

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 618 Session of 2013

INTRODUCED BY EMRICK, BENNINGHOFF, R. BROWN, CARROLL, CAUSER, CLYMER, COHEN, D. COSTA, CUTLER, DAVIDSON, DENLINGER, DUNBAR, EVANKOVICH, EVERETT, FLECK, FREEMAN, GILLEN, GINGRICH, GOODMAN, GROVE, HALUSKA, HICKERNELL, KORTZ, KRIEGER, MACKENZIE, MASSER, MATZIE, MILLARD, R. MILLER, MUNDY, MURT, O'NEILL, PEIFER, PETRI, PICKETT, REED, ROCK, SAYLOR, STERN, TALLMAN, TOBASH, TOEPEL, MOUL, MULLERY, SWANGER AND HELM, FEBRUARY 8, 2013

SENATOR FOLMER, EDUCATION, IN SENATE, AS AMENDED, JUNE 29, 2014

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 terms and courses of study,
6 further providing for agreements with institutions of higher
7 education; in opportunities for educational excellence,
8 further providing for definitions and for concurrent
9 enrollment agreements; and extensively revising and adding
10 charter school provisions.~~

11 AMENDING THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), ENTITLED "AN <--
12 ACT RELATING TO THE PUBLIC SCHOOL SYSTEM, INCLUDING CERTAIN
13 PROVISIONS APPLICABLE AS WELL TO PRIVATE AND PAROCHIAL
14 SCHOOLS; AMENDING, REVISING, CONSOLIDATING AND CHANGING THE
15 LAWS RELATING THERETO," IN CHARTER SCHOOLS, FURTHER PROVIDING
16 FOR FUNDING FOR CHARTER SCHOOLS.

17 The General Assembly of the Commonwealth of Pennsylvania
18 hereby enacts as follows:

19 ~~Section 1. Section 1525 of the act of March 10, 1949 <--
20 (P.L.30, No.14), known as the Public School Code of 1949, added
21 July 4, 2004 (P.L.536, No.70), is amended to read:~~

1 ~~Section 1525. Agreements with Institutions of Higher~~
2 ~~Education. Notwithstanding any other provision of law to the~~
3 ~~contrary, a school district, charter school, regional charter~~
4 ~~school, cyber charter school or area vocational technical school~~
5 ~~may enter into an agreement with one or more institutions of~~
6 ~~higher education approved to operate in this Commonwealth in~~
7 ~~order to allow [resident] students to attend such institutions~~
8 ~~of higher education while the [resident] students are enrolled~~
9 ~~in the school district, charter school, regional charter school,~~
10 ~~cyber charter school or area vocational technical school. The~~
11 ~~agreement may be structured so that high school students may~~
12 ~~receive credits toward completion of courses at the school~~
13 ~~district, charter school, regional charter school, cyber charter~~
14 ~~school or area vocational technical school and at institutions~~
15 ~~of higher education approved to operate in this Commonwealth.~~

16 ~~Section 2. The definitions of "concurrent student" and~~
17 ~~"school entity" in section 1602 B of the act, added July 13,~~
18 ~~2005 (P.L.226, No.46), are amended to read:~~

19 ~~Section 1602 B. Definitions.~~

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

23 ~~* * *~~

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

30 ~~* * *~~

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

4 * * *

5 Section 3. ~~Section 1613 B of the act is amended by adding a~~
6 ~~subsection to read:~~

7 Section 1613 B. ~~Concurrent enrollment agreements.~~

8 * * *

9 ~~(c) Charter schools, regional charter schools and cyber~~
10 ~~charter schools. Charter schools, regional charter schools and~~
11 ~~cyber charter schools shall have the power and authority to~~
12 ~~enter into a concurrent enrollment agreement with an institution~~
13 ~~of higher education, and appropriate credit shall be awarded to~~
14 ~~students concurrently enrolled under the agreement.~~

15 Section 4. ~~Section 1703 A of the act, amended June 29, 2002~~
16 ~~(P.L.524, No.88), is amended to read:~~

17 Section 1703 A. ~~Definitions. As used in this article,~~

18 ~~"Administrator" shall include an employe of a charter school~~
19 ~~entity, including the chief administrator of a charter school~~
20 ~~entity and any other employe, who by virtue of the employe's~~
21 ~~position is responsible for taking official action of a~~
22 ~~nonministerial nature with regard to contracting or procurement,~~
23 ~~administering or monitoring grants or subsidies, managing or~~
24 ~~regulating staff, student and school activities or any activity~~
25 ~~where the official action has an economic impact of greater than~~
26 ~~a de minimis nature on the interests of any person.~~

27 ~~"Appeal board" shall mean the State Charter School Appeal~~
28 ~~Board established by this article.~~

29 ~~"Assessment" shall mean the Pennsylvania System of School~~
30 ~~Assessment test, the Keystone Exam or another test established~~

1 ~~by the State board to meet the requirements of section 2603-~~
2 ~~B(d)(10)(i) and required under the No Child Left Behind Act of-~~
3 ~~2001 (Public Law 107 110, 115 Stat. 1425) or its successor-~~
4 ~~Federal statute.~~

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

9 ~~"Charter school" shall mean an independent public school-~~
10 ~~established and operated under a charter from the local board of-~~
11 ~~school directors and in which students are enrolled or attend. A-~~
12 ~~charter school must be organized as a public, nonprofit-~~
13 ~~corporation. Charters may not be granted to any for profit-~~
14 ~~entity.~~

15 ~~"Charter school entity" shall mean a charter school, regional-~~
16 ~~charter school or cyber charter school.~~

17 ~~"Charter school foundation" shall mean a nonprofit-~~
18 ~~organization under section 501(c)(3) of the Internal Revenue-~~
19 ~~Code of 1986 (Public Law 99 514, 26 U.S.C. § 501(c)(3)), that-~~
20 ~~provides funding, resources or otherwise serves to support a-~~
21 ~~charter school entity, either directly or through an affiliated-~~
22 ~~entity.~~

23 ~~"Chief administrator" shall mean an individual appointed by a-~~
24 ~~board of trustees to oversee and manage the operation of a-~~
25 ~~charter school entity. The term shall not include a professional-~~
26 ~~staff member under this article.~~

27 ~~["Chief executive officer" shall mean an individual appointed-~~
28 ~~by the board of trustees to oversee and manage the operation of-~~
29 ~~the charter school, but who shall not be deemed a professional-~~
30 ~~staff member under this article.]~~

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

9 ~~"Department" shall mean the Department of Education of the~~
10 ~~Commonwealth.~~

11 ~~"Educational management service provider" shall mean a~~
12 ~~nonprofit charter management organization, for profit education~~
13 ~~management organization, school design provider, business~~
14 ~~manager or any other partner entity with which a board of~~
15 ~~trustees of a charter school entity contracts to provide~~
16 ~~educational design, business services, comprehensive management~~
17 ~~or personnel functions or to implement the charter. The term~~
18 ~~shall not include a charter school foundation.~~

19 ~~"Immediate family member" shall mean a parent, spouse, child,~~
20 ~~brother or sister.~~

21 ~~"Local board of school directors" shall mean the board of~~
22 ~~directors, School Reform Commission or other governing authority~~
23 ~~of a school district in which a proposed or an approved charter~~
24 ~~school is located.~~

25 ~~"Nonrelated" shall mean an individual who is not an immediate~~
26 ~~family member.~~

27 ~~"Regional charter school" shall mean an independent public~~
28 ~~school established and operated under a charter from more than~~
29 ~~one local board of school directors and in which students are~~
30 ~~enrolled or attend. A regional charter school must be organized~~

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

3 "School district of residence" shall mean the school district
4 in this Commonwealth in which [the parents or guardians of a
5 child reside] a child resides as determined under section 1302-
6 and 22 Pa. Code § 11.11(a)(1) (relating to entitlement of-
7 resident children to attend public schools).

8 "School entity" shall mean a school district, intermediate
9 unit, joint school or area vocational technical school.

10 "Secretary" shall mean the Secretary of Education of the
11 Commonwealth.

12 "State board" shall mean the State Board of Education of the
13 Commonwealth.

14 Section 4.1. The act is amended by adding a section to read:

15 Section 1704 A. Charter School Funding Advisory
16 Commission.—(1) The Governor shall immediately convene a
17 Statewide advisory commission, to be known as the Charter School
18 Funding Advisory Commission, to examine the financing of charter
19 schools, regional charter schools and cyber charter schools in
20 the public education system. The commission shall examine how
21 charter school, regional charter school and cyber charter school
22 finances affect opportunities for teachers, parents, pupils and
23 community members to establish and maintain schools that operate
24 independently from the existing school district structure as a
25 method to accomplish the requirements of section 1702 A. The
26 Office of the Budget and the department shall provide
27 administrative support, meeting space and any other assistance
28 required by the commission to carry out its duties under this
29 section.

30 (2) The commission shall consist of the following members:

1 ~~(i) Four members of the Senate appointed by the President~~
2 ~~pro tempore of the Senate, in consultation with the Majority~~
3 ~~Leader of the Senate and the Minority Leader of the Senate, with~~
4 ~~two appointees from the majority party and two appointees from~~
5 ~~the minority party.~~

6 ~~(ii) Four members of the House of Representatives appointed~~
7 ~~by the Speaker of the House of Representatives, in consultation~~
8 ~~with the Majority Leader of the House of Representatives and the~~
9 ~~Minority Leader of the House of Representatives, with two~~
10 ~~appointees from the majority party and two appointees from the~~
11 ~~minority party.~~

12 ~~(iii) The secretary or a designee.~~

13 ~~(iv) To represent the interests of charter school entities,~~
14 ~~the following members, who shall be appointed by the Governor:~~

15 ~~(A) One member who shall represent charter schools.~~

16 ~~(B) One member who shall represent regional charter schools.~~

17 ~~(C) One member who shall represent cyber charter schools.~~

18 ~~(D) One member who shall be a teacher in a charter school~~
19 ~~entity.~~

20 ~~(E) One member who shall be a parent of a child attending a~~
21 ~~charter school entity.~~

22 ~~(v) To represent the interests of school districts, the~~
23 ~~following members, who shall be appointed by the Governor:~~

24 ~~(A) One member who shall be a teacher in a public school~~
25 ~~that is not a charter school entity.~~

26 ~~(B) One member who shall represent school administrators.~~

27 ~~(C) Two members who shall represent school board members.~~

28 ~~(D) One member who shall be a business manager of a school~~
29 ~~district.~~

30 ~~(vi) One member who shall represent an institution of higher~~

1 ~~education and who shall be appointed by the Governor.~~

2 ~~(3) Members of the commission shall be appointed within~~
3 ~~twenty (20) days of the effective date of this section. Any~~
4 ~~vacancy on the commission shall be filled by the original~~
5 ~~appointing authority. The commission shall select a chairman and~~
6 ~~vice chairman from among its membership at an organizational~~
7 ~~meeting. The organizational meeting shall take place not later~~
8 ~~than forty five (45) days following the effective date of this~~
9 ~~section.~~

10 ~~(4) The commission shall hold meetings at the call of the~~
11 ~~chairman. The commission may also hold public hearings on the~~
12 ~~matters to be considered by the commission at locations~~
13 ~~throughout this Commonwealth. All meetings and public hearings~~
14 ~~of the commission shall be deemed public meetings for the~~
15 ~~purpose of 65 Pa.C.S. Ch. 7 (relating to open meetings). Ten~~
16 ~~(10) members of the commission shall constitute a quorum at any~~
17 ~~meeting. Each member of the commission may designate another~~
18 ~~person to represent that member at meetings of the commission.~~

19 ~~(5) Commission members shall receive no compensation for~~
20 ~~their services but shall be reimbursed by the department for all~~
21 ~~necessary travel and other reasonable expenses incurred in~~
22 ~~connection with the performance of their duties as members.~~
23 ~~Whenever possible, the commission shall utilize the services and~~
24 ~~expertise of existing personnel and staff of State government.~~
25 ~~The department may utilize undistributed funds not expended,~~
26 ~~encumbered or committed from appropriations for grants and~~
27 ~~subsidies made to the department, not to exceed three hundred~~
28 ~~thousand dollars (\$300,000), to carry out this section.~~

29 ~~(6) The commission shall have the following powers and~~
30 ~~duties:~~

1 ~~(i) Meet with current charter school entity operators,~~
2 ~~school district personnel and representatives of institutions of~~
3 ~~higher education within this Commonwealth.~~

4 ~~(ii) Review charter school entity financing laws in~~
5 ~~operation throughout the United States.~~

6 ~~(iii) Explore the actual cost of educating a child in a~~
7 ~~cyber charter school.~~

8 ~~(iv) Evaluate and make recommendations on the following:~~

9 ~~(A) Consideration of establishing a higher education~~
10 ~~authorizer of charter school entities.~~

11 ~~(a.1) Consideration of establishing an independent State~~
12 ~~level board to authorize charter school entities and support~~
13 ~~charter school quality and accountability through performance~~
14 ~~monitoring and technical assistance.~~

15 ~~(B) Appropriate assessment of fees on charter school~~
16 ~~entities for potentially funding a higher education authorizer~~
17 ~~of charter school entities, including review of independent~~
18 ~~authorizer fees and structures throughout the United States.~~

