

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1085 Session of
2013

INTRODUCED BY SMUCKER, WILLIAMS, BAKER, FOLMER, WAUGH, ALLOWAY,
PILEGGI AND VANCE, AUGUST 27, 2013

REFERRED TO EDUCATION, AUGUST 27, 2013

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," extensively revising charter school
6 provisions.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Section 1703-A of the act of March 10, 1949
10 (P.L.30, No.14), known as the Public School Code of 1949,
11 amended June 29, 2002 (P.L.524, No.88), is amended to read:

12 Section 1703-A. Definitions.--As used in this article,
13 "Administrator" shall include an employe of a charter school
14 or cyber charter school, including the chief administrator of a
15 charter school or cyber charter school and any other employe,
16 who by virtue of the employe's position is responsible for
17 taking official action of a nonministerial nature with regard to
18 contracting or procurement, administering or monitoring grants
19 or subsidies, managing or regulating staff, student and school
20 activities or any activity where the official action has an

economic impact of greater than a de minimis nature on the
interests of any person.

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

"Assessment" shall mean the Pennsylvania System of School
Assessment test, the Keystone Exam or another test established
by the State board to meet the requirements of section 2603-
B(d)(10)(i) and required under the No Child Left Behind Act of
2001 (Public Law 107-110, 115 Stat. 1425) or its successor
Federal statute.

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

"Charter school" shall mean an independent public school
established and operated under a charter from the local board of
school directors or the governing body of an institution of
higher education and in which students are enrolled or attend. A
charter school must be organized as a public, nonprofit
corporation. Charters may not be granted to any for-profit
entity.

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

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

"Chief administrator" shall mean an individual appointed by a

board of trustees to oversee and manage the operation of a charter school or cyber charter school. The term shall not include a professional staff member under this article.

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

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

"Department" shall mean the Department of Education of the Commonwealth.

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

"Governing board of an institution of higher education" shall mean an institution of higher education subject to Article XX-C which elects by affirmative vote of a majority of all members to become an authorizer of charter schools and shall assume the same powers and duties as a local board of school directors

under this article. The term does not include a governing board of an institution of higher education that does not vote affirmatively to become an authorizer.

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

"Local board of school directors" shall mean the board of directors of a school district in which a proposed or an approved charter school is located.

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

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

"Right-to-Know Law" shall mean the act of February 14, 2008 (P.L.6, No.3), known as the "Right-to-Know Law."

"School district of residence" shall mean the school district in this Commonwealth in which [the parents or guardians of a child reside] a child resides as determined under section 1302.

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

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

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

Section 2. Section 1715-A of the act, amended or added June 19, 1997 (P.L.225, No.22) and July 9, 2008 (P.L.846, No.61), is amended to read:

Section 1715-A. Charter School Requirements.--(a) Charter schools shall be required to comply with the following provisions:

(1) Except as otherwise provided in this article, a charter school is exempt from statutory requirements established in this act, from regulations of the State board and the standards of the secretary not specifically applicable to charter schools. Charter schools are not exempt from statutes applicable to public schools other than this act.

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

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

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

(5) (i) A charter school shall not provide any religious instruction, nor shall it display religious objects and symbols on the premises of the charter school. The charter school shall provide for discrete and separate entrances to buildings utilized for school purposes only.

(ii) It shall not be a violation of this section for a charter school to utilize a sectarian facility:

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

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

(6) A charter school shall not advocate unlawful behavior.

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

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

(ii) A charter school shall be treated in the same manner as a school district for the purposes of measuring the charter school's adequate yearly progress under the No Child Left Behind Act of 2001 or any successor statute.

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

(10) Boards of trustees and contractors of charter schools shall be subject to the following statutory requirements governing construction projects and construction-related work:

(i) The following provisions of this act:

(A) Sections 751 and 751.1.

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

(ii) Section 1 of the act of May 1, 1913 (P.L.155, No.104), entitled "An act regulating the letting of certain contracts for

1 the erection, construction, and alteration of public buildings."

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

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

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

7 (11) Trustees of a charter school shall be public
8 officials[.] for the purposes of 65 Pa.C.S. Ch. 11 (relating to
9 ethics standards and financial disclosure) and shall file a
10 statement of financial interests for the preceding calendar year
11 with the State Ethics Commission and the local board of school
12 directors or the governing body of an institution of higher
13 education or, in the case of a cyber charter school, the
14 department, not later than May 1 of each year that members hold
15 the position and of the year after a member leaves the position.
16 All members of the board of trustees of a charter school shall
17 take the oath of office as required under section 321 before
18 entering upon the duties of their office.

19 [(12) A person who serves as an administrator for a charter
20 school shall not receive compensation from another charter
21 school or from a company that provides management or other
22 services to another charter school. The term "administrator"
23 shall include the chief executive officer of a charter school
24 and all other employees of a charter school who by virtue of
25 their positions exercise management or operational oversight
26 responsibilities. A person who serves as an administrator for a
27 charter school shall be a public official under 65 Pa.C.S. Ch.
28 11 (relating to ethics standards and financial disclosure). A
29 violation of this clause shall constitute a violation of 65
30 Pa.C.S. § 1103(a) (relating to restricted activities), and the

1 violator shall be subject to the penalties imposed under the
2 jurisdiction of the State Ethics Commission.]

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

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

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

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

20 (2) A copy of the sworn statement under clause (1)(i) and
21 the resolution by the board of trustees granting the permission
22 shall be kept on file with the charter school and the board of
23 local school directors.

