

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1115 Session of
2011

INTRODUCED BY BROWNE, DINNIMAN, WASHINGTON, STACK, ERICKSON,
RAFFERTY, SOLOBAY, COSTA, FERLO, VANCE, BRUBAKER, WAUGH,
YUDICHAK, KASUNIC, HUGHES, SCHWANK, FARNESE, WILLIAMS, PIPPY,
LEACH, FONTANA, GREENLEAF, ARGALL, SMUCKER, MENSCH, BOSCOLA,
TOMLINSON, TARTAGLIONE, BAKER AND BLAKE, JUNE 16, 2011

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 30, 2012

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," IN PRELIMINARY PROVISIONS, ←
6 ESTABLISHING THE SPECIAL EDUCATION FUNDING COMMISSION; AND
7 IMPOSING DUTIES ON THE DEPARTMENT OF EDUCATION; IN DUTIES AND ←
8 POWERS OF BOARDS OF SCHOOL DIRECTORS, FURTHER PROVIDING FOR
9 ELEMENTARY SCHOOLS; IN TERMS AND COURSES OF STUDY, FURTHER
10 PROVIDING FOR AGREEMENTS WITH INSTITUTIONS OF HIGHER
11 EDUCATION; IN OPPORTUNITIES FOR EDUCATIONAL EXCELLENCE,
12 FURTHER PROVIDING FOR DEFINITIONS AND FOR CONCURRENT
13 ENROLLMENT AGREEMENTS; EXTENSIVELY REVISING CHARTER SCHOOL
14 PROVISIONS; IN REIMBURSEMENTS BY THE COMMONWEALTH AND BETWEEN
15 SCHOOL DISTRICTS, further providing for definitions; and
16 providing for the distribution of special education funding
17 for student achievement and instruction of eligible students
18 and for special education accountability.

19 The General Assembly of the Commonwealth of Pennsylvania
20 hereby enacts as follows:

21 ~~Section 1. Section 2501(26) of the act of March 10, 1949~~ ←
22 ~~(P.L.30, No.14), known as the Public School Code of 1949, added~~
23 ~~July 9, 2008 (P.L.846, No.61), is amended and the section is~~

1 ~~amended by adding clauses to read:~~

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 A
4 SECTION TO READ:

5 SECTION 120. SPECIAL EDUCATION FUNDING COMMISSION.-- (A)
6 THERE IS HEREBY ESTABLISHED A SPECIAL EDUCATION FUNDING
7 COMMISSION.

8 (B) THE SPECIAL EDUCATION FUNDING COMMISSION SHALL REVIEW
9 AND MAKE RECOMMENDATIONS RELATED TO SPECIAL EDUCATION FUNDING AS
10 PROVIDED IN THIS SECTION.

11 (C) (1) THE COMMISSION SHALL CONSIST OF THE FOLLOWING
12 MEMBERS:

13 (I) THE CHAIRMAN AND MINORITY CHAIRMAN OF THE EDUCATION
14 COMMITTEE OF THE SENATE AND THE CHAIRMAN AND MINORITY CHAIRMAN
15 OF THE EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR
16 THEIR DESIGNEES.

17 (II) TWO (2) LEGISLATORS FROM EACH OF THE FOUR (4)
18 LEGISLATIVE CAUCUSES, TO BE APPOINTED BY THE PRESIDENT PRO
19 TEMPORE OF THE SENATE AND THE SPEAKER OF THE HOUSE OF
20 REPRESENTATIVES, WITH THE CONSENT OF IN CONSULTATION WITH THE ←
21 MAJORITY AND MINORITY LEADERS OF THE SENATE AND THE MAJORITY AND
22 MINORITY LEADERS OF THE HOUSE OF REPRESENTATIVES.

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

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

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

27 (2) THE COMMISSION SHALL APPOINT A MEMBER TO SERVE AS
28 CHAIRPERSON OF THE COMMISSION.

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

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

3 (E) THE COMMISSION SHALL HOLD MEETINGS AT THE CALL OF THE
4 CHAIRMAN.

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

9 (G) THE GENERAL ASSEMBLY SHALL PROVIDE ADMINISTRATIVE
10 SUPPORT, MEETING SPACE AND ANY OTHER ASSISTANCE REQUIRED BY THE
11 COMMISSION TO CARRY OUT ITS DUTIES UNDER THIS SECTION IN
12 COOPERATION WITH THE GOVERNOR'S BUDGET OFFICE AND THE
13 DEPARTMENT. THE DEPARTMENT SHALL PROVIDE THE COMMISSION WITH
14 DATA, RESEARCH AND OTHER INFORMATION UPON REQUEST BY THE
15 COMMISSION.

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

19 (I) THE COMMISSION SHALL HAVE ALL OF THE FOLLOWING POWERS
20 AND DUTIES:

21 (1) REVIEW AND MAKE RECOMMENDATIONS RELATED TO SPECIAL
22 EDUCATION FUNDING IN THIS COMMONWEALTH.

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

25 (3) RECEIVE INPUT FROM INTERESTED PARTIES, INCLUDING, BUT
26 NOT LIMITED TO, CHARTER SCHOOL AND CYBER CHARTER SCHOOL
27 OPERATORS.

28 (4) HOLD PUBLIC HEARINGS IN DIFFERENT REGIONS OF THIS
29 COMMONWEALTH.

30 (5) ISSUE A REPORT OF ITS FINDINGS TO THE GOVERNOR, THE

1 PRESIDENT PRO TEMPORE OF THE SENATE, THE MAJORITY LEADER AND
2 MINORITY LEADER OF THE SENATE, THE EDUCATION COMMITTEE OF THE
3 SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE
4 MAJORITY LEADER AND MINORITY LEADER OF THE HOUSE OF
5 REPRESENTATIVES, THE EDUCATION COMMITTEE OF THE HOUSE OF
6 REPRESENTATIVES, THE SECRETARY OF EDUCATION AND THE STATE BOARD
7 OF EDUCATION NOT LATER THAN NOVEMBER 30, 2012.

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

10 (I) THREE (3) CATEGORIES OF ELIGIBLE STUDENTS, ESTABLISHED
11 SO THAT STUDENTS WITH DISABILITIES TYPICALLY REQUIRING THE
12 LEAST-INTENSIVE RANGE OF SERVICES WOULD COMPROMISE CATEGORY 1,
13 STUDENTS WITH DISABILITIES TYPICALLY REQUIRING A MIDDLE RANGE OF
14 SERVICES WOULD COMPROMISE CATEGORY 2 AND STUDENTS WITH
15 DISABILITIES TYPICALLY REQUIRING THE MOST INTENSIVE RANGE OF
16 SERVICES WOULD COMPROMISE CATEGORY 3. THE COMMISSION SHALL
17 DETERMINE A DESCRIPTION OF AND PARAMETERS FOR EACH OF THE THREE
18 (3) CATEGORIES.

19 (II) A STUDENT COUNT FOR EACH SCHOOL DISTRICT FOR EACH OF
20 THE THREE (3) MOST RECENT YEARS FOR EACH CATEGORY OF ELIGIBLE
21 STUDENTS. FOR CATEGORY 3, THE NUMBER OF ELIGIBLE STUDENTS
22 RESIDING OR ENROLLED IN THE SCHOOL DISTRICT AND CLASSIFIED IN
23 CATEGORY 3, EXCEPT THAT THE NUMBER OF ELIGIBLE STUDENTS INCLUDED
24 WHO ARE PLACED BY THE SCHOOL DISTRICT AND SERVED IN PUBLIC OR
25 PRIVATE SEPARATE SCHOOLS, RESIDENTIAL PLACEMENTS OR HOMEBOUND OR
26 HOSPITAL PLACEMENTS MUST BE IDENTIFIED SEPARATELY.

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

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

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

5 (C) GEOGRAPHIC PRICE DIFFERENCES IDENTIFIED FOR EACH SCHOOL
6 DISTRICT OF THE DEPARTMENT.

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

10 (IV) DEVELOPMENT AND IMPLEMENTATION BY THE DEPARTMENT OF
11 IMPROVED SYSTEMS FOR COLLECTING AND DOCUMENTING STUDENT
12 ENROLLMENT AND MEMBERSHIP IN PUBLIC SCHOOLS, INCLUDING REVISED
13 METHODS FOR CALCULATING AVERAGE DAILY MEMBERSHIP.

14 (V) OTHER FACTORS RELATED TO THE DISTRIBUTION OF SPECIAL
15 EDUCATION FUNDING.

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

18 (8) IN DEVELOPING THE SPECIAL EDUCATION FUNDING FACTORS
19 UNDER SUBSECTION (H) AND IN COMPLETING THE REPORT REQUIRED UNDER
20 THIS SUBSECTION, CONSIDER THE IMPACT THESE FACTORS MAY HAVE ON
21 THE DISTRIBUTION OF SPECIAL EDUCATION FUNDING AMONG THE SCHOOL
22 DISTRICTS.

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

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

28 (11) PRIOR TO RECOMMENDING A SPECIAL EDUCATION FORMULA UNDER
29 THIS SECTION, CONSIDER NATIONALLY ACCEPTED ACCOUNTING AND
30 BUDGETING STANDARDS.

1 (J) THE SPECIAL EDUCATION FORMULA DEVELOPED BY THE
2 COMMISSION SHALL NOT GO INTO EFFECT UNLESS THE FORMULA IS
3 APPROVED BY AN ACT OF THE GENERAL ASSEMBLY ENACTED AFTER THE
4 EFFECTIVE DATE OF THIS SECTION.

5 (K) EVERY FIVE YEARS THE COMMISSION SHALL BE RECONSTITUTED
6 UNDER SUBSECTION (C) AND SHALL MEET AND HOLD PUBLIC HEARINGS TO
7 REVIEW THE OPERATIONS OF THE SPECIAL EDUCATION FUNDING PROVISION
8 OF THIS SECTION, SHALL MAKE A FURTHER REPORT AND ISSUE THE
9 REPORT TO THE RECIPIENTS LISTED IN SUBSECTION (I) (5). WHEN IN
10 RECEIPT OF A FURTHER REPORT RECOMMENDING CHANGES TO THE SPECIAL
11 EDUCATION FUNDING FORMULA, THE GENERAL ASSEMBLY SHALL CONSIDER
12 AND TAKE ACTION TO ENACT THE FORMULA INTO LAW IN ACCORDANCE WITH
13 SUBSECTION (J).

14 (L) THE GENERAL ASSEMBLY SHALL, THROUGH THE ANNUAL ←
15 APPROPRIATIONS PROCESS, DETERMINE THE LEVEL OF STATE FUNDING FOR
16 SPECIAL EDUCATION AND THE AMOUNT OF ANY CHANGE IN FUNDING. THE
17 SPECIAL EDUCATION FORMULA DEVELOPED UNDER THIS SECTION SHALL
18 DETERMINE ONLY THE DISTRIBUTION OF ANY INCREASE IN SPECIAL
19 EDUCATION FUNDING AMONG THE SCHOOL DISTRICTS OF THIS
20 COMMONWEALTH ABOVE THE AMOUNT OF SPECIAL EDUCATION FUNDING IN
21 THE BASE YEAR AND SHALL NOT BE USED FOR ANY OTHER PURPOSE.

22 (M) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY,
23 FOR THE 2012-2013 SCHOOL YEAR AND EACH SCHOOL YEAR THEREAFTER,
24 ANY STATE FUNDING FOR SPECIAL EDUCATION IN AN AMOUNT THAT DOES
25 NOT EXCEED THE AMOUNT OF STATE FUNDING FOR SPECIAL EDUCATION IN
26 THE BASE YEAR SHALL BE ALLOCATED IN THE SAME MANNER AS THE STATE
27 FUNDING WAS ALLOCATED IN THE BASE YEAR.

28 ~~(L)~~ (N) AS USED IN THIS SECTION, THE FOLLOWING WORDS AND ←
29 PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SUBSECTION
30 UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

1 "COMMISSION." THE SPECIAL EDUCATION FUNDING COMMISSION
2 ESTABLISHED UNDER THIS SECTION.

3 "DEPARTMENT." THE DEPARTMENT OF EDUCATION OF THE
4 COMMONWEALTH.

5 SECTION 1.1. SECTION 501 OF THE ACT IS AMENDED TO READ: ←

6 SECTION 501. ELEMENTARY SCHOOLS.--(A) THE BOARD OF SCHOOL
7 DIRECTORS IN EVERY SCHOOL DISTRICT SHALL ESTABLISH, EQUIP,
8 FURNISH, AND MAINTAIN A SUFFICIENT NUMBER OF ELEMENTARY PUBLIC
9 SCHOOLS, IN COMPLIANCE WITH THE PROVISIONS OF THIS ACT, TO
10 EDUCATE EVERY PERSON, RESIDING IN SUCH DISTRICT, BETWEEN THE
11 AGES OF SIX AND TWENTY-ONE YEARS, WHO MAY ATTEND.

12 (B) A LOCAL BOARD OF SCHOOL DIRECTORS MAY SATISFY THE
13 REQUIREMENT SET FORTH IN SUBSECTION (A) BY ANY OF THE FOLLOWING:

14 (1) OPERATING A SCHOOL BUILDING.

15 (2) CONTRACTING WITH ANY INDIVIDUAL OR ENTITY AUTHORIZED TO
16 ESTABLISH A CHARTER SCHOOL ENTITY UNDER SECTION 1717-A(A).

17 (3) PAYING TUITION FOR STUDENTS RESIDING IN THE SCHOOL
18 DISTRICT TO ATTEND SCHOOL IN ANOTHER SCHOOL DISTRICT.

19 SECTION 1.2. SECTION 1525 OF THE ACT, ADDED JULY 4, 2004
20 (P.L.536, NO.70), IS AMENDED TO READ:

21 SECTION 1525. AGREEMENTS WITH INSTITUTIONS OF HIGHER
22 EDUCATION.--NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
23 CONTRARY, A SCHOOL DISTRICT, CHARTER SCHOOL, REGIONAL CHARTER
24 SCHOOL, CYBER CHARTER SCHOOL OR AN AREA VOCATIONAL-TECHNICAL
25 SCHOOL MAY ENTER INTO AN AGREEMENT WITH ONE OR MORE INSTITUTIONS
26 OF HIGHER EDUCATION APPROVED TO OPERATE IN THIS COMMONWEALTH IN
27 ORDER TO ALLOW [RESIDENT] STUDENTS TO ATTEND SUCH INSTITUTIONS
28 OF HIGHER EDUCATION WHILE THE [RESIDENT] STUDENTS ARE ENROLLED
29 IN THE SCHOOL DISTRICT, CHARTER SCHOOL, REGIONAL CHARTER SCHOOL,
30 CYBER CHARTER SCHOOL OR AN AREA VOCATIONAL-TECHNICAL SCHOOL. THE

1 AGREEMENT MAY BE STRUCTURED SO THAT HIGH SCHOOL STUDENTS MAY
2 RECEIVE CREDITS TOWARD COMPLETION OF COURSES AT THE SCHOOL
3 DISTRICT, CHARTER SCHOOL, REGIONAL CHARTER SCHOOL, CYBER CHARTER
4 SCHOOL OR AN AREA VOCATIONAL-TECHNICAL SCHOOL AND AT
5 INSTITUTIONS OF HIGHER EDUCATION APPROVED TO OPERATE IN THIS
6 COMMONWEALTH.

7 SECTION 1.3. THE DEFINITIONS OF "CONCURRENT STUDENT" AND
8 "SCHOOL ENTITY" IN SECTION 1602-B OF THE ACT, ADDED JULY 13,
9 2005 (P.L.226, NO.46), ARE AMENDED TO READ:

10 SECTION 1602-B. DEFINITIONS.

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

14 * * *

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

21 * * *

22 "SCHOOL ENTITY." A SCHOOL DISTRICT, A CHARTER SCHOOL, A
23 REGIONAL CHARTER SCHOOL, A CYBER CHARTER SCHOOL OR AN AREA
24 VOCATIONAL-TECHNICAL SCHOOL.

25 * * *

26 SECTION 1.4. SECTION 1613-B OF THE ACT IS AMENDED BY ADDING
27 A SUBSECTION TO READ:

28 SECTION 1613-B. CONCURRENT ENROLLMENT AGREEMENTS.

29 * * *

30 (C) CHARTER SCHOOL ENTITIES.--A CHARTER SCHOOL, REGIONAL

1 CHARTER SCHOOL, CYBER CHARTER SCHOOL OR AN AREA VOCATIONAL-
2 TECHNICAL SCHOOL SHALL HAVE THE POWER AND AUTHORITY TO ENTER
3 INTO A CONCURRENT ENROLLMENT AGREEMENT WITH AN INSTITUTION OF
4 HIGHER EDUCATION, AND APPROPRIATE CREDIT SHALL BE AWARDED TO
5 STUDENTS CONCURRENTLY ENROLLED UNDER THE AGREEMENT.

6 SECTION 1.5. SECTION 1703-A OF THE ACT, AMENDED JUNE 29,
7 2002 (P.L.524, NO.88), IS AMENDED TO READ:

8 SECTION 1703-A. DEFINITIONS.--AS USED IN THIS ARTICLE,
9 "ACCOUNT" SHALL MEAN THE STATE CHARTER SCHOOL ENTITIES
10 ASSESSMENT ACCOUNT.

11 "ADMINISTRATOR" SHALL INCLUDE AN EMPLOYE OF A CHARTER SCHOOL
12 ENTITY, INCLUDING THE CHIEF ADMINISTRATOR OF A CHARTER SCHOOL
13 ENTITY AND ANY OTHER EMPLOYE, WHO BY VIRTUE OF THE EMPLOYE'S
14 POSITION IS RESPONSIBLE FOR TAKING OFFICIAL ACTION OF A
15 NONMINISTERIAL NATURE WITH REGARD TO CONTRACTING OR PROCUREMENT,
16 ADMINISTERING OR MONITORING GRANTS OR SUBSIDIES, MANAGING OR
17 REGULATING STAFF, STUDENT AND SCHOOL ACTIVITIES OR ANY ACTIVITY
18 WHERE THE OFFICIAL ACTION HAS AN ECONOMIC IMPACT OF GREATER THAN
19 A DE MINIMIS NATURE ON THE INTERESTS OF ANY PERSON.

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

22 "ASSESSMENT" SHALL MEAN THE PENNSYLVANIA SYSTEM OF SCHOOL
23 ASSESSMENT TEST, THE KEYSTONE EXAM OR ANOTHER TEST ESTABLISHED
24 BY THE STATE BOARD TO MEET THE REQUIREMENTS OF SECTION 2603-
25 B(D) (10) (I) AND REQUIRED UNDER THE NO CHILD LEFT BEHIND ACT OF
26 2001 (PUBLIC LAW 107-110, 115 STAT. 1425) OR ITS SUCCESSOR
27 FEDERAL STATUTE.

28 "AT-RISK STUDENT" SHALL MEAN A STUDENT AT RISK OF EDUCATIONAL
29 FAILURE BECAUSE OF LIMITED ENGLISH PROFICIENCY, POVERTY,
30 COMMUNITY FACTORS, TRUANCY, ACADEMIC DIFFICULTIES OR ECONOMIC

1 DISADVANTAGE.

2 "BOARD" SHALL MEAN THE STATE CHARTER SCHOOL ENTITIES BOARD
3 ESTABLISHED BY THIS ARTICLE.

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

10 "CHARTER SCHOOL ENTITY" SHALL MEAN A CHARTER SCHOOL, REGIONAL
11 CHARTER SCHOOL OR CYBER CHARTER SCHOOL.

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

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

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

26 "COMMITTEE" SHALL MEAN THE CHARTER SCHOOL ENTITIES FUNDING
27 ADVISORY COMMITTEE.

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

1 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 OF EDUCATION OF THE
8 COMMONWEALTH.

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

17 "GRANTOR" SHALL MEAN ONE OF THE FOLLOWING:

18 (1) A LOCAL BOARD OF SCHOOL DIRECTORS; OR

19 (2) THE BOARD IN ACCORDANCE WITH SECTION 1721-A(H) (2),
20 (2.1), (3), (3.1) AND (4).

21 "IMMEDIATE FAMILY MEMBER" SHALL MEAN A PARENT, SPOUSE, CHILD,
22 BROTHER OR SISTER.

23 "LOCAL BOARD OF SCHOOL DIRECTORS" SHALL MEAN THE BOARD OF
24 DIRECTORS OF A SCHOOL DISTRICT IN WHICH A PROPOSED OR AN
25 APPROVED CHARTER SCHOOL IS LOCATED. THE TERM SHALL INCLUDE A
26 SPECIAL BOARD OF CONTROL OR A SCHOOL REFORM COMMISSION.

27 "NONRELATED" SHALL MEAN AN INDIVIDUAL WHO IS NOT AN IMMEDIATE
28 FAMILY MEMBER.

29 "REGIONAL CHARTER SCHOOL" SHALL MEAN AN INDEPENDENT PUBLIC
30 SCHOOL ESTABLISHED AND OPERATED UNDER A CHARTER FROM MORE THAN

1 ONE LOCAL BOARD OF SCHOOL DIRECTORS OR THE BOARD AND IN WHICH
2 STUDENTS ARE ENROLLED OR ATTEND. A REGIONAL CHARTER SCHOOL MUST
3 BE ORGANIZED AS A PUBLIC, NONPROFIT CORPORATION. CHARTERS MAY
4 NOT BE GRANTED TO ANY FOR-PROFIT ENTITY.

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

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

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

12 "SCHOOL REFORM COMMISSION" SHALL MEAN THE SCHOOL REFORM
13 COMMISSION ESTABLISHED UNDER SECTION 696.

14 "SECRETARY" SHALL MEAN THE SECRETARY OF EDUCATION OF THE
15 COMMONWEALTH.

16 "SPECIAL BOARD OF CONTROL" SHALL MEAN A SPECIAL BOARD OF
17 CONTROL ESTABLISHED UNDER SECTION 692.

18 "STATE BOARD" SHALL MEAN THE STATE BOARD OF EDUCATION OF THE
19 COMMONWEALTH.

20 SECTION 1.6. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

21 SECTION 1705-A. STATE CHARTER SCHOOL ENTITIES ASSESSMENT
22 ACCOUNT.--(A) THE STATE CHARTER SCHOOL ENTITIES ASSESSMENT
23 ACCOUNT IS ESTABLISHED AS A RESTRICTED ACCOUNT WITHIN THE
24 GENERAL FUND. MONEY IN THE ACCOUNT IS HEREBY APPROPRIATED ON A
25 CONTINUING BASIS TO THE BOARD UPON APPROVAL OF THE GOVERNOR TO
26 CARRY OUT ITS DUTIES AS SET FORTH UNDER THIS ARTICLE.

27 (B) BOARD FUNDING SHALL BE AS FOLLOWS:

28 (1) THE BOARD SHALL ANNUALLY SEEK FEDERAL AND NONPROFIT
29 GRANTS TO SUPPORT ITS OPERATIONS AND DEPOSIT THE FUNDING INTO
30 THE ACCOUNT.

1 (2) THE FOLLOWING APPLY:

2 (I) UNTIL THE BOARD ESTABLISHES A FEE STRUCTURE UNDER
3 PARAGRAPH (3), THE BOARD SHALL BE FUNDED BY AN ASSESSMENT FEE,
4 BASED UPON THE STATE AND LOCAL REVENUES AS REPORTED ON A CHARTER
5 SCHOOL ENTITY'S MOST RECENT AVAILABLE ANNUAL FINANCIAL REPORT AS
6 PUBLISHED ON THE DEPARTMENT'S PUBLICLY ACCESSIBLE INTERNET
7 WEBSITE.

8 (II) EXISTING CYBER CHARTER SCHOOLS SHALL PAY AN AMOUNT NOT
9 MORE THAN THREE-TENTHS OF ONE PER CENTUM TO THE BOARD.

10 (III) EXISTING CHARTER SCHOOLS AND REGIONAL CHARTER SCHOOLS
11 SHALL PAY NOT MORE THAN FIFTEEN-HUNDREDTHS OF ONE PER CENTUM TO
12 THE BOARD.

13 (IV) FEES COLLECTED UNDER THIS SECTION SHALL BE DEPOSITED IN
14 THE ACCOUNT.

15 (3) THE BOARD SHALL DEVELOP A FEE STRUCTURE IN ACCORDANCE
16 WITH THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS THE
17 "REGULATORY REVIEW ACT," FOR ALL CHARTER SCHOOL ENTITIES, WHICH
18 MAY INCLUDE A SLIDING FEE SCHEDULE, FEE REDUCTION INCENTIVES FOR
19 PERFORMANCE, COST EFFICIENCIES AND REBATES.

20 SECTION 1706-A. CHARTER SCHOOL ENTITIES FUNDING ADVISORY
21 COMMITTEE.--(A) THE FOLLOWING SHALL APPLY:

22 (1) THE GOVERNOR SHALL CONVENE A STATEWIDE ADVISORY
23 COMMITTEE, TO BE KNOWN AS THE CHARTER SCHOOL ENTITIES FUNDING
24 ADVISORY COMMITTEE, TO EXAMINE THE FINANCING OF CHARTER SCHOOL
25 ENTITIES IN THE PUBLIC EDUCATION SYSTEM. THE COMMITTEE SHALL
26 EXAMINE HOW CHARTER SCHOOL ENTITY FINANCES AFFECT OPPORTUNITIES
27 FOR TEACHERS, PARENTS, PUPILS AND COMMUNITY MEMBERS TO ESTABLISH
28 AND MAINTAIN SCHOOLS THAT OPERATE INDEPENDENTLY FROM THE
29 EXISTING SCHOOL DISTRICT STRUCTURE AS A METHOD TO ACCOMPLISH THE
30 REQUIREMENTS OF SECTION 1702-A. THE OFFICE OF THE BUDGET AND THE

1 DEPARTMENT SHALL PROVIDE ADMINISTRATIVE SUPPORT, MEETING SPACE
2 AND ANY OTHER ASSISTANCE REQUIRED BY THE COMMITTEE TO CARRY OUT
3 ITS DUTIES UNDER THIS SECTION.

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

5 (I) ONE MEMBER OF THE SENATE APPOINTED BY THE PRESIDENT PRO
6 TEMPORE OF THE SENATE.

7 (II) ONE MEMBER OF THE SENATE APPOINTED BY THE MAJORITY
8 LEADER OF THE SENATE.

9 (III) ONE MEMBER OF THE SENATE APPOINTED BY THE MINORITY
10 LEADER OF THE SENATE.

11 (IV) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES APPOINTED BY
12 THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

13 (V) ONE MEMBER OF THE HOUSE OF REPRESENTATIVES APPOINTED BY
14 THE MAJORITY LEADER OF THE HOUSE OF REPRESENTATIVE.

15 (VI) ONE MEMBER OF THE MINORITY PARTY OF THE HOUSE OF
16 REPRESENTATIVES APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF
17 REPRESENTATIVES.

