THE DEPARTMENT OF EDUCATION SHALL MAKE THE RESOURCES
23 IDENTIFIED IN PARAGRAPH (3) AVAILABLE TO ALL EDUCATIONAL
24 ENTITIES IN THIS COMMONWEALTH.

25 (C) ACCOUNTABILITY FOR THE EFFECTIVE USE OF RESOURCES TO
26 MEET STUDENT NEEDS SHALL ALSO BE PROVIDED IN THE FOLLOWING WAYS:

27 (1) THE DEPARTMENT OF EDUCATION SHALL ISSUE TO THE GENERAL
28 ASSEMBLY A COMPREHENSIVE ANNUAL REPORT ON SPECIAL EDUCATION
29 FUNDING, SPECIAL EDUCATION PLANS, THE IMPLEMENTATION OF 22 PA.
30 CODE § 14.104 (RELATING TO SPECIAL EDUCATION PLANS) AND OTHER

1 SPECIAL EDUCATION ACCOUNTABILITY ISSUES FOR PUBLIC SCHOOL
2 ENTITIES SERVING ELIGIBLE STUDENTS AND THIS COMMONWEALTH.

3 (2) UPON DISAPPROVING A SCHOOL DISTRICT'S SPECIAL EDUCATION
4 PLAN, UPDATE OR REVISION, THE DEPARTMENT OF EDUCATION MAY
5 WITHHOLD THE PORTION OF THE ANNUAL STATE INCREASE IN SPECIAL
6 EDUCATION FUNDING WHICH EXCEEDS THE INDEX UNTIL A WRITTEN
7 SPECIAL EDUCATION PLAN, UPDATE OR REVISION IS APPROVED.

8 (3) (I) THE DEPARTMENT OF EDUCATION SHALL:

9 (A) REVIEW AND MONITOR IMPLEMENTATION OF ALL SPECIAL
10 EDUCATION PLANS, SUCH AS COMPLIANCE WITH SUBSECTION (B) AND 22
11 PA. CODE § 14.104;

12 (B) PROVIDE SUPPORT, INTERVENTION AND TECHNICAL ASSISTANCE
13 IN SCHOOL DISTRICTS FAILING TO MEET STUDENT NEEDS BASED ON
14 PERFORMANCE INDICATORS OR FAILING TO COMPLY WITH SUBSECTION (B);

15 (C) POST ON ITS INTERNET WEBSITE EACH SCHOOL DISTRICT'S
16 PROGRESS ON MEETING STUDENT NEEDS BASED ON PERFORMANCE
17 INDICATORS; AND

18 (D) DETERMINE WHETHER TO WITHHOLD UP TO FIVE PERCENT (5%) OF
19 ALL STATE SPECIAL EDUCATION FUNDING FOR SCHOOL DISTRICTS
20 IDENTIFIED UNDER THIS CLAUSE WHILE THE IDENTIFIED PROBLEMS
21 REMAIN UNRESOLVED.

22 (II) IF THE DEPARTMENT OF EDUCATION DETERMINES THAT A SCHOOL
23 DISTRICT IS MAKING SUBSTANTIAL PROGRESS TOWARD RESOLVING THE
24 IDENTIFIED PROBLEMS, IT SHALL RESTORE THE WITHHELD FUNDING
25 RETROACTIVELY AND CONTINUE TO MONITOR THE DISTRICT FOR AN
26 ADDITIONAL TWO (2) YEARS.

27 (4) (I) TO DISCOURAGE THE INAPPROPRIATE OVER-IDENTIFICATION
28 OF CHILDREN FOR SPECIAL EDUCATION, THE DEPARTMENT OF EDUCATION
29 SHALL AUTOMATICALLY CONDUCT A THOROUGH REVIEW OF THE SPECIAL
30 EDUCATION PLAN OF ANY SCHOOL DISTRICT WITH A SUBSTANTIALLY

1 HIGHER RATIO OF ELIGIBLE STUDENTS IN THE DISTRICT TO ITS AVERAGE
2 DAILY MEMBERSHIP FOR ALL STUDENTS THAN THE STATE AVERAGE, AS
3 ESTABLISHED BY THE DEPARTMENT AND OF ANY DISTRICT WHERE THE
4 RATIO OF ELIGIBLE STUDENTS IN THE SCHOOL DISTRICT TO ITS AVERAGE
5 DAILY MEMBERSHIP FOR ALL STUDENTS IN THE MOST RECENT SCHOOL YEAR
6 FOR WHICH DATA IS AVAILABLE HAS INCREASED BY MORE THAN TEN
7 PERCENT (10%) OVER THE PREVIOUS YEAR OR OF ANY DISTRICT WHERE
8 THE RATIO HAS INCREASED BY AN ANNUAL AVERAGE OF MORE THAN FIVE
9 PERCENT (5%) DURING THE MOST RECENT FIVE-YEAR PERIOD. THE
10 DEPARTMENT OF EDUCATION MAY TAKE REMEDIAL ACTION, INCLUDING
11 WITHHOLDING UP TO FIVE PERCENT (5%) OF ALL STATE SPECIAL
12 EDUCATION FUNDING, IF THE DEPARTMENT OF EDUCATION DETERMINES
13 THAT A SCHOOL DISTRICT HAS OVER-IDENTIFIED A STUDENT.