24 (3) No administrator of a charter school or immediate family
25 member may serve as a voting member of the board of trustees of
26 that individual's charter school.

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

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

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

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

11 (d) The board of trustees of a charter school entity shall
12 supply the grantor of the charter school entity and the
13 secretary a list of the amount of rental payments, which are
14 guarantees for school building debt or bonds that become due
15 during the fiscal year together with the amount paid on each
16 item of indebtedness. Any charter school entity that elects to
17 issue debt shall hold in escrow an amount sufficient to pay the
18 annual amount of the sum of the principal maturing or subject to
19 mandatory redemption and interest owing by the charter school
20 entity or sinking fund deposit due by the charter school entity.

21 (e) Fund balance limits shall be as follows:

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

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

1	<u>Between \$13,000,000 and \$13,999,999</u>	<u>11%</u>
2	<u>Between \$14,000,000 and \$14,999,999</u>	<u>10.5%</u>
3	<u>Between \$15,000,000 and \$15,999,999</u>	<u>10%</u>
4	<u>Between \$16,000,000 and \$16,999,999</u>	<u>9.5%</u>
5	<u>Between \$17,000,000 and \$17,999,999</u>	<u>9%</u>
6	<u>Between \$18,000,000 and \$18,999,999</u>	<u>8.5%</u>
7	<u>Greater Than or Equal to \$19,000,000</u>	<u>8%</u>

8 (2) Any unassigned fund balance in place on June 30, 2014,
9 that exceeds the charter school entity fund balance limit shall
10 be refunded on a pro rata basis within 90 days to all school
11 districts that paid tuition to the charter school entity on
12 behalf of students enrolled in the 2012-2013 and 2013-2014
13 school years. The funds may not be used to pay bonuses to any
14 administrator, board of trustee member, employe, staff or
15 contractor and may not be transferred to a charter school
16 foundation.

17 (3) For the 2014-2015 school year and each school year
18 thereafter, any unassigned fund balance in excess of the charter
19 school entity fund balance limit shall be refunded on a pro rata
20 basis to all school districts that paid tuition to the charter
21 school entity in the prior school year.

22 (4) By August 15, 2014, and August 15 of each year
23 thereafter, each charter school entity shall provide its grantor
24 and the board with information certifying compliance with this
25 section. The information shall be provided in a form and manner
26 prescribed by the board and shall include information on the
27 charter school entity's estimated ending unassigned fund balance
28 expressed as a dollar amount and as a percentage of the charter
29 school entity's total budgeted expenditures for that school
30 year.

Section 3. 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 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 if the individual or an immediate family member receives compensation from or is employed by or is a board member of the local board of school directors or the governing board of an institution of higher education who participated in the initial review, approval, oversight, evaluation or renewal process of the charter school chartered by that board.

(2) An employe of the school district or the governing board of an institution of higher education that chartered the charter school may serve as a member of the board of trustees without voting privileges.

(b.2) (1) No member of the board of trustees of a charter school 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 who in the discharge of the person's official duties would be required to vote on a matter that would result in a conflict of interest shall abstain from voting and follow the procedures required under 65 Pa.C.S. § 1103(j) (relating to restricted activities).

(3) A member of the board of trustees who knowingly violates this subsection commits a violation of 65 Pa.C.S. § 1103(a) and shall be subject to the penalties imposed under the jurisdiction

1 of the State Ethics Commission.

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

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

7 (b.3) A member of the board of trustees of a charter school
8 shall be automatically disqualified and immediately removed from
9 the board upon conviction for an offense graded as a felony, an
10 infamous crime, an offense pertaining to fraud, theft or
11 mismanagement of public funds, any offense pertaining to his
12 official capacity as a board member or any crime involving moral
13 turpitude.

14 (c) The board of trustees shall comply with [the act of July
15 3, 1986 (P.L.388, No.84), known as the "Sunshine Act."] 65
16 Pa.C.S. Ch. 7 (relating to open meetings).

17 (d) (1) (i) The board of trustees of a charter school
18 shall consist of a minimum of five (5) nonrelated voting
19 members.

20 (ii) If a charter school has fewer than five (5) nonrelated
21 voting members serving on its board on the effective date of
22 this subsection, the charter school shall, within sixty (60)
23 days, appoint additional members to the board to meet the
24 minimum requirements of this section.

25 (2) Within one (1) year of the effective date of this
26 subsection, at least one (1) member of the board of trustees of
27 a charter school shall be a parent of a child currently
28 attending the charter school. The board member shall be eligible
29 to serve only so long as the child attends the charter school.

30 (e) (1) A majority of the voting members of the board of

1 trustees shall constitute a quorum. If less than a majority is
2 present at any meeting, no business may be transacted at the
3 meeting.

4 (2) The affirmative vote of a majority of all the voting
5 members of the board of trustees, duly recorded, shall be
6 required in order to take action on the subjects enumerated
7 under subsection (a).

8 (f) (1) In any case where the board of trustees of a
9 charter school fails to pay or to provide for for the payment
10 of:

11 (i) any indebtedness at date of maturity or date of
12 mandatory redemption or on any sinking fund deposit date; or

13 (ii) any interest due on such indebtedness on any interest
14 payment date or on any sinking fund deposit date in accordance
15 with the schedule under which the bonds were issued.

16 The bank or trustee for the bonds shall notify the board of
17 charter school trustees of its obligation and shall immediately
18 notify the grantor of the charter school and the secretary.