19 ~~(C) The process by which charter school entities are funded~~
20 ~~under section 1725-A, including the continuation of school~~
21 ~~district deductions for food services and for retirement~~
22 ~~contributions paid to the Public School Employees' Retirement~~
23 ~~System and addressing other potential funding inequities.~~

24 ~~(v) Issue a report pursuant to paragraph (7).~~

25 ~~(7) The commission shall, no later than March 31, 2014,~~
26 ~~issue a report of its findings and recommendations to the~~
27 ~~Governor, the President pro tempore of the Senate, the Majority~~
28 ~~Leader of the Senate, the Minority Leader of the Senate, the~~
29 ~~chairman and minority chairman of the Appropriations Committee~~
30 ~~of the Senate, the chairman and minority chairman of the~~

1 ~~Education Committee of the Senate, the Speaker of the House of~~
2 ~~Representatives, the Majority Leader of the House of~~
3 ~~Representatives, the Minority Leader of the House of~~
4 ~~Representatives, the chairman and minority chairman of the~~
5 ~~Appropriations Committee of the House of Representatives and the~~
6 ~~chairman and minority chairman of the Education Committee of the~~
7 ~~House of Representatives. The recommendations of the commission~~
8 ~~shall not take effect unless the recommendations are approved by~~
9 ~~an act of the General Assembly enacted after the effective date~~
10 ~~of this section.~~

11 Section 5. ~~Section 1715 A of the act, amended or added June~~
12 ~~19, 1997 (P.L.225, No.22) and July 9, 2008 (P.L.846, No.61), is~~
13 ~~amended to read:~~

14 Section 1715 A. ~~Charter School Entity Requirements. (a)~~
15 ~~Charter [schools] school entities shall be required to comply~~
16 ~~with the following provisions:~~

17 (1) ~~Except as otherwise provided in this article, a charter~~
18 ~~school entity is exempt from statutory requirements established~~
19 ~~in this act, from regulations of the State board and the~~
20 ~~standards of the secretary not specifically applicable to~~
21 ~~charter [schools] school entities. Charter [schools] school~~
22 ~~entities are not exempt from statutes applicable to public~~
23 ~~schools other than this act.~~

24 (2) ~~A charter school entity shall be accountable to the~~
25 ~~parents, the public and the Commonwealth, with the delineation~~
26 ~~of that accountability reflected in the charter. Strategies for~~
27 ~~meaningful parent and community involvement shall be developed~~
28 ~~and implemented by each school.~~

29 (3) ~~A charter school entity shall not unlawfully~~
30 ~~discriminate in admissions, hiring or operation.~~

1 ~~(4) A charter school entity shall be nonsectarian in all~~
2 ~~operations.~~

3 ~~(5) (i) [A] Subject to subparagraph (ii), a charter school~~
4 ~~entity shall not provide any religious instruction, nor shall it~~
5 ~~display religious objects and symbols on the premises of the~~
6 ~~charter school[.] entity.~~

7 ~~(ii) It shall not be a violation of this paragraph for a~~
8 ~~charter school entity to utilize a sectarian facility:~~

9 ~~(A) if the charter school entity provides for discrete and~~
10 ~~separate entrances to buildings utilized for school purposes~~
11 ~~only;~~

12 ~~(B) if the religious objects and symbols within the portions~~
13 ~~of the facility utilized by the school are covered or removed to~~
14 ~~the extent reasonably feasible; or~~

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

17 ~~(6) A charter school entity shall not advocate unlawful~~
18 ~~behavior.~~

19 ~~(7) A charter school or regional charter school shall only~~
20 ~~be subject to the laws and regulations as provided for in~~
21 ~~section 1732 A, or as otherwise provided for in this [article]~~
22 ~~act.~~

23 ~~(7.1) A cyber charter school shall only be subject to the~~
24 ~~laws and regulations as provided for in section 1749 A, or as~~
25 ~~otherwise provided for in this act.~~

26 ~~(8) A charter school entity shall participate in [the~~
27 ~~Pennsylvania State Assessment System as provided for in 22 Pa.~~
28 ~~Code Ch. 5 (relating to curriculum), or subsequent regulations~~
29 ~~promulgated to replace 22 Pa. Code Ch. 5,] assessments in the~~
30 ~~manner in which the school district in which the charter school~~

1 ~~entity is located is scheduled to participate.~~

2 ~~(9) A charter school entity shall provide a minimum of one~~
3 ~~hundred eighty (180) days of instruction or nine hundred (900)~~
4 ~~hours per year of instruction at the elementary level, or nine~~
5 ~~hundred ninety (990) hours per year of instruction at the~~
6 ~~secondary level. Nothing in this clause shall preclude the use~~
7 ~~of computer and satellite linkages for delivering instruction to~~
8 ~~students.~~

9 ~~(10) Boards of trustees and contractors of charter [schools]~~
10 ~~school entities shall be subject to the following statutory~~
11 ~~requirements governing construction projects and construction~~
12 ~~related work:~~

13 ~~(i) The following provisions of this act:~~

14 ~~(A) Sections 751 and 751.1.~~

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

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

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

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

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

26 ~~(11) Trustees of a charter school entity shall be public~~
27 ~~officials[.] for the purposes of 65 Pa.C.S. Ch. 11 (relating to~~
28 ~~ethics standards and financial disclosure) and shall file a~~
29 ~~statement of financial interests for the preceding calendar year~~
30 ~~with the State Ethics Commission and either the local board of~~

~~1 school directors in the case of a charter school or regional
2 charter school, or the department in the case of a cyber charter
3 school, not later than May 1 of each year that members hold the
4 position and of the year after a member leaves the position. All
5 members of the board of trustees of a charter school entity
6 shall take the oath of office as required under section 321
7 before entering upon the duties of their office.~~

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

~~22 (b) An individual who serves as an administrator for a
23 charter school entity shall be a public employe for the purposes
24 of 65 Pa.C.S. Ch. 11 and shall file a statement of financial
25 interests for the preceding calendar year with the board of
26 trustees not later than May 1 of each year that the person holds
27 the position and of the year after the person leaves the
28 position.~~

~~29 (c) (1) No individual who serves as an administrator for a
30 charter school entity may receive compensation from another~~

1 ~~charter school entity or from an educational management service~~
2 ~~provider, unless:~~

3 ~~(i) The administrator has submitted a sworn statement to the~~
4 ~~board of trustees of the charter school entity and the sworn~~
5 ~~statement details the work for the other entity and includes the~~
6 ~~projected number of hours, rate of compensation and projected~~
7 ~~duration.~~

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

11 ~~(2) A copy of the sworn statement under clause (1)(i) and~~
12 ~~the resolution by the board of trustees granting the permission~~
13 ~~under clause (1)(ii) shall be provided to, and kept on file~~
14 ~~with, the charter school entity and the local board of school~~
15 ~~directors or, in the case of a cyber charter school, the~~
16 ~~department.~~

17 ~~(3) No administrator of a charter school entity or immediate~~
18 ~~family member of the administrator may serve as a voting member~~
19 ~~of the board of trustees of the charter school entity that~~
20 ~~employs the administrator.~~

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

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

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

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

~~Section 6. Section 1716 A(c) of the act, added June 19, 1997 (P.L.225, No.22), is amended and the section is amended by adding subsections to read:~~

~~Section 1716 A. Powers of Board of Trustees. * * *~~

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

~~(2) An employe of the school district that chartered a charter school or regional charter school may serve as a member of the board of trustees of the charter school or regional charter school without voting privileges.~~

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

~~(2) Any member of the board of trustees of a charter school entity who in the discharge of the person's official duties would be required to vote on a matter that would result in a~~

1 ~~conflict of interest shall abstain from voting and follow the~~
2 ~~procedures required under 65 Pa.C.S. § 1103(j) (relating to~~
3 ~~restricted activities).~~

4 ~~(3) A member of the board of trustees of a charter school~~
5 ~~entity who knowingly violates this subsection commits a~~
6 ~~violation of 65 Pa.C.S. § 1103(a) and shall be subject to the~~
7 ~~penalties imposed under the jurisdiction of the State Ethics~~
8 ~~Commission.~~

9 ~~(4) A contract made in violation of this subsection shall be~~
10 ~~voidable by a court of competent jurisdiction, if the suit is~~
11 ~~commenced within ninety (90) days of the making of the contract.~~

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

14 ~~(b.3) A member of the board of trustees of a charter school~~
15 ~~entity shall be automatically disqualified and immediately~~
16 ~~removed from the board of trustees upon conviction for an~~
17 ~~offense graded as a felony, an infamous crime, an offense~~
18 ~~pertaining to fraud, theft or mismanagement of public funds, any~~
19 ~~offense pertaining to his official capacity as a member of the~~
20 ~~board of trustees or any crime involving moral turpitude.~~

21 ~~(c) The board of trustees shall comply with [the act of July~~
22 ~~3, 1986 (P.L.388, No.84), known as the "Sunshine Act."] 65~~
23 ~~Pa.C.S. Ch. 7 (relating 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 of trustees on~~
29 ~~the effective date of this subsection, the charter school entity~~
30 ~~shall, within sixty (60) days, appoint additional members to the~~

1 ~~board of trustees to meet the minimum requirements of this~~
2 ~~section.~~

3 ~~(2) Within one (1) year of the effective date of this~~
4 ~~subsection, at least one member of the board of trustees of a~~
5 ~~charter school entity shall be a parent of a child currently~~
6 ~~attending the charter school entity. The board of trustees~~
7 ~~member required by this paragraph shall be eligible to serve~~
8 ~~only so long as the child attends the charter school entity.~~

9 ~~(c) (1) A majority of the voting members of the board of~~
10 ~~trustees shall constitute a quorum. If less than a majority is~~
11 ~~present at any meeting, no business may be transacted at the~~
12 ~~meeting.~~

13 ~~(2) The affirmative vote of a majority of all the voting~~
14 ~~members of the board of trustees, duly recorded, shall be~~
15 ~~required in order to take official action on the subjects~~
16 ~~enumerated under subsection (a).~~

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

18 ~~Section 1716.1 A. Payment of Indebtedness by Charter School~~
19 ~~Entities. (a) The board of trustees of a charter school entity~~
20 ~~shall supply the secretary and, in the case of a charter school~~
21 ~~or regional charter school, the local board of school directors~~
22 ~~a list of the amount of rental payments which are guarantees for~~
23 ~~school building debt or bonds that become due during the fiscal~~
24 ~~year together with the amount paid on each item of indebtedness.~~
25 ~~Any charter school entity that elects to issue debt shall hold~~
26 ~~in escrow an amount sufficient to pay the annual amount of the~~
27 ~~sum of the principal maturing or subject to mandatory redemption~~
28 ~~and interest owing by the charter school entity or sinking fund~~
29 ~~deposit due by the charter school entity.~~

30 ~~(b) (1) In any case where the board of trustees of a~~

1 ~~charter school entity fails to pay or to provide for the payment~~
2 ~~of:~~

3 ~~(i) any indebtedness at date of maturity or date of~~
4 ~~mandatory redemption or on any sinking fund deposit date; or~~

5 ~~(ii) any interest due on such indebtedness on any interest~~
6 ~~payment date or on any sinking fund deposit date in accordance~~
7 ~~with the schedule under which the bonds were issued,~~

8 ~~the bank or trustee for the bonds shall notify the board of~~
9 ~~trustees of its obligation and shall immediately notify the~~
10 ~~secretary and, in the case of a charter school or regional~~
11 ~~charter school, the local board of school directors.~~

12 ~~(2) The secretary shall withhold any payment due the charter~~
13 ~~school entity in any amount necessary to fully fund the amount~~
14 ~~held in escrow by the charter school entity which shall be equal~~
15 ~~to the sum of the principal amount maturing or subject to~~
16 ~~mandatory redemption and interest owing by the charter school~~
17 ~~entity or sinking fund deposit due by the charter school entity~~
18 ~~and shall require payover of the amount withheld to the bank or~~
19 ~~trustee acting as the sinking fund depository for the bond issue~~
20 ~~from the escrow account.~~

21 ~~Section 8. Section 1717 A(c), (d), (e) and (f) of the act,~~
22 ~~added June 19, 1997 (P.L.225, No.22), are amended and the~~
23 ~~section is amended by adding subsections to read:~~

24 ~~Section 1717 A. Establishment of Charter School. * * *~~

25 ~~(c) An application to establish a charter school shall be~~
26 ~~submitted to the local board of school directors of the district~~
27 ~~where the charter school will be located by [November 15]~~
28 ~~October 1 of the school year preceding the school year in which~~
29 ~~the charter school will be established except that for a charter~~
30 ~~school beginning in the 1997 1998 school year, an application~~

1 ~~must be received by July 15, 1997. In the 1997-1998 school year~~
2 ~~only, applications shall be limited to recipients of fiscal year~~
3 ~~1996-1997 Department of Education charter school planning~~
4 ~~grants.~~

5 ~~(d) Within forty five (45) days of receipt of an~~
6 ~~application, the local board of school directors in which the~~
7 ~~proposed charter school is to be located shall hold at least one~~
8 ~~public hearing on the provisions of the charter application,~~
9 ~~under [the act of July 3, 1986 (P.L.388, No.84), known as the~~
10 ~~"Sunshine Act."] 65 Pa.C.S. Ch. 7 (relating to open meetings).~~
11 ~~At least forty five (45) days must transpire between the first~~
12 ~~public hearing and the final decision of the board on the~~
13 ~~charter application except that for a charter school beginning~~
14 ~~in the 1997-1998 school year, only thirty (30) days must~~
15 ~~transpire between the first public hearing and the final~~
16 ~~decision of the board.~~

