

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1

Session of 2011

INTRODUCED BY PICCOLA, WILLIAMS, SCARNATI, PILEGGI, FOLMER, BROWNE, SMUCKER, ALLOWAY, ERICKSON, RAFFERTY, EICHELBERGER, PIPPY, D. WHITE, MENSCH, BRUBAKER, WASHINGTON AND STACK, JANUARY 26, 2011

SENATOR PICCOLA, EDUCATION, RE-REPORTED AS AMENDED, OCTOBER 25, 2011

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 OPPORTUNITIES FOR EDUCATIONAL
6 EXCELLENCE, FURTHER PROVIDING FOR DEFINITIONS AND FOR
7 CONCURRENT ENROLLMENT AGREEMENTS; IN CHARTER SCHOOLS, FURTHER
8 PROVIDING FOR DEFINITIONS; ESTABLISHING THE CHARTER SCHOOL
9 FUNDING ADVISORY COMMITTEE; FURTHER PROVIDING FOR POWERS OF
10 CHARTER SCHOOLS, FOR CHARTER SCHOOL REQUIREMENTS, FOR POWERS
11 OF BOARD OF TRUSTEES, FOR ESTABLISHMENT OF CHARTER SCHOOL,
12 FOR CONTENTS OF APPLICATION, FOR TERMS AND FORM OF CHARTER,
13 FOR STATE CHARTER SCHOOL APPEAL BOARD, FOR FACILITIES, FOR
14 ENROLLMENT, FOR FUNDING FOR CHARTER SCHOOLS, FOR ANNUAL
15 REPORTS AND ASSESSMENTS, FOR CAUSES FOR NONRENEWAL OR
16 TERMINATION AND FOR PROVISIONS APPLICABLE TO CHARTER SCHOOLS;
17 PROVIDING FOR EFFECT ON EXISTING CHARTER SCHOOLS; FURTHER
18 PROVIDING FOR POWERS AND DUTIES OF DEPARTMENT, FOR ASSESSMENT
19 AND EVALUATION, FOR SCHOOL DISTRICT AND INTERMEDIATE UNIT
20 RESPONSIBILITIES AND FOR ESTABLISHMENT OF CYBER CHARTER
21 SCHOOL; REPEALING PROVISIONS RELATING TO ENROLLMENT AND
22 NOTIFICATION; FURTHER PROVIDING FOR APPLICABILITY OF OTHER
23 PROVISIONS OF THIS ACT AND OF OTHER ACTS AND REGULATIONS;
24 providing for opportunity scholarships; ~~establishing the~~
25 ~~Excess Scholarship Fund; providing~~ AND for educational
26 improvement tax credit; and repealing provisions of the Tax
27 Reform Code of 1971 relating to educational improvement tax
28 credit.

29 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

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

5 ARTICLE XXV B

6 OPPORTUNITY SCHOLARSHIPS AND

7 EDUCATIONAL IMPROVEMENT TAX CREDIT

8 (a) Preliminary Provisions

9 Section 2501 B. Short title.

10 This article shall be known and may be cited as the  
11 Opportunity Scholarship and Educational Improvement Tax Credit  
12 Act.

13 (b) Opportunity Scholarships

14 Section 2501.1 B. Legislative findings.

15 The General Assembly finds that:

16 (1) Pursuant to section 14 of Article III of the  
17 Constitution of Pennsylvania, the General Assembly has the  
18 responsibility to provide for the maintenance and support of  
19 a thorough and efficient system of public education to serve  
20 the needs of this Commonwealth.

21 (2) Parents are best suited to choose the most  
22 appropriate means of education for their school age children.

23 (3) Providing diverse educational opportunities for the  
24 children of this Commonwealth is a civic and civil rights  
25 imperative and a matter of serious concern.

26 (4) The importance of providing educational choices that  
27 will meet the needs of parents, and the need to maintain and  
28 support an effective system of education, make it imperative  
29 to provide for the increased availability of diverse  
30 opportunities, including both public and nonpublic programs

1 ~~of education, to benefit all citizens of this Commonwealth.~~

2 ~~(5) Public schools are the foundation of the system of~~  
3 ~~education in this Commonwealth. Further, Pennsylvania's~~  
4 ~~longstanding tradition of local control of public education~~  
5 ~~allows communities to adapt their public school programs to~~  
6 ~~meet local needs. For these reasons, a robust program of~~  
7 ~~interdistrict school choice is a critical means of providing~~  
8 ~~families with increased educational options within the~~  
9 ~~traditional public school system.~~

10 ~~(6) The accessibility to families of nonpublic~~  
11 ~~educational alternatives decreases the burden on the~~  
12 ~~Commonwealth and local school districts and increases the~~  
13 ~~range of educational choices available to Pennsylvania~~  
14 ~~families, thus providing a benefit to all citizens of this~~  
15 ~~Commonwealth.~~

16 ~~(7) It is the long term goal of the General Assembly to~~  
17 ~~offer assistance to all families in this Commonwealth, so as~~  
18 ~~to provide every child in this Commonwealth with diverse~~  
19 ~~educational opportunities and options.~~

20 ~~(8) As an initial step toward the long term goal of~~  
21 ~~offering assistance to all Pennsylvania families, this~~  
22 ~~subarticle provides assistance to disadvantaged school age~~  
23 ~~children in this Commonwealth who would otherwise attend~~  
24 ~~persistently lowest achieving schools.~~

25 ~~(9) Many disadvantaged school age children in this~~  
26 ~~Commonwealth enjoy comparatively fewer educational~~  
27 ~~opportunities or options than school age children who possess~~  
28 ~~greater economic means.~~

29 ~~(10) The programs of educational choice provided in this~~  
30 ~~subarticle are elements of an overall program of providing~~

~~funds to increase the availability of educational opportunities for school age children in this Commonwealth.~~

~~(11) A comparatively far greater proportion of public funds are and, upon implementation of an educational choice program, will continue to be devoted to the benefit of children enrolled in the public schools of this Commonwealth. Therefore, an opportunity scholarship program that offers assistance to parents who choose to enroll their children in participating nonpublic schools should be viewed as an integral part of the Commonwealth's overall program of educational funding and not as an isolated individual program.~~

~~(12) A program of financial assistance to enhance educational choice in this Commonwealth, as one element of the Commonwealth's plan for the funding of diverse educational opportunities for the citizens of this Commonwealth, will better prepare Commonwealth citizens to compete for employment opportunities, will foster development of a more capable and better educated work force and will better enable the Commonwealth to fulfill its obligation of providing children with the opportunity to receive a quality education.~~

~~Section 2502 B. Definitions.~~

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

~~"Assessment." The Pennsylvania System of School Assessment test, the Keystone Exam, an equivalent local assessment or another test established by the State Board of Education to meet the requirements of section 2603 B(d)(10)(i) and required under~~

1 ~~the No Child Left Behind Act of 2001 (Public Law 107-110, 115-~~  
2 ~~Stat. 1425) or its successor Federal statute or required to~~  
3 ~~achieve other standards established by the department for the~~  
4 ~~public school or school district under 22 Pa. Code § 403.3-~~  
5 ~~(relating to single accountability system).~~

6 ~~"Average daily membership." A school district's average~~  
7 ~~daily membership as defined in section 2501(3).~~

8 ~~"Board." The Education Opportunity Board established under~~  
9 ~~this subarticle.~~

10 ~~"Department." The Department of Education of the~~  
11 ~~Commonwealth.~~

12 ~~"Excess Scholarship Fund" or "Fund." The Excess Scholarship~~  
13 ~~Fund established in this subarticle.~~

14 ~~"Federal poverty line." The official Federal poverty line as~~  
15 ~~defined in section 673(2) of Subtitle B of the Community~~  
16 ~~Services Block Grant Act (Public Law 97-35, 95 Stat. 511), as~~  
17 ~~adjusted from time to time.~~

18 ~~"Fund." The Excess Scholarship Fund established in this~~  
19 ~~subarticle.~~

20 ~~"Household income." Income as used for the purposes of~~  
21 ~~determining eligibility for a free lunch under the Richard B.~~  
22 ~~Russell National School Lunch Act (60 Stat. 230, 1751 et seq.).~~

23 ~~"Kindergarten." A one year formal kindergarten program that~~  
24 ~~occurs during the school year immediately prior to first grade.~~

25 ~~"Local scholarship." A scholarship that is both:~~

26 ~~(1) Funded by the local revenues of a low income child's~~  
27 ~~resident school district in an amount equal to at least 35%~~  
28 ~~of the school district's share of its total revenue per~~  
29 ~~average daily membership.~~

30 ~~(2) Applied toward the low income child's tuition to~~

1 ~~attend a nonresident public school.~~

2 ~~"Low income child." A school age child with a household~~  
3 ~~income that does not exceed 1.3 times the Federal poverty line~~  
4 ~~for the school year preceding the school year for which an~~  
5 ~~opportunity scholarship is to be distributed.~~

6 ~~"Middle income child." A school age child with a household~~  
7 ~~income that does not exceed three times the Federal poverty line~~  
8 ~~for the school year immediately preceding the school year for~~  
9 ~~which an opportunity scholarship is to be distributed.~~

10 ~~"Middle income scholarship." A middle income scholarship~~  
11 ~~awarded to a middle income child under this subarticle to pay~~  
12 ~~tuition for the child to attend a nonresident public school or a~~  
13 ~~participating nonpublic school.~~

14 ~~"Middle income scholarship recipient." A middle income child~~  
15 ~~who is awarded a middle income scholarship under this~~  
16 ~~subarticle.~~

17 ~~"Nonpublic school." A school, other than a public school,~~  
18 ~~located within this Commonwealth where a Commonwealth resident~~  
19 ~~may legally fulfill the compulsory school attendance~~  
20 ~~requirements of this act and that meets the applicable~~  
21 ~~requirements of Title VI of the Civil Rights Act of 1964 (Public~~  
22 ~~law 88 352, 78 Stat. 241). The term also includes a full time or~~  
23 ~~part time kindergarten program operated by a nonpublic school.~~

24 ~~"Nonresident public school." A public school outside a~~  
25 ~~child's resident school district.~~

26 ~~"Nonresident school district." A school district other than~~  
27 ~~the school district in which a school age child resides.~~

28 ~~"Nonresident student." A school age child attending a public~~  
29 ~~school outside the child's resident school district.~~

30 ~~"Opportunity scholarship." An opportunity scholarship~~

1 ~~awarded to a low income child under this subarticle to pay~~  
2 ~~tuition for the child to attend a nonresident public school or a~~  
3 ~~participating nonpublic school.~~

4 ~~"Opportunity scholarship program" or "program." The~~  
5 ~~opportunity scholarship program established under this~~  
6 ~~subarticle.~~

7 ~~"Opportunity scholarship recipient." A low income child who~~  
8 ~~is awarded an opportunity scholarship under this subarticle.~~

9 ~~"Parent." A Commonwealth resident who is a parent or~~  
10 ~~guardian of a school age child.~~

11 ~~"Participating nonpublic school." A nonpublic school located~~  
12 ~~in this Commonwealth and offering a program of instruction for~~  
13 ~~kindergarten through 12th grade, or a combination of grades,~~  
14 ~~that certifies to the board under section 2505 B that it meets~~  
15 ~~the following criteria:~~

16 ~~(1) the nonpublic school is a nonprofit entity that is~~  
17 ~~exempt from Federal taxation under section 501(c)(3) of the~~  
18 ~~Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §~~  
19 ~~1 et seq.);~~

20 ~~(2) the nonpublic school does not discriminate in its~~  
21 ~~admission policies or practices for opportunity scholarship~~  
22 ~~applicants on the basis of measures of achievement or~~  
23 ~~aptitude or status as a handicapped person, provided,~~  
24 ~~however, that an applicant may be required to meet~~  
25 ~~established eligibility criteria for participation in magnet~~  
26 ~~schools or in schools with specialized academic missions; and~~

27 ~~(3) the nonpublic school is in full compliance with all~~  
28 ~~Federal and State laws applicable to nonpublic schools on the~~  
29 ~~date prior to the effective date of this section.~~

30 ~~"Persistently lowest achieving school." A public elementary~~

1 ~~or secondary school within this Commonwealth that is among the~~  
2 ~~lowest performing 5% of schools. To determine the lowest~~  
3 ~~performing 5% of schools, the department shall:~~

4 ~~(1) consider all public schools in this Commonwealth,~~  
5 ~~with the exception of charter schools, cyber charter schools,~~  
6 ~~area vocational technical schools, schools that do not draw~~  
7 ~~their student body from a particular attendance boundary and~~  
8 ~~schools with specialized academic programs with specific~~  
9 ~~admissions criteria;~~

10 ~~(2) exclude schools that have made adequate yearly~~  
11 ~~progress or were determined to be making progress for at~~  
12 ~~least one of the two most recent school years or that have~~  
13 ~~not been measured for adequate yearly progress in one of the~~  
14 ~~two most recent school years;~~

15 ~~(3) rank all remaining schools based upon their~~  
16 ~~performance on the most recent assessment for which data is~~  
17 ~~posted on the department's publicly accessible Internet~~  
18 ~~website; and~~

19 ~~(4) include the lowest performing 144 schools ranked~~  
20 ~~under paragraph (3) on a list of persistently lowest~~  
21 ~~achieving schools.~~

22 ~~"Resident school district." The school district in which a~~  
23 ~~school age child resides.~~

24 ~~"School age child." A child enrolling in kindergarten or in~~  
25 ~~grades 1 through 12.~~

26 ~~"Student with a disability." A school age child who has been~~  
27 ~~identified, in accordance with 22 Pa. Code Ch. 14 (relating to~~  
28 ~~special education services and programs), as a "child with a~~  
29 ~~disability," as defined in 34 CFR § 300.8 (relating to a child~~  
30 ~~with a disability).~~



~~"Total revenue per average daily membership." A school district's total revenue per average daily membership minus the amount of reimbursement to the school district for pupil transportation under sections 2509.3 and 2541.~~

~~Section 2503 B. Opportunity scholarship program.~~

~~(a) Establishment. Beginning with the 2011-2012 school year, the opportunity scholarship program shall be established to provide scholarships to help low income children pay tuition to attend a nonresident public school or a participating nonpublic school.~~

~~(b) Phase in. The opportunity scholarship program shall be phased in as follows:~~

~~(1) During the 2011-2012 school year, the opportunity scholarship program shall be available to low income children who satisfy both of the following:~~

~~(i) Either attended a persistently lowest achieving school during the 2010-2011 school year or will be a kindergarten student during the 2011-2012 school year.~~

~~(ii) Will reside within the attendance boundary of a persistently lowest achieving school as of the first day of classes of the 2011-2012 school year.~~

~~(2) During the 2012-2013 school year, the opportunity scholarship program shall be available to low income children who qualified for the program for the 2011-2012 school year under paragraph (1) and to low income children who will reside within the attendance boundary of a persistently lowest achieving school as of the first day of classes of the 2012-2013 school year.~~

~~(3) (i) During the 2013-2014 school year and each school year thereafter, the opportunity scholarship~~

~~program shall be available to all low income children residing in this Commonwealth, provided that the aggregate amount of all opportunity scholarships awarded for the 2013-2014 school year and for each school year thereafter to low income children who do not reside within the attendance boundary of a persistently lowest achieving school as of the first day of classes of the school year shall not exceed \$250,000,000.~~

~~(ii) Nothing in this paragraph shall be construed to limit the amount of opportunity scholarships awarded to low income children who were eligible for opportunity scholarships in the 2011-2012 and 2012-2013 school years or who reside within the attendance boundary of a persistently lowest achieving school as of the first day of classes of a school year.~~

~~(c) List of persistently lowest achieving schools to be published. By April 1, 2011, and by February 1 of each year thereafter, the department shall publish on the department's publicly accessible Internet website and in the Pennsylvania Bulletin a list of persistently lowest achieving schools that will be in effect for purposes of this subarticle for the following school year. The department shall publish the list based upon the most recent school year for which data is available.~~

~~(d) Notice.~~

~~(1) For each school year, by a date established by the board, each school district in this Commonwealth shall post on its publicly accessible Internet website notice of the following:~~

~~(i) A description of the opportunity scholarship~~

1 ~~program.~~

2 ~~(ii) Instructions for applying for an opportunity~~  
3 ~~scholarship.~~

4 ~~(iii) Instructions for applying for a local~~  
5 ~~scholarship where the school district has elected to~~  
6 ~~provide a local scholarship under section 2504 B(b).~~

7 ~~(iv) A statement as to whether any schools in the~~  
8 ~~school district have been designated by the department as~~  
9 ~~persistently lowest achieving schools.~~

10 ~~(v) Notice that a parent must contact directly the~~  
11 ~~nonresident public school or participating nonpublic~~  
12 ~~school in which the parent's child seeks to enroll for~~  
13 ~~application instructions.~~

14 ~~(2) The notice shall be in a form provided by the board.~~

15 ~~Section 2504 B. Opportunity scholarship to attend a nonresident~~  
16 ~~public school.~~

17 ~~(a) Eligibility. A low income child who is eligible to~~  
18 ~~participate in the opportunity scholarship program may receive~~  
19 ~~an opportunity scholarship to pay tuition to attend a~~  
20 ~~nonresident public school that accepts a child's enrollment~~  
21 ~~application under subsection (d).~~

22 ~~(b) Local scholarship. A school district may elect to~~  
23 ~~provide a local scholarship to low income children residing~~  
24 ~~within the school district to pay tuition to attend a~~  
25 ~~nonresident public school that accepts a child's enrollment~~  
26 ~~application under subsection (d). A school district that elects~~  
27 ~~to provide a local scholarship shall:~~

28 ~~(1) By a date established by the board, notify all~~  
29 ~~residents of the school district of the availability and~~  
30 ~~amount of the local scholarship for the following school year~~

~~1 and the process by which a low income child may apply to the  
2 board to receive the opportunity and local scholarships. The  
3 school district shall post the notice on the school  
4 district's publicly accessible Internet website. The notice  
5 may be incorporated into the notice the school district is  
6 required to provide under section 2503 B(d).~~

~~7 (2) By a date established by the board, notify the board  
8 of the availability and amount of the local scholarship for  
9 the following school year.~~

~~10 (3) When directed to do so by the board, pay to the  
11 board the local scholarship for each low income child  
12 residing in the district who the board determines to be  
13 eligible for the local scholarship and who the board confirms  
14 has enrolled in a nonresident public school.~~

~~15 (4) Comply with all guidelines developed by the board  
16 under section 2509 B.~~

~~17 (c) Application for opportunity and local scholarships.~~

~~18 (1) By a date established by the board and pursuant to  
19 guidelines developed by the board under section 2509 B, the  
20 parent of a low income child may apply to the board:~~

~~21 (i) For an opportunity scholarship for the following  
22 school year.~~

~~23 (ii) For a local scholarship for the following  
24 school year, where the low income child's resident school  
25 district has elected to provide a local scholarship under  
26 subsection (b).~~

~~27 (2) By a date established by the board, the board shall  
28 notify parents whether the scholarships for which the student  
29 applied will be awarded for the following school year.~~

~~30 (d) Application for enrollment in a nonresident public~~

1 ~~school.~~

2 ~~(1) By a date established by the board, the parent of a~~  
3 ~~low income child who has been awarded a scholarship under~~  
4 ~~subsection (c) may apply to one or more nonresident public~~  
5 ~~schools for enrollment of the child for the following school~~  
6 ~~year. The application shall be on a form provided by the~~  
7 ~~nonresident school district.~~

8 ~~(2) (i) By a date established by the board, the~~  
9 ~~nonresident school district shall provide written notice~~  
10 ~~to the parent and the board as to whether the child will~~  
11 ~~be offered enrollment in the requested nonresident public~~  
12 ~~school for the following school year.~~

13 ~~(ii) By a date established by the board, the parent~~  
14 ~~must provide written notice to the board, the resident~~  
15 ~~school district and the nonresident school district~~  
16 ~~whether the offer of enrollment will be accepted.~~

17 ~~(iii) By a date established by the board, the board~~  
18 ~~shall provide the resident school district and the~~  
19 ~~nonresident school district with written confirmation of~~  
20 ~~the opportunity scholarship recipient's enrollment in the~~  
21 ~~nonresident school district.~~

22 ~~(iv) If the child is not enrolled in a nonresident~~  
23 ~~public school, the child's resident school district shall~~  
24 ~~determine the public school within the resident school~~  
25 ~~district to which the child will be assigned.~~

26 ~~(3) Each school district shall develop guidelines~~  
27 ~~setting forth the terms and conditions under which it will~~  
28 ~~enroll nonresident students receiving opportunity and local~~  
29 ~~scholarships and shall develop an enrollment application form~~  
30 ~~and process. If a school district determines to enroll~~

~~1 nonresident students receiving opportunity and local  
2 scholarships, the school district must enroll such  
3 nonresident students on a random basis from a pool of  
4 applicants who meet the application deadline established by  
5 the board, provided that:~~

~~6 (i) the nonresident student's enrollment in the  
7 nonresident school district would not place either the  
8 nonresident school district or the resident school  
9 district in violation of a valid and binding  
10 desegregation order;~~

~~11 (ii) the nonresident student has not been expelled  
12 nor is the nonresident student in the process of being  
13 expelled under section 1317.2 or 1318 and applicable  
14 regulations of the State Board of Education;~~

~~15 (iii) the nonresident student has not been recruited  
16 by the school district or its representatives for  
17 athletic purposes; or~~

~~18 (iv) the nonresident student meets the established  
19 eligibility criteria for participation in a magnet school  
20 or in a public school with a specialized academic  
21 mission.~~

~~22 (4) A nonresident school district may give priority in  
23 enrollment to a nonresident student who has been awarded a  
24 local scholarship.~~

~~25 (e) Commonwealth payments. The Commonwealth shall make  
26 payment pursuant to the schedule contained in section 2517 to  
27 each school district or area vocational technical school that  
28 accepts a nonresident student under the provisions of this  
29 subarticle subject to the following terms and conditions:~~

~~30 (1) The Commonwealth shall pay to each school district~~

1 ~~or area vocational technical school that accepts a~~  
2 ~~nonresident student, on a tuition basis, the amount~~  
3 ~~determined under section 2506-B.~~

4 ~~(2) (i) For a nonresident student who is an opportunity~~  
5 ~~scholarship recipient and defined as a "student with a~~  
6 ~~disability," services provided to the opportunity~~  
7 ~~scholarship recipient shall be charged against the~~  
8 ~~Commonwealth's special education subsidy to the resident~~  
9 ~~school district, provided that the resident school~~  
10 ~~district shall not be charged more for services provided~~  
11 ~~to the opportunity scholarship recipient by the~~  
12 ~~nonresident school district than the difference between~~  
13 ~~the current year cost of the services had the opportunity~~  
14 ~~scholarship recipient remained in the resident school~~  
15 ~~district and the sum of the opportunity scholarship, the~~  
16 ~~local scholarship and the per pupil special education~~  
17 ~~funding following the opportunity scholarship recipient.~~

18 ~~(ii) The resident school district shall provide the~~  
19 ~~board with documentation of the prior year's cost of~~  
20 ~~services provided to the opportunity scholarship~~  
21 ~~recipient and an estimate of the cost of providing those~~  
22 ~~services in the current year had the opportunity~~  
23 ~~scholarship recipient remained in the resident school~~  
24 ~~district. Any cost not covered by this funding shall be~~  
25 ~~borne by the nonresident school district enrolling the~~  
26 ~~opportunity scholarship recipient.~~

27 ~~(3) An opportunity scholarship recipient shall be~~  
28 ~~included in the average daily membership of the opportunity~~  
29 ~~scholarship recipient's resident school district.~~

30 ~~(4) In the event an opportunity scholarship recipient~~

1 ~~withdraws from a nonresident school district prior to the~~  
2 ~~completion of the school year, the following shall apply:~~

3 ~~(i) The nonresident school district shall, within 15~~  
4 ~~days of the opportunity scholarship recipient's~~  
5 ~~withdrawal from the nonresident school district, provide~~  
6 ~~the board with written notice of the opportunity~~  
7 ~~scholarship recipient's withdrawal from the nonresident~~  
8 ~~school district.~~

9 ~~(ii) The resident school district, nonresident~~  
10 ~~school district or participating nonpublic school in~~  
11 ~~which the opportunity scholarship recipient subsequently~~  
12 ~~enrolls shall notify the board within five days of the~~  
13 ~~opportunity scholarship recipient's enrollment.~~

14 ~~(iii) Within 30 days after receiving the notice~~  
15 ~~required under subparagraph (ii), the board shall do the~~  
16 ~~following:~~

17 ~~(A) If the opportunity scholarship recipient~~  
18 ~~enrolls in the resident school district or a~~  
19 ~~nonresident school district, pay the resident school~~  
20 ~~district or nonresident school district the full~~  
21 ~~amount of the opportunity scholarship payment reduced~~  
22 ~~on a pro rata basis for the portion of the school~~  
23 ~~year in which the opportunity scholarship recipient~~  
24 ~~was enrolled in another school.~~

25 ~~(B) If the opportunity scholarship recipient~~  
26 ~~enrolls in a participating nonpublic school, pay the~~  
27 ~~opportunity scholarship recipient's parent the full~~  
28 ~~amount of the opportunity scholarship payment reduced~~  
29 ~~on a pro rata basis for the portion of the school~~  
30 ~~year in which the opportunity scholarship recipient~~



1 ~~was enrolled in another school. Such payment shall be~~  
2 ~~made to the parents of the opportunity scholarship~~  
3 ~~recipient pursuant to the provisions of section~~  
4 ~~2505-B(b).~~

5 ~~(f) Limitation. The tuition charged by a nonresident school~~  
6 ~~district to an opportunity scholarship recipient under this~~  
7 ~~subarticle shall not exceed the sum of the opportunity~~  
8 ~~scholarship and the local scholarship, if applicable, awarded to~~  
9 ~~the opportunity scholarship recipient.~~

10 ~~(g) Transportation.~~

11 ~~(1) Notwithstanding any provisions of section 1361 to~~  
12 ~~the contrary, a school district that provides its resident~~  
13 ~~public school pupils with transportation to and from the~~  
14 ~~resident public schools or to and from any points within or~~  
15 ~~without this Commonwealth in order to provide field trips~~  
16 ~~under section 1361 shall provide a student who resides within~~  
17 ~~the school district but regularly attends a nonresident~~  
18 ~~public school, including a charter school, that is located~~  
19 ~~not more than ten miles from the student's resident school~~  
20 ~~district by the nearest public highway, with transportation~~  
21 ~~to and from such nonresident public school or to and from any~~  
22 ~~points within or without this Commonwealth in order to~~  
23 ~~provide field trips under section 1361.~~

24 ~~(2) Transportation of a student under this subsection~~  
25 ~~shall be subject to reimbursement under section 2541.~~

26 ~~Section 2505 B. Opportunity scholarship to attend a~~  
27 ~~participating nonpublic school.~~

28 ~~(a) Eligibility. The parent of a low income child who is~~  
29 ~~eligible to receive an opportunity scholarship under section~~  
30 ~~2503 B and desires to apply for an opportunity scholarship to~~

1 ~~attend a participating nonpublic school must:~~

2 ~~(1) By a date established by the board, apply to the~~  
3 ~~board for an opportunity scholarship for the following school~~  
4 ~~year pursuant to guidelines developed by the board under~~  
5 ~~section 2509-B. By a date established by the board, the board~~  
6 ~~shall notify parents whether the opportunity scholarship will~~  
7 ~~be awarded for the following school year.~~

8 ~~(2) Apply for enrollment directly to the participating~~  
9 ~~nonpublic school pursuant to application procedures developed~~  
10 ~~by the participating nonpublic school. By a date established~~  
11 ~~by the board, a participating nonpublic school shall provide~~  
12 ~~written confirmation to the board of each opportunity~~  
13 ~~scholarship recipient whose application for enrollment has~~  
14 ~~been accepted for the following school year. By a date~~  
15 ~~established by the board, the board shall provide the~~  
16 ~~opportunity scholarship recipient's resident school district~~  
17 ~~with written confirmation of the opportunity scholarship~~  
18 ~~recipient's enrollment in the participating nonpublic school.~~

19 ~~(b) Payment of opportunity scholarship awards.—The~~  
20 ~~Commonwealth shall provide payment of an opportunity scholarship~~  
21 ~~to the parents of each opportunity scholarship recipient who is~~  
22 ~~enrolled in a participating nonpublic school under the~~  
23 ~~provisions of this subarticle subject to the following terms and~~  
24 ~~conditions:~~

25 ~~(1) Opportunity scholarships shall be awarded only for~~  
26 ~~the payment of costs of tuition at a participating nonpublic~~  
27 ~~school within this Commonwealth. Opportunity scholarships~~  
28 ~~shall not be awarded for enrollment in a home education~~  
29 ~~program provided under section 1327.1.~~

30 ~~(2) Opportunity scholarships shall be paid to the~~

1 ~~parents of an opportunity scholarship recipient upon the~~  
2 ~~board's receipt of written confirmation of enrollment from~~  
3 ~~the participating nonpublic school selected by the recipient.~~  
4 ~~The opportunity scholarship award shall be paid by check~~  
5 ~~which may be endorsed by the parents only for payment of~~  
6 ~~tuition at the participating nonpublic school at which the~~  
7 ~~opportunity scholarship recipient's enrollment has been~~  
8 ~~confirmed.~~

9 ~~(3) In the event an opportunity scholarship recipient~~  
10 ~~withdraws from a participating nonpublic school prior to the~~  
11 ~~completion of the school year, the following shall apply:~~

12 ~~(i) The participating nonpublic school shall, within~~  
13 ~~15 days of the opportunity scholarship recipient's~~  
14 ~~withdrawal from the participating nonpublic school:~~

15 ~~(A) Provide the board with written notice of the~~  
16 ~~opportunity scholarship recipient's withdrawal from~~  
17 ~~the participating nonpublic school.~~

18 ~~(B) Return to the board the full amount of the~~  
19 ~~opportunity scholarship payment reduced on a pro rata~~  
20 ~~basis by the tuition for the portion of the school~~  
21 ~~year in which the opportunity scholarship recipient~~  
22 ~~was enrolled.~~

23 ~~(ii) If the participating nonpublic school fails to~~  
24 ~~submit to the board the amount required to be paid under~~  
25 ~~subparagraph (i), the board shall impose interest on the~~  
26 ~~unpaid amount, calculated from the due date at the rate~~  
27 ~~determined by the Secretary of Revenue for interest~~  
28 ~~payments on overdue taxes or the refund of taxes as~~  
29 ~~provided in sections 806 and 806.1 of the act of April 9,~~  
30 ~~1929 (P.L.343, No.176), known as The Fiscal Code.~~

1           ~~(iii) If the opportunity scholarship recipient~~  
2           ~~enrolls in another participating nonpublic school within~~  
3           ~~the school year for which the opportunity scholarship was~~  
4           ~~awarded, the board shall pay the parent of the~~  
5           ~~opportunity scholarship recipient the opportunity~~  
6           ~~scholarship award prorated for the remaining portion of~~  
7           ~~the school year.~~

8           ~~(4) In the event an opportunity scholarship recipient is~~  
9           ~~expelled from a participating nonpublic school prior to the~~  
10           ~~completion of the school year and the opportunity scholarship~~  
11           ~~recipient subsequently enrolls in his resident school~~  
12           ~~district, the board shall pay the resident school district~~  
13           ~~the opportunity scholarship award prorated for the remaining~~  
14           ~~portion of the school year. The resident school district~~  
15           ~~shall apply this amount toward providing educational services~~  
16           ~~for the opportunity scholarship recipient, which may include,~~  
17           ~~but shall not be limited to, an alternative assignment or~~  
18           ~~alternative education services.~~

19           ~~(b.1) Penalties.~~

20           ~~(1) Each opportunity scholarship check issued under this~~  
21           ~~section shall contain the following statement:~~

22                   ~~"Failure to endorse this check as directed by the~~  
23                   ~~board may subject the endorser to civil penalties and~~  
24                   ~~criminal prosecution."~~

25           ~~(2) A parent's endorsement or use of an opportunity~~  
26           ~~scholarship check in a manner other than as directed by the~~  
27           ~~department may subject the parent to the following penalties:~~

28                   ~~(i) A civil penalty equal to 300% of the full amount~~  
29                   ~~of the annual opportunity scholarship award made to the~~  
30                   ~~parent.~~

1 ~~(ii) Disqualification from future eligibility for an~~  
2 ~~opportunity scholarship.~~

3 ~~(iii) Criminal prosecution.~~

4 ~~(c) Enrollment requirements. The following shall apply to a~~  
5 ~~participating nonpublic school which admits an opportunity~~  
6 ~~scholarship recipient:~~

7 ~~(1) The participating nonpublic school shall not~~  
8 ~~discriminate on any basis that is illegal under Federal or~~  
9 ~~State laws applicable to nonpublic schools on the date prior~~  
10 ~~to the effective date of this section.~~

11 ~~(2) The participating nonpublic school shall comply with~~  
12 ~~section 1521, which prohibits discrimination in enrollment on~~  
13 ~~the basis of race or color.~~

14 ~~(3) The participating nonpublic school may not recruit~~  
15 ~~any public school student to enroll for athletic purposes.~~

16 ~~(4) For each school year, by a date established by the~~  
17 ~~board, a nonpublic school that desires to enroll opportunity~~  
18 ~~scholarship recipients under this subarticle shall certify to~~  
19 ~~the board that it satisfies the definition of "participating~~  
20 ~~nonpublic school" in section 2502 B. Such certification shall~~  
21 ~~be on a form developed by the board.~~

22 ~~(d) Policies. Upon request, a participating nonpublic~~  
23 ~~school shall make available for review by the parents of any~~  
24 ~~opportunity scholarship recipient seeking enrollment, its~~  
25 ~~written school policies and procedures related to tuition~~  
26 ~~charges, admissions, academic offerings and requirements,~~  
27 ~~discipline, religious instruction, parent involvement,~~  
28 ~~standardized testing, the release of results of standardized~~  
29 ~~tests administered by the participating nonpublic school and~~  
30 ~~extracurricular activities and suspension and expulsion of~~

1 ~~students, including educational accommodations and counseling~~  
2 ~~offered to students and parents.~~

3 ~~(c) Assessments.~~

4 ~~(1) (i) Each participating nonpublic school shall~~  
5 ~~administer annually an assessment or a nationally normed~~  
6 ~~standardized achievement test in reading/language arts~~  
7 ~~and mathematics to each opportunity scholarship recipient~~  
8 ~~attending the participating nonpublic school in grades 3,~~  
9 ~~5, 8 and 11.~~

10 ~~(ii) To comply with this paragraph, a participating~~  
11 ~~nonpublic school may either administer an assessment or~~  
12 ~~administer a nationally normed standardized achievement~~  
13 ~~test chosen by the participating nonpublic school from a~~  
14 ~~list established under paragraph (2).~~

15 ~~(2) The board shall establish a list of at least eight~~  
16 ~~nationally normed standardized achievement tests from which~~  
17 ~~the participating nonpublic school shall select a test to be~~  
18 ~~administered if the participating nonpublic school does not~~  
19 ~~choose to administer an assessment.~~

20 ~~(3) Each participating nonpublic school shall:~~

21 ~~(i) Release each opportunity scholarship recipient's~~  
22 ~~individual results on the assessment or nationally normed~~  
23 ~~standardized achievement test administered to opportunity~~  
24 ~~scholarship recipients under paragraph (1) to the parent~~  
25 ~~of the opportunity scholarship recipient.~~

26 ~~(ii) If the participating nonpublic school has a~~  
27 ~~publicly accessible Internet website, post on the website~~  
28 ~~the participating nonpublic school's aggregate results on~~  
29 ~~the assessment or nationally normed standardized~~  
30 ~~achievement test administered to opportunity scholarship~~

1 ~~recipients under paragraph (1), provided that the~~  
2 ~~participating nonpublic school shall not post results~~  
3 ~~that reveal the identity of any individual student.~~

4 ~~(4) The participating nonpublic school shall bear the~~  
5 ~~cost of the testing administered under this subsection and~~  
6 ~~shall not impose an assessment or testing fee on an~~  
7 ~~opportunity scholarship recipient.~~

8 ~~(f) Construction. Nothing in this subarticle shall be~~  
9 ~~construed to:~~

10 ~~(1) Prohibit a participating nonpublic school from~~  
11 ~~limiting admission to a particular grade level, a single~~  
12 ~~gender or to areas of concentration of the participating~~  
13 ~~nonpublic school, including, but not limited to, mathematics,~~  
14 ~~science and the arts.~~

15 ~~(2) Empower the Commonwealth or any of its agencies or~~  
16 ~~officers or political subdivisions to impose any additional~~  
17 ~~requirements on any participating nonpublic school which are~~  
18 ~~not otherwise authorized under the laws of this Commonwealth~~  
19 ~~or to require any participating nonpublic school to enroll~~  
20 ~~any opportunity scholarship recipient if the participating~~  
21 ~~nonpublic school does not offer appropriate programs or is~~  
22 ~~not structured or equipped with the necessary facilities to~~  
23 ~~meet the special needs of the opportunity scholarship~~  
24 ~~recipient or does not offer a particular program requested.~~

25 ~~Section 2506 B. Amount of opportunity scholarship.~~

26 ~~(a) Calculation.~~

27 ~~(1) The amount of the opportunity scholarship shall~~  
28 ~~equal 100% of the Commonwealth's share of the resident school~~  
29 ~~district's total revenue per average daily membership of the~~  
30 ~~prior school year.~~

~~(2) In no case shall the combined amount of the opportunity scholarship award and any additional financial assistance provided by a participating nonpublic school exceed the tuition rate for the participating nonpublic school.~~

~~(b) Limitation. No nonresident public school or participating nonpublic school may charge an opportunity scholarship recipient a higher tuition rate than the rate the nonresident public school or participating nonpublic school would have charged to a student who had not received an opportunity scholarship.~~

~~(c) Excess Scholarship Fund.~~

~~(1) The Excess Scholarship Fund is established in the State Treasury and shall be funded by the amount of the opportunity scholarship awarded to an opportunity scholarship recipient under this subarticle in excess of the amount of tuition charged to the opportunity scholarship recipient.~~

~~(2) The fund shall be administered by the board and applied as follows:~~

~~(i) During the 2012-2013 school year and each school year thereafter, money in the fund shall be applied toward the costs of the opportunity scholarship program, subject to subparagraph (ii).~~

~~(ii) During the 2014-2015 school year and each school year thereafter, one half of the money in the fund shall be applied toward costs of the following programs:~~

~~(A) One half of the money under this subparagraph shall be applied to the public school demonstration grant program. Any unused grant funding shall be added to the total amount of funds available~~



1 ~~for the middle income scholarship program.~~

2 ~~(B) One half of the money under this~~  
3 ~~subparagraph shall be applied toward the costs of the~~  
4 ~~middle income scholarship program.~~

5 ~~(d) Annual appropriations.~~

6 ~~(1) Opportunity scholarships authorized under this~~  
7 ~~subarticle shall be made from annual appropriations made by~~  
8 ~~the General Assembly to the department and moneys available~~  
9 ~~in the fund for that purpose.~~

10 ~~(2) Subject to section 2503-B(b)(3), in the event that~~  
11 ~~insufficient moneys are available in any fiscal year to~~  
12 ~~provide opportunity scholarships to all eligible opportunity~~  
13 ~~scholarship recipients in the amount authorized, the board~~  
14 ~~shall make pro rata reductions in the amount of the~~  
15 ~~opportunity scholarship provided to each opportunity~~  
16 ~~scholarship recipient.~~