19 (2) The secretary shall withhold any appropriation due the
20 charter school in any amount necessary to fully fund the amount
21 held in escrow by the charter school which shall be equal to the
22 sum of the principal amount maturing or subject to mandatory
23 redemption and interest owing by the charter school or sinking
24 fund deposit due by such charter school and shall require pay
25 over of the amount withheld to the bank or trustee acting as the
26 sinking fund depository for the bond issue from the escrow
27 account.

28 (3) Payments made pursuant to this article shall not be
29 given priority over payments required pursuant to sections 633
30 and 785 and 53 Pa.C.S. § 8125(b) (relating to security for tax

anticipation notes and sinking fund), or an agreement pursuant to which the board is required to make payment to a holder of debt issued by or on behalf of a school entity.

Section 4. Sections 1717-A(c), (d), (e), (f) and (i) and 1719-A of the act, added June 19, 1997 (P.L.225, No.22), are amended to read:

Section 1717-A. Establishment of Charter School.--* * *

(c) An application to establish a charter school shall be submitted to the local board of school directors of the district where the charter school will be located or the governing board of an institution of higher education by [November 15] October 1 of the school year preceding the school year in which the charter school will be established except that for a charter school beginning in the 1997-1998 school year, an application must be received by July 15, 1997. In the 1997-1998 school year only, applications shall be limited to recipients of fiscal year 1996-1997 Department of Education charter school planning grants.

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

1 decision of the board.

2 (e) (1) Not later than seventy-five (75) days after the
3 first public hearing on the application, the local board of
4 school directors or the governing board of an institution of
5 higher education shall grant or deny the application. For a
6 charter school beginning in the 1997-1998 school year, the local
7 board of school directors shall grant or deny the application no
8 later than sixty (60) days after the first public hearing.

9 (2) A charter school application submitted under this
10 article shall be evaluated by the local board of school
11 directors or the governing board of an institution of higher
12 education based on criteria, including, but not limited to, the
13 following:

14 (i) The demonstrated, sustainable support for the charter
15 school plan by teachers, parents, other community members and
16 students, including comments received at the public hearing held
17 under subsection (d).

18 (ii) The capability of the charter school applicant, in
19 terms of support and planning, to provide comprehensive learning
20 experiences to students pursuant to the adopted charter.

21 (iii) The extent to which the application considers the
22 information requested in section 1719-A and conforms to the
23 legislative intent outlined in section 1702-A.

24 [(iv) The extent to which the charter school may serve as a
25 model for other public schools.]

26 (3) The local board of school directors, in the case of an
27 existing school being converted to a charter school, shall
28 establish the alternative arrangements for current students who
29 choose not to attend the charter school.

30 (4) A charter application shall be deemed approved by the

1 local board of school directors of a school district or the
2 governing board of an institution of higher education upon
3 affirmative vote by a majority of all the directors. Formal
4 action approving or denying the application shall be taken by
5 the local board of school directors or the governing board of an
6 institution of higher education at a public meeting, with notice
7 or consideration of the application given by the board, under
8 [the "Sunshine Act."] 65 Pa.C.S. Ch. 7.

9 (5) Written notice of the board's action shall be sent to
10 the applicant, the department and the appeal board. If the
11 application is denied, the reasons for the denial, including a
12 description of deficiencies in the application, shall be clearly
13 stated in the notice sent by the local board of school directors
14 or the governing board of an institution of higher education to
15 the charter school applicant.

16 (f) At the option of the charter school applicant, a denied
17 application may be revised and resubmitted to the local board of
18 school directors or the governing board of an institution of
19 higher education. Following the appointment and confirmation of
20 the Charter School Appeal Board under section 1721-A, the
21 decision of the local board of school directors or the governing
22 board of an institution of higher education may be appealed to
23 the appeal board. When an application is revised and resubmitted
24 to the local board of school directors or the governing board of
25 an institution of higher education, the board may schedule
26 additional public hearings on the revised application. The board
27 shall consider the revised and resubmitted application at the
28 first board meeting occurring at least forty-five (45) days
29 after receipt of the revised application by the board. For a
30 revised application resubmitted for the 1997-1998 school year,

1 the board shall consider the application at the first board
2 meeting occurring at least thirty (30) days after its receipt.
3 The board shall provide notice of consideration of the revised
4 application under [the "Sunshine Act."] 65 Pa.C.S. Ch. 7. No
5 appeal from a decision of a local school board may be taken
6 until July 1, 1999.

7 * * *

8 (i) (1) The appeal board shall have the exclusive review of
9 an appeal by a charter school applicant, or by the board of
10 trustees of an existing charter school, of a decision made by a
11 local board of directors or the governing board of an
12 institution of higher education not to grant a charter as
13 provided in this section.

14 [(2) In order for a charter school applicant to be eligible
15 to appeal the denial of a charter by the local board of
16 directors, the applicant must obtain the signatures of at least
17 two per centum of the residents of the school district or of one
18 thousand (1,000) residents, whichever is less, who are over
19 eighteen (18) years of age. For a regional charter school, the
20 applicant must obtain the signatures of at least two per centum
21 of the residents of each school district granting the charter or
22 of one thousand (1,000) residents from each of the school
23 districts granting the charter, whichever is less, who are over
24 eighteen (18) years of age. The signatures shall be obtained
25 within sixty (60) days of the denial of the application by the
26 local board of directors in accordance with clause (3).