17 ~~(e) (1) Not later than seventy five (75) days after the~~
18 ~~first public hearing on the application, the local board of~~
19 ~~school directors shall grant or deny the application. For a~~
20 ~~charter school beginning in the 1997-1998 school year, the local~~
21 ~~board of school directors shall grant or deny the application no~~
22 ~~later than sixty (60) days after the first public hearing.~~

23 ~~(2) A charter school application submitted under this~~
24 ~~article shall be evaluated by the local board of school~~
25 ~~directors based on criteria, including, but not limited to, the~~
26 ~~following:~~

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

1 ~~(ii) The capability of the charter school applicant, in~~
2 ~~terms of support and planning, to provide comprehensive learning~~
3 ~~experiences to students pursuant to the adopted charter.~~

4 ~~(iii) The extent to which the application considers the~~
5 ~~information requested in section 1719 A and conforms to the~~
6 ~~legislative intent outlined in section 1702 A.~~

7 ~~(iv) The extent to which the charter school may serve as a~~
8 ~~model for other public schools.~~

9 ~~(3) The local board of school directors, in the case of an~~
10 ~~existing school being converted to a charter school, shall~~
11 ~~establish the alternative arrangements for current students who~~
12 ~~choose not to attend the charter school.~~

13 ~~(4) A charter application shall be deemed approved by the~~
14 ~~local board of school directors of a school district upon~~
15 ~~affirmative vote by a majority of all the directors. Formal~~
16 ~~action approving or denying the application shall be taken by~~
17 ~~the local board of school directors at a public meeting, with~~
18 ~~notice or consideration of the application given by the board,~~
19 ~~under [the "Sunshine Act."] 65 Pa.C.S. Ch. 7.~~

20 ~~(5) Written notice of the board's action shall be sent to~~
21 ~~the applicant, the department and the appeal board. If the~~
22 ~~application is denied, the reasons for the denial, including a~~
23 ~~description of deficiencies in the application, shall be clearly~~
24 ~~stated in the notice sent by the local board of school directors~~
25 ~~to the charter school applicant.~~

26 ~~(f) At the option of the charter school applicant, a denied~~
27 ~~application may be revised and resubmitted to the local board of~~
28 ~~school directors. Following the appointment and confirmation of~~
29 ~~the Charter School Appeal Board under section 1721 A, the~~
30 ~~decision of the local board of school directors may be appealed~~

1 to the appeal board. When an application is revised and
2 resubmitted to the local board of school directors, the board
3 may schedule additional public hearings on the revised
4 application. The board shall consider the revised and
5 resubmitted application at the first board meeting occurring at
6 least forty five (45) days after receipt of the revised
7 application by the board. For a revised application resubmitted
8 for the 1997-1998 school year, the board shall consider the
9 application at the first board meeting occurring at least thirty
10 (30) days after its receipt. The board shall provide notice of
11 consideration of the revised application under [the "Sunshine
12 Act."] 65 Pa.C.S. Ch. 7. No appeal from a decision of a local
13 school board may be taken until July 1, 1999.

14 * * *

15 (j) Notwithstanding the provisions of section 696(i) or any
16 other provision of law to the contrary, a school reform
17 commission considering an application to establish a charter
18 school in a school district of the first class shall comply with
19 subsection (e) (5).

20 (k) Notwithstanding the provisions of section 696(i) or any
21 other provision of law to the contrary, a charter school
22 applicant may appeal a decision of a school reform commission to
23 deny an application to establish a charter school in a school
24 district of the first class to the Charter School Appeal Board.
25 Subsections (g), (h) and (i) shall apply to an appeal under this
26 subsection.

27 Section 8.1. Section 1719 A of the act, added June 19, 1997-
28 (P.L.225, No.22), is amended to read:

29 Section 1719 A. Contents of Application. [An] (a) The
30 department shall create a standard application form for charter

1 ~~school applicants seeking to establish a charter school entity~~
2 ~~and for existing charter school entities seeking renewal of~~
3 ~~their charters. The form shall be published in the Pennsylvania~~
4 ~~Bulletin and posted on the department's publicly accessible~~
5 ~~Internet website. The form shall include all of the following~~
6 ~~information:~~

7 ~~(1) The identification of the charter school applicant.~~

8 ~~(2) The name of the proposed charter school entity.~~

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

10 ~~(4) [The proposed governance structure of the charter~~
11 ~~school, including a description and method for the appointment~~
12 ~~or election of members of the board of trustees.] An~~
13 ~~organization chart clearly presenting the proposed governance~~
14 ~~structure of the school, including lines of authority and~~
15 ~~reporting between the board of trustees, administrators, staff~~
16 ~~and any educational management service provider that will~~
17 ~~provide management services to the charter school entity.~~

18 ~~(4.1) A clear description of the roles and responsibilities~~
19 ~~of the board of trustees, administrators and any other entities,~~
20 ~~including a charter school foundation, shown in the organization~~
21 ~~chart.~~

22 ~~(4.2) A clear description of the method for the appointment~~
23 ~~or election of members of the board of trustees.~~

24 ~~(4.3) Standards for board of trustees performance, including~~
25 ~~compliance with all applicable laws, regulations and terms of~~
26 ~~the charter.~~

27 ~~(4.4) If the charter school entity intends to contract with~~
28 ~~an educational management service provider for services, all of~~
29 ~~the following:~~

30 ~~(i) Evidence of the educational management service~~

~~1 provider's record in serving student populations, including
2 demonstrated academic achievement and demonstrated management of
3 nonacademic school functions, including proficiency with public
4 school based accounting, if applicable.~~

~~5 (ii) A draft contract stating all of the following:~~

~~6 (A) The officers, chief administrator and administrators of
7 the educational management service provider.~~

~~8 (B) The proposed duration of the service contract.~~

~~9 (C) Roles and responsibilities of the board of trustees, the
10 school staff and the educational management service provider.~~

~~11 (D) The scope of services, personnel and resources to be
12 provided by the educational management service provider.~~

~~13 (E) Performance evaluation measures and timelines.~~

~~14 (F) The compensation structure, including clear
15 identification of all fees to be paid to the educational
16 management service provider.~~

~~17 (G) Methods of contract oversight and enforcement.~~

~~18 (H) Investment disclosure or the advance of moneys by the
19 educational management service provider on behalf of the charter
20 school entity.~~

~~21 (I) Conditions for renewal and termination of the contract.~~

~~22 (iii) Disclosure and explanation of any existing or
23 potential conflicts of interest between the members of the board
24 of trustees and the proposed educational management service
25 provider or any affiliated business entities, including a
26 charter school foundation qualified as a support organization
27 under the Internal Revenue Code of 1986 (Public Law 99-514, 26
28 U.S.C. § 1 et seq.).~~

~~29 (5) The mission and education goals of the charter school
30 entity, the curriculum to be offered and the methods of~~

1 ~~assessing whether students are meeting educational goals.~~

2 ~~(6) The admission policy and criteria for evaluating the~~
3 ~~admission of students which shall comply with the requirements~~
4 ~~of section 1723 A.~~

5 ~~(7) Procedures which will be used regarding the suspension~~
6 ~~or expulsion of pupils. Said procedures shall comply with~~
7 ~~section 1318.~~

8 ~~(8) Information on the manner in which community groups will~~
9 ~~be involved in the charter school entity planning process.~~

10 ~~(9) The financial plan for the charter school entity and the~~
11 ~~provisions which will be made for auditing the school under~~
12 ~~[section] sections 437 and 1728 A, including the role of any~~
13 ~~charter school foundation.~~

14 ~~(10) Procedures which shall be established to review~~
15 ~~complaints of parents regarding the operation of the charter~~
16 ~~school entity.~~

17 ~~(11) A description of and address of the physical facility~~
18 ~~in which the charter school entity will be located and the~~
19 ~~ownership thereof and any lease arrangements.~~

20 ~~(12) Information on the proposed school calendar for the~~
21 ~~charter school entity, including the length of the school day~~
22 ~~and school year consistent with the provisions of section 1502.~~

23 ~~(13) The proposed faculty, if already determined, and a~~
24 ~~professional development and continuing education plan for the~~
25 ~~faculty and professional staff of [a] the charter school entity.~~

26 ~~(14) Whether any agreements have been entered into or plans~~
27 ~~developed with the local school district regarding participation~~
28 ~~of the charter school entity's students in extracurricular~~
29 ~~activities within the school district. Notwithstanding any~~
30 ~~provision to the contrary, no school district of residence shall~~

1 ~~prohibit a student of a charter school entity from participating~~
2 ~~in any extracurricular activity of that school district of~~
3 ~~residence: Provided, That the student is able to fulfill all of~~
4 ~~the requirements of participation in such activity and the~~
5 ~~charter school entity does not provide the same extracurricular~~
6 ~~activity.~~

7 ~~(15) A report of criminal history record, pursuant to~~
8 ~~section 111, for all individuals identified in the application~~
9 ~~who shall have direct contact with students and a plan for~~
10 ~~satisfying the proper criminal history record clearances~~
11 ~~required for all other staff.~~

12 ~~(16) An official clearance statement regarding child injury~~
13 ~~or abuse from the Department of Public Welfare as required by 23-~~
14 ~~Pa.C.S. Ch. 63 Subch. C.2 (relating to background checks for~~
15 ~~employment in schools) for all individuals identified in the~~
16 ~~application who shall have direct contact with students and a~~
17 ~~plan for satisfying the proper official clearance statement~~
18 ~~regarding child injury or abuse required for all other staff.~~

19 ~~(17) How the charter school entity will provide adequate~~
20 ~~liability and other appropriate insurance for the charter school-~~
21 ~~entity, its employes and the board of trustees of the charter~~
22 ~~school entity.~~

23 ~~(18) Policies regarding truancy, absences and withdrawal of~~
24 ~~students, including the manner in which the charter school~~
25 ~~entity will monitor attendance consistent with section 1715 A(a)~~
26 ~~(9). The charter school entity's policy shall establish, to the~~
27 ~~satisfaction of the local board of school directors or, in the~~
28 ~~case of a cyber charter school, to the satisfaction of the~~
29 ~~department, that the charter school entity will comply with~~
30 ~~sections 1332 and 1333, including the institution of truancy~~

1 ~~proceedings when required under section 1333.~~

2 ~~(19) How the charter school entity will meet the standards~~
3 ~~included in the performance matrix developed by the State Board~~
4 ~~of Education under section 1731.2 A.~~

5 ~~(20) Indicate whether or not the charter school entity will~~
6 ~~seek 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 ~~(b) A local board of school directors may not impose~~
13 ~~additional terms, develop its own application or require~~
14 ~~additional information outside the standard application form~~
15 ~~required under subsection (a).~~

16 Section 9. Section 1720 A of the act, amended July 9, 2008,
17 (P.L.846, No.61), is amended to read:

18 Section 1720 A. Term and Form of Charter. (a) ~~(1)~~ Upon
19 approval of a charter application under section 1717 A, a
20 written charter shall be developed which shall contain the
21 provisions of the standardized charter application under section
22 1719 A and which shall be signed by the local board of school
23 directors of a school district, by the local boards of school
24 directors of a school district in the case of a regional charter
25 school or by the chairman of the appeal board pursuant to
26 section [1717 A(i) (5)] 1717 A(i) (9) and the board of trustees of
27 the charter school or regional charter school. This written
28 charter, when duly signed by the local board of school directors
29 of a school district, [or] by the local boards of school
30 directors of a school district in the case of a regional charter

1 ~~school or by the chairman of the appeal board, and the charter~~
2 ~~school or regional charter school's board of trustees, shall act~~
3 ~~as legal authorization for the establishment of a charter school~~
4 ~~or regional charter school. This written charter shall be~~
5 ~~legally binding on both the local board of school directors of a~~
6 ~~school district and the charter school or regional charter~~
7 ~~school's board of trustees. [Except as otherwise provided in~~
8 ~~subsection (b), the charter shall be for a period of no less~~
9 ~~than three (3) nor more than five (5) years and may be renewed~~
10 ~~for five (5) year periods upon reauthorization by the local~~
11 ~~board of school directors of a school district or the appeal~~
12 ~~board.] If the charter school or regional charter school~~
13 ~~contracts with an educational management service provider, a~~
14 ~~contract shall be executed once the charter is approved. A~~
15 ~~charter will be granted only for a school organized as a public,~~
16 ~~nonprofit corporation.~~

17 ~~(2) The following shall apply to all charters granted by a~~
18 ~~school district:~~

19 ~~(i) An initial charter executed pursuant to section~~
20 ~~1720 A(a) (1) shall be for a period of five (5) years.~~

21 ~~(ii) Prior to the effective date of the regulations~~
22 ~~implementing the performance matrix as required pursuant to~~
23 ~~section 1731.2 A, a charter may be renewed for five (5) year~~
24 ~~periods upon reauthorization by the local board of school~~
25 ~~directors or other governing body of a school district or the~~
26 ~~appeal board.~~