14 (II) NOTHING IN THIS PARAGRAPH OR ANY OTHER PROVISION OF
15 THIS ACT SHALL BE CONSTRUED TO ALTER FEDERAL OR STATE LAW
16 REGARDING THE PROTECTIONS PROVIDED TO AN ELIGIBLE STUDENT FOR
17 RECEIVING EDUCATION IN THE LEAST RESTRICTIVE ENVIRONMENT OR
18 ALTER THE LEGAL AUTHORITY OF INDIVIDUALIZED EDUCATION PROGRAM
19 TEAMS TO MAKE APPROPRIATE PROGRAM AND PLACEMENT DECISIONS FOR
20 ELIGIBLE STUDENTS IN ACCORDANCE WITH THE INDIVIDUALIZED
21 EDUCATION PROGRAM DEVELOPED FOR EACH ELIGIBLE STUDENT.

22 (D) IN RENDERING A DECISION OR DETERMINING REMEDIAL ACTION
23 UNDER THIS SECTION, THE DEPARTMENT OF EDUCATION SHALL CONSIDER
24 EXTRAORDINARY CIRCUMSTANCES WHICH A SCHOOL DISTRICT SUBJECT TO
25 REVIEW IS EXPERIENCING, INCLUDING A SUBSTANTIAL REDUCTION IN
26 FEDERAL OR STATE FUNDS OR OTHER FACTORS BEYOND THE CONTROL OF
27 THE SCHOOL DISTRICT. THE DEPARTMENT OF EDUCATION SHALL ISSUE TO
28 ANY AFFECTED SCHOOL DISTRICT A NOTICE SPECIFYING THE
29 DEPARTMENT'S DECISIONS AND ACTIONS UNDER THIS SECTION AND THE
30 RATIONALE FOR THE DECISIONS AND ACTIONS. A SCHOOL DISTRICT MAY

1 FILE A WRITTEN RESPONSE TO THE DEPARTMENT ABOUT THE DEPARTMENT'S
2 DECISIONS AND ACTIONS REGARDING THE DISTRICT MADE UNDER THIS
3 SECTION. THE WRITTEN RESPONSE MUST BE SUBMITTED TO THE
4 DEPARTMENT WITHIN THIRTY (30) CALENDAR DAYS OF THE DEPARTMENT'S
5 NOTICE OR WITHIN THIRTY (30) CALENDAR DAYS OF RECEIVING THE
6 NOTICE, WHICHEVER IS GREATER. THE DEPARTMENT SHALL CONSIDER THE
7 WRITTEN RESPONSE, CONSULT WITH THE SCHOOL DISTRICT AND, WITHIN
8 THIRTY (30) CALENDAR DAYS AFTER RECEIVING THE WRITTEN RESPONSE,
9 ISSUE A WRITTEN DECISION ADDRESSING THE CONCERNS AND CLAIMS MADE
10 IN THE WRITTEN RESPONSE, EXPLAINING THE JUDGMENT OF THE
11 DEPARTMENT IN RESPONSE TO THESE CONCERNS AND CLAIMS, AND
12 SPECIFYING THE OPPORTUNITY TO APPEAL THIS MATTER TO THE
13 SECRETARY OF EDUCATION FOR A HEARING UNDER 2 PA.C.S. CHS. 5
14 SUBCH. A (RELATING TO PRACTICE AND PROCEDURE OF COMMONWEALTH
15 AGENCIES) AND 7 SUBCH. A (RELATING TO JUDICIAL REVIEW OF
16 COMMONWEALTH AGENCY ACTION) AND 1 PA. CODE PT. II (RELATING TO
17 GENERAL RULES OF ADMINISTRATIVE PRACTICE AND PROCEDURE). IF
18 REQUESTED, THE SECRETARY OF EDUCATION SHALL CONVENE A HEARING
19 WITHIN THIRTY (30) CALENDAR DAYS AFTER RECEIPT OF A SCHOOL
20 DISTRICT'S HEARING REQUEST. THE SECRETARY OF EDUCATION SHALL
21 RENDER A WRITTEN HEARING DECISION WITHIN THIRTY (30) CALENDAR
22 DAYS FOLLOWING THE HEARING.

23 (E) THE DEPARTMENT OF EDUCATION SHALL GIVE PUBLIC NOTICE OF
24 THE DECISIONS, ACTIONS AND REPORTS MADE UNDER THIS SECTION.

25 (F) NOTHING UNDER THIS SECTION SHALL SUPERSEDE OR PREEMPT
26 ANY PROVISIONS OF A COLLECTIVE BARGAINING AGREEMENT BETWEEN A
27 SCHOOL ENTITY AND AN EMPLOYE ORGANIZATION IN EFFECT ON THE
28 EFFECTIVE DATE OF THIS SECTION.

29 (G) THE REQUIREMENTS OF THIS SECTION SHALL BE WAIVED UNTIL
30 THE GENERAL ASSEMBLY APPROPRIATES SPECIAL EDUCATION FUNDING

1 ABOVE THE AMOUNT OF SPECIAL EDUCATION FUNDING IN THE BASE YEAR
2 AND ON THE EFFECTIVE DATE OF THE APPROPRIATION THE REQUIREMENTS
3 OF THIS SECTION SHALL APPLY FOR THAT SCHOOL YEAR AND FOR EACH
4 SCHOOL YEAR THEREAFTER.

5 SECTION 2509.16. DATA COLLECTION.--USING EXISTING RESOURCES
6 AND DATA SYSTEMS AS WELL AS NATIONALLY ACCEPTED ACCOUNTING AND
7 MODELING STANDARDS, THE DEPARTMENT OF EDUCATION SHALL COLLECT
8 DATA NECESSARY FOR ACCURATE FUNCTIONING OF A SPECIAL EDUCATION
9 FORMULA DEVELOPED UNDER SECTION 120, INCLUDING, BUT NOT LIMITED
10 TO, DATA NECESSARY FOR THE CALCULATIONS RELATED TO CATEGORY 1,
11 CATEGORY 2 AND CATEGORY 3 AS PART OF THE FORMULA DEVELOPED BY
12 THE COMMISSION. THE DEPARTMENT OF EDUCATION SHALL BEGIN
13 COLLECTING SUCH DATA UPON THE EFFECTIVE DATE OF THIS SECTION.