18 (VII) THE SECRETARY OR A DESIGNEE.

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

20 (IX) THE FOLLOWING MEMBERS WHO SHALL BE APPOINTED BY THE
21 GOVERNOR:

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

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

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

25 (D) ONE MEMBER WHO SHALL REPRESENT TEACHERS, WHO MAY BE A
26 PUBLIC SCHOOL TEACHER, A CHARTER SCHOOL TEACHER, A REGIONAL
27 CHARTER SCHOOL TEACHER, A CYBER CHARTER SCHOOL TEACHER OR A
28 NONPUBLIC SCHOOL TEACHER.

29 (E) ONE MEMBER WHO SHALL REPRESENT SCHOOL ADMINISTRATORS.

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

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

3 (H) ONE MEMBER WHO SHALL REPRESENT A PARENT OF A CHILD
4 ATTENDING A CHARTER SCHOOL ENTITY.

5 (I) ONE MEMBER WHO SHALL REPRESENT AN INSTITUTION OF HIGHER
6 EDUCATION WITH EXPERIENCE IN OPERATING A CHARTER SCHOOL ENTITY.

7 (3) MEMBERS OF THE COMMITTEE SHALL BE APPOINTED WITHIN
8 TWENTY (20) DAYS OF THE EFFECTIVE DATE OF THIS SECTION. ANY
9 VACANCY ON THE COMMITTEE SHALL BE FILLED BY THE ORIGINAL
10 APPOINTING OFFICER OR AGENCY. THE COMMITTEE SHALL SELECT A
11 CHAIRMAN AND VICE CHAIRMAN FROM AMONG ITS MEMBERSHIP AT AN
12 ORGANIZATIONAL MEETING. THE ORGANIZATIONAL MEETING MUST TAKE
13 PLACE NO LATER THAN THIRTY (30) DAYS FOLLOWING THE EFFECTIVE
14 DATE OF THIS SECTION.

15 (4) THE COMMITTEE SHALL HOLD MEETINGS AT THE CALL OF THE
16 CHAIRMAN. THE COMMITTEE MAY HOLD PUBLIC HEARINGS ON THE MATTERS
17 TO BE CONSIDERED BY THE COMMITTEE AT LOCATIONS THROUGHOUT THIS
18 COMMONWEALTH. ALL MEETINGS AND PUBLIC HEARINGS OF THE COMMITTEE
19 SHALL BE DEEMED PUBLIC MEETINGS FOR THE PURPOSE OF 65 PA.C.S.
20 CH. 7 (RELATING TO OPEN MEETINGS). NINE MEMBERS OF THE COMMITTEE
21 SHALL CONSTITUTE A QUORUM AT ANY MEETING. EACH MEMBER OF THE
22 COMMITTEE MAY DESIGNATE ANOTHER PERSON TO REPRESENT THAT MEMBER
23 AT MEETINGS OF THE COMMITTEE.

24 (5) COMMITTEE MEMBERS SHALL RECEIVE NO COMPENSATION FOR
25 THEIR SERVICES BUT SHALL BE REIMBURSED FOR ALL NECESSARY TRAVEL
26 AND OTHER REASONABLE EXPENSES INCURRED IN CONNECTION WITH THE
27 PERFORMANCE OF THEIR DUTIES AS MEMBERS. WHENEVER POSSIBLE, THE
28 COMMITTEE SHALL UTILIZE THE SERVICES AND EXPERTISE OF EXISTING
29 PERSONNEL AND STAFF OF STATE GOVERNMENT. THE DEPARTMENT MAY
30 UTILIZE UNDISTRIBUTED FUNDS NOT EXPENDED, ENCUMBERED OR

1 COMMITTED FROM APPROPRIATIONS FOR GRANTS AND SUBSIDIES MADE TO
2 THE DEPARTMENT, NOT TO EXCEED \$300,000, TO CARRY OUT THIS
3 SECTION.

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

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

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

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

12 (A) POWERS AND DUTIES EXTENDED TO CHARTER SCHOOL ENTITIES AS
13 THEY RELATE TO FINANCING.

14 (B) FUNDING FORMULAS FOR CHARTER SCHOOL ENTITIES, INCLUDING
15 REIMBURSEMENT PROCEDURES AND FUNDING UNDER TITLE I OF THE
16 ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 (PUBLIC LAW
17 89-10, 20 U.S.C. CH. 63 ET SEQ.).

18 (C) THE PROCESS BY WHICH CHARTER SCHOOLS ENTITIES ARE FUNDED
19 UNDER SECTION 1725-A.

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

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

22 (F) CHARTER SCHOOL ENTITY TRANSPORTATION.

23 (G) CHARTER SCHOOL ENTITY ELIGIBILITY TO RECEIVE GRANTS AND
24 FUNDING.

25 (H) APPROPRIATE ASSESSMENT FEES ON CHARTER SCHOOL ENTITIES.

26 (I) CONSIDERATION OF RECOGNIZING CHARTER SCHOOL ENTITIES FOR
27 ADDITIONAL DESIGNATIONS AS A LOCAL EDUCATION AGENCY.

28 (IV) THE COMMITTEE SHALL, NO LATER THAN NOVEMBER 30, 2012,
29 ISSUE A REPORT OF ITS FINDINGS AND RECOMMENDATIONS TO THE
30 GOVERNOR, THE PRESIDENT PRO TEMPORE OF THE SENATE, THE MINORITY

1 LEADER OF THE SENATE, THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
2 EDUCATION COMMITTEE OF THE SENATE, THE SPEAKER OF THE HOUSE OF
3 REPRESENTATIVES, THE MINORITY LEADER OF THE HOUSE OF
4 REPRESENTATIVES AND THE CHAIRMAN AND MINORITY CHAIRMAN OF THE
5 EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

6 (B) (RESERVED).

7 SECTION 1.7. SECTION 1715-A OF THE ACT, AMENDED OR ADDED
8 JUNE 19, 1997 (P.L.225, NO.22) AND JULY 9, 2008 (P.L.846,
9 NO.61), IS AMENDED TO READ:

10 SECTION 1715-A. CHARTER SCHOOL REQUIREMENTS.--(A) CHARTER
11 SCHOOLS SHALL BE REQUIRED TO COMPLY WITH THE FOLLOWING
12 PROVISIONS:

13 (1) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, A CHARTER
14 SCHOOL IS EXEMPT FROM STATUTORY REQUIREMENTS ESTABLISHED IN THIS
15 ACT, FROM REGULATIONS OF THE STATE BOARD AND THE STANDARDS OF
16 THE SECRETARY NOT SPECIFICALLY APPLICABLE TO CHARTER SCHOOLS.
17 CHARTER SCHOOLS ARE NOT EXEMPT FROM STATUTES APPLICABLE TO
18 PUBLIC SCHOOLS OTHER THAN THIS ACT.

19 (2) A CHARTER SCHOOL SHALL BE ACCOUNTABLE TO THE PARENTS,
20 THE PUBLIC AND THE COMMONWEALTH, WITH THE DELINEATION OF THAT
21 ACCOUNTABILITY REFLECTED IN THE CHARTER. STRATEGIES FOR
22 MEANINGFUL PARENT AND COMMUNITY INVOLVEMENT SHALL BE DEVELOPED
23 AND IMPLEMENTED BY EACH SCHOOL.

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

26 (4) A CHARTER SCHOOL SHALL BE NONSECTARIAN IN ALL
27 OPERATIONS.

28 (5) (I) A CHARTER SCHOOL SHALL NOT PROVIDE ANY RELIGIOUS
29 INSTRUCTION, NOR SHALL IT DISPLAY RELIGIOUS OBJECTS AND SYMBOLS
30 ON THE PREMISES OF THE CHARTER SCHOOL. THE CHARTER SCHOOL ENTITY

1 SHALL PROVIDE FOR DISCRETE AND SEPARATE ENTRANCES TO BUILDINGS
2 UTILIZED FOR SCHOOL PURPOSES ONLY.

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

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

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

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

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

14 (8) (I) A CHARTER SCHOOL SHALL PARTICIPATE IN [THE
15 PENNSYLVANIA STATE ASSESSMENT SYSTEM AS PROVIDED FOR IN 22 PA.
16 CODE CH. 5 (RELATING TO CURRICULUM), OR SUBSEQUENT REGULATIONS
17 PROMULGATED TO REPLACE 22 PA. CODE CH. 5,] ASSESSMENTS IN THE
18 MANNER IN WHICH THE SCHOOL DISTRICT IN WHICH THE CHARTER SCHOOL
19 IS LOCATED IS SCHEDULED TO PARTICIPATE.

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

24 (9) A CHARTER SCHOOL SHALL PROVIDE A MINIMUM OF ONE HUNDRED
25 EIGHTY (180) DAYS OF INSTRUCTION OR NINE HUNDRED (900) HOURS PER
26 YEAR OF INSTRUCTION AT THE ELEMENTARY LEVEL, OR NINE HUNDRED
27 NINETY (990) HOURS PER YEAR OF INSTRUCTION AT THE SECONDARY
28 LEVEL. NOTHING IN THIS CLAUSE SHALL PRECLUDE THE USE OF COMPUTER
29 AND SATELLITE LINKAGES FOR DELIVERING INSTRUCTION TO STUDENTS.

30 (10) BOARDS OF TRUSTEES AND CONTRACTORS OF CHARTER SCHOOLS

1 SHALL BE SUBJECT TO THE FOLLOWING STATUTORY REQUIREMENTS
2 GOVERNING CONSTRUCTION PROJECTS AND CONSTRUCTION-RELATED WORK:

3 (I) THE FOLLOWING PROVISIONS OF THIS ACT:

4 (A) SECTIONS 751 AND 751.1.

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

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

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

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

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

16 (11) TRUSTEES OF A CHARTER SCHOOL ENTITY SHALL BE PUBLIC
17 OFFICIALS[.] FOR THE PURPOSES OF 65 PA.C.S. CH. 11 (RELATING TO
18 ETHICS STANDARDS AND FINANCIAL DISCLOSURE) AND SHALL FILE A
19 STATEMENT OF FINANCIAL INTERESTS FOR THE PRECEDING CALENDAR YEAR
20 WITH THE STATE ETHICS COMMISSION AND THE GRANTOR NOT LATER THAN
21 MAY 1 OF EACH YEAR THAT MEMBERS HOLD THE POSITION AND OF THE
22 YEAR AFTER A MEMBER LEAVES THE POSITION. ALL MEMBERS OF THE
23 BOARD OF TRUSTEES OF A CHARTER SCHOOL ENTITY SHALL TAKE THE OATH
24 OF OFFICE AS REQUIRED UNDER SECTION 321 BEFORE ENTERING UPON THE
25 DUTIES OF THEIR OFFICE.

26 [(12) A PERSON WHO SERVES AS AN ADMINISTRATOR FOR A CHARTER
27 SCHOOL SHALL NOT RECEIVE COMPENSATION FROM ANOTHER CHARTER
28 SCHOOL OR FROM A COMPANY THAT PROVIDES MANAGEMENT OR OTHER
29 SERVICES TO ANOTHER CHARTER SCHOOL. THE TERM "ADMINISTRATOR"
30 SHALL INCLUDE THE CHIEF EXECUTIVE OFFICER OF A CHARTER SCHOOL

1 AND ALL OTHER EMPLOYEES OF A CHARTER SCHOOL WHO BY VIRTUE OF
2 THEIR POSITIONS EXERCISE MANAGEMENT OR OPERATIONAL OVERSIGHT
3 RESPONSIBILITIES. A PERSON WHO SERVES AS AN ADMINISTRATOR FOR A
4 CHARTER SCHOOL SHALL BE A PUBLIC OFFICIAL UNDER 65 PA.C.S. CH.
5 11 (RELATING TO ETHICS STANDARDS AND FINANCIAL DISCLOSURE). A
6 VIOLATION OF THIS CLAUSE SHALL CONSTITUTE A VIOLATION OF 65
7 PA.C.S. § 1103(A) (RELATING TO RESTRICTED ACTIVITIES), AND THE
8 VIOLATOR SHALL BE SUBJECT TO THE PENALTIES IMPOSED UNDER THE
9 JURISDICTION OF THE STATE ETHICS COMMISSION.]

10 (B) AN INDIVIDUAL WHO SERVES AS AN ADMINISTRATOR FOR A
11 CHARTER SCHOOL ENTITY SHALL BE A PUBLIC EMPLOYE FOR THE PURPOSES
12 OF 65 PA.C.S. CH. 11 AND SHALL FILE A STATEMENT OF FINANCIAL
13 INTERESTS FOR THE PRECEDING CALENDAR YEAR WITH THE BOARD OF
14 TRUSTEES NOT LATER THAN MAY 1 OF EACH YEAR THAT THE INDIVIDUAL
15 HOLDS THE POSITION AND OF THE YEAR AFTER THE INDIVIDUAL LEAVES
16 THE POSITION.

17 (C) (1) NO INDIVIDUAL WHO SERVES AS AN ADMINISTRATOR FOR A
18 CHARTER SCHOOL ENTITY MAY RECEIVE COMPENSATION FROM ANOTHER
19 CHARTER SCHOOL ENTITY OR FROM AN EDUCATIONAL MANAGEMENT SERVICE
20 PROVIDER, UNLESS:

21 (I) THE ADMINISTRATOR HAS SUBMITTED A SWORN STATEMENT TO THE
22 CHARTER SCHOOL ENTITY BOARD OF TRUSTEES AND THE SWORN STATEMENT
23 DETAILS THE WORK FOR THE OTHER ENTITY AND INCLUDES THE PROJECTED
24 NUMBER OF HOURS, RATE OF COMPENSATION AND PROJECTED DURATION.

25 (II) THE BOARD OF TRUSTEES HAS REVIEWED THE SWORN STATEMENT
26 UNDER SUBCLAUSE (I) AND AGREED BY RESOLUTION TO GRANT PERMISSION
27 TO THE ADMINISTRATOR.

28 (2) A COPY OF THE SWORN STATEMENT UNDER CLAUSE (1) (I) AND
29 THE RESOLUTION BY THE BOARD OF TRUSTEES GRANTING THE PERMISSION
30 SHALL BE KEPT ON FILE WITH THE CHARTER SCHOOL ENTITY AND THE

1 GRANTOR.

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

5 (4) (I) NO ADMINISTRATOR OF A CHARTER SCHOOL ENTITY MAY
6 PARTICIPATE IN THE SELECTION, AWARD OR ADMINISTRATION OF A
7 CONTRACT IF THE INDIVIDUAL HAS A CONFLICT OF INTEREST AS THAT
8 TERM IS DEFINED IN 65 PA.C.S. § 1102 (RELATING TO DEFINITIONS).

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

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

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

19 (D) THE BOARD OF TRUSTEES OF A CHARTER SCHOOL ENTITY SHALL
20 SUPPLY THE GRANTOR OF THE CHARTER SCHOOL ENTITY AND THE
21 SECRETARY A LIST OF THE AMOUNT OF RENTAL PAYMENTS, WHICH ARE
22 GUARANTEES FOR SCHOOL BUILDING DEBT OR BONDS THAT BECOME DUE
23 DURING THE FISCAL YEAR TOGETHER WITH THE AMOUNT PAID ON EACH
24 ITEM OF INDEBTEDNESS. ANY CHARTER SCHOOL ENTITY THAT ELECTS TO
25 ISSUE DEBT SHALL HOLD IN ESCROW AN AMOUNT SUFFICIENT TO PAY THE
26 ANNUAL AMOUNT OF THE SUM OF THE PRINCIPAL MATURING OR SUBJECT TO
27 MANDATORY REDEMPTION AND INTEREST OWING BY THE CHARTER SCHOOL
28 ENTITY OR SINKING FUND DEPOSIT DUE BY THE CHARTER SCHOOL ENTITY.

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

30 (1) FOR THE 2013-2014 SCHOOL YEAR AND EACH SCHOOL YEAR

1 THEREAFTER, A CHARTER SCHOOL ENTITY SHALL NOT ACCUMULATE AN
2 UNASSIGNED FUND BALANCE GREATER THAN THE CHARTER SCHOOL ENTITY
3 FUND BALANCE LIMIT, WHICH WILL BE DETERMINED AS FOLLOWS:

4	<u>MAXIMUM UNASSIGNED FUND</u>
5	<u>BALANCE AS PERCENTAGE OF</u>
6	<u>TOTAL BUDGETED EXPENDITURES</u>
7	<u>LESS THAN OR EQUAL TO \$11,999,999</u> 12%
8	<u>BETWEEN \$12,000,000 AND \$12,999,999</u> 11.5%
9	<u>BETWEEN \$13,000,000 AND \$13,999,999</u> 11%
10	<u>BETWEEN \$14,000,000 AND \$14,999,999</u> 10.5%
11	<u>BETWEEN \$15,000,000 AND \$15,999,999</u> 10%
12	<u>BETWEEN \$16,000,000 AND \$16,999,999</u> 9.5%
13	<u>BETWEEN \$17,000,000 AND \$17,999,999</u> 9%
14	<u>BETWEEN \$18,000,000 AND \$18,999,999</u> 8.5%
15	<u>GREATER THAN OR EQUAL TO \$19,000,000</u> 8%

16 (2) ANY UNASSIGNED FUND BALANCE IN PLACE ON JUNE 30, 2013,
17 THAT EXCEEDS THE CHARTER SCHOOL ENTITY FUND BALANCE LIMIT SHALL
18 BE REFUNDED ON A PRO RATA BASIS WITHIN 90 DAYS TO ALL SCHOOL
19 DISTRICTS THAT PAID TUITION TO THE CHARTER SCHOOL ENTITY ON
20 BEHALF OF STUDENTS ENROLLED IN THE 2011-2012 AND 2012-2013
21 SCHOOL YEARS. THE FUNDS MAY NOT BE USED TO PAY BONUSES TO ANY
22 ADMINISTRATOR, BOARD OF TRUSTEE MEMBER, EMPLOYE, STAFF OR
23 CONTRACTOR AND MAY NOT BE TRANSFERRED TO A CHARTER SCHOOL
24 FOUNDATION.

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

30 (4) BY AUGUST 15, 2013, AND AUGUST 15 OF EACH YEAR

1 THEREAFTER, EACH CHARTER SCHOOL ENTITY SHALL PROVIDE ITS GRANTOR
2 AND THE BOARD WITH INFORMATION CERTIFYING COMPLIANCE WITH THIS
3 SECTION. THE INFORMATION SHALL BE PROVIDED IN A FORM AND MANNER
4 PRESCRIBED BY THE BOARD AND SHALL INCLUDE INFORMATION ON THE
5 CHARTER SCHOOL ENTITY'S ESTIMATED ENDING UNASSIGNED FUND BALANCE
6 EXPRESSED AS A DOLLAR AMOUNT AND AS A PERCENTAGE OF THE CHARTER
7 SCHOOL ENTITY'S TOTAL BUDGETED EXPENDITURES FOR THAT SCHOOL
8 YEAR.

9 SECTION 1.8. SECTION 1716-A(C) OF THE ACT, ADDED JUNE 19,
10 1997 (P.L.225, NO.22), IS AMENDED AND THE SECTION IS AMENDED BY
11 ADDING SUBSECTIONS TO READ:

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

13 (B.1) (1) FOR A CHARTER SCHOOL ENTITY CHARTERED AFTER THE
14 EFFECTIVE DATE OF THIS SUBSECTION, AN INDIVIDUAL SHALL BE
15 PROHIBITED FROM SERVING AS A VOTING MEMBER OF THE BOARD OF
16 TRUSTEES OF THE CHARTER SCHOOL ENTITY IF THE INDIVIDUAL OR AN
17 IMMEDIATE FAMILY MEMBER RECEIVES COMPENSATION FROM OR IS
18 EMPLOYED BY OR IS A MEMBER OF THE GRANTOR WHO PARTICIPATED IN
19 THE INITIAL REVIEW, APPROVAL, OVERSIGHT, EVALUATION OR RENEWAL
20 PROCESS OF THE CHARTER SCHOOL ENTITY.

21 (2) AN EMPLOYEE OF THE GRANTOR THAT CHARTERED THE CHARTER
22 SCHOOL ENTITY MAY SERVE AS A MEMBER OF THE BOARD OF TRUSTEES
23 WITHOUT VOTING PRIVILEGES.

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

29 (2) ANY MEMBER OF THE BOARD OF TRUSTEES WHO IN THE DISCHARGE
30 OF THE PERSON'S OFFICIAL DUTIES WOULD BE REQUIRED TO VOTE ON A

1 MATTER THAT WOULD RESULT IN A CONFLICT OF INTEREST SHALL ABSTAIN
2 FROM VOTING AND FOLLOW THE PROCEDURES REQUIRED UNDER 65 PA.C.S.
3 § 1103(J) (RELATING TO RESTRICTED ACTIVITIES).

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

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

11 (5) NO MEMBER OF THE BOARD OF TRUSTEES OF A CHARTER SCHOOL
12 ENTITY SHALL BE COMPENSATED FOR DUTIES ON THE BOARD.

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

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

24 (D) (1) (I) THE BOARD OF TRUSTEES OF A CHARTER SCHOOL
25 ENTITY SHALL CONSIST OF A MINIMUM OF FIVE (5) NONRELATED VOTING
26 MEMBERS.

27 (II) IF A CHARTER SCHOOL ENTITY HAS FEWER THAN FIVE (5)
28 NONRELATED VOTING MEMBERS SERVING ON ITS BOARD ON THE EFFECTIVE
29 DATE OF THIS SUBSECTION, THE CHARTER SCHOOL ENTITY SHALL, WITHIN
30 SIXTY (60) DAYS, APPOINT ADDITIONAL MEMBERS TO ITS BOARD TO MEET

1 THE MINIMUM REQUIREMENTS OF THIS SECTION.

2 (2) WITHIN ONE (1) YEAR OF THE EFFECTIVE DATE OF THIS
3 SUBSECTION, AT LEAST ONE (1) MEMBER OF THE BOARD OF TRUSTEES OF
4 A CHARTER SCHOOL ENTITY SHALL BE A PARENT OF A CHILD CURRENTLY
5 ATTENDING THE CHARTER SCHOOL ENTITY. THE BOARD MEMBER SHALL BE
6 ELIGIBLE TO SERVE ONLY SO LONG AS THE CHILD ATTENDS THE CHARTER
7 SCHOOL ENTITY.

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

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

16 (F) (1) IN ANY CASE WHERE THE BOARD OF TRUSTEES OF A
17 CHARTER SCHOOL FAILS TO PAY OR TO PROVIDE FOR FOR THE PAYMENT
18 OF:

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

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

24 THE BANK OR TRUSTEE FOR THE BONDS SHALL NOTIFY THE BOARD OF
25 CHARTER SCHOOL TRUSTEES OF ITS OBLIGATION AND SHALL IMMEDIATELY
26 NOTIFY THE GRANTOR OF THE CHARTER SCHOOL AND THE SECRETARY.

27 (2) THE SECRETARY SHALL WITHHOLD ANY APPROPRIATION DUE THE
28 CHARTER SCHOOL IN ANY AMOUNT NECESSARY TO FULLY FUND THE AMOUNT
29 HELD IN ESCROW BY THE CHARTER SCHOOL WHICH SHALL BE EQUAL TO THE
30 SUM OF THE PRINCIPAL AMOUNT MATURING OR SUBJECT TO MANDATORY

1 REDEMPTION AND INTEREST OWING BY THE CHARTER SCHOOL OR SINKING
2 FUND DEPOSIT DUE BY SUCH CHARTER SCHOOL AND SHALL REQUIRE
3 PAYOVER OF THE AMOUNT WITHHELD TO THE BANK OR TRUSTEE ACTING AS
4 THE SINKING FUND DEPOSITARY FOR THE BOND ISSUE FROM THE ESCROW
5 ACCOUNT.

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

12 SECTION 1.9. SECTIONS 1717-A, 1718-A AND 1719-A OF THE ACT,
13 ADDED JUNE 19, 1997 (P.L.225, NO.22), ARE AMENDED TO READ:

14 SECTION 1717-A. ESTABLISHMENT OF CHARTER SCHOOL.--(A) A
15 CHARTER SCHOOL MAY BE ESTABLISHED BY AN INDIVIDUAL; ONE OR MORE
16 TEACHERS WHO WILL TEACH AT THE PROPOSED CHARTER SCHOOL; PARENTS
17 OR GUARDIANS OF STUDENTS WHO WILL ATTEND THE CHARTER SCHOOL; ANY
18 NONSECTARIAN COLLEGE, UNIVERSITY OR MUSEUM LOCATED IN THIS
19 COMMONWEALTH; ANY NONSECTARIAN CORPORATION NOT-FOR-PROFIT, AS
20 DEFINED IN 15 PA.C.S. (RELATING TO CORPORATIONS AND
21 UNINCORPORATED ASSOCIATIONS); ANY CORPORATION, ASSOCIATION OR
22 PARTNERSHIP; OR ANY COMBINATION THEREOF. [A CHARTER SCHOOL MAY
23 BE ESTABLISHED BY CREATING A NEW SCHOOL OR BY CONVERTING AN
24 EXISTING PUBLIC SCHOOL OR A PORTION OF AN EXISTING PUBLIC
25 SCHOOL.] A CHARTER SCHOOL MUST BE ORGANIZED AS A PUBLIC,
26 NONPROFIT CORPORATION. A CHARTER MAY NOT BE GRANTED TO A FOR-
27 PROFIT ENTITY. NO CHARTER SCHOOL SHALL BE ESTABLISHED OR FUNDED
28 BY AND NO CHARTER SHALL BE GRANTED TO ANY SECTARIAN SCHOOL,
29 INSTITUTION OR OTHER ENTITY. NO FUNDS ALLOCATED OR DISBURSED
30 UNDER THIS ARTICLE SHALL BE USED TO DIRECTLY SUPPORT INSTRUCTION

1 PURSUANT TO SECTION 1327.1.

2 (B) (1) THE CONVERSION OF AN EXISTING PUBLIC SCHOOL OR
3 PORTION OF AN EXISTING PUBLIC SCHOOL TO A CHARTER SCHOOL MAY BE
4 INITIATED BY ANY INDIVIDUAL OR ENTITY AUTHORIZED TO ESTABLISH A
5 CHARTER SCHOOL UNDER SUBSECTION (A).

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

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

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

14 (3) IN NO EVENT SHALL THE BOARD OF SCHOOL DIRECTORS SERVE AS
15 THE BOARD OF TRUSTEES OF AN EXISTING SCHOOL WHICH IS CONVERTED
16 TO A CHARTER SCHOOL PURSUANT TO THIS SUBSECTION.

17 (4) (RESERVED).

18 (5) (RESERVED).

19 (6) THIS ARTICLE SHALL APPLY TO AN EXISTING PUBLIC SCHOOL
20 BUILDING OR A PORTION OF AN EXISTING PUBLIC SCHOOL BUILDING
21 CONVERTED TO A CHARTER SCHOOL.