17 ~~(3) The total amount of opportunity scholarships~~  
18 ~~provided in any fiscal year shall be limited to the amount of~~  
19 ~~money appropriated for that fiscal year and moneys in the~~  
20 ~~fund.~~

21 ~~(e) Nontaxable. Opportunity scholarship funds received by a~~  
22 ~~parent pursuant to this subarticle shall not be considered~~  
23 ~~taxable income for purposes of any local taxing ordinance or for~~  
24 ~~purposes of Article III of the act of March 4, 1971 (P.L.6,~~  
25 ~~No.2), known as the Tax Reform Code of 1971, nor shall such~~  
26 ~~opportunity scholarships constitute financial assistance or~~  
27 ~~appropriations to the participating nonpublic school attended by~~  
28 ~~the opportunity scholarship recipient.~~

29 ~~(f) Continued eligibility.~~

30 ~~(1) Subject to subsection (d), a child enrolled in a~~

~~1 nonresident public school or a participating nonpublic school  
2 who received an opportunity scholarship under this subarticle  
3 in the prior school year shall receive an opportunity  
4 scholarship in each school year of enrollment under the  
5 opportunity scholarship program, provided that the child  
6 remains eligible.~~

~~7 (2) (i) If a child who received an opportunity  
8 scholarship under this subarticle in the prior school  
9 year ceases to qualify as a low income child, the child  
10 shall continue to receive a partial scholarship until  
11 completing the eighth grade, provided that the child  
12 continues to meet all other eligibility requirements.~~

~~13 (ii) In calculating the amount of the partial  
14 scholarship, the board shall make a pro rata reduction in  
15 the child's opportunity scholarship award based upon the  
16 child's household income.~~

~~17 (g) Penalties. Any person who fraudulently submits an  
18 opportunity or local scholarship application or who knowingly  
19 falsifies material information on an opportunity or local  
20 scholarship application shall be subject to the following  
21 penalties:~~

~~22 (1) Imposition by the board of a civil penalty of up to  
23 \$1,000.~~

~~24 (2) Prosecution for violation of 18 Pa.C.S. § 4904  
25 (relating to unsworn falsification to authorities).~~

~~26 (3) Disqualification from future participation in the  
27 opportunity scholarship program.~~

~~28 (h) Residence in more than one school district within a  
29 school year. Where an opportunity scholarship recipient resides  
30 within more than one school district during a school year, the~~

1 ~~amount of the opportunity scholarship shall be charged against~~  
2 ~~each resident school district on a pro rata basis.~~

3 ~~Section 2507 B. Guidelines.~~

4 ~~(a) Requirements. Within 30 days of the effective date of~~  
5 ~~this section, the board shall establish guidelines that provide~~  
6 ~~the following:~~

7 ~~(1) Forms to apply for opportunity and local~~  
8 ~~scholarships, including application and approval processes~~  
9 ~~and deadlines for application and notification.~~

10 ~~(2) Procedures to verify the accuracy of the information~~  
11 ~~provided in an opportunity or local scholarship application.~~

12 ~~(3) Procedures for school district, school and parent~~  
13 ~~notification of opportunity or local scholarship awards.~~

14 ~~(4) Procedures for administration of the opportunity and~~  
15 ~~local scholarship programs.~~

16 ~~(5) Confirmation of school enrollment by opportunity~~  
17 ~~scholarship recipients.~~

18 ~~(6) Procedures for making payment of opportunity~~  
19 ~~scholarship awards, including policies and procedures to~~  
20 ~~minimize the likelihood of fraud or misuse of opportunity~~  
21 ~~scholarship funds. For an opportunity scholarship recipient~~  
22 ~~enrolled in a participating nonpublic school, the procedures~~  
23 ~~shall include restrictive endorsement of opportunity~~  
24 ~~scholarship award checks to the participating nonpublic~~  
25 ~~school in which the opportunity scholarship recipient is~~  
26 ~~enrolled.~~

27 ~~(7) Procedures for participating nonpublic schools to~~  
28 ~~pay pro rata refunds of opportunity scholarships to the board~~  
29 ~~when an opportunity scholarship recipient withdraws from a~~  
30 ~~participating nonpublic school during the school year for~~

1 ~~which the opportunity scholarship was paid.~~

2 ~~(8) Development and distribution of public information~~  
3 ~~concerning the opportunity and local scholarship and~~  
4 ~~interdistrict enrollment programs.~~

5 ~~(9) Procedures to determine the eligibility of homeless~~  
6 ~~students for opportunity scholarships under this subarticle,~~  
7 ~~consistent with the Stewart B. McKinney Homeless Assistance~~  
8 ~~Act (Public Law 100-77, 101 Stat. 482) or a successor Federal~~  
9 ~~statute.~~

10 ~~(10) Deadline dates for actions required to be taken by~~  
11 ~~the board, the department, school districts, participating~~  
12 ~~nonpublic schools and parents under this subarticle.~~

13 ~~(11) Such other procedures as are necessary to fully~~  
14 ~~implement the opportunity and local scholarship and~~  
15 ~~interdistrict enrollment programs.~~

16 ~~(12) A list of at least eight nationally normed~~  
17 ~~standardized achievement tests from which a participating~~  
18 ~~nonpublic school may select a test to be administered~~  
19 ~~pursuant to section 2505-B(e). The initial list developed by~~  
20 ~~the board shall, at a minimum, include the following:-~~

21 ~~California Achievement Test, Comprehensive Testing Program~~  
22 ~~(CTPIV), Iowa Test of Basic Skills, Metropolitan Achievement~~  
23 ~~Test, Peabody Achievement Individual Test - Revised Version,~~  
24 ~~Stanford Achievement Test, Terra Nova and Woodcock Johnson~~  
25 ~~Revised Tests of Achievement III.~~

26 ~~(b) Publication. The guidelines shall be published as a~~  
27 ~~statement of policy in the Pennsylvania Bulletin. The board~~  
28 ~~shall post the guidelines on the department's publicly~~  
29 ~~accessible Internet website.~~

30 ~~(c) State Board of Education. Notwithstanding any other~~

1 ~~provision of law to the contrary, the programs, procedures and~~  
2 ~~guidelines authorized by this subarticle shall not be subject to~~  
3 ~~review, regulation or approval by the State Board of Education.~~

4 ~~(d) Exemption of guidelines from certain laws. The initial~~  
5 ~~guidelines established by the board, and any amendments thereto,~~  
6 ~~shall be exempt from the requirements of the following:~~

7 ~~(1) The act of June 25, 1982 (P.L.633, No.181), known as~~  
8 ~~the Regulatory Review Act.~~

9 ~~(2) The act of July 31, 1968 (P.L.769, No.240), referred~~  
10 ~~to as the Commonwealth Documents Law.~~

11 ~~(3) The act of October 15, 1980 (P.L.950, No.164), known~~  
12 ~~as the Commonwealth Attorneys Act.~~

13 ~~Section 2508 B. Reduction in amount of school aid.~~

14 ~~Notwithstanding any other provision of law to the contrary,~~  
15 ~~beginning in the second consecutive school year of enrollment in~~  
16 ~~a nonresident public school or a participating nonpublic school~~  
17 ~~by an opportunity scholarship recipient who was enrolled in the~~  
18 ~~recipient's resident school district or in a charter school or~~  
19 ~~cyber charter school when the recipient first received an~~  
20 ~~opportunity scholarship under this subarticle, the amount of~~  
21 ~~Commonwealth basic education funding paid by the department to~~  
22 ~~the resident school district shall be reduced by an amount equal~~  
23 ~~to the Commonwealth's share of the school district's total~~  
24 ~~revenue per average daily membership.~~

25 ~~Section 2509 B. Education Opportunity Board.~~

26 ~~(a) Establishment. An independent board to be known as the~~  
27 ~~Education Opportunity Board is established within the~~  
28 ~~department. The board shall consist of three members appointed~~  
29 ~~by the Governor with the advice and consent of a majority of the~~  
30 ~~members elected to the Senate. The Governor may appoint no more~~

1 ~~than two members to the board who are members of the same~~  
2 ~~political party as the Governor.~~

3 ~~(b) Terms of members. Members of the board shall serve a~~  
4 ~~term of four years. Vacancies shall be filled for an unexpired~~  
5 ~~term in the same manner as original appointments. Members shall~~  
6 ~~continue to serve after the expiration of their term until the~~  
7 ~~Governor appoints a replacement who is confirmed by a majority~~  
8 ~~of the members elected to the Senate. All members of the board~~  
9 ~~must be residents of this Commonwealth.~~

10 ~~(c) Chairperson. The Governor shall annually select a~~  
11 ~~chairperson from among the membership of the board.~~

12 ~~(d) Meetings. Meetings shall be held at the call of the~~  
13 ~~chairperson or upon request in writing of a majority of the~~  
14 ~~board. A majority shall constitute a quorum and a majority of~~  
15 ~~such quorum shall have the authority to act upon any matter~~  
16 ~~properly before the board unless otherwise specified in this~~  
17 ~~subarticle.~~

18 ~~(e) Compensation prohibited. Members of the board shall~~  
19 ~~receive no compensation for their services but shall be~~  
20 ~~reimbursed for their actual and necessary expenses incurred in~~  
21 ~~the performance of their official board duties.~~

22 ~~(f) Executive director and staff.~~

23 ~~(1) There shall be an executive director of the board~~  
24 ~~who shall serve as the executive officer and secretary of the~~  
25 ~~board. The board shall employ and fix the reasonable~~  
26 ~~compensation of the executive director.~~

27 ~~(2) The executive director, with approval of the board,~~  
28 ~~may employ additional professional and clerical personnel as~~  
29 ~~may be necessary to carry out the duties and responsibilities~~  
30 ~~of the board.~~

1           ~~(3) The department shall provide adequate funding, space~~  
2           ~~and equipment to facilitate the activities of the board.~~

3           ~~(g) Legal advice and assistance. The Governor, through his~~  
4           ~~General Counsel, shall provide such legal advice and assistance~~  
5           ~~as the board may require.~~

6           ~~(h) Powers and duties. The board shall have the following~~  
7           ~~powers and duties:~~

8           ~~(1) Establish guidelines for the administration of the~~  
9           ~~opportunity and local scholarship programs as required under~~  
10           ~~section 2507 B.~~

11           ~~(2) Administer the opportunity and local scholarship~~  
12           ~~application and approval processes.~~

13           ~~(3) Develop the opportunity and local scholarship~~  
14           ~~application form and any other forms necessary to administer~~  
15           ~~the opportunity and local scholarship programs, including the~~  
16           ~~notice required to be provided by school districts under~~  
17           ~~section 2503 B(d).~~

18           ~~(4) Review and verify the income and residence of~~  
19           ~~opportunity and local scholarship applicants.~~

20           ~~(5) Announce the award of opportunity and local~~  
21           ~~scholarships for the following school year under sections~~  
22           ~~2504 B(c) and 2505 B(a).~~

23           ~~(6) Confirm the enrollment of opportunity scholarship~~  
24           ~~recipients in nonresident public schools and participating~~  
25           ~~nonpublic schools and allocate opportunity scholarship funds~~  
26           ~~to opportunity scholarship recipients.~~

27           ~~(7) Make payment of opportunity scholarship awards as~~  
28           ~~provided in sections 2504 B and 2505 B.~~

29           ~~(8) Notify school districts that elect to create a local~~  
30           ~~scholarship when payment must be made under section 2504~~

1 ~~B(b).~~

2 ~~(9) Beginning after the first school year of~~  
3 ~~implementation of the opportunity scholarship program,~~  
4 ~~prepare a report to be submitted to the Governor and the~~  
5 ~~General Assembly by December 1 of each year, made available~~  
6 ~~to the parents of opportunity scholarship recipients and~~  
7 ~~placed on the department's publicly accessible Internet~~  
8 ~~website that includes at least the following information for~~  
9 ~~the prior school year:~~

10 ~~(i) The total number of opportunity scholarships~~  
11 ~~requested.~~

12 ~~(ii) The total number and total dollar amount of~~  
13 ~~opportunity scholarships awarded, in total and~~  
14 ~~disaggregated by:~~

15 ~~(A) Whether the opportunity scholarship~~  
16 ~~recipient attends a nonresident public school or a~~  
17 ~~participating nonpublic school.~~

18 ~~(B) Grade level of the opportunity scholarship~~  
19 ~~recipient.~~

20 ~~(C) Whether the opportunity scholarship~~  
21 ~~recipient resides in a school district with at least~~  
22 ~~one persistently lowest achieving school.~~

23 ~~(iii) The administrative costs of the opportunity~~  
24 ~~scholarship program.~~

25 ~~(iv) A listing of nonresident public schools to~~  
26 ~~which opportunity scholarship funds were disbursed on~~  
27 ~~behalf of opportunity scholarship recipients and the~~  
28 ~~amount disbursed to each nonresident public school.~~

29 ~~(v) A listing of participating nonpublic schools in~~  
30 ~~which opportunity scholarship recipients enrolled and the~~



~~number of opportunity scholarship recipients who enrolled in each participating nonpublic school.~~

~~(vi) The total number and total dollar amount of local scholarships awarded, disaggregated by the resident school districts that made the local scholarship awards.~~

~~(10) For the 2014-2015 school year and each school year thereafter, administer and announce the award of public school choice demonstration grants to eligible school districts as provided under section 2513-B, and annually redistribute any remaining funds from the public school choice demonstration grants program to the middle income scholarship program.~~

~~(11) For the 2014-2015 school year and each school year thereafter, administer the middle income scholarship program.~~

~~Section 2510 B. Study.~~

~~Following the 2014-2015 school year, the board shall conduct a study of the effectiveness of the opportunity scholarship program and shall deliver a written report of its findings, including any recommendations for changes to the program, to the Governor, the chairman and minority chairman of the Education Committee of the Senate and the chairman and minority chairman of the Education Committee of the House of Representatives by December 31, 2015.~~

~~Section 2511 B. Exclusive jurisdiction of Supreme Court.~~

~~The Pennsylvania Supreme Court shall have exclusive jurisdiction to hear any challenge or to render a declaratory judgment concerning the constitutionality of this subarticle. The Supreme Court may take such action as it deems appropriate, consistent with the Supreme Court's retaining jurisdiction over such a matter, to find facts or to expedite a final judgment in~~

1 ~~connection with such a challenge or request for declaratory~~  
2 ~~relief.~~

3 ~~Section 2512 B. Optional local tuition grant program.~~

4 ~~A school district may, out of funds received from the~~  
5 ~~Commonwealth for educational purposes, establish a program of~~  
6 ~~tuition grants to provide for the education of resident students~~  
7 ~~who wish to attend a nonresident public school or a~~  
8 ~~participating nonpublic school on a tuition basis. A student who~~  
9 ~~receives a tuition grant under this section shall be included in~~  
10 ~~the average daily membership of the student's resident school~~  
11 ~~district for the purpose of providing basic education funding~~  
12 ~~and special education funding under Article XXV.~~

13 ~~Section 2513 B. Public school choice demonstration grant~~  
14 ~~program.~~

15 ~~(a) Establishment. A school district may, out of funds~~  
16 ~~received by the board under section 2506 B(c) (2) (ii) (A) and~~  
17 ~~available State and local funds, establish a program of tuition~~  
18 ~~grants to provide for the education of resident students who~~  
19 ~~wish to attend a nonresident public school.~~

20 ~~(b) Limit. No grant award issued by the board to a school~~  
21 ~~district under this section shall exceed \$500,000.~~

22 ~~(c) Procedure. Grant applications shall only be received,~~  
23 ~~reviewed and allocated by the board during an annual two week~~  
24 ~~grant review process to begin on July 1 and end on July 15 of~~  
25 ~~each calendar year.~~

26 ~~(d) Eligibility. To be eligible for grants under this~~  
27 ~~program, the school district shall:~~

28 ~~(1) Submit an application to the board at a date to be~~  
29 ~~determined by the board requesting a public school choice~~  
30 ~~demonstration grant.~~

1 ~~(2) Submit a statement of the amount of the grant~~  
2 ~~sought, including the estimated number of tuition grants to~~  
3 ~~be distributed.~~

4 ~~(3) Demonstrate a commitment of funds received from both~~  
5 ~~local sources and the Commonwealth for educational purposes~~  
6 ~~of at least \$3 for every \$1 of grant funds issued under~~  
7 ~~section 2506 B(c) (2) (ii) (A).~~

8 ~~(4) Meet any other requirements as set by the board.~~

9 ~~(e) Average daily membership. A student who receives a~~  
10 ~~tuition grant under this section shall be included in the~~  
11 ~~average daily membership of the student's resident school~~  
12 ~~district for the purpose of providing basic education funding~~  
13 ~~and special education funding under Article XXV.~~

14 ~~Section 2514 B. Middle income scholarship program.~~

15 ~~(a) Establishment. Beginning with the 2014 2015 school~~  
16 ~~year, the board shall establish a middle income scholarship~~  
17 ~~program to provide scholarships to help middle income children~~  
18 ~~in this Commonwealth pay tuition to attend a nonresident public~~  
19 ~~school or participating nonpublic school. The board shall make~~  
20 ~~annual middle income scholarship awards on a pro rata basis from~~  
21 ~~the funding provided under section 2506 B(c) (2) (ii) (B).~~

22 ~~(b) Notice.~~

23 ~~(1) By a date determined by the board, each school~~  
24 ~~district in this Commonwealth shall provide all residents of~~  
25 ~~the school district with notice of the following:~~

26 ~~(i) A description of the middle income scholarship~~  
27 ~~program.~~

28 ~~(ii) Instructions for applying for a middle income~~  
29 ~~scholarship.~~

30 ~~(iii) Notice that a parent must contact directly the~~

~~nonresident public school or participating nonpublic school in which the parent's child seeks to enroll for application instructions.~~

~~(2) The school district shall provide the notice to all residents of the school district by notice posted on the school district's publicly accessible Internet website. The notice shall be in a form provided by the board.~~

~~(c) Regulations. In promulgating regulations for the administration of the middle income scholarship, the board shall develop application and enrollment processes and procedures substantively similar to sections 2504 B and 2505 B. Regulations shall be subject to review in accordance with the act of June 25, 1982 (P.L.633, No.181), known as the Regulatory Review Act.~~

~~(d) Limitation.~~

~~(1) No nonresident public school or participating nonpublic school may charge a middle income scholarship recipient a higher tuition rate than the rate the nonresident public school or participating nonpublic school would have charged to a student who had not received a middle income scholarship.~~

~~(2) The combined amount of the middle income scholarship award and any additional financial assistance provided by the participating nonpublic school shall not exceed the tuition rate for the participating nonpublic school.~~

~~(e) Applicability. The provisions of sections 2505 B(e), (d), (e) and (f) and 2506 B(e), (g) and (h) shall apply to the middle income scholarship program established under this section.~~

~~(c) Educational Improvement Tax Credit  
Section 2521 B. Definitions.~~

1 ~~The following words and phrases when used in this subarticle~~  
2 ~~shall have the meanings given to them in this section unless the~~  
3 ~~context clearly indicates otherwise:~~

4 ~~"Business firm." An entity authorized to do business in this~~  
5 ~~Commonwealth and subject to taxes imposed under Article XVI of~~  
6 ~~the act of May 17, 1921 (P.L.682, No.284), known as The~~  
7 ~~Insurance Company Law of 1921, or Article III, IV, VI, VII,~~  
8 ~~VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2), known~~  
9 ~~as the Tax Reform Code of 1971. The term includes a pass through~~  
10 ~~entity. For purposes of this subarticle, a business firm shall~~  
11 ~~be included in one of the following groups:~~

12 ~~(1) Group 1 includes any business firm that is entering~~  
13 ~~the second year of a two year commitment.~~

14 ~~(2) Group 2 includes any business firm that is renewing~~  
15 ~~a two year commitment that was fulfilled in the most recent~~  
16 ~~fiscal year or is applying for tax credits for a contribution~~  
17 ~~to a prekindergarten scholarship organization in the same~~  
18 ~~amount that it had contributed in the most recent fiscal~~  
19 ~~year.~~

20 ~~(3) Group 3 includes any business firm other than a~~  
21 ~~business firm in Group 1 or Group 2.~~

22 ~~"Contribution." A donation of cash, personal property or~~  
23 ~~services, the value of which is the net cost of the donation to~~  
24 ~~the donor or the pro rata hourly wage, including benefits, of~~  
25 ~~the individual performing the services.~~

26 ~~"Department." The Department of Community and Economic~~  
27 ~~Development of the Commonwealth.~~

28 ~~"Educational improvement organization." A nonprofit entity~~  
29 ~~which:~~

30 ~~(1) is exempt from Federal taxation under section 501(c)~~

~~(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.); and~~

~~(2) contributes at least 80% of its annual receipts as grants to a public school for innovative educational programs.~~

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

~~A "nonprofit entity" includes a school district foundation, public school foundation, charter school foundation or cyber charter school foundation.~~

~~"Eligible prekindergarten student." A student, including an eligible student with a disability, who is enrolled in a prekindergarten program and is a member of a household with a maximum annual household income as increased by the applicable income allowance.~~

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

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

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

~~(2) Needs special education and related services.~~

1           ~~(3) Is enrolled in a prekindergarten program or in a~~  
2           ~~school.~~

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

5           ~~"Household." An individual living alone or with the~~  
6           ~~following: a spouse, parent and their unemancipated minor~~  
7           ~~children, other unemancipated minor children who are related by~~  
8           ~~blood or marriage or other adults or unemancipated minor~~  
9           ~~children living in the household who are dependent upon the~~  
10          ~~individual.~~

11          ~~"Household income." All moneys or property received of~~  
12          ~~whatever nature and from whatever source derived. The term does~~  
13          ~~not include the following:~~

14                 ~~(1) Periodic payments for sickness and disability other~~  
15                 ~~than regular wages received during a period of sickness or~~  
16                 ~~disability.~~

17                 ~~(2) Disability, retirement or other payments arising~~  
18                 ~~under workers' compensation acts, occupational disease acts~~  
19                 ~~and similar legislation by any government.~~

20                 ~~(3) Payments commonly recognized as old age or~~  
21                 ~~retirement benefits paid to persons retired from service~~  
22                 ~~after reaching a specific age or after a stated period of~~  
23                 ~~employment.~~

24                 ~~(4) Payments commonly known as public assistance or~~  
25                 ~~unemployment compensation payments by a governmental agency.~~

26                 ~~(5) Payments to reimburse actual expenses.~~

27                 ~~(6) Payments made by employers or labor unions for~~  
28                 ~~programs covering hospitalization, sickness, disability or~~  
29                 ~~death, supplemental unemployment benefits, strike benefits,~~  
30                 ~~Social Security and retirement.~~

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

~~"Income allowance."~~

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

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

~~(ii) After June 30, 2011, \$12,000 for each eligible student, eligible prekindergarten student and dependent member of a household.~~

~~(2) Beginning July 1, 2012, the Department of Community and Economic Development shall annually adjust the income allowance amounts under paragraph (1) to reflect any upward changes in the Consumer Price Index for All Urban Consumers for the Pennsylvania, New Jersey, Delaware and Maryland area in the preceding 12 months and shall immediately submit the adjusted amounts to the Legislative Reference Bureau for publication as a notice in the Pennsylvania Bulletin.~~

~~"Innovative educational program." An advanced academic or similar program that is not part of the regular academic program of a public school but that enhances the curriculum or academic program of the public school or provides prekindergarten programs to public school students.~~

~~"Maximum annual household income."~~

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

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

~~(ii) After June 30, 2011, not more than \$60,000.~~

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



1 ~~(i) the sum of:~~

2 ~~(A) the applicable amount under paragraph (1);~~

3 ~~and~~

4 ~~(B) the applicable income allowance; by~~

5 ~~(ii) the applicable support level factor according~~

6 ~~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>

7  
8  
9  
10 ~~(3) Beginning July 1, 2012, the Department of Community~~  
11 ~~and Economic Development shall annually adjust the income~~  
12 ~~amounts under paragraphs (1) and (2) to reflect any upward~~  
13 ~~changes in the Consumer Price Index for All Urban Consumers~~  
14 ~~for the Pennsylvania, New Jersey, Delaware and Maryland area~~  
15 ~~in the preceding 12 months and shall immediately submit the~~  
16 ~~adjusted amounts to the Legislative Reference Bureau for~~  
17 ~~publication as a notice in the 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 exempt from Federal taxation under section~~  
7 ~~501(c) (3) of the Internal Revenue Code of 1986 (Public Law~~  
8 ~~99-514, 26 U.S.C. § 1 et seq.) or is operated as a separate~~  
9 ~~segregated fund by a scholarship organization that has been~~  
10 ~~qualified under section 2522-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.~~

25 ~~"Public school." A public prekindergarten where compulsory~~  
26 ~~attendance requirements do not apply or a public kindergarten,~~  
27 ~~elementary school or secondary school at which the compulsory~~  
28 ~~attendance requirements of this Commonwealth may be met and that~~  
29 ~~meets the applicable requirements of Title VI of the Civil~~  
30 ~~Rights Act of 1964 (Public Law 88-352, 78 Stat. 241).~~

1 ~~"Scholarship." An award under a scholarship program.~~  
2 ~~"Scholarship organization." A nonprofit entity that:~~  
3 ~~(1) is exempt from Federal taxation under section 501(c)~~  
4 ~~(3) of the Internal Revenue Code of 1986 (Public Law 99-514,~~  
5 ~~26 U.S.C. § 1 et seq.); and~~  
6 ~~(2) contributes at least 80% of its annual cash receipts~~  
7 ~~to a scholarship program.~~

8 ~~For purposes of this definition, a nonprofit entity~~  
9 ~~"contributes" its annual cash receipts to a scholarship program~~  
10 ~~when it expends or otherwise irrevocably encumbers those funds~~  
11 ~~for distribution during the then current fiscal year of the~~  
12 ~~nonprofit entity or during the next succeeding fiscal year of~~  
13 ~~the nonprofit entity.~~

14 ~~"Scholarship program." A program to provide tuition to~~  
15 ~~eligible students to attend a school located in this~~  
16 ~~Commonwealth. A scholarship program must include an application~~  
17 ~~and review process for the purpose of making awards to eligible~~  
18 ~~students. The award of scholarships to eligible students shall~~  
19 ~~be made without limiting availability to only students of one~~  
20 ~~school.~~

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

27 ~~"School age." From the earliest admission age to a school's~~  
28 ~~prekindergarten or kindergarten program or, when no~~  
29 ~~prekindergarten or kindergarten program is provided, the~~  
30 ~~school's earliest admission age for beginners, until the end of~~

1 ~~the school year the student attains 21 years of age or~~  
2 ~~graduation from high school, whichever occurs first.~~

3 ~~"Special education school." A school or program within a~~  
4 ~~school that is designated specifically and exclusively for~~  
5 ~~students with any of the disabilities listed in 34 CFR § 300.8~~  
6 ~~(relating to child with a disability) and meets one of the~~  
7 ~~following:~~

8 ~~(1) is licensed under the act of January 28, 1988~~  
9 ~~(P.L.24, No.11), known as the Private Academic Schools Act;~~

10 ~~(2) is accredited by an accrediting association approved~~  
11 ~~by the State Board of Education;~~

12 ~~(3) is a school for the blind or deaf receiving~~  
13 ~~Commonwealth appropriations; or~~

14 ~~(4) is operated by or under the authority of a bona fide~~  
15 ~~religious institution or by the Commonwealth or any political~~  
16 ~~subdivision thereof.~~

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

19 ~~(1) Support level 1. The student is not enrolled in a~~  
20 ~~special education school.~~

21 ~~(2) Support level 2. The student is enrolled in a~~  
22 ~~special education school.~~

23 ~~"Tax credit." The educational improvement tax credit~~  
24 ~~established under this subarticle.~~

25 ~~Section 2522 B. Qualification and application.~~

26 ~~(a) Establishment. In accordance with section 14 of Article~~  
27 ~~III of the Constitution of Pennsylvania, an educational~~  
28 ~~improvement tax credit program is established to enhance the~~  
29 ~~educational opportunities available to all students in this~~  
30 ~~Commonwealth.~~

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

~~(c) Scholarship organizations and prekindergarten scholarship organizations. A scholarship organization or prekindergarten scholarship organization must certify to the department that the organization is eligible to participate in the program established under this subarticle and must agree to annually report the following information to the department by September 1 of each year:~~

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

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

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

~~(iv) The total and average amounts of scholarships awarded during the immediately preceding school year to eligible students in grades kindergarten through eight.~~

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

~~(vi) The total and average amounts of scholarships~~

1 ~~awarded during the immediately preceding school year to~~  
2 ~~eligible students in grades 9 through 12.~~

3 ~~(vii) Where the scholarship organization or~~  
4 ~~prekindergarten scholarship organization collects~~  
5 ~~information on a county by county basis, the total number~~  
6 ~~and the total dollar amount of scholarships awarded~~  
7 ~~during the immediately preceding school year to residents~~  
8 ~~of each county in which the scholarship organization or~~  
9 ~~prekindergarten scholarship organization awarded~~  
10 ~~scholarships.~~

11 ~~(2) The information required under paragraph (1) shall~~  
12 ~~be submitted on a form provided by the department. No later~~  
13 ~~than May 1 of each year, the department shall annually~~  
14 ~~distribute such sample forms, together with the forms on~~  
15 ~~which the reports are required to be made, to each listed~~  
16 ~~scholarship organization and prekindergarten scholarship~~  
17 ~~organization.~~

18 ~~(3) The department may not require any other information~~  
19 ~~to be provided by scholarship organizations or~~  
20 ~~prekindergarten scholarship organizations, except as~~  
21 ~~expressly authorized in this subarticle.~~

22 ~~(d) Educational improvement organization.~~

23 ~~(1) An application submitted by an educational~~  
24 ~~improvement organization must describe its proposed~~  
25 ~~innovative educational program or programs in a form~~  
26 ~~prescribed by the department. In prescribing the form, the~~  
27 ~~department shall consult with the Department of Education as~~  
28 ~~necessary. The department shall review and approve or~~  
29 ~~disapprove the application. In order to be eligible to~~  
30 ~~participate in the program established under this subarticle,~~

1 ~~an educational improvement organization must agree to~~  
2 ~~annually report the following information to the department~~  
3 ~~by September 1 of each year:~~

4 ~~(i) The name of the innovative educational program~~  
5 ~~or programs and the total amount of the grant or grants~~  
6 ~~made to those programs during the immediately preceding~~  
7 ~~school year.~~

8 ~~(ii) A description of how each grant was utilized~~  
9 ~~during the immediately preceding school year and a~~  
10 ~~description of any demonstrated or expected innovative~~  
11 ~~educational improvements.~~

12 ~~(iii) The names of the public schools and school~~  
13 ~~districts where innovative educational programs that~~  
14 ~~received grants during the immediately preceding school~~  
15 ~~year were implemented.~~

16 ~~(iv) Where the educational improvement organization~~  
17 ~~collects information on a county by county basis, the~~  
18 ~~total number and the total dollar amount of grants made~~  
19 ~~during the immediately preceding school year for programs~~  
20 ~~at public schools in each county in which the educational~~  
21 ~~improvement organization made grants.~~

22 ~~(2) The information required under paragraph (1) shall~~  
23 ~~be submitted on a form provided by the department. No later~~  
24 ~~than May 1 of each year, the department shall annually~~  
25 ~~distribute such sample forms, together with the forms on~~  
26 ~~which the reports are required to be made, to each listed~~  
27 ~~educational improvement organization.~~

28 ~~(3) The department may not require any other information~~  
29 ~~to be provided by educational improvement organizations,~~  
30 ~~except as expressly authorized in this subarticle.~~

1 ~~(e) Notification. The department shall notify the~~  
2 ~~scholarship organization, prekindergarten scholarship~~  
3 ~~organization or educational improvement organization that the~~  
4 ~~organization meets the requirements of this subarticle for that~~  
5 ~~fiscal year no later than 60 days after the organization has~~  
6 ~~submitted the information required under this section.~~

7 ~~(f) Publication. The department shall annually publish a~~  
8 ~~list of each scholarship organization, prekindergarten~~  
9 ~~scholarship organization or educational improvement organization~~  
10 ~~qualified under this section in the Pennsylvania Bulletin. The~~  
11 ~~list shall also be posted and updated as necessary on the~~  
12 ~~publicly accessible Internet website of the department.~~

13 ~~Section 2523 B. Application.~~

14 ~~(a) Scholarship organization or prekindergarten scholarship~~  
15 ~~organization. In order to receive a tax credit, a business firm~~  
16 ~~shall apply to the department. A business firm shall receive a~~  
17 ~~tax credit if the scholarship organization or prekindergarten~~  
18 ~~scholarship organization that receives the contribution appears~~  
19 ~~on the list established under section 2522 B(f).~~

20 ~~(b) Educational improvement organization. In order to~~  
21 ~~receive a tax credit, a business firm shall apply to the~~  
22 ~~department. A business firm shall receive a tax credit if the~~  
23 ~~department has approved the program provided by the educational~~  
24 ~~improvement organization that receives the contribution.~~

25 ~~(c) Contributions. A contribution by a business firm to a~~  
26 ~~scholarship organization, prekindergarten scholarship~~  
27 ~~organization or educational improvement organization shall be~~  
28 ~~made no later than 60 days following the approval of an~~  
29 ~~application under subsection (a) or (b).~~

30 ~~Section 2524 B. Tax credit.~~



1 ~~(a) Scholarship or educational improvement organizations.~~  
2 ~~In accordance with section 2525 B(a), the Department of Revenue~~  
3 ~~shall grant a tax credit against any tax due under either~~  
4 ~~Article XVI of the act of May 17, 1921 (P.L.682, No.284), known~~  
5 ~~as The Insurance Company Law of 1921, or Article III, IV, VI,~~  
6 ~~VII, VIII, IX or XV of the act of March 4, 1971 (P.L.6, No.2),~~  
7 ~~known as the Tax Reform Code of 1971, to a business firm~~  
8 ~~providing proof of a contribution to a scholarship organization~~  
9 ~~or educational improvement organization in the taxable year in~~  
10 ~~which the contribution is made which shall not exceed 75% of the~~  
11 ~~total amount contributed during the taxable year by the business~~  
12 ~~firm. The tax credit shall not exceed \$300,000 annually per~~  
13 ~~business firm for contributions made to scholarship~~  
14 ~~organizations or educational improvement 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 2525 B(a), the Department of Revenue~~  
25 ~~shall grant a tax credit against any tax due under either~~  
26 ~~Article XVI of the Insurance Company Law of 1921 or Article III,~~  
27 ~~IV, VI, VII, VIII, IX or XV of the Tax Reform Code of 1971 to a~~  
28 ~~business firm providing proof of a contribution to a~~  
29 ~~prekindergarten scholarship organization in the taxable year in~~  
30 ~~which the contribution is made which shall be equal to 100% of~~

1 ~~the first \$10,000 contributed during the taxable year by the~~  
2 ~~business firm, and which shall not exceed 90% of the remaining~~  
3 ~~amount contributed during the taxable year by the business firm.~~  
4 ~~The tax credit shall not exceed \$150,000 annually per business~~  
5 ~~firm for contributions made to prekindergarten scholarship~~  
6 ~~organizations.~~

7 ~~(d) Combination of tax credits. A business firm may receive~~  
8 ~~tax credits from the Department of Revenue in any tax year for~~  
9 ~~any combination of contributions under subsection (a), (b) or~~  
10 ~~(c). In no case may a business firm receive tax credits in any~~  
11 ~~tax year in excess of \$300,000 for contributions under~~  
12 ~~subsections (a) and (b). In no case shall a business firm~~  
13 ~~receive tax credits in any tax year in excess of \$150,000 for~~  
14 ~~contributions under subsection (c).~~

15 ~~(e) Pass through entity.~~

16 ~~(1) If a pass through entity does not intend to use all~~  
17 ~~approved tax credits under this section, it may elect in~~  
18 ~~writing to transfer all or a portion of the tax credit to~~  
19 ~~shareholders, members or partners in proportion to the share~~  
20 ~~of the entity's distributive income to which the shareholder,~~  
21 ~~member or partner is entitled for use in the taxable year in~~  
22 ~~which the contribution is made or in the taxable year~~  
23 ~~immediately following the year in which the contribution is~~  
24 ~~made. The election shall designate the year in which the~~  
25 ~~transferred tax credits are to be used and shall be made~~  
26 ~~according to procedures established by the Department of~~  
27 ~~Revenue.~~

28 ~~(2) A pass through entity and a shareholder, member or~~  
29 ~~partner of a pass through entity shall not claim the tax~~  
30 ~~credit under this section for the same contribution.~~

1       ~~(3) The shareholder, member or partner may not carry~~  
2 ~~forward, carry back, obtain a refund of or sell or assign the~~  
3 ~~tax credit.~~

4       ~~(4) The shareholder, member or partner may claim the~~  
5 ~~credit on a joint return, but the tax credit may not exceed~~  
6 ~~the separate income of that shareholder, member or partner.~~

7       ~~(f) Restriction on applicability of credits. No tax credits~~  
8 ~~shall be applied against any tax withheld by an employer from an~~  
9 ~~employee under Article III of the Tax Reform Code of 1971.~~

10       ~~(g) Time of application for credits.~~

11       ~~(1) The department may accept applications beginning on~~  
12 ~~May 15 from business firms for tax credits available during a~~  
13 ~~fiscal year that is to begin on July 1.~~

14       ~~(2) If, on July 1 of a fiscal year, applications for tax~~  
15 ~~credits available during the fiscal year exceed the total~~  
16 ~~aggregate amount of tax credits available for the fiscal~~  
17 ~~year, the department shall approve applications for tax~~  
18 ~~credits on the following basis, subject to the provisions of~~  
19 ~~section 2523-B:~~

20       ~~(i) Group 1 firms whose applications were received~~  
21 ~~by July 1 shall be accorded first priority in the~~  
22 ~~approval of tax credit applications. If tax credits~~  
23 ~~applied for by Group 1 firms exceed the total aggregate~~  
24 ~~amount of tax credits available for the program under~~  
25 ~~section 2525-B, the department shall approve on a pro~~  
26 ~~rata basis the applications of all Group 1 firms that~~  
27 ~~applied by July 1, and the applications of Group 2 and~~  
28 ~~Group 3 firms shall be denied. Approval of a reduced tax~~  
29 ~~credit under this subparagraph shall not disqualify a~~  
30 ~~Group 1 firm from receiving a 90% tax credit under~~

1 ~~subsection (b) even if the amount of tax credit approved~~  
2 ~~would require the Group 1 firm to make a lower~~  
3 ~~scholarship contribution in the second year of a two year~~  
4 ~~commitment.~~

5 ~~(ii) If tax credits remain available after credits~~  
6 ~~have been awarded under subparagraph (i), Group 2 firms~~  
7 ~~whose applications were received by July 1 shall be~~  
8 ~~accorded priority in the approval of applications for the~~  
9 ~~remaining tax credits. If the sum of the tax credits~~  
10 ~~approved under subparagraph (i) and the credits applied~~  
11 ~~for by Group 2 firms exceeds the total aggregate amount~~  
12 ~~of tax credits available for the program under section~~  
13 ~~2525 B, the department shall approve on a pro rata basis~~  
14 ~~the applications for the remaining tax credits submitted~~  
15 ~~by all Group 2 firms that applied by July 1, and the~~  
16 ~~applications of Group 3 firms shall be denied.~~