14 SECTION 2509.17. PROTECTIONS.--NOTHING UNDER THE PROVISIONS
15 OF THIS ACT SHALL ALTER FEDERAL OR STATE LAW REGARDING THE
16 PROTECTIONS PROVIDED TO AN ELIGIBLE STUDENT FOR RECEIVING
17 EDUCATION IN THE LEAST RESTRICTIVE ENVIRONMENT OR SHALL ALTER
18 THE LEGAL AUTHORITY OF INDIVIDUALIZED EDUCATION PROGRAM TEAMS TO
19 MAKE APPROPRIATE PROGRAM AND PLACEMENT DECISIONS FOR ELIGIBLE
20 STUDENTS IN ACCORDANCE WITH THE INDIVIDUALIZED EDUCATION PROGRAM
21 DEVELOPED FOR EACH ELIGIBLE STUDENT.

22 SECTION 23.1. THE ACT IS AMENDED BY ADDING AN ARTICLE TO
23 READ:

24 ARTICLE XXV-B

25 EDUCATIONAL IMPROVEMENT TAX CREDIT

26 Section 2501-B. Definitions.

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

30 "Business firm." An entity authorized to do business in this



1 Commonwealth and subject to taxes imposed under ARTICLE XVI OF
2 THE ACT OF MAY 17, 1921 (P.L.682, NO.284), KNOWN AS THE
3 INSURANCE COMPANY LAW OF 1921, OR Article III, IV, VI, VII,
4 VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2), known
5 as the Tax Reform Code of 1971. The term includes a pass-through
6 entity.

7 "Contribution." A donation of cash, personal property or
8 services, the value of which is the net cost of the donation to
9 the donor or the pro rata hourly wage, including benefits, of
10 the individual performing the services.

11 "Department." The Department of Community and Economic
12 Development of the Commonwealth.

13 "Educational improvement organization." A nonprofit entity
14 which:

15 (1) is exempt from Federal taxation under section 501(c)
16 (3) of the Internal Revenue Code of 1986 (Public Law 99-514,
17 26 U.S.C. § 1 et seq.); and

18 (2) contributes at least 80% of its annual receipts as
19 grants to a public school, a chartered school as defined in
20 section 1376.1 or a private school approved under section
21 1376 for innovative educational programs.

22 For purposes of this definition, a nonprofit entity
23 "contributes" its annual cash receipts when it expends or
24 otherwise irrevocably encumbers those funds for expenditure
25 during the then current fiscal year of the nonprofit entity or
26 during the next succeeding fiscal year of the nonprofit entity.

27 A "nonprofit entity" includes a school district foundation,
28 public school foundation, charter school foundation or cyber
29 charter school foundation.

30 "Eligible prekindergarten student." A student, including an

1 eligible student with a disability, who is enrolled in a
2 prekindergarten program and is a member of a household with a
3 maximum annual household income as increased by the applicable
4 income allowance.

5 "Eligible student." A school-age student, including an
6 eligible student with a disability, who is enrolled in a school
7 and is a member of a household with a maximum annual household
8 income as increased by the applicable income allowance.

9 "Eligible student with a disability." A prekindergarten
10 student or a school-age student who meets all of the following:

11 (1) Is ~~either~~ enrolled in a special education school or ←
12 has otherwise been identified, in accordance with 22 Pa. Code
13 Ch. 14 (relating to special education services and programs),
14 as a "child with a disability," as defined in 34 CFR § 300.8
15 (relating to child with a disability).

16 (2) Needs special education and related services.

17 (3) Is enrolled in a prekindergarten program or in a
18 school.

19 (4) Is a member of a household with a household income
20 of not more than the maximum annual household income.

21 "Household." An individual living alone or with the
22 following: a spouse, parent and their unemancipated minor
23 children, other unemancipated minor children who are related by
24 blood or marriage or other adults or unemancipated minor
25 children living in the household who are dependent upon the
26 individual.

27 "Household income." All moneys or property received of
28 whatever nature and from whatever source derived. The term does
29 not include the following:

30 (1) Periodic payments for sickness and disability other

1 than regular wages received during a period of sickness or
2 disability.

3 (2) Disability, retirement or other payments arising
4 under workers' compensation acts, occupational disease acts
5 and similar legislation by any government.

6 (3) Payments commonly recognized as old-age or
7 retirement benefits paid to persons retired from service
8 after reaching a specific age or after a stated period of
9 employment.

10 (4) Payments commonly known as public assistance or
11 unemployment compensation payments by a governmental agency.

12 (5) Payments to reimburse actual expenses.

13 (6) Payments made by employers or labor unions for
14 programs covering hospitalization, sickness, disability or
15 death, supplemental unemployment benefits, strike benefits,
16 Social Security and retirement.

17 (7) Compensation received by United States servicemen
18 serving in a combat zone.

19 "Income allowance."

20 (1) Subject to paragraph (2), the amount of:

21 ~~(i) Before July 1, 2011, \$10,000 for each eligible~~ ←
22 ~~student, eligible prekindergarten student and dependent~~
23 ~~member of a household.~~

24 ~~(ii) (I) After June 30, 2011, through June 30, 2012~~ ←
25 ~~2013, \$12,000 for each eligible student, eligible~~ ←
26 ~~prekindergarten student and dependent member of a~~
27 ~~household.~~

28 ~~(iii) (II) After June 30, 2012 2013, through June~~ ←
29 ~~30, 2013 2014, \$15,000 for each eligible student,~~ ←
30 ~~eligible prekindergarten student and dependent member of~~

1 a household.