22 (7) IN THE CASE OF AN EXISTING SCHOOL BEING CONVERTED TO A
23 CHARTER SCHOOL, THE LOCAL BOARD OF SCHOOL DIRECTORS, THE SPECIAL
24 BOARD OF CONTROL OR THE SCHOOL REFORM COMMISSION SHALL ESTABLISH
25 THE ALTERNATIVE ARRANGEMENTS FOR CURRENT STUDENTS WHO CHOOSE NOT
26 TO ATTEND THE CHARTER SCHOOL.

27 (8) IN THE CASE OF AN EXISTING SCHOOL BEING CONVERTED TO A
28 CHARTER SCHOOL, PREFERENCE FOR ENROLLMENT SHALL BE GIVEN TO
29 STUDENTS RESIDING WITHIN THE FORMER ATTENDANCE BOUNDARY OF THAT
30 SCHOOL.

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

11 (C.1) GRANTORS SHALL BE AS FOLLOWS:

12 (1) THE FOLLOWING ENTITIES SHALL BE GRANTORS OF CHARTER
13 SCHOOLS AND REGIONAL CHARTER SCHOOLS:

14 (I) THE BOARD IN ACCORDANCE WITH SECTION 1721-A(H) (2.1),
15 (3), (3.1) AND (4).

16 (II) A LOCAL BOARD OF SCHOOL DIRECTORS.

17 (2) THE BOARD SHALL BE THE GRANTOR OF CYBER CHARTER SCHOOLS
18 AND REGIONAL CHARTER SCHOOLS.

19 (C.2) GRANTOR POWERS AND DUTIES SHALL BE AS FOLLOWS:

20 (1) THE BOARD SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

21 (I) RECEIVE, REVIEW AND ACT ON APPLICATIONS FOR THE CREATION
22 OF A CHARTER SCHOOL ENTITY IN ACCORDANCE WITH SECTION
23 1721-A(H) (2), (2.1), (3), (3.1) AND (4), OBTAIN INPUT FROM
24 INTERESTED PERSONS OR ENTITIES AND HOLD HEARINGS REGARDING
25 APPLICATIONS.

26 (II) EXECUTE A CHARTER WITH AN APPROVED CHARTER SCHOOL
27 ENTITY APPLICANT.

28 (III) MONITOR AND EVALUATE THE OPERATION OF EACH CHARTER
29 SCHOOL ENTITY GRANTED BY THE BOARD ON AN ANNUAL BASIS IN ORDER
30 TO DETERMINE WHETHER THE CHARTER SCHOOL ENTITY IS IN COMPLIANCE

1 WITH THE TERMS OF ITS CHARTER AND ALL APPLICABLE LAWS AND
2 REGULATIONS, AND IDENTIFY AND IMPLEMENT CORRECTIVE ACTION TO
3 REMEDY ISSUES OF NONCOMPLIANCE.

4 (IV) RENEW, REVOKE OR DENY RENEWAL OF A CHARTER SCHOOL
5 ENTITY'S CHARTER UNDER SECTION 1729-A.

6 (2) THE LOCAL BOARD OF SCHOOL DIRECTORS SHALL HAVE THE
7 FOLLOWING POWERS AND DUTIES:

8 (I) RECEIVE, REVIEW AND ACT ON APPLICATIONS FOR THE CREATION
9 OF A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL, OBTAIN INPUT
10 FROM INTERESTED PERSONS OR ENTITIES AND HOLD HEARINGS REGARDING
11 APPLICATIONS.

12 (II) EXECUTE A CHARTER WITH AN APPROVED CHARTER SCHOOL OR
13 REGIONAL CHARTER SCHOOL APPLICANT.

14 (III) MONITOR AND EVALUATE THE OPERATION OF EACH CHARTER
15 SCHOOL OR REGIONAL CHARTER SCHOOL GRANTED BY THE LOCAL BOARD OF
16 SCHOOL DIRECTORS ON AN ANNUAL BASIS IN ORDER TO DETERMINE
17 WHETHER THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL IS IN
18 COMPLIANCE WITH THE TERMS OF ITS CHARTER AND ALL APPLICABLE LAWS
19 AND REGULATIONS, AND IDENTIFY AND IMPLEMENT CORRECTIVE ACTION TO
20 REMEDY ISSUES OF NONCOMPLIANCE.

21 (IV) RENEW, REVOKE OR DENY RENEWAL OF A CHARTER SCHOOL OR
22 REGIONAL CHARTER SCHOOL'S CHARTER UNDER SECTION 1729-A.

23 (D) WITHIN FORTY-FIVE (45) DAYS OF RECEIPT OF AN
24 APPLICATION, THE [LOCAL BOARD OF SCHOOL DIRECTORS IN WHICH THE
25 PROPOSED CHARTER SCHOOL IS TO BE LOCATED] GRANTOR SHALL HOLD AT
26 LEAST ONE PUBLIC HEARING ON THE PROVISIONS OF THE CHARTER
27 APPLICATION, UNDER [THE ACT OF JULY 3, 1986 (P.L.388, NO.84),
28 KNOWN AS THE "SUNSHINE ACT."] 65 PA.C.S. CH. 7 (RELATING TO OPEN
29 MEETINGS). AT LEAST FORTY-FIVE (45) DAYS MUST TRANSPIRE BETWEEN
30 THE FIRST PUBLIC HEARING AND THE FINAL DECISION OF THE [BOARD]

1 GRANTOR ON THE CHARTER APPLICATION EXCEPT THAT FOR A CHARTER
2 SCHOOL BEGINNING IN THE 1997-1998 SCHOOL YEAR, ONLY THIRTY (30)
3 DAYS MUST TRANSPIRE BETWEEN THE FIRST PUBLIC HEARING AND THE
4 FINAL DECISION OF THE BOARD.

5 (E) (1) NOT LATER THAN SEVENTY-FIVE (75) DAYS AFTER THE
6 FIRST PUBLIC HEARING ON THE APPLICATION, THE [LOCAL BOARD OF
7 SCHOOL DIRECTORS] GRANTOR SHALL GRANT OR DENY THE APPLICATION.
8 FOR A CHARTER SCHOOL BEGINNING IN THE 1997-1998 SCHOOL YEAR, THE
9 LOCAL BOARD OF SCHOOL DIRECTORS SHALL GRANT OR DENY THE
10 APPLICATION NO LATER THAN SIXTY (60) DAYS AFTER THE FIRST PUBLIC
11 HEARING.

12 (2) A CHARTER SCHOOL APPLICATION SUBMITTED UNDER THIS
13 ARTICLE SHALL BE EVALUATED BY THE [LOCAL BOARD OF SCHOOL
14 DIRECTORS] GRANTOR BASED ON CRITERIA, INCLUDING, BUT NOT LIMITED
15 TO, THE FOLLOWING:

16 (I) THE DEMONSTRATED, SUSTAINABLE SUPPORT FOR THE CHARTER
17 SCHOOL PLAN BY TEACHERS, PARENTS, OTHER COMMUNITY MEMBERS AND
18 STUDENTS, INCLUDING COMMENTS RECEIVED AT THE PUBLIC HEARING HELD
19 UNDER SUBSECTION (D).

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

23 (III) THE EXTENT TO WHICH THE APPLICATION CONSIDERS THE
24 INFORMATION REQUESTED IN SECTION 1719-A AND CONFORMS TO THE
25 LEGISLATIVE INTENT OUTLINED IN SECTION 1702-A.

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

28 (3) THE LOCAL BOARD OF SCHOOL DIRECTORS, IN THE CASE OF AN
29 EXISTING SCHOOL BEING CONVERTED TO A CHARTER SCHOOL, SHALL
30 ESTABLISH THE ALTERNATIVE ARRANGEMENTS FOR CURRENT STUDENTS WHO

1 CHOOSE NOT TO ATTEND THE CHARTER SCHOOL.

2 (4) A CHARTER APPLICATION SHALL BE DEEMED APPROVED BY THE
3 [LOCAL BOARD OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT] GRANTOR
4 UPON AFFIRMATIVE VOTE BY A MAJORITY OF ALL THE [DIRECTORS]
5 MEMBERS. FORMAL ACTION APPROVING OR DENYING THE APPLICATION
6 SHALL BE TAKEN BY THE [LOCAL BOARD OF SCHOOL DIRECTORS] GRANTOR
7 AT A PUBLIC MEETING, WITH NOTICE OR CONSIDERATION OF THE
8 APPLICATION GIVEN BY THE [BOARD] GRANTOR, UNDER [THE "SUNSHINE
9 ACT."] 65 PA.C.S. CH. 7.

10 (5) WRITTEN NOTICE OF THE [BOARD'S] GRANTOR'S ACTION SHALL
11 BE SENT TO THE APPLICANT, THE DEPARTMENT AND THE [APPEAL] BOARD.
12 IF THE APPLICATION IS DENIED, THE REASONS FOR THE DENIAL,
13 INCLUDING A DESCRIPTION OF DEFICIENCIES IN THE APPLICATION,
14 SHALL BE CLEARLY STATED IN THE NOTICE SENT BY THE [LOCAL BOARD
15 OF SCHOOL DIRECTORS] GRANTOR TO THE CHARTER SCHOOL APPLICANT.

16 (F) (1) AT THE OPTION OF THE CHARTER SCHOOL APPLICANT, A
17 DENIED APPLICATION MAY BE REVISED AND RESUBMITTED TO THE [LOCAL
18 BOARD OF SCHOOL DIRECTORS. FOLLOWING THE APPOINTMENT AND
19 CONFIRMATION OF THE CHARTER SCHOOL APPEAL BOARD UNDER SECTION
20 1721-A, THE DECISION OF THE LOCAL BOARD OF SCHOOL DIRECTORS MAY
21 BE APPEALED TO THE APPEAL BOARD.] GRANTOR THAT INITIALLY DENIED
22 THE APPLICATION.

23 (2) AT THE OPTION OF THE CHARTER SCHOOL APPLICANT, A DENIED
24 APPLICATION BY A LOCAL BOARD OF SCHOOL DIRECTORS MAY BE APPEALED
25 DIRECTLY TO THE BOARD.

26 (3) WHEN AN APPLICATION IS REVISED AND RESUBMITTED TO THE
27 LOCAL BOARD OF SCHOOL DIRECTORS, OR THE BOARD UNDER THIS
28 SECTION, EITHER MAY SCHEDULE ADDITIONAL PUBLIC HEARINGS ON THE
29 REVISED APPLICATION. THE BOARD OR LOCAL BOARD OF SCHOOL
30 DIRECTORS SHALL CONSIDER THE REVISED AND RESUBMITTED APPLICATION

1 AT THE FIRST [BOARD] MEETING OCCURRING AT LEAST FORTY-FIVE (45)
2 DAYS AFTER RECEIPT OF THE REVISED APPLICATION [BY THE BOARD. FOR
3 A REVISED APPLICATION RESUBMITTED FOR THE 1997-1998 SCHOOL YEAR,
4 THE BOARD SHALL CONSIDER THE APPLICATION AT THE FIRST BOARD
5 MEETING OCCURRING AT LEAST THIRTY (30) DAYS AFTER ITS RECEIPT].
6 THE BOARD SHALL PROVIDE NOTICE OF CONSIDERATION OF THE REVISED
7 APPLICATION UNDER [THE "SUNSHINE ACT." NO APPEAL FROM A DECISION
8 OF A LOCAL SCHOOL BOARD MAY BE TAKEN UNTIL JULY 1, 1999.] 65
9 PA.C.S. CH. 7.

10 (G) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (E) (5),
11 FAILURE BY THE LOCAL BOARD OF DIRECTORS TO HOLD A PUBLIC HEARING
12 AND TO GRANT OR DENY THE APPLICATION FOR A CHARTER SCHOOL WITHIN
13 THE TIME PERIODS SPECIFIED IN SUBSECTIONS (D), (E) AND (F) SHALL
14 PERMIT THE APPLICANT FOR A CHARTER TO FILE ITS APPLICATION AS AN
15 APPEAL TO THE [APPEAL] BOARD. IN SUCH CASE, THE [APPEAL] BOARD
16 SHALL REVIEW THE APPLICATION AND MAKE A DECISION TO GRANT OR
17 DENY A CHARTER BASED ON THE CRITERIA ESTABLISHED IN SUBSECTION
18 (E) (2). THE BOARD SHALL REVIEW THE APPLICATION DE NOVO. THE
19 BOARD SHALL NOT BE BOUND BY, BUT MAY CONSIDER, THE FACTUAL OR
20 LEGAL CONCLUSIONS OF THE LOCAL BOARD OF SCHOOL DIRECTORS.

21 (H) IN THE CASE OF A REVIEW BY THE [APPEAL] BOARD OF AN
22 APPLICATION THAT IS REVOKED OR IS NOT RENEWED, THE [APPEAL]
23 BOARD SHALL MAKE ITS DECISION BASED ON THE CRITERIA ESTABLISHED
24 IN SUBSECTION (E) (2). [A DECISION BY THE APPEAL BOARD UNDER THIS
25 SUBSECTION OR SUBSECTION (G) TO GRANT, TO RENEW OR NOT TO REVOKE
26 A CHARTER SHALL SERVE AS A REQUIREMENT FOR THE LOCAL BOARD OF
27 DIRECTORS OF A SCHOOL DISTRICT OR SCHOOL DISTRICTS, AS
28 APPROPRIATE, TO SIGN THE WRITTEN CHARTER OF THE CHARTER SCHOOL
29 AS PROVIDED FOR IN SECTION 1720-A. SHOULD THE LOCAL BOARD OF
30 DIRECTORS FAIL TO GRANT THE APPLICATION AND SIGN THE CHARTER

1 WITHIN TEN (10) DAYS OF NOTICE OF REVERSAL OF THE DECISION OF
2 THE LOCAL BOARD OF DIRECTORS, THE CHARTER SHALL BE DEEMED TO BE
3 APPROVED AND SHALL BE SIGNED BY THE CHAIRMAN OF THE APPEAL
4 BOARD.]

5 (I) (1) THE [APPEAL] BOARD SHALL HAVE THE EXCLUSIVE REVIEW
6 OF AN APPEAL BY A CHARTER SCHOOL APPLICANT, OR BY THE BOARD OF
7 TRUSTEES OF AN EXISTING CHARTER SCHOOL, OF A DECISION MADE BY A
8 LOCAL BOARD OF DIRECTORS NOT TO GRANT A CHARTER AS PROVIDED IN
9 THIS SECTION.

10 (2) IN ORDER FOR A CHARTER SCHOOL APPLICANT TO BE ELIGIBLE
11 TO APPEAL THE DENIAL OF A CHARTER BY THE LOCAL BOARD OF
12 DIRECTORS, THE APPLICANT MUST OBTAIN THE SIGNATURES OF AT LEAST
13 TWO PER CENTUM OF THE RESIDENTS OF THE SCHOOL DISTRICT OR OF ONE
14 THOUSAND (1,000) RESIDENTS, WHICHEVER IS LESS, WHO ARE OVER
15 EIGHTEEN (18) YEARS OF AGE. FOR A REGIONAL CHARTER SCHOOL, THE
16 APPLICANT MUST OBTAIN THE SIGNATURES OF AT LEAST TWO PER CENTUM
17 OF THE RESIDENTS OF EACH SCHOOL DISTRICT GRANTING THE CHARTER OR
18 OF ONE THOUSAND (1,000) RESIDENTS FROM EACH OF THE SCHOOL
19 DISTRICTS GRANTING THE CHARTER, WHICHEVER IS LESS, WHO ARE OVER
20 EIGHTEEN (18) YEARS OF AGE. THE SIGNATURES SHALL BE OBTAINED
21 WITHIN SIXTY (60) DAYS OF THE DENIAL OF THE APPLICATION BY THE
22 LOCAL BOARD OF DIRECTORS IN ACCORDANCE WITH CLAUSE (3).

23 (3) EACH PERSON SIGNING A PETITION TO APPEAL DENIAL OF A
24 CHARTER UNDER CLAUSE (2) SHALL DECLARE THAT HE OR SHE IS A
25 RESIDENT OF THE SCHOOL DISTRICT WHICH DENIED THE CHARTER
26 APPLICATION AND SHALL INCLUDE HIS OR HER PRINTED NAME;
27 SIGNATURE; ADDRESS, INCLUDING CITY, BOROUGH OR TOWNSHIP, WITH
28 STREET AND NUMBER, IF ANY; AND THE DATE OF SIGNING. ALL PAGES
29 SHALL BE BOUND TOGETHER. ADDITIONAL PAGES OF THE PETITION SHALL
30 BE NUMBERED CONSECUTIVELY. THERE SHALL BE APPENDED TO THE

1 PETITION A STATEMENT THAT THE LOCAL BOARD OF DIRECTORS REJECTED
2 THE PETITION FOR A CHARTER SCHOOL, THE NAMES OF ALL APPLICANTS
3 FOR THE CHARTER, THE DATE OF DENIAL BY THE BOARD AND THE
4 PROPOSED LOCATION OF THE CHARTER SCHOOL. NO RESIDENT MAY SIGN
5 MORE THAN ONE PETITION RELATING TO THE CHARTER SCHOOL
6 APPLICATION WITHIN THE SIXTY (60) DAYS FOLLOWING DENIAL OF THE
7 APPLICATION. THE DEPARTMENT SHALL DEVELOP A FORM TO BE USED TO
8 PETITION FOR AN APPEAL.

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

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

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

16 (III) THAT THE SIGNERS SIGNED WITH FULL KNOWLEDGE OF THE
17 PURPOSE OF THE PETITION.

18 (IV) THAT THE SIGNERS' RESPECTIVE RESIDENCES ARE CORRECTLY
19 STATED IN THE PETITION.

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

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

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

25 (5) IF THE REQUIRED NUMBER OF SIGNATURES ARE OBTAINED WITHIN
26 SIXTY (60) DAYS OF THE DENIAL OF THE APPLICATION, THE APPLICANT
27 MAY PRESENT THE PETITION TO THE COURT OF COMMON PLEAS OF THE
28 COUNTY IN WHICH THE CHARTER SCHOOL WOULD BE SITUATED. THE COURT
29 SHALL HOLD A HEARING ONLY ON THE SUFFICIENCY OF THE PETITION.
30 THE APPLICANT AND LOCAL BOARD OF SCHOOL DIRECTORS SHALL BE GIVEN

1 SEVEN (7) DAYS' NOTICE OF THE HEARING. THE COURT SHALL ISSUE A
2 DECREE ESTABLISHING THE SUFFICIENCY OR INSUFFICIENCY OF THE
3 PETITION. IF THE PETITION IS SUFFICIENT, THE DECREE SHALL BE
4 TRANSMITTED TO THE STATE CHARTER SCHOOL APPEAL BOARD FOR REVIEW
5 IN ACCORDANCE WITH THIS SECTION. NOTIFICATION OF THE DECREE
6 SHALL BE GIVEN TO THE APPLICANT AND THE LOCAL BOARD OF
7 DIRECTORS.

8 [(6) IN ANY APPEAL, THE DECISION MADE BY THE LOCAL BOARD OF
9 DIRECTORS SHALL BE REVIEWED BY THE APPEAL BOARD ON THE RECORD AS
10 CERTIFIED BY THE LOCAL BOARD OF DIRECTORS. THE APPEAL BOARD
11 SHALL GIVE DUE CONSIDERATION TO THE FINDINGS OF THE LOCAL BOARD
12 OF DIRECTORS AND SPECIFICALLY ARTICULATE ITS REASONS FOR
13 AGREEING OR DISAGREEING WITH THOSE FINDINGS IN ITS WRITTEN
14 DECISION. THE APPEAL BOARD SHALL HAVE THE DISCRETION TO ALLOW
15 THE LOCAL BOARD OF DIRECTORS AND THE CHARTER SCHOOL APPLICANT TO
16 SUPPLEMENT THE RECORD IF THE SUPPLEMENTAL INFORMATION WAS
17 PREVIOUSLY UNAVAILABLE.]

18 (7) NOT LATER THAN THIRTY (30) DAYS AFTER THE DATE OF NOTICE
19 OF THE ACCEPTANCE OF THE APPEAL, THE [APPEAL] BOARD SHALL MEET
20 TO OFFICIALLY REVIEW THE CERTIFIED RECORD.

21 (8) NOT LATER THAN SIXTY (60) DAYS FOLLOWING THE REVIEW
22 CONDUCTED PURSUANT TO CLAUSE (6), THE [APPEAL] BOARD SHALL ISSUE
23 A WRITTEN DECISION AFFIRMING OR DENYING THE APPEAL. IF THE
24 [APPEAL] BOARD HAS AFFIRMED THE DECISION OF THE LOCAL BOARD OF
25 DIRECTORS, NOTICE SHALL BE PROVIDED TO BOTH PARTIES.

26 (9) [A] IF THE DECISION OF THE [APPEAL] BOARD IS TO REVERSE
27 THE DECISION OF THE LOCAL BOARD OF DIRECTORS [SHALL SERVE AS A
28 REQUIREMENT FOR THE LOCAL BOARD OF DIRECTORS OF A SCHOOL
29 DISTRICT OR SCHOOL DISTRICTS, AS APPROPRIATE, TO GRANT THE
30 APPLICATION AND SIGN THE WRITTEN CHARTER OF THE CHARTER SCHOOL

1 AS PROVIDED FOR IN SECTION 1720-A. SHOULD THE LOCAL BOARD OF
2 DIRECTORS FAIL TO GRANT THE APPLICATION AND SIGN THE CHARTER
3 WITHIN TEN (10) DAYS OF NOTICE OF THE REVERSAL OF THE DECISION
4 OF THE LOCAL BOARD OF DIRECTORS, THE CHARTER SHALL BE DEEMED TO
5 BE APPROVED AND SHALL BE SIGNED BY THE CHAIRMAN OF THE APPEAL
6 BOARD.] THE BOARD SHALL GRANT THE APPLICATION AND SIGN THE
7 WRITTEN CHARTER OF THE CHARTER SCHOOL AS THE GRANTOR AS PROVIDED
8 FOR IN SECTION 1720-A.

9 (10) IF THE BOARD IS REVIEWING AN APPEAL OF A REVOCATION OR
10 NONRENEWAL DECISION, THE BOARD SHALL REVIEW THE RECORD AND SHALL
11 HAVE THE DISCRETION TO SUPPLEMENT THE RECORD IF THE SUPPLEMENTAL
12 INFORMATION WAS PREVIOUSLY UNAVAILABLE. THE BOARD MAY CONSIDER
13 THE CHARTER SCHOOL ENTITY'S PLAN, ANNUAL REPORTS, STUDENT
14 PERFORMANCE AND EMPLOYE AND COMMUNITY SUPPORT FOR THE CHARTER
15 SCHOOL ENTITY IN ADDITION TO THE RECORD. THE BOARD SHALL REVIEW
16 THE APPEAL DE NOVO. THE BOARD SHALL NOT BE BOUND BY, BUT MAY
17 CONSIDER, THE FACTUAL OR LEGAL CONCLUSIONS OF THE LOCAL BOARD OF
18 SCHOOL DIRECTORS.

19 (11) IF THE BOARD DETERMINES THAT THE CHARTER SHOULD NOT BE
20 REVOKED OR SHOULD BE RENEWED, THE BOARD SHALL ISSUE AN ORDER
21 REVERSING THE DECISION OF THE LOCAL BOARD OF SCHOOL DIRECTORS
22 AND SHALL INITIATE CHARTER TRANSFER PROCEEDINGS UNDER SECTION
23 1733-A(C) (5).

24 (12) EXCEPT AS PROVIDED IN CLAUSE (13), THE CHARTER SHALL
25 REMAIN IN EFFECT UNTIL FINAL DISPOSITION BY THE BOARD.

26 (13) IN CASES WHERE THE HEALTH OR SAFETY OF THE SCHOOL'S
27 STUDENTS, STAFF OR BOTH IS AT SERIOUS RISK, THE GRANTOR MAY TAKE
28 IMMEDIATE ACTION TO REVOKE A CHARTER.

29 (14) WHEN A CHARTER IS REVOKED, NOT RENEWED, FORFEITED,
30 SURRENDERED OR OTHERWISE CEASES TO OPERATE, THE CHARTER SCHOOL

1 ENTITY SHALL BE DISSOLVED. AFTER THE DISPOSITION OF ANY
2 LIABILITIES AND OBLIGATIONS OF THE CHARTER SCHOOL ENTITY, ANY
3 REMAINING ASSETS OF THE CHARTER SCHOOL ENTITY, BOTH REAL AND
4 PERSONAL, SHALL BE DISTRIBUTED ON A PROPORTIONAL BASIS TO THE
5 SCHOOL ENTITIES WITH STUDENTS ENROLLED IN THE CHARTER SCHOOL
6 ENTITY FOR THE LAST FULL OR PARTIAL SCHOOL YEAR OF THE CHARTER
7 SCHOOL ENTITY. IN NO EVENT SHALL SUCH SCHOOL ENTITIES OR THE
8 COMMONWEALTH BE LIABLE FOR ANY OUTSTANDING LIABILITIES OR
9 OBLIGATIONS OF THE CHARTER SCHOOL ENTITY.

10 (15) WHEN A CHARTER IS REVOKED OR IS NOT RENEWED, A STUDENT
11 WHO ATTENDED THE CHARTER SCHOOL ENTITY SHALL APPLY TO ANOTHER
12 PUBLIC SCHOOL IN THE STUDENT'S SCHOOL DISTRICT OF RESIDENCE.
13 NORMAL APPLICATION DEADLINES WILL BE DISREGARDED UNDER THESE
14 CIRCUMSTANCES. ALL STUDENT RECORDS MAINTAINED BY THE CHARTER
15 SCHOOL ENTITY SHALL BE FORWARDED TO THE STUDENT'S DISTRICT OF
16 RESIDENCE.

17 [(10)] (16) ALL DECISIONS OF THE [APPEAL] BOARD SHALL BE
18 SUBJECT TO APPELLATE REVIEW BY THE COMMONWEALTH COURT.

19 SECTION 1718-A. REGIONAL CHARTER SCHOOL.-- (A) [A REGIONAL
20 CHARTER SCHOOL MAY BE ESTABLISHED BY AN INDIVIDUAL, ONE OR MORE
21 TEACHERS WHO WILL TEACH AT THE PROPOSED CHARTER SCHOOL; PARENTS
22 OR GUARDIANS OF STUDENTS WHO WILL ATTEND THE CHARTER SCHOOL; ANY
23 NONSECTARIAN COLLEGE, UNIVERSITY OR MUSEUM LOCATED IN THIS
24 COMMONWEALTH; ANY NONSECTARIAN CORPORATION NOT-FOR-PROFIT, AS
25 DEFINED IN 15 PA.C.S. (RELATING TO CORPORATIONS AND
26 UNINCORPORATED ASSOCIATIONS); ANY CORPORATION, ASSOCIATION OR
27 PARTNERSHIP; OR ANY COMBINATION THEREOF. A REGIONAL CHARTER
28 SCHOOL MAY BE ESTABLISHED BY CREATING A NEW SCHOOL OR BY
29 CONVERTING AN EXISTING PUBLIC SCHOOL OR A PORTION OF AN EXISTING
30 PUBLIC SCHOOL. CONVERSION OF AN EXISTING PUBLIC SCHOOL TO A

1 REGIONAL CHARTER SCHOOL SHALL BE ACCOMPLISHED IN ACCORDANCE WITH
2 SECTION 1714-A(B). NO REGIONAL CHARTER SCHOOL SHALL BE
3 ESTABLISHED OR FUNDED BY AND NO CHARTER SHALL BE GRANTED TO ANY
4 SECTARIAN SCHOOL, INSTITUTION OR OTHER ENTITY.