17 ~~(iii) If tax credits remain available on July 1~~  
18 ~~after credits have been awarded under subparagraphs (i)~~  
19 ~~and (ii), applications of Group 3 firms shall be~~  
20 ~~approved, on a pro rata basis within that group if~~  
21 ~~necessary. Thereafter, the department shall approve the~~  
22 ~~applications of all business firms on a daily basis. If,~~  
23 ~~on any day after July 1, the cumulative sum of the tax~~  
24 ~~credits approved and the tax credits applied for on that~~  
25 ~~day exceeds the total aggregate amount of tax credits~~  
26 ~~available for the program under section 2525 B, the~~  
27 ~~department shall approve on a pro rata basis the~~  
28 ~~applications received on that day.~~

29 ~~Section 2525 B. Limitations.~~

30 ~~(a) Amount.~~

1           ~~(1) For the fiscal years 2011-2012, 2012-2013 and~~  
2           ~~2013-2014, the total aggregate amount of all tax credits~~  
3           ~~approved for scholarship organizations and educational~~  
4           ~~improvement organizations shall not exceed \$92,000,000 in a~~  
5           ~~fiscal year. No less than 75% of the total aggregate amount~~  
6           ~~of all tax credits approved shall be used to provide tax~~  
7           ~~credits for contributions from business firms to scholarship~~  
8           ~~organizations. No less than 25% of the total aggregate amount~~  
9           ~~of all tax credits approved shall be used to provide tax~~  
10           ~~credits for contributions from business firms to educational~~  
11           ~~improvement organizations.~~

12           ~~(i) From the tax credits for contributions by~~  
13           ~~business firms to educational improvement organizations,~~  
14           ~~20% of the available amount shall initially be set aside~~  
15           ~~for contributions by business firms to educational~~  
16           ~~improvement organizations that are also school district~~  
17           ~~foundations, public school foundations, charter school~~  
18           ~~foundations or cyber charter school foundations and shall~~  
19           ~~be distributed in accordance with section 2524-B(g).~~

20           ~~(ii) Tax credits remaining from the amount set aside~~  
21           ~~in subparagraph (i) after July 1 of each year shall be~~  
22           ~~made available to business firms for contributions to any~~  
23           ~~educational improvement organization and shall be~~  
24           ~~distributed in accordance with section 2524-B(g).~~

25           ~~(2) (i) Subject to adjustment under subparagraph (ii),~~  
26           ~~in the fiscal year 2014-2015 and each fiscal year~~  
27           ~~thereafter, the total aggregate amount of all tax credits~~  
28           ~~available shall equal the total aggregate amount of all~~  
29           ~~tax credits available in the prior fiscal year.~~

30           ~~(ii) Beginning in the fiscal year 2014-2015, in any~~

~~fiscal year in which the total aggregate amount of all tax credits approved for the prior fiscal year is equal to or greater than 90% of the total aggregate amount of all tax credits available for the prior fiscal year, the total aggregate amount of all tax credits available shall increase by 5%. The department shall publish on its Internet website the total aggregate amount of all tax credits available when the amount is increased under this paragraph.~~

~~(3) For the fiscal years 2011-2012, 2012-2013 and 2013-2014, the total aggregate amount of all tax credits approved for contributions from business firms to prekindergarten scholarship programs shall not exceed \$8,000,000 in a fiscal year.~~

~~(4) (i) Subject to adjustment in subparagraph (ii), in the fiscal year 2014-2015 and each fiscal year thereafter, the total aggregate amount of all tax credits available to prekindergarten scholarship programs shall equal the total aggregate amount of all tax credits available to prekindergarten scholarship programs in the prior fiscal year.~~

~~(ii) Beginning in the fiscal year 2014-2015, in any fiscal year in which the total aggregate amount of all tax credits available is increased under paragraph (2), the total aggregate amount of all tax credits available for prekindergarten scholarship programs shall increase by 5%. The department shall publish on its Internet website the total aggregate amount of all tax credits available for prekindergarten scholarship programs when the amount is increased under this paragraph.~~

~~(b) Activities. No tax credit shall be approved for activities that are a part of a business firm's normal course of business.~~

~~(c) Tax liability.~~

~~(1) Except as provided in paragraph (2), a tax credit granted for any one taxable year may not exceed the tax liability of a business firm.~~

~~(2) In the case of a credit granted to a pass through entity which elects to transfer the credit according to section 2524 B(e), a tax credit granted for any one taxable year and transferred to a shareholder, member or partner may not exceed the tax liability of the shareholder, member or partner.~~

~~(d) Use. A tax credit not used by the applicant in the taxable year the contribution was made or in the year designated by the shareholder, member or partner to whom the credit was transferred under section 2524 B(e) may not be carried forward or carried back and is not refundable or transferable.~~

~~(e) Nontaxable income. A scholarship received by an eligible student or eligible prekindergarten student shall not be considered to be taxable income for the purposes of Article III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.~~

~~Section 2526 B. Lists.~~

~~The Department of Revenue shall provide to the General Assembly, by June 30 of each year, a list of all scholarship organizations, prekindergarten scholarship organizations and educational improvement organizations that receive contributions from business firms granted a tax credit.~~

~~Section 2527 B. Guidelines.~~

~~The department, in consultation with the Department of Education, shall develop guidelines to determine the eligibility of an innovative educational program.~~

~~Section 2. Repeals are as follows:~~

~~(1) The General Assembly declares that the repeal under paragraph (2) is necessary to effectuate the addition of Article XXV B of the act.~~

~~(2) Article XVII F of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, is repealed.~~

~~Section 3. The provisions of Article XXV B of the act are severable. If any provision of that article or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of that article which can be given effect without the invalid provision or application.~~

~~Section 4. This act shall take effect in 60 days.~~

SECTION 1. THE DEFINITIONS OF "CONCURRENT STUDENT" AND "SCHOOL ENTITY" IN SECTION 1602-B OF THE ACT, ADDED JULY 13, 2005 (P.L.226, NO.46), ARE AMENDED TO READ:

SECTION 1602-B. DEFINITIONS.

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

\* \* \*

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



1 \* \* \*

2 "SCHOOL ENTITY." A SCHOOL DISTRICT, A CHARTER SCHOOL, A  
3 CYBER CHARTER SCHOOL OR AN AREA VOCATIONAL-TECHNICAL SCHOOL.

4 \* \* \*

5 SECTION 2. SECTION 1613-B OF THE ACT IS AMENDED BY ADDING A  
6 SUBSECTION TO READ:

7 SECTION 1613-B. CONCURRENT ENROLLMENT AGREEMENTS.

8 \* \* \*

9 (C) CHARTER SCHOOLS AND CYBER CHARTER SCHOOLS.--CHARTER  
10 SCHOOLS AND CYBER CHARTER SCHOOLS SHALL HAVE THE POWER AND  
11 AUTHORITY TO ENTER INTO A CONCURRENT ENROLLMENT AGREEMENT WITH  
12 AN INSTITUTION OF HIGHER EDUCATION, AND APPROPRIATE CREDIT SHALL  
13 BE AWARDED TO STUDENTS CONCURRENTLY ENROLLED UNDER THE  
14 AGREEMENT.

15 SECTION 3. SECTION 1703-A OF THE ACT, AMENDED JUNE 29, 2002  
16 (P.L.524, NO.88), IS AMENDED TO READ:

17 SECTION 1703-A. DEFINITIONS.--[AS USED IN THIS ARTICLE,] THE  
18 FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE SHALL HAVE  
19 THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE CONTEXT  
20 CLEARLY INDICATES OTHERWISE:

21 "ADMINISTRATOR." THE TERM INCLUDES AN EMPLOYEE OF A CHARTER  
22 SCHOOL OR CYBER CHARTER SCHOOL, INCLUDING THE CHIEF  
23 ADMINISTRATOR OF A CHARTER SCHOOL OR CYBER CHARTER SCHOOL AND  
24 ANY OTHER EMPLOYEE, WHO BY VIRTUE OF THE EMPLOYEE'S POSITION IS  
25 RESPONSIBLE FOR TAKING OR RECOMMENDING OFFICIAL ACTION OF A  
26 NONMINISTERIAL NATURE WITH REGARD TO CONTRACTING OR PROCUREMENT,  
27 ADMINISTERING OR MONITORING GRANTS OR SUBSIDIES, MANAGING OR  
28 REGULATING STAFF, STUDENT AND SCHOOL ACTIVITIES OR ANY ACTIVITY  
29 WHERE THE OFFICIAL ACTION HAS AN ECONOMIC IMPACT OF GREATER THAN  
30 A DE MINIMIS NATURE ON THE INTERESTS OF ANY PERSON.

1 "APPEAL [BOARD" SHALL MEAN THE] BOARD." THE STATE CHARTER  
2 SCHOOL APPEAL BOARD ESTABLISHED BY THIS ARTICLE.

3 "AT-RISK [STUDENT" SHALL MEAN A] STUDENT." A STUDENT AT RISK  
4 OF EDUCATIONAL FAILURE BECAUSE OF LIMITED ENGLISH PROFICIENCY,  
5 POVERTY, COMMUNITY FACTORS, TRUANCY, ACADEMIC DIFFICULTIES OR  
6 ECONOMIC DISADVANTAGE.

7 "CHARTER [SCHOOL" SHALL MEAN AN] SCHOOL." AN INDEPENDENT  
8 PUBLIC SCHOOL ESTABLISHED AND OPERATED UNDER A CHARTER FROM THE  
9 LOCAL BOARD OF SCHOOL DIRECTORS AND IN WHICH STUDENTS ARE  
10 ENROLLED OR ATTEND. A CHARTER SCHOOL MUST BE ORGANIZED AS A  
11 PUBLIC, NONPROFIT CORPORATION. CHARTERS MAY NOT BE GRANTED TO  
12 ANY FOR-PROFIT ENTITY.

13 "CHARTER SCHOOL FOUNDATION." A NONPROFIT ORGANIZATION, AS  
14 DEFINED UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF  
15 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 501(C)(3)), THAT PROVIDES  
16 FUNDING, RESOURCES OR OTHERWISE SERVES TO SUPPORT A CHARTER  
17 SCHOOL OR CYBER CHARTER SCHOOL, EITHER DIRECTLY OR THROUGH AN  
18 AFFILIATED ENTITY.

19 "CHIEF ADMINISTRATOR." AN INDIVIDUAL APPOINTED BY A BOARD OF  
20 TRUSTEES TO OVERSEE AND MANAGE THE OPERATION OF A CHARTER SCHOOL  
21 OR CYBER CHARTER SCHOOL. THE TERM SHALL NOT INCLUDE A  
22 PROFESSIONAL STAFF MEMBER UNDER THIS ARTICLE.

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

27 "COMMITTEE." THE CHARTER SCHOOL FUNDING ADVISORY COMMITTEE.

28 "CYBER CHARTER [SCHOOL" SHALL MEAN AN] SCHOOL." AN  
29 INDEPENDENT PUBLIC SCHOOL ESTABLISHED AND OPERATED UNDER A  
30 CHARTER FROM THE DEPARTMENT OF EDUCATION AND IN WHICH THE SCHOOL

1 USES TECHNOLOGY IN ORDER TO PROVIDE A SIGNIFICANT PORTION OF ITS  
2 CURRICULUM AND TO DELIVER A SIGNIFICANT PORTION OF INSTRUCTION  
3 TO ITS STUDENTS THROUGH THE INTERNET OR OTHER ELECTRONIC MEANS.  
4 A CYBER CHARTER SCHOOL MUST BE ORGANIZED AS A PUBLIC, NONPROFIT  
5 CORPORATION. A CHARTER MAY NOT BE GRANTED TO A FOR-PROFIT  
6 ENTITY.

7 ["DEPARTMENT" SHALL MEAN THE] "DEPARTMENT." THE DEPARTMENT  
8 OF EDUCATION OF THE COMMONWEALTH.

9 "EDUCATIONAL MANAGEMENT SERVICE PROVIDER." A FOR-PROFIT  
10 EDUCATION MANAGEMENT ORGANIZATION, NONPROFIT CHARTER MANAGEMENT  
11 ORGANIZATION, SCHOOL DESIGN PROVIDER, BUSINESS MANAGER OR ANY  
12 OTHER PARTNER ENTITY WITH WHICH A BOARD OF TRUSTEES OF A CHARTER  
13 SCHOOL OR CYBER CHARTER SCHOOL CONTRACTS TO PROVIDE EDUCATIONAL  
14 DESIGN, BUSINESS SERVICES, COMPREHENSIVE MANAGEMENT OR PERSONNEL  
15 FUNCTIONS OR TO IMPLEMENT THE CHARTER. THE TERM DOES NOT INCLUDE  
16 A CHARTER SCHOOL FOUNDATION.

17 "IMMEDIATE FAMILY MEMBER." A PARENT, SPOUSE, CHILD, BROTHER  
18 OR SISTER.

19 "LOCAL BOARD OF SCHOOL [DIRECTORS" SHALL MEAN THE]  
20 DIRECTORS." THE BOARD OF DIRECTORS OF A SCHOOL DISTRICT IN  
21 WHICH A PROPOSED OR AN APPROVED CHARTER SCHOOL IS LOCATED.

22 "NONRELATED." AN INDIVIDUAL WHO IS NOT AN IMMEDIATE FAMILY  
23 MEMBER.

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

30 "RIGHT-TO-KNOW LAW." THE ACT OF FEBRUARY 14, 2008 (P.L.6,

1 NO.3), KNOWN AS THE "RIGHT-TO-KNOW LAW."

2 "SCHOOL DISTRICT OF [RESIDENCE" SHALL MEAN THE] RESIDENCE."  
3 THE SCHOOL DISTRICT IN THIS COMMONWEALTH IN WHICH [THE PARENTS  
4 OR GUARDIANS OF A CHILD RESIDE] A CHILD RESIDES AS DETERMINED  
5 UNDER SECTION 1302.

6 "SCHOOL [ENTITY" SHALL MEAN A] ENTITY." A SCHOOL DISTRICT,  
7 INTERMEDIATE UNIT, JOINT SCHOOL OR AREA VOCATIONAL-TECHNICAL  
8 SCHOOL.

9 ["SECRETARY" SHALL MEAN THE] "SECRETARY." THE SECRETARY OF  
10 EDUCATION OF THE COMMONWEALTH.

11 "STATE [BOARD" SHALL MEAN THE] BOARD." THE STATE BOARD OF  
12 EDUCATION OF THE COMMONWEALTH.

13 SECTION 4. THE ACT IS AMENDED BY ADDING A SECTION TO READ:  
14 SECTION 1704-A. CHARTER SCHOOL FUNDING ADVISORY COMMITTEE.

15 (A) CONVENTION.--

16 (1) THE DEPARTMENT SHALL IMMEDIATELY CONVENE A STATEWIDE  
17 ADVISORY COMMITTEE, TO BE KNOWN AS THE CHARTER SCHOOL FUNDING  
18 ADVISORY COMMITTEE, TO EXAMINE THE FINANCING OF CHARTER SCHOOLS  
19 AND CYBER CHARTER SCHOOLS IN THE PUBLIC EDUCATION SYSTEM. THE  
20 COMMITTEE SHALL EXAMINE HOW CHARTER SCHOOL AND CYBER CHARTER  
21 SCHOOL FINANCES AFFECT OPPORTUNITIES FOR TEACHERS, PARENTS,  
22 PUPILS AND COMMUNITY MEMBERS TO ESTABLISH AND MAINTAIN SCHOOLS  
23 THAT OPERATE INDEPENDENTLY FROM THE EXISTING SCHOOL DISTRICT  
24 STRUCTURE AS A METHOD TO ACCOMPLISH THE REQUIREMENTS OF SECTION  
25 1702-A. THE DEPARTMENT SHALL PROVIDE ADMINISTRATIVE SUPPORT,  
26 MEETING SPACE AND ANY OTHER ASSISTANCE REQUIRED BY THE COMMITTEE  
27 TO CARRY OUT ITS DUTIES UNDER THIS SECTION.

28 (2) THE COMMITTEE SHALL CONSIST OF THE FOLLOWING MEMBERS:

29 (1) THE CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION  
30 COMMITTEE OF THE SENATE AND THE CHAIRMAN AND THE MINORITY

1 CHAIRMAN OF THE EDUCATION COMMITTEE OF THE HOUSE OF  
2 REPRESENTATIVES OR THEIR DESIGNEES.

3 (II) THE SECRETARY OR A DESIGNEE.

4 (III) THE CHAIRMAN OF THE STATE BOARD OR A DESIGNEE.

5 (IV) THE FOLLOWING MEMBERS, WHO SHALL BE APPOINTED BY THE  
6 SECRETARY:

7 (A) ONE MEMBER WHO SHALL REPRESENT CHARTER SCHOOLS.

8 (B) ONE MEMBER WHO SHALL REPRESENT REGIONAL CHARTER SCHOOLS.

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

10 (D) ONE 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 MEMBER WHO SHALL REPRESENT SCHOOL ADMINISTRATORS.

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

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

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

20 (I) ONE MEMBER WHO SHALL REPRESENT AN INSTITUTION OF HIGHER  
21 EDUCATION.

22 (3) MEMBERS OF THE COMMITTEE SHALL BE APPOINTED WITHIN 45  
23 DAYS OF THE EFFECTIVE DATE OF THIS SECTION. ANY VACANCY ON THE  
24 COMMITTEE SHALL BE FILLED BY THE ORIGINAL APPOINTING OFFICER OR  
25 AGENCY. THE COMMITTEE SHALL SELECT A CHAIRMAN AND VICE CHAIRMAN  
26 FROM AMONG ITS MEMBERSHIP AT AN ORGANIZATIONAL MEETING. THE  
27 ORGANIZATIONAL MEETING SHALL TAKE PLACE NO LATER THAN 90 DAYS  
28 FOLLOWING THE EFFECTIVE DATE OF THIS SECTION.

29 (4) THE COMMITTEE SHALL HOLD MEETINGS AT THE CALL OF THE  
30 CHAIRMAN. THE COMMITTEE MAY ALSO HOLD PUBLIC HEARINGS ON THE

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

8 (5) COMMITTEE MEMBERS SHALL RECEIVE NO COMPENSATION FOR  
9 THEIR SERVICES BUT SHALL BE REIMBURSED FOR ALL NECESSARY TRAVEL  
10 AND OTHER REASONABLE EXPENSES INCURRED IN CONNECTION WITH THE  
11 PERFORMANCE OF THEIR DUTIES AS MEMBERS. WHENEVER POSSIBLE, THE  
12 COMMITTEE SHALL UTILIZE THE SERVICES AND EXPERTISE OF EXISTING  
13 PERSONNEL AND STAFF OF STATE GOVERNMENT.

14 (6) THE COMMITTEE SHALL HAVE THE FOLLOWING POWERS AND  
15 DUTIES:

16 (I) MEET WITH CURRENT CHARTER SCHOOL OPERATORS WITHIN THIS  
17 COMMONWEALTH, INCLUDING CYBER CHARTER SCHOOLS WITH BLENDED  
18 PROGRAMS.

19 (II) REVIEW CHARTER SCHOOL FINANCING LAWS IN OPERATION  
20 THROUGHOUT THE UNITED STATES.

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

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

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

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

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

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

2 (F) CHARTER SCHOOL TRANSPORTATION.

3 (G) CHARTER SCHOOL ELIGIBILITY TO RECEIVE GRANTS AND  
4 FUNDING.

5 (H) APPROPRIATE ASSESSMENT FEES ON CHARTER SCHOOLS AND CYBER  
6 CHARTER SCHOOLS.

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

9 (IV) THE COMMITTEE SHALL, NO LATER THAN NOVEMBER 30, 2012,  
10 ISSUE A REPORT OF ITS FINDINGS AND RECOMMENDATIONS TO THE  
11 GOVERNOR, THE PRESIDENT PRO TEMPORE OF THE SENATE, THE MINORITY  
12 LEADER OF THE SENATE, THE CHAIRMAN AND MINORITY CHAIRMAN OF THE  
13 EDUCATION COMMITTEE OF THE SENATE, THE SPEAKER OF THE HOUSE OF  
14 REPRESENTATIVES, THE MINORITY LEADER OF THE HOUSE OF  
15 REPRESENTATIVES AND THE CHAIRMAN AND MINORITY CHAIRMAN OF THE  
16 EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

17 (B) (RESERVED).

18 SECTION 5. SECTION 1714-A(A) OF THE ACT IS AMENDED BY ADDING  
19 CLAUSES TO READ:

20 SECTION 1714-A. POWERS OF CHARTER SCHOOLS.--(A) A CHARTER  
21 SCHOOL ESTABLISHED UNDER THIS ACT IS A BODY CORPORATE AND SHALL  
22 HAVE ALL POWERS NECESSARY OR DESIRABLE FOR CARRYING OUT ITS  
23 CHARTER, INCLUDING, BUT NOT LIMITED TO, THE POWER TO:

24 \* \* \*

25 (8) ENTER INTO A CONCURRENT ENROLLMENT AGREEMENT UNDER  
26 ARTICLE XVI-B WITH AN INSTITUTION OF HIGHER EDUCATION.

27 (9) SEEK ACCREDITATION BY AN ACCREDITATION AGENCY.

28 \* \* \*

29 SECTION 6. SECTION 1715-A OF THE ACT, ADDED JUNE 19, 1997  
30 (P.L.225, NO.22) AND JULY 9, 2008 (P.L.846, NO.61), IS AMENDED

1 TO READ:

2 SECTION 1715-A. CHARTER SCHOOL REQUIREMENTS.--(A) CHARTER  
3 SCHOOLS SHALL BE REQUIRED TO COMPLY WITH THE FOLLOWING  
4 PROVISIONS:

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

11 (2) A CHARTER SCHOOL SHALL BE ACCOUNTABLE TO THE PARENTS,  
12 THE PUBLIC AND THE COMMONWEALTH, WITH THE DELINEATION OF THAT  
13 ACCOUNTABILITY REFLECTED IN THE CHARTER. STRATEGIES FOR  
14 MEANINGFUL PARENT AND COMMUNITY INVOLVEMENT SHALL BE DEVELOPED  
15 AND IMPLEMENTED BY EACH SCHOOL.

16 (3) A CHARTER SCHOOL SHALL NOT UNLAWFULLY DISCRIMINATE IN  
17 ADMISSIONS, HIRING OR OPERATION.

18 (4) A CHARTER SCHOOL SHALL BE NONSECTARIAN IN ALL  
19 OPERATIONS.

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

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

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

30 (B) IN WHICH THE UNUSED PORTION OF THE FACILITY OR ITS



1 COMMON AREAS CONTAIN RELIGIOUS SYMBOLS AND OBJECTS.

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

3 (7) A CHARTER SCHOOL SHALL ONLY BE SUBJECT TO THE LAWS AND  
4 REGULATIONS AS PROVIDED FOR IN SECTION 1732-A, OR AS OTHERWISE  
5 PROVIDED FOR IN THIS ARTICLE.

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

13 (II) A CHARTER SCHOOL SHALL BE TREATED IN THE SAME MANNER AS  
14 A SCHOOL DISTRICT FOR THE PURPOSES OF MEASURING THE CHARTER  
15 SCHOOL'S ADEQUATE YEARLY PROGRESS UNDER THE NO CHILD LEFT BEHIND  
16 ACT OF 2001.

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

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

26 (I) THE FOLLOWING PROVISIONS OF THIS ACT:

27 (A) SECTIONS 751 AND 751.1.

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

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

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

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

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

9 (11) TRUSTEES OF A CHARTER SCHOOL SHALL BE PUBLIC OFFICIALS  
10 FOR THE PURPOSES OF 65 PA.C.S. CH. 11 (RELATING TO ETHICS  
11 STANDARDS AND FINANCIAL DISCLOSURE) AND SHALL FILE A STATEMENT  
12 OF FINANCIAL INTERESTS FOR THE PRECEDING CALENDAR YEAR WITH THE  
13 STATE ETHICS COMMISSION AND THE LOCAL BOARD OF SCHOOL DIRECTORS,  
14 OR, IN THE CASE OF A CYBER CHARTER SCHOOL, THE DEPARTMENT, NO  
15 LATER THAN MAY 1 OF EACH YEAR THAT MEMBERS HOLD THE POSITION AND  
16 OF THE YEAR AFTER A MEMBER LEAVES THE POSITION. ALL MEMBERS OF  
17 THE BOARD OF TRUSTEES OF A CHARTER SCHOOL SHALL TAKE THE OATH OF  
18 OFFICE AS REQUIRED UNDER SECTION 321 BEFORE ENTERING UPON THE  
19 DUTIES OF THEIR OFFICE.

20 [(12) A PERSON WHO SERVES AS AN ADMINISTRATOR FOR A CHARTER  
21 SCHOOL SHALL NOT RECEIVE COMPENSATION FROM ANOTHER CHARTER  
22 SCHOOL OR FROM A COMPANY THAT PROVIDES MANAGEMENT OR OTHER  
23 SERVICES TO ANOTHER CHARTER SCHOOL. THE TERM "ADMINISTRATOR"  
24 SHALL INCLUDE THE CHIEF EXECUTIVE OFFICER OF A CHARTER SCHOOL  
25 AND ALL OTHER EMPLOYEES OF A CHARTER SCHOOL WHO BY VIRTUE OF  
26 THEIR POSITIONS EXERCISE MANAGEMENT OR OPERATIONAL OVERSIGHT  
27 RESPONSIBILITIES. A PERSON WHO SERVES AS AN ADMINISTRATOR FOR A  
28 CHARTER SCHOOL SHALL BE A PUBLIC OFFICIAL UNDER 65 PA.C.S. CH.  
29 11 (RELATING TO ETHICS STANDARDS AND FINANCIAL DISCLOSURE). A  
30 VIOLATION OF THIS CLAUSE SHALL CONSTITUTE A VIOLATION OF 65

1 PA.C.S. § 1103(A) (RELATING TO RESTRICTED ACTIVITIES), AND THE  
2 VIOLATOR SHALL BE SUBJECT TO THE PENALTIES IMPOSED UNDER THE  
3 JURISDICTION OF THE STATE ETHICS COMMISSION.]

4 (B) A PERSON WHO SERVES AS AN ADMINISTRATOR FOR A CHARTER  
5 SCHOOL SHALL BE A PUBLIC EMPLOYE FOR THE PURPOSES OF 65 PA.C.S.  
6 CH. 11 (RELATING TO ETHICS STANDARDS AND FINANCIAL DISCLOSURE)  
7 AND SHALL FILE A STATEMENT OF FINANCIAL INTERESTS FOR THE  
8 PRECEDING CALENDAR YEAR WITH THE BOARD OF TRUSTEES NO LATER THAN  
9 MAY 1 OF EACH YEAR THAT THE PERSON HOLDS THE POSITION AND OF THE  
10 YEAR AFTER THE PERSON LEAVES THE POSITION.

11 (C) (1) NO PERSON WHO SERVES AS AN ADMINISTRATOR FOR A  
12 CHARTER SCHOOL MAY RECEIVE COMPENSATION FROM ANOTHER CHARTER  
13 SCHOOL, CYBER CHARTER SCHOOL OR FROM AN EDUCATIONAL MANAGEMENT  
14 SERVICE PROVIDER, UNLESS:

15 (I) THE ADMINISTRATOR HAS SUBMITTED A SWORN STATEMENT TO THE  
16 CHARTER SCHOOL BOARD OF TRUSTEES AND THE SWORN STATEMENT DETAILS  
17 THE WORK FOR THE OTHER ENTITY AND INCLUDES THE PROJECTED NUMBER  
18 OF HOURS, RATE OF COMPENSATION, AND PROJECTED DURATION.

19 (II) THE BOARD OF TRUSTEES HAS REVIEWED THE SWORN STATEMENT  
20 UNDER SUBSECTION (I) AND AGREED BY RESOLUTION TO GRANT  
21 PERMISSION TO THE ADMINISTRATOR.

22 (2) A COPY OF THE SWORN STATEMENT UNDER CLAUSE (1)(I) AND  
23 THE RESOLUTION BY THE BOARD OF TRUSTEES GRANTING THE PERMISSION  
24 SHALL BE KEPT ON FILE WITH THE CHARTER SCHOOL AND THE BOARD OF  
25 LOCAL SCHOOL DIRECTORS.

26 (3) NO ADMINISTRATOR OF A CHARTER SCHOOL OR IMMEDIATE FAMILY  
27 MEMBER MAY SERVE AS A VOTING MEMBER OF THE BOARD OF TRUSTEES OF  
28 THAT PERSON'S CHARTER SCHOOL.

29 (4) (I) NO ADMINISTRATOR OF A CHARTER SCHOOL MAY  
30 PARTICIPATE IN THE SELECTION, AWARD OR ADMINISTRATION OF A

1 CONTRACT IF THE PERSON HAS A CONFLICT OF INTEREST AS THAT TERM  
2 IS DEFINED IN 65 PA.C.S. § 1102 (RELATING TO DEFINITIONS).

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

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

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

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

16 SECTION 1716-A. POWERS OF BOARD OF TRUSTEES.--\* \* \*

17 (B.1) (1) FOR A CHARTER SCHOOL CHARTERED AFTER THE  
18 EFFECTIVE DATE OF THIS SUBSECTION, AN INDIVIDUAL SHALL BE  
19 PROHIBITED FROM SERVING AS A VOTING MEMBER OF THE BOARD OF  
20 TRUSTEES OF THE CHARTER SCHOOL IF THE INDIVIDUAL OR AN IMMEDIATE  
21 FAMILY MEMBER RECEIVES COMPENSATION FROM OR IS EMPLOYED BY OR IS  
22 A BOARD MEMBER OF THE LOCAL BOARD OF SCHOOL DIRECTORS WHO  
23 PARTICIPATED IN THE INITIAL REVIEW, APPROVAL, OVERSIGHT,  
24 EVALUATION OR RENEWAL PROCESS OF THE CHARTER SCHOOL CHARTERED BY  
25 THAT BOARD.

26 (2) AN EMPLOYEE OF THE SCHOOL DISTRICT THAT CHARTERED THE  
27 CHARTER SCHOOL MAY SERVE AS A MEMBER OF THE BOARD OF TRUSTEES  
28 WITHOUT VOTING PRIVILEGES.

29 (B.2) (1) NO MEMBER OF THE BOARD OF TRUSTEES OF A CHARTER  
30 SCHOOL MAY PARTICIPATE IN THE SELECTION, AWARD OR ADMINISTRATION

1 OF ANY CONTRACT IF THE MEMBER HAS A CONFLICT OF INTEREST AS THAT  
2 TERM IS DEFINED IN 65 PA.C.S. § 1102 (RELATING TO DEFINITIONS).

3 (2) ANY MEMBER OF THE BOARD OF TRUSTEES WHO IN THE DISCHARGE  
4 OF THE PERSON'S OFFICIAL DUTIES WOULD BE REQUIRED TO VOTE ON A  
5 MATTER THAT WOULD RESULT IN A CONFLICT OF INTEREST SHALL ABSTAIN  
6 FROM VOTING AND FOLLOW THE PROCEDURES REQUIRED UNDER 65 PA.C.S.  
7 § 1103(J) (RELATING TO RESTRICTED ACTIVITIES).

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

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

15 (B.3) A MEMBER OF THE BOARD OF TRUSTEES OF A CHARTER SCHOOL  
16 SHALL BE AUTOMATICALLY DISQUALIFIED AND IMMEDIATELY REMOVED FROM  
17 THE BOARD UPON CONVICTION FOR AN OFFENSE GRADED AS A FELONY, AN  
18 INFAMOUS CRIME, AN OFFENSE PERTAINING TO FRAUD, THEFT OR  
19 MISMANAGEMENT OF PUBLIC FUNDS, ANY OFFENSE PERTAINING TO HIS  
20 OFFICIAL CAPACITY AS A BOARD MEMBER OR ANY CRIME INVOLVING MORAL  
21 TURPITUDE.

22 (C) THE BOARD OF TRUSTEES SHALL COMPLY WITH [THE ACT OF JULY  
23 3, 1986 (P.L.388, NO.84), KNOWN AS THE "SUNSHINE ACT."] 65  
24 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).

25 (D) (1) (I) THE BOARD OF TRUSTEES OF A CHARTER SCHOOL  
26 SHALL CONSIST OF A MINIMUM OF FIVE NONRELATED VOTING MEMBERS.

27 (II) IF A CHARTER SCHOOL HAS FEWER THAN FIVE NONRELATED  
28 VOTING MEMBERS SERVING ON ITS BOARD ON THE EFFECTIVE DATE OF  
29 THIS SECTION, THE CHARTER SCHOOL SHALL HAVE 60 DAYS TO APPOINT  
30 ADDITIONAL MEMBERS TO THE BOARD TO MEET THE MINIMUM REQUIREMENTS

1 OF THIS SECTION.

2 (2) WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THIS  
3 SUBSECTION, AT LEAST ONE MEMBER OF THE BOARD OF TRUSTEES OF A  
4 CHARTER SCHOOL SHALL BE A PARENT OF A CHILD CURRENTLY ATTENDING  
5 THE CHARTER SCHOOL. THE BOARD MEMBER SHALL BE ELIGIBLE TO SERVE  
6 ONLY SO LONG AS THE CHILD IS ATTENDING THE CHARTER SCHOOL.

7 (E) (1) A MAJORITY OF THE VOTING MEMBERS OF THE BOARD OF  
8 TRUSTEES SHALL CONSTITUTE A QUORUM. IF LESS THAN A MAJORITY IS  
9 PRESENT AT ANY MEETING, NO BUSINESS MAY BE TRANSACTED AT THE  
10 MEETING.

11 (2) THE AFFIRMATIVE VOTE OF A MAJORITY OF ALL THE VOTING  
12 MEMBERS OF THE BOARD OF TRUSTEES, DULY RECORDED, SHALL BE  
13 REQUIRED IN ORDER TO TAKE ACTION ON THE SUBJECTS ENUMERATED  
14 UNDER SUBSECTION (A).

15 (3) ALL MEETINGS SHALL BE SUBJECT TO 65 PA.C.S. CH. 7.

16 (F) (1) IF A MEMBER OF THE BOARD OF TRUSTEES REFUSES OR  
17 NEGLECTS TO PERFORM ANY DUTY UNDER THIS ARTICLE, AT LEAST 25  
18 INDIVIDUALS WHO ARE PARENTS OR GUARDIANS OF STUDENTS OF THE  
19 CHARTER SCHOOL MAY PRESENT A PETITION IN WRITING OF THE REFUSAL  
20 OR NEGLECT, VERIFIED BY OATH OR AFFIRMATION, TO THE COURT OF  
21 COMMON PLEAS IN THE COUNTY IN WHICH THE CHARTER SCHOOL OR  
22 REGIONAL CHARTER SCHOOL BUILDING IS LOCATED OR, IN THE CASE OF A  
23 CYBER CHARTER SCHOOL, TO THE COMMONWEALTH COURT. THE PETITION  
24 SHALL STATE THE FACTS REGARDING THE BOARD MEMBER.

25 (2) THE COURT SHALL GRANT A RULE UPON THE MEMBER OF THE  
26 BOARD OF TRUSTEES, RETURNABLE IN NOT LESS THAN TEN DAYS NOR MORE  
27 THAN 20 DAYS FROM THE DATE OF ISSUE, TO SHOW CAUSE WHY THE  
28 MEMBER SHOULD NOT BE REMOVED FROM THE BOARD. THE MEMBER SHALL  
29 HAVE AT LEAST FIVE DAYS' NOTICE OF THE GRANTING OF THE RULE.

30 (3) ON OR BEFORE THE RETURN DAY OF THE RULE, THE MEMBER OR

1 MEMBERS, INDIVIDUALLY OR JOINTLY, SHALL FILE IN WRITING THEIR  
2 ANSWER OR ANSWERS TO THE PETITION, UNDER OATH.

3 (4) IF THE FACTS STATED IN THE PETITION, OR ANY MATERIAL  
4 PART OF THE PETITION, ARE DENIED, THE COURT SHALL CONDUCT A  
5 HEARING ON THE PETITION.

6 (5) (I) IF, AFTER THE HEARING OR IF NO ANSWER IS TIMELY  
7 FILED DENYING THE FACTS STATED IN THE PETITION, THE COURT FINDS  
8 THAT ANY DUTY IMPOSED ON THE MEMBERS REQUIRED UNDER THIS ARTICLE  
9 HAS NOT BEEN DONE OR HAS BEEN NEGLECTED BY THEM, THE COURT MAY  
10 REMOVE THE MEMBER OR MEMBERS AND SHALL DIRECT THE LOCAL BOARD OF  
11 SCHOOL DIRECTORS TO APPOINT OTHER QUALIFIED PERSONS TO SERVE FOR  
12 THE DURATION OF THE REMOVED MEMBERS' UNEXPIRED TERMS, SUBJECT TO  
13 THIS ARTICLE.

14 (II) THE COURT SHALL IMPOSE THE COST OF THE PROCEEDINGS UPON  
15 THE PETITIONERS, THE MEMBERS OF THE BOARD OF TRUSTEES, THE LOCAL  
16 BOARD OF SCHOOL DIRECTORS, OR MAY APPORTION THE COST AMONG THEM.

17 (6) ANY PERSON REMOVED AS A MEMBER OF THE BOARD OF TRUSTEES  
18 OF A CHARTER SCHOOL UNDER THIS SECTION SHALL NOT BE ELIGIBLE  
19 AGAIN AS A BOARD MEMBER FOR A PERIOD OF FIVE YEARS FROM THE  
20 REMOVAL.

21 SECTION 7.1. SECTION 1717-A(B), (C), (D), (E), (F), AND (I)  
22 OF THE ACT, ADDED JULY 19, 1997 (P.L.225, NO.22), ARE AMENDED TO  
23 READ:

24 SECTION 1717-A. ESTABLISHMENT OF CHARTER SCHOOL.--\* \* \*

25 (B) [(1) THE CONVERSION OF AN EXISTING PUBLIC SCHOOL OR  
26 PORTION OF AN EXISTING PUBLIC SCHOOL TO A CHARTER SCHOOL MAY BE  
27 INITIATED BY ANY INDIVIDUAL OR ENTITY AUTHORIZED TO ESTABLISH A  
28 CHARTER SCHOOL UNDER SUBSECTION (A) .

29 (2) IN ORDER TO CONVERT AN EXISTING PUBLIC SCHOOL TO A  
30 CHARTER SCHOOL, THE APPLICANTS MUST SHOW THAT:

1 (I) MORE THAN FIFTY PER CENTUM OF THE TEACHING STAFF IN THE  
2 PUBLIC SCHOOL HAVE SIGNED A PETITION IN SUPPORT OF THE PUBLIC  
3 SCHOOL BECOMING A CHARTER SCHOOL; AND

4 (II) MORE THAN FIFTY PER CENTUM OF THE PARENTS OR GUARDIANS  
5 OF PUPILS ATTENDING THAT PUBLIC SCHOOL HAVE SIGNED A PETITION IN  
6 SUPPORT OF THE SCHOOL BECOMING A CHARTER SCHOOL.

7 (3) IN NO EVENT SHALL THE BOARD OF SCHOOL DIRECTORS SERVE AS  
8 THE BOARD OF TRUSTEES OF AN EXISTING SCHOOL WHICH IS CONVERTED  
9 TO A CHARTER SCHOOL PURSUANT TO THIS SUBSECTION.]