2 (2) Beginning July 1, 2013 2014, the Department of ←
3 Community and Economic Development shall annually adjust the
4 income allowance amounts under paragraph (1) to reflect any
5 upward changes in the Consumer Price Index for All Urban
6 Consumers for the Pennsylvania, New Jersey, Delaware and
7 Maryland area in the preceding 12 months and shall
8 immediately submit the adjusted amounts to the Legislative
9 Reference Bureau for publication as a notice in the
10 Pennsylvania Bulletin.

11 "Innovative educational program." An advanced academic or
12 similar program that is not part of the regular academic program
13 of a public school but that enhances the curriculum or academic
14 program of a public school, chartered school as defined in
15 section 1376.1(a) or private school approved in accordance with
16 section 1376, or provides prekindergarten programs to public
17 school students, students of a chartered school as defined in
18 section 1376.1(a) or students of a private school approved in
19 accordance with section 1376.

20 "Maximum annual household income."

21 (1) Except as stated in paragraph (2) and subject to
22 paragraph (3), the following:

23 ~~(i) Before July 1, 2011, not more than \$50,000.~~ ←

24 ~~(ii) (I) After June 30, 2011, through June 30, 2012-~~ ←
25 ~~2013, not more than \$60,000.~~ ←

26 ~~(iii) (II) After June 30, 2012 2013, not more than~~ ←
27 ~~\$75,000.~~

28 (2) With respect to an eligible student with a
29 disability, as calculated by multiplying:

30 (i) the sum of:

1 (A) the applicable amount under paragraph (1);
2 and
3 (B) the applicable income allowance; by
4 (ii) the applicable support level factor according
5 to the following table:

<u>Support Level</u>	<u>Support Level Factor</u>
<u>1</u>	<u>1.50</u>
<u>2</u>	<u>2.993</u>

9 (3) Beginning July 1, ~~2013~~ 2014, the Department of
10 Community and Economic Development shall annually adjust the
11 income amounts under paragraphs (1) and (2) to reflect any
12 upward changes in the Consumer Price Index for All Urban
13 Consumers for the Pennsylvania, New Jersey, Delaware and
14 Maryland area in the preceding 12 months and shall
15 immediately submit the adjusted amounts to the Legislative
16 Reference Bureau for publication as a notice in the
17 Pennsylvania Bulletin.

18 "Pass-through entity." A partnership as defined in section
19 301(n.0) of the act of March 4, 1971 (P.L.6, No.2), known as the
20 Tax Reform Code of 1971, a single-member limited liability
21 company treated as a disregarded entity for Federal income tax
22 purposes or a Pennsylvania S corporation as defined in section
23 301(n.1) of the Tax Reform Code of 1971.

24 "Prekindergarten program." A program of instruction for
25 three-year-old or four-year-old students that utilizes a
26 curriculum aligned with the curriculum of the school with which
27 it is affiliated and that provides:

28 (1) a minimum of two hours of instructional and
29 developmental activities per day at least 60 days per school
30 year; or

1 (2) a minimum of two hours of instructional and
2 developmental activities per day at least 20 days over the
3 summer recess.

4 "Prekindergarten scholarship organization." A nonprofit
5 entity that:

6 (1) ~~Either is~~ IS exempt from Federal taxation under ←
7 section 501(c)(3) of the Internal Revenue Code of 1986
8 (Public Law 99-514, 26 U.S.C. § 1 et seq.) or is operated as
9 a separate segregated fund by a scholarship organization that
10 has been qualified under section 2502-B.

11 (2) Contributes at least 80% of its annual cash receipts
12 to a prekindergarten scholarship program by expending or
13 otherwise irrevocably encumbering those funds for
14 distribution during the then current fiscal year of the
15 organization or during the next succeeding fiscal year of the
16 organization.

17 "Prekindergarten scholarship program." A program to provide
18 tuition to eligible prekindergarten students to attend a
19 prekindergarten program operated by or in conjunction with a
20 school located in this Commonwealth and that includes an
21 application and review process for the purpose of making awards
22 to eligible prekindergarten students and awards scholarships to
23 eligible prekindergarten students without limiting availability
24 to only students of one school OR ONE BUILDING WITHIN A PUBLIC ←
25 SCHOOL DISTRICT OR NONPUBLIC SCHOOL ENTITY.

26 "Public school." A public prekindergarten where compulsory
27 attendance requirements do not apply or a public kindergarten,
28 elementary school or secondary school at which the compulsory
29 attendance requirements of this Commonwealth may be met and that
30 meets the applicable requirements of Title VI of the Civil

1 Rights Act of 1964 (Public Law 88-352, 78 Stat. 241).

2 "Scholarship." An award under a scholarship program TO PAY ←
3 TUITION AND SCHOOL-RELATED FEES TO ATTEND A SCHOOL.

4 "Scholarship organization." A nonprofit entity that:

5 (1) is exempt from Federal taxation under section 501(c)
6 (3) of the Internal Revenue Code of 1986 (Public Law 99-514,
7 26 U.S.C. § 1 et seq.); and

8 (2) contributes at least 80% of its annual cash receipts
9 to a scholarship program.

10 For purposes of this definition, a nonprofit entity

11 "contributes" its annual cash receipts to a scholarship program
12 when it expends or otherwise irrevocably encumbers those funds
13 for distribution during the then current fiscal year of the
14 nonprofit entity or during the next succeeding fiscal year of
15 the nonprofit entity.