5 (B) THE BOARDS OF SCHOOL DIRECTORS OF ONE OR MORE SCHOOL
6 DISTRICTS MAY ACT JOINTLY TO RECEIVE AND CONSIDER AN APPLICATION
7 FOR A REGIONAL CHARTER SCHOOL, EXCEPT THAT ANY ACTION TO APPROVE
8 AN APPLICATION FOR A CHARTER OR TO SIGN A WRITTEN CHARTER OF AN
9 APPLICANT SHALL REQUIRE AN AFFIRMATIVE VOTE OF A MAJORITY OF ALL
10 THE DIRECTORS OF EACH OF THE SCHOOL DISTRICTS INVOLVED. THE
11 APPLICANT SHALL APPLY FOR A CHARTER TO THE BOARD OF DIRECTORS OF
12 ANY SCHOOL DISTRICT IN WHICH THE CHARTER SCHOOL WILL BE LOCATED.

13 (C) THE PROVISIONS OF THIS ARTICLE AS THEY PERTAIN TO
14 CHARTER SCHOOLS AND THE POWERS AND DUTIES OF THE LOCAL BOARD OF
15 SCHOOL DIRECTORS OF A SCHOOL DISTRICT AND THE APPEAL BOARD SHALL
16 APPLY TO REGIONAL CHARTER SCHOOLS, EXCEPT AS PROVIDED IN
17 SUBSECTIONS (A) AND (B) OR AS OTHERWISE CLEARLY STATED IN THIS
18 ARTICLE.] THE FOLLOWING APPLY:

19 (1) A REGIONAL CHARTER SCHOOL MAY BE ESTABLISHED BY ANY
20 INDIVIDUAL OR ENTITY ALLOWED UNDER SECTION 1717-A(A).

21 (2) A REGIONAL CHARTER SCHOOL MAY BE ESTABLISHED BY CREATING
22 A NEW SCHOOL UNDER SUBSECTION (B) OR BY CONVERTING AN EXISTING
23 PUBLIC SCHOOL BUILDING OR A PORTION OF AN EXISTING PUBLIC SCHOOL
24 BUILDING. CONVERSION OF AN EXISTING PUBLIC SCHOOL BUILDING OR A
25 PORTION OF AN EXISTING PUBLIC SCHOOL BUILDING TO A REGIONAL
26 CHARTER SCHOOL SHALL BE ACCOMPLISHED IN ACCORDANCE WITH SECTION
27 1717-A(B).

28 (3) NO REGIONAL CHARTER SCHOOL MAY BE ESTABLISHED OR FUNDED
29 BY, AND NO CHARTER SHALL BE GRANTED TO, ANY SECTARIAN SCHOOL,
30 INSTITUTION OR OTHER ENTITY.

1 (4) A REGIONAL CHARTER SCHOOL MUST BE ORGANIZED AS A PUBLIC,
2 NONPROFIT CORPORATION. A CHARTER MAY NOT BE GRANTED TO ANY FOR-
3 PROFIT ENTITY.

4 (B) THE FOLLOWING APPLY TO APPLICATIONS:

5 (1) THE LOCAL BOARDS OF SCHOOL DIRECTORS OF ONE OR MORE
6 SCHOOL DISTRICTS MAY ACT JOINTLY TO RECEIVE AND CONSIDER AN
7 APPLICATION FOR A REGIONAL CHARTER SCHOOL, EXCEPT THAT ANY
8 ACTION TO APPROVE AN APPLICATION FOR A CHARTER OR TO SIGN A
9 WRITTEN CHARTER OF AN APPLICANT SHALL REQUIRE AN AFFIRMATIVE
10 VOTE OF A MAJORITY OF ALL THE DIRECTORS OF EACH OF THE SCHOOL
11 DISTRICTS INVOLVED. THE APPLICANT SHALL APPLY FOR A CHARTER TO
12 THE LOCAL BOARD OF SCHOOL DIRECTORS OF ANY SCHOOL DISTRICT IN
13 WHICH THE REGIONAL CHARTER SCHOOL WILL BE LOCATED.

14 (2) IF STUDENTS FROM FIVE OR MORE SCHOOL DISTRICTS WILL BE
15 ENROLLED IN A REGIONAL CHARTER SCHOOL, THE BOARD MAY RECEIVE AND
16 CONSIDER AN APPLICATION FOR A REGIONAL CHARTER SCHOOL. ANY
17 ACTION TO APPROVE AN APPLICATION FOR A CHARTER OR TO SIGN A
18 WRITTEN CHARTER OF AN APPLICANT UNDER THIS SECTION SHALL REQUIRE
19 AN AFFIRMATIVE VOTE OF A MAJORITY OF ALL BOARD MEMBERS.

20 (C) THE PROVISIONS OF THIS ARTICLE RELATING TO CHARTER
21 SCHOOLS AND THE POWERS AND DUTIES OF GRANTORS SHALL APPLY TO
22 REGIONAL CHARTER SCHOOLS, EXCEPT AS PROVIDED UNDER THIS ARTICLE.

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

27 (1) THE IDENTIFICATION OF THE CHARTER SCHOOL ENTITY
28 APPLICANT.

29 (2) THE NAME OF THE PROPOSED CHARTER SCHOOL ENTITY.

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

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

9 (4.1) A CLEAR DESCRIPTION OF THE ROLES AND RESPONSIBILITIES
10 FOR THE BOARD OF TRUSTEES, ADMINISTRATORS AND ANY OTHER
11 ENTITIES, INCLUDING A CHARTER SCHOOL FOUNDATION, SHOWN IN THE
12 ORGANIZATION CHART.

13 (4.2) A CLEAR DESCRIPTION AND METHOD FOR THE APPOINTMENT OR
14 ELECTION OF MEMBERS OF THE BOARD OF TRUSTEES.

15 (4.3) STANDARDS FOR BOARD PERFORMANCE, INCLUDING COMPLIANCE
16 WITH ALL APPLICABLE LAWS, REGULATIONS AND TERMS OF THE CHARTER.

17 (4.4) IF THE CHARTER SCHOOL INTENDS TO CONTRACT WITH AN
18 EDUCATIONAL MANAGEMENT SERVICE PROVIDER FOR SERVICES, ALL OF THE
19 FOLLOWING:

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

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

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

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

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

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

3 (E) PERFORMANCE EVALUATION MEASURES AND TIMELINES.

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

7 (G) METHODS OF CONTRACT OVERSIGHT AND ENFORCEMENT.

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

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

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

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

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

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

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

30 (9) THE FINANCIAL PLAN FOR THE CHARTER SCHOOL AND THE

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

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

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

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

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

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

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

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

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

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

15 (19) HOW THE CHARTER SCHOOL ENTITY WILL MEET THE STANDARDS
16 INCLUDED IN THE PERFORMANCE MATRIX DEVELOPED BY THE BOARD UNDER
17 SECTION 1721-A(H) (11).

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

24 (B) A GRANTOR MAY NOT IMPOSE ADDITIONAL TERMS, DEVELOP A
25 SEPARATE APPLICATION OR REQUIRE ADDITIONAL INFORMATION OUTSIDE
26 THE STANDARD APPLICATION FORM REQUIRED UNDER SUBSECTION (A).

27 SECTION 1.10. SECTION 1720-A OF THE ACT, AMENDED JULY 9,
28 2008 (P.L.846, NO.61), IS AMENDED TO READ:

29 SECTION 1720-A. TERM AND FORM OF CHARTER.-- (A) UPON
30 APPROVAL OF A CHARTER APPLICATION UNDER SECTION 1717-A, A

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

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

18 (3) WITHIN TWENTY (20) DAYS AFTER THE HEARING, THE GRANTOR
19 SHALL GRANT OR DENY THE REQUESTED AMENDMENT. FAILURE BY THE
20 GRANTOR TO HOLD A PUBLIC HEARING AND TO GRANT OR DENY THE
21 AMENDMENTS WITHIN THE TIME PERIOD SPECIFIED SHALL BE DEEMED AN
22 APPROVAL.

23 (4) AN APPLICANT FOR AN AMENDMENT SHALL HAVE THE RIGHT TO
24 APPEAL THE DENIAL OF A REQUESTED AMENDMENT TO THE BOARD PROVIDED
25 FOR UNDER SECTION 1721-A. THE BOARD SHALL REVIEW THE APPEAL DE
26 NOVO. THE BOARD SHALL NOT BE BOUND BY, BUT MAY CONSIDER, THE
27 FACTUAL OR LEGAL CONCLUSION OF THE LOCAL BOARD OF SCHOOL
28 DIRECTORS.

29 SECTION 1.11. SECTION 1721-A OF THE ACT, ADDED JUNE 19, 1997
30 (P.L.225, NO.22), IS AMENDED TO READ:

1 SECTION 1721-A. STATE CHARTER SCHOOL [APPEAL] ENTITIES
2 BOARD.-- (A) THE STATE CHARTER SCHOOL [APPEAL] ENTITIES BOARD IS
3 HEREBY ESTABLISHED AS AN INDEPENDENT ADMINISTRATIVE BOARD AND
4 SHALL CONSIST OF THE [SECRETARY OF EDUCATION AND SIX (6)]
5 FOLLOWING MEMBERS WHO SHALL BE APPOINTED BY THE GOVERNOR BY AND
6 WITH THE CONSENT OF A MAJORITY OF ALL THE MEMBERS OF THE SENATE.
7 [APPOINTMENTS BY THE GOVERNOR SHALL NOT OCCUR PRIOR TO JANUARY
8 1, 1999.] THE GOVERNOR SHALL SELECT THE CHAIRMAN OF THE [APPEAL]
9 BOARD TO SERVE AT THE PLEASURE OF THE GOVERNOR. THE MEMBERS
10 SHALL INCLUDE:

11 (1) A PARENT OF A SCHOOL-AGED CHILD ENROLLED AT A CHARTER
12 SCHOOL ENTITY.

13 (2) A SCHOOL BOARD MEMBER.

14 (3) A CERTIFIED TEACHER ACTIVELY EMPLOYED IN A PUBLIC
15 SCHOOL.

16 (4) A FACULTY MEMBER OR ADMINISTRATIVE EMPLOYEE OF AN
17 INSTITUTION OF HIGHER EDUCATION.

18 (5) A MEMBER OF THE BUSINESS COMMUNITY.

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

20 (7) AN ADMINISTRATOR OF A CHARTER SCHOOL ENTITY.

21 (8) A MEMBER OF THE BOARD OF TRUSTEES OF A CHARTER SCHOOL
22 ENTITY.

23 (9) A MEMBER WITH EXPERTISE IN SCHOOL BUSINESS
24 ADMINISTRATION OR FINANCING.

25 THE TERM OF OFFICE OF MEMBERS OF THE [APPEAL] BOARD[, OTHER THAN
26 THE SECRETARY,] SHALL BE FOR A PERIOD OF FOUR (4) YEARS OR UNTIL
27 A SUCCESSOR IS APPOINTED AND QUALIFIED, EXCEPT THAT, OF THE
28 INITIAL APPOINTEES, THE GOVERNOR SHALL DESIGNATE TWO (2) MEMBERS
29 TO SERVE TERMS OF TWO (2) YEARS, TWO (2) MEMBERS TO SERVE TERMS
30 OF THREE (3) YEARS AND TWO (2) MEMBERS TO SERVE TERMS OF FOUR

1 (4) YEARS. A PARENT MEMBER APPOINTED UNDER CLAUSE (1) SHALL
2 SERVE A TERM OF FOUR (4) YEARS, PROVIDED THE MEMBER'S CHILD
3 REMAINS ENROLLED IN THE CHARTER SCHOOL ENTITY. ANY APPOINTMENT
4 TO FILL ANY VACANCY SHALL BE FOR THE PERIOD OF THE UNEXPIRED
5 TERM OR UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIED.

6 (B) THE [APPEAL] BOARD SHALL MEET [AS NEEDED] AT LEAST
7 MONTHLY TO FULFILL THE PURPOSES PROVIDED IN THIS [SUBSECTION]
8 SECTION. A MAJORITY OF THE MEMBERS OF THE [APPEAL] BOARD SHALL
9 CONSTITUTE A QUORUM, AND A MAJORITY OF THE MEMBERS OF THE
10 [APPEAL] BOARD SHALL HAVE AUTHORITY TO ACT UPON ANY MATTER
11 PROPERLY BEFORE THE [APPEAL] BOARD. THE [APPEAL] BOARD IS
12 AUTHORIZED TO ESTABLISH RULES FOR ITS OPERATION.

13 (C) THE MEMBERS SHALL RECEIVE NO PAYMENT FOR THEIR SERVICES.
14 MEMBERS WHO ARE NOT EMPLOYES OF STATE GOVERNMENT SHALL BE
15 REIMBURSED FOR EXPENSES INCURRED IN THE COURSE OF THEIR OFFICIAL
16 DUTIES [FROM FUNDS APPROPRIATED FOR THE GENERAL GOVERNMENT
17 OPERATIONS OF THE DEPARTMENT].

18 [(D) THE DEPARTMENT SHALL PROVIDE ASSISTANCE AND STAFFING
19 FOR THE APPEAL BOARD. THE GOVERNOR, THROUGH THE GOVERNOR'S
20 GENERAL COUNSEL, SHALL PROVIDE SUCH LEGAL ADVICE AND ASSISTANCE
21 AS THE APPEAL BOARD MAY REQUIRE.]

22 (E) MEETINGS OF THE [APPEAL] BOARD SHALL BE CONDUCTED UNDER
23 [THE ACT OF JULY 3, 1986 (P.L.388, NO.84), KNOWN AS THE
24 "SUNSHINE ACT."] 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).
25 DOCUMENTS OF THE [APPEAL] BOARD SHALL BE SUBJECT TO THE [ACT OF
26 JUNE 21, 1957 (P.L.390, NO.212), REFERRED TO AS THE RIGHT-TO-
27 KNOW LAW.] "RIGHT-TO-KNOW LAW."

28 (F) AN EXECUTIVE DIRECTOR SHALL BE APPOINTED BY THE MEMBERS
29 OF THE BOARD. THE EXECUTIVE DIRECTOR SHALL BE PAID COMPENSATION
30 AS DETERMINED BY THE BOARD. THE EXECUTIVE DIRECTOR MAY EMPLOY

1 PERSONNEL AND CONTRACT FOR CONSULTING SERVICES AS NECESSARY AND
2 MAY CARRY OUT THE PURPOSES OF THIS ARTICLE IF THE SERVICES ARE
3 PROCURED THROUGH A COMPETITIVE BIDDING PROCESS.

4 (G) ALL BOARD HEARINGS SHALL BE CONDUCTED IN ACCORDANCE WITH
5 2 PA.C.S. CH. 5 SUBCH. A (RELATING TO PRACTICE AND PROCEDURE OF
6 COMMONWEALTH AGENCIES).

7 (H) THE BOARD SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

8 (1) IMPLEMENT THIS ARTICLE AND PROMULGATE REGULATIONS.

9 (2) SERVE AS A GRANTOR FOR CYBER CHARTER SCHOOLS.

10 (2.1) SERVE AS A GRANTOR FOR REGIONAL CHARTER SCHOOLS AS
11 PROVIDED UNDER SECTION 1718-A(B) (2).

12 (3) SERVE AS A GRANTOR FOR CHARTER SCHOOLS WHO ELECT TO
13 TRANSFER THEIR CHARTER UNDER SECTION 1733-A(C).

14 (3.1) SERVE AS A GRANTOR FOR CHARTER SCHOOLS IT APPROVES
15 UNDER SECTION 1717-A(I) (11).

16 (4) SERVE AS A GRANTOR FOR CHARTER SCHOOLS IT APPROVES UNDER
17 SECTION 1717-A(I) (9).

18 (5) DEVELOP AND ISSUE STANDARDIZED FORMS AND REPORTS THAT
19 SHALL BE USED BY ALL APPLICANTS, GRANTORS AND CHARTER SCHOOL
20 ENTITIES UNDER SECTIONS 1717-A, 1718-A, 1719-A, 1728-A, 1733-A,
21 1734-A, 1741-A, 1743-A AND 1747-A. THE BOARD MAY RECEIVE INPUT
22 FROM THE DEPARTMENT, GRANTORS AND CHARTER SCHOOL ENTITY
23 OPERATORS TO DEVELOP THE STANDARDIZED FORMS.

24 (6) RECEIVE, REVIEW AND ACT ON APPLICATIONS FOR THE CREATION
25 OF A CHARTER SCHOOL ENTITY AS PROVIDED FOR UNDER SECTION
26 1721-A(H) (2), (2.1), (3), (3.1) AND (4), OBTAIN INPUT FROM
27 INTERESTED PERSONS OR ENTITIES AND HOLD HEARINGS REGARDING
28 APPLICATIONS.

29 (7) MONITOR AND EVALUATE ON AN ANNUAL BASIS THE OPERATION OF
30 EACH CHARTER SCHOOL ENTITY THE BOARD SERVES AS A GRANTOR IN

1 ORDER TO DETERMINE WHETHER THE SCHOOL IS IN COMPLIANCE WITH THE
2 TERMS OF ITS CHARTER AND APPLICABLE STATUTES AND REGULATIONS,
3 AND IDENTIFY AND IMPLEMENT CORRECTIVE ACTION TO REMEDY ANY
4 ISSUES OF NONCOMPLIANCE.

5 (8) SET ASSESSMENT FEES THROUGH THE PROMULGATION OF
6 REGULATIONS, SUBJECT TO THE ACT OF JUNE 25, 1982 (P.L.633,
7 NO.181), KNOWN AS THE "REGULATORY REVIEW ACT," ON CHARTER SCHOOL
8 ENTITIES AS PROVIDED UNDER SECTION 1705-A.

9 (9) FOR ALL CHARTER SCHOOL ENTITIES THAT THE BOARD SERVES AS
10 A GRANTOR, RENEW, REVOKE OR DENY RENEWAL OF A SCHOOL'S CHARTER
11 UNDER SECTION 1729-A.

12 (10) RECEIVE, REVIEW AND ACT ON MULTIPLE CHARTER SCHOOL
13 ORGANIZATION TRANSFERS UNDER SECTIONS 1733-A(D) AND 1734-A.

14 (11) DEVELOP A STANDARD PERFORMANCE MATRIX AS FOLLOWS:

15 (I) WITHIN ONE YEAR OF THE EFFECTIVE DATE OF THIS SUBCLAUSE,
16 THE BOARD SHALL DEVELOP A STANDARD PERFORMANCE MATRIX TO
17 EVALUATE CHARTER SCHOOL ENTITY PERFORMANCE AND SHALL PROMULGATE
18 REGULATIONS PURSUANT TO THE "REGULATORY REVIEW ACT" TO IMPLEMENT
19 THIS SECTION.

20 (II) THE PERFORMANCE MATRIX MAY ASSESS PERFORMANCE BY
21 UTILIZING OBJECTIVE CRITERIA, INCLUDING:

22 (A) STUDENT PERFORMANCE ON THE PENNSYLVANIA SYSTEM OF SCHOOL
23 ASSESSMENT TEST, THE KEYSTONE EXAM OR ANOTHER TEST ESTABLISHED
24 BY THE STATE BOARD TO MEET THE REQUIREMENTS OF SECTION
25 2603-B(D) (10) (I) AND REQUIRED UNDER THE NO CHILD LEFT BEHIND ACT
26 OF 2001 (PUBLIC LAW 107-110, 115 STAT. 1425) OR ITS SUCCESSOR
27 FEDERAL STATUTE.

28 (B) ANNUAL GROWTH AS MEASURED BY THE PENNSYLVANIA VALUE-
29 ADDED ASSESSMENT SYSTEM.

30 (C) ATTENDANCE.

1 (D) ATTRITION RATES.

2 (E) GRADUATION RATES.

3 (F) OTHER STANDARDIZED TEST SCORES.

4 (G) SCHOOL SAFETY.

5 (H) PARENT SATISFACTION.

6 (I) ACCREDITATION BY A NATIONALLY RECOGNIZED ACCREDITATION
7 AGENCY, INCLUDING THE MIDDLE STATES ASSOCIATION OF COLLEGES AND
8 SCHOOLS OR ANOTHER REGIONAL INSTITUTIONAL ACCREDITING AGENCY
9 RECOGNIZED BY THE UNITED STATES DEPARTMENT OF EDUCATION OR AN
10 EQUIVALENT FEDERALLY RECOGNIZED BODY FOR CHARTER SCHOOL
11 EDUCATION.

12 (J) OTHER MEASURES OF SCHOOL QUALITY.

13 (III) THE BOARD SHALL DEVELOP THE PERFORMANCE MATRIX WITH
14 INPUT FROM CHARTER SCHOOL ENTITY OPERATORS AND MAY CONTRACT FOR
15 CONSULTING SERVICES WITH AN ENTITY THAT HAS EXPERIENCE IN
16 DEVELOPING PERFORMANCE MATRICES IF THE SERVICES ARE PROCURED
17 THROUGH A COMPETITIVE BIDDING PROCESS.

18 (IV) GRANTORS SHALL UTILIZE THE STANDARD PERFORMANCE MATRIX
19 AS A PRIMARY FACTOR IN EVALUATING NEW AND RENEWAL CHARTER SCHOOL
20 ENTITY APPLICANTS, AND IN THE ANNUAL MONITORING AND EVALUATION
21 OF CHARTER SCHOOL ENTITIES.

22 (V) THE STANDARD PERFORMANCE MATRIX SHALL BE DISTRIBUTED BY
23 THE BOARD TO ALL KNOWN GRANTORS AND SHALL BE PUBLISHED ON THE
24 BOARD'S PUBLICLY ACCESSIBLE INTERNET WEBSITE.

25 (VI) GRANTORS SHALL UTILIZE THE STANDARD PERFORMANCE MATRIX
26 AS A PRIMARY FACTOR IN EVALUATING NEW AND RENEWAL CHARTER SCHOOL
27 ENTITY APPLICANTS, AND IN THE ANNUAL MONITORING AND EVALUATION
28 OF CHARTER SCHOOL ENTITIES.

29 (12) PROVIDE A LIST OF NATIONALLY RECOGNIZED ACCREDITATION
30 AGENCIES, INCLUDING THE MIDDLE STATES ASSOCIATION OF COLLEGES

1 AND SCHOOLS OR OTHER REGIONAL INSTITUTIONAL ACCREDITING AGENCIES
2 RECOGNIZED BY THE UNITED STATES DEPARTMENT OF EDUCATION OR AN
3 EQUIVALENT FEDERALLY RECOGNIZED BODY FOR CHARTER SCHOOL
4 EDUCATION, THAT A CHARTER SCHOOL ENTITY MAY USE TO SEEK
5 ACCREDITATION.

6 (13) DEVELOP A HEARING PROCESS FOR CONSIDERATION OF CHARTER
7 SCHOOL AND REGIONAL CHARTER SCHOOL APPEALS OF DENIED AMENDMENTS
8 UNDER SECTION 1720-A(C) AND FOR CYBER CHARTER AMENDMENTS UNDER
9 SECTION 1745-A(F).

10 (14) DEVELOP POLICIES, PROCEDURES AND REGULATIONS PERTAINING
11 TO CYBER CHARTER SCHOOL STUDENT TRUANCY.

12 (15) EMPLOY PERSONNEL AND CONTRACT FOR CONSULTING SERVICES
13 AS MAY BE NECESSARY AND CARRY OUT THE PURPOSES OF THIS ARTICLE
14 IF THE SERVICES ARE PROCURED THROUGH A COMPETITIVE BIDDING
15 PROCESS.

16 (16) REFER TO THE DISTRICT ATTORNEY WITH JURISDICTION OR TO
17 THE OFFICE OF ATTORNEY GENERAL FOR PROSECUTION IF THE BOARD
18 DISCOVERS OR RECEIVES INFORMATION ABOUT POSSIBLE VIOLATIONS OF
19 LAW BY ANY PERSON AFFILIATED WITH OR EMPLOYED BY A GRANTOR OR A
20 CHARTER SCHOOL ENTITY.

21 SECTION 1.12. SECTION 1722-A OF THE ACT, AMENDED NOVEMBER
22 17, 2010 (P.L.996, NO.104), IS AMENDED TO READ:

23 SECTION 1722-A. FACILITIES.--(A) A CHARTER SCHOOL MAY BE
24 LOCATED IN AN EXISTING PUBLIC SCHOOL BUILDING, IN A PART OF AN
25 EXISTING PUBLIC SCHOOL BUILDING, IN SPACE PROVIDED ON A
26 PRIVATELY OWNED SITE, IN A PUBLIC BUILDING OR IN ANY OTHER
27 SUITABLE LOCATION.

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

1 (D) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, [A
2 SCHOOL DISTRICT OF THE FIRST CLASS] A GRANTOR MAY, IN ITS
3 DISCRETION, PERMIT A CHARTER SCHOOL TO OPERATE ITS SCHOOL AT
4 MORE THAN ONE LOCATION.

5 (E) (1) NOTWITHSTANDING THE PROVISIONS OF SECTION 204 OF
6 THE ACT OF MAY 22, 1933 (P.L.853, NO.155), KNOWN AS THE GENERAL
7 COUNTY ASSESSMENT LAW, ALL SCHOOL PROPERTY, REAL AND PERSONAL,
8 OWNED BY ANY CHARTER SCHOOL, CYBER CHARTER SCHOOL OR AN
9 ASSOCIATED NONPROFIT FOUNDATION, OR OWNED BY A NONPROFIT
10 CORPORATION, ASSOCIATED NONPROFIT CORPORATION OR NONPROFIT
11 FOUNDATION AND LEASED TO A CHARTER SCHOOL[, CYBER CHARTER
12 SCHOOL] ENTITY [OR], ASSOCIATED NONPROFIT FOUNDATION OR
13 ASSOCIATED NONPROFIT CORPORATION AT OR BELOW FAIR MARKET VALUE,
14 THAT IS OCCUPIED AND USED BY ANY CHARTER SCHOOL OR CYBER CHARTER
15 SCHOOL FOR PUBLIC SCHOOL, RECREATION OR ANY OTHER PURPOSES
16 PROVIDED FOR BY THIS ACT, SHALL BE MADE EXEMPT FROM EVERY KIND
17 OF STATE, COUNTY, CITY, BOROUGH, TOWNSHIP OR OTHER REAL ESTATE
18 TAX, INCLUDING PAYMENTS IN LIEU OF TAXES ESTABLISHED THROUGH
19 AGREEMENT WITH THE COMMONWEALTH OR ANY LOCAL TAXING AUTHORITY,
20 AS WELL AS FROM ALL COSTS OR EXPENSES FOR PAVING, CURBING,
21 SIDEWALKS, SEWERS OR OTHER MUNICIPAL IMPROVEMENTS, PROVIDED,
22 THAT ANY CHARTER SCHOOL OR CYBER CHARTER SCHOOL OR OWNER OF
23 PROPERTY LEASED TO A CHARTER SCHOOL [OR CYBER CHARTER SCHOOL]
24 ENTITY MAY MAKE A MUNICIPAL IMPROVEMENT IN A STREET ON WHICH ITS
25 SCHOOL PROPERTY ABUTS OR MAY CONTRIBUTE A SUM TOWARD THE COST OF
26 THE IMPROVEMENT.