27 (3) Each person signing a petition to appeal denial of a
28 charter under clause (2) shall declare that he or she is a
29 resident of the school district which denied the charter
30 application and shall include his or her printed name;

1 signature; address, including city, borough or township, with
2 street and number, if any; and the date of signing. All pages
3 shall be bound together. Additional pages of the petition shall
4 be numbered consecutively. There shall be appended to the
5 petition a statement that the local board of directors rejected
6 the petition for a charter school, the names of all applicants
7 for the charter, the date of denial by the board and the
8 proposed location of the charter school. No resident may sign
9 more than one petition relating to the charter school
10 application within the sixty (60) days following denial of the
11 application. The department shall develop a form to be used to
12 petition for an appeal.

13 (4) Each petition shall have appended thereto the affidavit
14 of some person, not necessarily a signer, setting forth all of
15 the following:

16 (i) That the affiant is a resident of the school district
17 referred to in the petition.

18 (ii) The affiant's residence, giving city, borough or
19 township, with street and number, if any.

20 (iii) That the signers signed with full knowledge of the
21 purpose of the petition.

22 (iv) That the signers' respective residences are correctly
23 stated in the petition.

24 (v) That the signers all reside in the school district.

25 (vi) That each signer signed on the date set forth opposite
26 the signer's name.

27 (vii) That to the best of the affiant's knowledge and
28 belief, the signers are residents of the school district.

29 (5) If the required number of signatures are obtained within
30 sixty (60) days of the denial of the application, the applicant

1 may present the petition to the court of common pleas of the
2 county in which the charter school would be situated. The court
3 shall hold a hearing only on the sufficiency of the petition.
4 The applicant and local board of school directors shall be given
5 seven (7) days' notice of the hearing. The court shall issue a
6 decree establishing the sufficiency or insufficiency of the
7 petition. If the petition is sufficient, the decree shall be
8 transmitted to the State Charter School Appeal Board for review
9 in accordance with this section. Notification of the decree
10 shall be given to the applicant and the local board of
11 directors.]

12 (6) In any appeal, the decision made by the local board of
13 directors or the governing board of an institution of higher
14 education shall be reviewed by the appeal board on the record as
15 certified by the local board of directors or the governing board
16 of an institution of higher education. The appeal board shall
17 give due consideration to the findings of the local board of
18 directors or the governing board of an institution of higher
19 education and specifically articulate its reasons for agreeing
20 or disagreeing with those findings in its written decision. The
21 appeal board shall have the discretion to allow the local board
22 of directors or the governing board of an institution of higher
23 education and the charter school applicant to supplement the
24 record if the supplemental information was previously
25 unavailable.

26 (7) Not later than thirty (30) days after the date of notice
27 of the acceptance of the appeal, the appeal board shall meet to
28 officially review the certified record.

29 (8) Not later than sixty (60) days following the review
30 conducted pursuant to clause (6), the appeal board shall issue a

1 written decision affirming or denying the appeal. If the appeal
2 board has affirmed the decision of the local board of directors
3 or the governing board of an institution of higher education,
4 notice shall be provided to both parties.

5 (9) A decision of the appeal board to reverse the decision
6 of the local board of directors or the governing board of an
7 institution of higher education shall serve as a requirement for
8 the local board of directors of a school district or school
9 districts, as appropriate, or the governing board of an
10 institution of higher education, to grant the application and
11 sign the written charter of the charter school as provided for
12 in section 1720-A. Should the local board of directors or the
13 governing board of an institution of higher education fail to
14 grant the application and sign the charter within ten (10) days
15 of notice of the reversal of the decision of the local board of
16 directors or the governing board of an institution of higher
17 education, the charter shall be deemed to be approved and shall
18 be signed by the chairman of the appeal board.

19 (10) All decisions of the appeal board shall be subject to
20 appellate review by the Commonwealth Court.

21 Section 1719-A. Contents of Application.--[An] (a) The
22 department shall create a standard application for charter
23 school applicants to establish a charter school. The form shall
24 include all of the following information:

25 (1) The identification of the charter applicant.

26 (2) The name of the proposed charter school.

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

28 (4) [The proposed governance structure of the charter
29 school, including a description and method for the appointment
30 or election of members of the board of trustees.] An

organizational chart clearly presenting the proposed governance structure of the school, including lines of authority and reporting between the board of trustees, administrators, staff and any educational management service provider that will provide management services to the charter school.

(4.1) A clear description of the roles and responsibilities for the board of trustees, administrators and any other entities, including a charter school foundation, shown in the organizational chart.

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

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

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

(i) Evidence of the educational management service provider's record in serving student populations, including demonstrated academic achievement and demonstrated management of nonacademic school functions, including proficiency with public school-based accounting, if applicable.

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

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

(B) The proposed duration of the service contract.

(C) Roles and responsibilities of the governing board, the school staff and the educational management service provider.

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

(E) Performance evaluation measures and timelines.

1 (F) The compensation structure, including clear
2 identification of all fees to be paid to the educational
3 management service provider.

4 (G) Methods of contract oversight and enforcement.

5 (H) Investment disclosure or the advance of moneys by the
6 educational management service provider on behalf of the charter
7 school.

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

9 (iii) Disclosure and explanation of any existing or
10 potential conflicts of interest between the members of the board
11 of trustees and the proposed educational management service
12 provider or any affiliated business entities, including a
13 charter school foundation qualified as a support organization
14 under the Internal Revenue Code of 1986 (Public Law 99-514, 26
15 U.S.C. § 1 et seq.).