16 "Scholarship program." A program to provide tuition AND ←
17 SCHOOL-RELATED FEES to eligible students to attend a school
18 located in this Commonwealth. A scholarship program must include
19 an application and review process for the purpose of making
20 awards to eligible students. The award of scholarships to
21 eligible students shall be made without limiting availability to
22 only students of one school OR ONE BUILDING WITHIN A SCHOOL ←
23 DISTRICT OR NONPUBLIC SCHOOL ENTITY.

24 "School." A public or nonpublic prekindergarten,
25 kindergarten, elementary school or secondary school at which the
26 compulsory attendance requirements of the Commonwealth may be
27 met and that meets the applicable requirements of Title VI of
28 the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241).

29 "School age." From the earliest admission age to a school's
30 prekindergarten or kindergarten program or, when no

1 prekindergarten or kindergarten program is provided, the
2 school's earliest admission age for beginners, until the end of
3 the school year the student attains 21 years of age or
4 graduation from high school, whichever occurs first.

5 "SCHOOL-RELATED FEES." FEES CHARGED BY A SCHOOL TO ALL
6 STUDENTS FOR BOOKS, INSTRUCTIONAL MATERIALS, TECHNOLOGY
7 EQUIPMENT AND SERVICES, UNIFORMS AND ACTIVITIES.



8 "Special education school." A school or program within a
9 school that is designated specifically and exclusively for
10 students with any of the disabilities listed in 34 CFR § 300.8
11 (relating to child with a disability) and meets one of the
12 following:

13 (1) is licensed under the act of January 28, 1988

14 (P.L.24, No.11), known as the Private Academic Schools Act;

15 (2) is accredited by an accrediting association approved
16 by the State Board of Education;

17 (3) is a school for the blind or deaf receiving
18 Commonwealth appropriations; or

19 (4) is operated by or under the authority of a bona fide
20 religious institution or by the Commonwealth or any political
21 subdivision thereof.

22 "Support level." The level of support needed by an eligible
23 student with a disability, as stated in the following matrix:

24 (1) Support level 1. The student is not enrolled in a
25 special education school.

26 (2) Support level 2. The student is enrolled in a
27 special education school.

28 "Tax credit." The educational improvement tax credit
29 established under this article.

30 Section 2502-B. Qualification and application.

1 (a) Establishment.--In accordance with section 14 of Article
2 III of the Constitution of Pennsylvania, an educational
3 improvement tax credit program is established to enhance the
4 educational opportunities available to all students in this
5 Commonwealth.

6 (b) Information.--In order to qualify under this article, a
7 scholarship organization, a prekindergarten scholarship
8 organization or an educational improvement organization must
9 submit information to the department that enables the department
10 to confirm that the organization is exempt from taxation under
11 section 501(c)(3) of the Internal Revenue Code of 1986 (Public
12 Law 99-514, 26 U.S.C. § 1 et seq.).

13 (c) Scholarship organizations and prekindergarten
14 scholarship organizations.--A scholarship organization or
15 prekindergarten scholarship organization must certify to the
16 department that the organization is eligible to participate in
17 the program established under this article and must agree to
18 annually report the following information to the department by
19 September 1 of each year:

20 (1) (i) The number of scholarships awarded during the
21 immediately preceding school year to eligible
22 prekindergarten students.

23 (ii) The total and average amounts of scholarships
24 awarded during the immediately preceding school year to
25 eligible prekindergarten students.

26 (iii) The number of scholarships awarded during the
27 immediately preceding school year to eligible students in
28 grades kindergarten through eight.

29 (iv) The total and average amounts of scholarships
30 awarded during the immediately preceding school year to

1 eligible students in grades kindergarten through eight.

2 (v) The number of scholarships awarded during the
3 immediately preceding school year to eligible students in
4 grades 9 through 12.

5 (vi) The total and average amounts of scholarships
6 awarded during the immediately preceding school year to
7 eligible students in grades 9 through 12.

8 (vii) Where the scholarship organization or
9 prekindergarten scholarship organization collects
10 information on a county-by-county basis, the total number
11 and the total dollar amount of scholarships awarded
12 during the immediately preceding school year to residents
13 of each county in which the scholarship organization or
14 prekindergarten scholarship organization awarded
15 scholarships.

16 (VIII) THE TOTAL NUMBER OF SCHOLARSHIP APPLICATIONS ←
17 PROCESSED AND THE AMOUNTS OF ANY APPLICATION FEES
18 CHARGED, EITHER PER SCHOLARSHIP APPLICATION OR IN THE
19 AGGREGATE THROUGH A THIRD-PARTY PROCESSOR.

20 (IX) THE ORGANIZATION'S FEDERAL FORM 990 OR OTHER
21 FEDERAL FORM INDICATING THE TAX STATUS OF THE
22 ORGANIZATION FOR FEDERAL TAX PURPOSES, IF ANY, AND A COPY
23 OF A COMPILATION, REVIEW OR AUDIT OF THE SCHOLARSHIP
24 ORGANIZATION'S FINANCIAL STATEMENTS CONDUCTED BY A
25 CERTIFIED PUBLIC ACCOUNTING FIRM.

26 (2) The information required under paragraph (1) shall
27 be submitted on a form provided by the department. No later
28 than May 1 of each year, the department shall annually
29 distribute such sample forms, together with the forms on
30 which the reports are required to be made, to each listed

1 scholarship organization and prekindergarten scholarship
2 organization.

3 (3) The department may not require any other information
4 to be provided by scholarship organizations or
5 prekindergarten scholarship organizations, except as
6 expressly authorized in this article.