27 (2) ANY AGREEMENT ENTERED INTO BY A CHARTER SCHOOL[, CYBER
28 CHARTER SCHOOL OR] ENTITY, ASSOCIATED NONPROFIT FOUNDATION OR
29 ASSOCIATED NONPROFIT CORPORATION WITH THE COMMONWEALTH OR A
30 LOCAL TAXING AUTHORITY FOR PAYMENTS IN LIEU OF TAXES PRIOR TO

1 DECEMBER 31, 2009, SHALL BE NULL AND VOID.

2 (3) THIS SUBSECTION SHALL APPLY RETROACTIVELY TO ALL CHARTER
3 [SCHOOLS, CYBER CHARTER SCHOOLS AND] SCHOOL ENTITIES, ASSOCIATED
4 NONPROFIT FOUNDATIONS AND ASSOCIATED NONPROFIT CORPORATIONS THAT
5 FILED AN APPEAL FROM AN ASSESSMENT, AS PROVIDED IN ARTICLE V OF
6 THE GENERAL COUNTY ASSESSMENT LAW, PRIOR TO THE EFFECTIVE DATE
7 OF THIS SUBSECTION AND UNTIL SUCH TIME AS A FINAL ORDER HAS BEEN
8 ENTERED.

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

12 (F) (1) ALCOHOLIC BEVERAGES SHALL NOT BE AVAILABLE FOR
13 CONSUMPTION, PURCHASE OR SALE IN ANY CHARTER SCHOOL ENTITY
14 FACILITY.

15 (2) IF THE GRANTOR REASONABLY BELIEVES THAT ALCOHOLIC
16 BEVERAGES HAVE BEEN MADE AVAILABLE FOR CONSUMPTION, PURCHASE OR
17 SALE IN ANY CHARTER SCHOOL ENTITY FACILITY, THE GRANTOR SHALL
18 NOTIFY THE DEPARTMENT, AND THE SECRETARY SHALL ORDER THE
19 FOLLOWING FORFEITURES AGAINST THE CHARTER SCHOOL ENTITY:

20 (I) A FINE OF ONE THOUSAND DOLLARS (\$1,000) FOR THE FIRST
21 VIOLATION.

22 (II) A FINE OF FIVE THOUSAND DOLLARS (\$5,000) FOR THE SECOND
23 OR SUBSEQUENT VIOLATION.

24 (3) THE CHARTER SCHOOL ENTITY MAY APPEAL THE ORDER OF THE
25 SECRETARY UNDER 2 PA.C.S. CHS. 5 (RELATING TO PRACTICE AND
26 PROCEDURE) AND 7 (RELATING TO JUDICIAL REVIEW).

27 SECTION 1.13. SECTION 1723-A(A) AND (D) OF THE ACT, AMENDED
28 JUNE 26, 1999 (P.L.394, NO.36) AND JULY 9, 2008 (P.L.846,
29 NO.61), ARE AMENDED TO READ:

30 SECTION 1723-A. ENROLLMENT.--(A) ALL RESIDENT CHILDREN IN

1 THIS COMMONWEALTH QUALIFY FOR ADMISSION TO A CHARTER SCHOOL
2 ENTITY WITHIN THE PROVISIONS OF SUBSECTION (B). IF MORE STUDENTS
3 APPLY TO THE CHARTER SCHOOL ENTITY THAN THE NUMBER OF ATTENDANCE
4 SLOTS AVAILABLE IN THE SCHOOL, THEN STUDENTS MUST BE SELECTED ON
5 A RANDOM BASIS FROM A POOL OF QUALIFIED APPLICANTS MEETING THE
6 ESTABLISHED ELIGIBILITY CRITERIA AND SUBMITTING AN APPLICATION
7 BY THE DEADLINE ESTABLISHED BY THE CHARTER SCHOOL, EXCEPT THAT
8 THE CHARTER SCHOOL ENTITY MAY GIVE PREFERENCE IN ENROLLMENT TO A
9 CHILD OF A PARENT WHO HAS ACTIVELY PARTICIPATED IN THE
10 DEVELOPMENT OF THE CHARTER SCHOOL [AND], TO SIBLINGS OF STUDENTS
11 PRESENTLY ENROLLED IN THE CHARTER SCHOOL AND TO SIBLINGS OF
12 STUDENTS SELECTED FOR ENROLLMENT DURING THE LOTTERY PROCESS.
13 FIRST PREFERENCE SHALL BE GIVEN TO STUDENTS WHO RESIDE IN THE
14 DISTRICT OR DISTRICTS.

15 * * *

16 (D) (1) ENROLLMENT OF STUDENTS IN A CHARTER SCHOOL [OR
17 CYBER CHARTER SCHOOL] ENTITY SHALL NOT BE SUBJECT TO A CAP OR
18 OTHERWISE LIMITED BY ANY PAST OR FUTURE ACTION OF A BOARD OF
19 SCHOOL DIRECTORS, A BOARD OF CONTROL ESTABLISHED UNDER ARTICLE
20 XVII-B, A SPECIAL BOARD OF CONTROL ESTABLISHED UNDER SECTION 692
21 OR ANY OTHER GOVERNING AUTHORITY[, UNLESS AGREED TO BY THE
22 CHARTER SCHOOL OR CYBER CHARTER SCHOOL AS PART OF A WRITTEN
23 CHARTER PURSUANT TO SECTION 1720-A].

24 (2) THE PROVISIONS OF THIS SUBSECTION SHALL APPLY TO A
25 CHARTER SCHOOL [OR CYBER CHARTER SCHOOL] ENTITY REGARDLESS OF
26 WHETHER THE CHARTER WAS APPROVED PRIOR TO OR IS APPROVED
27 SUBSEQUENT TO THE EFFECTIVE DATE OF THIS SUBSECTION.

28 SECTION 1.14. SECTION 1724-A(D) OF THE ACT, ADDED JUNE 19,
29 1997 (P.L.225, NO.22) IS AMENDED TO READ:

30 SECTION 1724-A. SCHOOL STAFF.--* * *

1 (D) EVERY EMPLOYE OF A CHARTER SCHOOL SHALL BE PROVIDED THE
2 [SAME] SIMILAR HEALTH CARE BENEFITS AS THE EMPLOYE WOULD BE
3 PROVIDED IF HE OR SHE WERE AN EMPLOYE OF THE LOCAL DISTRICT. THE
4 LOCAL BOARD OF SCHOOL DIRECTORS MAY REQUIRE THE CHARTER SCHOOL
5 TO PROVIDE THE [SAME] SIMILAR TERMS AND CONDITIONS WITH REGARD
6 TO HEALTH INSURANCE AS THE COLLECTIVE BARGAINING AGREEMENT OF
7 THE SCHOOL DISTRICT TO INCLUDE EMPLOYE CONTRIBUTIONS TO THE
8 DISTRICT'S HEALTH BENEFITS PLAN. THE CHARTER SCHOOL SHALL MAKE
9 ANY REQUIRED EMPLOYER'S CONTRIBUTION TO THE DISTRICT'S HEALTH
10 PLAN TO AN INSURER, A LOCAL BOARD OF SCHOOL DIRECTORS OR A
11 CONTRACTUAL REPRESENTATIVE OF SCHOOL EMPLOYEES, WHICHEVER IS
12 APPROPRIATE TO PROVIDE THE REQUIRED COVERAGE.

13 * * *

14 SECTION 1.15. SECTION 1725-A OF THE ACT, AMENDED OR ADDED
15 JUNE 19, 1997 (P.L.225, NO.22), JUNE 22, 2001 (P.L.530, NO.35)
16 AND JUNE 29, 2002 (P.L.524, NO.88), IS AMENDED TO READ:

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

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

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

1 ACCOUNTING AND RELATED FINANCIAL PROCEDURES FOR PENNSYLVANIA
2 SCHOOL SYSTEMS ESTABLISHED BY THE DEPARTMENT. THIS AMOUNT SHALL
3 BE PAID BY THE DISTRICT OF RESIDENCE OF EACH STUDENT.

4 (3) FOR SPECIAL EDUCATION STUDENTS, THE CHARTER SCHOOL SHALL
5 RECEIVE FOR EACH STUDENT ENROLLED THE SAME FUNDING AS FOR EACH
6 NON-SPECIAL EDUCATION STUDENT AS PROVIDED IN CLAUSE (2), PLUS AN
7 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. THIS AMOUNT SHALL BE PAID BY THE
12 DISTRICT OF RESIDENCE OF EACH STUDENT.

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

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

1 THE DISTRICT AFTER RECEIPT OF DOCUMENTATION FROM THE CHARTER
2 SCHOOL.

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

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

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

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

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

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

1 ATTENDANCE OF ANY PUPIL. ANY DONATION, GIFT OR CONTRIBUTION
2 RECEIVED BY A CHARTER SCHOOL SHALL BE GIVEN FREELY AND
3 VOLUNTARILY.] FUNDING FOR A CHARTER SCHOOL ENTITY SHALL BE
4 PROVIDED IN THE FOLLOWING MANNER AND SHALL NOT BE IN VIOLATION
5 OF ANY APPLICABLE FEDERAL OR STATE LAW, REGULATION OR AGREEMENT:

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

8 (2) THE FOLLOWING APPLY:

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

15 (A) NONPUBLIC SCHOOL PROGRAMS.

16 (B) ADULT EDUCATION PROGRAMS.

17 (C) COMMUNITY AND JUNIOR COLLEGE PROGRAMS.

18 (D) STUDENT TRANSPORTATION SERVICES.

19 (E) SPECIAL EDUCATION PROGRAMS.

20 (F) FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT
21 SERVICES.

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

26 (I.1) THE AMOUNT UNDER SUBCLAUSE (I) SHALL BE CALCULATED BY
27 EACH SCHOOL DISTRICT ON A FORM PRESCRIBED BY THE SECRETARY IN
28 ACCORDANCE WITH THIS SECTION. THE SECRETARY, UPON RECEIPT OF A
29 DISTRICT'S CALCULATION, SHALL REVIEW THE DISTRICT'S CALCULATION
30 AND MAY REQUEST SUPPORTING DOCUMENTATION FROM THE DISTRICT

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

5 (II) THE FOLLOWING APPLY:

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

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

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

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

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

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

28 (3) THE FOLLOWING APPLY:

29 (I) FOR SPECIAL EDUCATION STUDENTS, THE CHARTER SCHOOL
30 ENTITY SHALL RECEIVE FOR EACH STUDENT ENROLLED THE SAME FUNDING

1 AS FOR EACH NONSPECIAL EDUCATION STUDENT AS PROVIDED UNDER
2 CLAUSE (2), PLUS AN ADDITIONAL AMOUNT DETERMINED BY DIVIDING THE
3 TOTAL SPECIAL EDUCATION EXPENDITURE OF THE SCHOOL DISTRICT OF
4 RESIDENCE BY THE PRODUCT OF:

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

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

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

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

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

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

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

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

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

15 (5) THE FOLLOWING APPLY:

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

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

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

30 (IV) IF THERE ARE INSUFFICIENT STATE PAYMENTS DUE TO A

1 DISTRICT IN THE ESTABLISHED MONTHLY UNIPAY SCHEDULE TO COVER ALL
2 CHARTER SCHOOL ENTITY DEDUCTIONS AND TRANSFERS, THE DISTRICT
3 SHALL BE RESPONSIBLE FOR PAYING THE UNPAID BALANCE DIRECTLY TO
4 THE CHARTER SCHOOL ENTITY NOT MORE THAN SEVEN (7) DAYS FOLLOWING
5 THE ESTABLISHED MONTHLY UNIPAY SCHEDULE.

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

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

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

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

27 (6) THE FOLLOWING APPLY:

28 (I) WITHIN THIRTY (30) DAYS AFTER THE PAYMENT IS MADE TO THE
29 CHARTER SCHOOL ENTITY AS DESCRIBED UNDER CLAUSE (5), A SCHOOL
30 DISTRICT MAY NOTIFY THE SECRETARY THAT THE ESTIMATED AMOUNT, AS

1 DOCUMENTED BY THE CHARTER SCHOOL ENTITY, IS INACCURATE.

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

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

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

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

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

26 (B) IT SHALL BE LAWFUL FOR ANY CHARTER SCHOOL ENTITY TO
27 RECEIVE, HOLD, MANAGE AND USE, ABSOLUTELY OR IN TRUST, ANY
28 DEVISE, BEQUEST, GRANT, ENDOWMENT, GIFT OR DONATION OF ANY
29 PROPERTY, REAL OR PERSONAL AND MIXED, WHICH SHALL BE MADE TO THE
30 CHARTER SCHOOL ENTITY FOR ANY PURPOSE OF THIS ARTICLE.

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

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

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

17 SECTION 1.16. SECTIONS 1727-A AND 1728-A OF THE ACT, ADDED
18 JUNE 19, 1997 (P.L.225, NO.22), ARE AMENDED TO READ:

19 SECTION 1727-A. TORT LIABILITY.--FOR PURPOSES OF TORT
20 LIABILITY, EMPLOYES OF THE CHARTER SCHOOL SHALL BE CONSIDERED
21 PUBLIC EMPLOYES AND THE BOARD OF TRUSTEES SHALL BE CONSIDERED
22 THE PUBLIC EMPLOYER IN THE SAME MANNER AS POLITICAL SUBDIVISIONS
23 AND LOCAL AGENCIES. THE BOARD OF TRUSTEES OF A CHARTER SCHOOL
24 AND THE CHARTER SCHOOL SHALL BE SOLELY LIABLE FOR ANY AND ALL
25 DAMAGES OF ANY KIND RESULTING FROM ANY LEGAL CHALLENGE INVOLVING
26 THE OPERATION OF A CHARTER SCHOOL. NOTWITHSTANDING THIS
27 REQUIREMENT, THE [LOCAL BOARD OF DIRECTORS OF A SCHOOL ENTITY]
28 GRANTOR SHALL NOT BE HELD LIABLE FOR ANY ACTIVITY OR OPERATION
29 RELATED TO THE PROGRAM OF THE CHARTER SCHOOL.

30 SECTION 1728-A. ANNUAL REPORTS AND ASSESSMENTS.--(A) (1)

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

10 (2) ONGOING REASONABLE ACCESS TO A CHARTER SCHOOL ENTITY'S
11 RECORDS SHALL MEAN THAT THE GRANTOR SHALL HAVE ACCESS TO RECORDS
12 SUCH AS FINANCIAL REPORTS, FINANCIAL AUDITS, AGGREGATE
13 STANDARDIZED TEST SCORES WITHOUT STUDENT-IDENTIFYING INFORMATION
14 AND TEACHER CERTIFICATION AND PERSONNEL RECORDS.

15 (3) CHARTER SCHOOL ENTITIES AND THEIR GRANTORS SHALL COMPLY
16 FULLY WITH THE REQUIREMENTS OF THE FAMILY EDUCATIONAL RIGHTS AND
17 PRIVACY ACT OF 1974 (PUBLIC LAW 90-247, 20 U.S.C. § 1232G) AND
18 ASSOCIATED REGULATIONS. NO PERSONALLY IDENTIFIABLE INFORMATION
19 FROM EDUCATION RECORDS SHALL BE PROVIDED BY THE CHARTER SCHOOL
20 ENTITY TO THE SCHOOL DISTRICT EXCEPT IN COMPLIANCE WITH THE
21 FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF 1974.

22 (B) IN ORDER TO FACILITATE THE [LOCAL BOARD'S REVIEW AND
23 SECRETARY'S REPORT] GRANTOR'S REVIEW, EACH CHARTER SCHOOL SHALL
24 SUBMIT AN ANNUAL REPORT NO LATER THAN AUGUST 1 OF EACH YEAR TO
25 THE [LOCAL BOARD OF SCHOOL DIRECTORS AND THE SECRETARY] GRANTOR
26 IN THE FORM PRESCRIBED BY THE [SECRETARY] BOARD.

27 [(C) FIVE (5) YEARS FOLLOWING THE EFFECTIVE DATE OF THIS
28 ARTICLE, THE SECRETARY SHALL CONTRACT WITH AN INDEPENDENT
29 PROFESSIONAL CONSULTANT WITH EXPERTISE IN PUBLIC AND PRIVATE
30 EDUCATION. THE CONSULTANT SHALL RECEIVE INPUT FROM MEMBERS OF

1 THE EDUCATIONAL COMMUNITY AND THE PUBLIC ON THE CHARTER SCHOOL
2 PROGRAM. THE CONSULTANT SHALL SUBMIT A REPORT TO THE SECRETARY,
3 THE GOVERNOR AND THE GENERAL ASSEMBLY AND AN EVALUATION OF THE
4 CHARTER SCHOOL PROGRAM, WHICH SHALL INCLUDE A RECOMMENDATION ON
5 THE ADVISABILITY OF THE CONTINUATION, MODIFICATION, EXPANSION OR
6 TERMINATION OF THE PROGRAM AND ANY RECOMMENDATIONS FOR CHANGES
7 IN THE STRUCTURE OF THE PROGRAM.]

8 (C.1) FOR FISCAL YEAR 2013-2014 AND EACH FISCAL YEAR
9 THEREAFTER, ALL GRANTORS OTHER THAN THE BOARD SHALL SUBMIT TO
10 THE BOARD AN ANNUAL FINANCIAL REPORT ON A STANDARD FORM
11 DEVELOPED BY THE BOARD BY OCTOBER 1. THE FINANCIAL REPORT SHALL
12 LIST ALL OVERSIGHT ACTIVITIES PERFORMED BY THE GRANTOR IN THE
13 PREVIOUS YEAR, AS WELL AS A FINANCIAL ACCOUNTING OF ALL STAFF
14 AND RESOURCES USED FOR OVERSIGHT ACTIVITIES FOR EACH CHARTER
15 SCHOOL ENTITY CHARTERED BY THE GRANTOR. THE ANNUAL FINANCIAL
16 REPORT UNDER THIS SUBSECTION SHALL BE A PUBLIC DOCUMENT UNDER
17 THE "RIGHT-TO-KNOW LAW" AND SHALL BE MADE AVAILABLE ON THE
18 BOARD'S PUBLICLY ACCESSIBLE INTERNET WEBSITE.

19 (C.2) IN ORDER TO FACILITATE THE GRANTOR'S REVIEW, EACH
20 CHARTER SCHOOL ENTITY SHALL SUBMIT AN ANNUAL REPORT ON A
21 STANDARD FORM DEVELOPED BY THE BOARD NO LATER THAN SEPTEMBER 1
22 OF EACH YEAR TO THE AUTHORIZER. WITHIN TEN DAYS OF RECEIPT OF
23 THE ANNUAL REPORT, THE GRANTOR SHALL CERTIFY TO THE CHARTER
24 SCHOOL ENTITY THAT THE ANNUAL REPORT HAS BEEN RECEIVED WITH AN
25 INDICATION OF THE DATE OF RECEIPT. WITHIN 30 DAYS OF THE DATE OF
26 RECEIPT, THE GRANTOR SHALL CERTIFY TO THE CHARTER SCHOOL ENTITY
27 THAT THE ANNUAL REPORT HAS BEEN REVIEWED AND IS COMPLETE OR
28 ALTERNATIVELY, HAS BEEN REVIEWED AND IS MISSING SPECIFIC
29 INFORMATION REFERENCED IN THE CERTIFICATION.

30 (D) A CHARTER SCHOOL ENTITY SHALL FORM AN INDEPENDENT AUDIT

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

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

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

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

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

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

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

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

29 (E) THE CERTIFIED AUDIT UNDER SUBSECTION (D) AND THE ANNUAL
30 BUDGET UNDER SUBSECTION (G) ARE PUBLIC DOCUMENTS UNDER THE

1 "RIGHT-TO-KNOW LAW," AND SHALL BE MADE AVAILABLE ON THE
2 GRANTOR'S PUBLICLY ACCESSIBLE INTERNET WEBSITE AND THE CHARTER
3 SCHOOL ENTITY'S PUBLICLY ACCESSIBLE INTERNET WEBSITE, IF
4 APPLICABLE.

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

8 (G) A CHARTER SCHOOL ENTITY SHALL ANNUALLY PROVIDE THE
9 GRANTOR AND THE DEPARTMENT WITH A COPY OF THE ANNUAL BUDGET FOR
10 THE OPERATION OF THE SCHOOL THAT IDENTIFIES THE FOLLOWING:

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

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

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

17 (4) ALL EXPENDITURES TO AN EDUCATIONAL MANAGEMENT SERVICE
18 PROVIDER.

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

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

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

3 SECTION 1.17. SECTION 1729-A OF THE ACT, AMENDED OR ADDED
4 JUNE 19, 1997 (P.L.225, NO.22), JULY 4, 2004 (P.L.536, NO.70)
5 AND JULY 9, 2008 (P.L.846, NO.61), IS AMENDED TO READ:

6 SECTION 1729-A. CAUSES FOR NONRENEWAL OR TERMINATION.-- (A)
7 DURING THE TERM OF THE CHARTER OR AT THE END OF THE TERM OF THE
8 CHARTER, THE [LOCAL BOARD OF SCHOOL DIRECTORS] GRANTOR MAY
9 CHOOSE TO REVOKE OR NOT TO RENEW THE CHARTER BASED ON ANY OF THE
10 FOLLOWING:

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

14 (2) FAILURE TO MEET THE REQUIREMENTS FOR STUDENT PERFORMANCE
15 [SET FORTH IN 22 PA. CODE CH. 5 (RELATING TO CURRICULUM) OR
16 SUBSEQUENT REGULATIONS PROMULGATED TO REPLACE 22 PA. CODE CH. 5]
17 ASSESSMENTS OR FAILURE TO MEET ANY PERFORMANCE STANDARD SET
18 FORTH IN THE WRITTEN CHARTER SIGNED PURSUANT TO SECTION 1716-A.

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

21 (4) VIOLATION OF PROVISIONS OF THIS ARTICLE.

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

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

26 (A.1) WHEN A CHARTER SCHOOL LOCATED IN A SCHOOL DISTRICT OF
27 THE FIRST CLASS IS IN CORRECTIVE ACTION STATUS AND SEEKS RENEWAL
28 OF ITS CHARTER, IF THE GOVERNING BODY OF THE SCHOOL DISTRICT OF
29 THE FIRST CLASS RENEWS THE CHARTER, IT MAY PLACE SPECIFIC
30 CONDITIONS IN THE CHARTER THAT REQUIRE THE CHARTER SCHOOL TO

1 MEET SPECIFIC STUDENT PERFORMANCE TARGETS WITHIN STATED PERIODS
2 OF TIME SUBJECT TO THE FOLLOWING:

3 (I) THE PERFORMANCE TARGETS AND THE PERIODS OF TIME IN WHICH
4 THE PERFORMANCE TARGETS MUST BE MET SHALL BE REASONABLE.

5 (II) THE PLACEMENT OF CONDITIONS IN A CHARTER AS SPECIFIED
6 IN THIS SUBSECTION SHALL NOT BE CONSIDERED AN ADJUDICATION AND
7 MAY NOT BE APPEALED TO THE [STATE CHARTER SCHOOL APPEAL BOARD]
8 BOARD.

9 (III) IF THE CHARTER SCHOOL FAILS TO MEET THE PERFORMANCE
10 TARGETS WITHIN THE STATED PERIOD OF TIME, SUCH FAILURE SHALL BE
11 SUFFICIENT CAUSE FOR REVOCATION OF THE CHARTER.

12 (A.2) IN MAKING A DETERMINATION UNDER SUBSECTION (A), A
13 GRANTOR MAY CONSIDER FAILURE TO SATISFACTORILY MEET THE
14 PERFORMANCE STANDARDS SET FORTH IN THE PERFORMANCE MATRIX
15 DEVELOPED BY THE BOARD UNDER SECTION 1721-A(H) (11).

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

30 (C) ANY NOTICE OF REVOCATION OR NONRENEWAL OF A CHARTER

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

22 [(D) FOLLOWING THE APPOINTMENT AND CONFIRMATION OF THE
23 APPEAL BOARD, BUT NOT BEFORE JULY 1, 1999, THE CHARTER SCHOOL
24 MAY APPEAL THE DECISION OF THE LOCAL BOARD OF SCHOOL DIRECTORS
25 TO REVOKE OR NOT RENEW THE CHARTER TO THE APPEAL BOARD. THE
26 APPEAL BOARD SHALL HAVE THE EXCLUSIVE REVIEW OF A DECISION NOT
27 TO RENEW OR REVOKE A CHARTER. THE APPEAL BOARD SHALL REVIEW THE
28 RECORD AND SHALL HAVE THE DISCRETION TO SUPPLEMENT THE RECORD IF
29 THE SUPPLEMENTAL INFORMATION WAS PREVIOUSLY UNAVAILABLE. THE
30 APPEAL BOARD MAY CONSIDER THE CHARTER SCHOOL PLAN, ANNUAL

1 REPORTS, STUDENT PERFORMANCE AND EMPLOYE AND COMMUNITY SUPPORT
2 FOR THE CHARTER SCHOOL IN ADDITION TO THE RECORD. THE APPEAL
3 BOARD SHALL GIVE DUE CONSIDERATION TO THE FINDINGS OF THE LOCAL
4 BOARD OF DIRECTORS AND SPECIFICALLY ARTICULATE ITS REASONS FOR
5 AGREEING OR DISAGREEING WITH THOSE FINDINGS IN ITS WRITTEN
6 DECISION.

7 (E) IF THE APPEAL BOARD DETERMINES THAT THE CHARTER SHOULD
8 NOT BE REVOKED OR SHOULD BE RENEWED, THE APPEAL BOARD SHALL
9 ORDER THE LOCAL BOARD OF DIRECTORS TO RESCIND ITS REVOCATION OR
10 NONRENEWAL DECISION.

11 (F) EXCEPT AS PROVIDED IN SUBSECTION (G), THE CHARTER SHALL
12 REMAIN IN EFFECT UNTIL FINAL DISPOSITION BY THE APPEAL BOARD.