27 ~~(iii) Upon the effective date of the regulations~~
28 ~~implementing the performance matrix as required pursuant to~~
29 ~~section 1731.2 A, the following shall apply:~~

30 ~~(A) For charter schools and regional charter schools that~~

~~1 have satisfied the academic quality benchmark established by the
2 State Board of Education pursuant to section 1731.2 A, a charter
3 may be renewed for ten (10) year periods upon reauthorization by
4 the local board of school directors or other governing body of a
5 school district or the appeal board.~~

~~6 (B) For charter schools and regional charter schools that
7 have not satisfied the academic quality benchmark established by
8 the State Board of Education pursuant to section 1731.2 A, a
9 charter may be renewed for five (5) year periods upon
10 reauthorization by the local board of school directors or other
11 governing body of a school district or the appeal board.~~

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

~~21 (2) A one year renewal pursuant to paragraph (1) shall not
22 be considered an adjudication and may not be appealed to the
23 State Charter School Appeal Board.~~

~~24 (3) A governing board of a school district of the first
25 class does not have the authority to renew a charter for
26 successive one (1) year periods.]~~

~~27 (c) (1) A charter school or regional charter school may
28 request amendments to its approved written charter by filing a
29 written document describing the requested amendment with the
30 local board of school directors.~~

1 ~~(2) Within twenty (20) days of its receipt of the request~~
2 ~~for an amendment, the local board of school directors shall hold~~
3 ~~a public hearing on the requested amendment under 65 Pa.C.S. Ch.~~
4 ~~7 (relating to open meetings).~~

5 ~~(3) Within twenty (20) days after the hearing, the local~~
6 ~~board of school directors shall grant or deny the requested~~
7 ~~amendment. Failure by the local board of school directors to~~
8 ~~hold a public hearing and to grant or deny the amendment within~~
9 ~~the time period specified in this subsection shall be deemed an~~
10 ~~approval.~~

11 ~~(4) An applicant for an amendment shall have the right to~~
12 ~~appeal the denial of a requested amendment to the appeal board~~
13 ~~provided for under section 1721 A.~~

14 Section 10. Section 1721 A(a) and (e) of the act, added June
15 19, 1997 (P.L.225, No.22), are amended to read:

16 Section 1721 A. State Charter School Appeal Board. (a) The
17 State Charter School Appeal Board shall consist of the Secretary
18 of Education and [six (6)] the following members who shall be
19 appointed by the Governor by and with the consent of a majority
20 of all the members of the Senate. [Appointments by the Governor
21 shall not occur prior to January 1, 1999.] The Governor shall
22 select the chairman of the appeal board to serve at the pleasure
23 of the Governor. The members shall include:

24 (1) A parent of a school aged child enrolled in a charter
25 school entity.

26 (2) A school board member.

27 (3) A certified teacher actively employed in a public
28 school.

29 (4) A faculty member or administrative employe of an
30 institution of higher education.

1 ~~(5) A member of the business community.~~

2 ~~(6) A member of the State Board of Education.~~

3 ~~(7) An administrator of a charter school entity.~~

4 ~~(8) A member of the board of trustees of a charter school~~
5 ~~entity.~~

6 ~~The term of office of members of the appeal board, other than~~
7 ~~the secretary, shall be for a period of four (4) years or until~~
8 ~~a successor is appointed and qualified, except that, of the~~
9 ~~initial appointees, the Governor shall designate two (2) members~~
10 ~~to serve terms of two (2) years, two (2) members to serve terms~~
11 ~~of three (3) years and two (2) members to serve terms of four~~
12 ~~(4) years. A parent member appointed under paragraph (1) shall~~
13 ~~serve a term of four (4) years, provided the member's child~~
14 ~~remains enrolled in the charter school entity. Any appointment~~
15 ~~to fill any vacancy shall be for the period of the unexpired~~
16 ~~term or until a successor is appointed and qualified.~~

17 ~~* * *~~

18 ~~(e) Meetings of the appeal board shall be conducted under~~
19 ~~{the act of July 3, 1986 (P.L.388, No.84), known as the~~
20 ~~"Sunshine Act."} 65 Pa.C.S. Ch. 7 (relating to open meetings).~~
21 ~~Documents of the appeal board shall be subject to the {act of~~
22 ~~June 21, 1957 (P.L.390, No.212), referred to as the Right to~~
23 ~~Know Law} act of February 14, 2008 (P.L.6, No.3), known as the~~
24 ~~"Right to Know Law".~~

25 ~~Section 11. Section 1722 A(a), (b) and (d) of the act,~~
26 ~~amended November 17, 2010 (P.L.996, No.104), are amended and the~~
27 ~~section is amended by adding a subsection to read:~~

28 ~~Section 1722 A. Facilities. (a) A charter school entity~~
29 ~~may be located in an existing public school building, in a part~~
30 ~~of an existing public school building, in space provided on a~~

1 ~~privately owned site, in a public building or in any other~~
2 ~~suitable location.~~

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

6 ~~(d) Notwithstanding any other provision of this act, a~~
7 ~~school district [of the first class] may, in its discretion,~~
8 ~~permit a charter school or regional charter school to operate~~
9 ~~its school at more than one location.~~

10 * * *

11 ~~(f) (1) Alcoholic beverages shall not be available for~~
12 ~~consumption, purchase or sale in any charter school entity~~
13 ~~facility.~~

14 ~~(2) If, in the case of a charter school or regional charter~~
15 ~~school, the local board of school directors reasonably believes~~
16 ~~that alcoholic beverages have been made available for~~
17 ~~consumption, purchase or sale in the charter school or regional~~
18 ~~charter school facility, the local board of school directors~~
19 ~~shall notify the department.~~

20 ~~(3) If alcoholic beverages have been made available for~~
21 ~~consumption, purchase or sale in a charter school entity~~
22 ~~facility, the secretary shall order the following forfeitures~~
23 ~~against the charter school entity:~~

24 ~~(i) A fine of one thousand dollars (\$1,000) for the first~~
25 ~~violation.~~

26 ~~(ii) A fine of five thousand dollars (\$5,000) for the second~~
27 ~~or subsequent violation.~~

28 ~~(4) The charter school entity may appeal the order of the~~
29 ~~secretary under 2 Pa.C.S. Chs. 5 (relating to practice and~~
30 ~~procedure) and 7 (relating to judicial review).~~

1 Section 12. ~~Section 1723 A(a) and (d) of the act, amended or~~
2 ~~added June 26, 1999 (P.L.394, No.36) and July 9, 2008 (P.L.846,~~
3 ~~No.61), are amended to read:~~

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

20 * * *

21 (d) (1) ~~Enrollment of students in a charter school,~~
22 ~~regional charter school or cyber charter school or expansion of~~
23 ~~a charter school, regional charter school or cyber charter~~
24 ~~school into additional grade levels shall not be subject to a~~
25 ~~cap or otherwise limited by any past or future action of a board~~
26 ~~of school directors, a board of control established under~~
27 ~~Article XVII B, a special board of control established under~~
28 ~~section 692 or any other governing authority[, unless agreed to~~
29 ~~by the charter school or cyber charter school as part of a~~
30 ~~written charter pursuant to section 1720 A].~~

1 ~~(2) The provisions of this subsection shall apply to a~~
2 ~~charter school, regional charter school or cyber charter school~~
3 ~~regardless of whether the charter was approved prior to or is~~
4 ~~approved subsequent to the effective date of this subsection.~~

5 ~~Section 13. Section 1725 A of the act, amended or added June~~
6 ~~19, 1997 (P.L.225, No.22), June 22, 2001 (P.L.530, No.35) and~~
7 ~~June 29, 2002 (P.L.524, No.88), is amended to read:~~

8 ~~Section 1725 A. Funding for Charter [Schools] School~~
9 ~~Entities. (a) Funding for a charter school entity shall be~~
10 ~~provided in the following manner:~~

11 ~~(1) There shall be no tuition charge for a resident or~~
12 ~~nonresident student attending a charter school entity.~~

13 ~~(2) [For non special education students, the charter school~~
14 ~~shall receive for each student enrolled no less than the~~
15 ~~budgeted total expenditure per average daily membership of the~~
16 ~~prior school year, as defined in section 2501(20), minus the~~
17 ~~budgeted expenditures of the district of residence for nonpublic~~
18 ~~school programs; adult education programs; community/junior~~
19 ~~college programs; student transportation services; for special~~
20 ~~education programs; facilities acquisition, construction and~~
21 ~~improvement services; and other financing uses, including debt~~
22 ~~service and fund transfers as provided in the Manual of~~
23 ~~Accounting and Related Financial Procedures for Pennsylvania~~
24 ~~School Systems established by the department. This amount shall~~
25 ~~be paid by the district of residence of each student.] For non~~
26 ~~special education students, the charter school entity shall~~
27 ~~receive for each student enrolled the following, which shall be~~
28 ~~paid by the school district of residence of each student by~~
29 ~~deduction and transfer from all State payments due to the school~~
30 ~~district of residence as provided for under clause (5):~~

1 ~~(i) Subject to clause (ii), no less than the budgeted total~~
2 ~~expenditure per average daily membership of the prior school~~
3 ~~year, as defined in section 2501(20), minus the budgeted~~
4 ~~expenditures of the district of residence for nonpublic school~~
5 ~~programs; adult education programs; community/junior college~~
6 ~~programs; student transportation services; for special education~~
7 ~~programs; facilities acquisition, construction and improvement~~
8 ~~services; and other financing uses, including debt service and~~
9 ~~fund transfers as provided in the Manual of Accounting and~~
10 ~~Related Financial Procedures for Pennsylvania School Systems~~
11 ~~established by the department.~~

12 ~~(ii) Beginning in the 2013-2014 school year and through and~~
13 ~~including the 2014-2015 school year, the following:~~

14 ~~(A) For each student enrolled in a charter school or~~
15 ~~regional charter school, no less than the budgeted total~~
16 ~~expenditure per average daily membership of the prior school~~
17 ~~year, as defined in section 2501(20), minus the budgeted~~
18 ~~expenditures of the district of residence for nonpublic school~~
19 ~~programs; adult education programs; community/junior college~~
20 ~~programs; student transportation services; special education~~
21 ~~programs; facilities acquisition, construction and improvement~~
22 ~~services; and other financing uses, including debt service and~~
23 ~~fund transfers as provided in the Manual of Accounting and~~
24 ~~Related Financial Procedures for Pennsylvania School Systems~~
25 ~~established by the department.~~

26 ~~(B) For each student enrolled in a cyber charter school, no~~
27 ~~less than the budgeted total expenditure per average daily~~
28 ~~membership of the prior school year, as defined in section~~
29 ~~2501(20), minus the budgeted expenditures of the district of~~
30 ~~residence for nonpublic school programs; adult education~~

~~1 programs; community/junior college programs; student
2 transportation services; special education programs; facilities
3 acquisition, construction and improvement services; other
4 financing uses, including debt service and fund transfers as
5 provided in the Manual of Accounting and Related Financial
6 Procedures for Pennsylvania School Systems established by the
7 department; food services; and the full employer's share of
8 retirement contributions paid to the Public School Employees'
9 Retirement System.~~

~~10 (2.1) The amount under clause (2) shall be calculated by
11 each school district on a form prescribed by the secretary in
12 accordance with this section. The secretary, upon receipt of a
13 school district's calculation, shall review the school
14 district's calculation and may request supporting documentation
15 from the school district regarding its calculation. If the
16 secretary finds an error or discrepancy in a school district's
17 calculation, the secretary shall require the school district to
18 correct the calculation and require the school district to
19 notify affected charter school entities.~~

~~20 (3) [For special education students, the charter school
21 shall receive for each student enrolled the same funding as for
22 each non special education student as provided in clause (2),
23 plus an additional amount determined by dividing the district of
24 residence's total special education expenditure by the product
25 of multiplying the combined percentage of section 2509.5(k)
26 times the district of residence's total average daily membership
27 for the prior school year. This amount shall be paid by the
28 district of residence of each student.] For special education
29 students, the charter school entity shall receive for each
30 student enrolled the same funding as for each non special~~

1 ~~education student as provided under clause (2), plus an~~
2 ~~additional amount determined by dividing the total special~~
3 ~~education expenditure of the school district of residence by the~~
4 ~~product of:~~

5 ~~(i) the combined percentage of section 2509.5(k) applicable~~
6 ~~to the school year; and~~

7 ~~(ii) the total average daily membership of the school~~
8 ~~district of residence for the prior school year.~~

9 ~~(3.1) The following apply:~~

10 ~~(i) The amount under clauses (2) and (3) shall be paid by~~
11 ~~the school district of residence of each student by deduction~~
12 ~~and transfer from all State payments due to the school district~~
13 ~~of residence as provided under clause (5).~~

14 ~~(ii) If a charter school entity disputes the accuracy of a~~
15 ~~school district's calculation under clauses (2) and (3), the~~
16 ~~charter school entity shall file a notice of the dispute with~~
17 ~~the secretary, who shall hold a hearing to determine the~~
18 ~~accuracy of the school district's calculation within thirty (30)~~
19 ~~days of the notice.~~

20 ~~(iii) The secretary shall determine the accuracy of the~~
21 ~~school district's calculation and make any necessary billing~~
22 ~~adjustment within thirty (30) days of the hearing.~~