10 (4) A CHARTER SCHOOL MAY BE ESTABLISHED BY CONVERTING AN  
11 EXISTING PUBLIC SCHOOL BUILDING OR A PORTION OF AN EXISTING  
12 PUBLIC SCHOOL BUILDING. THE CONVERSION SHALL BE INITIATED BY THE  
13 SCHOOL DISTRICT WHERE THE EXISTING PUBLIC SCHOOL IS LOCATED.  
14 THERE SHALL BE NO LIMIT ON THE NUMBER OF PUBLIC SCHOOLS IN A  
15 SCHOOL DISTRICT THAT CAN BE CONVERTED TO A CHARTER SCHOOL.

16 (5) THE LOCAL BOARD OF SCHOOL DIRECTORS, THE SPECIAL BOARD  
17 OF CONTROL ESTABLISHED UNDER SECTION 692 OR THE SCHOOL REFORM  
18 COMMISSION ESTABLISHED UNDER SECTION 696 THAT DESIRES TO CONVERT  
19 AN EXISTING PUBLIC SCHOOL BUILDING OR A PORTION OF AN EXISTING  
20 PUBLIC SCHOOL BUILDING TO A CHARTER SCHOOL MAY DESIGNATE AND  
21 APPROVE BY MAJORITY VOTE THE EXISTING PUBLIC SCHOOL BUILDING OR  
22 PORTION OF AN EXISTING PUBLIC SCHOOL BUILDING THAT IT SEEKS TO  
23 CONVERT TO A CHARTER SCHOOL.

24 (6) (I) APPLICATIONS FOR THE CHARTER SCHOOL SHALL BE  
25 SOLICITED THROUGH A COMPETITIVE REQUEST FOR PROPOSAL PROCESS  
26 INITIATED BY THE LOCAL BOARD OF SCHOOL DIRECTORS, THE SPECIAL  
27 BOARD OF CONTROL ESTABLISHED UNDER SECTION 692 OR THE SCHOOL  
28 REFORM COMMISSION ESTABLISHED UNDER SECTION 696. THE CONTENT AND  
29 DISSEMINATION OF THE REQUEST FOR PROPOSAL MUST BE CONSISTENT  
30 WITH THE PURPOSE AND THE REQUIREMENTS OF THIS ARTICLE. THE LOCAL



1 BOARD OF SCHOOL DIRECTORS, THE SPECIAL BOARD OF CONTROL  
2 ESTABLISHED UNDER SECTION 692 OR THE SCHOOL REFORM COMMISSION  
3 ESTABLISHED UNDER SECTION 696 MAY ACCEPT APPLICATIONS BY ANY  
4 INDIVIDUAL OR ENTITY AUTHORIZED TO ESTABLISH A CHARTER SCHOOL  
5 UNDER SUBSECTION (A) TO OPERATE THE CONVERTED CHARTER SCHOOL.

6 (II) THE LOCAL BOARD OF DIRECTORS, THE SPECIAL BOARD OF  
7 CONTROL ESTABLISHED UNDER SECTION 692 OR THE SCHOOL REFORM  
8 COMMISSION ESTABLISHED UNDER SECTION 696 SHALL EVALUATE EACH  
9 SUBMITTED PROPOSAL IN A PUBLIC MANNER. ONCE SELECTED, THE LOCAL  
10 BOARD OF SCHOOL DIRECTORS, THE SPECIAL BOARD OF CONTROL  
11 ESTABLISHED UNDER SECTION 692 OR THE SCHOOL REFORM COMMISSION  
12 ESTABLISHED UNDER SECTION 696 MUST:

13 (A) EXPLAIN HOW AND WHY THE PROPOSAL WAS SELECTED;

14 (B) PROVIDE EVIDENCE, IF AVAILABLE, OF THE PROVIDER'S  
15 SUCCESS IN SERVING STUDENT POPULATIONS SIMILAR TO THE TARGETED  
16 POPULATION, INCLUDING DEMONSTRATED ACADEMIC ACHIEVEMENT AS WELL  
17 AS SUCCESSFUL MANAGEMENT OF NONACADEMIC SCHOOL FUNCTIONS IF  
18 APPLICABLE.

19 (7) NO MEMBER OF THE LOCAL BOARD OF SCHOOL DIRECTORS, THE  
20 SPECIAL BOARD OF CONTROL ESTABLISHED UNDER SECTION 692 OR THE  
21 SCHOOL REFORM COMMITTEE ESTABLISHED UNDER SECTION 696 MAY SERVE  
22 ON THE BOARD OF TRUSTEES OF AN EXISTING SCHOOL WHICH IS  
23 CONVERTED TO A CHARTER SCHOOL UNDER THIS SUBSECTION.

24 (8) THIS ARTICLE SHALL APPLY TO AN EXISTING PUBLIC SCHOOL  
25 BUILDING OR A PORTION OF AN EXISTING PUBLIC SCHOOL BUILDING  
26 CONVERTED TO A CHARTER SCHOOL.

27 (9) IN THE CASE OF AN EXISTING SCHOOL BEING CONVERTED TO A  
28 CHARTER SCHOOL, THE LOCAL BOARD OF SCHOOL DIRECTORS, THE SPECIAL  
29 BOARD OF CONTROL ESTABLISHED UNDER SECTION 692 OR THE SCHOOL  
30 REFORM COMMISSION ESTABLISHED UNDER SECTION 696 SHALL ESTABLISH

1 THE ALTERNATIVE ARRANGEMENTS FOR CURRENT STUDENTS WHO CHOOSE NOT  
2 TO ATTEND THE CHARTER SCHOOL.

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

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

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

1 (2) A CHARTER SCHOOL APPLICATION SUBMITTED UNDER THIS  
2 ARTICLE SHALL BE EVALUATED BY THE LOCAL BOARD OF SCHOOL  
3 DIRECTORS BASED ON CRITERIA, INCLUDING, BUT NOT LIMITED TO, THE  
4 FOLLOWING:

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

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

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

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

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

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

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

1 DESCRIPTION OF DEFICIENCIES IN THE APPLICATION, SHALL BE CLEARLY  
2 STATED IN THE NOTICE SENT BY THE LOCAL BOARD OF SCHOOL DIRECTORS  
3 TO THE CHARTER SCHOOL APPLICANT.

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

22 \* \* \*

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

28 [(2) IN ORDER FOR A CHARTER SCHOOL APPLICANT TO BE ELIGIBLE  
29 TO APPEAL THE DENIAL OF A CHARTER BY THE LOCAL BOARD OF  
30 DIRECTORS, THE APPLICANT MUST OBTAIN THE SIGNATURES OF AT LEAST

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

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

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

30 (I) THAT THE AFFIANT IS A RESIDENT OF THE SCHOOL DISTRICT

1 REFERRED TO IN THE PETITION.

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

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

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

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

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

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

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

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

1 AGREEING OR DISAGREEING WITH THOSE FINDINGS IN ITS WRITTEN  
2 DECISION. THE APPEAL BOARD SHALL HAVE THE DISCRETION TO ALLOW  
3 THE LOCAL BOARD OF DIRECTORS AND THE CHARTER SCHOOL APPLICANT TO  
4 SUPPLEMENT THE RECORD IF THE SUPPLEMENTAL INFORMATION WAS  
5 PREVIOUSLY UNAVAILABLE.

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

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

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

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

26 SECTION 8. SECTION 1719-A OF THE ACT, ADDED JUNE 19, 1997  
27 (P.L.225, NO.22), IS AMENDED TO READ:

28 SECTION 1719-A. CONTENTS OF APPLICATION.--[AN] (A) THE  
29 DEPARTMENT SHALL CREATE A STANDARD APPLICATION FOR CHARTER  
30 SCHOOL APPLICANTS TO ESTABLISH A CHARTER SCHOOL. THE FORM SHALL

1 INCLUDE ALL OF THE FOLLOWING INFORMATION:

2 (1) THE IDENTIFICATION OF THE CHARTER APPLICANT.

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

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

5 (4) [THE PROPOSED GOVERNANCE STRUCTURE OF THE CHARTER

6 SCHOOL, INCLUDING A DESCRIPTION AND METHOD FOR THE APPOINTMENT

7 OR ELECTION OF MEMBERS OF THE BOARD OF TRUSTEES.] AN

8 ORGANIZATION CHART CLEARLY PRESENTING THE PROPOSED GOVERNANCE

9 STRUCTURE OF THE SCHOOL, INCLUDING LINES OF AUTHORITY AND

10 REPORTING BETWEEN THE BOARD OF TRUSTEES, ADMINISTRATORS, STAFF

11 AND ANY EDUCATIONAL MANAGEMENT SERVICE PROVIDER THAT WILL PLAY A

12 ROLE IN PROVIDING MANAGEMENT SERVICES TO THE CHARTER SCHOOL.

13 (4.1) A CLEAR DESCRIPTION OF THE ROLES AND RESPONSIBILITIES

14 FOR THE BOARD OF TRUSTEES, ADMINISTRATORS AND ANY OTHER

15 ENTITIES, INCLUDING A CHARTER SCHOOL FOUNDATION, SHOWN IN THE

16 ORGANIZATION CHART.

17 (4.2) A CLEAR DESCRIPTION AND METHOD FOR THE APPOINTMENT OR

18 ELECTION OF MEMBERS OF THE BOARD OF TRUSTEES.

19 (4.3) STANDARDS FOR BOARD PERFORMANCE, INCLUDING COMPLIANCE

20 WITH ALL APPLICABLE LAWS, REGULATIONS AND TERMS OF THE CHARTER.

21 (4.4) IF THE CHARTER SCHOOL INTENDS TO CONTRACT WITH AN

22 EDUCATIONAL MANAGEMENT SERVICE PROVIDER FOR SERVICES, ALL OF THE

23 FOLLOWING:

24 (I) EVIDENCE OF THE EDUCATION MANAGEMENT SERVICE PROVIDER'S

25 RECORD IN SERVING STUDENT POPULATIONS, INCLUDING DEMONSTRATED

26 ACADEMIC ACHIEVEMENT AND DEMONSTRATED MANAGEMENT OF NONACADEMIC

27 SCHOOL FUNCTIONS, INCLUDING PROFICIENCY WITH PUBLIC SCHOOL-BASED

28 ACCOUNTING, IF APPLICABLE.

29 (II) A TERM SHEET STATING ALL OF THE FOLLOWING:

30 (A) THE OFFICERS, CHIEF ADMINISTRATOR AND ADMINISTRATORS OF



1 THE EDUCATION MANAGEMENT SERVICE PROVIDER.

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

3 (C) ROLES AND RESPONSIBILITIES OF THE GOVERNING BOARD, THE  
4 SCHOOL STAFF AND THE EDUCATIONAL MANAGEMENT SERVICE PROVIDER.

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

7 (E) PERFORMANCE EVALUATION MEASURES AND TIMELINES.

8 (F) THE COMPENSATION STRUCTURE, INCLUDING CLEAR  
9 IDENTIFICATION OF ALL FEES TO BE PAID TO THE EDUCATIONAL  
10 MANAGEMENT SERVICE PROVIDER.

11 (G) METHODS OF CONTRACT OVERSIGHT AND ENFORCEMENT.

12 (H) INVESTMENT DISCLOSURE OR THE ADVANCE OF MONEYS BY THE  
13 EDUCATIONAL MANAGEMENT SERVICE PROVIDER ON BEHALF OF THE CHARTER  
14 SCHOOL.

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

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

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

26 (6) THE ADMISSION POLICY AND CRITERIA FOR EVALUATING THE  
27 ADMISSION OF STUDENTS WHICH SHALL COMPLY WITH THE REQUIREMENTS  
28 OF SECTION 1723-A.

29 (7) PROCEDURES WHICH WILL BE USED REGARDING THE SUSPENSION  
30 OR EXPULSION OF PUPILS. SAID PROCEDURES SHALL COMPLY WITH

1 SECTION 1318.

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

4 (9) THE FINANCIAL PLAN FOR THE CHARTER SCHOOL AND THE  
5 PROVISIONS WHICH WILL BE MADE FOR AUDITING THE SCHOOL UNDER  
6 SECTION 437 AND SECTION 1728-A, INCLUDING THE ROLE OF ANY  
7 CHARTER SCHOOL FOUNDATION.

8 (10) PROCEDURES WHICH SHALL BE ESTABLISHED TO REVIEW  
9 COMPLAINTS OF PARENTS REGARDING THE OPERATION OF THE CHARTER  
10 SCHOOL.

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

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

17 (13) THE PROPOSED FACULTY, IF ALREADY DETERMINED, AND A  
18 PROFESSIONAL DEVELOPMENT AND CONTINUING EDUCATION PLAN FOR THE  
19 FACULTY AND PROFESSIONAL STAFF OF A CHARTER SCHOOL.

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

30 (15) A REPORT OF CRIMINAL HISTORY RECORD, PURSUANT TO

1 SECTION 111, FOR ALL INDIVIDUALS IDENTIFIED IN THE APPLICATION  
2 WHO SHALL HAVE DIRECT CONTACT WITH STUDENTS AND A PLAN FOR  
3 SATISFYING THE PROPER CRIMINAL HISTORY RECORD CLEARANCES  
4 REQUIRED FOR ALL OTHER STAFF.

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

12 (17) HOW THE CHARTER SCHOOL WILL PROVIDE ADEQUATE LIABILITY  
13 AND OTHER APPROPRIATE INSURANCE FOR THE CHARTER SCHOOL, ITS  
14 EMPLOYEES AND THE BOARD OF TRUSTEES OF THE CHARTER SCHOOL.

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

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

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

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

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

3 SECTION 1720-A. TERM AND FORM OF CHARTER.-- (A) UPON  
4 APPROVAL OF A CHARTER APPLICATION UNDER SECTION 1717-A, A  
5 WRITTEN CHARTER SHALL BE DEVELOPED WHICH SHALL CONTAIN THE  
6 PROVISIONS OF THE CHARTER APPLICATION AND WHICH SHALL BE SIGNED  
7 BY THE LOCAL BOARD OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT, BY  
8 THE LOCAL BOARDS OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT IN THE  
9 CASE OF A REGIONAL CHARTER SCHOOL OR BY THE CHAIRMAN OF THE  
10 APPEAL BOARD PURSUANT TO SECTION [1717-A(I) (5)] 1717-A(I) AND  
11 THE BOARD OF TRUSTEES OF THE CHARTER SCHOOL. THIS WRITTEN  
12 CHARTER, WHEN DULY SIGNED BY THE LOCAL BOARD OF SCHOOL DIRECTORS  
13 OF A SCHOOL DISTRICT, OR BY THE LOCAL BOARDS OF SCHOOL DIRECTORS  
14 OF A SCHOOL DISTRICT IN THE CASE OF A REGIONAL CHARTER SCHOOL,  
15 AND THE CHARTER SCHOOL'S BOARD OF TRUSTEES, SHALL ACT AS LEGAL  
16 AUTHORIZATION FOR THE ESTABLISHMENT OF A CHARTER SCHOOL. THIS  
17 WRITTEN CHARTER SHALL BE LEGALLY BINDING ON BOTH THE LOCAL BOARD  
18 OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT AND THE CHARTER  
19 SCHOOL'S BOARD OF TRUSTEES. [EXCEPT AS OTHERWISE PROVIDED IN  
20 SUBSECTION (B), THE] THE CHARTER SHALL BE FOR A PERIOD OF [NO  
21 LESS THAN THREE (3) NOR MORE THAN] FIVE (5) YEARS AND MAY BE  
22 RENEWED FOR [FIVE (5)] TEN (10) YEAR PERIODS UPON  
23 REAUTHORIZATION BY THE LOCAL BOARD OF SCHOOL DIRECTORS OF A  
24 SCHOOL DISTRICT OR THE APPEAL BOARD. A CHARTER WILL BE GRANTED  
25 ONLY FOR A SCHOOL 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 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 OR CYBER CHARTER  
16 SCHOOL.

17 (8) A MEMBER OF THE BOARD OF TRUSTEES OF A CHARTER SCHOOL OR  
18 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 SUBSECTION (A) (1)  
26 SHALL SERVE A TERM OF FOUR (4) YEARS AS LONG AS THE MEMBER'S  
27 CHILD REMAINS ENROLLED IN THE CHARTER SCHOOL OR CYBER CHARTER  
28 SCHOOL. ANY APPOINTMENT TO FILL ANY VACANCY SHALL BE FOR THE  
29 PERIOD OF THE UNEXPIRED TERM OR UNTIL A SUCCESSOR IS APPOINTED  
30 AND 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."

8 SECTION 10.1. SECTION 1722-A OF THE ACT, AMENDED NOVEMBER  
9 17, 2010 (P.L.966, NO.104), IS AMENDED TO READ:

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

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

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

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

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

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

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

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

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



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

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

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

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

13 SECTION 11. SECTION 1723-A(A) AND (D) OF THE ACT, AMENDED OR  
14 ADDED JUNE 26, 1999 (P.L.394, NO.22) AND JULY 9, 2008 (P.L.846,  
15 NO.61), ARE AMENDED AND THE SECTION IS AMENDED BY ADDING  
16 SUBSECTIONS TO READ:

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

1 OR DISTRICTS.

2 \* \* \*

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

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

15 (E) (1) WITHIN TEN (10) DAYS OF ENROLLMENT OF A STUDENT TO  
16 A CHARTER SCHOOL, THE SCHOOL SHALL NOTIFY THE STUDENT'S SCHOOL  
17 DISTRICT OF RESIDENCE OF THE ENROLLMENT THROUGH THE USE OF A  
18 NOTIFICATION FORM DEVELOPED BY THE DEPARTMENT. THE NOTIFICATION  
19 SHALL INCLUDE:

20 (I) THE NAME, HOME ADDRESS AND MAILING ADDRESS OF THE  
21 STUDENT.

22 (II) THE GRADE IN WHICH THE STUDENT IS BEING ENROLLED.

23 (III) THE DATE THE STUDENT WILL BE ENROLLED.

24 (IV) THE NAME AND ADDRESS OF THE CHARTER SCHOOL AND THE NAME  
25 AND TELEPHONE NUMBER OF A CONTACT PERSON ABLE TO PROVIDE  
26 INFORMATION REGARDING THE SCHOOL.

27 (V) THE SIGNATURE OF THE PARENT OR LEGAL GUARDIAN OF THE  
28 STUDENT AND AN AUTHORIZED REPRESENTATIVE OF THE CHARTER SCHOOL.

29 (2) IF A SCHOOL DISTRICT THAT HAS RECEIVED NOTICE UNDER  
30 CLAUSE (1) DETERMINES THAT IT IS NOT THE SCHOOL DISTRICT OF

1 RESIDENCE FOR THE STUDENT, THE FOLLOWING APPLY:

2 (I) WITHIN TEN (10) DAYS OF RECEIPT OF THE NOTICE, THE  
3 SCHOOL DISTRICT SHALL NOTIFY THE CHARTER SCHOOL AND THE  
4 DEPARTMENT THAT THE SCHOOL DISTRICT IS NOT THE SCHOOL DISTRICT  
5 OF RESIDENCE FOR THE STUDENT. NOTIFICATION OF NONRESIDENCE SHALL  
6 INCLUDE THE BASIS FOR THE DETERMINATION.

7 (II) WITHIN SEVEN (7) DAYS OF NOTIFICATION UNDER SUBCLAUSE  
8 (I), THE CHARTER SCHOOL SHALL REVIEW THE NOTIFICATION OF  
9 NONRESIDENCE, RESPOND TO THE SCHOOL DISTRICT AND PROVIDE A COPY  
10 OF THE RESPONSE TO THE DEPARTMENT. IF THE CHARTER SCHOOL AGREES  
11 THAT THE SCHOOL DISTRICT IS NOT THE SCHOOL DISTRICT OF RESIDENCE  
12 FOR THE STUDENT, IT SHALL DETERMINE THE PROPER SCHOOL DISTRICT  
13 OF RESIDENCE FOR THE STUDENT.

14 (III) WITHIN SEVEN (7) DAYS OF RECEIPT OF A RESPONSE UNDER  
15 SUBCLAUSE (II), THE SCHOOL DISTRICT SHALL NOTIFY THE CHARTER  
16 SCHOOL THAT IT AGREES OR DOES NOT AGREE WITH THE SCHOOL'S  
17 DETERMINATION.

18 (IV) A SCHOOL DISTRICT THAT HAS NOTIFIED THE CHARTER SCHOOL  
19 THAT IT DOES NOT AGREE SHALL APPEAL TO THE DEPARTMENT FOR A  
20 FINAL DETERMINATION.

21 (V) DECISIONS OF THE DEPARTMENT REGARDING THE SCHOOL  
22 DISTRICT OF RESIDENCE OF A STUDENT SHALL BE SUBJECT TO REVIEW BY  
23 THE COMMONWEALTH COURT.

24 (VI) THE SECRETARY SHALL CONTINUE TO MAKE PAYMENTS TO A  
25 CHARTER SCHOOL UNDER SECTION 1725-A DURING THE TIME IN WHICH THE  
26 SCHOOL DISTRICT OF RESIDENCE OF A STUDENT IS IN DISPUTE.

27 (VII) IF A FINAL DETERMINATION IS MADE THAT A STUDENT IS NOT  
28 A RESIDENT OF AN APPEALING SCHOOL DISTRICT, THE CHARTER SCHOOL  
29 SHALL RETURN ALL FUNDS PROVIDED ON BEHALF OF THAT STUDENT TO THE  
30 SCHOOL DISTRICT OF RESIDENCE WITHIN 30 DAYS.

1 (3) (I) WITHIN TEN (10) DAYS OF RECEIPT OF THE NOTIFICATION  
2 FORM, THE SCHOOL DISTRICT OF RESIDENCE SHALL PROVIDE THE CHARTER  
3 SCHOOL WITH ALL RECORDS RELATING TO THE STUDENT, INCLUDING  
4 TRANSCRIPTS, TEST SCORES AND A COPY OF ANY INDIVIDUALIZED  
5 EDUCATION PROGRAM FOR THAT STUDENT.

6 (II) IF A SCHOOL DISTRICT OF RESIDENCE FAILS TO PROVIDE THE  
7 STUDENT'S RECORD WITHIN THIRTY (30) DAYS AFTER RECEIVING THE  
8 DOCUMENTATION FROM THE CHARTER SCHOOL, THE SECRETARY SHALL  
9 DEDUCT AND PAY TO THE CHARTER SCHOOL THE ESTIMATED AMOUNT, AS  
10 DOCUMENTED BY THE CHARTER SCHOOL, FROM ALL STATE PAYMENTS MADE  
11 TO THE DISTRICT, OR, IF NO PAYMENTS HAVE BEEN MADE TO THE  
12 DISTRICT, FROM ALL STATE PAYMENTS REASONABLY EXPECTED TO BE  
13 MADE, AFTER RECEIPT OF DOCUMENTATION FROM THE CHARTER SCHOOL.

14 (III) THE DISTRICT FROM WHICH THE ESTIMATED PAYMENT HAS BEEN  
15 DEDUCTED MAY REQUEST A HEARING FROM THE DEPARTMENT WHICH THE  
16 SECRETARY SHALL HOLD WITHIN THIRTY (30) DAYS OF THE REQUEST.

17 (IV) THE SECRETARY SHALL RENDER A DECISION AFTER THE HEARING  
18 AND SHALL NOT DELEGATE THIS DUTY UNLESS THERE IS A CONFLICT FROM  
19 WHICH THE SECRETARY MUST RECUSE HIMSELF AFTER FULL DISCLOSURE.

20 (V) THE DISTRICT SHALL BE LIABLE FOR REASONABLE LEGAL FEES  
21 INCURRED BY A CHARTER SCHOOL IN ATTEMPTING TO OBTAIN STUDENT  
22 RECORDS.

23 (VI) SUPERSEDEAS SHALL NOT BE GRANTED TO THE DEPARTMENT OR  
24 THE SCHOOL DISTRICT.

25 (VII) ABSENT A COURT ORDER, THE DEPARTMENT SHALL NOT HOLD  
26 ANY PAYMENTS IN ESCROW.

27 (F) THE CHARTER SCHOOL AND PARENT OR LEGAL GUARDIAN OF A  
28 STUDENT ENROLLED IN THE SCHOOL SHALL PROVIDE WRITTEN  
29 NOTIFICATION TO THE STUDENT'S SCHOOL DISTRICT OF RESIDENCE  
30 WITHIN TEN (10) DAYS AFTER WITHDRAWAL OF A STUDENT FROM THE

1 CHARTER SCHOOL.

2 SECTION 12. SECTION 1725-A(A) OF THE ACT, AMENDED JUNE 29,  
3 2002 (P.L.524, NO.88), IS AMENDED TO READ:

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

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

8 (2) (I) FOR NON-SPECIAL EDUCATION STUDENTS, THE CHARTER  
9 SCHOOL SHALL RECEIVE FOR EACH STUDENT ENROLLED NO LESS THAN THE  
10 BUDGETED TOTAL EXPENDITURE PER AVERAGE DAILY MEMBERSHIP OF THE  
11 PRIOR SCHOOL YEAR, AS DEFINED IN SECTION 2501(20), MINUS THE  
12 BUDGETED EXPENDITURES OF THE DISTRICT OF RESIDENCE FOR NONPUBLIC  
13 SCHOOL PROGRAMS; ADULT EDUCATION PROGRAMS; COMMUNITY/JUNIOR  
14 COLLEGE PROGRAMS; STUDENT TRANSPORTATION SERVICES; FOR SPECIAL  
15 EDUCATION PROGRAMS; FACILITIES ACQUISITION, CONSTRUCTION AND  
16 IMPROVEMENT SERVICES; AND OTHER FINANCING USES, INCLUDING DEBT  
17 SERVICE AND FUND TRANSFERS AS PROVIDED IN THE MANUAL OF  
18 ACCOUNTING AND RELATED FINANCIAL PROCEDURES FOR PENNSYLVANIA  
19 SCHOOL SYSTEMS ESTABLISHED BY THE DEPARTMENT.

20 (II) THIS AMOUNT SHALL BE PAID BY THE DISTRICT OF RESIDENCE  
21 OF EACH STUDENT[.] BY DEDUCTION AND TRANSFER FROM ALL STATE  
22 PAYMENTS TO THE DISTRICT AS PROVIDED UNDER CLAUSE (5).

23 (III) IF A CHARTER SCHOOL DISPUTES THE ACCURACY OF A  
24 DISTRICT'S CALCULATION UNDER THIS SECTION, THE CHARTER SCHOOL  
25 SHALL FILE A NOTICE OF THE DISPUTE WITH THE SECRETARY, WHO SHALL  
26 HOLD A HEARING TO DETERMINE THE ACCURACY OF THE DISTRICT'S  
27 CALCULATION WITHIN THIRTY (30) DAYS OF THE NOTICE. THE SECRETARY  
28 SHALL DETERMINE THE ACCURACY OF THE DISTRICT'S CALCULATION  
29 WITHIN THIRTY (30) DAYS OF THE HEARING. THE DISTRICT SHALL BEAR  
30 THE BURDEN OF PRODUCTION AND PROOF WITH RESPECT TO ITS

1 CALCULATION UNDER THIS SECTION.

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

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

12 (II) THIS AMOUNT SHALL BE PAID BY THE DISTRICT OF RESIDENCE  
13 OF EACH STUDENT[.] BY DEDUCTION AND TRANSFER FROM ALL STATE  
14 PAYMENTS TO THE DISTRICT AS PROVIDED IN CLAUSE (5).

15 (III) IF A CHARTER SCHOOL DISPUTES THE ACCURACY OF A  
16 DISTRICT'S CALCULATION UNDER THIS SECTION, THE CHARTER SCHOOL  
17 SHALL FILE A NOTICE OF THE DISPUTE WITH THE SECRETARY, WHO SHALL  
18 HOLD A HEARING TO DETERMINE THE ACCURACY OF THE DISTRICT'S  
19 CALCULATION WITHIN THIRTY (30) DAYS OF THE NOTICE. THE SECRETARY  
20 SHALL DETERMINE THE ACCURACY OF THE DISTRICT'S CALCULATION  
21 WITHIN THIRTY (30) DAYS OF THE HEARING. THE DISTRICT SHALL BEAR  
22 THE BURDEN OF PRODUCTION AND PROOF WITH RESPECT TO ITS  
23 CALCULATION UNDER THIS SECTION.

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

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

1 THE CHARTER SCHOOL AND BILL THE CHARTER SCHOOL FOR THE SERVICES.  
2 THE INTERMEDIATE UNIT MAY NOT CHARGE THE CHARTER SCHOOL MORE FOR  
3 ANY SERVICE THAN IT CHARGES THE CONSTITUENT DISTRICTS OF THE  
4 INTERMEDIATE UNIT.

5 (II) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO PRECLUDE  
6 AN INTERMEDIATE UNIT OR SCHOOL DISTRICT FROM CONTRACTING WITH A  
7 CHARTER SCHOOL TO PROVIDE THE INTERMEDIATE UNIT OR SCHOOL  
8 DISTRICT WITH SERVICES TO ASSIST THE INTERMEDIATE UNIT OR SCHOOL  
9 DISTRICT TO ADDRESS SPECIFIC NEEDS OF NON-SPECIAL EDUCATION AND  
10 EXCEPTIONAL STUDENTS.

11 (5) (I) PAYMENTS SHALL BE MADE TO THE CHARTER SCHOOL IN  
12 TWELVE (12) EQUAL MONTHLY PAYMENTS, BY THE FIFTH DAY OF EACH  
13 MONTH, WITHIN THE OPERATING SCHOOL YEAR. [A STUDENT ENROLLED IN  
14 A CHARTER SCHOOL SHALL BE INCLUDED IN THE AVERAGE DAILY  
15 MEMBERSHIP OF THE STUDENT'S DISTRICT OF RESIDENCE FOR THE  
16 PURPOSE OF PROVIDING BASIC EDUCATION FUNDING PAYMENTS AND  
17 SPECIAL EDUCATION FUNDING PURSUANT TO ARTICLE XXV. IF A SCHOOL  
18 DISTRICT FAILS TO MAKE A PAYMENT TO A CHARTER SCHOOL AS  
19 PRESCRIBED IN THIS CLAUSE, THE SECRETARY SHALL DEDUCT THE  
20 ESTIMATED AMOUNT, AS DOCUMENTED BY THE CHARTER SCHOOL, FROM ANY  
21 AND ALL STATE PAYMENTS MADE TO THE DISTRICT AFTER RECEIPT OF  
22 DOCUMENTATION FROM THE CHARTER SCHOOL.]

23 (II) PAYMENTS SHALL BE MADE BY THE SECRETARY DEDUCTING AND  
24 PAYING TO THE CHARTER SCHOOL THE ESTIMATED AMOUNT, AS DOCUMENTED  
25 BY THE CHARTER SCHOOL, FROM ALL STATE PAYMENTS MADE TO THE  
26 DISTRICT, OR, IF NO PAYMENTS HAVE BEEN MADE TO THE DISTRICT,  
27 FROM ALL STATE PAYMENTS REASONABLY EXPECTED TO BE MADE, AFTER  
28 RECEIPT OF DOCUMENTATION FROM THE SCHOOL AS TO ITS ENROLLMENT.

29 (III) THE SECRETARY'S OBLIGATION TO MAKE PAYMENTS UNDER THIS  
30 SECTION IS MANDATORY AND MINISTERIAL.

1 (IV) IF THERE ARE INSUFFICIENT STATE PAYMENTS BEING MADE TO  
2 A DISTRICT TO COVER ALL CHARTER SCHOOL DEDUCTIONS AND TRANSFERS,  
3 THE DISTRICT SHALL PAY THE UNPAID BALANCE DIRECTLY TO THE  
4 CHARTER SCHOOL BY THE 15TH DAY OF EACH MONTH.

5 (V) A STUDENT ENROLLED IN A CHARTER SCHOOL SHALL BE INCLUDED  
6 IN THE AVERAGE DAILY MEMBERSHIP OF THE STUDENT'S SCHOOL DISTRICT  
7 OF RESIDENCE FOR THE PURPOSE OF PROVIDING BASIC EDUCATION  
8 FUNDING PAYMENTS AND SPECIAL EDUCATION FUNDING UNDER ARTICLE  
9 XXV.

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

20 (II) THE BURDEN OF PROOF AND PRODUCTION AT THE HEARING SHALL  
21 BE ON THE SCHOOL DISTRICT.

22 (III) NO HEARING SHALL BE HELD BEFORE THE SECRETARY DEDUCTS  
23 AND TRANSFERS TO THE CHARTER SCHOOL THE AMOUNT ESTIMATED BY THE  
24 CHARTER SCHOOL.

25 (IV) ALL DECISIONS OF THE SECRETARY UNDER THIS SECTION SHALL  
26 BE SUBJECT TO APPELLATE REVIEW BY THE COMMONWEALTH COURT.

27 (V) SUPERSEDEAS SHALL NOT BE GRANTED TO THE SECRETARY OR ANY  
28 PARTY TO THE PROCEEDING ON AN APPEAL FROM THE DECISION OF THE  
29 SECRETARY UNDER THIS SECTION.

30 (VI) ABSENT A COURT ORDER, THE SECRETARY SHALL NOT HOLD ANY



1 PAYMENTS IN ESCROW.

2 \* \* \*

3 SECTION 13. SECTION 1728-A(A) OF THE ACT, ADDED JUNE 19,  
4 1999 (P.L.225, NO.22), IS AMENDED AND THE SECTION IS AMENDED BY  
5 ADDING SUBSECTIONS TO READ:

6 SECTION 1728-A. ANNUAL REPORTS AND ASSESSMENTS.--(A) (1)  
7 THE LOCAL BOARD OF SCHOOL DIRECTORS SHALL ANNUALLY ASSESS  
8 WHETHER EACH CHARTER SCHOOL IS MEETING THE GOALS OF ITS CHARTER  
9 AND SHALL CONDUCT A COMPREHENSIVE REVIEW PRIOR TO GRANTING A  
10 [FIVE (5)] TEN (10) YEAR RENEWAL OF THE CHARTER. THE LOCAL BOARD  
11 OF SCHOOL DIRECTORS SHALL HAVE ONGOING ACCESS TO THE RECORDS AND  
12 FACILITIES OF THE CHARTER SCHOOL TO ENSURE THAT THE CHARTER  
13 SCHOOL IS IN COMPLIANCE WITH ITS CHARTER AND THIS ACT AND THAT  
14 REQUIREMENTS FOR TESTING, CIVIL RIGHTS AND STUDENT HEALTH AND  
15 SAFETY ARE BEING MET.

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

21 (3) SCHOOLS AND SCHOOL ENTITIES SHALL COMPLY FULLY WITH THE  
22 REQUIREMENTS OF THE FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF  
23 1974 (PUBLIC LAW 90-247, 20 U.S.C. § 1232G) AND ASSOCIATED  
24 REGULATIONS. NO PERSONALLY IDENTIFIABLE INFORMATION FROM  
25 EDUCATION RECORDS SHALL BE PROVIDED BY THE CHARTER SCHOOL TO THE  
26 SCHOOL DISTRICT EXCEPT IN COMPLIANCE WITH THE FAMILY EDUCATIONAL  
27 RIGHTS AND PRIVACY ACT OF 1974.

28 \* \* \*

29 (D) A CHARTER SCHOOL SHALL FORM AN INDEPENDENT AUDIT  
30 COMMITTEE OF ITS BOARD MEMBERS WHICH SHALL REVIEW AT THE CLOSE

1 OF EACH FISCAL YEAR A COMPLETE CERTIFIED AUDIT OF THE OPERATIONS  
2 OF THE CHARTER SCHOOL. THE AUDIT SHALL BE CONDUCTED BY A  
3 QUALIFIED INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT. THE AUDIT  
4 SHALL BE CONDUCTED UNDER GENERALLY ACCEPTED AUDIT STANDARDS OF  
5 THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD AND SHALL INCLUDE  
6 THE FOLLOWING:

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

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

11 (3) REVIEW OF INTERNAL CONTROLS, INCLUDING REVIEW OF  
12 RECEIPTS AND DISBURSEMENTS.

13 (4) REVIEW OF ANNUAL FEDERAL AND STATE TAX FILINGS,  
14 INCLUDING THE INTERNAL REVENUE SERVICE CODE FORM 990, RETURN OF  
15 ORGANIZATION EXEMPT FROM INCOME TAX AND ALL RELATED SCHEDULES  
16 AND APPENDICES FOR THE CHARTER SCHOOL AND CHARTER SCHOOL  
17 FOUNDATION, IF APPLICABLE.

18 (5) REVIEW OF THE FINANCIAL STATEMENTS OF ANY CHARTER SCHOOL  
19 FOUNDATION THAT SHALL BE INCLUDED IN THE INDEPENDENT AUDIT.

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

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

28 (E) THE CERTIFIED AUDIT UNDER SUBSECTION (D) AND THE ANNUAL  
29 BUDGET UNDER SUBSECTION (G) ARE PUBLIC DOCUMENTS AND SHALL BE  
30 MADE AVAILABLE ON THE SCHOOL DISTRICT'S PUBLICLY ACCESSIBLE

1 INTERNET WEBSITE AND THE CHARTER SCHOOL'S PUBLICLY ACCESSIBLE  
2 INTERNET WEBSITE, IF APPLICABLE.

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

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

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

11 (2) WHERE FUNDING IS PROVIDED BY A CHARTER SCHOOL  
12 FOUNDATION, THE AMOUNT OF FUNDS AND A DESCRIPTION OF THE USE OF  
13 THE FUNDS.

14 (3) THE SALARIES OF ALL ADMINISTRATORS OF THE CHARTER  
15 SCHOOL.

16 (H) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE  
17 CHARTER SCHOOL AND ANY AFFILIATED CHARTER SCHOOL FOUNDATIONS  
18 SHALL MAKE COPIES OF ITS ANNUAL FEDERAL AND STATE TAX FILINGS  
19 AVAILABLE UPON REQUEST AND ON THE FOUNDATION'S OR SCHOOL'S  
20 PUBLICLY ACCESSIBLE INTERNET WEBSITE, IF APPLICABLE, INCLUDING  
21 INTERNAL REVENUE SERVICE CODE FORM 990, RETURN OF ORGANIZATION  
22 EXEMPT FROM INCOME TAX AND ALL RELATED SCHEDULES AND APPENDICES.

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

27 (3) THE ANNUAL BUDGET SHALL INCLUDE THE SALARIES OF ALL  
28 EMPLOYES OF THE CHARTER SCHOOL FOUNDATION.

29 SECTION 14. SECTION 1729-A(A), (B) AND (C) OF THE ACT, ADDED  
30 JUNE 19, 1997 (P.L.225, NO.22), ARE AMENDED TO READ:

1 SECTION 1729-A. CAUSES FOR NONRENEWAL OR TERMINATION.-- (A)  
2 DURING THE TERM OF THE CHARTER OR AT THE END OF THE TERM OF THE  
3 CHARTER, THE LOCAL BOARD OF SCHOOL DIRECTORS MAY CHOOSE TO  
4 REVOKE OR NOT TO RENEW THE CHARTER BASED ON ANY OF THE  
5 FOLLOWING:

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

9 (2) FAILURE TO MEET THE REQUIREMENTS FOR STUDENT PERFORMANCE  
10 SET FORTH IN 22 PA. CODE CH. [5 (RELATING TO CURRICULUM)] 4  
11 (RELATING TO ACADEMIC STANDARDS AND ASSESSMENTS) OR SUBSEQUENT  
12 REGULATIONS PROMULGATED TO REPLACE 22 PA. CODE CH. [5] 4 OR  
13 FAILURE TO MEET ANY PERFORMANCE STANDARD SET FORTH IN THE  
14 WRITTEN CHARTER SIGNED PURSUANT TO SECTION 1716-A.