13 (G) IN CASES WHERE THE HEALTH OR SAFETY OF THE SCHOOL'S
14 PUPILS, STAFF OR BOTH IS AT SERIOUS RISK, THE LOCAL BOARD OF
15 SCHOOL DIRECTORS MAY TAKE IMMEDIATE ACTION TO REVOKE A CHARTER.

16 (H) ALL DECISIONS OF THE CHARTER SCHOOL APPEAL BOARD SHALL
17 BE SUBJECT TO APPELLATE REVIEW BY THE COMMONWEALTH COURT.

18 (I) WHEN A CHARTER IS REVOKED, NOT RENEWED, FORFEITED,
19 SURRENDERED OR OTHERWISE CEASES TO OPERATE, THE CHARTER SCHOOL
20 SHALL BE DISSOLVED. AFTER THE DISPOSITION OF ANY LIABILITIES AND
21 OBLIGATIONS OF THE CHARTER SCHOOL, ANY REMAINING ASSETS OF THE
22 CHARTER SCHOOL, BOTH REAL AND PERSONAL, SHALL BE DISTRIBUTED ON
23 A PROPORTIONAL BASIS TO THE SCHOOL ENTITIES WITH STUDENTS
24 ENROLLED IN THE CHARTER SCHOOL FOR THE LAST FULL OR PARTIAL
25 SCHOOL YEAR OF THE CHARTER SCHOOL. IN NO EVENT SHALL SUCH SCHOOL
26 ENTITIES OR THE COMMONWEALTH BE LIABLE FOR ANY OUTSTANDING
27 LIABILITIES OR OBLIGATIONS OF THE CHARTER SCHOOL.

28 (J) WHEN A CHARTER IS REVOKED OR IS NOT RENEWED, A STUDENT
29 WHO ATTENDED THE CHARTER SCHOOL SHALL APPLY TO ANOTHER PUBLIC
30 SCHOOL IN THE STUDENT'S SCHOOL DISTRICT OF RESIDENCE. NORMAL

1 APPLICATION DEADLINES WILL BE DISREGARDED UNDER THESE
2 CIRCUMSTANCES. ALL STUDENT RECORDS MAINTAINED BY THE CHARTER
3 SCHOOL SHALL BE FORWARDED TO THE STUDENT'S DISTRICT OF
4 RESIDENCE.]

5 SECTION 1.18. SECTION 1732-A OF THE ACT, AMENDED JUNE 29,
6 2002 (P.L.524, NO.88), IS AMENDED TO READ:

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

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

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

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

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

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

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

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

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

7 (8) THE "RIGHT-TO-KNOW LAW," EXCEPT RECORDS OF VENDORS OF
8 LOCAL AGENCIES SHALL NOT BE ACCESSIBLE.

9 (9) 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).

10 (10) 65 PA.C.S. CH. 11 (RELATING TO ETHICS STANDARDS AND
11 FINANCIAL DISCLOSURE).

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

14 [SECTION 5.216 (RELATING TO ESOL) .

15 SECTION 5.4 (RELATING TO GENERAL POLICIES) .]

16 (1) CHAPTER 4 (RELATING TO ACADEMIC STANDARDS AND
17 ASSESSMENTS) .

18 (2) CHAPTER 11 (RELATING TO PUPIL ATTENDANCE) .

19 (3) CHAPTER 12 (RELATING TO STUDENTS) .

20 (4) SECTION 32.3 (RELATING TO ASSURANCES) .

21 (5) SECTION 121.3 (RELATING TO DISCRIMINATION PROHIBITED) .

22 (6) SECTION 235.4 (RELATING TO PRACTICES) .

23 (7) SECTION 235.8 (RELATING TO CIVIL RIGHTS) .

24 (8) CHAPTER 711 (RELATING TO CHARTER SCHOOL SERVICES AND
25 PROGRAMS FOR CHILDREN WITH DISABILITIES) .

26 (C) (1) THE [SECRETARY] BOARD MAY PROMULGATE ADDITIONAL
27 REGULATIONS RELATING TO CHARTER SCHOOLS.

28 (2) THE SECRETARY SHALL HAVE THE AUTHORITY AND THE
29 RESPONSIBILITY TO ENSURE THAT CHARTER SCHOOLS COMPLY WITH
30 FEDERAL LAWS AND REGULATIONS GOVERNING CHILDREN WITH

1 DISABILITIES. THE SECRETARY SHALL PROMULGATE REGULATIONS TO
2 IMPLEMENT THIS PROVISION.

3 (3) GRANTORS MAY NOT EXERCISE THE POWER AND DUTIES OF THE
4 DEPARTMENT AS PROVIDED UNDER FEDERAL OR STATE LAWS OR
5 REGULATIONS.

6 SECTION 1.19. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

7 SECTION 1733-A. EFFECT ON CERTAIN EXISTING CHARTER
8 SCHOOLS.-- (A) A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL
9 APPROVED BY A LOCAL BOARD OF SCHOOL DIRECTORS, A SPECIAL BOARD
10 OF CONTROL OR A SCHOOL REFORM COMMISSION PRIOR TO THE EFFECTIVE
11 DATE OF THIS SECTION SHALL CONTINUE TO OPERATE UNDER THE CURRENT
12 CHARTER. A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL APPROVED
13 AFTER THE EFFECTIVE DATE OF THIS SECTION SHALL BE IN FULL
14 COMPLIANCE WITH THIS ARTICLE.

15 (B) UPON EXPIRATION OF ITS CHARTER, A CHARTER SCHOOL OR
16 REGIONAL CHARTER SCHOOL APPROVED UNDER SECTION 1717-A OR 1718-A
17 SHALL SEEK RENEWAL OF ITS CHARTER FROM ITS GRANTOR. THE CHARTER
18 SHALL BE AMENDED AS NEEDED TO REFLECT THE REQUIREMENTS OF THIS
19 ARTICLE. ANY RENEWAL THAT TAKES EFFECT AFTER JUNE 30, 2013,
20 SHALL BE FOR THE TERM SPECIFIED UNDER SECTION 1720-A(A).

21 (C) THE FOLLOWING SHALL APPLY TO TRANSFERS OF CHARTER:

22 (1) A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL APPROVED BY
23 A LOCAL BOARD OF SCHOOL DIRECTORS, A SPECIAL BOARD OF CONTROL OR
24 A SCHOOL REFORM COMMISSION PRIOR TO THE EFFECTIVE DATE OF THIS
25 SECTION MAY TRANSFER ITS CHARTER TO THE OVERSIGHT OF THE BOARD
26 AT ANY TIME AFTER JUNE 30, 2013.

27 (2) THE BOARD OF TRUSTEES OF THE CHARTER SCHOOL OR REGIONAL
28 CHARTER SCHOOL MAY SUBMIT THE SCHOOL'S CURRENT CHARTER AND
29 ANNUAL REPORTS TO THE BOARD AND REQUEST THAT THE BOARD BECOME
30 THE GRANTOR OF THE CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL.

1 THE BOARD SHALL DEVELOP THE TRANSFER REQUEST FORM AND PROCEDURES
2 FOR CHARTER SCHOOL OR REGIONAL CHARTER SCHOOLS TO FOLLOW.

3 (3) UPON RECEIPT OF A TRANSFER REQUEST AND ALL NECESSARY
4 DOCUMENTATION AS REQUIRED BY THE BOARD, THE REQUEST SHALL BE
5 DEEMED APPROVED UNLESS, WITHIN THIRTY (30) DAYS OF THAT DATE,
6 THE BOARD SCHEDULES A PUBLIC HEARING CONCERNING THE TRANSFER
7 REQUEST. THE TRANSFER SHALL BE PRESUMED APPROVED AND MAY BE
8 DENIED ONLY IF THE BOARD DETERMINES THAT THE CHARTER SCHOOL OR
9 REGIONAL CHARTER SCHOOL WOULD OTHERWISE BE SUBJECT TO REVOCATION
10 OR NONRENEWAL UNDER SECTION 1729-A. THE BOARD SHALL CONDUCT THE
11 HEARING, PRESENT EVIDENCE IN SUPPORT OF THE TRANSFER DENIAL
12 STATED IN ITS NOTICE AND GIVE THE CHARTER SCHOOL OR REGIONAL
13 CHARTER SCHOOL REASONABLE OPPORTUNITY TO OFFER TESTIMONY BEFORE
14 TAKING FINAL ACTION. IF A HEARING DOES OCCUR RELATING TO A
15 SCHOOL'S TRANSFER REQUEST, FORMAL ACTION APPROVING OR DENYING
16 THE TRANSFER SHALL BE TAKEN BY THE BOARD AT A PUBLIC MEETING
17 UNDER 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS) AFTER THE
18 PUBLIC HAS HAD THIRTY (30) DAYS TO PROVIDE COMMENTS TO THE
19 MEMBERS OF THE BOARD.

20 (4) IF THE BOARD DENIES THE TRANSFER, THE FOLLOWING SHALL
21 APPLY:

22 (I) THE DECISION MAY NOT ACT AS REVOCATION OR NONRENEWAL OF
23 THE CURRENT CHARTER.

24 (II) THE PROCEEDINGS AND BOARD DECISION RELATED TO THE
25 TRANSFER MAY NOT BE USED AS EVIDENCE IN ANY REVOCATION OR NON-
26 RENEWAL PROCEEDINGS CONDUCTED BY AN GRANTOR.

27 (5) IF THE BOARD APPROVES THE TRANSFER, THE BOARD SHALL
28 PROVIDE NOTIFICATION BY CERTIFIED BOARD RESOLUTION TO THE LOCAL
29 BOARD OF SCHOOL DIRECTORS, THE SPECIAL BOARD OF CONTROL OR THE
30 SCHOOL REFORM COMMISSION WHICH INITIALLY APPROVED THE CHARTER.

1 NO LATER THAN THIRTY (30) DAYS AFTER RECEIPT OF THE CERTIFIED
2 BOARD RESOLUTION, THE LOCAL BOARD OF SCHOOL DIRECTORS, THE
3 SPECIAL BOARD OF CONTROL OR THE SCHOOL REFORM COMMISSION WHICH
4 INITIALLY APPROVED THE CHARTER SHALL TRANSFER TO THE BOARD ALL
5 RECORDS REGARDING OVERSIGHT OF THE CHARTER SCHOOL OR REGIONAL
6 CHARTER SCHOOL.

7 (6) THE SCHOOL'S CHARTER TERM SHALL REMAIN IN EFFECT UNTIL
8 THE TIME OF EXPIRATION, AT WHICH TIME THE BOARD SHALL UNDERTAKE
9 A COMPREHENSIVE REVIEW PRIOR TO GRANTING A TEN (10) YEAR CHARTER
10 RENEWAL.

11 (7) THE COMMONWEALTH COURT SHALL HAVE EXCLUSIVE REVIEW OF AN
12 APPEAL BY A CHARTER SCHOOL OR REGIONAL CHARTER SCHOOL OF A
13 DECISION MADE BY THE BOARD TO DENY A CHARTER TRANSFER.

14 (D) THE FOLLOWING APPLY TO MERGER:

15 (1) A CHARTER SCHOOL THAT, PRIOR TO THE EFFECTIVE DATE OF
16 THIS SECTION, WAS APPROVED BY A LOCAL BOARD OF SCHOOL DIRECTORS,
17 A SPECIAL BOARD OF CONTROL OR A SCHOOL REFORM COMMISSION AND
18 THAT CHOOSES TO MERGE INTO A MULTIPLE CHARTER SCHOOL
19 ORGANIZATION UNDER SECTION 1734-A, MAY APPLY TO THE BOARD TO
20 CONSOLIDATE ALL AFFILIATED SCHOOL CHARTERS INTO A SINGLE
21 CHARTER.

22 (2) CONSOLIDATION AND MERGER ARE RESTRICTED AS FOLLOWS:

23 (I) EXCEPT AS SET FORTH IN SUBCLAUSE (II), A CHARTER SCHOOL
24 SHALL NOT BE ELIGIBLE TO CONSOLIDATE OR MERGE WITH ANOTHER
25 CHARTER SCHOOL THAT:

26 (A) WITHIN EITHER OF THE MOST RECENT TWO (2) SCHOOL YEARS,
27 HAS FAILED TO MEET THE REQUIREMENTS FOR STUDENT PERFORMANCE SET
28 FORTH IN 22 PA. CODE CH. 4 (RELATING TO ACADEMIC STANDARDS AND
29 ASSESSMENT);

30 (B) DOES NOT MEET ACCEPTED STANDARDS OF FISCAL MANAGEMENT OR

1 AUDIT REQUIREMENTS; OR

2 (C) DOES NOT MEET THE STANDARDS SET FORTH BY THE MATRIX
3 ESTABLISHED UNDER SECTION 1721-A(H) (11).

4 (II) SUBCLAUSE (I) SHALL NOT APPLY IF THE MERGER OR
5 CONSOLIDATION INCLUDES A CHARTER SCHOOL WHICH IS NOT IN
6 VIOLATION OF SUBCLAUSE (I) OVER THE MOST RECENT TWO (2) SCHOOL
7 YEARS.

8 (3) THE BOARD OF TRUSTEES OF EACH CHARTER SCHOOL SHALL
9 JOINTLY SUBMIT THEIR CHARTER SCHOOL'S CURRENT CHARTER AND ANNUAL
10 REPORT TO THE BOARD AND REQUEST THAT THE BOARD BECOME THE
11 GRANTOR OF THE MULTIPLE CHARTER SCHOOL ORGANIZATION.

12 (4) UPON RECEIPT OF THE CONSOLIDATION AND TRANSFER REQUEST
13 AND ALL NECESSARY DOCUMENTATION AS REQUIRED BY THE BOARD, THE
14 BOARD SHALL HAVE THIRTY (30) DAYS TO APPROVE OR DENY THE
15 CONSOLIDATION AND TRANSFER REQUEST BY A MAJORITY VOTE. IF THE
16 BOARD APPROVES THE CONSOLIDATION AND TRANSFER, THE BOARD SHALL
17 PROVIDE NOTIFICATION BY CERTIFIED BOARD RESOLUTION TO THE LOCAL
18 BOARD OF SCHOOL DIRECTORS, THE SPECIAL BOARD OF CONTROL OR THE
19 SCHOOL REFORM COMMISSION WHICH INITIALLY APPROVED THE CHARTER.

20 (5) NO LATER THAN THIRTY (30) DAYS AFTER THE RECEIPT OF THE
21 CERTIFIED BOARD RESOLUTION, THE LOCAL BOARD OF SCHOOL DIRECTORS,
22 THE SPECIAL BOARD OF CONTROL OR THE SCHOOL REFORM COMMISSION
23 WHICH INITIALLY APPROVED THE CHARTER SHALL TRANSFER TO THE BOARD
24 ALL RECORDS REGARDING OVERSIGHT OF THE CHARTER SCHOOL.

25 (6) THE SCHOOL'S CHARTER TERM SHALL REMAIN IN EFFECT UNTIL
26 THE TIME OF EXPIRATION, AT WHICH TIME THE BOARD WILL UNDERTAKE A
27 COMPREHENSIVE REVIEW PRIOR TO GRANTING A TEN-YEAR CHARTER
28 RENEWAL.

29 SECTION 1734-A. MULTIPLE CHARTER SCHOOL ORGANIZATION.-- (A)
30 ESTABLISHMENT SHALL BE AS FOLLOWS:

1 (1) SUBJECT TO THE REQUIREMENTS OF SECTION 1733-A(D), TWO OR
2 MORE CHARTER SCHOOLS MAY MERGE OR CONSOLIDATE UNDER 15 PA.C.S.
3 PT. II SUBPT. C (RELATING TO NONPROFIT CORPORATIONS) INTO A
4 MULTIPLE CHARTER SCHOOL ORGANIZATION.

5 (2) THE MULTIPLE CHARTER SCHOOL ORGANIZATION SHALL BE:

6 (I) GRANTED A SINGLE CHARTER TO OPERATE TWO OR MORE
7 INDIVIDUAL CHARTER SCHOOLS UNDER THE OVERSIGHT OF A SINGLE BOARD
8 OF TRUSTEES AND A CHIEF ADMINISTRATOR WHO SHALL OVERSEE AND
9 MANAGE THE OPERATION OF THE INDIVIDUAL CHARTER SCHOOLS UNDER ITS
10 ORGANIZATION;

11 (II) CONSIDERED A CHARTER SCHOOL; AND

12 (III) SUBJECT TO ALL OF THE REQUIREMENTS OF THIS ARTICLE
13 UNLESS OTHERWISE PROVIDED FOR UNDER THIS SECTION.

14 (3) NOTHING UNDER THIS SUBSECTION SHALL BE CONSTRUED TO
15 AFFECT OR CHANGE THE TERMS OR CONDITIONS OF ANY INDIVIDUAL
16 CHARTER PREVIOUSLY GRANTED THAT IS CONSOLIDATED UNDER THIS
17 SECTION.

18 (B) THE BOARD SHALL DEVELOP AND ISSUE A STANDARD APPLICATION
19 FORM FOR MULTIPLE CHARTER SCHOOL ORGANIZATION APPLICANTS, WHICH
20 SHALL CONTAIN THE FOLLOWING INFORMATION:

21 (1) THE IDENTIFICATION OF THE MULTIPLE CHARTER SCHOOL
22 ORGANIZATION.

23 (2) THE NAMES OF THE CHARTER SCHOOLS SEEKING MERGER OR
24 CONSOLIDATION UNDER SUBSECTION (A).

25 (3) A COPY OF THE APPROVED CHARTERS OF EACH CHARTER SCHOOL
26 AGREEING TO MERGE OR CONSOLIDATE ADMINISTRATIVE FUNCTIONS WITH
27 THE BOARD UNDER SUBSECTION (A).

28 (4) AN ORGANIZATIONAL CHART CLEARLY PRESENTING THE PROPOSED
29 GOVERNANCE STRUCTURE OF THE MULTIPLE CHARTER SCHOOL
30 ORGANIZATION, INCLUDING LINES OF AUTHORITY AND REPORTING BETWEEN

1 THE BOARD OF TRUSTEES, CHIEF ADMINISTRATOR, ADMINISTRATORS,
2 STAFF AND ANY EDUCATIONAL MANAGEMENT SERVICE PROVIDER THAT WILL
3 PLAY A ROLE IN PROVIDING MANAGEMENT SERVICES TO THE CHARTER
4 SCHOOLS UNDER ITS JURISDICTION.

5 (5) A CLEAR DESCRIPTION OF THE ROLES AND RESPONSIBILITIES
6 FOR THE BOARD OF TRUSTEES, CHIEF ADMINISTRATOR, ADMINISTRATORS
7 AND ANY OTHER ENTITIES, INCLUDING A CHARTER SCHOOL FOUNDATION,
8 SHOWN IN THE ORGANIZATIONAL CHART.

9 (6) A CLEAR DESCRIPTION AND METHOD FOR THE APPOINTMENT OR
10 ELECTION OF MEMBERS OF THE BOARD OF TRUSTEES.

11 (7) STANDARDS FOR BOARD PERFORMANCE, INCLUDING COMPLIANCE
12 WITH ALL APPLICABLE LAWS, REGULATIONS AND TERMS OF THE CHARTER.

13 (8) ENROLLMENT PROCEDURES FOR EACH INDIVIDUAL CHARTER SCHOOL
14 INCLUDED IN ITS CHARTER.

15 (9) ANY OTHER INFORMATION AS DEEMED NECESSARY BY THE BOARD.

16 (C) THE BOARD SHALL SERVE AS THE GRANTOR OF A MULTIPLE
17 CHARTER SCHOOL ORGANIZATION.

18 (D) A MULTIPLE CHARTER SCHOOL ORGANIZATION MAY:

19 (1) PARTICIPATE IN THE ASSESSMENT SYSTEMS IN THE SAME MANNER
20 IN WHICH A SCHOOL DISTRICT PARTICIPATES AND ITS INDIVIDUAL
21 CHARTER SCHOOLS SHALL PARTICIPATE IN THE ASSESSMENT SYSTEMS IN
22 THE SAME MANNER AS INDIVIDUAL SCHOOLS IN SCHOOL DISTRICTS. ALL
23 DATA GATHERED FOR PURPOSES OF EVALUATION SHALL BE GATHERED IN A
24 LIKE MANNER.

25 (2) ADD NEW CHARTER SCHOOLS TO ITS ORGANIZATION BY THE
26 APPLICATION PROCESS THROUGH THE LOCAL SCHOOL BOARD INCLUDED
27 UNDER SECTION 1717-A.

28 (3) ADD EXISTING CHARTER SCHOOLS TO ITS ORGANIZATION OR
29 AMEND THE INDIVIDUAL CHARTERS OF EACH CHARTER SCHOOL UNDER ITS
30 ORGANIZATION BY THE AMENDMENT PROCESS INCLUDED UNDER SECTION

1 1720-A.

2 (4) ALLOW STUDENTS ENROLLED IN AN INDIVIDUAL CHARTER SCHOOL
3 TO MATRICULATE TO ANOTHER INDIVIDUAL CHARTER SCHOOL UNDER ITS
4 OVERSIGHT SO AS TO COMPLETE A COURSE OF INSTRUCTION IN AN
5 EDUCATIONAL INSTITUTION FROM KINDERGARTEN THROUGH GRADE 12.

6 (E) THE ANNUAL REPORT REQUIRED UNDER SECTION 1728-A SHALL BE
7 PROVIDED BY THE BOARD OF TRUSTEES AND CHIEF ADMINISTRATOR OF THE
8 MULTIPLE CHARTER SCHOOL ORGANIZATION AND SHALL INCLUDE ALL
9 INFORMATION REQUIRED TO PROVIDE A BASIS FOR EVALUATION FOR
10 RENEWAL OF EACH INDIVIDUAL CHARTER SCHOOL UNDER THE
11 ORGANIZATION'S OVERSIGHT.

12 (F) A MULTIPLE CHARTER SCHOOL ORGANIZATION SHALL BE REGARDED
13 AS THE HOLDER OF THE CHARTER OF EACH INDIVIDUAL CHARTER SCHOOL
14 UNDER ITS OVERSIGHT AND EACH PREVIOUSLY OR SUBSEQUENTLY AWARDED
15 CHARTER SHALL BE SUBJECT TO NONRENEWAL OR REVOCATION IN
16 ACCORDANCE WITH THIS ACT. THE NONRENEWAL OR REVOCATION SHALL NOT
17 AFFECT THE STATUS OF A CHARTER AWARDED FOR ANY OTHER INDIVIDUAL
18 CHARTER SCHOOL UNDER ITS OVERSIGHT.

19 SECTION 1.20. SECTIONS 1741-A, 1742-A AND 1743-A(B), (F),
20 (G) AND (H) OF THE ACT, ADDED JUNE 29, 2002 (P.L.524, NO.88),
21 ARE AMENDED TO READ:

22 SECTION 1741-A. POWERS AND DUTIES OF [DEPARTMENT] BOARD.

23 (A) POWERS AND DUTIES.--THE [DEPARTMENT] BOARD SHALL:

24 (1) RECEIVE, REVIEW AND ACT ON APPLICATIONS FOR THE
25 CREATION OF A CYBER CHARTER SCHOOL AND HAVE THE POWER TO
26 REQUEST FURTHER INFORMATION FROM APPLICANTS, OBTAIN INPUT
27 FROM INTERESTED PERSONS OR ENTITIES AND HOLD HEARINGS
28 REGARDING APPLICATIONS.

29 (2) RENEW THE CHARTER OF CYBER CHARTER SCHOOL AND RENEW
30 THE CHARTER OF A CHARTER SCHOOL APPROVED UNDER SECTION 1717-A

1 OR 1718-A WHICH PROVIDES INSTRUCTION THROUGH THE INTERNET OR
2 OTHER ELECTRONIC MEANS. UPON RENEWAL OF A CHARTER OF A
3 CHARTER SCHOOL APPROVED UNDER SECTION 1717-A OR 1718-A, THE
4 CHARTER SCHOOL SHALL QUALIFY AS A CYBER CHARTER SCHOOL UNDER
5 THIS SUBDIVISION AND SHALL BE SUBJECT TO THE PROVISIONS OF
6 THIS SUBDIVISION.

7 (3) REVOKE OR DENY RENEWAL OF A CYBER CHARTER SCHOOL'S
8 CHARTER UNDER THE PROVISIONS OF SECTION 1729-A.

9 (I) NOTWITHSTANDING THE PROVISIONS OF SECTION 1729-
10 A(I), WHEN THE [DEPARTMENT] BOARD HAS REVOKED OR DENIED
11 RENEWAL OF A CHARTER, THE CYBER CHARTER SCHOOL SHALL BE
12 DISSOLVED. AFTER THE DISPOSITION OF THE LIABILITIES AND
13 OBLIGATIONS OF THE CYBER CHARTER SCHOOL, ANY REMAINING
14 ASSETS OF THE CYBER CHARTER SCHOOL SHALL BE GIVEN OVER TO
15 THE INTERMEDIATE UNIT IN WHICH THE CYBER CHARTER SCHOOL'S
16 ADMINISTRATIVE OFFICE WAS LOCATED FOR DISTRIBUTION TO THE
17 SCHOOL DISTRICTS IN WHICH THE STUDENTS ENROLLED IN THE
18 CYBER CHARTER SCHOOL RESIDE AT THE TIME OF DISSOLUTION.

19 (II) NOTWITHSTANDING ANY LAWS TO THE CONTRARY, THE
20 [DEPARTMENT] BOARD MAY, AFTER NOTICE AND HEARING, TAKE
21 IMMEDIATE ACTION TO REVOKE A CHARTER IF:

22 (A) A MATERIAL COMPONENT OF THE STUDENT'S
23 EDUCATION AS REQUIRED UNDER THIS SUBDIVISION IS NOT
24 BEING PROVIDED; OR

25 (B) THE CYBER CHARTER SCHOOL HAS FAILED TO
26 MAINTAIN THE FINANCIAL ABILITY TO PROVIDE SERVICES AS
27 REQUIRED UNDER THIS SUBDIVISION.

28 (4) EXECUTE CHARTERS AFTER APPROVAL.

29 (5) DEVELOP FORMS, INCLUDING THE NOTIFICATION FORM UNDER
30 SECTION 1748-A(B), NECESSARY TO CARRY OUT THE PROVISIONS OF

1 THIS SUBDIVISION.

2 (B) HEARINGS.--HEARINGS CONDUCTED BY THE [DEPARTMENT] BOARD
3 SHALL BE CONDUCTED UNDER 65 PA.C.S. CH. 7 (RELATING TO OPEN
4 MEETINGS).

5 (C) DOCUMENTS.--DOCUMENTS OF THE [APPEAL] BOARD SHALL BE
6 SUBJECT TO THE ACT OF [JUNE 21, 1957 (P.L.390, NO.212), REFERRED
7 TO] FEBRUARY 14, 2008 (P.L.6, NO.3), KNOWN AS THE RIGHT-TO-KNOW
8 LAW.