7 (d) Educational improvement organization.--

8 (1) An application submitted by an educational
9 improvement organization must describe its proposed
10 innovative educational program or programs in a form
11 prescribed by the department. In prescribing the form, the
12 department shall consult with the Department of Education as
13 necessary. The department shall review and approve or
14 disapprove the application. In order to be eligible to
15 participate in the program established under this article, an
16 educational improvement organization must agree to annually
17 report the following information to the department by
18 September 1 of each year:

19 (i) The name of the innovative educational program
20 or programs and the total amount of the grant or grants
21 made to those programs during the immediately preceding
22 school year.

23 (ii) A description of how each grant was utilized
24 during the immediately preceding school year and a
25 description of any demonstrated or expected innovative
26 educational improvements.

27 (iii) The names of the public schools and school
28 districts where innovative educational programs that
29 received grants during the immediately preceding school
30 year were implemented.

1 (iv) Where the educational improvement organization
2 collects information on a county-by-county basis, the
3 total number and the total dollar amount of grants made
4 during the immediately preceding school year for programs
5 at public schools in each county in which the educational
6 improvement organization made grants.

7 (V) THE EDUCATIONAL IMPROVEMENT ORGANIZATION'S ←
8 FEDERAL FORM 990 OR OTHER FEDERAL FORM INDICATING THE TAX
9 STATUS OF THE EDUCATIONAL IMPROVEMENT ORGANIZATION FOR
10 FEDERAL TAX PURPOSES, IF ANY, AND A COPY OF A
11 COMPILATION, REVIEW OF OR AUDIT OF THE EDUCATIONAL ←
12 IMPROVEMENT ORGANIZATION'S FINANCIAL STATEMENTS CONDUCTED
13 BY A CERTIFIED PUBLIC ACCOUNTING FIRM.

14 (2) The information required under paragraph (1) shall
15 be submitted on a form provided by the department. No later
16 than May 1 of each year, the department shall annually
17 distribute such sample forms, together with the forms on
18 which the reports are required to be made, to each listed
19 educational improvement organization.

20 (3) The department may not require any other information
21 to be provided by educational improvement organizations,
22 except as expressly authorized in this article.

23 (e) Notification.--The department shall notify the
24 scholarship organization, prekindergarten scholarship
25 organization or educational improvement organization that the
26 organization meets the requirements of this article for that
27 fiscal year no later than 60 days after the organization has
28 submitted the information required under this section.

29 (f) Publication.--The department shall annually publish a
30 list of each scholarship organization, prekindergarten

1 scholarship organization or educational improvement organization
2 qualified under this section in the Pennsylvania Bulletin. The
3 list shall also be posted and updated as necessary on the
4 publicly accessible Internet website of the department.

5 Section 2503-B. Application.

6 (a) Scholarship organization or prekindergarten scholarship
7 organization.--A business firm shall apply to the department for
8 a tax credit. A business firm shall receive a tax credit if the
9 scholarship organization or prekindergarten scholarship
10 organization that receives the contribution appears on the list
11 established under section 2502-B(f).

12 (b) Educational improvement organization.--A business firm
13 must apply to the department for a tax credit. A business firm
14 shall receive a tax credit if the department has approved the
15 program provided by the educational improvement organization
16 that receives the contribution.

17 (c) Availability of tax credits.--Tax credits shall be made
18 available by the department on a first-come-first-served basis
19 within the limitations established under section 2505-B(a).

20 (d) Contributions.--A contribution by a business firm to a
21 scholarship organization, prekindergarten scholarship
22 organization or educational improvement organization shall be
23 made no later than 60 days following the approval of an
24 application under subsection (a) or (b).

25 Section 2504-B. Tax credit.

26 (a) Scholarship or educational improvement organizations.--
27 In accordance with section 2505-B(a), the Department of Revenue
28 shall grant a tax credit against any tax due under ARTICLE XVI
29 OF THE ACT OF MAY 17, 1921 (P.L.682, NO.284), KNOWN AS THE
30 INSURANCE COMPANY LAW OF 1921, OR Article III, IV, VI, VII,



1 VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2), known
2 as the Tax Reform Code of 1971, to a business firm providing
3 proof of a contribution to a scholarship organization or
4 educational improvement organization in the taxable year in
5 which the contribution is made which shall not exceed 75% of the
6 total amount contributed during the taxable year by the business
7 firm. For the fiscal year ~~2011-2012~~ 2012-2013, the tax credit ←
8 shall not exceed \$400,000 annually per business firm for
9 contributions made to scholarship organizations and educational
10 improvement organizations. For the fiscal year ~~2012-2013-~~ ←
11 2013-2014 AND EACH FISCAL YEAR THEREAFTER, the tax credit shall ←
12 not exceed \$750,000 annually per business firm for contributions
13 made to scholarship organizations or educational improvement
14 organizations.

15 (b) Additional amount.--The Department of Revenue shall
16 grant a tax credit of up to 90% of the total amount contributed
17 during the taxable year if the business firm provides a written
18 commitment to provide the scholarship organization or
19 educational improvement organization with the same amount of
20 contribution for two consecutive tax years. The business firm
21 must provide the written commitment under this subsection to the
22 department at the time of application.

23 (c) Prekindergarten scholarship organizations.--In
24 accordance with section 2505-B(a), the Department of Revenue
25 shall grant a tax credit against any tax due under ARTICLE XVI ←
26 OF THE INSURANCE COMPANY LAW OF 1921 OR Article III, IV, VI,
27 VII, VIII, IX or XV of the Tax Reform Code of 1971 to a business
28 firm providing proof of a contribution to a prekindergarten
29 scholarship organization in the taxable year in which the
30 contribution is made which shall be equal to 100% of the first

1 \$10,000 contributed during the taxable year by the business
2 firm, and which shall not exceed 90% of the remaining amount
3 contributed during the taxable year by the business firm. For ←
4 the fiscal year 2011-2012, the THE tax credit shall not exceed ←
5 \$200,000 annually per business firm for contributions made to
6 prekindergarten scholarship organizations. For the fiscal year ←
7 2012-2013, the tax credit shall not exceed \$250,000 annually per
8 business firm for contributions made to prekindergarten
9 scholarship organizations.