23 ~~(iv) The school district shall bear the burden of production~~
24 ~~and proof with respect to its calculation under this clause.~~

25 ~~(v) The school district shall be liable for the reasonable~~
26 ~~legal fees incurred by a charter school entity if the charter~~
27 ~~school entity is the substantially prevailing party after a~~
28 ~~hearing under this section. The charter school entity shall be~~
29 ~~liable for the reasonable legal fees incurred by the school~~
30 ~~district if the school district is the substantially prevailing~~

1 ~~party after a hearing under this section.~~

2 ~~(vi) All decisions of the secretary under this clause shall~~
3 ~~be subject to appellate review by Commonwealth Court.~~

4 ~~(4) [A charter school may request the intermediate unit in~~
5 ~~which the charter school is located to provide services to~~
6 ~~assist the charter school to address the specific needs of~~
7 ~~exceptional students. The intermediate unit shall assist the~~
8 ~~charter school and bill the charter school for the services. The~~
9 ~~intermediate unit may not charge the charter school more for any~~
10 ~~service than it charges the constituent districts of the~~
11 ~~intermediate unit.] A charter school entity may request the~~
12 ~~intermediate unit or school district in which the charter school~~
13 ~~entity is located to provide services to assist the charter~~
14 ~~school entity to address the specific needs of non special~~
15 ~~education and special education students. The intermediate unit~~
16 ~~or school district shall assist the charter school entity and~~
17 ~~bill the charter school entity for the services. The~~
18 ~~intermediate unit may not charge the charter school entity more~~
19 ~~for any service than it charges the constituent districts of the~~
20 ~~intermediate unit. Nothing under this clause shall preclude an~~
21 ~~intermediate unit or school district from contracting with a~~
22 ~~charter school entity to provide the intermediate unit or school~~
23 ~~district with services to assist the intermediate unit or school~~
24 ~~district to address specific needs of non special education and~~
25 ~~special education students.~~

26 ~~(5) [Payments shall be made to the charter school in twelve~~
27 ~~(12) equal monthly payments, by the fifth day of each month,~~
28 ~~within the operating school year. A student enrolled in a~~
29 ~~charter school shall be included in the average daily membership~~
30 ~~of the student's district of residence for the purpose of~~

1 ~~providing basic education funding payments and special education~~
2 ~~funding pursuant to Article XXV. If a school district fails to~~
3 ~~make a payment to a charter school as prescribed in this clause,~~
4 ~~the secretary shall deduct the estimated amount, as documented~~
5 ~~by the charter school, from any and all State payments made to~~
6 ~~the district after receipt of documentation from the charter~~
7 ~~school.] Beginning in the 2013-2014 school year, the following~~
8 ~~apply:~~

9 ~~(i) Payments shall be made to the charter school entity in~~
10 ~~twelve (12) equal monthly payments, according to the established~~
11 ~~monthly unipay schedule within the operating school year or any~~
12 ~~subsequent school year.~~

13 ~~(ii) Except as provided for in subclause (v), payments shall~~
14 ~~be made directly by the secretary deducting and paying to the~~
15 ~~charter school entity the estimated amount, as documented by the~~
16 ~~charter school entity, from:~~

17 ~~(A) all State payments due to the school district of~~
18 ~~residence; or~~

19 ~~(B) if no payments are due to the school district of~~
20 ~~residence, from all State payments reasonably expected to be due~~
21 ~~in the next established monthly unipay schedule, after receipt~~
22 ~~of documentation from the charter school entity as to its~~
23 ~~enrollment.~~

24 ~~(iii) At least thirty (30) days prior to the scheduled~~
25 ~~payment date each month, a charter school entity shall provide~~
26 ~~to the department and to the school district of residence of~~
27 ~~each student enrolled in the charter school entity documentation~~
28 ~~of the charter school entity's enrollment, on a form to be~~
29 ~~developed by the secretary within sixty (60) days of the~~
30 ~~effective date of this section. The form, which shall be~~

~~1 developed in consultation with representatives of charter school
2 entities and school districts, shall require the charter school
3 entity to provide to the department and to the school district
4 of residence of each student enrolled in the charter school
5 entity, documentation of each student's current enrollment in
6 the charter school entity and current residence in the school
7 district, including the following information:~~

~~8 (A) Student's name.~~

~~9 (B) Student's home address.~~

~~10 (C) Name and telephone number of student's parent or
11 guardian.~~

~~12 (D) Student's date of birth.~~

~~13 (E) Student's grade level.~~

~~14 (F) Type of school in which student was previously enrolled.~~

~~15 (G) Student's date of enrollment.~~

~~16 (H) Whether each student is being educated under an
17 individualized education plan under the Individuals with
18 Disabilities Education Act (Public Law 91 230, 20 U.S.C. § 1400-
19 et seq.).~~

~~20 (I) The tuition amount due on account of each student.~~

~~21 (J) The total amount due from the school district for that
22 month.~~

~~23 (K) Copies of the actual documents used by the charter
24 school entity to verify each student's residence in the school
25 district.~~

~~26 The secretary shall not make payments under this section until
27 the charter school entity provides the department and the school
28 district or residence with a completed form and accompanying
29 documentation as required under this clause. A charter school
30 entity may make only one (1) payment request per month under~~

~~1 this clause. After a charter school entity makes a payment
2 request under this clause, any necessary corrections or
3 adjustments may be made in the next subsequent monthly payment
4 request.~~

~~5 (iv) The secretary's obligation to make payments under this
6 section is mandatory and ministerial, except that payments made
7 pursuant to this section shall not be given priority over
8 payments required pursuant to sections 633 and 785 and 53
9 Pa.C.S. § 8125(b) (relating to security for tax anticipation
10 notes and sinking fund), or an agreement pursuant to which the
11 Commonwealth is required to make payment to a holder of debt
12 issued by or on behalf of a school entity. If payments required
13 under sections 633 and 785 and 53 Pa.C.S. § 8125(b) preclude the
14 timely payment of funds to a charter school entity under section
15 1725 A or will cause the board of school directors of a school
16 district to fail to pay or provide for payment under this
17 subsection, nothing shall preclude the secretary from
18 withholding funds from any and all State payments made to the
19 school district for the operating school year or for any
20 subsequent operating school year.~~

~~21 (v) If there are insufficient State payments due to a school
22 district in the established monthly unipay schedule to cover all
23 charter school entity deductions and transfers, the school
24 district shall be responsible for paying the unpaid balance
25 directly to the charter school entity not more than ten (10)
26 days following the established monthly unipay schedule.~~

~~27 (vi) A student enrolled in a charter school entity shall be
28 included in the average daily membership of the student's school
29 district of residence for the purpose of providing basic
30 education funding payments and special education funding under~~

1 Article XXV.

2 ~~(6) [Within thirty (30) days after the secretary makes the~~
3 ~~deduction described in clause (5), a school district may notify~~
4 ~~the secretary that the deduction made from State payments to the~~
5 ~~district under this subsection is inaccurate. The secretary~~
6 ~~shall provide the school district with an opportunity to be~~
7 ~~heard concerning whether the charter school documented that its~~
8 ~~students were enrolled in the charter school, the period of time~~
9 ~~during which each student was enrolled, the school district of~~
10 ~~residence of each student and whether the amounts deducted from~~
11 ~~the school district were accurate.] The following apply:~~

12 ~~(i) Within thirty (30) days after the payment is made to the~~
13 ~~charter school entity as described under clause (5), a school~~
14 ~~district may notify the secretary that the estimated amount, as~~
15 ~~documented by the charter school entity, is inaccurate.~~

16 ~~(ii) Within thirty (30) days of the notice by the school~~
17 ~~district under subclause (i), the secretary shall provide the~~
18 ~~school district with a hearing concerning whether the charter~~
19 ~~school entity documented that students were enrolled in the~~
20 ~~charter school entity, the period of time during which each~~
21 ~~student was enrolled in the charter school entity, the school~~
22 ~~district of residence of each student enrolled in the charter~~
23 ~~school entity and whether the amounts deducted from or paid by~~
24 ~~the school district were accurate.~~

25 ~~(iii) The burden of proof and production at the hearing~~
26 ~~shall be on the school district. A hearing shall not be held~~
27 ~~before the secretary deducts and transfers to the charter school~~
28 ~~entity the amount estimated by the charter school entity.~~

29 ~~(iv) The secretary shall determine the accuracy of the~~
30 ~~amount documented by the charter school entity and make any~~

1 ~~necessary payment adjustment within thirty (30) days of the~~
2 ~~hearing.~~

3 ~~(v) The school district shall be liable for the reasonable~~
4 ~~legal fees incurred by a charter school entity if the charter~~
5 ~~school entity is the substantially prevailing party after a~~
6 ~~hearing under this section. The charter school entity shall be~~
7 ~~liable for the reasonable legal fees incurred by the school~~
8 ~~district if the school district is the substantially prevailing~~
9 ~~party after a hearing under this section.~~

10 ~~(vi) All decisions of the secretary under this section shall~~
11 ~~be subject to appellate review by Commonwealth Court.~~

12 ~~(vii) Supersedeas shall not be granted to the secretary or~~
13 ~~any party to the proceeding on an appeal from the decision of~~
14 ~~the secretary under this section; and, absent a court order, the~~
15 ~~secretary shall not hold any payments in escrow.~~

16 ~~{(b) The Commonwealth shall provide temporary financial~~
17 ~~assistance to a school district due to the enrollment of~~
18 ~~students in a charter school who attended a nonpublic school in~~
19 ~~the prior school year in order to offset the additional costs~~
20 ~~directly related to the enrollment of those students in a public~~
21 ~~charter school. The Commonwealth shall pay the school district~~
22 ~~of residence of a student enrolled in a nonpublic school in the~~
23 ~~prior school year who is attending a charter school an amount~~
24 ~~equal to the school district of residence's basic education~~
25 ~~subsidy for the current school year divided by the district's~~
26 ~~average daily membership for the prior school year. This payment~~
27 ~~shall occur only for the first year of the attendance of the~~
28 ~~student in a charter school, starting with school year 1997-~~
29 ~~1998. Total payments of temporary financial assistance to school~~
30 ~~districts on behalf of a student enrolling in a charter school~~

1 ~~who attended a nonpublic school in the prior school year shall~~
2 ~~be limited to funds appropriated for this program in a fiscal~~
3 ~~year. If the total of the amount needed for all students~~
4 ~~enrolled in a nonpublic school in the prior school year who~~
5 ~~enroll in a charter school exceeds the appropriation for the~~
6 ~~temporary financial assistance program, the amount paid to a~~
7 ~~school district for each qualifying student shall be pro rata~~
8 ~~reduced. Receipt of funds under this subsection shall not~~
9 ~~preclude a school district from applying for a grant under~~
10 ~~subsection (c).~~

11 ~~(c) The Commonwealth shall create a grant program to provide~~
12 ~~temporary transitional funding to a school district due to the~~
13 ~~budgetary impact relating to any student's first year attendance~~
14 ~~at a charter school. The department shall develop criteria which~~
15 ~~shall include, but not be limited to, the overall fiscal impact~~
16 ~~on the budget of the school district resulting from students of~~
17 ~~a school district attending a charter school. The criteria shall~~
18 ~~be published in the Pennsylvania Bulletin. This subsection shall~~
19 ~~not apply to a public school converted to a charter school under~~
20 ~~section 1717 A(b). Grants shall be limited to funds appropriated~~
21 ~~for this purpose.]~~

22 ~~(d) It shall be lawful for any charter school entity to~~
23 ~~receive, hold, manage and use, absolutely or in trust, any~~
24 ~~devise, bequest, grant, endowment, gift or donation of any~~
25 ~~property, real or personal and/or mixed, which shall be made to~~
26 ~~the charter school entity for any of the purposes of this~~
27 ~~article.~~

28 ~~(e) It shall be unlawful for any trustee of a charter school~~
29 ~~entity or any board of trustees of a charter school entity or~~
30 ~~any other person affiliated in any way with a charter school~~

1 ~~entity to demand or request, directly or indirectly, any gift,~~
2 ~~donation or contribution of any kind from any parent, teacher,~~
3 ~~employe or any other person affiliated with the charter school-~~
4 ~~entity as a condition for employment or enrollment and/or-~~
5 ~~continued attendance of any pupil. Any donation, gift or-~~
6 ~~contribution received by a charter school entity shall be given-~~
7 ~~freely and voluntarily.~~

8 ~~(f) A charter school entity may not provide discounts to a~~
9 ~~school district or waive payments under this section for any~~
10 ~~student.~~

11 ~~Section 14. Sections 1728 A and 1729 A(a), (b) and (c) of-~~
12 ~~the act, added June 19, 1997 (P.L.225, No.22), are amended to-~~
13 ~~read:~~

14 ~~Section 1728 A. Annual Reports and Assessments. (a) (1)-~~
15 ~~The local board of school directors shall annually assess-~~
16 ~~whether each charter school or regional charter school is-~~
17 ~~meeting the goals of its charter and shall conduct a-~~
18 ~~comprehensive review prior to [granting a five (5) year renewal-~~
19 ~~of the charter] renewing the charter pursuant to section 1720-~~
20 ~~A(a) (2). The local board of school directors shall have ongoing-~~
21 ~~access to the records and facilities of the charter school or-~~
22 ~~regional charter school to ensure that the charter school or-~~
23 ~~regional charter school is in compliance with its charter and-~~
24 ~~this act and that requirements for testing, civil rights and-~~
25 ~~student health and safety are being met.~~