9 SECTION 1742-A. ASSESSMENT AND EVALUATION.

10 THE [DEPARTMENT] BOARD SHALL:

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

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

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

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

29 * * *

30 [(B) ENROLLMENT.--A CYBER CHARTER SCHOOL SHALL REPORT TO THE

1 DEPARTMENT AN INCREASE OR A DECREASE OF 30% OR MORE IN ITS
2 ANTICIPATED ENROLLMENT SET FORTH IN THE APPLICATION UNDER
3 SECTION 1747-A(11).]

4 * * *

5 (F) ANNUAL REPORT.--A CYBER CHARTER SCHOOL SHALL SUBMIT AN
6 ANNUAL REPORT NO LATER THAN AUGUST 1 OF EACH YEAR TO THE
7 [DEPARTMENT] BOARD IN THE FORM PRESCRIBED BY THE [DEPARTMENT]
8 BOARD.

9 (G) RECORDS AND FACILITIES.--A CYBER CHARTER SCHOOL SHALL
10 PROVIDE THE [DEPARTMENT] BOARD WITH ONGOING ACCESS TO ALL
11 RECORDS AND FACILITIES NECESSARY FOR THE DEPARTMENT TO ASSESS
12 THE CYBER CHARTER SCHOOL IN ACCORDANCE WITH THE PROVISIONS OF
13 THIS SUBDIVISION.

14 (H) OFFICES AND FACILITIES.--A CYBER CHARTER SCHOOL SHALL
15 MAINTAIN AN ADMINISTRATIVE OFFICE WITHIN THIS COMMONWEALTH WHERE
16 ALL STUDENT RECORDS SHALL BE MAINTAINED AT ALL TIMES AND SHALL
17 PROVIDE THE [DEPARTMENT] BOARD WITH THE ADDRESSES OF ALL OFFICES
18 AND FACILITIES OF THE CYBER CHARTER SCHOOL, THE OWNERSHIP
19 THEREOF AND ANY LEASE ARRANGEMENTS. THE ADMINISTRATIVE OFFICE OF
20 THE CYBER CHARTER SCHOOL SHALL BE CONSIDERED AS THE PRINCIPAL
21 PLACE OF BUSINESS FOR SERVICE OF PROCESS FOR ANY ACTION BROUGHT
22 AGAINST THE CYBER CHARTER SCHOOL OR CYBER CHARTER SCHOOL STAFF
23 MEMBERS. THE CYBER CHARTER SCHOOL SHALL NOTIFY THE [DEPARTMENT]
24 BOARD OF ANY CHANGES IN THIS INFORMATION WITHIN TEN DAYS OF THE
25 CHANGE.

26 * * *

27 SECTION 1.21. SECTION 1745-A(D), (E), (F), (G) AND (H) OF
28 THE ACT, ADDED JUNE 29, 2002 (P.L.524, NO.88), ARE AMENDED AND
29 THE SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:
30 SECTION 1745-A. ESTABLISHMENT OF CYBER CHARTER SCHOOL.

1 * * *

2 (B.1) LOCAL BOARD OF SCHOOL DIRECTORS OR INTERMEDIATE
3 UNIT.--THE FOLLOWING SHALL APPLY TO A LOCAL BOARD OF SCHOOL
4 DIRECTORS OR INTERMEDIATE UNIT:

5 (1) A LOCAL BOARD OF SCHOOL DIRECTORS OR AN INTERMEDIATE
6 UNIT MAY SEEK TO ESTABLISH A CYBER CHARTER SCHOOL IF IT FOLLOWS
7 THE PROCEDURES AND REQUIREMENTS OF THIS ARTICLE.

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

14 * * *

15 (D) APPLICATION.--AN APPLICATION TO ESTABLISH A CYBER
16 CHARTER SCHOOL SHALL BE SUBMITTED TO THE [DEPARTMENT] BOARD BY
17 OCTOBER 1 OF THE SCHOOL YEAR PRECEDING THE SCHOOL YEAR IN WHICH
18 THE CYBER CHARTER SCHOOL PROPOSES TO COMMENCE OPERATION.

19 (E) GRANT OR DENIAL.--WITHIN 120 DAYS OF RECEIPT OF AN
20 APPLICATION, THE [DEPARTMENT] BOARD SHALL GRANT OR DENY THE
21 APPLICATION. THE [DEPARTMENT] BOARD SHALL REVIEW THE APPLICATION
22 AND SHALL HOLD AT LEAST ONE PUBLIC HEARING UNDER 65 PA.C.S. CH.
23 7 (RELATING TO OPEN MEETINGS). AT LEAST 30 DAYS PRIOR TO THE
24 HEARING, THE [DEPARTMENT] BOARD SHALL PUBLISH IN THE
25 PENNSYLVANIA BULLETIN AND ON THE [DEPARTMENT'S WORLD WIDE WEB
26 SITE] BOARD'S PUBLICLY ACCESSIBLE INTERNET WEBSITE NOTICE OF THE
27 HEARING AND THE PURPOSE OF THE APPLICATION.

28 (F) EVALUATION CRITERIA.--

29 (1) A CYBER CHARTER SCHOOL APPLICATION SUBMITTED UNDER
30 THIS SUBDIVISION SHALL BE EVALUATED BY THE [DEPARTMENT] BOARD

1 BASED ON THE FOLLOWING CRITERIA:

2 (I) THE DEMONSTRATED, SUSTAINABLE SUPPORT FOR THE
3 CYBER CHARTER SCHOOL PLAN BY TEACHERS, PARENTS OR
4 GUARDIANS AND STUDENTS.

5 (II) THE CAPABILITY OF THE CYBER CHARTER SCHOOL
6 APPLICANT, IN TERMS OF SUPPORT AND PLANNING, TO PROVIDE
7 COMPREHENSIVE LEARNING EXPERIENCES TO STUDENTS UNDER THE
8 CHARTER.

9 (III) THE EXTENT TO WHICH THE PROGRAMS OUTLINED IN
10 THE APPLICATION WILL ENABLE STUDENTS TO MEET THE ACADEMIC
11 STANDARDS UNDER 22 PA. CODE CH. 4 (RELATING TO ACADEMIC
12 STANDARDS AND ASSESSMENT) OR SUBSEQUENT REGULATIONS
13 PROMULGATED TO REPLACE 22 PA. CODE CH. 4.

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

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

18 (2) WRITTEN NOTICE OF THE ACTION OF THE [DEPARTMENT]
19 BOARD SHALL BE SENT BY CERTIFIED MAIL TO THE APPLICANT AND
20 PUBLISHED ON THE [DEPARTMENT'S WORLD WIDE WEB SITE] BOARD'S
21 PUBLICLY ACCESSIBLE INTERNET WEBSITE. IF THE APPLICATION IS
22 DENIED, THE REASONS FOR DENIAL, INCLUDING A DESCRIPTION OF
23 DEFICIENCIES IN THE APPLICATION, SHALL BE CLEARLY STATED IN
24 THE NOTICE.

25 (3) UPON APPROVAL OF A CYBER CHARTER SCHOOL APPLICATION,
26 A WRITTEN CHARTER SHALL BE DEVELOPED WHICH SHALL CONTAIN THE
27 PROVISIONS OF THE CHARTER APPLICATION AND BE SIGNED BY THE
28 [SECRETARY] BOARD'S CHAIRPERSON AND EACH MEMBER OF THE BOARD
29 OF TRUSTEES OF THE CYBER CHARTER SCHOOL. THE CHARTER, WHEN
30 DULY SIGNED, SHALL ACT AS LEGAL AUTHORIZATION OF THE

1 ESTABLISHMENT OF A CYBER CHARTER SCHOOL. THE CHARTER SHALL BE
2 LEGALLY BINDING ON THE [DEPARTMENT] BOARD, THE CYBER CHARTER
3 SCHOOL AND ITS BOARD OF TRUSTEES. THE CHARTER SHALL BE FOR A
4 PERIOD OF [NO LESS THAN THREE] FIVE YEARS [NOR MORE THAN FIVE
5 YEARS] AND MAY BE RENEWED FOR A PERIOD OF [FIVE] TEN YEARS BY
6 THE [DEPARTMENT] BOARD.

7 (4) THE DECISION OF THE [DEPARTMENT] BOARD TO DENY AN
8 APPLICATION MAY BE APPEALED TO THE [APPEAL BOARD]
9 COMMONWEALTH COURT.

10 (5) (I) A CYBER CHARTER SCHOOL MAY REQUEST AMENDMENTS
11 TO ITS APPROVED WRITTEN CHARTER BY FILING A WRITTEN DOCUMENT
12 DESCRIBING THE REQUESTED AMENDMENT TO THE BOARD.

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

17 (III) WITHIN 20 DAYS AFTER THE HEARING, THE BOARD MUST
18 GRANT OR DENY THE REQUESTED AMENDMENT. FAILURE BY THE BOARD
19 TO HOLD A PUBLIC HEARING AND TO GRANT OR DENY THE AMENDMENTS
20 WITHIN THE TIME PERIOD SPECIFIED SHALL BE DEEMED A DENIAL.

21 (IV) AN APPLICANT FOR AN AMENDMENT SHALL HAVE THE RIGHT
22 TO APPEAL THE DENIAL OF A REQUESTED AMENDMENT TO THE
23 COMMONWEALTH COURT.

24 (G) DENIED APPLICATION.--A CYBER CHARTER SCHOOL APPLICANT
25 MAY REVISE AND RESUBMIT A DENIED APPLICATION TO THE [DEPARTMENT]
26 BOARD. THE [DEPARTMENT] BOARD SHALL GRANT OR DENY THE REVISED
27 APPLICATION WITHIN 60 DAYS AFTER ITS RECEIPT.

28 (H) APPEAL.--IF THE [DEPARTMENT] BOARD FAILS TO HOLD THE
29 REQUIRED PUBLIC HEARING OR TO APPROVE OR DISAPPROVE THE CHARTER,
30 THE APPLICANT MAY FILE ITS APPLICATION AS AN APPEAL TO THE

1 [APPEAL BOARD. THE APPEAL BOARD SHALL REVIEW THE APPLICATION AND
2 MAKE A DECISION TO APPROVE OR DISAPPROVE THE CHARTER BASED ON
3 THE CRITERIA IN SUBSECTION (F)] COMMONWEALTH COURT.

4 SECTION 1.22. SECTIONS 1746-A, 1749-A(A), 1750-A AND 1751-A
5 OF THE ACT, ADDED JUNE 29, 2002 (P.L.524, NO.88), ARE AMENDED TO
6 READ:

7 SECTION 1746-A. [STATE CHARTER SCHOOL APPEAL BOARD REVIEW]
8 CYBER CHARTER SCHOOL APPEAL.

9 [(A) JURISDICTION.--THE APPEAL BOARD SHALL HAVE THE
10 EXCLUSIVE REVIEW OF AN APPEAL BY A CYBER CHARTER SCHOOL
11 APPLICANT OR BY THE BOARD OF TRUSTEES OF A CYBER CHARTER SCHOOL
12 ON THE DECISIONS OF THE DEPARTMENT, INCLUDING:

13 (1) THE DENIAL OF AN APPLICATION FOR A CHARTER.

14 (2) THE DENIAL OF A RENEWAL OF A CHARTER.

15 (3) THE REVOCATION OF A CHARTER.

16 (4) AN APPEAL UNDER SECTION 1745-A(H).

17 (B) PROCEDURE.--THE APPEAL BOARD SHALL:

18 (1) REVIEW THE DECISION MADE BY THE DEPARTMENT UNDER
19 SUBSECTION (A) ON THE RECORD AS CERTIFIED BY THE DEPARTMENT.
20 THE SECRETARY SHALL RECUSE HIMSELF FROM ALL CYBER CHARTER
21 SCHOOL APPEALS AND SHALL NOT PARTICIPATE IN A HEARING,
22 DELIBERATION OR VOTE ON A CYBER CHARTER SCHOOL APPEAL. THE
23 APPEAL BOARD MAY ALLOW THE DEPARTMENT, THE CYBER CHARTER
24 SCHOOL APPLICANT OR THE BOARD OF TRUSTEES OF A CYBER CHARTER
25 SCHOOL TO SUPPLEMENT THE RECORD IF THE SUPPLEMENTAL
26 INFORMATION WAS PREVIOUSLY UNAVAILABLE.

27 (2) MEET TO OFFICIALLY REVIEW THE CERTIFIED RECORD NO
28 LATER THAN 30 DAYS AFTER THE DATE OF FILING THE APPEAL.

29 (3) ISSUE A WRITTEN DECISION AFFIRMING OR DENYING THE
30 APPEAL NO LATER THAN 60 DAYS FOLLOWING ITS REVIEW.

1 (4) IN THE CASE OF A DECISION BY THE DEPARTMENT TO DENY
2 A CYBER CHARTER APPLICATION, MAKE ITS DECISION BASED ON
3 SECTION 1745-A(F) (1). A DECISION BY THE APPEAL BOARD TO
4 REVERSE THE DECISION OF THE DEPARTMENT AND GRANT A CHARTER
5 SHALL SERVE AS A REQUIREMENT FOR THE SECRETARY TO SIGN THE
6 WRITTEN CHARTER OF THE CYBER CHARTER SCHOOL.

7 (5) IN THE CASE OF A DECISION BY THE DEPARTMENT TO
8 REVOKE OR DENY RENEWAL OF A CYBER SCHOOL CHARTER IN
9 ACCORDANCE WITH SECTION 1741-A(A) (3), MAKE ITS DECISION BASED
10 ON SECTION 1729-A(A). A DECISION OF THE APPEAL BOARD TO
11 REVERSE THE DECISION OF THE DEPARTMENT TO NOT REVOKE OR DENY
12 RENEWAL OF A CHARTER SHALL SERVE AS A REQUIREMENT OF THE
13 DEPARTMENT TO NOT REVOKE OR TO NOT DENY RENEWAL OF THE
14 CHARTER OF THE CYBER CHARTER SCHOOL.

15 (C) STAY.--IF THE DEPARTMENT APPEALS THE DECISION OF THE
16 APPEAL BOARD, THE APPEAL BOARD'S DECISION SHALL BE STAYED ONLY
17 UPON ORDER OF THE APPEAL BOARD, THE COMMONWEALTH COURT OR THE
18 PENNSYLVANIA SUPREME COURT.]

19 (D) REVIEW.--ALL DECISIONS OF THE [APPEAL] BOARD SHALL BE
20 SUBJECT TO APPELLATE REVIEW BY THE COMMONWEALTH COURT.
21 SECTION 1749-A. APPLICABILITY OF OTHER PROVISIONS OF THIS ACT
22 AND OF OTHER ACTS AND REGULATIONS.

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

25 (1) SECTIONS 108, 110, 111, 321, 325, 326, 327, 431,
26 436, 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741,
27 752, 753, [755,] 771, 776, 777, 808, 809, 810, 1109, 1111,
28 1112(A), 1205.1, 1205.2, 1301, 1302, 1310, 1317, 1317.2,
29 1318, 1327, 1330, 1332, 1303-A, 1513, 1517, 1518, 1521, 1523,
30 1531, 1547, 1702-A, 1703-A, 1714-A, 1715-A, 1716-A, 1719-A,

1 1721-A, 1722-A, 1723-A(A) AND (B), 1724-A, 1725-A, 1727-A,
2 1728-A(D), (E), (F), (G) AND (H), 1729-A, 1730-A, 1731-A(A)
3 (1) AND (B) AND 2014-A AND ARTICLES XII-A, XIII-A AND XIV.

4 (1.1) THE ACT OF JULY 19, 1957 (P.L.1017, NO.451), KNOWN
5 AS THE STATE ADVERSE INTEREST ACT.

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

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

12 (4) SECTION 4 OF THE ACT OF JANUARY 25, 1966 (1965
13 P.L.1546, NO.541), ENTITLED "AN ACT PROVIDING SCHOLARSHIPS
14 AND PROVIDING FUNDS TO SECURE FEDERAL FUNDS FOR QUALIFIED
15 STUDENTS OF THE COMMONWEALTH OF PENNSYLVANIA WHO NEED
16 FINANCIAL ASSISTANCE TO ATTEND POSTSECONDARY INSTITUTIONS OF
17 HIGHER LEARNING, MAKING AN APPROPRIATION, AND PROVIDING FOR
18 THE ADMINISTRATION OF THIS ACT."

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

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

26 (7) THE RIGHT-TO-KNOW LAW, EXCEPT RECORDS OF VENDORS OF
27 LOCAL AGENCIES SHALL NOT BE ACCESSIBLE.

28 (8) 65 PA.C.S. CH. 7 (RELATING TO OPEN MEETINGS).

29 (9) 65 PA.C.S. CH. 11 (RELATING TO ETHICS STANDARDS AND
30 FINANCIAL DISCLOSURE).

1 * * *

2 SECTION 1750-A. EFFECT ON CERTAIN EXISTING CYBER CHARTER
3 SCHOOLS.

4 (A) DETERMINATION.--FOR A CHARTER SCHOOL APPROVED UNDER
5 SECTION 1717-A OR 1718-A WHICH PROVIDES INSTRUCTION THROUGH THE
6 INTERNET OR OTHER ELECTRONIC MEANS, PRIOR TO AUGUST 15, 2002,
7 THE DEPARTMENT SHALL DETERMINE:

8 (1) WHETHER THE CHARTER SCHOOL IS IN COMPLIANCE WITH
9 THIS SUBDIVISION;

10 (2) WHETHER THE CHARTER SCHOOL HAS PROVIDED NOTIFICATION
11 OF THE ENROLLMENT OF EACH EXISTING STUDENT TO THE SCHOOL
12 DISTRICT OF RESIDENCE; AND

13 (3) HOW THE CHARTER SCHOOL PLANS TO COMPLY WITH SECTION
14 1743-A(D).

15 (B) NOTIFICATION OF COMPLIANCE.--PRIOR TO AUGUST 15, 2002,
16 THE DEPARTMENT SHALL:

17 (1) NOTIFY EACH CHARTER SCHOOL AND THE CHARTERING SCHOOL
18 DISTRICT OF THE DEPARTMENT'S DETERMINATION UNDER SUBSECTION
19 (A). THE NOTIFICATION SHALL INCLUDE SPECIFIC REQUIREMENTS
20 WITH WHICH THE CHARTER SCHOOL HAS FAILED TO COMPLY.

21 (2) PUBLISH A COPY OF THE NOTIFICATION ON THE
22 DEPARTMENT'S WORLD WIDE WEB SITE.

23 (C) CHARTER SCHOOL REQUIREMENT.--A CHARTER SCHOOL SUBJECT TO
24 THE REQUIREMENTS OF THIS SECTION SHALL, EITHER IN WRITING OR
25 ELECTRONICALLY, PROVIDE THE PARENT OR GUARDIAN OF ANY STUDENT
26 ENROLLED IN THE CHARTER SCHOOL A COPY OF THE DEPARTMENT'S
27 DETERMINATION UNDER SUBSECTION (B).

28 (D) SCHOOL DISTRICTS.--A SCHOOL DISTRICT SHALL NOT RENEW THE
29 CHARTER OF A CHARTER SCHOOL APPROVED UNDER SECTION 1717-A OR
30 1718-A WHICH PROVIDES INSTRUCTION THROUGH THE INTERNET OR OTHER

1 ELECTRONIC MEANS OR APPROVE A CHARTER FOR A CYBER CHARTER
2 SCHOOL.

3 [(E) RENEWAL OF CHARTER FOR CERTAIN EXISTING CHARTER
4 SCHOOLS.--UPON THE EXPIRATION OF ITS CHARTER, A CHARTER SCHOOL
5 APPROVED UNDER SECTION 1717-A OR 1718-A WHICH PROVIDES
6 INSTRUCTION THROUGH THE INTERNET OR OTHER ELECTRONIC MEANS SHALL
7 SEEK RENEWAL OF ITS CHARTER FROM THE DEPARTMENT UNDER THIS
8 SUBDIVISION. THE CHARTER SHALL BE AMENDED AS NEEDED TO REFLECT
9 THE REQUIREMENTS OF THIS SUBDIVISION.]

10 (F) CONTINUED OPERATION.--A CYBER CHARTER SCHOOL APPROVED BY
11 THE DEPARTMENT PRIOR TO THE EFFECTIVE DATE OF THIS SUBSECTION
12 SHALL CONTINUE TO OPERATE UNDER THE CURRENT CHARTER, EXCEPT THAT
13 ALL OVERSIGHT SHALL TRANSFER TO THE BOARD BEGINNING JULY 1,
14 2013.

15 (G) EXPIRATION OF EXISTING CYBER CHARTER SCHOOL CHARTERS.--
16 UPON EXPIRATION OF ITS CHARTER, A CYBER CHARTER SCHOOL APPROVED
17 PRIOR TO THE EFFECTIVE DATE OF THIS SUBSECTION SHALL SEEK
18 RENEWAL OF ITS CHARTER FROM THE BOARD UNDER THIS ARTICLE. THE
19 CHARTER SHALL BE AMENDED AS NEEDED TO REFLECT THE REQUIREMENTS
20 OF THIS ARTICLE. ALL CYBER CHARTER SCHOOLS APPROVED OR RENEWED
21 ON OR AFTER THE EFFECTIVE DATE OF THIS SUBSECTION MUST BE IN
22 FULL COMPLIANCE WITH THIS ARTICLE.

23 SECTION 1751-A. REGULATIONS.

24 THE [DEPARTMENT] BOARD MAY ISSUE REGULATIONS TO IMPLEMENT
25 THIS SUBDIVISION.

26 SECTION 2. SECTION 2501(26) OF THE ACT, ADDED JULY 9, 2008
27 (P.L.846, NO.61), IS AMENDED AND THE SECTION IS AMENDED BY
28 ADDING CLAUSES TO READ:

29 Section 2501. Definitions.--For the purposes of this article
30 the following terms shall have the following meanings:

1 * * *

2 (26) "Actual Spending." An amount equal to a school
3 district's total expenditures to include General Fund
4 expenditures in all functional classifications, as designated in
5 the Manual of Accounting and Related Financial Procedures for
6 Pennsylvania School Systems, except for:

7 (i) actual special education spending;

8 (ii) adult education;

9 (iii) higher education;

10 (iv) student transportation;

11 (v) community services;

12 (vi) scholarships and awards;

13 (vii) facilities acquisition;

14 (viii) construction and improvement services; and

15 [(ix) other expenditures and financing uses; and]

16 (x) tuition from patrons revenue.

17 * * *

18 (31) "Actual Special Education Spending." An amount equal to
19 a school district's total annual expenditures for special
20 education as established by the Department of Education and
21 designated in the Manual of Accounting and Related Financial
22 Procedures for Pennsylvania School Systems. The amount shall not
23 include expenditures that are exclusively for gifted students
24 who do not receive special education pursuant to an
25 individualized education program.

26 (32) "Eligible Student." A student who has been identified
27 as a student with a disability who is in need of special
28 education under Federal and State law.

29 (33) "Performance Indicators." Measurable annual objectives
30 established by the Department of Education pursuant to section

1 612(a)(15) of the Individuals with Disabilities Education Act
2 (Public Law 91-230, 20 U.S.C. § 1412(a)(15)) to assess progress
3 toward achieving State goals for the performance of eligible
4 students.

5 (34) "Public Notice." Full and timely release of information
6 and documents for public access at a minimum through publication
7 by the Department of Education:

8 (i) in the Pennsylvania Bulletin;

9 (ii) on the department's publicly accessible Internet
10 website for no less than a duration of twelve (12) months; and

11 (iii) through the department's timely issuance of a related
12 Statewide press release.

13 (35) "Regular Classroom." A classroom in a regular school
14 operated primarily for students who have not been identified as
15 students with disabilities who are in need of special education.

16 (36) "Regular School." A neighborhood school, magnet school
17 or other public school operated for all students, not solely
18 eligible students, in a school district.

19 (37) "Special Education Plan." A comprehensive plan as well
20 as revisions, updates and amendments for all special education
21 personnel, programs, services and supports provided by each
22 school district for eligible students, filed by each district
23 with the Department of Education under this act and other
24 applicable Federal and State law.

25 ~~(38) "Commission." The Legislative Commission on Special~~ ←
26 ~~Education Funding.~~

27 ~~(39) (38) "Base Year." Fiscal year 2010-2011 or another year~~ ←
28 ~~designated by statute.~~

29 ~~(40) (39) "Special Education Allocation." The amount of~~ ←
30 ~~special education funding received by a school district from the~~

1 Commonwealth.

2 Section 2 3. The act is amended by adding sections to read: ←

3 Section 2509.13. Special Education Funding for Student

4 Achievement and Instruction of Eligible Students.--(a) The ←

5 General Assembly shall, through the annual appropriations

6 process, determine the level of State funding for special

7 education and the amount of any change in funding. The special

8 education formula developed under this section shall determine

9 only the distribution of any increase in special education

10 funding among the school districts of this Commonwealth above

11 the amount of special education funding in the base year and

12 shall not be used for any other purpose.

13 (b) Notwithstanding any provision of law to the contrary,

14 for the 2012-2013 school year and each school year thereafter,

15 any State funding for special education in an amount that does

16 not exceed the amount of State funding for special education in

17 the base year shall be allocated in the same manner as the State

18 funding was allocated in the base year.

19 (c) The Department of Education shall distribute special

20 education funding according to the calculations under

21 subsections (a) and (b).