10 (d) Combination of tax credits.--A business firm may receive
11 tax credits from the Department of Revenue in any tax year for
12 any combination of contributions under subsection (a), (b) or
13 (c). In no case may a business firm receive tax credits in any
14 tax year in excess of \$750,000 \$400,000 for contributions under ←
15 subsections (a) and (b) MADE DURING FISCAL YEAR 2012-2013, OR IN ←
16 EXCESS OF \$750,000 FOR CONTRIBUTIONS UNDER SUBSECTIONS (A) AND
17 (B) MADE DURING ANY FISCAL YEAR THEREAFTER. In no case shall a
18 business firm receive tax credits in any tax year in excess of
19 \$250,000 \$200,000 for contributions under subsection (c). ←

20 (e) Pass-through entity.--

21 (1) If a pass-through entity does not intend to use all
22 approved tax credits under this section, it may elect in
23 writing to transfer all or a portion of the tax credit to
24 shareholders, members or partners in proportion to the share
25 of the entity's distributive income to which the shareholder,
26 member or partner is entitled for use in the taxable year in
27 which the contribution is made or in the taxable year
28 immediately following the year in which the contribution is
29 made. The election shall designate the year in which the
30 transferred tax credits are to be used and shall be made

1 according to procedures established by the Department of
2 Revenue.

3 (2) A pass-through entity and a shareholder, member or
4 partner of a pass-through entity shall not claim the tax
5 credit under this section for the same contribution.

6 (3) The shareholder, member or partner may not carry
7 forward, carry back, obtain a refund of or sell or assign the
8 tax credit.

9 (4) The shareholder, member or partner may claim the
10 credit on a joint return, but the tax credit may not exceed
11 the separate income of that shareholder, member or partner.

12 (f) Restriction on applicability of credits.--No tax credits
13 shall be applied against any tax withheld by an employer from an
14 employee under Article III of the Tax Reform Code of 1971.

15 (g) Time of application for credits.--

16 (1) Except as provided in paragraph (2), the department
17 may accept applications for tax credits available during a
18 fiscal year no earlier than July 1 of each fiscal year.

19 (2) The application of any business firm for tax credits
20 available during a fiscal year as part of the second year of
21 a two-year commitment or as a renewal of a two-year
22 commitment that was fulfilled in the previous fiscal year may
23 be accepted no earlier than May 15 preceding the fiscal year.

24 Section 2505-B. Limitations.

25 (a) Amount.--

26 ~~(1) (i) For the fiscal year 2011-2012, the THE total~~ ←
27 ~~aggregate amount of all tax credits approved shall not~~
28 ~~exceed \$100,000,000. IN A FISCAL YEAR. SUCH TAX CREDITS~~ ←
29 ~~SHALL BE USED AS FOLLOWS:~~

30 ~~(ii) Not more than \$67,000,000 of the total~~ ←

1 (1) NO LESS THAN \$60,000,000 OF THE TOTAL aggregate ←
2 amount of all tax credits approved shall be used to provide
3 tax credits for contributions from business firms to
4 scholarship organizations.

5 ~~(iii) Not more than \$25,000,000 of the total~~ ←

6 (2) NO LESS THAN \$30,000,000 OF THE TOTAL aggregate ←
7 amount of all tax credits approved shall be used to provide
8 tax credits for contributions from business firms to
9 educational improvement organizations.

10 ~~(iv) Not more than \$8,000,000 of the total aggregate~~ ←

11 (3) NOT MORE THAN \$10,000,000 OF THE TOTAL AGGREGATE ←
12 amount of all tax credits approved shall be used to provide
13 tax credits for contributions from business firms to
14 prekindergarten scholarship organizations.

15 ~~(2) (i) In the fiscal year 2012 2013 and each fiscal~~ ←
16 ~~year thereafter, the total aggregate amount of all tax~~
17 ~~credits approved shall not exceed \$200,000,000.~~

18 ~~(ii) Not more than \$120,000,000 of the total~~
19 ~~aggregate amount of all tax credits approved shall be~~
20 ~~used to provide tax credits for contributions from~~
21 ~~business firms to scholarship organizations.~~

22 ~~(iii) Not more than \$60,000,000 of the total~~
23 ~~aggregate amount of all tax credits approved shall be~~
24 ~~used to provide tax credits for contributions from~~
25 ~~business firms to educational improvement organizations.~~

26 ~~(iv) Not more than \$20,000,000 of the total~~
27 ~~aggregate amount of all tax credits approved shall be~~
28 ~~used to provide tax credits for contributions from~~
29 ~~business firms to prekindergarten scholarship~~
30 ~~organizations.~~

1 (b) Activities.--No tax credit shall be approved for
2 activities that are a part of a business firm's normal course of
3 business.

4 (c) Tax liability.--

5 (1) Except as provided in paragraph (2), a tax credit
6 granted for any one taxable year may not exceed the tax
7 liability of a business firm.

8 (2) In the case of a credit granted to a pass-through
9 entity which elects to transfer the credit according to
10 section 2504-B(e), a tax credit granted for any one taxable
11 year and transferred to a shareholder, member or partner may
12 not exceed the tax liability of the shareholder, member or
13 partner.

14 (d) Use.--A tax credit not used by the applicant in the
15 taxable year the contribution was made or in the year designated
16 by the shareholder, member or partner to whom the credit was
17 transferred under section 2504-B(e) may not be carried forward
18 or carried back and is not refundable or transferable.