16 (5) The mission and education goals of the charter school,
17 the curriculum to be offered and the methods of assessing
18 whether students are meeting educational goals.

19 (6) The admission policy and criteria for evaluating the
20 admission of students which shall comply with the requirements
21 of section 1723-A.

22 (7) Procedures which will be used regarding the suspension
23 or expulsion of pupils. Said procedures shall comply with
24 section 1318.

25 (8) Information on the manner in which community groups will
26 be involved in the charter school planning process.

27 (9) The financial plan for the charter school and the
28 provisions which will be made for auditing the school under
29 [section] sections 437 and 1728-A, including the role of any
30 charter school foundation.

1 (10) Procedures which shall be established to review
2 complaints of parents regarding the operation of the charter
3 school.

4 (11) A description of and address of the physical facility
5 in which the charter school will be located and the ownership
6 thereof and any lease arrangements.

7 (12) Information on the proposed school calendar for the
8 charter school, including the length of the school day and
9 school year consistent with the provisions of section 1502.

10 (13) The proposed faculty, if already determined, and a
11 professional development and continuing education plan for the
12 faculty and professional staff of [a] the charter school.

13 (14) Whether any agreements have been entered into or plans
14 developed with the local school district regarding participation
15 of the charter school students in extracurricular activities
16 within the school district. Notwithstanding any provision to the
17 contrary, no school district of residence shall prohibit a
18 student of a charter school from participating in any
19 extracurricular activity of that school district of residence:
20 Provided, That the student is able to fulfill all of the
21 requirements of participation in such activity and the charter
22 school does not provide the same extracurricular activity.

23 (15) A report of criminal history record, pursuant to
24 section 111, for all individuals identified in the application
25 who shall have direct contact with students and a plan for
26 satisfying the proper criminal history record clearances
27 required for all other staff.

28 (16) An official clearance statement regarding child injury
29 or abuse from the Department of Public Welfare as required by 23
30 Pa.C.S. Ch. 63 Subch. C.2 (relating to background checks for

employment in schools) for all individuals identified in the
application who shall have direct contact with students and a
plan for satisfying the proper official clearance statement
regarding child injury or abuse required for all other staff.

(17) How the charter school will provide adequate liability
and other appropriate insurance for the charter school, its
employees and the board of trustees of the charter school.

(18) Policies regarding truancy, absences and withdrawal of
students, including the manner in which the charter school will
monitor attendance consistent with section 1715-A(a)(9).

(19) How the charter school will meet the standards included
in the performance matrix developed by the department under
section 1732-A(c)(3).

(20) Indicate whether or not the charter school will seek
accreditation by a nationally recognized accreditation agency,
including the Middle States Association of Colleges and Schools
or another regional institutional accrediting agency recognized
by the United States Department of Education or an equivalent
federally recognized body for charter school education.

(b) A local board of school directors or the governing board
of an institution of higher education may not impose additional
terms, develop its own application or require additional
information outside the standard application form required under
subsection (a).

Section 5. Section 1720-A of the act, amended July 9, 2008
(P.L.846, No.61), is amended to read:

Section 1720-A. Term and Form of Charter.--(a) Upon
approval of a charter application under section 1717-A, a
written charter shall be developed which shall contain the
provisions of the standardized charter application under section

1 1719-A and which shall be signed by the local board of school
2 directors of a school district, by the local boards of school
3 directors of a school district in the case of a regional charter
4 school, by the governing board of an institution of higher
5 education or by the chairman of the appeal board pursuant to
6 section [1717-A(i)(5)] 1717-A(i) and the board of trustees of
7 the charter school. This written charter, when duly signed by
8 the local board of school directors of a school district, or by
9 the local boards of school directors of a school district in the
10 case of a regional charter school or the governing board of an
11 institution of higher education, and the charter school's board
12 of trustees, shall act as legal authorization for the
13 establishment of a charter school. This written charter shall be
14 legally binding on both the local board of school directors of a
15 school district or the governing board of an institution of
16 higher education and the charter school's board of trustees.
17 [Except as otherwise provided in subsection (b), the] If the
18 charter school contracts with an educational management service
19 provider, an executed contract shall be signed once the charter
20 is approved. The charter shall be for a period of [no less than
21 three (3) nor more than] five (5) years and may be renewed for
22 [five (5)] ten (10) year periods upon reauthorization by the
23 local board of school directors of a school district or the
24 governing board of an institution of higher education or the
25 appeal board. A charter will be granted only for a school
26 organized as a public, nonprofit corporation.

27 (b) [(1) Notwithstanding subsection (a), a governing board
28 of a school district of the first class may renew a charter for
29 a period of one (1) year if the board of school directors
30 determines that there is insufficient data concerning the

1 charter school's academic performance to adequately assess that
2 performance and determines that an additional year of
3 performance data would yield sufficient data to assist the
4 governing board in its decision whether to renew the charter for
5 a period of five (5) years.

6 (2) A one-year renewal pursuant to paragraph (1) shall not
7 be considered an adjudication and may not be appealed to the
8 State Charter School Appeal Board.

9 (3) A governing board of a school district of the first
10 class does not have the authority to renew a charter for
11 successive one (1) year periods] (Reserved).

12 (c) (1) A charter school may request amendments to its
13 approved written charter by filing a written document describing
14 the requested amendment to the local board of school directors
15 or the governing board of an institution of higher education.

16 (2) Within twenty (20) days of its receipt of the request
17 for an amendment, the local board of school directors or the
18 governing board of an institution of higher education shall hold
19 a public hearing on the requested amendment under 65 Pa.C.S. Ch.
20 7 (relating to open meetings).