26 ~~(2) Ongoing access to a charter school's or regional charter-~~
27 ~~school's records shall mean that the local board of school-~~
28 ~~directors shall have access to records such as financial-~~
29 ~~reports, financial audits, aggregate standardized test scores-~~
30 ~~without student identifying information and teacher-~~

1 ~~certification and personnel records.~~

2 ~~(3) Charter schools and regional charter schools shall~~
3 ~~comply fully with the requirements of the Family Educational~~
4 ~~Rights and Privacy Act of 1974 (Public Law 90-247, 20 U.S.C. §~~
5 ~~1232g) and associated regulations. No personally identifiable~~
6 ~~information from education records shall be provided by the~~
7 ~~charter school or regional charter school to the school district~~
8 ~~except in compliance with the Family Educational Rights and~~
9 ~~Privacy Act of 1974.~~

10 ~~(b) In order to facilitate the local board's review and~~
11 ~~secretary's report, each charter school or regional charter~~
12 ~~school shall submit an annual report no later than August 1 of~~
13 ~~each year to the local board of school directors and the~~
14 ~~secretary in the form prescribed by the secretary.~~

15 ~~{(c) Five (5) years following the effective date of this~~
16 ~~article, the secretary shall contract with an independent~~
17 ~~professional consultant with expertise in public and private~~
18 ~~education. The consultant shall receive input from members of~~
19 ~~the educational community and the public on the charter school~~
20 ~~program. The consultant shall submit a report to the secretary,~~
21 ~~the Governor and the General Assembly and an evaluation of the~~
22 ~~charter school program, which shall include a recommendation on~~
23 ~~the advisability of the continuation, modification, expansion or~~
24 ~~termination of the program and any recommendations for changes~~
25 ~~in the structure of the program.}~~

26 ~~(d) A charter school entity shall form an independent audit~~
27 ~~committee of its board of trustees members which shall review at~~
28 ~~the close of each fiscal year a complete certified audit of the~~
29 ~~operations of the charter school entity. The audit shall be~~
30 ~~conducted by a qualified independent certified public~~

1 ~~accountant. The audit shall be conducted under generally~~
2 ~~accepted audit standards of the Governmental Accounting~~
3 ~~Standards Board and shall include the following:~~

4 ~~(1) An enrollment test to verify the accuracy of student~~
5 ~~enrollment and reporting to the State.~~

6 ~~(2) Full review of expense reimbursements for board of~~
7 ~~trustees members and administrators, including sampling of all~~
8 ~~reimbursements.~~

9 ~~(3) Review of internal controls, including review of~~
10 ~~receipts and disbursements.~~

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

16 ~~(5) Review of the financial statements of any charter school~~
17 ~~foundation.~~

18 ~~(6) Review of the selection and acceptance process of all~~
19 ~~contracts publicly bid pursuant to section 751.~~

20 ~~(7) Review of all board policies and procedures with regard~~
21 ~~to internal controls, code of ethics, conflicts of interest,~~
22 ~~whistle blower protections, complaints from parents or the~~
23 ~~public, compliance with 65 Pa.C.S. Ch. 7 (relating to open~~
24 ~~meetings), finances, budgeting, audits, public bidding and~~
25 ~~bonding.~~

26 ~~(e) The certified audit under subsection (d) and the annual~~
27 ~~budget under subsection (g) are public documents and shall be~~
28 ~~made available on the charter school entity's publicly~~
29 ~~accessible Internet website, if available, and, in the case of a~~
30 ~~charter school or regional charter school, on the school~~

1 ~~district's publicly accessible Internet website.~~

2 ~~(f) A charter school entity may be subject to an annual~~
3 ~~audit by the Auditor General, in addition to any other audits~~
4 ~~required by Federal law or this article.~~

5 ~~(g) A charter school entity shall annually provide the~~
6 ~~department and, in the case of a charter school or regional~~
7 ~~charter school, shall annually provide the school district, with~~
8 ~~a copy of the annual budget for the operation of the charter~~
9 ~~school entity that identifies the following:~~

10 ~~(1) The source of funding for all expenditures.~~

11 ~~(2) Where funding is provided by a charter school~~
12 ~~foundation, the amount of funds and a description of the use of~~
13 ~~the funds.~~

14 ~~(3) The salaries of all administrators of the charter school~~
15 ~~entity.~~

16 ~~(4) All expenditures to an educational management service~~
17 ~~provider.~~

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

26 ~~(2) The charter school foundation shall also make copies of~~
27 ~~its annual budget available upon request and on the foundation's~~
28 ~~or the charter school entity's publicly accessible Internet~~
29 ~~website within thirty (30) days of the close of the foundation's~~
30 ~~fiscal year.~~

1 ~~(3) The annual budget shall include the salaries of all~~
2 ~~employees of the charter school foundation.~~

3 Section 1729 A. Causes for Nonrenewal or Termination. (a)
4 During the term of the charter or at the end of the term of the
5 charter, the local board of school directors may choose to
6 revoke or not to renew the charter based on any of the
7 following:

8 (1) One or more material violations of any of the
9 conditions, standards or procedures contained in the written
10 charter signed pursuant to section 1720 A.

11 (2) Failure to meet the requirements for student performance
12 [set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or
13 subsequent regulations promulgated to replace 22 Pa. Code Ch. 5]
14 on assessments or failure to meet any performance standard set
15 forth in the written charter signed pursuant to section [1716 A]
16 1720 A.

17 (3) Failure to meet generally accepted standards of fiscal
18 management or audit requirements.

19 (4) Violation of provisions of this article.

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

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

24 * * *

25 (b) [A member of the board of trustees who is convicted of a
26 felony or any crime involving moral turpitude shall be
27 immediately disqualified from serving on the board of trustees.]
28 If, after a hearing under this section, a local board of school
29 directors or, in the case of a cyber charter school, the
30 department, proves by a preponderance of the evidence that an

~~1 administrator or board member of a charter school entity has
2 violated this article, the terms and conditions of the charter
3 or any other law, the local board of school directors or, in the
4 case of a cyber charter school, the department may require the
5 charter school entity to replace an administrator or board of
6 trustees member in order to obtain renewal of the charter. The
7 local board of school directors or, in the case of a cyber
8 charter school, the department may refer its findings to the
9 district attorney with jurisdiction or to the Office of Attorney
10 General for prosecution if the local board of school directors
11 or, in the case of a cyber charter school, the department
12 discovers or receives information about possible violations of
13 law by any person affiliated with or employed by a charter
14 school entity.~~

~~15 (c) Any notice of revocation or nonrenewal of a charter
16 given by the local board of school directors of a school
17 district shall state the grounds for such action with reasonable
18 specificity and give reasonable notice to the [governing] board
19 of trustees of the charter school or regional charter school of
20 the date on which a public hearing concerning the revocation or
21 nonrenewal will be held. The local board of school directors
22 shall conduct such hearing, present evidence in support of the
23 grounds for revocation or nonrenewal stated in its notice and
24 give the charter school or regional charter school reasonable
25 opportunity to offer testimony before taking final action.
26 Formal action revoking or not renewing a charter shall be taken
27 by the local board of school directors at a public meeting held
28 pursuant to [the act of July 3, 1986 (P.L.388, No.84), known as
29 the "Sunshine Act,"] 65 Pa.C.S. Ch. 7 (relating to open
30 meetings) after the public has had thirty (30) days to provide~~

1 ~~comments to the board. All proceedings of the local board~~
2 ~~pursuant to this subsection shall be subject to 2 Pa.C.S. Ch. 5~~
3 ~~Subch. B (relating to practice and procedure of local agencies).~~
4 ~~Except as provided in subsection (d), the decision of the local~~
5 ~~board shall not be subject to 2 Pa.C.S. Ch. 7 Subch. B (relating~~
6 ~~to judicial review of local agency action).~~

7 * * *

8 Section 15. The act is amended by adding sections to read:

9 Section 1729.1 A. Evaluation of Educators. (a) All
10 applications by a charter school entity for a charter or for the
11 renewal of a charter shall include a system of evaluation for
12 educators that has been preapproved by the department as being
13 rigorous and as including both of the following:

14 (1) At least four (4) rating categories of educator
15 performance.

16 (2) Multiple measures of student performance which shall
17 include, but may not be limited to, value added assessment
18 system data made available by the department under section 221
19 and student performance on the most recent assessments for which
20 results have been released by the department and may include
21 goals specific to the mission of the charter school entity's
22 charter.

23 (b) Nothing in this section shall preempt the powers of a
24 board of trustees under section 1716 A(a) nor affect the intent
25 of the General Assembly provided in section 1702 A(3) and (4).

26 (c) For purposes of this section, the term "educator" shall
27 include all professional employes who are certified as teachers
28 and noncertified staff members who teach in a charter school
29 entity.

30 Section 1729.2 A. Multiple Charter School Organizations.

1 ~~(a) Establishment shall be as follows:~~

2 ~~(1) Subject to the requirements of this section and 15-~~
3 ~~Pa.C.S. Pt. II Subpt. C (relating to nonprofit corporations),~~
4 ~~two (2) or more charter schools may consolidate into a multiple-~~
5 ~~charter school organization if both of the following apply:~~

6 ~~(i) The department approves the consolidation as proposed in~~
7 ~~the application form submitted to the department pursuant to~~
8 ~~subsection (c).~~

9 ~~(ii) Each school district that granted the initial charter~~
10 ~~of any charter school included in the proposed consolidation~~
11 ~~approves, by a majority vote of the local board of school~~
12 ~~directors, a resolution approving the consolidation as proposed~~
13 ~~in the application submitted to the local board of school~~
14 ~~directors pursuant to subsection (c). If a local board of school~~
15 ~~directors does not adopt a resolution under this clause~~
16 ~~approving or rejecting the proposed consolidation within forty-~~
17 ~~five (45) days after receipt of the application, the school~~
18 ~~district will be deemed to have approved the consolidation.~~

19 ~~(2) The multiple charter school organization shall be:~~

20 ~~(i) granted legal authority to operate two (2) or more~~
21 ~~individual charter schools under the oversight of a single board~~
22 ~~of trustees and a chief administrator who shall oversee and~~
23 ~~manage the operation of the individual charter schools under its~~
24 ~~organization; and~~

25 ~~(ii) subject to all of the requirements of this article~~
26 ~~unless otherwise provided for under this section.~~

27 ~~(3) Nothing under this section shall be construed to affect~~
28 ~~or change the terms or conditions of any individual charter~~
29 ~~previously granted that is consolidated under this section.~~

30 ~~(b) (1) A charter school that, within either of the most~~

1 ~~recent two (2) school years, has failed to meet the requirements~~
2 ~~for student performance set forth in 22 Pa. Code Ch. 4 (relating~~
3 ~~to academic standards and assessment), accepted standards of~~
4 ~~fiscal management or audit requirements or performance standards~~
5 ~~set forth by the matrix established under section 1731.2 A shall~~
6 ~~not be eligible to consolidate with another charter school~~
7 ~~unless the consolidation includes a charter school demonstrating~~
8 ~~that it has satisfied such requirements for the most recent two~~
9 ~~(2) school years.~~

10 ~~(2) This section shall not apply until the effective date of~~
11 ~~the regulations implementing the performance matrix required~~
12 ~~under section 1731.2 A.~~

13 ~~(c) The department shall develop and issue a standard~~
14 ~~application form that multiple charter school organization~~
15 ~~applicants must submit to the department and to the local board~~
16 ~~of school directors of each school district that granted the~~
17 ~~initial charter of any charter school included in the proposed~~
18 ~~consolidation. The application form shall contain the following~~
19 ~~information:~~

20 ~~(1) The name of the multiple charter school organization.~~

21 ~~(2) The names of the charter schools seeking consolidation~~
22 ~~under this section.~~

23 ~~(3) A copy of the approved charter of each charter school~~
24 ~~seeking to consolidate under this section.~~

25 ~~(4) An organizational chart clearly presenting the proposed~~
26 ~~governance structure of the multiple charter school~~
27 ~~organization, including lines of authority and reporting between~~
28 ~~the board of trustees, chief administrator, administrators,~~
29 ~~staff and any educational management service provider that will~~
30 ~~play a role in providing management services to the charter~~

1 ~~schools under its jurisdiction.~~

2 ~~(5) A clear description of the roles and responsibilities~~
3 ~~for the board of trustees, chief administrator, administrators~~
4 ~~and any other entities, including a charter school foundation,~~
5 ~~shown in the organizational chart.~~

6 ~~(6) A clear description of the method for the appointment or~~
7 ~~election of members of the board of trustees.~~

8 ~~(7) Standards for board of trustees performance, including~~
9 ~~compliance with all applicable laws, regulations and terms of~~
10 ~~the charter.~~

11 ~~(8) Enrollment procedures for each individual charter school~~
12 ~~included in its charter.~~