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

17 (4) VIOLATION OF PROVISIONS OF THIS ARTICLE.

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

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

22 \* \* \*

23 (B) [A MEMBER OF THE BOARD OF TRUSTEES WHO IS CONVICTED OF A  
24 FELONY OR ANY CRIME INVOLVING MORAL TURPITUDE SHALL BE  
25 IMMEDIATELY DISQUALIFIED FROM SERVING ON THE BOARD OF TRUSTEES]  
26 IF, AFTER A HEARING UNDER THIS SECTION, A LOCAL BOARD OF SCHOOL  
27 DIRECTORS PROVES BY A PREPONDERANCE OF THE EVIDENCE THAT AN  
28 ADMINISTRATOR OR BOARD MEMBER OF A CHARTER SCHOOL HAS VIOLATED  
29 THIS ARTICLE, THE TERMS AND CONDITIONS OF THE CHARTER OR ANY  
30 OTHER VIOLATION OF LAW, THE LOCAL BOARD OF SCHOOL DIRECTORS

1 SHALL HAVE THE AUTHORITY TO REQUIRE THE CHARTER SCHOOL TO  
2 REPLACE THE ADMINISTRATOR OR BOARD MEMBER IN ORDER TO OBTAIN  
3 RENEWAL OF THE CHARTER. THE LOCAL BOARD OF SCHOOL DIRECTORS MAY  
4 REFER ITS FINDINGS TO THE DISTRICT ATTORNEY WITH JURISDICTION OR  
5 TO THE OFFICE OF ATTORNEY GENERAL FOR PROSECUTION IF THE LOCAL  
6 BOARD OF SCHOOL DIRECTORS DISCOVERS OR RECEIVES INFORMATION  
7 ABOUT POSSIBLE VIOLATIONS OF LAW BY ANY PERSON AFFILIATED WITH  
8 OR EMPLOYED BY A CHARTER SCHOOL.

9 (C) ANY NOTICE OF REVOCATION OR NONRENEWAL OF A CHARTER  
10 GIVEN BY THE LOCAL BOARD OF SCHOOL DIRECTORS OF A SCHOOL  
11 DISTRICT SHALL STATE THE GROUNDS FOR SUCH ACTION WITH REASONABLE  
12 SPECIFICITY AND GIVE REASONABLE NOTICE TO THE GOVERNING BOARD OF  
13 THE CHARTER SCHOOL OF THE DATE ON WHICH A PUBLIC HEARING  
14 CONCERNING THE REVOCATION OR NONRENEWAL WILL BE HELD. THE LOCAL  
15 BOARD OF SCHOOL DIRECTORS SHALL CONDUCT SUCH HEARING, PRESENT  
16 EVIDENCE IN SUPPORT OF THE GROUNDS FOR REVOCATION OR NONRENEWAL  
17 STATED IN ITS NOTICE AND GIVE THE CHARTER SCHOOL REASONABLE  
18 OPPORTUNITY TO OFFER TESTIMONY BEFORE TAKING FINAL ACTION.  
19 FORMAL ACTION REVOKING OR NOT RENEWING A CHARTER SHALL BE TAKEN  
20 BY THE LOCAL BOARD OF SCHOOL DIRECTORS AT A PUBLIC MEETING  
21 PURSUANT TO [THE ACT OF JULY 3, 1986 (P.L.388, NO.84), KNOWN AS  
22 THE "SUNSHINE ACT,"] 65 PA.C.S. CH. 7 (RELATING TO OPEN  
23 MEETINGS) AFTER THE PUBLIC HAS HAD THIRTY (30) DAYS TO PROVIDE  
24 COMMENTS TO THE BOARD. ALL PROCEEDINGS OF THE LOCAL BOARD  
25 PURSUANT TO THIS SUBSECTION SHALL BE SUBJECT TO 2 PA.C.S. CH. 5  
26 SUBCH. B (RELATING TO PRACTICE AND PROCEDURE OF LOCAL AGENCIES).  
27 EXCEPT AS PROVIDED IN SUBSECTION (D), THE DECISION OF THE LOCAL  
28 BOARD SHALL NOT BE SUBJECT TO 2 PA.C.S. CH. 7 SUBCH. B (RELATING  
29 TO JUDICIAL REVIEW OF LOCAL AGENCY ACTION).

30 \* \* \*

1 SECTION 14.1. SECTION 1732-A OF THE ACT, AMENDED JUNE 29,  
2 2002 (P.L.524, NO.88), IS AMENDED TO READ:

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

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

5 SECTIONS 108, 110, 111, 321, 325, 326, 327, 431, 436, 443,  
6 510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753,  
7 [755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(A),  
8 1205.3, 1205.4, 1205.5, 1301, 1302, 1303, 1310, 1317, 1317.1,  
9 1317.2, 1317.3, 1318, 1327, 1330, 1332, 1303-A, 1513, 1517,  
10 1518, 1521, 1523, 1531, 1547, 2014-A, ARTICLE XIII-A AND ARTICLE  
11 XIV.

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

14 ACT OF JULY 17, 1961 (P.L.776, NO.341), KNOWN AS THE  
15 "PENNSYLVANIA FAIR EDUCATIONAL OPPORTUNITIES ACT."

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

20 SECTION 4 OF THE ACT OF JANUARY 25, 1966 (1965 P.L.1546,  
21 NO.541), ENTITLED "AN ACT PROVIDING SCHOLARSHIPS AND PROVIDING  
22 FUNDS TO SECURE FEDERAL FUNDS FOR QUALIFIED STUDENTS OF THE  
23 COMMONWEALTH OF PENNSYLVANIA WHO NEED FINANCIAL ASSISTANCE TO  
24 ATTEND POSTSECONDARY INSTITUTIONS OF HIGHER LEARNING, MAKING AN  
25 APPROPRIATION, AND PROVIDING FOR THE ADMINISTRATION OF THIS  
26 ACT."

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

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

3 THE "RIGHT-TO-KNOW LAW."

4 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).

5 65 PA.C.S. CH. 11 (RELATING TO ETHICS STANDARDS AND FINANCIAL  
6 DISCLOSURE).

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

9 [SECTION 5.216 (RELATING TO ESOL).

10 SECTION 5.4 (RELATING TO GENERAL POLICIES).]

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

12 CHAPTER 11 (RELATING TO PUPIL ATTENDANCE).

13 CHAPTER 12 (RELATING TO STUDENTS).

14 SECTION 32.3 (RELATING TO ASSURANCES).

15 SECTION 121.3 (RELATING TO DISCRIMINATION PROHIBITED).

16 SECTION 235.4 (RELATING TO PRACTICES).

17 SECTION 235.8 (RELATING TO CIVIL RIGHTS).

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

20 (C) (1) THE SECRETARY MAY PROMULGATE ADDITIONAL REGULATIONS  
21 RELATING TO CHARTER SCHOOLS.

22 (2) THE SECRETARY SHALL HAVE THE AUTHORITY AND THE  
23 RESPONSIBILITY TO ENSURE THAT CHARTER SCHOOLS COMPLY WITH  
24 FEDERAL LAWS AND REGULATIONS GOVERNING CHILDREN WITH  
25 DISABILITIES. THE SECRETARY SHALL PROMULGATE REGULATIONS TO  
26 IMPLEMENT THIS PROVISION.

27 (3) (I) WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THIS  
28 CLAUSE, THE DEPARTMENT SHALL DEVELOP A STANDARD PERFORMANCE  
29 MATRIX TO EVALUATE CHARTER SCHOOL PERFORMANCE AND SHALL  
30 PROMULGATE REGULATIONS PURSUANT TO THE ACT OF JUNE 25, 1982

1 (P.L.633, NO.181), KNOWN AS THE "REGULATORY REVIEW ACT," TO  
2 IMPLEMENT THIS SECTION.

3 (II) THE PERFORMANCE MATRIX MAY ASSESS PERFORMANCE BY  
4 UTILIZING OBJECTIVE CRITERIA, INCLUDING, BUT NOT LIMITED TO:  
5 STUDENT PERFORMANCE ON THE PENNSYLVANIA SYSTEM OF SCHOOL  
6 ASSESSMENT TEST, THE KEYSTONE EXAM OR ANOTHER TEST ESTABLISHED  
7 BY THE STATE BOARD OF EDUCATION TO MEET THE REQUIREMENTS OF  
8 SECTION 2603-B(D)(10)(I) AND REQUIRED UNDER THE NO CHILD LEFT  
9 BEHIND ACT OF 2001 (PUBLIC LAW 107-110, 115 STAT. 1425) OR ITS  
10 SUCCESSOR FEDERAL STATUTE; ANNUAL GROWTH AS MEASURED BY THE  
11 PENNSYLVANIA VALUE-ADDED ASSESSMENT SYSTEM; ATTENDANCE;  
12 ATTRITION RATES; GRADUATION RATES; OTHER STANDARDIZED TEST  
13 SCORES; SCHOOL SAFETY; PARENT SATISFACTION; ACCREDITATION BY A  
14 NATIONALLY RECOGNIZED ACCREDITATION AGENCY, INCLUDING THE MIDDLE  
15 STATES ASSOCIATION OF COLLEGES AND SCHOOLS OR ANOTHER REGIONAL  
16 INSTITUTIONAL ACCREDITING AGENCY RECOGNIZED BY THE UNITED STATES  
17 DEPARTMENT OF EDUCATION OR AN EQUIVALENT FEDERALLY RECOGNIZED  
18 BODY FOR CHARTER SCHOOL EDUCATION; AND OTHER MEASURES OF SCHOOL  
19 QUALITY.

20 (III) THE DEPARTMENT SHALL DEVELOP THE MATRIX WITH INPUT  
21 FROM CHARTER SCHOOL OPERATORS AND MAY CONTRACT FOR CONSULTING  
22 SERVICES WITH AN ENTITY THAT HAS EXPERIENCE IN DEVELOPING THESE  
23 MATRICES IF THE SERVICES ARE PROCURED THROUGH A COMPETITIVE  
24 BIDDING PROCESS.

25 (IV) NO LOCAL BOARD OF SCHOOL DIRECTORS MAY DEVELOP A  
26 SEPARATE MATRIX FOR THE EVALUATION OF CHARTER SCHOOLS.

27 SECTION 15. THE ACT IS AMENDED BY ADDING A SECTION TO READ:  
28 SECTION 1733-A. EFFECT ON EXISTING CHARTER SCHOOLS.--(A)  
29 WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THIS SECTION, A CHARTER  
30 SCHOOL ESTABLISHED UNDER SECTION 1717-A OR 1718-A PRIOR TO THE



1 EFFECTIVE DATE OF THIS SECTION SHALL AMEND THE CURRENT CHARTER  
2 THROUGH THE AMENDMENT PROCESS UNDER SECTION 1720-A(B) AS NEEDED  
3 TO REFLECT THE REQUIREMENTS OF THIS ARTICLE. ANY RENEWAL THAT  
4 TAKES EFFECT AFTER JUNE 30, 2012 SHALL BE FOR THE TERM SPECIFIED  
5 UNDER SECTION 1720-A(A).

6 (B) A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL APPROVED  
7 AFTER THE EFFECTIVE DATE OF THIS SECTION SHALL BE IN FULL  
8 COMPLIANCE WITH THIS ARTICLE.

9 SECTION 16. SECTIONS 1741-A(C), 1742-A AND 1744-A OF THE  
10 ACT, ADDED JUNE 29, 2002 (P.L.524, NO.88), ARE AMENDED TO READ:  
11 SECTION 1741-A. POWERS AND DUTIES OF DEPARTMENT.

12 \* \* \*

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

16 SECTION 1742-A. ASSESSMENT AND EVALUATION.

17 THE DEPARTMENT SHALL:

18 (1) ANNUALLY ASSESS WHETHER EACH CYBER CHARTER SCHOOL IS  
19 MEETING THE GOALS OF ITS CHARTER AND IS IN COMPLIANCE WITH  
20 THE PROVISIONS OF THE CHARTER AND CONDUCT A COMPREHENSIVE  
21 REVIEW PRIOR TO GRANTING A [FIVE-YEAR] TEN-YEAR RENEWAL OF  
22 THE CHARTER.

23 (2) ANNUALLY REVIEW EACH CYBER CHARTER SCHOOL'S  
24 PERFORMANCE ON THE PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT  
25 TEST, STANDARDIZED TESTS AND OTHER PERFORMANCE INDICATORS TO  
26 ENSURE COMPLIANCE WITH 22 PA. CODE CH. 4 (RELATING TO  
27 ACADEMIC STANDARDS AND ASSESSMENT) OR SUBSEQUENT REGULATIONS  
28 PROMULGATED TO REPLACE 22 PA. CODE CH. 4.

29 (3) HAVE ONGOING ACCESS TO ALL RECORDS, INSTRUCTIONAL  
30 MATERIALS AND STUDENT AND STAFF RECORDS OF EACH CYBER CHARTER

1 SCHOOL AND TO EVERY CYBER CHARTER SCHOOL FACILITY TO ENSURE  
2 THE CYBER CHARTER SCHOOL IS IN COMPLIANCE WITH ITS CHARTER  
3 AND THIS SUBDIVISION.

4 SECTION 1744-A. SCHOOL DISTRICT AND INTERMEDIATE UNIT  
5 RESPONSIBILITIES.

6 AN INTERMEDIATE UNIT OR A SCHOOL DISTRICT IN WHICH A STUDENT  
7 ENROLLED IN A CYBER CHARTER SCHOOL RESIDES SHALL DO ALL OF THE  
8 FOLLOWING:

9 (1) PROVIDE THE CYBER CHARTER SCHOOL WITHIN TEN DAYS OF  
10 RECEIPT OF THE NOTICE OF THE ADMISSION OF THE STUDENT UNDER  
11 SECTION [1748-A(A)] 1723-A(E) WITH ALL RECORDS RELATING TO  
12 THE STUDENT, INCLUDING TRANSCRIPTS, TEST SCORES AND A COPY OF  
13 ANY INDIVIDUALIZED EDUCATION PROGRAM FOR THAT STUDENT.

14 (2) PROVIDE THE CYBER CHARTER SCHOOL WITH REASONABLE  
15 ACCESS TO ITS FACILITIES FOR THE ADMINISTRATION OF  
16 STANDARDIZED TESTS REQUIRED UNDER THIS SUBDIVISION.

17 (3) UPON REQUEST, PROVIDE ASSISTANCE TO THE CYBER  
18 CHARTER SCHOOL IN THE DELIVERY OF SERVICES TO A STUDENT WITH  
19 DISABILITIES. THE SCHOOL DISTRICT OR INTERMEDIATE UNIT SHALL  
20 NOT CHARGE THE CYBER CHARTER SCHOOL MORE FOR A SERVICE THAN  
21 IT CHARGES A SCHOOL DISTRICT.

22 (4) MAKE PAYMENTS TO THE CYBER CHARTER SCHOOL UNDER  
23 SECTION 1725-A.

24 SECTION 17. SECTION 1745-A(F) OF THE ACT, ADDED JUNE 29,  
25 2002 (P.L.524, NO.88), IS AMENDED AND THE SECTION IS AMENDED BY  
26 ADDING A SUBSECTION TO READ:

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

28 \* \* \*

29 (B.1) LOCAL BOARD OF SCHOOL DIRECTORS OR INTERMEDIATE  
30 UNIT.--

1           (1) A CYBER CHARTER SCHOOL MAY BE ESTABLISHED BY A LOCAL  
2 BOARD OF SCHOOL DIRECTORS OR AN INTERMEDIATE UNIT IF THEY  
3 FOLLOW THE PROCEDURES AND REQUIREMENTS OF THIS ARTICLE.

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

9 \* \* \*

10 (F) EVALUATION CRITERIA.--

11           (1) A CYBER CHARTER SCHOOL APPLICATION SUBMITTED UNDER  
12 THIS SUBDIVISION SHALL BE EVALUATED BY THE DEPARTMENT BASED  
13 ON THE FOLLOWING CRITERIA:

14           (I) THE DEMONSTRATED, SUSTAINABLE SUPPORT FOR THE  
15 CYBER CHARTER SCHOOL PLAN BY TEACHERS, PARENTS OR  
16 GUARDIANS AND STUDENTS.

17           (II) THE CAPABILITY OF THE CYBER CHARTER SCHOOL  
18 APPLICANT, IN TERMS OF SUPPORT AND PLANNING, TO PROVIDE  
19 COMPREHENSIVE LEARNING EXPERIENCES TO STUDENTS UNDER THE  
20 CHARTER.

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

26           (IV) THE EXTENT TO WHICH THE APPLICATION MEETS THE  
27 REQUIREMENTS OF SECTION 1747-A.

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

30           (2) WRITTEN NOTICE OF THE ACTION OF THE DEPARTMENT SHALL

1 BE SENT BY CERTIFIED MAIL TO THE APPLICANT AND PUBLISHED ON  
2 THE DEPARTMENT'S WORLD WIDE WEB SITE. IF THE APPLICATION IS  
3 DENIED, THE REASONS FOR DENIAL, INCLUDING A DESCRIPTION OF  
4 DEFICIENCIES IN THE APPLICATION, SHALL BE CLEARLY STATED IN  
5 THE NOTICE.

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

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

19 (5) (I) A CYBER CHARTER SCHOOL MAY REQUEST AMENDMENTS  
20 TO ITS APPROVED WRITTEN CHARTER BY FILING A WRITTEN  
21 DOCUMENT DESCRIBING THE REQUESTED AMENDMENT TO THE  
22 DEPARTMENT.

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

27 (III) WITHIN 20 DAYS AFTER THE HEARING, THE  
28 DEPARTMENT MUST GRANT OR DENY THE REQUESTED AMENDMENT.  
29 FAILURE BY THE DEPARTMENT TO HOLD A PUBLIC HEARING AND TO  
30 GRANT OR DENY THE AMENDMENTS WITHIN THE TIME PERIOD

1           SPECIFIED SHALL BE DEEMED A DENIAL.

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

5           \* \* \*

6           SECTION 18. SECTION 1748-A OF THE ACT, ADDED JUNE 29, 2002  
7 (P.L.524, NO.88), IS REPEALED:

8 [SECTION 1748-A. ENROLLMENT AND NOTIFICATION.

9           (A) NOTICE TO SCHOOL DISTRICT.--

10           (1) WITHIN 15 DAYS OF THE ENROLLMENT OF A STUDENT TO A  
11 CYBER CHARTER SCHOOL, THE PARENT OR GUARDIAN AND THE CYBER  
12 CHARTER SCHOOL SHALL NOTIFY THE STUDENT'S SCHOOL DISTRICT OF  
13 RESIDENCE OF THE ENROLLMENT THROUGH THE USE OF THE  
14 NOTIFICATION FORM UNDER SUBSECTION (B).

15           (2) IF A SCHOOL DISTRICT WHICH HAS RECEIVED NOTICE UNDER  
16 PARAGRAPH (1) DETERMINES THAT A STUDENT IS NOT A RESIDENT OF  
17 THE SCHOOL DISTRICT, THE FOLLOWING APPLY:

18           (I) WITHIN SEVEN DAYS OF RECEIPT OF THE NOTICE UNDER  
19 PARAGRAPH (1), THE SCHOOL DISTRICT SHALL NOTIFY THE CYBER  
20 CHARTER SCHOOL AND THE DEPARTMENT THAT THE STUDENT IS NOT  
21 A RESIDENT OF THE SCHOOL DISTRICT. NOTIFICATION OF  
22 NONRESIDENCE SHALL INCLUDE THE BASIS FOR THE  
23 DETERMINATION.

24           (II) WITHIN SEVEN DAYS OF NOTIFICATION UNDER  
25 SUBPARAGRAPH (I), THE CYBER CHARTER SCHOOL SHALL REVIEW  
26 THE NOTIFICATION OF NONRESIDENCE, RESPOND TO THE SCHOOL  
27 DISTRICT AND PROVIDE A COPY OF THE RESPONSE TO THE  
28 DEPARTMENT. IF THE CYBER CHARTER SCHOOL AGREES THAT A  
29 STUDENT IS NOT A RESIDENT OF THE SCHOOL DISTRICT, IT  
30 SHALL DETERMINE THE PROPER DISTRICT OF RESIDENCE OF THE

1 STUDENT BEFORE REQUESTING FUNDS FROM ANOTHER SCHOOL  
2 DISTRICT.

3 (III) WITHIN SEVEN DAYS OF RECEIPT OF THE RESPONSE  
4 UNDER SUBPARAGRAPH (II), THE SCHOOL DISTRICT SHALL NOTIFY  
5 THE CYBER CHARTER SCHOOL THAT IT AGREES WITH THE CYBER  
6 CHARTER SCHOOL'S DETERMINATION OR DOES NOT AGREE WITH THE  
7 CYBER CHARTER SCHOOL'S DETERMINATION.

8 (IV) A SCHOOL DISTRICT THAT HAS NOTIFIED THE CYBER  
9 CHARTER SCHOOL THAT IT DOES NOT AGREE WITH THE CYBER  
10 CHARTER SCHOOL'S DETERMINATION UNDER SUBPARAGRAPH (III)  
11 SHALL APPEAL TO THE DEPARTMENT FOR A FINAL DETERMINATION.

12 (V) ALL DECISIONS OF THE DEPARTMENT REGARDING THE  
13 SCHOOL DISTRICT OF RESIDENCE OF A STUDENT SHALL BE  
14 SUBJECT TO REVIEW BY THE COMMONWEALTH COURT.

15 (VI) A SCHOOL DISTRICT SHALL CONTINUE TO MAKE  
16 PAYMENTS TO A CYBER CHARTER SCHOOL UNDER SECTION 1725-A  
17 DURING THE TIME IN WHICH THE SCHOOL DISTRICT OF RESIDENCE  
18 OF A STUDENT IS IN DISPUTE.

19 (VII) IF A FINAL DETERMINATION IS MADE THAT A  
20 STUDENT IS NOT A RESIDENT OF AN APPEALING SCHOOL  
21 DISTRICT, THE CYBER CHARTER SCHOOL SHALL RETURN ALL FUNDS  
22 PROVIDED ON BEHALF OF THAT STUDENT TO THE SCHOOL DISTRICT  
23 WITHIN 30 DAYS.

24 (B) NOTIFICATION FORM.--THE DEPARTMENT SHALL DEVELOP A  
25 NOTIFICATION FORM FOR USE UNDER SUBSECTION (A). THE NOTIFICATION  
26 SHALL INCLUDE:

27 (1) THE NAME, HOME ADDRESS AND MAILING ADDRESS OF THE  
28 STUDENT.

29 (2) THE GRADE IN WHICH THE STUDENT IS BEING ENROLLED.

30 (3) THE DATE THE STUDENT WILL BE ENROLLED.

1 (4) THE NAME AND ADDRESS OF THE CYBER CHARTER SCHOOL AND  
2 THE NAME AND TELEPHONE NUMBER OF A CONTACT PERSON ABLE TO  
3 PROVIDE INFORMATION REGARDING THE CYBER CHARTER SCHOOL.

4 (5) THE SIGNATURE OF THE PARENT OR GUARDIAN AND AN  
5 AUTHORIZED REPRESENTATIVE OF THE CYBER CHARTER SCHOOL.

6 (C) WITHDRAWAL.--THE CYBER CHARTER SCHOOL AND THE PARENT OR  
7 GUARDIAN OF A STUDENT ENROLLED IN A CYBER CHARTER SCHOOL SHALL  
8 PROVIDE WRITTEN NOTIFICATION TO THE STUDENT'S SCHOOL DISTRICT OF  
9 RESIDENCE WITHIN 15 DAYS FOLLOWING THE WITHDRAWAL OF A STUDENT  
10 FROM THE CYBER CHARTER SCHOOL.]

11 SECTION 19. SECTION 1749-A(A) AND (C)(2) OF THE ACT, ADDED  
12 JUNE 29, 2002 (P.L.524, NO.88), ARE AMENDED TO READ:

13 SECTION 1749-A. APPLICABILITY OF OTHER PROVISIONS OF THIS ACT  
14 AND OF OTHER ACTS AND REGULATIONS.

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

17 (1) SECTIONS 108, 110, 111, 321, 325, 326, 327, 431,  
18 436, 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741,  
19 752, 753, [755,] 771, 776, 777, 808, 809, 810, 1109, 1111,  
20 1112(A), 1205.1, 1205.2, 1301, 1302, 1310, 1317, 1317.2,  
21 1318, 1327, 1330, 1332, 1303-A, 1513, 1517, 1518, 1521, 1523,  
22 1531, 1547, 1702-A, 1703-A, 1714-A, 1715-A, 1716-A, 1719-A,  
23 1721-A, 1722-A, [1723-A(A) AND (B)] 1723-A, 1724-A, 1725-A,  
24 1727-A, 1728-A(D), (E), (F), (G) AND (H), 1729-A, 1730-A,  
25 1731-A(A)(1) AND (B) AND 2014-A AND ARTICLES XII-A, XIII-A  
26 AND XIV.

27 (1.1) ACT OF JULY 19, 1957 (P.L.1017, NO.451), KNOWN AS  
28 THE STATE ADVERSE INTEREST ACT.

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

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

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

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

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

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

20 (8) 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).

21 (9) 65 PA.C.S. CH. 11 (RELATING TO ETHICS STANDARDS AND  
22 FINANCIAL DISCLOSURE).

23 \* \* \*

24 (C) EXISTING CHARTER SCHOOLS.--

25 \* \* \*

26 (2) IN ADDITION TO SUBSECTIONS (A) AND (B), THE  
27 FOLLOWING PROVISIONS OF THIS SUBDIVISION SHALL APPLY TO A  
28 CHARTER SCHOOL APPROVED UNDER SECTION 1717-A OR 1718-A WHICH  
29 PROVIDES INSTRUCTION THROUGH THE INTERNET OR OTHER ELECTRONIC  
30 MEANS:



1 (I) SECTION 1743-A(C), (D), (E), (H) AND (I).

2 (II) SECTION 1744-A.

3 (III) SECTION [1748-A] 1723-A(E).

4 SECTION 20. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

5 ARTICLE XXV-B

6 OPPORTUNITY SCHOLARSHIPS AND

7 EDUCATIONAL IMPROVEMENT TAX CREDIT

8 (A) PRELIMINARY PROVISIONS

9 SECTION 2501-B. SHORT TITLE.

10 THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE  
11 OPPORTUNITY SCHOLARSHIP AND EDUCATIONAL IMPROVEMENT TAX CREDIT  
12 ACT.

13 (B) OPPORTUNITY SCHOLARSHIPS

14 SECTION 2502-B. DEFINITIONS.

15 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBARTICLE  
16 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
17 CONTEXT CLEARLY INDICATES OTHERWISE:

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

27 "ATTENDANCE BOUNDARY." A GEOGRAPHIC AREA OF RESIDENCE USED  
28 BY A RESIDENT SCHOOL DISTRICT TO ASSIGN A STUDENT TO A PUBLIC  
29 SCHOOL.

30 "AVERAGE DAILY MEMBERSHIP." A SCHOOL DISTRICT'S AVERAGE

1 DAILY MEMBERSHIP AS DEFINED IN SECTION 2501(3).

2 "BOARD." THE EDUCATION OPPORTUNITY BOARD ESTABLISHED UNDER  
3 SECTION 2509-B.

4 "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE  
5 COMMONWEALTH.

6 "ELEMENTARY SCHOOL." A SCHOOL THAT DOES NOT HAVE AN ELEVENTH  
7 GRADE.

8 "ELIGIBLE STUDENT." A LOW-INCOME CHILD ELIGIBLE TO RECEIVE  
9 AN OPPORTUNITY SCHOLARSHIP UNDER SECTION 2503-B(B).

10 "FEDERAL POVERTY LINE." THE OFFICIAL FEDERAL POVERTY LINE AS  
11 DEFINED IN SECTION 673(2) OF SUBTITLE B OF THE COMMUNITY  
12 SERVICES BLOCK GRANT ACT (PUBLIC LAW 97-35, 95 STAT. 511), AS  
13 ADJUSTED FROM TIME TO TIME.

14 "HOUSEHOLD INCOME." INCOME AS USED FOR THE PURPOSES OF  
15 DETERMINING ELIGIBILITY FOR A FREE OR REDUCED PRICE LUNCH UNDER  
16 THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT (60 STAT. 230,  
17 1751 ET SEQ.).

18 "KINDERGARTEN." A ONE-YEAR FORMAL KINDERGARTEN PROGRAM THAT  
19 OCCURS DURING THE SCHOOL YEAR IMMEDIATELY PRIOR TO FIRST GRADE.

20 "LOCAL SCHOLARSHIP." A SCHOLARSHIP THAT IS BOTH:

21 (1) FUNDED BY THE LOCAL REVENUES OF A LOW-INCOME CHILD'S  
22 RESIDENT SCHOOL DISTRICT IN AN AMOUNT EQUAL TO AT LEAST 10%  
23 OF THE SCHOOL DISTRICT'S SHARE OF ITS TOTAL REVENUE PER  
24 AVERAGE DAILY MEMBERSHIP.

25 (2) APPLIED TOWARD THE LOW-INCOME CHILD'S TUITION TO  
26 ATTEND A NONRESIDENT PUBLIC SCHOOL.

27 "LOW-ACHIEVING SCHOOL." THE TERM MEANS ALL OF THE FOLLOWING:

28 (1) IN THE 2012-2013 SCHOOL YEAR AND EACH SCHOOL YEAR  
29 THEREAFTER, A PUBLIC ELEMENTARY OR SECONDARY SCHOOL WITHIN  
30 THIS COMMONWEALTH RANKING IN THE LOWEST 5% OF ITS DESIGNATION

1 AS ELEMENTARY OR SECONDARY, BASED ON COMBINED MATH AND  
2 READING SCORES FROM THE ASSESSMENT ADMINISTERED IN THE MOST  
3 RECENT SCHOOL YEAR.

4 (2) BEGINNING IN THE 2018-2019 SCHOOL YEAR AND EACH  
5 SCHOOL YEAR THEREAFTER, A PUBLIC ELEMENTARY OR SECONDARY  
6 SCHOOL WITHIN THIS COMMONWEALTH IN WHICH 50% OR FEWER OF ITS  
7 STUDENTS SCORED PROFICIENT OR ABOVE IN MATH OR 50% OR FEWER  
8 OF ITS STUDENTS SCORED PROFICIENT OR ABOVE IN READING ON THE  
9 ASSESSMENT ADMINISTERED IN THE MOST RECENT SCHOOL YEAR.

10 THE TERM SHALL NOT INCLUDE A CHARTER SCHOOL, CYBER CHARTER  
11 SCHOOL, AREA VOCATIONAL-TECHNICAL SCHOOL, MAGNET SCHOOL OR  
12 SCHOOL THAT DOES NOT DRAW ITS STUDENT BODY FROM A PARTICULAR  
13 ATTENDANCE BOUNDARY.

14 "LOW-INCOME CHILD." A SCHOOL-AGE CHILD WITH A HOUSEHOLD  
15 INCOME THAT DOES NOT EXCEED 1.85 TIMES THE FEDERAL POVERTY LINE  
16 FOR THE SCHOOL YEAR PRECEDING THE SCHOOL YEAR FOR WHICH AN  
17 OPPORTUNITY SCHOLARSHIP IS TO BE DISTRIBUTED.

18 "MAGNET SCHOOL." A SPECIAL SCHOOL OR PROGRAM DESIGNED TO  
19 PROVIDE AN ACADEMIC OR SOCIAL FOCUS ON A PARTICULAR THEME,  
20 INCLUDING, BUT NOT LIMITED TO, SCIENCE, MATHEMATICS, PERFORMING  
21 ARTS AND FOREIGN LANGUAGES.

22 "NONPUBLIC SCHOOL." A SCHOOL, OTHER THAN A PUBLIC SCHOOL,  
23 LOCATED WITHIN THIS COMMONWEALTH WHERE A COMMONWEALTH RESIDENT  
24 MAY LEGALLY FULFILL THE COMPULSORY SCHOOL ATTENDANCE  
25 REQUIREMENTS OF THIS ACT AND THAT MEETS THE APPLICABLE  
26 REQUIREMENTS OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 (PUBLIC  
27 LAW 88-352, 78 STAT. 241). THE TERM ALSO INCLUDES A FULL-TIME OR  
28 PART-TIME KINDERGARTEN PROGRAM OPERATED BY A NONPUBLIC SCHOOL.

29 "NONRESIDENT PUBLIC SCHOOL." A PUBLIC SCHOOL NOT LOCATED  
30 WITHIN THE CHILD'S RESIDENT SCHOOL DISTRICT. THE TERM SHALL NOT

1 INCLUDE A CHARTER SCHOOL, A CYBER CHARTER SCHOOL, AN AREA  
2 VOCATIONAL-TECHNICAL SCHOOL OR A SCHOOL THE DEPARTMENT HAS  
3 DESIGNATED AS LOW ACHIEVING UNDER SECTION 2503-B(C).

4 "NONRESIDENT SCHOOL DISTRICT." A SCHOOL DISTRICT OTHER THAN  
5 THE SCHOOL DISTRICT IN WHICH A SCHOOL-AGE CHILD RESIDES.

6 "NONRESIDENT STUDENT." A SCHOOL-AGE CHILD ATTENDING A  
7 NONRESIDENT PUBLIC SCHOOL.

8 "OPPORTUNITY SCHOLARSHIP." A SCHOLARSHIP AWARDED TO A LOW-  
9 INCOME CHILD UNDER THIS SUBARTICLE TO PAY TUITION FOR THE CHILD  
10 TO ATTEND A NONRESIDENT PUBLIC SCHOOL OR A PARTICIPATING  
11 NONPUBLIC SCHOOL. THE TERM SHALL NOT INCLUDE A LOCAL  
12 SCHOLARSHIP.

13 "OPPORTUNITY SCHOLARSHIP ACCOUNT." THE RESTRICTED ACCOUNT  
14 FOR OPPORTUNITY SCHOLARSHIPS ESTABLISHED IN THIS SUBARTICLE.

15 "OPPORTUNITY SCHOLARSHIP PROGRAM" OR "PROGRAM." THE  
16 OPPORTUNITY SCHOLARSHIP PROGRAM ESTABLISHED UNDER SECTION  
17 2503-B.

18 "OPPORTUNITY SCHOLARSHIP RECIPIENT." A LOW-INCOME CHILD WHO  
19 IS AWARDED AN OPPORTUNITY SCHOLARSHIP UNDER THIS SUBARTICLE.

20 "PARENT." A COMMONWEALTH RESIDENT WHO IS A PARENT HAVING  
21 LEGAL CUSTODY OR GUARDIAN OF A SCHOOL-AGE CHILD. THE TERM SHALL  
22 ALSO INCLUDE ANY COMMONWEALTH RESIDENT WHO KEEPS IN HIS HOME A  
23 CHILD OF SCHOOL AGE, NOT HIS OWN, AND SUPPORTS THE CHILD GRATIS  
24 AS IF THE CHILD WERE HIS OWN.

25 "PARTICIPATING NONPUBLIC SCHOOL." A NONPUBLIC SCHOOL  
26 OFFERING A PROGRAM OF INSTRUCTION FOR KINDERGARTEN THROUGH 12TH  
27 GRADE, OR A COMBINATION OF GRADES, THAT CERTIFIES TO THE  
28 DEPARTMENT OF EDUCATION UNDER SECTION 2505-B(C) (4) THAT IT MEETS  
29 ALL OF THE FOLLOWING CRITERIA:

30 (1) THE NONPUBLIC SCHOOL IS A NONPROFIT ENTITY THAT IS

1 EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C)(3) OF THE  
2 INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514, 26 U.S.C. §  
3 1 ET SEQ.).

4 (2) THE NONPUBLIC SCHOOL DOES NOT DISCRIMINATE IN ITS  
5 ADMISSION POLICIES OR PRACTICES WITH RESPECT TO OPPORTUNITY  
6 SCHOLARSHIP APPLICANTS ON THE BASIS OF MEASURES OF  
7 ACHIEVEMENT OR APTITUDE OR STATUS AS A HANDICAPPED PERSON,  
8 PROVIDED, HOWEVER, THAT AN APPLICANT MAY BE REQUIRED TO MEET  
9 ESTABLISHED ELIGIBILITY CRITERIA FOR PARTICIPATION IN MAGNET  
10 SCHOOLS.

11 (3) THE NONPUBLIC SCHOOL IS IN FULL COMPLIANCE WITH ALL  
12 FEDERAL AND STATE LAWS APPLICABLE TO NONPUBLIC SCHOOLS ON THE  
13 DATE PRIOR TO THE EFFECTIVE DATE OF THIS SECTION.

14 "RESIDENT SCHOOL DISTRICT." THE SCHOOL DISTRICT IN WHICH A  
15 SCHOOL-AGE CHILD RESIDES.

16 "SCHOOL-AGE CHILD." A CHILD ENROLLING IN KINDERGARTEN OR IN  
17 GRADES 1 THROUGH 12.

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

19 "STUDENT WITH A DISABILITY." A SCHOOL-AGE CHILD WHO HAS BEEN  
20 IDENTIFIED, IN ACCORDANCE WITH 22 PA. CODE CH. 14 (RELATING TO  
21 SPECIAL EDUCATION SERVICES AND PROGRAMS), AS A "CHILD WITH A  
22 DISABILITY," AS DEFINED IN 34 CFR § 300.8 (RELATING TO A CHILD  
23 WITH A DISABILITY).

24 "TOTAL REVENUE PER AVERAGE DAILY MEMBERSHIP." A SCHOOL  
25 DISTRICT'S TOTAL REVENUE MINUS REIMBURSEMENTS FOR PUPIL  
26 TRANSPORTATION UNDER SECTIONS 2509.3 AND 2541, PER AVERAGE DAILY  
27 MEMBERSHIP.

28 SECTION 2503-B. OPPORTUNITY SCHOLARSHIP PROGRAM.

29 (A) ESTABLISHMENT.--BEGINNING WITH THE 2012-2013 SCHOOL  
30 YEAR, AN OPPORTUNITY SCHOLARSHIP PROGRAM SHALL BE ESTABLISHED

1 WITHIN THE DEPARTMENT TO PROVIDE SCHOLARSHIPS TO HELP LOW-INCOME  
2 CHILDREN WHO ARE ELIGIBLE UNDER THIS SECTION PAY TUITION TO  
3 ATTEND NONRESIDENT PUBLIC SCHOOLS OR PARTICIPATING NONPUBLIC  
4 SCHOOLS.

5 (B) PHASE-IN.--

6 (1) THE OPPORTUNITY SCHOLARSHIP PROGRAM SHALL BE PHASED  
7 IN AS FOLLOWS:

8 (I) DURING THE 2012-2013 SCHOOL YEAR, THE  
9 OPPORTUNITY SCHOLARSHIP PROGRAM SHALL BE AVAILABLE TO  
10 LOW-INCOME CHILDREN WHO SATISFY BOTH OF THE FOLLOWING:

11 (A) EITHER ATTENDED A LOW ACHIEVING SCHOOL  
12 DURING THE 2011-2012 SCHOOL YEAR OR WILL BE A  
13 KINDERGARTEN STUDENT DURING THE 2012-2013 SCHOOL  
14 YEAR.