19 (e) Nontaxable income.--A scholarship received by an
20 eligible student or eligible prekindergarten student shall not
21 be considered to be taxable income for the purposes of Article
22 III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax
23 Reform Code of 1971.

24 Section 2506-B. Lists.

25 The Department of Revenue shall provide to the General
26 Assembly, by June 30 of each year, a list of all scholarship
27 organizations, prekindergarten scholarship organizations and
28 educational improvement organizations that receive contributions
29 from business firms granted a tax credit.

30 Section 2507-B. Guidelines.

1 The department, in consultation with the Department of
2 Education, shall develop guidelines to determine the eligibility
3 of an innovative educational program.

4 Section 24. Repeals are as follows: ←

5 (1) The General Assembly declares that the repeal under
6 paragraph (2) is necessary to effectuate the addition of
7 Article XXV-B of the act.

8 (2) Article XVII-F and section 2902-E(b) of the act of
9 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
10 1971, are repealed.

11 SECTION 25. THE SECRETARY OF EDUCATION SHALL PROPOSE ←
12 REGULATIONS FOR PROMULGATION BY THE STATE BOARD OF EDUCATION
13 WHICH IMPLEMENT THE AMENDMENT OR ADDITION OF THE FOLLOWING
14 PROVISIONS OF THE ACT:

15 (1) SECTION 120.

16 (2) SECTION 2501(26), (31), (32), (33), (34), (35),
17 (36), (37), (38) AND (39).

18 (3) SECTION 2509.13.

19 (4) SECTION 2509.14.

20 (5) SECTION 2509.15.

21 (6) SECTION 2509.16.

22 (7) SECTION 2509.17.

23 SECTION 26. THE ADDITION OF ARTICLE XXV-B OF THE ACT IS A
24 CONTINUATION OF ARTICLE XVII-F OF THE ACT OF MARCH 4, 1971
25 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971. EXCEPT AS
26 OTHERWISE PROVIDED IN ARTICLE XXV-B OF THE ACT, ALL ACTIVITIES
27 INITIATED UNDER ARTICLE XVII-F OF THE TAX REFORM CODE OF 1971
28 SHALL CONTINUE AND REMAIN IN FULL FORCE AND EFFECT AND MAY BE
29 COMPLETED UNDER ARTICLE XXV-B OF THE ACT. ORDERS, REGULATIONS,
30 RULES AND DECISIONS WHICH WERE MADE UNDER ARTICLE XVII-F OF THE

1 TAX REFORM CODE OF 1971 AND WHICH ARE IN EFFECT ON THE EFFECTIVE
2 DATE OF SECTION 24(2) OF THIS ACT SHALL REMAIN IN FULL FORCE AND
3 EFFECT UNTIL REVOKED, VACATED OR MODIFIED UNDER ARTICLE XXV-B OF
4 THE ACT. CONTRACTS, OBLIGATIONS AND COLLECTIVE BARGAINING
5 AGREEMENTS ENTERED INTO UNDER ARTICLE XVII-F OF THE TAX REFORM
6 CODE OF 1971 ARE NOT AFFECTED NOR IMPAIRED BY THE REPEAL OF
7 ARTICLE XVII-F OF THE TAX REFORM CODE OF 1971.

8 Section ~~3~~ 27. The provisions of ~~Article~~ ARTICLES XVII-G AND ←
9 XXV-B of the act are severable. If any provision of ~~that article~~ ←
10 ~~or its~~ THESE ARTICLES OR THEIR application to any person or ←
11 circumstance is held invalid, the invalidity shall not affect
12 other provisions or applications of ~~that article~~ THESE ARTICLES ←
13 which can be given effect without the invalid provision or
14 application.

15 ~~Section 4. This act shall take effect in 60 days JULY 1,~~ ←
16 ~~2012, OR IMMEDIATELY, WHICHEVER IS LATER.~~

17 SECTION 28. NOTWITHSTANDING ANY PROVISION OF THE ACT OF ←
18 APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL CODE,
19 RELATING TO APPROPRIATIONS TO THE DEPARTMENT OF EDUCATION IN THE
20 FISCAL YEAR BEGINNING JULY 1, 2012, FUNDS APPROPRIATED FOR
21 REGIONAL COMMUNITY COLLEGE SERVICES SHALL INCLUDE \$500,000 FOR A
22 COMMUNITY COLLEGE IN A COUNTY OF THE FOURTH CLASS WITH A
23 POPULATION BASED ON THE MOST RECENT FEDERAL DECENNIAL CENSUS OF
24 AT LEAST 175,000 BUT NOT MORE THAN 190,000.

25 SECTION 29. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

26 (1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT
27 IMMEDIATELY:

28 (I) THE ADDITION OF SECTIONS 1704-A AND 1733-A OF
29 THE ACT.

30 (II) THE ADDITION OF ARTICLES XVII-G AND XXV-B OF

1 THE ACT.

2 (III) THE ADDITION OF SECTION 120 OF THE ACT.

3 (IV) THE AMENDMENT OR ADDITION OF SECTION 2501(26),
4 (31), (32), (33), (34), (35), (36), (37), (38) AND (39)
5 OF THE ACT.

6 (V) THE ADDITION OF SECTIONS 2509.13, 2509.14,
7 2509.15, 2509.16 AND 2509.17 OF THE ACT.

8 (VI) SECTION 24 OF THIS ACT.

9 (VII) SECTION 25 OF THIS ACT.

10 (VIII) SECTION 26 OF THIS ACT.

11 (IX) SECTION 27 OF THIS ACT.

12 (X) SECTION 28 OF THIS ACT.

13 (XI) THIS SECTION.

14 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 60
15 DAYS.