13 ~~(9) Any other information as deemed necessary by the~~
14 ~~department.~~

15 ~~(d) A multiple charter school organization may:~~

16 ~~(1) Participate in the assessment system in the same manner~~
17 ~~in which a school district participates, with its individual~~
18 ~~charter schools participating in the assessment system in the~~
19 ~~same manner as individual schools within school districts. All~~
20 ~~data gathered for purposes of evaluation shall be gathered in~~
21 ~~the same manner in which data is gathered in the case of school~~
22 ~~districts and individual schools within school districts.~~

23 ~~Nothing in this paragraph shall alter the manner in which~~
24 ~~charter school performance on assessments is measured as~~
25 ~~required under the No Child Left Behind Act of 2001 (Public Law~~
26 ~~107 110, 115 Stat. 1425), or its successor Federal statute.~~

27 ~~(2) Add existing charter schools to its organization by~~
28 ~~obtaining the approval of the department and of the school~~
29 ~~district that granted the initial charter of each charter school~~
30 ~~proposed to be added under subsection (a)(1).~~

1 ~~(3) Allow students enrolled in an individual charter school~~
2 ~~to matriculate to another individual charter school under its~~
3 ~~oversight so as to complete a course of instruction in an~~
4 ~~educational institution from kindergarten through grade twelve~~
5 ~~or otherwise in the best interests of the student.~~

6 ~~(c) A multiple charter school organization shall be regarded~~
7 ~~as the holder of the charter of each individual charter school~~
8 ~~under its oversight and each previously or subsequently awarded~~
9 ~~charter shall be subject to nonrenewal or revocation by the~~
10 ~~local board of school directors that granted the initial charter~~
11 ~~in accordance with this act. The nonrenewal or revocation of the~~
12 ~~charter of an individual charter school under the oversight of a~~
13 ~~multiple charter school organization shall not affect the status~~
14 ~~of a charter awarded for any other individual charter school~~
15 ~~under the oversight of the multiple charter school organization.~~

16 ~~(f) For purposes of this section, the term "charter school"~~
17 ~~shall include a regional charter school.~~

18 ~~Section 1731.1 A. Fund Balance Limits. Fund balance limits~~
19 ~~shall be as follows:~~

20 ~~(1) For the 2013-2014 school year and each school year~~
21 ~~thereafter, a charter school entity shall not accumulate an~~
22 ~~unassigned fund balance greater than the charter school entity~~
23 ~~unassigned fund balance limit, which will be determined as~~
24 ~~follows:~~

Charter School Entity	Maximum Unassigned Fund
Total Budgeted Expenditures	Balance as Percentage of
Total Budgeted Expenditures	Total Budgeted Expenditures
Less than or equal to \$11,999,999	—12%
Between \$12,000,000 and \$12,999,999	11.5%
Between \$13,000,000 and \$13,999,999	—11%

1	Between \$14,000,000 and \$14,999,999	10.5%
2	Between \$15,000,000 and \$15,999,999	10%
3	Between \$16,000,000 and \$16,999,999	9.5%
4	Between \$17,000,000 and \$17,999,999	9%
5	Between \$18,000,000 and \$18,999,999	8.5%
6	Greater Than or Equal to \$19,000,000	8%

7 ~~(2) Any unassigned fund balance in place on June 30, 2013,~~
8 ~~that exceeds the charter school entity unassigned fund balance~~
9 ~~limit shall be refunded on a pro rata basis within ninety (90)~~
10 ~~days to all school districts that paid tuition to the charter~~
11 ~~school entity on behalf of students enrolled in the 2011-2012~~
12 ~~and 2012-2013 school years. The funds in excess of the~~
13 ~~unassigned fund balance limit may not be used to pay bonuses to~~
14 ~~any administrator, board of trustees member, employee, staff~~
15 ~~member or contractor and may not be transferred to a charter~~
16 ~~school foundation. If a charter school entity uses funds in~~
17 ~~excess of the unassigned fund balance limit to pay bonuses to~~
18 ~~any administrator, board of trustees member, employee, staff~~
19 ~~member or contractor or transfers such funds to a charter school~~
20 ~~foundation, the charter school entity shall pay the department a~~
21 ~~penalty equal to one percent (1%) of its unassigned fund~~
22 ~~balance.~~

23 ~~(3) For the 2013-2014 school year and each school year~~
24 ~~thereafter, any unassigned fund balance in place on June 30,~~
25 ~~2014, and on June 30 of each year thereafter in excess of the~~
26 ~~charter school entity unassigned fund balance limit shall be~~
27 ~~refunded on a pro rata basis within forty five (45) days to all~~
28 ~~school districts that paid tuition to the charter school entity~~
29 ~~in the prior school year.~~

30 ~~(4) By September 30, 2013, and August 15 of each year~~

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

10 ~~(5) As used in this section, "unassigned fund balance" shall~~
11 ~~mean that portion of the fund balance of a charter school entity~~
12 ~~or of a charter school foundation that provides funding or~~
13 ~~resources or otherwise serves to support the charter school~~
14 ~~entity, directly or through an affiliated entity, that is:~~

15 ~~(i) available for expenditure or not legally or otherwise~~
16 ~~segregated for a specific or tentative future use; and~~

17 ~~(ii) held in the General Fund accounts of the charter school~~
18 ~~entity or the charter school foundation.~~

19 ~~Section 1731.2 A. Performance Matrix. The following shall~~
20 ~~apply:~~

21 ~~(1) Within eighteen (18) months of the effective date of~~
22 ~~this section, the State Board of Education shall develop a~~
23 ~~standard performance matrix to evaluate charter school entity~~
24 ~~performance and shall promulgate regulations pursuant to the act~~
25 ~~of June 25, 1982 (P.L.633, No.181), known as the "Regulatory~~
26 ~~Review Act," to implement this section.~~

27 ~~(2) The performance matrix may assess performance by~~
28 ~~utilizing objective criteria, including, but not limited to:~~
29 ~~student performance on assessments; annual growth as measured by~~
30 ~~the Pennsylvania Value Added Assessment System; attendance;~~

~~1 attrition rates; graduation rates; other standardized test
2 scores; school safety; parent satisfaction; accreditation by a
3 nationally recognized accreditation agency, including the Middle
4 States Association of Colleges and Schools or another regional
5 institutional accrediting agency recognized by the United States
6 Department of Education or an equivalent federally recognized
7 body for charter school education; and other measures of school
8 quality, including measures for assessing teacher effectiveness.~~

~~9 (2.1) In developing the performance matrix, the State Board
10 of Education shall determine an academic quality benchmark the
11 satisfaction of which shall qualify a charter school entity for
12 a ten (10) year renewal term pursuant to section 1720 A(a) (2) or
13 1745 A(f) (3). The academic quality benchmark shall be included
14 in the regulations required under clause (1).~~

~~15 (3) In developing the performance matrix, the State Board of
16 Education may contract for consulting services with an entity
17 that has experience in developing performance matrices if the
18 services are procured through a competitive bidding process.~~

~~19 (4) Neither the department nor any local board of school
20 directors or other school district governing authority may
21 develop a separate performance matrix for the evaluation of a
22 charter school entity.~~

~~23 (5) (i) A local board of school directors or other school
24 district governing authority shall utilize the standard
25 performance matrix as a primary factor in evaluating new and
26 renewal charter school and regional charter school applicants
27 and in annual monitoring and evaluation of charter schools and
28 regional charter schools.~~

~~29 (ii) The department shall utilize the standard performance
30 matrix as a primary factor in evaluating new and renewal cyber~~

~~1 charter school applicants, in evaluating consolidation
2 applications under section 1729.2 A and in annual monitoring and
3 evaluation of cyber charter schools.~~

~~4 (6) (i) In developing the performance matrix and
5 promulgating the regulations required under clause (1), the
6 State Board of Education shall convene and consult with a
7 Statewide advisory committee which shall consist of
8 representatives of the department and a minimum of seven (7)
9 representatives from charter schools, regional charter schools,
10 cyber charter schools, school district personnel and
11 institutions of higher education with experience in the
12 oversight of charter schools. Members of the committee shall be
13 selected to be representative of the urban, rural and suburban
14 areas of this Commonwealth.~~

~~15 (ii) The Statewide advisory committee required to be
16 convened under subparagraph (i) shall be convened not later than
17 thirty (30) days after the effective date of this section and
18 shall meet regularly to fulfill requirements of this paragraph.~~

~~19 (7) The department shall distribute the performance matrix
20 to all school districts and shall publish the matrix on the
21 department's publicly accessible Internet website.~~

~~22 Section 16. Section 1732 A of the act, amended June 29,
23 2002 (P.L.524, No.88), is amended to read:~~

~~24 Section 1732 A. Provisions Applicable to Charter Schools and
25 Regional Charter Schools. (a) Charter schools and regional
26 charter schools shall be subject to the following:~~

~~27 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431, 436,
28 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753,
29 {755,} 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a),
30 1205.1, 1205.2, 1205.3, 1205.4, 1205.5, 1301, 1302, 1303, 1310,~~

1 ~~1317, 1317.1, 1317.2, 1317.3, 1318, 1327, 1330, 1332, 1333,~~
2 ~~1303 A, 1513, 1517, 1518, 1521, 1523, 1531, 1547, 2014 A,~~
3 ~~Article XIII A and Article XIV.~~

4 ~~(2) Act of July 19, 1957 (P.L.1017, No.451), known as the~~
5 ~~"State Adverse Interest Act."~~

6 ~~(3) Act of July 17, 1961 (P.L.776, No.341), known as the~~
7 ~~"Pennsylvania Fair Educational Opportunities Act."~~

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

12 ~~(5) Section 4 of the act of January 25, 1966 (1965 P.L.1546,~~
13 ~~No.541), entitled "An act providing scholarships and providing~~
14 ~~funds to secure Federal funds for qualified students of the~~
15 ~~Commonwealth of Pennsylvania who need financial assistance to~~
16 ~~attend postsecondary institutions of higher learning, making an~~
17 ~~appropriation, and providing for the administration of this~~
18 ~~act."~~

19 ~~(6) Act of July 12, 1972 (P.L.765, No.181), entitled "An act~~
20 ~~relating to drugs and alcohol and their abuse, providing for~~
21 ~~projects and programs and grants to educational agencies, other~~
22 ~~public or private agencies, institutions or organizations."~~

23 ~~(7) Act of December 15, 1986 (P.L.1595, No.175), known as~~
24 ~~the "Antihazing Law."~~

25 ~~(8) 65 Pa.C.S. Ch. 7 (relating to open meetings).~~

26 ~~(9) 65 Pa.C.S. Ch. 11 (relating to ethics standards and~~
27 ~~financial disclosure).~~

28 ~~(b) Charter schools and regional charter schools shall be~~
29 ~~subject to the following provisions of 22 Pa. Code:~~

30 ~~{Section 5.216 (relating to ESOL).~~

1 ~~Section 5.4 (relating to general policies).]~~

2 ~~(1) Chapter 4 (relating to academic standards and~~
3 ~~assessments).~~

4 ~~(2) Chapter 11 (relating to pupil attendance).~~

5 ~~(3) Chapter 12 (relating to students).~~

6 ~~(4) Section 32.3 (relating to assurances).~~

7 ~~(5) Section 121.3 (relating to discrimination prohibited).~~

8 ~~(6) Section 235.4 (relating to practices).~~

9 ~~(7) Section 235.8 (relating to civil rights).~~

10 ~~(8) Chapter 711 (relating to charter school services and~~
11 ~~programs for children with disabilities).~~

12 ~~(c) (1) The secretary may promulgate additional regulations~~
13 ~~relating to charter schools and regional charter schools.~~

14 ~~(2) The secretary shall have the authority and the~~
15 ~~responsibility to ensure that charter schools and regional~~
16 ~~charter schools comply with Federal laws and regulations~~
17 ~~governing children with disabilities. The secretary shall~~
18 ~~promulgate regulations to implement this provision.~~

19 ~~Section 17. The act is amended by adding a section to read:~~

20 ~~Section 1733 A. Effect on Existing Charter School~~

21 ~~Entities. (a) Within one (1) year of the effective date of~~
22 ~~this section, a charter school entity established under section~~
23 ~~1717 A, 1718 A or 1745 A prior to the effective date of this~~
24 ~~section shall amend the current charter through the amendment~~
25 ~~process under section 1720 A(c) or 1745 A(f) (5) as needed to~~
26 ~~reflect the requirements of this article. Any renewal that takes~~
27 ~~effect after June 30, 2013, shall be for the term specified~~
28 ~~under section 1720 A(a) (2) or 1745 A(f) (3).~~

29 ~~(b) A charter school entity approved after the effective~~
30 ~~date of this section shall be in full compliance with this~~

1 article.