15 (B) WILL RESIDE WITHIN THE ATTENDANCE BOUNDARY  
16 OF A LOW ACHIEVING SCHOOL AS OF THE FIRST DAY OF  
17 CLASSES OF THE 2012-2013 SCHOOL YEAR.

18 (II) DURING THE 2013-2014 SCHOOL YEAR AND EACH  
19 SCHOOL YEAR THEREAFTER, THE OPPORTUNITY SCHOLARSHIP  
20 PROGRAM SHALL BE AVAILABLE TO LOW-INCOME CHILDREN WHO  
21 QUALIFIED FOR THE PROGRAM FOR THE 2012-2013 SCHOOL YEAR  
22 UNDER PARAGRAPH (1) AND TO LOW-INCOME CHILDREN WHO WILL  
23 RESIDE WITHIN THE ATTENDANCE BOUNDARY OF A LOW ACHIEVING  
24 SCHOOL AS OF THE FIRST DAY OF CLASSES OF THE SCHOOL YEAR  
25 FOR WHICH THE OPPORTUNITY SCHOLARSHIP IS TO BE AWARDED.

26 (2) FOR PURPOSES OF THIS SUBSECTION, THE RESIDENCE OF A  
27 LOW-INCOME CHILD SHALL BE DETERMINED UNDER SECTION 1302.

28 (C) LIST OF LOW ACHIEVING SCHOOLS TO BE PUBLISHED.--BY  
29 FEBRUARY 1, 2012, AND BY FEBRUARY 1 OF EACH YEAR THEREAFTER, THE  
30 DEPARTMENT SHALL PUBLISH ON THE DEPARTMENT'S PUBLICLY ACCESSIBLE

1 INTERNET WEBSITE AND IN THE PENNSYLVANIA BULLETIN A LIST OF LOW  
2 ACHIEVING SCHOOLS THAT WILL BE IN EFFECT FOR PURPOSES OF THIS  
3 SUBARTICLE FOR THE FOLLOWING SCHOOL YEAR. THE DEPARTMENT SHALL  
4 PUBLISH THE LIST BASED UPON RESULTS OF THE ASSESSMENT  
5 ADMINISTERED IN THE IMMEDIATELY PRECEDING SCHOOL YEAR.

6 (D) NOTICE.--

7 (1) FOR EACH SCHOOL YEAR, BY A DATE ESTABLISHED BY THE  
8 DEPARTMENT, EACH SCHOOL DISTRICT IN THIS COMMONWEALTH WITH AT  
9 LEAST ONE SCHOOL DESIGNATED BY THE DEPARTMENT AS A LOW  
10 ACHIEVING SCHOOL SHALL POST ON ITS PUBLICLY ACCESSIBLE  
11 INTERNET WEBSITE NOTICE OF ALL OF THE FOLLOWING:

12 (I) A DESCRIPTION OF THE OPPORTUNITY SCHOLARSHIP  
13 PROGRAM.

14 (II) INSTRUCTIONS FOR APPLYING FOR AN OPPORTUNITY  
15 SCHOLARSHIP.

16 (III) INSTRUCTIONS FOR APPLYING FOR A LOCAL  
17 SCHOLARSHIP WHERE THE SCHOOL DISTRICT HAS ELECTED TO  
18 PROVIDE A LOCAL SCHOLARSHIP UNDER SECTION 2504-B(B).

19 (IV) A LIST OF SCHOOLS IN THE SCHOOL DISTRICT THAT  
20 HAVE BEEN DESIGNATED BY THE DEPARTMENT AS LOW ACHIEVING  
21 SCHOOLS.

22 (V) NOTICE THAT A PARENT MUST CONTACT DIRECTLY THE  
23 NONRESIDENT PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC  
24 SCHOOL IN WHICH THE PARENT'S CHILD SEEKS TO ENROLL FOR  
25 APPLICATION INSTRUCTIONS.

26 (2) THE NOTICE SHALL BE IN A FORM PROVIDED BY THE  
27 DEPARTMENT.

28 (E) ATTENDANCE PLANS REQUIRED.--BY JANUARY 15, 2012, AND BY  
29 JANUARY 15 OF EACH YEAR THEREAFTER, EACH SCHOOL DISTRICT SHALL  
30 FILE WITH THE DEPARTMENT A PLAN INDICATING THE PUBLIC SCHOOLS TO

1 WHICH CHILDREN RESIDING IN THE DISTRICT WHO ENROLL IN DISTRICT  
2 SCHOOLS ARE EXPECTED TO BE ASSIGNED FOR THE NEXT SCHOOL YEAR  
3 BASED UPON GEOGRAPHIC AREA OF RESIDENCE.

4 SECTION 2504-B. OPPORTUNITY SCHOLARSHIP TO ATTEND A NONRESIDENT  
5 PUBLIC SCHOOL.

6 (A) ELIGIBILITY.--AN ELIGIBLE STUDENT MAY RECEIVE AN  
7 OPPORTUNITY SCHOLARSHIP TO PAY TUITION TO ATTEND A NONRESIDENT  
8 PUBLIC SCHOOL THAT ACCEPTS A CHILD'S ENROLLMENT APPLICATION  
9 UNDER SUBSECTION (D).

10 (B) LOCAL SCHOLARSHIP.--A SCHOOL DISTRICT WITH AT LEAST ONE  
11 SCHOOL DESIGNATED BY THE DEPARTMENT AS A LOW ACHIEVING SCHOOL  
12 MAY ELECT TO PROVIDE A LOCAL SCHOLARSHIP TO OPPORTUNITY  
13 SCHOLARSHIP RECIPIENTS RESIDING WITHIN THE SCHOOL DISTRICT TO  
14 PAY TUITION TO ATTEND A NONRESIDENT PUBLIC SCHOOL THAT ACCEPTS  
15 THE OPPORTUNITY SCHOLARSHIP RECIPIENT'S ENROLLMENT APPLICATION  
16 UNDER SUBSECTION (D). A SCHOOL DISTRICT THAT ELECTS TO PROVIDE A  
17 LOCAL SCHOLARSHIP SHALL:

18 (1) BY A DATE ESTABLISHED BY THE DEPARTMENT, NOTIFY ALL  
19 RESIDENTS OF THE SCHOOL DISTRICT OF THE AVAILABILITY AND  
20 AMOUNT OF THE LOCAL SCHOLARSHIP FOR THE FOLLOWING SCHOOL YEAR  
21 AND THE PROCEDURE BY WHICH A LOW-INCOME CHILD MAY APPLY TO  
22 THE DEPARTMENT TO RECEIVE THE OPPORTUNITY AND LOCAL  
23 SCHOLARSHIPS. THE SCHOOL DISTRICT SHALL POST THE NOTICE ON  
24 THE SCHOOL DISTRICT'S PUBLICLY ACCESSIBLE INTERNET WEBSITE.  
25 THE NOTICE MAY BE INCORPORATED INTO THE NOTICE THE SCHOOL  
26 DISTRICT IS REQUIRED TO PROVIDE UNDER SECTION 2503-B(D).

27 (2) BY A DATE ESTABLISHED BY THE DEPARTMENT, NOTIFY THE  
28 DEPARTMENT OF THE AVAILABILITY AND AMOUNT OF THE LOCAL  
29 SCHOLARSHIP FOR THE FOLLOWING SCHOOL YEAR.

30 (3) WHEN DIRECTED TO DO SO BY THE DEPARTMENT, PAY TO THE



1 DEPARTMENT THE LOCAL SCHOLARSHIP FOR EACH LOW-INCOME CHILD  
2 RESIDING IN THE DISTRICT WHO THE DEPARTMENT DETERMINES TO BE  
3 ELIGIBLE FOR A LOCAL SCHOLARSHIP AND WHO THE DEPARTMENT  
4 CONFIRMS HAS ENROLLED IN A NONRESIDENT PUBLIC SCHOOL.

5 (4) COMPLY WITH ALL GUIDELINES DEVELOPED BY THE  
6 DEPARTMENT UNDER SECTIONS 2507-B AND 2509.1-B.

7 (C) APPLICATION FOR OPPORTUNITY AND LOCAL SCHOLARSHIPS.--

8 (1) BY A DATE ESTABLISHED BY THE DEPARTMENT AND PURSUANT  
9 TO GUIDELINES DEVELOPED BY THE DEPARTMENT UNDER SECTIONS  
10 2507-B AND 2509.1-B, THE PARENT OF A LOW-INCOME CHILD WHO IS  
11 ELIGIBLE FOR AN OPPORTUNITY SCHOLARSHIP UNDER SECTION  
12 2503-B(B) MAY APPLY TO THE DEPARTMENT:

13 (I) FOR AN OPPORTUNITY SCHOLARSHIP FOR THE FOLLOWING  
14 SCHOOL YEAR.

15 (II) FOR A LOCAL SCHOLARSHIP FOR THE FOLLOWING  
16 SCHOOL YEAR, WHERE THE LOW-INCOME CHILD'S RESIDENT SCHOOL  
17 DISTRICT HAS ELECTED TO PROVIDE A LOCAL SCHOLARSHIP UNDER  
18 SUBSECTION (B).

19 (2) BY A DATE ESTABLISHED BY THE DEPARTMENT, THE  
20 DEPARTMENT SHALL NOTIFY PARENTS WHETHER THE SCHOLARSHIPS FOR  
21 WHICH THE STUDENT APPLIED WILL BE AWARDED FOR THE FOLLOWING  
22 SCHOOL YEAR.

23 (D) APPLICATION FOR ENROLLMENT IN A NONRESIDENT PUBLIC  
24 SCHOOL.--

25 (1) BY A DATE ESTABLISHED BY THE DEPARTMENT, THE PARENT  
26 OF A LOW-INCOME CHILD WHO HAS BEEN AWARDED A SCHOLARSHIP  
27 UNDER SUBSECTION (C) MAY APPLY TO ONE OR MORE NONRESIDENT  
28 PUBLIC SCHOOLS FOR ENROLLMENT OF THE CHILD FOR THE FOLLOWING  
29 SCHOOL YEAR. THE APPLICATION SHALL BE ON A FORM PROVIDED BY  
30 THE NONRESIDENT SCHOOL DISTRICT.

1           (2) (I) BY A DATE ESTABLISHED BY THE DEPARTMENT, THE  
2           NONRESIDENT SCHOOL DISTRICT SHALL PROVIDE WRITTEN NOTICE  
3           TO THE PARENT AND THE DEPARTMENT AS TO WHETHER THE CHILD  
4           WILL BE OFFERED ENROLLMENT IN THE REQUESTED NONRESIDENT  
5           PUBLIC SCHOOL FOR THE FOLLOWING SCHOOL YEAR.

6           (II) BY A DATE ESTABLISHED BY THE DEPARTMENT, THE  
7           PARENT MUST PROVIDE WRITTEN NOTICE TO THE DEPARTMENT, THE  
8           RESIDENT SCHOOL DISTRICT AND THE NONRESIDENT SCHOOL  
9           DISTRICT WHETHER THE OFFER OF ENROLLMENT WILL BE  
10           ACCEPTED.

11           (III) BY A DATE ESTABLISHED BY THE DEPARTMENT, THE  
12           DEPARTMENT SHALL PROVIDE THE RESIDENT SCHOOL DISTRICT AND  
13           THE NONRESIDENT SCHOOL DISTRICT WITH WRITTEN CONFIRMATION  
14           OF THE OPPORTUNITY SCHOLARSHIP RECIPIENT'S ENROLLMENT IN  
15           THE NONRESIDENT PUBLIC SCHOOL.

16           (IV) IF THE CHILD IS NOT ENROLLED IN A NONRESIDENT  
17           PUBLIC SCHOOL, THE CHILD'S RESIDENT SCHOOL DISTRICT SHALL  
18           DETERMINE THE PUBLIC SCHOOL WITHIN THE RESIDENT SCHOOL  
19           DISTRICT TO WHICH THE CHILD WILL BE ASSIGNED.

20           (V) IF THE OPPORTUNITY SCHOLARSHIP RECIPIENT WHO HAS  
21           ACCEPTED AN OFFER OF ENROLLMENT AT A NONRESIDENT PUBLIC  
22           SCHOOL DOES NOT ATTEND THE NONRESIDENT PUBLIC SCHOOL AT  
23           THE START OF THE SCHOOL YEAR FOR WHICH THE OPPORTUNITY  
24           SCHOLARSHIP WAS AWARDED, THE NONRESIDENT PUBLIC SCHOOL  
25           SHALL NOTIFY THE DEPARTMENT AND THE RESIDENT SCHOOL  
26           DISTRICT.

27           (3) EACH SCHOOL DISTRICT SHALL NOTIFY THE DEPARTMENT IF  
28           IT INTENDS TO ENROLL NONRESIDENT STUDENTS RECEIVING  
29           OPPORTUNITY AND LOCAL SCHOLARSHIPS AND SHALL DEVELOP AN  
30           ENROLLMENT APPLICATION FORM AND PROCEDURE. IF A SCHOOL

1 DISTRICT DETERMINES TO ENROLL NONRESIDENT STUDENTS RECEIVING  
2 OPPORTUNITY AND LOCAL SCHOLARSHIPS, THE SCHOOL DISTRICT MUST  
3 ENROLL SUCH NONRESIDENT STUDENTS ON A RANDOM BASIS FROM A  
4 POOL OF APPLICANTS WHO MEET THE APPLICATION DEADLINE  
5 ESTABLISHED BY THE DEPARTMENT UNTIL THE NONRESIDENT SCHOOL  
6 DISTRICT FILLS ITS AVAILABLE ATTENDANCE SLOTS, PROVIDED THAT:

7 (I) THE NONRESIDENT STUDENT'S ENROLLMENT IN THE  
8 NONRESIDENT SCHOOL DISTRICT WOULD NOT PLACE EITHER THE  
9 NONRESIDENT SCHOOL DISTRICT OR THE RESIDENT SCHOOL  
10 DISTRICT IN VIOLATION OF A VALID AND BINDING  
11 DESEGREGATION ORDER; AND

12 (II) THE FOLLOWING APPLICANTS SHALL NOT BE INCLUDED  
13 IN THE POOL:

14 (A) A STUDENT WHO HAS BEEN EXPELLED OR IS IN THE  
15 PROCESS OF BEING EXPELLED UNDER SECTION 1317.2 OR  
16 1318 AND APPLICABLE REGULATIONS OF THE STATE BOARD OF  
17 EDUCATION.

18 (B) A STUDENT WHO HAS BEEN RECRUITED BY THE  
19 SCHOOL DISTRICT OR ITS REPRESENTATIVES FOR ATHLETIC  
20 PURPOSES.

21 (C) A STUDENT WHO DOES NOT MEET THE ESTABLISHED  
22 ELIGIBILITY CRITERIA FOR PARTICIPATION IN A MAGNET  
23 SCHOOL.

24 (4) A NONRESIDENT SCHOOL DISTRICT MAY GIVE PRIORITY IN  
25 ENROLLMENT TO ANY OF THE FOLLOWING:

26 (I) A NONRESIDENT STUDENT WHO HAS BEEN AWARDED A  
27 LOCAL SCHOLARSHIP.

28 (II) A NONRESIDENT STUDENT WHO IS THE SIBLING OF A  
29 STUDENT WHO IS CURRENTLY ENROLLED IN THE NONRESIDENT  
30 SCHOOL DISTRICT.

1 (E) COMMONWEALTH PAYMENTS.--THE COMMONWEALTH SHALL MAKE  
2 PAYMENT PURSUANT TO THE SCHEDULE CONTAINED IN SECTION 2517 TO  
3 EACH SCHOOL DISTRICT THAT ACCEPTS A NONRESIDENT STUDENT UNDER  
4 THE PROVISIONS OF THIS SUBARTICLE SUBJECT TO THE FOLLOWING TERMS  
5 AND CONDITIONS:

6 (1) THE COMMONWEALTH SHALL PAY TO EACH SCHOOL DISTRICT  
7 THAT ACCEPTS A NONRESIDENT STUDENT, ON A TUITION BASIS, THE  
8 AMOUNT DETERMINED UNDER SECTION 2506-B.

9 (2) (I) FOR A NONRESIDENT STUDENT WHO IS AN OPPORTUNITY  
10 SCHOLARSHIP RECIPIENT AND DEFINED AS A "STUDENT WITH A  
11 DISABILITY," SERVICES PROVIDED TO THE OPPORTUNITY  
12 SCHOLARSHIP RECIPIENT SHALL BE CHARGED AGAINST THE  
13 COMMONWEALTH'S SPECIAL EDUCATION SUBSIDY TO THE RESIDENT  
14 SCHOOL DISTRICT, PROVIDED THAT THE RESIDENT SCHOOL  
15 DISTRICT SHALL NOT BE CHARGED MORE FOR SERVICES PROVIDED  
16 TO THE OPPORTUNITY SCHOLARSHIP RECIPIENT BY THE  
17 NONRESIDENT SCHOOL DISTRICT THAN THE DIFFERENCE BETWEEN  
18 THE CURRENT YEAR COST OF THE SERVICES HAD THE OPPORTUNITY  
19 SCHOLARSHIP RECIPIENT REMAINED IN THE RESIDENT SCHOOL  
20 DISTRICT AND THE SUM OF THE OPPORTUNITY SCHOLARSHIP, THE  
21 LOCAL SCHOLARSHIP AND THE PER PUPIL SPECIAL EDUCATION  
22 FUNDING FOLLOWING THE OPPORTUNITY SCHOLARSHIP RECIPIENT.

23 (II) THE RESIDENT SCHOOL DISTRICT SHALL PROVIDE THE  
24 DEPARTMENT WITH DOCUMENTATION OF THE PRIOR YEAR'S COST OF  
25 SERVICES PROVIDED TO THE OPPORTUNITY SCHOLARSHIP  
26 RECIPIENT AND AN ESTIMATE OF THE COST OF PROVIDING THOSE  
27 SERVICES IN THE CURRENT YEAR HAD THE OPPORTUNITY  
28 SCHOLARSHIP RECIPIENT REMAINED IN THE RESIDENT SCHOOL  
29 DISTRICT. ANY COST NOT COVERED BY THIS FUNDING SHALL BE  
30 BORNE BY THE NONRESIDENT SCHOOL DISTRICT ENROLLING THE

1 OPPORTUNITY SCHOLARSHIP RECIPIENT.

2 (3) IN THE EVENT AN OPPORTUNITY SCHOLARSHIP RECIPIENT  
3 WITHDRAWS FROM A NONRESIDENT SCHOOL DISTRICT PRIOR TO THE  
4 COMPLETION OF THE SCHOOL YEAR, THE FOLLOWING SHALL APPLY:

5 (I) THE NONRESIDENT SCHOOL DISTRICT SHALL, WITHIN 15  
6 DAYS OF THE OPPORTUNITY SCHOLARSHIP RECIPIENT'S  
7 WITHDRAWAL FROM THE NONRESIDENT SCHOOL DISTRICT, PROVIDE  
8 THE DEPARTMENT WITH WRITTEN NOTICE OF THE OPPORTUNITY  
9 SCHOLARSHIP RECIPIENT'S WITHDRAWAL FROM THE NONRESIDENT  
10 SCHOOL DISTRICT.

11 (II) THE RESIDENT SCHOOL DISTRICT, NONRESIDENT  
12 SCHOOL DISTRICT OR PARTICIPATING NONPUBLIC SCHOOL IN  
13 WHICH THE OPPORTUNITY SCHOLARSHIP RECIPIENT SUBSEQUENTLY  
14 ENROLLS SHALL NOTIFY THE DEPARTMENT WITHIN FIVE DAYS OF  
15 THE OPPORTUNITY SCHOLARSHIP RECIPIENT'S ENROLLMENT.

16 (III) WITHIN 30 DAYS AFTER RECEIVING THE NOTICE  
17 REQUIRED UNDER SUBPARAGRAPH (II), THE DEPARTMENT SHALL DO  
18 THE FOLLOWING:

19 (A) IF THE OPPORTUNITY SCHOLARSHIP RECIPIENT  
20 ENROLLS IN THE RESIDENT SCHOOL DISTRICT OR A  
21 NONRESIDENT SCHOOL DISTRICT, PAY THE RESIDENT SCHOOL  
22 DISTRICT OR NONRESIDENT SCHOOL DISTRICT THE FULL  
23 AMOUNT OF THE OPPORTUNITY SCHOLARSHIP PAYMENT REDUCED  
24 ON A PRO RATA BASIS FOR THE PORTION OF THE SCHOOL  
25 YEAR IN WHICH THE OPPORTUNITY SCHOLARSHIP RECIPIENT  
26 WAS ENROLLED IN ANOTHER SCHOOL.

27 (B) IF THE OPPORTUNITY SCHOLARSHIP RECIPIENT  
28 ENROLLS IN A PARTICIPATING NONPUBLIC SCHOOL, PAY THE  
29 OPPORTUNITY SCHOLARSHIP RECIPIENT'S PARENT THE FULL  
30 AMOUNT OF THE OPPORTUNITY SCHOLARSHIP PAYMENT REDUCED

1 ON A PRO RATA BASIS FOR THE PORTION OF THE SCHOOL  
2 YEAR IN WHICH THE OPPORTUNITY SCHOLARSHIP RECIPIENT  
3 WAS ENROLLED IN ANOTHER SCHOOL. SUCH PAYMENT SHALL BE  
4 MADE TO THE PARENTS OF THE OPPORTUNITY SCHOLARSHIP  
5 RECIPIENT PURSUANT TO THE PROVISIONS OF SECTION  
6 2505-B(B).

7 (F) LIMITATION.--THE TUITION CHARGED BY A NONRESIDENT SCHOOL  
8 DISTRICT TO AN OPPORTUNITY SCHOLARSHIP RECIPIENT UNDER THIS  
9 SUBARTICLE SHALL NOT EXCEED THE SUM OF THE OPPORTUNITY  
10 SCHOLARSHIP AND THE LOCAL SCHOLARSHIP, IF APPLICABLE, AWARDED TO  
11 THE OPPORTUNITY SCHOLARSHIP RECIPIENT.

12 (G) TRANSPORTATION.--

13 (1) NOTWITHSTANDING ANY PROVISIONS OF SECTION 1361 TO  
14 THE CONTRARY, A SCHOOL DISTRICT THAT PROVIDES ITS RESIDENT  
15 PUBLIC SCHOOL PUPILS WITH TRANSPORTATION TO AND FROM THE  
16 RESIDENT PUBLIC SCHOOLS UNDER SECTION 1361 SHALL PROVIDE A  
17 STUDENT WHO RESIDES WITHIN THE SCHOOL DISTRICT BUT REGULARLY  
18 ATTENDS A NONRESIDENT PUBLIC SCHOOL THAT IS LOCATED NOT MORE  
19 THAN TEN MILES FROM THE STUDENT'S RESIDENT SCHOOL DISTRICT BY  
20 THE NEAREST PUBLIC HIGHWAY, WITH TRANSPORTATION TO AND FROM  
21 SUCH NONRESIDENT PUBLIC SCHOOL UNDER SECTION 1361.

22 (2) TRANSPORTATION OF A STUDENT UNDER THIS SUBSECTION  
23 SHALL BE SUBJECT TO REIMBURSEMENT UNDER SECTION 2541.

24 SECTION 2505-B. OPPORTUNITY SCHOLARSHIP TO ATTEND A  
25 PARTICIPATING NONPUBLIC SCHOOL.

26 (A) ELIGIBILITY.--THE PARENT OF A LOW-INCOME CHILD WHO IS  
27 ELIGIBLE TO RECEIVE AN OPPORTUNITY SCHOLARSHIP UNDER SECTION  
28 2503-B AND DESIRES TO APPLY FOR AN OPPORTUNITY SCHOLARSHIP TO  
29 ATTEND A PARTICIPATING NONPUBLIC SCHOOL MUST:

30 (1) BY A DATE ESTABLISHED BY THE DEPARTMENT, APPLY TO

1 THE DEPARTMENT FOR AN OPPORTUNITY SCHOLARSHIP FOR THE  
2 FOLLOWING SCHOOL YEAR PURSUANT TO GUIDELINES DEVELOPED BY THE  
3 DEPARTMENT UNDER SECTIONS 2507-B AND 2509.1-B. BY A DATE  
4 ESTABLISHED BY THE DEPARTMENT, THE DEPARTMENT SHALL NOTIFY  
5 PARENTS WHETHER THE OPPORTUNITY SCHOLARSHIP WILL BE AWARDED  
6 FOR THE FOLLOWING SCHOOL YEAR.

7 (2) APPLY FOR ENROLLMENT DIRECTLY TO THE PARTICIPATING  
8 NONPUBLIC SCHOOL PURSUANT TO APPLICATION PROCEDURES DEVELOPED  
9 BY THE PARTICIPATING NONPUBLIC SCHOOL. BY A DATE ESTABLISHED  
10 BY THE DEPARTMENT, A PARTICIPATING NONPUBLIC SCHOOL SHALL  
11 PROVIDE WRITTEN CONFIRMATION TO THE DEPARTMENT OF EACH  
12 OPPORTUNITY SCHOLARSHIP RECIPIENT WHO HAS ACCEPTED AN OFFER  
13 OF ENROLLMENT FOR THE FOLLOWING SCHOOL YEAR. BY A DATE  
14 ESTABLISHED BY THE DEPARTMENT, THE DEPARTMENT SHALL PROVIDE  
15 THE OPPORTUNITY SCHOLARSHIP RECIPIENT'S RESIDENT SCHOOL  
16 DISTRICT WITH WRITTEN CONFIRMATION OF THE OPPORTUNITY  
17 SCHOLARSHIP RECIPIENT'S ENROLLMENT IN THE PARTICIPATING  
18 NONPUBLIC SCHOOL.

19 (B) PAYMENT OF OPPORTUNITY SCHOLARSHIPS.--THE COMMONWEALTH  
20 SHALL PROVIDE PAYMENT OF AN OPPORTUNITY SCHOLARSHIP TO THE  
21 PARENTS OF EACH OPPORTUNITY SCHOLARSHIP RECIPIENT WHO IS  
22 ENROLLED IN A PARTICIPATING NONPUBLIC SCHOOL UNDER THE  
23 PROVISIONS OF THIS SUBARTICLE SUBJECT TO THE FOLLOWING TERMS AND  
24 CONDITIONS:

25 (1) OPPORTUNITY SCHOLARSHIPS SHALL BE AWARDED ONLY FOR  
26 THE PAYMENT OF COSTS OF TUITION AT A PARTICIPATING NONPUBLIC  
27 SCHOOL WITHIN THIS COMMONWEALTH. OPPORTUNITY SCHOLARSHIPS  
28 SHALL NOT BE AWARDED FOR ENROLLMENT IN A HOME EDUCATION  
29 PROGRAM PROVIDED UNDER SECTION 1327.1.

30 (2) (I) OPPORTUNITY SCHOLARSHIPS SHALL BE PAID TO THE

1 PARENTS OF AN OPPORTUNITY SCHOLARSHIP RECIPIENT UPON THE  
2 DEPARTMENT'S RECEIPT OF WRITTEN CONFIRMATION OF  
3 ENROLLMENT FROM THE PARTICIPATING NONPUBLIC SCHOOL  
4 SELECTED BY THE RECIPIENT. THE OPPORTUNITY SCHOLARSHIP  
5 SHALL BE PAID BY CHECK WHICH MAY BE ENDORSED BY THE  
6 PARENTS ONLY FOR DEPOSIT INTO THE ACCOUNT OF THE  
7 PARTICIPATING NONPUBLIC SCHOOL FOR PAYMENT OF TUITION AT  
8 THE PARTICIPATING NONPUBLIC SCHOOL AT WHICH THE  
9 OPPORTUNITY SCHOLARSHIP RECIPIENT'S ENROLLMENT HAS BEEN  
10 CONFIRMED.

11 (II) THE PARENTS MAY NOT DESIGNATE THE PARTICIPATING  
12 NONPUBLIC SCHOOL OR ANY ENTITY OR INDIVIDUAL ASSOCIATED  
13 WITH THE PARTICIPATING NONPUBLIC SCHOOL TO ACT AS THE  
14 PARENTS' ATTORNEY-IN-FACT TO ENDORSE A CHECK IN PAYMENT  
15 OF AN OPPORTUNITY SCHOLARSHIP.

16 (3) IN THE EVENT AN OPPORTUNITY SCHOLARSHIP RECIPIENT  
17 WITHDRAWS FROM A PARTICIPATING NONPUBLIC SCHOOL PRIOR TO THE  
18 COMPLETION OF THE SCHOOL YEAR, THE FOLLOWING SHALL APPLY:

19 (I) THE PARTICIPATING NONPUBLIC SCHOOL SHALL, WITHIN  
20 15 DAYS OF THE OPPORTUNITY SCHOLARSHIP RECIPIENT'S  
21 WITHDRAWAL FROM THE PARTICIPATING NONPUBLIC SCHOOL:

22 (A) PROVIDE THE DEPARTMENT WITH WRITTEN NOTICE  
23 OF THE OPPORTUNITY SCHOLARSHIP RECIPIENT'S WITHDRAWAL  
24 FROM THE PARTICIPATING NONPUBLIC SCHOOL.

25 (B) RETURN TO THE DEPARTMENT THE FULL AMOUNT OF  
26 THE OPPORTUNITY SCHOLARSHIP PAYMENT REDUCED ON A PRO  
27 RATA BASIS BY THE TUITION FOR THE PORTION OF THE  
28 SCHOOL YEAR IN WHICH THE OPPORTUNITY SCHOLARSHIP  
29 RECIPIENT WAS ENROLLED. THE PARTICIPATING NONPUBLIC  
30 SCHOOL MAY NOT REQUIRE PARENTS TO REIMBURSE THE



1 PARTICIPATING NONPUBLIC SCHOOL FOR THE AMOUNT OF THE  
2 OPPORTUNITY SCHOLARSHIP RETURNED TO THE DEPARTMENT.

3 (II) IF THE PARTICIPATING NONPUBLIC SCHOOL FAILS TO  
4 SUBMIT TO THE DEPARTMENT THE AMOUNT REQUIRED TO BE PAID  
5 UNDER SUBPARAGRAPH (I), THE DEPARTMENT SHALL IMPOSE  
6 INTEREST ON THE UNPAID AMOUNT, CALCULATED FROM THE DUE  
7 DATE AT THE RATE DETERMINED BY THE SECRETARY OF REVENUE  
8 FOR INTEREST PAYMENTS ON OVERDUE TAXES OR THE REFUND OF  
9 TAXES AS PROVIDED IN SECTIONS 806 AND 806.1 OF THE ACT OF  
10 APRIL 9, 1929 (P.L.343, NO.176), KNOWN AS THE FISCAL  
11 CODE.

12 (III) IF THE OPPORTUNITY SCHOLARSHIP RECIPIENT  
13 ENROLLS IN ANOTHER PARTICIPATING NONPUBLIC SCHOOL WITHIN  
14 THE SCHOOL YEAR FOR WHICH THE OPPORTUNITY SCHOLARSHIP WAS  
15 AWARDED, THE DEPARTMENT SHALL PAY THE PARENT OF THE  
16 OPPORTUNITY SCHOLARSHIP RECIPIENT THE OPPORTUNITY  
17 SCHOLARSHIP PRORATED FOR THE REMAINING PORTION OF THE  
18 SCHOOL YEAR. PAYMENT SHALL BE MADE UNDER PARAGRAPH (2).

19 (4) IN THE EVENT AN OPPORTUNITY SCHOLARSHIP RECIPIENT IS  
20 EXPELLED FROM A PARTICIPATING NONPUBLIC SCHOOL PRIOR TO THE  
21 COMPLETION OF THE SCHOOL YEAR AND THE OPPORTUNITY SCHOLARSHIP  
22 RECIPIENT SUBSEQUENTLY ENROLLS IN HIS RESIDENT SCHOOL  
23 DISTRICT, THE DEPARTMENT SHALL PAY THE RESIDENT SCHOOL  
24 DISTRICT THE OPPORTUNITY SCHOLARSHIP PRORATED FOR THE  
25 REMAINING PORTION OF THE SCHOOL YEAR. THE RESIDENT SCHOOL  
26 DISTRICT SHALL APPLY THIS AMOUNT TOWARD PROVIDING EDUCATIONAL  
27 SERVICES FOR THE OPPORTUNITY SCHOLARSHIP RECIPIENT PURSUANT  
28 TO FEDERAL AND STATE LAW.

29 (5) IF THE PARENT OF AN OPPORTUNITY SCHOLARSHIP  
30 RECIPIENT DOES NOT ENDORSE THE OPPORTUNITY SCHOLARSHIP CHECK

1 WITHIN 90 DAYS OF ISSUANCE OF THE CHECK BY THE DEPARTMENT,  
2 THE CHECK SHALL BE RETURNED TO THE DEPARTMENT.

3 (B.1) PENALTIES.--

4 (1) EACH OPPORTUNITY SCHOLARSHIP CHECK ISSUED UNDER THIS  
5 SECTION SHALL CONTAIN THE FOLLOWING STATEMENT:

6 "OPPORTUNITY SCHOLARSHIP CHECK. FAILURE TO ENDORSE  
7 THIS CHECK AS DIRECTED BY THE DEPARTMENT MAY SUBJECT  
8 THE ENDORSER TO CIVIL PENALTIES AND CRIMINAL  
9 PROSECUTION."

10 (2) A PARENT'S ENDORSEMENT OR USE OF AN OPPORTUNITY  
11 SCHOLARSHIP CHECK IN A MANNER OTHER THAN AS DIRECTED BY THE  
12 DEPARTMENT MAY SUBJECT THE PARENT TO THE FOLLOWING PENALTIES:

13 (I) A CIVIL PENALTY EQUAL TO 300% OF THE FULL AMOUNT  
14 OF THE ANNUAL OPPORTUNITY SCHOLARSHIP AWARDED TO THE  
15 OPPORTUNITY SCHOLARSHIP RECIPIENT.

16 (II) DISQUALIFICATION FROM FUTURE ELIGIBILITY FOR AN  
17 OPPORTUNITY SCHOLARSHIP.

18 (III) CRIMINAL PROSECUTION.

19 (C) ENROLLMENT REQUIREMENTS.--THE FOLLOWING SHALL APPLY TO A  
20 PARTICIPATING NONPUBLIC SCHOOL WHICH ADMITS AN OPPORTUNITY  
21 SCHOLARSHIP RECIPIENT:

22 (1) THE PARTICIPATING NONPUBLIC SCHOOL SHALL NOT  
23 DISCRIMINATE ON ANY BASIS THAT IS ILLEGAL UNDER FEDERAL OR  
24 STATE LAWS APPLICABLE TO NONPUBLIC SCHOOLS ON THE DATE PRIOR  
25 TO THE EFFECTIVE DATE OF THIS SECTION.

26 (2) THE PARTICIPATING NONPUBLIC SCHOOL SHALL COMPLY WITH  
27 SECTION 1521, WHICH PROHIBITS DISCRIMINATION IN ENROLLMENT ON  
28 THE BASIS OF RACE OR COLOR.

29 (3) THE PARTICIPATING NONPUBLIC SCHOOL MAY NOT RECRUIT  
30 ANY PUBLIC SCHOOL STUDENT TO ENROLL FOR ATHLETIC PURPOSES.

1           (4) FOR EACH SCHOOL YEAR, BY A DATE ESTABLISHED BY THE  
2 DEPARTMENT, A NONPUBLIC SCHOOL THAT DESIRES TO ENROLL  
3 OPPORTUNITY SCHOLARSHIP RECIPIENTS UNDER THIS SUBARTICLE  
4 SHALL CERTIFY TO THE DEPARTMENT THAT IT SATISFIES THE  
5 DEFINITION OF "PARTICIPATING NONPUBLIC SCHOOL" IN SECTION  
6 2502-B. SUCH CERTIFICATION SHALL BE ON A FORM DEVELOPED BY  
7 THE DEPARTMENT.

8           (D) POLICIES.--UPON REQUEST, A PARTICIPATING NONPUBLIC  
9 SCHOOL SHALL MAKE AVAILABLE FOR REVIEW BY THE PARENTS OF ANY  
10 OPPORTUNITY SCHOLARSHIP RECIPIENT SEEKING ENROLLMENT, ITS  
11 WRITTEN SCHOOL POLICIES AND PROCEDURES RELATED TO TUITION  
12 CHARGES, ADMISSIONS, ACADEMIC OFFERINGS AND REQUIREMENTS,  
13 DISCIPLINE, RELIGIOUS INSTRUCTION, PARENT INVOLVEMENT,  
14 STANDARDIZED TESTING, THE RELEASE OF RESULTS OF STANDARDIZED  
15 TESTS ADMINISTERED BY THE PARTICIPATING NONPUBLIC SCHOOL,  
16 EXTRACURRICULAR ACTIVITIES AND SUSPENSION AND EXPULSION OF  
17 STUDENTS, INCLUDING EDUCATIONAL ACCOMMODATIONS AND COUNSELING  
18 OFFERED TO STUDENTS AND PARENTS.

19           (E) ASSESSMENTS.--

20           (1) (I) EACH PARTICIPATING NONPUBLIC SCHOOL SHALL  
21 ADMINISTER ANNUALLY AN ASSESSMENT OR A NATIONALLY NORMED  
22 STANDARDIZED ACHIEVEMENT TEST IN READING/LANGUAGE ARTS  
23 AND MATHEMATICS TO EACH OPPORTUNITY SCHOLARSHIP RECIPIENT  
24 ATTENDING THE PARTICIPATING NONPUBLIC SCHOOL IN GRADES 3,  
25 5, 8 AND 11.

26           (II) TO COMPLY WITH THIS PARAGRAPH, A PARTICIPATING  
27 NONPUBLIC SCHOOL MAY EITHER ADMINISTER AN ASSESSMENT OR  
28 ADMINISTER A NATIONALLY NORMED STANDARDIZED ACHIEVEMENT  
29 TEST CHOSEN BY THE PARTICIPATING NONPUBLIC SCHOOL FROM A  
30 LIST ESTABLISHED UNDER PARAGRAPH (2).

1           (2) THE DEPARTMENT SHALL ESTABLISH A LIST OF AT LEAST  
2 EIGHT NATIONALLY NORMED STANDARDIZED ACHIEVEMENT TESTS FROM  
3 WHICH THE PARTICIPATING NONPUBLIC SCHOOL SHALL SELECT A TEST  
4 TO BE ADMINISTERED IF THE PARTICIPATING NONPUBLIC SCHOOL DOES  
5 NOT CHOOSE TO ADMINISTER AN ASSESSMENT.

6           (3) EACH PARTICIPATING NONPUBLIC SCHOOL SHALL:

7           (I) RELEASE EACH OPPORTUNITY SCHOLARSHIP RECIPIENT'S  
8 INDIVIDUAL RESULTS ON THE ASSESSMENT OR NATIONALLY NORMED  
9 STANDARDIZED ACHIEVEMENT TEST ADMINISTERED TO OPPORTUNITY  
10 SCHOLARSHIP RECIPIENTS UNDER PARAGRAPH (1) TO THE PARENT  
11 OF THE OPPORTUNITY SCHOLARSHIP RECIPIENT.