21 (3) Within twenty (20) days after the hearing, the local
22 board of school directors or the governing board of an
23 institution of higher education shall grant or deny the
24 requested amendment. Failure by the local board of school
25 directors or the governing board of an institution of higher
26 education to hold a public hearing and to grant or deny the
27 amendments within the time period specified shall be deemed a
28 denial.

29 (4) An applicant for an amendment shall have the right to
30 appeal the denial of a requested amendment to the appeal board

1 provided for under section 1721-A.

2 Section 6. Section 1721-A(a) and (e) of the act, added June
3 19, 1997 (P.L.225, No.22), are amended to read:

4 Section 1721-A. State Charter School Appeal Board.--(a) The
5 State Charter School Appeal Board shall consist of the Secretary
6 of Education and [six (6)] the following members who shall be
7 appointed by the Governor by and with the consent of a majority
8 of all the members of the Senate. [Appointments by the Governor
9 shall not occur prior to January 1, 1999.] The Governor shall
10 select the chairman of the appeal board to serve at the pleasure
11 of the Governor. The members shall include:

12 (1) A parent of a school-aged child enrolled at a charter
13 school, regional charter school or cyber charter school.

14 (2) A school board member.

15 (3) A certified teacher actively employed in a public
16 school.

17 (4) A faculty member or administrative employe of an
18 institution of higher education.

19 (5) A member of the business community.

20 (6) A member of the State Board of Education.

21 (7) An administrator of a charter school, regional charter
22 school or cyber charter school.

23 (8) A member of the board of trustees of a charter school,
24 regional charter school or cyber charter school.

25 The term of office of members of the appeal board, other than
26 the secretary, shall be for a period of four (4) years or until
27 a successor is appointed and qualified, except that, of the
28 initial appointees, the Governor shall designate two (2) members
29 to serve terms of two (2) years, two (2) members to serve terms
30 of three (3) years and two (2) members to serve terms of four

1 (4) years. A parent member appointed under paragraph (1) shall
2 serve a term of four (4) years, provided the member's child
3 remains enrolled in the charter school or cyber charter school.

4 Any appointment to fill any vacancy shall be for the period of
5 the unexpired term or until a successor is appointed and
6 qualified.

7 * * *

8 (e) Meetings of the appeal board shall be conducted under
9 [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 Documents of the appeal board shall be subject to the act of
12 [June 21, 1957 (P.L.390, No.212), referred to as the Right-to-
13 Know Law.] February 14, 2008 (P.L.6, No.3), known as the "Right-
14 to-Know Law."

15 Section 7. Section 1722-A of the act, amended November 17,
16 2010 (P.L.996, No.104), is amended to read:

17 Section 1722-A. Facilities.--(a) A charter school may be
18 located in an existing public school building, in a part of an
19 existing public school building, in space provided on a
20 privately owned site, in a public building or in any other
21 suitable location. A charter school has a right of first refusal
22 to purchase or lease an existing public school building, a part
23 of an existing public school building or space in a public
24 building at or below fair market value.

25 (b) The charter school facility shall be exempt from public
26 school facility regulations except those pertaining to the
27 health or safety of [the pupils] students.

28 (d) Notwithstanding any other provision of this act, a
29 school district [of the first class] may, in its discretion,
30 permit a charter school to operate its school at more than one

1 location.

2 (e) (1) Notwithstanding the provisions of section 204 of
3 the act of May 22, 1933 (P.L.853, No.155), known as The General
4 County Assessment Law, all school property, real and personal,
5 owned by any charter school, cyber charter school or an
6 associated nonprofit foundation, or owned by a nonprofit
7 corporation, associated nonprofit corporation or nonprofit
8 foundation and leased to a charter school, cyber charter school
9 [or], associated nonprofit foundation or associated nonprofit
10 corporation at or below fair market value, that is occupied and
11 used by any charter school or cyber charter school for public
12 school, recreation or any other purposes provided for by this
13 act, shall be made exempt from every kind of State, county,
14 city, borough, township or other real estate tax, including
15 payments in lieu of taxes established through agreement with the
16 Commonwealth or any local taxing authority, as well as from all
17 costs or expenses for paving, curbing, sidewalks, sewers or
18 other municipal improvements, Provided, That any charter school
19 or cyber charter school or owner of property leased to a charter
20 school or cyber charter school may make a municipal improvement
21 in a street on which its school property abuts or may contribute
22 a sum toward the cost of the improvement.

23 (2) Any agreement entered into by a charter school, cyber
24 charter school [or], associated nonprofit foundation or
25 associated nonprofit corporation with the Commonwealth or a
26 local taxing authority for payments in lieu of taxes prior to
27 December 31, 2009, shall be null and void.

28 (3) This subsection shall apply retroactively to all charter
29 schools, cyber charter schools [and], associated nonprofit
30 foundations and associated nonprofit corporations that filed an

1 appeal from an assessment, as provided in Article V of The
2 General County Assessment Law, prior to the effective date of
3 this subsection and until such time as a final order has been
4 entered.

5 (4) For purposes of this subsection, "local taxing
6 authority" shall include, but not be limited to, a county, city,
7 borough, incorporated town, township or school district.

8 (f) (1) Alcoholic beverages shall not be available for
9 consumption, purchase or sale in any charter school or cyber
10 charter school facility.