2 ~~(c) Within sixty (60) days of the effective date of this~~
3 ~~section, each charter school entity shall demonstrate, to the~~
4 ~~satisfaction of the local board of school directors or, in the~~
5 ~~case of a cyber charter school, to the satisfaction of the~~
6 ~~department, that the charter school entity is in compliance with~~
7 ~~sections 1332 and 1333, including the institution of truancy~~
8 ~~proceedings when required under section 1333.~~

9 Section 18. ~~Sections 1741 A(c), 1742 A, 1745 A and 1749 A(a)~~
10 ~~and (c) of the act, added June 29, 2002 (P.L.524, No.88), are~~
11 ~~amended to read:~~

12 Section 1741 A. ~~Powers and duties of department.~~

13 * * *

14 ~~(c) Documents. Documents of the appeal board shall be~~
15 ~~subject to the act of [June 21, 1957 (P.L.390, No.212), referred~~
16 ~~to as the Right to Know Law.] act of February 14, 2008 (P.L.6,~~
17 ~~No.3), known as the "Right to Know Law."~~

18 Section 1742 A. ~~Assessment and evaluation.~~

19 The department shall:

20 ~~(1) Annually assess whether each cyber charter school is~~
21 ~~meeting the goals of its charter and is in compliance with~~
22 ~~the provisions of the charter and conduct a comprehensive~~
23 ~~review prior to granting a [five year] renewal of the charter~~
24 ~~for the period specified in section 1745 A(f) (3).~~

25 ~~(2) Annually review each cyber charter school's~~
26 ~~performance on the Pennsylvania System of School Assessment~~
27 ~~test, standardized tests and other performance indicators to~~
28 ~~ensure compliance with 22 Pa. Code Ch. 4 (relating to~~
29 ~~academic standards and assessment) or subsequent regulations~~
30 ~~promulgated to replace 22 Pa. Code Ch. 4.~~

1 ~~(3) Have ongoing access to all records, instructional~~
2 ~~materials and student and staff records of each cyber charter~~
3 ~~school and to every cyber charter school facility to ensure~~
4 ~~the cyber charter school is in compliance with its charter~~
5 ~~and this subdivision.~~

6 Section 1745 A. Establishment of cyber charter school.

7 ~~(a) Establishment. A cyber charter school may be~~
8 ~~established by an individual; one or more teachers who will~~
9 ~~teach at the proposed cyber charter school; parents or guardians~~
10 ~~of students who will enroll in the cyber charter school; a~~
11 ~~nonsectarian college, university or museum located in this~~
12 ~~Commonwealth; a nonsectarian corporation not for profit as~~
13 ~~defined in 15 Pa.C.S. § 5103 (relating to definitions); a~~
14 ~~corporation, association or partnership; or any combination of~~
15 ~~the foregoing. Section 1327.1 shall not apply to a cyber charter~~
16 ~~school established under this subdivision.~~

17 ~~(b) Sectarian entities. No cyber charter school shall be~~
18 ~~established or funded by and no charter shall be granted to a~~
19 ~~sectarian school, institution or other entity.~~

20 ~~(b.1) Local board of school directors or intermediate~~
21 ~~unit.~~

22 ~~(1) A cyber charter school may be established by a local~~
23 ~~board of school directors or an intermediate unit if the~~
24 ~~procedures and requirements of this article are satisfied.~~

25 ~~(2) Nothing in this article shall be construed to~~
26 ~~preclude a school district or an intermediate unit from~~
27 ~~offering instruction via the Internet or other electronic~~
28 ~~means, except that the instruction shall not be recognized as~~
29 ~~a cyber charter school under this article unless the school~~
30 ~~district or intermediate unit establishes a cyber charter~~

1 ~~school pursuant to subsections (a) and (b.1)(1).~~

2 ~~(c) Attendance. Attendance at a cyber charter school shall~~
3 ~~satisfy requirements for compulsory attendance, subject to~~
4 ~~penalties for violation of compulsory attendance requirements~~
5 ~~under section 1333.~~

6 ~~(d) Application. An application to establish a cyber~~
7 ~~charter school shall be submitted to the department by October 1~~
8 ~~of the school year preceding the school year in which the cyber~~
9 ~~charter school proposes to commence operation.~~

10 ~~(e) Grant or denial. Within 120 days of receipt of an~~
11 ~~application, the department shall grant or deny the application.~~
12 ~~The department shall review the application and shall hold at~~
13 ~~least one public hearing under 65 Pa.C.S. Ch. 7 (relating to~~
14 ~~open meetings). At least 30 days prior to the hearing, the~~
15 ~~department shall publish in the Pennsylvania Bulletin and on the~~
16 ~~department's [World Wide Web site] publicly accessible Internet~~
17 ~~website notice of the hearing and the purpose of the~~
18 ~~application.~~

19 ~~(f) Evaluation criteria.~~

20 ~~(1) A cyber charter school application submitted under~~
21 ~~this subdivision shall be evaluated by the department based~~
22 ~~on the following criteria:~~

23 ~~(i) The demonstrated, sustainable support for the~~
24 ~~cyber charter school plan by teachers, parents or~~
25 ~~guardians and students.~~

26 ~~(ii) The capability of the cyber charter school~~
27 ~~applicant, in terms of support and planning, to provide~~
28 ~~comprehensive learning experiences to students under the~~
29 ~~charter.~~

30 ~~(iii) The extent to which the programs outlined in~~

1 ~~the application will enable students to meet the academic~~
2 ~~standards under 22 Pa. Code Ch. 4 (relating to academic~~
3 ~~standards and assessment) or subsequent regulations~~
4 ~~promulgated to replace 22 Pa. Code Ch. 4.~~

5 ~~(iv) The extent to which the application meets the~~
6 ~~requirements of section 1747 A.~~

7 ~~(v) The extent to which the cyber charter school may~~
8 ~~serve as a model for other public schools.~~

9 ~~(2) Written notice of the action of the department shall~~
10 ~~be sent by certified mail to the applicant and published on~~
11 ~~the department's [World Wide Web site] publicly accessible~~
12 ~~Internet website. If the application is denied, the reasons~~
13 ~~for denial, including a description of deficiencies in the~~
14 ~~application, shall be clearly stated in the notice.~~

15 ~~(3) Upon approval of a cyber charter school application,~~
16 ~~a written charter shall be developed which shall contain the~~
17 ~~provisions of the charter application and be signed by the~~
18 ~~secretary and each member of the board of trustees of the~~
19 ~~cyber charter school. The charter, when duly signed, shall~~
20 ~~act as legal authorization of the establishment of a cyber~~
21 ~~charter school. The charter shall be legally binding on the~~
22 ~~department, the cyber charter school and its board of~~
23 ~~trustees. The charter [shall be for a period of no less than~~
24 ~~three years nor more than five years and may be renewed for a~~
25 ~~period of five years by the department.] term shall be as~~
26 ~~follows:~~

27 ~~(i) An initial charter granted pursuant to this~~
28 ~~section shall be for a period of five years.~~

29 ~~(ii) Prior to the effective date of the regulations~~
30 ~~implementing the performance matrix as required pursuant~~

1 ~~to section 1731.2 A, a charter may be renewed for five~~
2 ~~year periods upon reauthorization by the department.~~

3 ~~(iii) Upon the effective date of the regulations~~
4 ~~implementing the performance matrix as required pursuant~~
5 ~~to section 1731.2 A, the following shall apply:~~

6 ~~(A) For cyber charter schools that have~~
7 ~~satisfied the academic quality benchmark established~~
8 ~~by the State Board of Education pursuant to section~~
9 ~~1731.2 A, a charter may be renewed for ten year~~
10 ~~periods upon reauthorization by the department.~~

11 ~~(B) For cyber charter schools that have not~~
12 ~~satisfied the academic quality benchmark established~~
13 ~~by the State Board of Education pursuant to section~~
14 ~~1731.2 A, a charter may be renewed for five year~~
15 ~~periods upon reauthorization by the department.~~

16 ~~(4) The decision of the department to deny an~~
17 ~~application may be appealed to the appeal board.~~

18 ~~(5) (i) A cyber charter school may request amendments~~
19 ~~to its approved written charter by filing with the~~
20 ~~department a written document describing the requested~~
21 ~~amendment.~~

22 ~~(ii) Within 20 days of its receipt of the request~~
23 ~~for an amendment, the department shall hold a public~~
24 ~~hearing on the requested amendment under 65 Pa.C.S. Ch. 7~~
25 ~~(relating to open meetings).~~

26 ~~(iii) Within 20 days after the hearing, the~~
27 ~~department shall grant or deny the requested amendment.~~
28 ~~Failure by the department to hold a public hearing and to~~
29 ~~grant or deny the amendment within the time period~~
30 ~~specified shall be deemed an approval.~~

~~(iv) An applicant for an amendment shall have the right to appeal the denial of a requested amendment to the appeal board provided for under section 1721 A.~~

~~(g) Denied application. A cyber charter school applicant may revise and resubmit a denied application to the department. The department shall grant or deny the revised application within 60 days after its receipt.~~

~~(h) Appeal. If the department fails to hold the required public hearing or to approve or disapprove the charter, the applicant may file its application as an appeal to the appeal board. The appeal board shall review the application and make a decision to approve or disapprove the charter based on the criteria in subsection (f).~~

~~Section 1749 A. Applicability of other provisions of this act and of other acts and regulations.~~

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

~~(1) Sections 108, 110, 111, 321, 325, 326, 327, 431, 436, 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753, [755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a), 1205.1, 1205.2, 1205.3, 1205.5, 1301, 1302, 1303, 1310, 1317, 1317.2, 1318, 1327, 1330, 1332, 1333, 1303 A, 1513, 1517, 1518, 1521, 1523, 1525, 1531, 1547, 1602 B, 1613 B, 1702 A, 1703 A, 1704 A, 1714 A, 1715 A, 1716 A, 1716.1 A, 1719 A, 1721 A, 1722 A, [1723 A(a) and (b)] 1723 A(a), (b) and (d), 1724 A, 1725 A, 1727 A, 1728 A(d), (e), (f), (g) and (h), 1729 A, 1729.1 A, 1730 A, 1731 A(a) (1) and (b), 1731.1 A, 1731.2 A, 1733 A and 2014 A and Articles [XII A,] XIII A and XIV.~~

~~(1.1) Act of July 19, 1957 (P.L.1017, No.451), known as~~

1 ~~the State Adverse Interest Act.~~

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

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

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

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

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

22 ~~(7) 65 Pa.C.S. Ch. 7 (relating to open meetings).~~

23 ~~(8) 65 Pa.C.S. Ch. 11 (relating to ethics standards and~~
24 ~~financial disclosure).~~

25 ~~* * *~~

26 ~~(c) Existing charter schools.—~~

27 ~~(1) The charter of a charter school approved under~~
28 ~~section 1717 A or 1718 A which provides instruction through~~
29 ~~the Internet or other electronic means shall remain in effect~~
30 ~~for the duration of the charter and shall be subject to the~~

1 ~~provisions of Subdivision (b).~~

2 ~~(2) In addition to subsections (a) and (b), the~~
3 ~~following provisions of this subdivision shall apply to a~~
4 ~~charter school approved under section 1717 A or 1718 A which~~
5 ~~provides instruction through the Internet or other electronic~~
6 ~~means:~~

7 ~~(i) Section 1743 A(c), (d), (e), (f), (g), (h) and~~
8 ~~(i).~~

9 ~~(ii) Section 1744 A.~~

10 ~~(iii) Section 1748 A.~~

11 ~~Section 19. The addition of section 1725 A(a) (2) (ii) shall~~
12 ~~expire at the end of the 2014 2015 school year.~~

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

14 ~~(1) The amendment or addition of the following~~
15 ~~provisions of the act shall take effect immediately:~~

16 ~~(i) Section 1704 A.~~

17 ~~(ii) Section 1725 A(a) (1), (2), (2.1), (3) and (4),~~
18 ~~(b), (c), (d), (e) and (f).~~

19 ~~(iii) Sections 1731.1 A.~~

20 ~~(iv) Section 1731.2 A.~~

21 ~~(v) Section 1732 A.~~

22 ~~(vi) Section 1749 A.~~

23 ~~(2) The amendment of section 1725 A(a) (5) and (6) of the~~
24 ~~act shall take effect in 90 days.~~

25 ~~(3) This section shall take effect immediately.~~

26 ~~(4) The remainder of this act shall take effect in 60~~
27 ~~days.~~

28 SECTION 1. SECTION 1725-A OF THE ACT OF MARCH 10, 1949
29 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, IS
30 AMENDED BY ADDING A SUBSECTION TO READ:

<--

1 SECTION 1725-A. FUNDING FOR CHARTER SCHOOLS.--* * *
2 (F) AS THE COMMONWEALTH SUSPENDS OR ELIMINATES ITS
3 CONTRIBUTIONS OR PAYMENTS TO CHARTER SCHOOLS, REGIONAL CHARTER
4 SCHOOLS OR CYBER CHARTER SCHOOLS UNDER 24 PA.C.S. § 8326
5 (RELATING TO CONTRIBUTIONS BY THE COMMONWEALTH) OR 8535
6 (RELATING TO PAYMENTS TO SCHOOL ENTITIES BY COMMONWEALTH), IN
7 CONNECTION WITH THE ACT OF APRIL 9, 1929 (P.L.343, NO.176),
8 KNOWN AS "THE FISCAL CODE," THE DEPARTMENT SHALL ALLOCATE UP TO
9 THIRTY MILLION DOLLARS (\$30,000,000) TO SCHOOL DISTRICTS THROUGH
10 A BLOCK GRANT PROGRAM TO BE CREATED FOR THE 2014-2015 FISCAL
11 YEAR WHICH SCHOOL DISTRICTS MAY USE FOR THE PURPOSE OF
12 OFFSETTING CYBER CHARTER SCHOOL EXPENSES.
13 SECTION 2. THIS ACT SHALL TAKE EFFECT JULY 1, 2014, OR
14 IMMEDIATELY, WHICHEVER IS LATER.