12           (II) IF THE PARTICIPATING NONPUBLIC SCHOOL HAS A  
13 PUBLICLY ACCESSIBLE INTERNET WEBSITE, POST ON THE WEBSITE  
14 THE PARTICIPATING NONPUBLIC SCHOOL'S AGGREGATE RESULTS ON  
15 THE ASSESSMENT OR NATIONALLY NORMED STANDARDIZED  
16 ACHIEVEMENT TEST ADMINISTERED TO OPPORTUNITY SCHOLARSHIP  
17 RECIPIENTS UNDER PARAGRAPH (1), PROVIDED THAT THE  
18 PARTICIPATING NONPUBLIC SCHOOL SHALL NOT POST RESULTS  
19 THAT REVEAL THE IDENTITY OF ANY INDIVIDUAL STUDENT.

20           (4) THE PARTICIPATING NONPUBLIC SCHOOL SHALL BEAR THE  
21 COST OF THE TESTING ADMINISTERED UNDER THIS SUBSECTION AND  
22 SHALL NOT IMPOSE AN ASSESSMENT OR TESTING FEE ON AN  
23 OPPORTUNITY SCHOLARSHIP RECIPIENT.

24           (5) THE DEPARTMENT MAY NOT REQUIRE A PARTICIPATING  
25 NONPUBLIC SCHOOL TO PROVIDE INDIVIDUAL OR AGGREGATE RESULTS  
26 OF THE TESTING ADMINISTERED UNDER THIS SUBSECTION OTHER THAN  
27 AS PRESCRIBED IN PARAGRAPH (3).

28           (F) CONSTRUCTION.--NOTHING IN THIS SUBARTICLE SHALL BE  
29 CONSTRUED TO:

30           (1) PROHIBIT A PARTICIPATING NONPUBLIC SCHOOL FROM

1 LIMITING ADMISSION TO A PARTICULAR GRADE LEVEL, TO A SINGLE  
2 GENDER OR TO AN ACADEMIC OR SOCIAL FOCUS ON A PARTICULAR  
3 THEME, INCLUDING, BUT NOT LIMITED TO, SCIENCE, MATHEMATICS,  
4 PERFORMING ARTS AND FOREIGN LANGUAGE.

5 (2) EMPOWER THE COMMONWEALTH OR ANY OF ITS AGENCIES OR  
6 OFFICERS OR POLITICAL SUBDIVISIONS TO IMPOSE ANY ADDITIONAL  
7 REQUIREMENTS ON ANY PARTICIPATING NONPUBLIC SCHOOL WHICH ARE  
8 NOT OTHERWISE AUTHORIZED UNDER THE LAWS OF THIS COMMONWEALTH  
9 OR TO REQUIRE ANY PARTICIPATING NONPUBLIC SCHOOL TO ENROLL  
10 ANY OPPORTUNITY SCHOLARSHIP RECIPIENT IF THE PARTICIPATING  
11 NONPUBLIC SCHOOL DOES NOT OFFER APPROPRIATE PROGRAMS OR IS  
12 NOT STRUCTURED OR EQUIPPED WITH THE NECESSARY FACILITIES TO  
13 MEET THE SPECIAL NEEDS OF THE OPPORTUNITY SCHOLARSHIP  
14 RECIPIENT OR DOES NOT OFFER A PARTICULAR PROGRAM REQUESTED.

15 SECTION 2506-B. AMOUNT OF OPPORTUNITY SCHOLARSHIP.

16 (A) CALCULATION.--

17 (1) EXCEPT AS PROVIDED IN SUBSECTION (D) (2), THE AMOUNT  
18 OF THE OPPORTUNITY SCHOLARSHIP FOR EACH OPPORTUNITY  
19 SCHOLARSHIP RECIPIENT SHALL BE AS FOLLOWS:

20 (I) A BASE AMOUNT EQUAL TO 100% OF THE  
21 COMMONWEALTH'S SHARE OF THE RESIDENT SCHOOL DISTRICT'S  
22 TOTAL REVENUE PER AVERAGE DAILY MEMBERSHIP.

23 (II) THE BASE AMOUNT UNDER SUBPARAGRAPH (I) SHALL BE  
24 MULTIPLIED BY THE APPROPRIATE FACTOR STATED IN THIS  
25 SUBPARAGRAPH:

26 HOUSEHOLD INCOME AS A PERCENTAGE OF  
27 THE FEDERAL POVERTY LINE FOR THE  
28 SCHOOL YEAR PRECEDING THE SCHOOL  
29 YEAR FOR WHICH AN OPPORTUNITY

30 SCHOLARSHIP IS TO BE DISTRIBUTED FACTOR



1 AUTHORIZED, THE DEPARTMENT SHALL MAKE PRO RATA REDUCTIONS IN  
2 THE AMOUNT OF THE OPPORTUNITY SCHOLARSHIP PROVIDED TO EACH  
3 OPPORTUNITY SCHOLARSHIP RECIPIENT.

4 (3) THE TOTAL AMOUNT OF OPPORTUNITY SCHOLARSHIPS  
5 PROVIDED FOR THE 2012-2013 SCHOOL YEAR AND EACH SCHOOL YEAR  
6 THEREAFTER SHALL BE LIMITED TO THE AMOUNT OF MONEY  
7 APPROPRIATED FOR THAT FISCAL YEAR AND THE AMOUNT OF MONEY IN  
8 THE RESTRICTED ACCOUNT ESTABLISHED UNDER PARAGRAPH (4).

9 (4) THE OPPORTUNITY SCHOLARSHIP ACCOUNT IS HEREBY  
10 ESTABLISHED AS A RESTRICTED ACCOUNT IN THE GENERAL FUND. THE  
11 ACCOUNT MAY BE FUNDED BY AN ANNUAL APPROPRIATION FROM THE  
12 GENERAL ASSEMBLY FOR THIS PROGRAM, ANY MONEY COLLECTED UNDER  
13 SUBSECTION (C), ANY MONEYS SUBJECT TO REDUCTION UNDER SECTION  
14 2508-B(A) AND INTEREST DERIVED FROM MONEYS IN THE ACCOUNT.  
15 MONEYS IN THE ACCOUNT ARE CONTINUOUSLY APPROPRIATED TO THE  
16 DEPARTMENT FOR USE IN ACCORDANCE WITH THIS SUBARTICLE.

17 (E) NONTAXABLE.--OPPORTUNITY SCHOLARSHIP FUNDS RECEIVED BY A  
18 PARENT PURSUANT TO THIS SUBARTICLE SHALL NOT BE CONSIDERED  
19 TAXABLE INCOME FOR PURPOSES OF ANY LOCAL TAXING ORDINANCE OR FOR  
20 PURPOSES OF ARTICLE III OF THE ACT OF MARCH 4, 1971 (P.L.6,  
21 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, NOR SHALL SUCH  
22 OPPORTUNITY SCHOLARSHIPS CONSTITUTE FINANCIAL ASSISTANCE OR  
23 APPROPRIATIONS TO THE PARTICIPATING NONPUBLIC SCHOOL ATTENDED BY  
24 THE OPPORTUNITY SCHOLARSHIP RECIPIENT.

25 (F) CONTINUED ELIGIBILITY.--

26 (1) SUBJECT TO SUBSECTION (D) AND PARAGRAPH (2), A CHILD  
27 ENROLLED IN A NONRESIDENT PUBLIC SCHOOL OR A PARTICIPATING  
28 NONPUBLIC SCHOOL WHO RECEIVED AN OPPORTUNITY SCHOLARSHIP  
29 UNDER THIS SUBARTICLE IN THE PRIOR SCHOOL YEAR SHALL RECEIVE  
30 AN OPPORTUNITY SCHOLARSHIP IN EACH SUCCESSIVE SCHOOL YEAR

1 UNTIL THE CHILD COMPLETES GRADE 12.

2 (2) (I) IF A CHILD WHO RECEIVED AN OPPORTUNITY  
3 SCHOLARSHIP UNDER THIS SUBARTICLE IN THE PRIOR SCHOOL  
4 YEAR CEASES TO QUALIFY AS A LOW-INCOME CHILD, THE CHILD  
5 SHALL CONTINUE TO RECEIVE A PARTIAL SCHOLARSHIP FOR THE  
6 LESSER OF FIVE YEARS OR UNTIL COMPLETION OF GRADE 12.

7 (II) IN CALCULATING THE AMOUNT OF THE PARTIAL  
8 SCHOLARSHIP, THE DEPARTMENT SHALL MAKE A REDUCTION OF THE  
9 OPPORTUNITY SCHOLARSHIP IN PROPORTION TO THE PERCENTAGE  
10 BY WHICH THE CHILD'S HOUSEHOLD INCOME EXCEEDS THE  
11 DEFINITION OF "LOW-INCOME CHILD" UNDER THIS SUBARTICLE.

12 (G) PENALTIES.--ANY PERSON WHO FRAUDULENTLY SUBMITS AN  
13 OPPORTUNITY OR LOCAL SCHOLARSHIP APPLICATION OR WHO KNOWINGLY  
14 FALSIFIES MATERIAL INFORMATION ON AN OPPORTUNITY OR LOCAL  
15 SCHOLARSHIP APPLICATION SHALL BE SUBJECT TO THE FOLLOWING  
16 PENALTIES:

17 (1) IMPOSITION BY THE DEPARTMENT OF A CIVIL PENALTY OF  
18 UP TO \$1,000.

19 (2) PROSECUTION FOR VIOLATION OF 18 PA.C.S. § 4904  
20 (RELATING TO UNSWORN FALSIFICATION TO AUTHORITIES).

21 (3) DISQUALIFICATION FROM FUTURE PARTICIPATION IN THE  
22 OPPORTUNITY SCHOLARSHIP PROGRAM.

23 (H) RESIDENCE IN MORE THAN ONE SCHOOL DISTRICT WITHIN A  
24 SCHOOL YEAR.--

25 (1) WHERE AN OPPORTUNITY SCHOLARSHIP RECIPIENT RESIDES  
26 WITHIN MORE THAN ONE SCHOOL DISTRICT DURING A SCHOOL YEAR,  
27 THE AMOUNT OF THE OPPORTUNITY SCHOLARSHIP SHALL BE CHARGED  
28 AGAINST EACH RESIDENT SCHOOL DISTRICT ON A PRO RATA BASIS.

29 (2) WHERE A CHILD WHO RECEIVED A LOCAL SCHOLARSHIP FOR  
30 THE CURRENT SCHOOL YEAR RELOCATES TO ANOTHER RESIDENT SCHOOL



1 DISTRICT DURING THE SCHOOL YEAR FOR WHICH THE LOCAL  
2 SCHOLARSHIP WAS AWARDED, THE FOLLOWING SHALL APPLY:

3 (I) THE DEPARTMENT SHALL REFUND TO THE RESIDENT  
4 SCHOOL DISTRICT THAT AWARDED THE LOCAL SCHOLARSHIP THE  
5 FULL AMOUNT OF THE LOCAL SCHOLARSHIP, REDUCED ON A PRO  
6 RATA BASIS FOR THE PORTION OF THE SCHOOL YEAR IN WHICH  
7 THE CHILD RESIDED IN THE RESIDENT SCHOOL DISTRICT.

8 (II) IF THE CHILD RELOCATES TO A RESIDENT SCHOOL  
9 DISTRICT THAT ELECTED TO PROVIDE A LOCAL SCHOLARSHIP FOR  
10 THE CURRENT SCHOOL YEAR, THE RESIDENT SCHOOL DISTRICT TO  
11 WHICH THE CHILD HAS RELOCATED SHALL PROVIDE THE CHILD A  
12 LOCAL SCHOLARSHIP, REDUCED ON A PRO RATA BASIS FOR THE  
13 PORTION OF THE SCHOOL YEAR THAT HAS BEEN COMPLETED. THE  
14 LOCAL SCHOLARSHIP SHALL BE PAID UNDER SECTION 2504-B(B).

15 (III) IF THE RESIDENT SCHOOL DISTRICT TO WHICH THE  
16 CHILD HAS RELOCATED DID NOT ELECT TO PROVIDE A LOCAL  
17 SCHOLARSHIP FOR THE CURRENT SCHOOL YEAR UNDER SECTION  
18 2504-B(B), THE RESIDENT SCHOOL DISTRICT TO WHICH THE  
19 CHILD HAS RELOCATED SHALL NOT PROVIDE THE CHILD A LOCAL  
20 SCHOLARSHIP.

21 SECTION 2507-B. GUIDELINES.

22 (A) REQUIREMENTS.--WITHIN 60 DAYS OF THE EFFECTIVE DATE OF  
23 THIS SECTION, THE DEPARTMENT, SUBJECT TO THE APPROVAL OF THE  
24 BOARD UNDER SECTION 2509-B(G), SHALL ESTABLISH GUIDELINES THAT  
25 PROVIDE THE FOLLOWING:

26 (1) FORMS TO APPLY FOR OPPORTUNITY AND LOCAL  
27 SCHOLARSHIPS, INCLUDING APPLICATION AND APPROVAL PROCESSES  
28 AND DEADLINES FOR APPLICATION AND NOTIFICATION.

29 (2) PROCEDURES TO VERIFY THE ACCURACY OF THE INFORMATION  
30 PROVIDED IN AN OPPORTUNITY OR LOCAL SCHOLARSHIP APPLICATION.

1           (3) PROCEDURES FOR SCHOOL DISTRICT, SCHOOL AND PARENT  
2 NOTIFICATION OF OPPORTUNITY OR LOCAL SCHOLARSHIP AWARDS.

3           (4) PROCEDURES FOR ADMINISTRATION OF THE OPPORTUNITY AND  
4 LOCAL SCHOLARSHIP PROGRAMS.

5           (5) CONFIRMATION OF SCHOOL ENROLLMENT BY OPPORTUNITY  
6 SCHOLARSHIP RECIPIENTS.

7           (6) PROCEDURES FOR MAKING PAYMENT OF OPPORTUNITY  
8 SCHOLARSHIPS, INCLUDING POLICIES AND PROCEDURES TO MINIMIZE  
9 THE LIKELIHOOD OF FRAUD OR MISUSE OF OPPORTUNITY SCHOLARSHIP  
10 FUNDS. FOR AN OPPORTUNITY SCHOLARSHIP RECIPIENT ENROLLED IN A  
11 PARTICIPATING NONPUBLIC SCHOOL, THE PROCEDURES SHALL INCLUDE  
12 RESTRICTIVE ENDORSEMENT OF OPPORTUNITY SCHOLARSHIP CHECKS TO  
13 THE PARTICIPATING NONPUBLIC SCHOOL IN WHICH THE OPPORTUNITY  
14 SCHOLARSHIP RECIPIENT IS ENROLLED.

15           (7) PROCEDURES FOR PARTICIPATING NONPUBLIC SCHOOLS TO  
16 PAY PRO RATA REFUNDS OF OPPORTUNITY SCHOLARSHIPS TO THE  
17 DEPARTMENT WHEN AN OPPORTUNITY SCHOLARSHIP RECIPIENT  
18 WITHDRAWS FROM A PARTICIPATING NONPUBLIC SCHOOL DURING THE  
19 SCHOOL YEAR FOR WHICH THE OPPORTUNITY SCHOLARSHIP WAS PAID.

20           (8) DEVELOPMENT AND DISTRIBUTION OF PUBLIC INFORMATION  
21 CONCERNING THE OPPORTUNITY AND LOCAL SCHOLARSHIP PROGRAMS.

22           (9) PROCEDURES TO DETERMINE THE ELIGIBILITY OF HOMELESS  
23 STUDENTS FOR OPPORTUNITY SCHOLARSHIPS UNDER THIS SUBARTICLE,  
24 CONSISTENT WITH THE STEWART B. MCKINNEY HOMELESS ASSISTANCE  
25 ACT (PUBLIC LAW 100-77, 101 STAT. 482) OR A SUCCESSOR FEDERAL  
26 STATUTE.

27           (10) DEADLINE DATES FOR ACTIONS REQUIRED TO BE TAKEN BY  
28 THE DEPARTMENT, SCHOOL DISTRICTS, PARTICIPATING NONPUBLIC  
29 SCHOOLS AND PARENTS UNDER THIS SUBARTICLE.

30           (11) POLICIES AND PROCEDURES TO BE FOLLOWED BY THE

1 PARTICIPATING NONPUBLIC SCHOOLS IN POSTING THE AGGREGATE  
2 RESULTS OF THE ASSESSMENT OR NATIONALLY NORMED STANDARDIZED  
3 ACHIEVEMENT TEST ADMINISTERED TO OPPORTUNITY SCHOLARSHIP  
4 RECIPIENTS PURSUANT TO SECTION 2505-B(E) (3) (II), PROVIDED  
5 THAT THE DEPARTMENT SHALL NOT REQUIRE A PARTICIPATING  
6 NONPUBLIC SCHOOL TO PROVIDE INDIVIDUAL OR AGGREGATE RESULTS  
7 OF THE TESTING ADMINISTERED UNDER SECTION 2505-B(E) DIRECTLY  
8 TO THE DEPARTMENT OR REQUIRE A PARTICIPATING NONPUBLIC SCHOOL  
9 TO PROVIDE TESTING RESULTS OR INFORMATION BEYOND THE  
10 REQUIREMENTS OF SECTION 2505-B(E) (3).

11 (12) SUCH OTHER PROCEDURES AS ARE NECESSARY TO FULLY  
12 IMPLEMENT THE OPPORTUNITY AND LOCAL SCHOLARSHIP PROGRAMS.

13 (13) A LIST OF AT LEAST EIGHT NATIONALLY NORMED  
14 STANDARDIZED ACHIEVEMENT TESTS FROM WHICH A PARTICIPATING  
15 NONPUBLIC SCHOOL MAY SELECT A TEST TO BE ADMINISTERED  
16 PURSUANT TO SECTION 2505-B(E). THE INITIAL LIST DEVELOPED BY  
17 THE DEPARTMENT SHALL, AT A MINIMUM, INCLUDE THE FOLLOWING:  
18 CALIFORNIA ACHIEVEMENT TEST, COMPREHENSIVE TESTING PROGRAM  
19 (CTPIV), IOWA TEST OF BASIC SKILLS, METROPOLITAN ACHIEVEMENT  
20 TEST, PEABODY ACHIEVEMENT INDIVIDUAL TEST - REVISED VERSION,  
21 STANFORD ACHIEVEMENT TEST, TERRA NOVA AND WOODCOCK JOHNSON  
22 REVISED TESTS OF ACHIEVEMENT III.

23 (B) PUBLICATION.--THE GUIDELINES SHALL BE PUBLISHED AS A  
24 STATEMENT OF POLICY IN THE PENNSYLVANIA BULLETIN. THE DEPARTMENT  
25 SHALL POST THE GUIDELINES ON THE DEPARTMENT'S PUBLICLY  
26 ACCESSIBLE INTERNET WEBSITE.

27 (C) STATE BOARD OF EDUCATION.--NOTWITHSTANDING ANY OTHER  
28 PROVISION OF LAW TO THE CONTRARY, THE PROGRAMS, PROCEDURES AND  
29 GUIDELINES REQUIRED BY THIS SUBARTICLE SHALL NOT BE SUBJECT TO  
30 REVIEW, REGULATION OR APPROVAL BY THE STATE BOARD OF EDUCATION.

1 (D) EXEMPTION OF GUIDELINES FROM CERTAIN LAWS.--THE INITIAL  
2 GUIDELINES ESTABLISHED BY THE DEPARTMENT, AND ANY AMENDMENTS  
3 THERE TO, SHALL BE EXEMPT FROM THE REQUIREMENTS OF THE FOLLOWING:

4 (1) THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS  
5 THE REGULATORY REVIEW ACT.

6 (2) THE ACT OF JULY 31, 1968 (P.L.769, NO.240), REFERRED  
7 TO AS THE COMMONWEALTH DOCUMENTS LAW.

8 (3) THE ACT OF OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN  
9 AS THE COMMONWEALTH ATTORNEYS ACT.

10 SECTION 2508-B. REDUCTION IN AMOUNT OF SCHOOL AID.

11 (A) GENERAL RULE.--NOTWITHSTANDING ANY OTHER PROVISION OF  
12 LAW TO THE CONTRARY, BEGINNING IN THE SECOND CONSECUTIVE SCHOOL  
13 YEAR OF ENROLLMENT IN A NONRESIDENT PUBLIC SCHOOL OR A  
14 PARTICIPATING NONPUBLIC SCHOOL BY AN OPPORTUNITY SCHOLARSHIP  
15 RECIPIENT WHO WAS ENROLLED IN THE RECIPIENT'S RESIDENT SCHOOL  
16 DISTRICT OR IN A CHARTER SCHOOL OR CYBER CHARTER SCHOOL WHEN THE  
17 RECIPIENT FIRST RECEIVED AN OPPORTUNITY SCHOLARSHIP UNDER THIS  
18 SUBARTICLE, THE AMOUNT OF COMMONWEALTH BASIC EDUCATION FUNDING  
19 AND ANY OTHER SUBSIDIES PAID BY THE DEPARTMENT TO THE RESIDENT  
20 SCHOOL DISTRICT SHALL BE REDUCED BY AN AMOUNT EQUAL TO THE  
21 COMMONWEALTH'S SHARE OF THE SCHOOL DISTRICT'S TOTAL REVENUE PER  
22 AVERAGE DAILY MEMBERSHIP.

23 (B) AVERAGE DAILY MEMBERSHIP.--WHERE A RESIDENT SCHOOL  
24 DISTRICT'S BASIC EDUCATION FUNDING AND ANY OTHER SUBSIDIES ARE  
25 REDUCED UNDER SUBSECTION (A), THE FOLLOWING SHALL APPLY:

26 (1) THE RESIDENT SCHOOL DISTRICT SHALL INCLUDE THE  
27 OPPORTUNITY SCHOLARSHIP RECIPIENT IN THE RESIDENT SCHOOL  
28 DISTRICT'S AVERAGE DAILY MEMBERSHIP.

29 (2) A NONRESIDENT SCHOOL DISTRICT IN WHICH THE  
30 OPPORTUNITY SCHOLARSHIP RECIPIENT IS ENROLLED SHALL NOT

1 INCLUDE THE OPPORTUNITY SCHOLARSHIP RECIPIENT IN THE  
2 NONRESIDENT SCHOOL DISTRICT'S AVERAGE DAILY MEMBERSHIP.  
3 SECTION 2509-B. EDUCATION OPPORTUNITY BOARD.

4 (A) ESTABLISHMENT.--AN INDEPENDENT BOARD TO BE KNOWN AS THE  
5 EDUCATION OPPORTUNITY BOARD IS ESTABLISHED WITHIN THE  
6 DEPARTMENT. THE BOARD SHALL CONSIST OF THREE MEMBERS WHOSE  
7 INITIAL APPOINTMENTS SHALL BE MADE BY THE GOVERNOR. THE GOVERNOR  
8 MAY APPOINT NO MORE THAN TWO MEMBERS TO THE BOARD WHO ARE  
9 MEMBERS OF THE SAME POLITICAL PARTY AS THE GOVERNOR. NO CURRENT  
10 STATE PUBLIC OFFICIAL OR APPOINTEE SHALL BE APPOINTED TO SERVE  
11 AS A MEMBER OF THE BOARD.

12 (B) APPOINTMENT OF SUCCESSORS.--UPON THE EXPIRATION OF THE  
13 TERM OR THE OCCURRENCE OF A VACANCY IN THE OFFICE OF A MEMBER OF  
14 THE BOARD, THE GOVERNOR SHALL APPOINT A SUCCESSOR MEMBER WITH  
15 THE ADVICE AND CONSENT OF A MAJORITY OF THE MEMBERS ELECTED TO  
16 THE SENATE.

17 (C) TERMS OF MEMBERS.--MEMBERS OF THE BOARD SHALL SERVE A  
18 TERM OF FOUR YEARS. MEMBERS SHALL CONTINUE TO SERVE AFTER THE  
19 EXPIRATION OF THEIR TERM UNTIL THE GOVERNOR APPOINTS A  
20 REPLACEMENT WHO IS CONFIRMED BY A MAJORITY OF THE MEMBERS  
21 ELECTED TO THE SENATE. ALL MEMBERS OF THE BOARD MUST BE  
22 RESIDENTS OF THIS COMMONWEALTH.

23 (D) CHAIRPERSON.--THE GOVERNOR SHALL ANNUALLY SELECT A  
24 CHAIRPERSON FROM AMONG THE MEMBERSHIP OF THE BOARD.

25 (E) MEETINGS.--MEETINGS SHALL BE HELD AT LEAST QUARTERLY AT  
26 THE CALL OF THE CHAIRPERSON OR UPON REQUEST IN WRITING OF A  
27 MAJORITY OF THE BOARD. A MAJORITY SHALL CONSTITUTE A QUORUM AND  
28 A MAJORITY OF SUCH QUORUM SHALL HAVE THE AUTHORITY TO ACT UPON  
29 ANY MATTER PROPERLY BEFORE THE BOARD UNLESS OTHERWISE SPECIFIED  
30 IN THIS SUBARTICLE.

1 (F) COMPENSATION PROHIBITED.--MEMBERS OF THE BOARD SHALL  
2 RECEIVE NO COMPENSATION FOR THEIR SERVICES BUT SHALL BE  
3 REIMBURSED FOR THEIR ACTUAL AND NECESSARY EXPENSES INCURRED IN  
4 THE PERFORMANCE OF THEIR OFFICIAL BOARD DUTIES.

5 (G) POWERS AND DUTIES.--THE BOARD SHALL HAVE THE FOLLOWING  
6 POWERS AND DUTIES:

7 (1) ADVISE THE DEPARTMENT CONCERNING THE IMPLEMENTATION  
8 AND ADMINISTRATION OF THE OPPORTUNITY SCHOLARSHIP AND LOCAL  
9 SCHOLARSHIP PROGRAMS.

10 (2) APPROVE, BY A MAJORITY VOTE, THE GUIDELINES  
11 ESTABLISHED BY THE DEPARTMENT UNDER SECTION 2507-B.

12 (3) PREPARE A REPORT TO BE SUBMITTED BY DECEMBER 1,  
13 2012, AND BY DECEMBER 1 OF EACH YEAR THEREAFTER, TO THE  
14 CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION COMMITTEE OF  
15 THE SENATE AND THE CHAIRMAN AND MINORITY CHAIRMAN OF THE  
16 EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES  
17 DESCRIBING THE MANNER IN WHICH THE BOARD CARRIES OUT ITS  
18 POWERS AND DUTIES UNDER THIS SUBSECTION.

19 (H) STAFF.--THE DEPARTMENT SHALL PROVIDE, FROM EXISTING  
20 PERSONNEL OF THE DEPARTMENT, ADEQUATE STAFFING TO FACILITATE THE  
21 RESPONSIBILITIES OF THE BOARD.

22 SECTION 2509.1-B. POWERS AND DUTIES OF DEPARTMENT.

23 THE DEPARTMENT SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

24 (1) ESTABLISH GUIDELINES FOR THE ADMINISTRATION OF THE  
25 OPPORTUNITY AND LOCAL SCHOLARSHIP PROGRAMS, SUBJECT TO THE  
26 APPROVAL OF THE BOARD, AS REQUIRED UNDER SECTION 2507-B.

27 (2) ADMINISTER THE OPPORTUNITY AND LOCAL SCHOLARSHIP  
28 APPLICATION AND APPROVAL PROCESSES.

29 (3) DEVELOP THE OPPORTUNITY AND LOCAL SCHOLARSHIP  
30 APPLICATION FORM AND ANY OTHER FORMS NECESSARY TO ADMINISTER

1 THE OPPORTUNITY AND LOCAL SCHOLARSHIP PROGRAMS, INCLUDING THE  
2 NOTICE REQUIRED TO BE PROVIDED BY SCHOOL DISTRICTS UNDER  
3 SECTION 2503-B(D).

4 (4) REVIEW AND VERIFY THE INCOME AND RESIDENCE OF  
5 OPPORTUNITY AND LOCAL SCHOLARSHIP APPLICANTS.

6 (5) ANNOUNCE THE AWARD OF OPPORTUNITY AND LOCAL  
7 SCHOLARSHIPS FOR THE FOLLOWING SCHOOL YEAR UNDER SECTIONS  
8 2504-B(C) AND 2505-B(A).

9 (6) CONFIRM THE ENROLLMENT OF OPPORTUNITY SCHOLARSHIP  
10 RECIPIENTS IN NONRESIDENT PUBLIC SCHOOLS AND PARTICIPATING  
11 NONPUBLIC SCHOOLS AND ALLOCATE OPPORTUNITY SCHOLARSHIP FUNDS  
12 TO OPPORTUNITY SCHOLARSHIP RECIPIENTS.

13 (7) MAKE PAYMENT OF OPPORTUNITY SCHOLARSHIPS AS PROVIDED  
14 IN SECTIONS 2504-B AND 2505-B.

15 (8) NOTIFY SCHOOL DISTRICTS THAT ELECT TO CREATE A LOCAL  
16 SCHOLARSHIP WHEN PAYMENT MUST BE MADE UNDER SECTION  
17 2504-B(B).

18 (9) MAKE PAYMENT TO NONRESIDENT PUBLIC SCHOOLS OF LOCAL  
19 SCHOLARSHIPS PAID TO THE DEPARTMENT UNDER SECTION  
20 2504-B(B)(3).

21 (10) BEGINNING AFTER THE FIRST SCHOOL YEAR OF  
22 IMPLEMENTATION OF THE OPPORTUNITY SCHOLARSHIP PROGRAM,  
23 PREPARE A REPORT TO BE SUBMITTED TO THE GOVERNOR AND THE  
24 GENERAL ASSEMBLY BY DECEMBER 1 OF EACH YEAR, MADE AVAILABLE  
25 TO THE PARENTS OF OPPORTUNITY SCHOLARSHIP RECIPIENTS AND  
26 PLACED ON THE DEPARTMENT'S PUBLICLY ACCESSIBLE INTERNET  
27 WEBSITE THAT INCLUDES AT LEAST THE FOLLOWING INFORMATION FOR  
28 THE PRIOR SCHOOL YEAR:

29 (I) THE TOTAL NUMBER OF OPPORTUNITY SCHOLARSHIPS  
30 REQUESTED.

1           (II) THE TOTAL NUMBER AND TOTAL DOLLAR AMOUNT OF  
2 OPPORTUNITY SCHOLARSHIPS AWARDED, IN TOTAL AND  
3 DISAGGREGATED BY:

4           (A) WHETHER THE OPPORTUNITY SCHOLARSHIP  
5 RECIPIENT ATTENDS A NONRESIDENT PUBLIC SCHOOL OR A  
6 PARTICIPATING NONPUBLIC SCHOOL.

7           (B) GRADE LEVEL OF THE OPPORTUNITY SCHOLARSHIP  
8 RECIPIENT.

9           (III) THE ADMINISTRATIVE COSTS OF THE OPPORTUNITY  
10 SCHOLARSHIP PROGRAM.

11           (IV) A LISTING OF NONRESIDENT PUBLIC SCHOOLS TO  
12 WHICH OPPORTUNITY SCHOLARSHIP FUNDS WERE DISBURSED ON  
13 BEHALF OF OPPORTUNITY SCHOLARSHIP RECIPIENTS AND THE  
14 AMOUNT DISBURSED TO EACH NONRESIDENT PUBLIC SCHOOL.

15           (V) A LISTING OF PARTICIPATING NONPUBLIC SCHOOLS IN  
16 WHICH OPPORTUNITY SCHOLARSHIP RECIPIENTS ENROLLED AND THE  
17 NUMBER OF OPPORTUNITY SCHOLARSHIP RECIPIENTS WHO ENROLLED  
18 IN EACH PARTICIPATING NONPUBLIC SCHOOL.

19           (VI) THE TOTAL NUMBER AND TOTAL DOLLAR AMOUNT OF  
20 LOCAL SCHOLARSHIPS AWARDED, DISAGGREGATED BY THE RESIDENT  
21 SCHOOL DISTRICTS THAT MADE THE LOCAL SCHOLARSHIP AWARDS.

22 SECTION 2510-B. STUDY.

23           (A) DUTY OF DEPARTMENT TO CONDUCT.--FOLLOWING THE 2015-2016  
24 SCHOOL YEAR, THE DEPARTMENT SHALL CONDUCT A STUDY OF THE  
25 EFFECTIVENESS OF THE OPPORTUNITY SCHOLARSHIP PROGRAM AND SHALL  
26 DELIVER A WRITTEN REPORT OF ITS FINDINGS AND ANY RECOMMENDATIONS  
27 FOR CHANGES TO THE PROGRAM, WHICH MAY INCLUDE THE ADDITION OF  
28 PROGRAMS FOR SPECIAL EDUCATION STUDENTS, TO THE GOVERNOR, THE  
29 CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION COMMITTEE OF THE  
30 SENATE AND THE CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION



1 COMMITTEE OF THE HOUSE OF REPRESENTATIVES BY DECEMBER 31, 2016.  
2 THE STUDY SHALL ASSESS THE EFFECTIVENESS OF THE REQUIREMENTS OF  
3 SECTION 2505-B(E) AND SHALL BE CONDUCTED USING ONLY DATA POSTED  
4 ON THE PARTICIPATING NONPUBLIC SCHOOL'S PUBLICLY ACCESSIBLE  
5 INTERNET WEBSITE UNDER SECTION 2505-B(E) (3) (II). THE STUDY SHALL  
6 NOT INCLUDE AN EXAMINATION OF INDIVIDUAL STUDENT TEST RESULTS OR  
7 FILES MAINTAINED BY PARTICIPATING NONPUBLIC SCHOOLS.

8 (B) REPORT BY LEGISLATIVE BUDGET AND FINANCE COMMITTEE.--THE  
9 LEGISLATIVE BUDGET AND FINANCE COMMITTEE SHALL EXAMINE PROGRAMS  
10 CONSIDERED OR ADOPTED IN OTHER STATES TO SERVE STUDENTS WITH  
11 SPECIAL NEEDS AND THEIR FAMILIES AND SHALL REPORT TO THE GENERAL  
12 ASSEMBLY ON SUCH PROGRAMS BY JUNE 30, 2012.

13 SECTION 2511-B. EXCLUSIVE JURISDICTION OF SUPREME COURT.

14 THE PENNSYLVANIA SUPREME COURT SHALL HAVE EXCLUSIVE  
15 JURISDICTION TO HEAR ANY CHALLENGE OR TO RENDER A DECLARATORY  
16 JUDGMENT CONCERNING THE CONSTITUTIONALITY OF THIS SUBARTICLE.  
17 THE SUPREME COURT MAY TAKE SUCH ACTION AS IT DEEMS APPROPRIATE,  
18 CONSISTENT WITH THE SUPREME COURT'S RETAINING JURISDICTION OVER  
19 SUCH A MATTER, TO FIND FACTS OR TO EXPEDITE A FINAL JUDGMENT IN  
20 CONNECTION WITH SUCH A CHALLENGE OR REQUEST FOR DECLARATORY  
21 RELIEF.

22 SECTION 2512-B. OPTIONAL LOCAL TUITION GRANT PROGRAM.

23 A SCHOOL DISTRICT MAY, OUT OF FUNDS RECEIVED FROM THE  
24 COMMONWEALTH FOR EDUCATIONAL PURPOSES, ESTABLISH A PROGRAM OF  
25 TUITION GRANTS TO PROVIDE FOR THE EDUCATION OF RESIDENT STUDENTS  
26 WHO WISH TO ATTEND A NONRESIDENT PUBLIC SCHOOL OR A  
27 PARTICIPATING NONPUBLIC SCHOOL ON A TUITION BASIS. A STUDENT WHO  
28 RECEIVES A TUITION GRANT UNDER THIS SECTION SHALL BE INCLUDED IN  
29 THE AVERAGE DAILY MEMBERSHIP OF THE STUDENT'S RESIDENT SCHOOL  
30 DISTRICT.

1                   (C) EDUCATIONAL IMPROVEMENT TAX CREDIT

2 SECTION 2521-B. DEFINITIONS.

3           THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS SUBARTICLE  
4 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
5 CONTEXT CLEARLY INDICATES OTHERWISE:

6           "BUSINESS FIRM." AN ENTITY AUTHORIZED TO DO BUSINESS IN THIS  
7 COMMONWEALTH AND SUBJECT TO TAXES IMPOSED UNDER ARTICLE XVI OF  
8 THE ACT OF MAY 17, 1921 (P.L.682, NO.284), KNOWN AS THE  
9 INSURANCE COMPANY LAW OF 1921, OR ARTICLE III, IV, VI, VII,  
10 VIII, IX OR XV OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN  
11 AS THE TAX REFORM CODE OF 1971. THE TERM INCLUDES A PASS-THROUGH  
12 ENTITY. FOR PURPOSES OF THIS SUBARTICLE, A BUSINESS FIRM SHALL  
13 BE INCLUDED IN ONE OF THE FOLLOWING GROUPS:

14                   (1) GROUP 1 INCLUDES ANY BUSINESS FIRM THAT IS ENTERING  
15 THE SECOND YEAR OF A TWO-YEAR COMMITMENT.

16                   (2) GROUP 2 INCLUDES ANY BUSINESS FIRM THAT IS RENEWING  
17 A TWO-YEAR COMMITMENT THAT WAS FULFILLED IN THE MOST RECENT  
18 FISCAL YEAR OR IS APPLYING FOR TAX CREDITS FOR A CONTRIBUTION  
19 TO A PREKINDERGARTEN SCHOLARSHIP ORGANIZATION IN THE SAME  
20 AMOUNT THAT IT HAD CONTRIBUTED IN THE MOST RECENT FISCAL  
21 YEAR.

22                   (3) GROUP 3 INCLUDES ANY BUSINESS FIRM OTHER THAN A  
23 BUSINESS FIRM IN GROUP 1 OR GROUP 2.

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

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

30           "EDUCATIONAL IMPROVEMENT ORGANIZATION." A NONPROFIT ENTITY

1 WHICH:

2 (1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C)  
3 (3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514,  
4 26 U.S.C. § 1 ET SEQ.); AND

5 (2) CONTRIBUTES AT LEAST 80% OF ITS ANNUAL RECEIPTS AS  
6 GRANTS TO A PUBLIC SCHOOL, A CHARTERED SCHOOL AS DEFINED IN  
7 SECTION 1376.1(A) OR A PRIVATE SCHOOL APPROVED UNDER SECTION  
8 1376 FOR INNOVATIVE EDUCATIONAL PROGRAMS.

9 FOR PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY  
10 "CONTRIBUTES" ITS ANNUAL CASH RECEIPTS WHEN IT EXPENDS OR  
11 OTHERWISE IRREVOCABLY ENCUMBERS THOSE FUNDS FOR EXPENDITURE  
12 DURING THE THEN CURRENT FISCAL YEAR OF THE NONPROFIT ENTITY OR  
13 DURING THE NEXT SUCCEEDING FISCAL YEAR OF THE NONPROFIT ENTITY.  
14 A "NONPROFIT ENTITY" INCLUDES A SCHOOL DISTRICT FOUNDATION,  
15 PUBLIC SCHOOL FOUNDATION, CHARTER SCHOOL FOUNDATION OR CYBER  
16 CHARTER SCHOOL FOUNDATION.