22 (d) The Legislative Commission on Special Education Funding

23 is established and shall develop a special education formula

24 that will be used to determine the distribution of any change in

25 special education funding among the school districts of this

26 Commonwealth. The formula shall include all of the following:

27 (1) Three (3) cost categories of eligible students,

28 established such that students with disabilities typically

29 requiring the least intensive range of services shall comprise

30 category 1, students with disabilities typically requiring a

1 ~~middle range of services shall comprise category 2 and students~~
2 ~~with disabilities typically requiring the most intensive range~~
3 ~~of services shall comprise category 3. The commission shall~~
4 ~~determine a description of and parameters for each of the three~~
5 ~~(3) categories.~~

6 ~~(2) A student count for each school district averaged for~~
7 ~~the three (3) most recent years for each category of eligible~~
8 ~~students to be calculated as follows:~~

9 ~~(i) For category 3, calculate the number of eligible~~
10 ~~students residing or enrolled in the school district and~~
11 ~~classified in category 3, except that the number of eligible~~
12 ~~students included in this calculation who are placed by the~~
13 ~~school district and served in public or private separate~~
14 ~~schools, residential placements or homebound or hospital~~
15 ~~placements shall not exceed three and one half percent (3.5%) of~~
16 ~~all eligible students with individualized education programs~~
17 ~~residing or enrolled in the school district or the target~~
18 ~~established in the Part B State Annual Performance Plan filed by~~
19 ~~the Department of Education under the Individuals with~~
20 ~~Disabilities Education Act (Public Law 91-230, 20 U.S.C. § 1400~~
21 ~~et seq.), whichever is less. The reference in this paragraph to~~
22 ~~the target established in the Part B State Annual Performance~~
23 ~~Plan shall be used solely for the purpose of determining the~~
24 ~~student count for category 3, without limiting the use of this~~
25 ~~target for other purposes pursuant to the Part B State Annual~~
26 ~~Performance Plan. Eligible students exceeding this target shall~~
27 ~~be part of the other cost categories within the special~~
28 ~~education formula. Neither the reference to the target nor any~~
29 ~~other provision of this act shall be construed to alter Federal~~
30 ~~or State law regarding the protections provided to an eligible~~

~~1 student for receiving education in the least restrictive
2 environment or alter the legal authority of individualized
3 education program teams to make appropriate program and
4 placement decisions for eligible students in accordance with the
5 individualized education program developed for each eligible
6 student.~~

~~7 (ii) For category 2, calculate the number of eligible
8 students classified in category 2 determined by taking the
9 product of:~~

~~10 (A) the number of eligible students in the school district;~~

~~11 and~~

~~12 (B) the Statewide percentage of eligible students classified
13 in category 2.~~

~~14 (iii) For category 1, calculate the number of eligible
15 students classified in category 1 determined by taking the
16 product of:~~

~~17 (A) the school district's modified average daily membership;~~

~~18 and~~

~~19 (B) the Statewide percentage of modified average daily
20 membership classified in category 1.~~

~~21 (iv) The two (2) Statewide percentages of modified average
22 daily membership which shall be designated as category 1 and of
23 eligible students which shall be designated as category 2 shall
24 not exceed the actual proportion of students in this
25 Commonwealth classified in categories 1 and 2 in the most recent
26 year for which data is available.~~

~~27 (3) A weighting factor that differs for each of the three
28 (3) categories of students with disabilities based on the
29 typical range of services for each category.~~

~~30 (4) Adjustments for:~~

1 ~~(i) The market value/personal income aid ratio averaged for~~
2 ~~the three (3) most recent years for each school district.~~

3 ~~(ii) The equalized millage rate averaged for the three (3)~~
4 ~~most recent years for each school district.~~

5 ~~(iii) Geographic price differences identified for each~~
6 ~~school district.~~

7 ~~(5) A proportional system for distributing the change in~~
8 ~~special education funding among the school districts, based on~~
9 ~~the factors listed in paragraphs (1), (2), (3) and (4).~~

10 ~~(6) Other factors related to an accurate distribution of~~
11 ~~special education funding.~~

12 ~~(e) Prior to development of the special education formula~~
13 ~~required under subsection (d), the commission shall:~~

14 ~~(1) Consider nationally accepted accounting and budgeting~~
15 ~~standards.~~

16 ~~(2) In a timely manner, hold no fewer than three (3) public~~
17 ~~hearings in different regions of this Commonwealth to receive~~
18 ~~input and testimony from interested parties, which may include~~
19 ~~the Secretary of Education and other individuals representing~~
20 ~~the Department of Education, parents of eligible students,~~
21 ~~teachers, school administrators, school board members, higher~~
22 ~~education faculty and existing State committees, advisory panels~~
23 ~~and task forces established under Federal or State law,~~
24 ~~regulations or court orders.~~

25 ~~(f) (1) Membership of the commission shall include twelve~~
26 ~~(12) members, consisting of the chairman and minority chairman~~
27 ~~of the Education Committee of the Senate, the chairman and~~
28 ~~minority chairman of the Education Committee of the House of~~
29 ~~Representatives and two (2) legislators from each of the four~~
30 ~~(4) legislative caucuses, to be determined by the leadership of~~

~~1 each caucus and to be replaced at the discretion of the
2 leadership of each caucus. The commission may perform its duties
3 regardless of whether all four (4) legislative caucuses have
4 actually appointed members to the commission. The commission
5 shall choose a chairperson and utilize legislative staff for
6 assistance in developing the special education formula. The
7 Department of Education shall provide the commission with data,
8 research and other relevant information, upon request by the
9 commission.~~

~~10 (2) Members of the commission shall be appointed within
11 forty five (45) days of the effective date of this section. The
12 commission shall hold its first meeting within ninety (90) days
13 of the effective date of this section. The commission shall
14 develop the special education formula required under subsection
15 (d) within one hundred twenty (120) days of the effective date
16 of this section, and shall issue a report of its findings to the
17 Governor, the President pro tempore of the Senate and Minority
18 Leader of the Senate, the Speaker of the House of
19 Representatives and the Minority Leader of the House of
20 Representatives, the Education Committee of the Senate and the
21 Education Committee of the House of Representatives, the
22 Secretary of Education and the State Board of Education.~~

~~23 (g) Upon completion of the commission's report, the State
24 Board of Education shall draft proposed regulations to implement
25 the special education funding provisions of this section using,
26 without alteration, the special education formula as developed
27 by the commission. If the commission does not issue the required
28 report within the required time period or if the commission's
29 report does not designate the special education formula required
30 under subsection (d), the State Board of Education shall in a~~

1 ~~timely manner promulgate proposed regulations to designate the~~
2 ~~special education formula through the regulatory review process.~~

3 ~~(g.1) In developing the special education formula required~~
4 ~~under subsection (d) and in issuing the report required under~~
5 ~~subsection (f), the commission shall address the distribution of~~
6 ~~any change in special education funding among the school~~
7 ~~districts but shall not recommend the annual level of State~~
8 ~~funding which, under subsection (a), shall be determined by the~~
9 ~~General Assembly through the annual appropriations process.~~

10 ~~(h) In every fifth year subsequent to the initial~~
11 ~~promulgation of the regulations implementing the special~~
12 ~~education formula, the commission shall be reconstituted~~
13 ~~pursuant to subsection (f)(1), shall meet and hold public~~
14 ~~hearings to review the operation of the special education~~
15 ~~funding provisions of this section, shall make a further report~~
16 ~~and shall issue the report to the bodies and individuals listed~~
17 ~~under subsection (f)(2). When in receipt of a further report~~
18 ~~recommending changes to the special education formula, the State~~
19 ~~Board of Education shall promulgate proposed regulations through~~
20 ~~the regulatory review process to implement, without alteration,~~
21 ~~any changes developed by the commission in the special education~~
22 ~~formula.~~

23 ~~(i) The commission shall receive input from interested~~
24 ~~parties, which shall include, but not be limited to, charter and~~
25 ~~cyber charter school operators, and gather information on the~~
26 ~~identification of children as eligible students by charter and~~
27 ~~cyber charter schools. The commission shall also receive input~~
28 ~~and gather information on charter and cyber charter school~~
29 ~~funding reimbursements regarding eligible students. The~~
30 ~~commission shall draft proposed regulations and proposed~~

1 ~~legislation based on their findings.~~

2 ~~(j) The commission shall consider the development, by the~~
3 ~~Department of Education, of improved systems for documenting~~
4 ~~student enrollment in public schools, including new methods for~~
5 ~~documenting average daily membership. The commission, either~~
6 ~~initially or when reconstituted in every fifth year, shall draft~~
7 ~~proposed legislation based on its consideration of these issues~~
8 ~~to update the special education formula as needed to maintain~~
9 ~~accurate student counts for eligible students.~~

10 ~~(k)~~ (A) (1) The Department of Education shall set aside one ←
11 percent (1%) of the total State special education appropriation
12 in each year for extraordinary special education program
13 expenses under section 2509.8. The department shall utilize the
14 funds under section 2509.8(e) in order to meet, to the extent
15 that funds are available, extraordinary special education
16 expenses not anticipated through the special education funding
17 formula. School districts and charter and cyber charter schools
18 may apply for resources through the fund under procedures
19 established by the department. The department shall make
20 payments from the fund in response to the applications.

21 (2) The Department of Education shall issue a comprehensive
22 annual report documenting use of the fund to the General
23 Assembly and shall give public notice about the report.

24 (3) As used in this subsection, "extraordinary special
25 education expenses" shall mean expenses that result from needs
26 and circumstances of an eligible student with significant
27 disabilities which are not ordinarily present in a typical
28 special education service and program delivery system and which
29 have costs exceeding the school district or charter or cyber
30 charter school funding for special education, in order to

1 provide the student with an appropriate education in the least
2 restrictive environment.

3 ~~(1) (B) (1) To the extent that special education funding is~~ ←
4 ~~appropriated in the 2013-2014 school year and any subsequent~~
5 ~~school year FUNDS ARE APPROPRIATED ANY YEAR by the General~~ ←
6 ~~Assembly above the amount of special education funding in the~~ ←
7 ~~base year, the Department of Education shall establish and~~
8 ~~implement a competitive grant program for school districts and,~~ ←
9 ~~charter schools AND CYBER CHARTER SCHOOLS meeting the following~~ ←
10 criteria:

11 (i) Providing instruction within the regular classroom at
12 least eighty percent (80%) of the school day for at least sixty-
13 five percent (65%) of eligible students, as averaged for the two
14 (2) most recent school years for which data are available or
15 increasing the number of eligible students receiving instruction
16 within the regular classroom by at least fifteen percent (15%)
17 in the most recent school year for which data are available.

18 (ii) In the most recent school year for which data are
19 available, performance by eligible students on State academic
20 assessments in reading and math, averaged for the entire
21 district, meeting State standards for adequate yearly progress
22 by any method approved by the Federal and State governments,
23 such as meeting the annual target, the confidence interval, the
24 safe harbor target or by appeal.

25 (iii) Implementing programs or services that serve as a
26 model of excellence for meeting high standards for inclusion and
27 student achievement through quality special education.

28 (2) The Department of Education shall develop guidelines for
29 the administration of the grant program established under this
30 subsection, which shall be allocated to school districts and, ←

1 charter schools AND CYBER CHARTER SCHOOLS on a competitive
2 basis.



3 (3) The Department of Education shall issue an annual report
4 to the General Assembly documenting use of the grants issued
5 under paragraph (1) and shall give public notice about the
6 report.

7 (4) Nothing under paragraph (1) or any other provision of
8 this act shall alter Federal or State law regarding the
9 protections provided to an eligible student for receiving
10 education in the least restrictive environment or shall alter
11 the legal authority of individualized education program teams to
12 make appropriate program and placement decisions for eligible
13 students in accordance with the individualized education program
14 developed for each eligible student.

15 Section 2509.14. Special Education Funding for Eligible
16 Students with Disabilities in Category 3.--(a) For the
17 2014-2015 school year and each school year thereafter, the
18 Department of Education shall set aside an amount ~~equal to~~ NOT
19 LESS THAN one percent (1%) of the State special education
20 appropriation above the level of the appropriation in the base
21 year. The Department of Education shall distribute this amount
22 as provided in subsection (b).



23 (b) For the 2014-2015 school year and each school year
24 thereafter, each school district in this Commonwealth shall
25 receive a pro rata share of the amount set aside under
26 subsection (a) based upon the number of eligible students
27 residing or enrolled in each school district and classified in
28 category 3 during the immediately preceding school year.

29 (c) The funding provided under this section shall be
30 accounted for as part of actual special education spending and

1 as part of the special education allocation received by a school
2 district, according to the definitions in section 2501. School
3 districts shall also account for the funding provided under this
4 section and the resulting services and supports for eligible
5 students through the special education plans, revisions, updates
6 and amendments required by section 2509.15.

7 ~~(d) Amounts set aside by the Department of Education from~~ ←
8 ~~the State special education appropriation shall not exceed the~~
9 ~~following:~~

10 ~~(1) one percent (1%) of the total State special education~~
11 ~~appropriation for extraordinary special education program~~
12 ~~expenses pursuant to sections 2509.8 and 2509.13(k)(1); and~~

13 ~~(2) one percent (1%) of the State special education~~
14 ~~appropriation above the level of appropriation in the base year~~
15 ~~pursuant to subsection (a).~~

16 Section 2509.15. Special Education Accountability.--(a) (1)
17 The Department of Education shall determine the form and manner
18 in which school districts shall submit a special education plan
19 and revisions, updates and amendments to the special education
20 plan under this section. The special education plan shall be
21 consistent with other existing plans and reports required by the
22 department to the greatest extent possible. Special education
23 plans shall be written in a manner that is easy to use and
24 understand by parents and the public, including a general
25 summary.

26 (2) The Department of Education shall:

27 (i) review the special education plans and revisions,
28 updates and amendments;

29 (ii) provide recommendations and technical assistance to
30 school districts;

1 (iii) approve or disapprove the plan within ninety (90)
2 calendar days of receipt; and ←

3 (iv) provide a written explanation when disapproving a
4 plan.; AND ←

5 (V) PROVIDE GUIDANCE RELATED TO PLAN RESUBMISSION.

6 (3) The Department of Education shall approve a special
7 education plan and revisions, updates and amendments that in the
8 determination of the department:

9 (i) meet the requirements of this section;

10 (ii) address the academic and developmental challenges for

11 eligible students identified in the school district's most

12 recent student achievement results and pursuant to performance

13 indicators, with specific focus on individual schools, grade ←

14 levels and populations of students that demonstrate inadequate

15 levels of student outcomes and with student achievement for

16 eligible students as measured by academic performance whenever

17 possible in the general education curriculum, acquisition of

18 knowledge and skills, progress toward graduation, accomplishment

19 of individualized education program goals, including appropriate

20 functional skills, and other factors;

21 (iii) describe programs and strategies that are most likely

22 to improve student outcomes in the school district; AND ←

23 (iv) describe any programs offered by the school district ←

24 and strategies of the school district for children from birth

25 through five (5) years of age and five (5) years of age through

26 seven (7) years of age designed to reduce the need for special

27 education services; and

28 (v) (IV) describe policies of the school district to ensure ←

29 that a student identified as having a disability is no longer

30 identified as such if the student no longer qualifies under 22

1 Pa. Code Ch. 14 (relating to special education services and
2 programs), or any successor regulation.

3 (4) Upon disapproving a school district's special education
4 plan, update or revision submitted under this section, the
5 Department of Education shall MAY withhold the portion of the ←
6 annual State increase in special education funding which exceeds
7 the index until a written special education plan, update or
8 revision is approved.

9 (5) The Secretary of Education shall involve as appropriate
10 in special education monitoring, support, intervention,
11 technical assistance and special education plan review by the
12 Department of Education, the staff in relevant offices, bureaus
13 and divisions of the department, as well as staff in ←
14 intermediate units and consultants, and shall neither delegate
15 nor limit these functions solely to the Bureau of Special
16 Education. The Secretary of Education shall have the authority
17 to contract for additional assistance with intermediate units
18 and consultants for these purposes, if the contracts do not
19 create a conflict of interest or supplant existing service or
20 program obligations ANY OTHER RESOURCES AS APPROPRIATE. ←

21 (b) (1) By April 15, 2013, and by April 15 of each year ←
22 thereafter PURSUANT TO THE TIMETABLE SET FORTH IN SECTION 218, ←
23 each school district receiving an increase in its State special
24 education funding allocation of more than the index shall update
25 its special education plan based on overall circumstances, shall ←
26 also revise the special education plan to show in detail how the
27 increase above the index will be used BY ATTACHING THE ←
28 DISTRICT'S SPECIAL EDUCATION EXPENDITURES AS REPORTED ON THE
29 ANNUAL FINANCIAL REPORTS and shall submit the updates and
30 revisions to the Department of Education for approval under

1 ~~subsection (a). Unless a school district decides to amend its~~ ←
2 ~~special education plan more broadly to reflect the receipt of~~
3 ~~new funding, the~~ THE department shall allow a district to meet ←
4 the requirements of this section by adding the ~~mandated~~ ←
5 ~~information as an appendix to the existing plan.~~

6 (2) ~~School districts shall use State funds for programs and~~
7 ~~supports that expressly benefit eligible students educated in~~
8 ~~the least restrictive environment in accordance with Federal and~~
9 ~~State law and contribute to achievement of performance~~
10 ~~indicators.~~

11 (3) ~~The Department of Education shall issue guidelines for~~ ←
12 ~~the suggested use of State funds~~ IDENTIFY RESOURCES for programs ←
13 and supports that benefit eligible students and contribute to
14 achievement of performance indicators and address the following
15 areas or related areas:

- 16 (i) ~~curricula adaptation;~~
- 17 (ii) ~~coteaching;~~
- 18 (iii) ~~assistive technology;~~
- 19 (iv) ~~school-wide positive behavior supports;~~
- 20 (v) ~~supplementary aids and services;~~
- 21 (vi) ~~professional development;~~
- 22 (vii) ~~reading specialist services and supports;~~ ←
- 23 (viii) ~~reducing caseloads~~ CASELOAD MANAGEMENT for special ←
24 education teachers and related services personnel; and
- 25 (ix) ~~placing and serving eligible students in regular~~
26 ~~classrooms with supports in accordance with the individualized~~
27 ~~education program developed for each eligible student.~~

28 (4) ~~Nothing under this subsection shall be construed to~~ ←
29 ~~require school districts to implement only the programs and~~
30 ~~supports included in the guidelines issued by the Department of~~

1 ~~Education.~~ THE DEPARTMENT OF EDUCATION SHALL MAKE THE RESOURCES
2 IDENTIFIED IN PARAGRAPH (3) AVAILABLE TO ALL EDUCATIONAL
3 ENTITIES IN THIS COMMONWEALTH.

4 (c) Accountability for the effective use of resources to
5 meet student needs shall also be provided in the following ways:

6 (1) The Department of Education shall issue to the General
7 Assembly a comprehensive annual report on special education
8 funding, special education plans, the implementation of 22 Pa.
9 Code § 14.104 (relating to special education plans) and other
10 special education accountability issues for public school
11 entities serving eligible students and this Commonwealth.

12 (2) Upon disapproving a school district's special education
13 plan, update or revision, the Department of Education shall MAY
14 withhold the portion of the annual State increase in special
15 education funding which exceeds the index until a written
16 special education plan, update or revision is approved.

17 (3) (i) The Department of Education shall:

18 (A) review and monitor implementation of all special
19 education plans, such as compliance with subsection (b) and 22
20 Pa. Code § 14.104;

21 (B) provide support, intervention and technical assistance
22 in school districts failing to meet student needs based on
23 performance indicators or failing to comply with subsection (b);

24 (C) ~~identify at any time and at least annually all school-~~
25 ~~districts failing to adequately implement their special-~~
26 ~~education plans in compliance with Federal and State law,~~
27 ~~failing to comply with subsection (b) or not making annual-~~

28 ~~progress to meet~~ POST ON ITS INTERNET WEBSITE EACH SCHOOL
29 DISTRICT'S PROGRESS ON MEETING student needs based on
30 performance indicators; and

1 (D) determine whether to withhold up to five percent (5%) of
2 all State special education funding for school districts
3 identified under this clause while the identified problems
4 remain unresolved.

5 (ii) If the Department of Education determines that a school
6 district is making substantial progress toward resolving the
7 identified problems, it shall restore the withheld funding
8 retroactively and continue to monitor the district for an
9 additional two (2) years.

10 (4) (i) To discourage the inappropriate over-identification
11 of children for special education, the Department of Education
12 shall automatically conduct a thorough review of the special
13 education plan of any school district with a substantially
14 higher ratio of eligible students in the district to its average
15 daily membership for all students than the State average, as
16 established by the department and of any district where the
17 ratio of eligible students in the school district to its average
18 daily membership for all students in the most recent school year
19 for which data is available has increased by more than ten
20 percent (10%) over the previous year or of any district where
21 the ratio has increased by an annual average of more than five
22 percent (5%) during the most recent five-year period.

23 ~~Appropriate~~ THE DEPARTMENT OF EDUCATION MAY TAKE remedial ←
24 action, including withholding up to five percent (5%) of all
25 State special education funding, may be taken, unless the ratio ←
26 or increase is determined to be justified by the department
27 after consultation with the school district IF THE DEPARTMENT OF ←
28 EDUCATION DETERMINES THAT A SCHOOL DISTRICT HAS OVER-IDENTIFIED
29 A STUDENT.

30 (ii) Nothing in this paragraph or any other provision of

1 this act shall be construed to alter Federal or State law
2 regarding the protections provided to an eligible student for
3 receiving education in the least restrictive environment or
4 alter the legal authority of individualized education program
5 teams to make appropriate program and placement decisions for
6 eligible students in accordance with the individualized
7 education program developed for each eligible student.

8 (d) In rendering a decision or determining remedial action
9 under this section, the Department of Education shall consider
10 extraordinary circumstances which a school district subject to
11 review is experiencing, including a substantial reduction in
12 Federal or State funds or other factors beyond the control of
13 the school district. The Department of Education shall issue to
14 any affected school district a notice specifying the
15 department's decisions and actions under this section and the
16 rationale for the decisions and actions. A school district may
17 file a written response to the department about the department's
18 decisions and actions regarding the district made under this
19 section. The written response must be submitted to the
20 department within thirty (30) calendar days of the department's
21 notice or within thirty (30) calendar days of receiving the
22 notice, whichever is greater. The department shall consider the
23 written response, consult with the school district and, within
24 thirty (30) calendar days after receiving the written response,
25 issue a written decision addressing the concerns and claims made
26 in the written response, explaining the judgment of the
27 department in response to these concerns and claims, and
28 specifying the opportunity to appeal this matter to the
29 Secretary of Education for a hearing under 2 Pa.C.S. Chs. 5
30 Subch. A (relating to practice and procedure of Commonwealth

1 agencies) and 7 Subch. A (relating to judicial review of
2 Commonwealth agency action) and 1 Pa. Code Pt. II (relating to
3 general rules of administrative practice and procedure). If
4 requested, the Secretary of Education shall convene a hearing
5 within thirty (30) calendar days after receipt of a school
6 district's hearing request. The Secretary of Education shall
7 render a written hearing decision within thirty (30) calendar
8 days following the hearing.

9 (e) The Department of Education shall give public notice of
10 the decisions, actions and reports made under this section.

11 (f) Nothing under this section shall supersede or preempt
12 any provisions of a collective bargaining agreement between a
13 school entity and an employe organization in effect on the
14 effective date of this section.

15 (g) ~~Notwithstanding any other provision of this section,~~ ←
16 ~~the~~ THE requirements of this section shall be waived until the ←
17 General Assembly appropriates special education funding above
18 the amount of special education funding in the base year and on
19 the effective date of the appropriation the requirements of this
20 section shall apply for that school year and for each school
21 year thereafter.

22 Section 2509.16. Data Collection.--Using existing resources
23 and data systems as well as nationally accepted accounting and
24 modeling standards, the Department of Education shall collect
25 data necessary for accurate functioning of ~~the~~ A special ←
26 education formula developed under section ~~2509.13~~ 120, ←
27 including, but not limited to, data necessary for the
28 calculations related to category 1, category 2 and category 3 as
29 part of the formula developed by the commission. The Department
30 of Education shall begin collecting such data upon the effective

1 date of this section.

2 ~~Section 2509.17. Restructuring. (a) The commission shall~~ ←
3 ~~study whether and the manner in which State and regional~~
4 ~~administration of special education programs and services may be~~
5 ~~restructured to reduce the cost of administering special~~
6 ~~education programs and services by at least ten percent (10%) of~~
7 ~~the cost of administering special education programs and~~
8 ~~services in the base year and shall report its findings and~~
9 ~~recommendations, including recommended legislation and options~~
10 ~~to redirect administrative cost savings to school districts~~
11 ~~through the formula developed under section 2509.13(d), to the~~
12 ~~Governor and the General Assembly in the report required under~~
13 ~~section 2509.13(f)(2).~~

14 ~~(b) Nothing under subsection (a) or any other provision of~~
15 ~~SECTION 2509.17. PROTECTIONS.--NOTHING UNDER THE PROVISIONS~~ ←
16 ~~OF this act shall alter Federal or State law regarding the~~
17 ~~protections provided to an eligible student for receiving~~
18 ~~education in the least restrictive environment or shall alter~~
19 ~~the legal authority of individualized education program teams to~~
20 ~~make appropriate program and placement decisions for eligible~~
21 ~~students in accordance with the individualized education program~~
22 ~~developed for each eligible student.~~

23 ~~Section 3 4. The Secretary of Education shall propose~~ ←
24 ~~regulations for promulgation by the State Board of Education~~
25 ~~which implement this act.~~

26 ~~Section 4 5. This act shall take effect immediately.~~ ←

27 SECTION 4. THE SECRETARY OF EDUCATION SHALL PROPOSE ←
28 REGULATIONS FOR PROMULGATION BY THE STATE BOARD OF EDUCATION
29 WHICH IMPLEMENT THE AMENDMENT OR ADDITION OF THE FOLLOWING
30 PROVISIONS OF THE ACT:

- 1 (1) SECTION 120.
- 2 (2) SECTION 2501(26), (31), (32), (33), (34), (35),
- 3 (36), (37), (38) AND (39).
- 4 (3) SECTION 2509.13.
- 5 (4) SECTION 2509.14.
- 6 (5) SECTION 2509.15.
- 7 (6) SECTION 2509.16.
- 8 (7) SECTION 2509.17.

9 SECTION 5. THE ADDITION OF SECTIONS 1732-A(A) (8) AND 1749-
10 A(A) (7) OF THE ACT SHALL BE RETROACTIVE TO JANUARY 1, 2009.

11 SECTION 6. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

12 (1) THE AMENDMENT OR ADDITION OF THE FOLLOWING
13 PROVISIONS OF THE ACT SHALL TAKE EFFECT IN 60 DAYS:

- 14 (I) SECTION 501.
- 15 (II) SECTION 1525.
- 16 (III) SECTION 1602-B.
- 17 (IV) SECTION 1613-B(C).
- 18 (V) SECTION 1703-A.
- 19 (VI) SECTION 1715-A.
- 20 (VII) SECTION 1716-A(B.1), (B.2), (B.3), (C), (D)
- 21 AND (E).
- 22 (VIII) (RESERVED).
- 23 (IX) SECTION 1717-A.
- 24 (X) SECTION 1718-A.
- 25 (XI) SECTION 1719-A.
- 26 (XII) SECTION 1720-A.
- 27 (XIII) SECTION 1721-A.
- 28 (XIV) SECTION 1722-A.
- 29 (XV) SECTION 1723-A(A) AND (D).
- 30 (XVI) SECTION 1725-A.

1 (XVII) SECTION 1727-A.
2 (XVIII) SECTION 1728-A.
3 (XIX) SECTION 1729-A.
4 (XX) SECTION 1732-A.
5 (XXI) SECTION 1733-A.
6 (XXII) SECTION 1734-A.
7 (XXIII) SECTION 1741-A.
8 (XXIV) SECTION 1742-A.
9 (XXV) SECTION 1743-A(B), (F), (G) AND (H).
10 (XXVI) SECTION 1745-A(B.1), (D), (E), (F), (G) AND
11 (H).
12 (XXVII) SECTION 1746-A.
13 (XXVIII) SECTION 1749-A(A).
14 (XXIX) SECTION 1750-A.
15 (XXX) SECTION 1751-A.
16 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
17 IMMEDIATELY.