11 (2) If the local board of school directors or the governing
12 board of an institution of higher education reasonably believes
13 that alcoholic beverages have been made available for
14 consumption, purchase or sale in any charter school or cyber
15 charter school facility, the local board of school directors or
16 the governing board of an institution of higher education shall
17 notify the department, and the secretary shall order the
18 following forfeitures against the charter school or cyber
19 charter school:

20 (i) A fine of \$1,000 for the first violation.

21 (ii) A fine of \$5,000 for the second or subsequent
22 violation.

23 (3) The charter school or cyber charter school may appeal
24 the order of the secretary under 2 Pa.C.S. Chs. 5 (relating to
25 practice and procedure) and 7 (relating to judicial review).

26 Section 8. Section 1723-A(a), (b) and (d) of the act,
27 amended June 26, 1999 (P.L.394, No.36) and July 9, 2008
28 (P.L.846, No.61), are amended to read:

29 Section 1723-A. Enrollment.--(a) (1) All resident children
30 in this Commonwealth qualify for admission to a charter school

1 within the provisions of subsection (b). If more students apply
2 to the charter school than the number of attendance slots
3 available in the school, then students must be selected on a
4 random basis from a pool of [qualified applicants meeting the
5 established eligibility criteria and submitting] resident
6 children who have submitted an application in accordance with
7 clauses (3) and (4) by the deadline established by the charter
8 school, except that the charter school may give preference in
9 enrollment to a child of a parent who has actively participated
10 in the development of the charter school [and], to siblings of
11 students presently enrolled in the charter school and to
12 siblings of students selected for enrollment during the lottery
13 process. First preference shall be given to students who reside
14 in the district or districts.

15 (2) Resident children not selected from the initial pool
16 shall be placed on a waiting list in the order by which they
17 were randomly selected. Resident children who apply after a
18 waiting list has been created shall be placed on the waiting
19 list in the order in which their applications were received. The
20 charter school shall enroll additional resident children off the
21 waiting list when space becomes available.

22 (3) Applications for admission to a charter school shall be
23 made on a form developed by the department and shall be made
24 available at the charter school and on a charter school's
25 publicly accessible Internet website if the charter school has
26 such a website.

27 (4) Applications for admission to a charter school or
28 entrance into a pool for random selection shall not require or
29 include a request for any other information that goes beyond the
30 contents of the application form developed by the department,

1 unless delineated in the school's charter and approved by the
2 department.

3 (5) Nothing in this section shall prohibit a charter school
4 from requesting the submission of additional records and
5 information that public schools are entitled to after acceptance
6 for admission to a charter school.

7 (b) (1) A charter school shall not discriminate in its
8 admission policies or practices on the basis of [intellectual
9 ability, except as provided in paragraph (2), or] athletic
10 ability, measures of achievement or aptitude, status as a person
11 with a disability, proficiency in the English language or any
12 other basis that would be illegal if used by a school district.

13 (2) A charter school may limit admission to a particular
14 grade level[, or a targeted population group composed of at-
15 risk students[, or areas of concentration of the school such as
16 mathematics, science or the arts. A charter school may establish
17 reasonable criteria to evaluate prospective students which shall
18 be outlined in the school's charter.] . Only a charter school
19 with a concentrated, specialized or accelerated program of study
20 in science, technology, engineering and mathematics (STEM) or
21 the performing arts for students in grades nine (9) through
22 twelve (12) outlined in the school's charter, made publicly
23 available on the charter school's Internet website, and in
24 accordance with clause (1), may establish reasonable criteria to
25 evaluate prospective students for enrollment purposes. Each
26 child who meets the admission criteria shall be eligible for
27 admission and included in a pool for random selection should one
28 be necessary.

29 * * *

30 (d) (1) Enrollment of students in a charter school or cyber

1 charter school shall not be subject to a cap or otherwise
2 limited by any past or future action of a board of school
3 directors, a board of control established under Article XVII-B,
4 a special board of control established under section 692 or any
5 other governing authority[, unless agreed to by the charter
6 school or cyber charter school as part of a written charter
7 pursuant to section 1720-A].

8 (2) The provisions of this subsection shall apply to a
9 charter school or cyber charter school regardless of whether the
10 charter was approved prior to or is approved subsequent to the
11 effective date of this subsection.

12 Section 9. Section 1724-A(c) and (d) of the act, amended or
13 added June 19, 1997 (P.L.225, No.22) and June 30, 2011 (P.L.112,
14 No.24), are amended to read:

15 Section 1724-A. School Staff.--* * *

16 (c) All employes of a charter school shall be enrolled in
17 the Public School Employees' Retirement System in the same
18 manner as set forth in 24 Pa.C.S. § 8301(a) (relating to
19 mandatory and optional membership) unless at the time of the
20 application for the charter school the sponsoring district or
21 the board of trustees of the charter school has a retirement
22 program which covers the employes or the employe is currently
23 enrolled in another retirement program. [The Commonwealth shall
24 make contributions on behalf of charter school employes enrolled
25 in the Public School Employees' Retirement System.] The charter
26 school shall be considered a school district and shall make
27 payments by employers to the Public School Employees' Retirement
28 System and payments on account of Social Security as established
29 under 24 Pa.C.S. Pt. IV (relating to retirement for school
30 employees). [The market value/income aid ratio used in

1 calculating payments as prescribed in this subsection shall be
2 the market value/income aid ratio for the school district in
3 which the charter school is located or, in the case of a
4 regional charter school, shall be a composite market
5 value/income aid ratio for the participating school districts as
6 determined by the department.] Except as otherwise provided,
7 employees of a charter school shall make regular member
8 contributions as required for active members under 24 Pa.C.S.
9 Pt. IV. If the employees of the charter school participate in
10 another retirement plan, then those employees shall have no
11 concurrent claim on the benefits provided to public school
12 employees under 24 Pa.C.S. Pt. IV. For purposes of this
13 subsection, a charter school shall be deemed to be a "public
14 school" as defined in 24 Pa.C.S. § 8102 (relating to
15 definitions).