17 "ELIGIBLE PREKINDERGARTEN STUDENT." A STUDENT, INCLUDING AN  
18 ELIGIBLE STUDENT WITH A DISABILITY, WHO IS ENROLLED IN A  
19 PREKINDERGARTEN PROGRAM AND IS A MEMBER OF A HOUSEHOLD WITH A  
20 MAXIMUM ANNUAL HOUSEHOLD INCOME AS INCREASED BY THE APPLICABLE  
21 INCOME ALLOWANCE.

22 "ELIGIBLE STUDENT." A SCHOOL-AGE STUDENT, INCLUDING AN  
23 ELIGIBLE STUDENT WITH A DISABILITY, WHO IS ENROLLED IN A SCHOOL  
24 AND IS A MEMBER OF A HOUSEHOLD WITH A MAXIMUM ANNUAL HOUSEHOLD  
25 INCOME AS INCREASED BY THE APPLICABLE INCOME ALLOWANCE.

26 "ELIGIBLE STUDENT WITH A DISABILITY." A PREKINDERGARTEN  
27 STUDENT OR A SCHOOL-AGE STUDENT WHO MEETS ALL OF THE FOLLOWING:

28 (1) IS EITHER ENROLLED IN A SPECIAL EDUCATION SCHOOL OR  
29 HAS OTHERWISE BEEN IDENTIFIED, IN ACCORDANCE WITH 22 PA. CODE  
30 CH. 14 (RELATING TO SPECIAL EDUCATION SERVICES AND PROGRAMS),

1 AS A "CHILD WITH A DISABILITY," AS DEFINED IN 34 CFR § 300.8  
2 (RELATING TO CHILD WITH A DISABILITY).

3 (2) NEEDS SPECIAL EDUCATION AND RELATED SERVICES.

4 (3) IS ENROLLED IN A PREKINDERGARTEN PROGRAM OR IN A  
5 SCHOOL.

6 (4) IS A MEMBER OF A HOUSEHOLD WITH A HOUSEHOLD INCOME  
7 OF NOT MORE THAN THE MAXIMUM ANNUAL HOUSEHOLD INCOME.

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

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

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

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

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

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

29 (5) PAYMENTS TO REIMBURSE ACTUAL EXPENSES.

30 (6) PAYMENTS MADE BY EMPLOYERS OR LABOR UNIONS FOR

1 PROGRAMS COVERING HOSPITALIZATION, SICKNESS, DISABILITY OR  
2 DEATH, SUPPLEMENTAL UNEMPLOYMENT BENEFITS, STRIKE BENEFITS,  
3 SOCIAL SECURITY AND RETIREMENT.

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

7 (1) SUBJECT TO PARAGRAPH (2), THE AMOUNT OF \$12,000 FOR  
8 EACH ELIGIBLE STUDENT, ELIGIBLE PREKINDERGARTEN STUDENT AND  
9 DEPENDENT MEMBER OF A HOUSEHOLD.

10 (2) BEGINNING JULY 1, 2013, THE DEPARTMENT OF COMMUNITY  
11 AND ECONOMIC DEVELOPMENT SHALL ANNUALLY ADJUST THE INCOME  
12 ALLOWANCE AMOUNT UNDER PARAGRAPH (1) TO REFLECT ANY UPWARD  
13 CHANGES IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS  
14 FOR THE PENNSYLVANIA, NEW JERSEY, DELAWARE AND MARYLAND AREA  
15 IN THE PRECEDING 12 MONTHS AND SHALL IMMEDIATELY SUBMIT THE  
16 ADJUSTED AMOUNT TO THE LEGISLATIVE REFERENCE BUREAU FOR  
17 PUBLICATION AS A NOTICE IN THE PENNSYLVANIA BULLETIN.

18 "INNOVATIVE EDUCATIONAL PROGRAM." AN ADVANCED ACADEMIC OR  
19 SIMILAR PROGRAM THAT IS NOT PART OF THE REGULAR ACADEMIC PROGRAM  
20 OF A PUBLIC SCHOOL BUT THAT ENHANCES THE CURRICULUM OR ACADEMIC  
21 PROGRAM OF A PUBLIC SCHOOL, CHARTERED SCHOOL AS DEFINED IN  
22 SECTION 1376.1(A) OR PRIVATE SCHOOL APPROVED UNDER SECTION 1376,  
23 OR PROVIDES PREKINDERGARTEN PROGRAMS TO PUBLIC SCHOOL STUDENTS,  
24 STUDENTS OF A CHARTERED SCHOOL AS DEFINED IN SECTION 1376.1(A)  
25 OR STUDENTS OF A PRIVATE SCHOOL APPROVED UNDER SECTION 1376.

26 "MAXIMUM ANNUAL HOUSEHOLD INCOME."

27 (1) EXCEPT AS STATED IN PARAGRAPH (2) AND SUBJECT TO  
28 PARAGRAPH (3), NOT MORE THAN \$60,000.

29 (2) WITH RESPECT TO AN ELIGIBLE STUDENT WITH A  
30 DISABILITY, AS CALCULATED BY MULTIPLYING:



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 EXEMPT FROM FEDERAL TAXATION UNDER SECTION  
7           501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW  
8           99-514, 26 U.S.C. § 1 ET SEQ.) OR IS OPERATED AS A SEPARATE  
9           SEGREGATED FUND BY A SCHOLARSHIP ORGANIZATION THAT HAS BEEN  
10           QUALIFIED UNDER SECTION 2522-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.

25           "PUBLIC SCHOOL." A PUBLIC PREKINDERGARTEN WHERE COMPULSORY  
26           ATTENDANCE REQUIREMENTS DO NOT APPLY OR A PUBLIC KINDERGARTEN,  
27           ELEMENTARY SCHOOL OR SECONDARY SCHOOL AT WHICH THE COMPULSORY  
28           ATTENDANCE REQUIREMENTS OF THIS COMMONWEALTH MAY BE MET AND THAT  
29           MEETS THE APPLICABLE REQUIREMENTS OF TITLE VI OF THE CIVIL  
30           RIGHTS ACT OF 1964 (PUBLIC LAW 88-352, 78 STAT. 241).

1 "SCHOLARSHIP." AN AWARD UNDER A SCHOLARSHIP PROGRAM.  
2 "SCHOLARSHIP ORGANIZATION." A NONPROFIT ENTITY THAT:  
3 (1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C)  
4 (3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514,  
5 26 U.S.C. § 1 ET SEQ.); AND  
6 (2) CONTRIBUTES AT LEAST 80% OF ITS ANNUAL CASH RECEIPTS  
7 TO A SCHOLARSHIP PROGRAM.

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

14 "SCHOLARSHIP PROGRAM." A PROGRAM TO PROVIDE TUITION TO  
15 ELIGIBLE STUDENTS TO ATTEND A SCHOOL LOCATED IN THIS  
16 COMMONWEALTH. A SCHOLARSHIP PROGRAM MUST INCLUDE AN APPLICATION  
17 AND REVIEW PROCESS FOR THE PURPOSE OF MAKING AWARDS TO ELIGIBLE  
18 STUDENTS. THE AWARD OF SCHOLARSHIPS TO ELIGIBLE STUDENTS SHALL  
19 BE MADE WITHOUT LIMITING AVAILABILITY TO ONLY STUDENTS OF ONE  
20 SCHOOL.

21 "SCHOOL." A KINDERGARTEN, ELEMENTARY SCHOOL OR SECONDARY  
22 SCHOOL AT WHICH THE COMPULSORY ATTENDANCE REQUIREMENTS OF THE  
23 COMMONWEALTH MAY BE MET AND THAT MEETS THE APPLICABLE  
24 REQUIREMENTS OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 (PUBLIC  
25 LAW 88-352, 78 STAT. 241), OR A PUBLIC OR NONPUBLIC  
26 PREKINDERGARTEN.

27 "SCHOOL AGE." FROM THE EARLIEST ADMISSION AGE TO A SCHOOL'S  
28 PREKINDERGARTEN OR KINDERGARTEN PROGRAM OR, WHEN NO  
29 PREKINDERGARTEN OR KINDERGARTEN PROGRAM IS PROVIDED, THE  
30 SCHOOL'S EARLIEST ADMISSION AGE FOR BEGINNERS, UNTIL THE END OF



1 THE SCHOOL YEAR THE STUDENT ATTAINS 21 YEARS OF AGE OR  
2 GRADUATION FROM HIGH SCHOOL, WHICHEVER OCCURS FIRST.

3 "SPECIAL EDUCATION SCHOOL." A SCHOOL OR PROGRAM WITHIN A  
4 SCHOOL THAT IS DESIGNATED SPECIFICALLY AND EXCLUSIVELY FOR  
5 STUDENTS WITH ANY OF THE DISABILITIES LISTED IN 34 CFR § 300.8  
6 (RELATING TO CHILD WITH A DISABILITY) AND MEETS ONE OF THE  
7 FOLLOWING:

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

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

12 (3) IS A SCHOOL FOR THE BLIND OR DEAF RECEIVING  
13 COMMONWEALTH APPROPRIATIONS; OR

14 (4) IS OPERATED BY OR UNDER THE AUTHORITY OF A BONA FIDE  
15 RELIGIOUS INSTITUTION OR BY THE COMMONWEALTH OR ANY POLITICAL  
16 SUBDIVISION THEREOF.

17 "SUPPORT LEVEL." THE LEVEL OF SUPPORT NEEDED BY AN ELIGIBLE  
18 STUDENT WITH A DISABILITY, AS STATED IN THE FOLLOWING MATRIX:

19 (1) SUPPORT LEVEL 1. THE STUDENT IS NOT ENROLLED IN A  
20 SPECIAL EDUCATION SCHOOL.

21 (2) SUPPORT LEVEL 2. THE STUDENT IS ENROLLED IN A  
22 SPECIAL EDUCATION SCHOOL.

23 "TAX CREDIT." THE EDUCATIONAL IMPROVEMENT TAX CREDIT  
24 ESTABLISHED UNDER THIS SUBARTICLE.

25 SECTION 2522-B. QUALIFICATION AND APPLICATION.

26 (A) ESTABLISHMENT.--IN ACCORDANCE WITH SECTION 14 OF ARTICLE  
27 III OF THE CONSTITUTION OF PENNSYLVANIA, AN EDUCATIONAL  
28 IMPROVEMENT TAX CREDIT PROGRAM IS ESTABLISHED TO ENHANCE THE  
29 EDUCATIONAL OPPORTUNITIES AVAILABLE TO ALL STUDENTS IN THIS  
30 COMMONWEALTH.

1     (B) INFORMATION.--IN ORDER TO QUALIFY UNDER THIS SUBARTICLE,  
2 A SCHOLARSHIP ORGANIZATION, A PREKINDERGARTEN SCHOLARSHIP  
3 ORGANIZATION OR AN EDUCATIONAL IMPROVEMENT ORGANIZATION MUST  
4 SUBMIT INFORMATION TO THE DEPARTMENT THAT ENABLES THE DEPARTMENT  
5 TO CONFIRM THAT THE ORGANIZATION IS EXEMPT FROM TAXATION UNDER  
6 SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC  
7 LAW 99-514, 26 U.S.C. § 1 ET SEQ.).

8     (C) SCHOLARSHIP ORGANIZATIONS AND PREKINDERGARTEN  
9 SCHOLARSHIP ORGANIZATIONS.--A SCHOLARSHIP ORGANIZATION OR  
10 PREKINDERGARTEN SCHOLARSHIP ORGANIZATION MUST CERTIFY TO THE  
11 DEPARTMENT THAT THE ORGANIZATION IS ELIGIBLE TO PARTICIPATE IN  
12 THE PROGRAM ESTABLISHED UNDER THIS SUBARTICLE AND MUST AGREE TO  
13 ANNUALLY REPORT THE FOLLOWING INFORMATION TO THE DEPARTMENT BY  
14 SEPTEMBER 1 OF EACH YEAR:

15         (1) (I) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE  
16 IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE  
17 PREKINDERGARTEN STUDENTS.

18         (II) THE TOTAL AND AVERAGE AMOUNTS OF SCHOLARSHIPS  
19 AWARDED DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO  
20 ELIGIBLE PREKINDERGARTEN STUDENTS.

21         (III) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE  
22 IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE STUDENTS IN  
23 GRADES KINDERGARTEN THROUGH EIGHT.

24         (IV) THE TOTAL AND AVERAGE AMOUNTS OF SCHOLARSHIPS  
25 AWARDED DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO  
26 ELIGIBLE STUDENTS IN GRADES KINDERGARTEN THROUGH EIGHT.

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

30         (VI) THE TOTAL AND AVERAGE AMOUNTS OF SCHOLARSHIPS

1 AWARDED DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO  
2 ELIGIBLE STUDENTS IN GRADES 9 THROUGH 12.

3 (VII) WHERE THE SCHOLARSHIP ORGANIZATION OR  
4 PREKINDERGARTEN SCHOLARSHIP ORGANIZATION COLLECTS  
5 INFORMATION ON A COUNTY-BY-COUNTY BASIS, THE TOTAL NUMBER  
6 AND THE TOTAL DOLLAR AMOUNT OF SCHOLARSHIPS AWARDED  
7 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO RESIDENTS  
8 OF EACH COUNTY IN WHICH THE SCHOLARSHIP ORGANIZATION OR  
9 PREKINDERGARTEN SCHOLARSHIP ORGANIZATION AWARDED  
10 SCHOLARSHIPS.

11 (2) THE INFORMATION REQUIRED UNDER PARAGRAPH (1) SHALL  
12 BE SUBMITTED ON A FORM PROVIDED BY THE DEPARTMENT. NO LATER  
13 THAN MAY 1 OF EACH YEAR, THE DEPARTMENT SHALL ANNUALLY  
14 DISTRIBUTE SUCH SAMPLE FORMS, TOGETHER WITH THE FORMS ON  
15 WHICH THE REPORTS ARE REQUIRED TO BE MADE, TO EACH LISTED  
16 SCHOLARSHIP ORGANIZATION AND PREKINDERGARTEN SCHOLARSHIP  
17 ORGANIZATION.

18 (3) THE DEPARTMENT MAY NOT REQUIRE ANY OTHER INFORMATION  
19 TO BE PROVIDED BY SCHOLARSHIP ORGANIZATIONS OR  
20 PREKINDERGARTEN SCHOLARSHIP ORGANIZATIONS, EXCEPT AS  
21 EXPRESSLY AUTHORIZED IN THIS SUBARTICLE.

22 (D) EDUCATIONAL IMPROVEMENT ORGANIZATION.--

23 (1) AN APPLICATION SUBMITTED BY AN EDUCATIONAL  
24 IMPROVEMENT ORGANIZATION MUST DESCRIBE ITS PROPOSED  
25 INNOVATIVE EDUCATIONAL PROGRAM OR PROGRAMS IN A FORM  
26 PRESCRIBED BY THE DEPARTMENT. IN PRESCRIBING THE FORM, THE  
27 DEPARTMENT SHALL CONSULT WITH THE DEPARTMENT OF EDUCATION AS  
28 NECESSARY. THE DEPARTMENT SHALL REVIEW AND APPROVE OR  
29 DISAPPROVE THE APPLICATION. IN ORDER TO BE ELIGIBLE TO  
30 PARTICIPATE IN THE PROGRAM ESTABLISHED UNDER THIS SUBARTICLE,

1 AN EDUCATIONAL IMPROVEMENT ORGANIZATION MUST AGREE TO  
2 ANNUALLY REPORT THE FOLLOWING INFORMATION TO THE DEPARTMENT  
3 BY SEPTEMBER 1 OF EACH YEAR:

4 (I) THE NAME OF THE INNOVATIVE EDUCATIONAL PROGRAM  
5 OR PROGRAMS AND THE TOTAL AMOUNT OF THE GRANT OR GRANTS  
6 MADE TO THOSE PROGRAMS DURING THE IMMEDIATELY PRECEDING  
7 SCHOOL YEAR.

8 (II) A DESCRIPTION OF HOW EACH GRANT WAS UTILIZED  
9 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR AND A  
10 DESCRIPTION OF ANY DEMONSTRATED OR EXPECTED INNOVATIVE  
11 EDUCATIONAL IMPROVEMENTS.

12 (III) THE NAMES OF THE PUBLIC SCHOOLS AND SCHOOL  
13 DISTRICTS WHERE INNOVATIVE EDUCATIONAL PROGRAMS THAT  
14 RECEIVED GRANTS DURING THE IMMEDIATELY PRECEDING SCHOOL  
15 YEAR WERE IMPLEMENTED.

16 (IV) WHERE THE EDUCATIONAL IMPROVEMENT ORGANIZATION  
17 COLLECTS INFORMATION ON A COUNTY-BY-COUNTY BASIS, THE  
18 TOTAL NUMBER AND THE TOTAL DOLLAR AMOUNT OF GRANTS MADE  
19 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR FOR PROGRAMS  
20 AT PUBLIC SCHOOLS IN EACH COUNTY IN WHICH THE EDUCATIONAL  
21 IMPROVEMENT ORGANIZATION MADE GRANTS.

22 (2) THE INFORMATION REQUIRED UNDER PARAGRAPH (1) SHALL  
23 BE SUBMITTED ON A FORM PROVIDED BY THE DEPARTMENT. NO LATER  
24 THAN MAY 1 OF EACH YEAR, THE DEPARTMENT SHALL ANNUALLY  
25 DISTRIBUTE SUCH SAMPLE FORMS, TOGETHER WITH THE FORMS ON  
26 WHICH THE REPORTS ARE REQUIRED TO BE MADE, TO EACH LISTED  
27 EDUCATIONAL IMPROVEMENT ORGANIZATION.

28 (3) THE DEPARTMENT MAY NOT REQUIRE ANY OTHER INFORMATION  
29 TO BE PROVIDED BY EDUCATIONAL IMPROVEMENT ORGANIZATIONS,  
30 EXCEPT AS EXPRESSLY AUTHORIZED IN THIS SUBARTICLE.

1 (E) NOTIFICATION.--THE DEPARTMENT SHALL NOTIFY THE  
2 SCHOLARSHIP ORGANIZATION, PREKINDERGARTEN SCHOLARSHIP  
3 ORGANIZATION OR EDUCATIONAL IMPROVEMENT ORGANIZATION THAT THE  
4 ORGANIZATION MEETS THE REQUIREMENTS OF THIS SUBARTICLE FOR THAT  
5 FISCAL YEAR NO LATER THAN 60 DAYS AFTER THE ORGANIZATION HAS  
6 SUBMITTED THE INFORMATION REQUIRED UNDER THIS SECTION.

7 (F) PUBLICATION.--THE DEPARTMENT SHALL ANNUALLY PUBLISH A  
8 LIST OF EACH SCHOLARSHIP ORGANIZATION, PREKINDERGARTEN  
9 SCHOLARSHIP ORGANIZATION OR EDUCATIONAL IMPROVEMENT ORGANIZATION  
10 QUALIFIED UNDER THIS SECTION IN THE PENNSYLVANIA BULLETIN. THE  
11 LIST SHALL ALSO BE POSTED AND UPDATED AS NECESSARY ON THE  
12 PUBLICLY ACCESSIBLE INTERNET WEBSITE OF THE DEPARTMENT.  
13 SECTION 2523-B. APPLICATION.

14 (A) SCHOLARSHIP ORGANIZATION OR PREKINDERGARTEN SCHOLARSHIP  
15 ORGANIZATION.--IN ORDER TO RECEIVE A TAX CREDIT, A BUSINESS FIRM  
16 SHALL APPLY TO THE DEPARTMENT. A BUSINESS FIRM SHALL RECEIVE A  
17 TAX CREDIT IF THE SCHOLARSHIP ORGANIZATION OR PREKINDERGARTEN  
18 SCHOLARSHIP ORGANIZATION THAT RECEIVES THE CONTRIBUTION APPEARS  
19 ON THE LIST ESTABLISHED UNDER SECTION 2522-B(F).

20 (B) EDUCATIONAL IMPROVEMENT ORGANIZATION.--IN ORDER TO  
21 RECEIVE A TAX CREDIT, A BUSINESS FIRM SHALL APPLY TO THE  
22 DEPARTMENT. A BUSINESS FIRM SHALL RECEIVE A TAX CREDIT IF THE  
23 DEPARTMENT HAS APPROVED THE PROGRAM PROVIDED BY THE EDUCATIONAL  
24 IMPROVEMENT ORGANIZATION THAT RECEIVES THE CONTRIBUTION.

25 (C) CONTRIBUTIONS.--A CONTRIBUTION BY A BUSINESS FIRM TO A  
26 SCHOLARSHIP ORGANIZATION, PREKINDERGARTEN SCHOLARSHIP  
27 ORGANIZATION OR EDUCATIONAL IMPROVEMENT ORGANIZATION SHALL BE  
28 MADE NO LATER THAN 60 DAYS FOLLOWING THE APPROVAL OF AN  
29 APPLICATION UNDER SUBSECTION (A) OR (B).  
30 SECTION 2524-B. TAX CREDIT.

1 (A) SCHOLARSHIP OR EDUCATIONAL IMPROVEMENT ORGANIZATIONS.--  
2 IN ACCORDANCE WITH SECTION 2525-B(A), THE DEPARTMENT OF REVENUE  
3 SHALL GRANT A TAX CREDIT AGAINST ANY TAX DUE UNDER EITHER  
4 ARTICLE XVI OF THE ACT OF MAY 17, 1921 (P.L.682, NO.284), KNOWN  
5 AS THE INSURANCE COMPANY LAW OF 1921, OR ARTICLE III, IV, VI,  
6 VII, VIII, IX OR XV OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2),  
7 KNOWN AS THE TAX REFORM CODE OF 1971, TO A BUSINESS FIRM  
8 PROVIDING PROOF OF A CONTRIBUTION TO A SCHOLARSHIP ORGANIZATION  
9 OR EDUCATIONAL IMPROVEMENT ORGANIZATION IN THE TAXABLE YEAR IN  
10 WHICH THE CONTRIBUTION IS MADE WHICH SHALL NOT EXCEED 75% OF THE  
11 TOTAL AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS  
12 FIRM. THE TAX CREDIT SHALL NOT EXCEED \$300,000 ANNUALLY PER  
13 BUSINESS FIRM FOR CONTRIBUTIONS MADE TO SCHOLARSHIP  
14 ORGANIZATIONS OR EDUCATIONAL IMPROVEMENT 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 2525-B(A), THE DEPARTMENT OF REVENUE  
25 SHALL GRANT A TAX CREDIT AGAINST ANY TAX DUE UNDER EITHER  
26 ARTICLE XVI OF THE INSURANCE COMPANY LAW OF 1921 OR ARTICLE III,  
27 IV, VI, VII, VIII, IX OR XV OF THE TAX REFORM CODE OF 1971 TO A  
28 BUSINESS FIRM PROVIDING PROOF OF A CONTRIBUTION TO A  
29 PREKINDERGARTEN SCHOLARSHIP ORGANIZATION IN THE TAXABLE YEAR IN  
30 WHICH THE CONTRIBUTION IS MADE WHICH SHALL BE EQUAL TO 100% OF

1 THE FIRST \$10,000 CONTRIBUTED DURING THE TAXABLE YEAR BY THE  
2 BUSINESS FIRM, AND WHICH SHALL NOT EXCEED 90% OF THE REMAINING  
3 AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS FIRM.  
4 THE TAX CREDIT SHALL NOT EXCEED \$150,000 ANNUALLY PER BUSINESS  
5 FIRM FOR CONTRIBUTIONS MADE TO PREKINDERGARTEN SCHOLARSHIP  
6 ORGANIZATIONS.

7 (D) COMBINATION OF TAX CREDITS.--A BUSINESS FIRM MAY RECEIVE  
8 TAX CREDITS FROM THE DEPARTMENT OF REVENUE IN ANY TAX YEAR FOR  
9 ANY COMBINATION OF CONTRIBUTIONS UNDER SUBSECTION (A), (B) OR  
10 (C). IN NO CASE MAY A BUSINESS FIRM RECEIVE TAX CREDITS IN ANY  
11 TAX YEAR IN EXCESS OF \$300,000 FOR CONTRIBUTIONS UNDER  
12 SUBSECTIONS (A) AND (B). IN NO CASE SHALL A BUSINESS FIRM  
13 RECEIVE TAX CREDITS IN ANY TAX YEAR IN EXCESS OF \$150,000 FOR  
14 CONTRIBUTIONS UNDER SUBSECTION (C).

15 (E) PASS-THROUGH ENTITY.--

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

28 (2) A PASS-THROUGH ENTITY AND A SHAREHOLDER, MEMBER OR  
29 PARTNER OF A PASS-THROUGH ENTITY SHALL NOT CLAIM THE TAX  
30 CREDIT UNDER THIS SECTION FOR THE SAME CONTRIBUTION.

1           (3) THE SHAREHOLDER, MEMBER OR PARTNER MAY NOT CARRY  
2 FORWARD, CARRY BACK, OBTAIN A REFUND OF OR SELL OR ASSIGN THE  
3 TAX CREDIT.

4           (4) THE SHAREHOLDER, MEMBER OR PARTNER MAY CLAIM THE  
5 CREDIT ON A JOINT RETURN, BUT THE TAX CREDIT MAY NOT EXCEED  
6 THE SEPARATE INCOME OF THAT SHAREHOLDER, MEMBER OR PARTNER.

7           (F) RESTRICTION ON APPLICABILITY OF CREDITS.--NO TAX CREDITS  
8 SHALL BE APPLIED AGAINST ANY TAX WITHHELD BY AN EMPLOYER FROM AN  
9 EMPLOYEE UNDER ARTICLE III OF THE TAX REFORM CODE OF 1971.

10          (G) TIME OF APPLICATION FOR CREDITS.--

11           (1) THE DEPARTMENT MAY ACCEPT APPLICATIONS BEGINNING ON  
12 MAY 15 FROM BUSINESS FIRMS FOR TAX CREDITS AVAILABLE DURING A  
13 FISCAL YEAR THAT IS TO BEGIN ON JULY 1.

14           (2) IF, ON JULY 1 OF A FISCAL YEAR, APPLICATIONS FOR TAX  
15 CREDITS AVAILABLE DURING THE FISCAL YEAR EXCEED THE TOTAL  
16 AGGREGATE AMOUNT OF TAX CREDITS AVAILABLE FOR THE FISCAL  
17 YEAR, THE DEPARTMENT SHALL APPROVE APPLICATIONS FOR TAX  
18 CREDITS ON THE FOLLOWING BASIS, SUBJECT TO THE PROVISIONS OF  
19 SECTION 2523-B:

20           (I) GROUP 1 FIRMS WHOSE APPLICATIONS WERE RECEIVED  
21 BY JULY 1 SHALL BE ACCORDED FIRST PRIORITY IN THE  
22 APPROVAL OF TAX CREDIT APPLICATIONS. IF TAX CREDITS  
23 APPLIED FOR BY GROUP 1 FIRMS EXCEED THE TOTAL AGGREGATE  
24 AMOUNT OF TAX CREDITS AVAILABLE FOR THE PROGRAM UNDER  
25 SECTION 2525-B, THE DEPARTMENT SHALL APPROVE ON A PRO  
26 RATA BASIS THE APPLICATIONS OF ALL GROUP 1 FIRMS THAT  
27 APPLIED BY JULY 1, AND THE APPLICATIONS OF GROUP 2 AND  
28 GROUP 3 FIRMS SHALL BE DENIED. APPROVAL OF A REDUCED TAX  
29 CREDIT UNDER THIS SUBPARAGRAPH SHALL NOT DISQUALIFY A  
30 GROUP 1 FIRM FROM RECEIVING A 90% TAX CREDIT UNDER



1 SUBSECTION (B) EVEN IF THE AMOUNT OF TAX CREDIT APPROVED  
2 WOULD REQUIRE THE GROUP 1 FIRM TO MAKE A LOWER  
3 SCHOLARSHIP CONTRIBUTION IN THE SECOND YEAR OF A TWO-YEAR  
4 COMMITMENT.

5 (II) IF TAX CREDITS REMAIN AVAILABLE AFTER CREDITS  
6 HAVE BEEN AWARDED UNDER SUBPARAGRAPH (I), GROUP 2 FIRMS  
7 WHOSE APPLICATIONS WERE RECEIVED BY JULY 1 SHALL BE  
8 ACCORDED PRIORITY IN THE APPROVAL OF APPLICATIONS FOR THE  
9 REMAINING TAX CREDITS. IF THE SUM OF THE TAX CREDITS  
10 APPROVED UNDER SUBPARAGRAPH (I) AND THE CREDITS APPLIED  
11 FOR BY GROUP 2 FIRMS EXCEEDS THE TOTAL AGGREGATE AMOUNT  
12 OF TAX CREDITS AVAILABLE FOR THE PROGRAM UNDER SECTION  
13 2525-B, THE DEPARTMENT SHALL APPROVE ON A PRO RATA BASIS  
14 THE APPLICATIONS FOR THE REMAINING TAX CREDITS SUBMITTED  
15 BY ALL GROUP 2 FIRMS THAT APPLIED BY JULY 1, AND THE  
16 APPLICATIONS OF GROUP 3 FIRMS SHALL BE DENIED.

17 (III) IF TAX CREDITS REMAIN AVAILABLE ON JULY 1  
18 AFTER CREDITS HAVE BEEN AWARDED UNDER SUBPARAGRAPHS (I)  
19 AND (II), APPLICATIONS OF GROUP 3 FIRMS SHALL BE  
20 APPROVED, ON A PRO RATA BASIS WITHIN THAT GROUP IF  
21 NECESSARY. THEREAFTER, THE DEPARTMENT SHALL APPROVE THE  
22 APPLICATIONS OF ALL BUSINESS FIRMS ON A DAILY BASIS. IF,  
23 ON ANY DAY AFTER JULY 1, THE CUMULATIVE SUM OF THE TAX  
24 CREDITS APPROVED AND THE TAX CREDITS APPLIED FOR ON THAT  
25 DAY EXCEEDS THE TOTAL AGGREGATE AMOUNT OF TAX CREDITS  
26 AVAILABLE FOR THE PROGRAM UNDER SECTION 2525-B, THE  
27 DEPARTMENT SHALL APPROVE ON A PRO RATA BASIS THE  
28 APPLICATIONS RECEIVED ON THAT DAY.

29 SECTION 2525-B. LIMITATIONS.

30 (A) AMOUNT.--

1 (1) (I) FOR THE FISCAL YEARS 2012-2013 THROUGH  
2 2014-2015, THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS  
3 APPROVED FOR SCHOLARSHIP ORGANIZATIONS AND EDUCATIONAL  
4 IMPROVEMENT ORGANIZATIONS SHALL BE AS FOLLOWS:

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
<u>2012-2013 AND 2013-2014</u>	<u>NOT TO EXCEED \$92,000,000</u>
<u>2014-2015</u>	<u>NOT TO EXCEED \$115,000,000.</u>

8 NO LESS THAN 75% OF THE TOTAL AGGREGATE AMOUNT OF ALL TAX  
9 CREDITS APPROVED SHALL BE USED TO PROVIDE TAX CREDITS FOR  
10 CONTRIBUTIONS FROM BUSINESS FIRMS TO SCHOLARSHIP  
11 ORGANIZATIONS. NO LESS THAN 25% OF THE TOTAL AGGREGATE  
12 AMOUNT OF ALL TAX CREDITS APPROVED SHALL BE USED TO  
13 PROVIDE TAX CREDITS FOR CONTRIBUTIONS FROM BUSINESS FIRMS  
14 TO EDUCATIONAL IMPROVEMENT ORGANIZATIONS.

15 (II) FROM THE TAX CREDITS FOR CONTRIBUTIONS BY  
16 BUSINESS FIRMS TO EDUCATIONAL IMPROVEMENT ORGANIZATIONS,  
17 20% OF THE AVAILABLE AMOUNT SHALL INITIALLY BE SET ASIDE  
18 FOR CONTRIBUTIONS BY BUSINESS FIRMS TO EDUCATIONAL  
19 IMPROVEMENT ORGANIZATIONS THAT ARE ALSO SCHOOL DISTRICT  
20 FOUNDATIONS, PUBLIC SCHOOL FOUNDATIONS, CHARTER SCHOOL  
21 FOUNDATIONS OR CYBER CHARTER SCHOOL FOUNDATIONS AND SHALL  
22 BE DISTRIBUTED IN ACCORDANCE WITH SECTION 2524-B(G).

23 (III) TAX CREDITS REMAINING FROM THE AMOUNT SET  
24 ASIDE IN SUBPARAGRAPH (II) AFTER JULY 1 OF EACH YEAR  
25 SHALL BE MADE AVAILABLE TO BUSINESS FIRMS FOR  
26 CONTRIBUTIONS TO ANY EDUCATIONAL IMPROVEMENT ORGANIZATION  
27 AND SHALL BE DISTRIBUTED IN ACCORDANCE WITH SECTION 2524-  
28 B(G).

29 (2) (I) SUBJECT TO ADJUSTMENT UNDER SUBPARAGRAPH (II),  
30 IN THE FISCAL YEAR 2015-2016 AND EACH FISCAL YEAR

1 THEREAFTER, THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS  
2 AVAILABLE SHALL EQUAL THE TOTAL AGGREGATE AMOUNT OF ALL  
3 TAX CREDITS AVAILABLE IN THE PRIOR FISCAL YEAR.

4 (II) BEGINNING IN THE FISCAL YEAR 2015-2016, IN ANY  
5 FISCAL YEAR IN WHICH THE TOTAL AGGREGATE AMOUNT OF ALL  
6 TAX CREDITS APPROVED FOR THE PRIOR FISCAL YEAR IS EQUAL  
7 TO OR GREATER THAN 90% OF THE TOTAL AGGREGATE AMOUNT OF  
8 ALL TAX CREDITS AVAILABLE FOR THE PRIOR FISCAL YEAR, THE  
9 TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS AVAILABLE SHALL  
10 INCREASE BY 5%. THE DEPARTMENT SHALL PUBLISH ON ITS  
11 INTERNET WEBSITE THE TOTAL AGGREGATE AMOUNT OF ALL TAX  
12 CREDITS AVAILABLE WHEN THE AMOUNT IS INCREASED UNDER THIS  
13 PARAGRAPH.

14 (3) FOR THE FISCAL YEARS 2012-2013 THROUGH 2014-2015,  
15 THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS APPROVED FOR  
16 CONTRIBUTIONS FROM BUSINESS FIRMS TO PREKINDERGARTEN  
17 SCHOLARSHIP PROGRAMS SHALL BE AS FOLLOWS:

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
<u>2012-2013 AND 2013-2014</u>	<u>NOT TO EXCEED \$8,000,000</u>
<u>2014-2015</u>	<u>NOT TO EXCEED \$10,000,000.</u>

21 (4) (I) SUBJECT TO ADJUSTMENT IN SUBPARAGRAPH (II), IN  
22 THE FISCAL YEAR 2015-2016 AND EACH FISCAL YEAR  
23 THEREAFTER, THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS  
24 AVAILABLE TO PREKINDERGARTEN SCHOLARSHIP PROGRAMS SHALL  
25 EQUAL THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS  
26 AVAILABLE TO PREKINDERGARTEN SCHOLARSHIP PROGRAMS IN THE  
27 PRIOR FISCAL YEAR.

28 (II) BEGINNING IN THE FISCAL YEAR 2015-2016, IN ANY  
29 FISCAL YEAR IN WHICH THE TOTAL AGGREGATE AMOUNT OF ALL  
30 TAX CREDITS APPROVED FOR THE PRIOR FISCAL YEAR FOR

1           PREKINDERGARTEN SCHOLARSHIP PROGRAMS IS EQUAL TO OR  
2           GREATER THAN 90% OF THE TOTAL AGGREGATE AMOUNT OF ALL TAX  
3           CREDITS AVAILABLE FOR PREKINDERGARTEN SCHOLARSHIP  
4           PROGRAMS FOR THE PRIOR FISCAL YEAR, THE TOTAL AGGREGATE  
5           AMOUNT OF ALL TAX CREDITS AVAILABLE FOR PREKINDERGARTEN  
6           SCHOLARSHIP PROGRAMS SHALL INCREASE BY 5%. THE DEPARTMENT  
7           SHALL PUBLISH ON ITS INTERNET WEBSITE THE TOTAL AGGREGATE  
8           AMOUNT OF ALL TAX CREDITS AVAILABLE FOR PREKINDERGARTEN  
9           SCHOLARSHIP PROGRAMS WHEN THE AMOUNT IS INCREASED UNDER  
10           THIS PARAGRAPH.

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 2524-B(E), 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 2524-B(E) 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 OR ELIGIBLE PREKINDERGARTEN STUDENT SHALL NOT

1 BE CONSIDERED TO BE TAXABLE INCOME FOR THE PURPOSES OF ARTICLE  
2 III OF THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX  
3 REFORM CODE OF 1971.

4 SECTION 2526-B. LISTS.

5 THE DEPARTMENT OF REVENUE SHALL PROVIDE TO THE GENERAL  
6 ASSEMBLY, BY JUNE 30 OF EACH YEAR, A LIST OF ALL SCHOLARSHIP  
7 ORGANIZATIONS, PREKINDERGARTEN SCHOLARSHIP ORGANIZATIONS AND  
8 EDUCATIONAL IMPROVEMENT ORGANIZATIONS THAT RECEIVE CONTRIBUTIONS  
9 FROM BUSINESS FIRMS GRANTED A TAX CREDIT.

10 SECTION 2527-B. GUIDELINES.

11 THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT OF  
12 EDUCATION, SHALL DEVELOP GUIDELINES TO DETERMINE THE ELIGIBILITY  
13 OF AN INNOVATIVE EDUCATIONAL PROGRAM.

14 SECTION 21. REPEALS ARE AS FOLLOWS:

15 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER  
16 PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE ADDITION OF  
17 ARTICLE XXV-B OF THE ACT.

18 (2) ARTICLE XVII-F OF THE ACT OF MARCH 4, 1971 (P.L.6,  
19 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, IS REPEALED.

20 SECTION 22. THE PROVISIONS OF ARTICLE XXV-B OF THE ACT ARE  
21 SEVERABLE. IF ANY PROVISION OF THAT ARTICLE OR ITS APPLICATION  
22 TO ANY PERSON OR CIRCUMSTANCE IS HELD INVALID, THE INVALIDITY  
23 SHALL NOT AFFECT OTHER PROVISIONS OR APPLICATIONS OF THAT  
24 ARTICLE WHICH CAN BE GIVEN EFFECT WITHOUT THE INVALID PROVISION  
25 OR APPLICATION.

26 SECTION 23. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

27 (1) THE ADDITION OF ARTICLE XXV-B(A) AND (B) OF THE ACT  
28 SHALL TAKE EFFECT IMMEDIATELY.

29 (2) THE ADDITION OF ARTICLE XXV-B(C) OF THE ACT SHALL  
30 TAKE EFFECT JULY 1, 2012, OR IMMEDIATELY, WHICHEVER IS LATER.

1           (3) THE ADDITION OF SECTION 1704-A OF THE ACT SHALL TAKE  
2 EFFECT IMMEDIATELY.

3           (4) THE AMENDMENT OF SECTION 1725-A(A) (5) OF THE ACT  
4 SHALL TAKE EFFECT OCTOBER 1, 2012.

5           (5) SECTION 21 OF THIS ACT SHALL TAKE EFFECT JULY 1,  
6 2012, OR IMMEDIATELY, WHICHEVER IS LATER.

7           (6) THIS SECTION SHALL TAKE EFFECT IMMEDIATELY.

8           (7) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT IN 90  
9 DAYS.