16 (d) Every employee of a charter school shall be provided [the
17 same] similar health care benefits as the employee would be
18 provided if he or she were an employee of the local district. The
19 local board of school directors may require the charter school
20 to provide [the same] similar terms and conditions with regard
21 to health insurance as the collective bargaining agreement of
22 the school district to include employee contributions to the
23 district's health benefits plan. The charter school shall make
24 any required employer's contribution to the district's health
25 plan to an insurer, a local board of school directors or a
26 contractual representative of school employees, whichever is
27 appropriate to provide the required coverage.

28 * * *

29 Section 10. Section 1725-A of the act, amended or added June
30 19, 1997 (P.L.225, No.22), June 22, 2001 (P.L.530, No.35) and

1 June 29, 2002 (P.L.524, No.88), is amended to read:

2 Section 1725-A. Funding for Charter Schools.--(a) [Funding
3 for a charter school shall be provided in the following manner:

4 (1) There shall be no tuition charge for a resident or
5 nonresident student attending a charter school.

6 (2) For non-special education students, the charter school
7 shall receive for each student enrolled no less than the
8 budgeted total expenditure per average daily membership of the
9 prior school year, as defined in section 2501(20), minus the
10 budgeted expenditures of the district of residence for nonpublic
11 school programs; adult education programs; community/junior
12 college programs; student transportation services; for special
13 education programs; facilities acquisition, construction and
14 improvement services; and other financing uses, including debt
15 service and fund transfers as provided in the Manual of
16 Accounting and Related Financial Procedures for Pennsylvania
17 School Systems established by the department. This amount shall
18 be paid by the district of residence of each student.

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

28 (4) A charter school may request the intermediate unit in
29 which the charter school is located to provide services to
30 assist the charter school to address the specific needs of

1 exceptional students. The intermediate unit shall assist the
2 charter school and bill the charter school for the services. The
3 intermediate unit may not charge the charter school more for any
4 service than it charges the constituent districts of the
5 intermediate unit.

6 (5) Payments shall be made to the charter school in twelve
7 (12) equal monthly payments, by the fifth day of each month,
8 within the operating school year. A student enrolled in a
9 charter school shall be included in the average daily membership
10 of the student's district of residence for the purpose of
11 providing basic education funding payments and special education
12 funding pursuant to Article XXV. If a school district fails to
13 make a payment to a charter school as prescribed in this clause,
14 the secretary shall deduct the estimated amount, as documented
15 by the charter school, from any and all State payments made to
16 the district after receipt of documentation from the charter
17 school.

18 (6) Within thirty (30) days after the secretary makes the
19 deduction described in clause (5), a school district may notify
20 the secretary that the deduction made from State payments to the
21 district under this subsection is inaccurate. The secretary
22 shall provide the school district with an opportunity to be
23 heard concerning whether the charter school documented that its
24 students were enrolled in the charter school, the period of time
25 during which each student was enrolled, the school district of
26 residence of each student and whether the amounts deducted from
27 the school district were accurate.

28 (b) The Commonwealth shall provide temporary financial
29 assistance to a school district due to the enrollment of
30 students in a charter school who attended a nonpublic school in

1 the prior school year in order to offset the additional costs
2 directly related to the enrollment of those students in a public
3 charter school. The Commonwealth shall pay the school district
4 of residence of a student enrolled in a nonpublic school in the
5 prior school year who is attending a charter school an amount
6 equal to the school district of residence's basic education
7 subsidy for the current school year divided by the district's
8 average daily membership for the prior school year. This payment
9 shall occur only for the first year of the attendance of the
10 student in a charter school, starting with school year 1997-
11 1998. Total payments of temporary financial assistance to school
12 districts on behalf of a student enrolling in a charter school
13 who attended a nonpublic school in the prior school year shall
14 be limited to funds appropriated for this program in a fiscal
15 year. If the total of the amount needed for all students
16 enrolled in a nonpublic school in the prior school year who
17 enroll in a charter school exceeds the appropriation for the
18 temporary financial assistance program, the amount paid to a
19 school district for each qualifying student shall be pro rata
20 reduced. Receipt of funds under this subsection shall not
21 preclude a school district from applying for a grant under
22 subsection (c).

23 (c) The Commonwealth shall create a grant program to provide
24 temporary transitional funding to a school district due to the
25 budgetary impact relating to any student's first-year attendance
26 at a charter school. The department shall develop criteria which
27 shall include, but not be limited to, the overall fiscal impact
28 on the budget of the school district resulting from students of
29 a school district attending a charter school. The criteria shall
30 be published in the Pennsylvania Bulletin. This subsection shall

1 not apply to a public school converted to a charter school under
2 section 1717-A(b). Grants shall be limited to funds appropriated
3 for this purpose.

4 (d) It shall be lawful for any charter school to receive,
5 hold, manage and use, absolutely or in trust, any devise,
6 bequest, grant, endowment, gift or donation of any property,
7 real or personal and/or mixed, which shall be made to the
8 charter school for any of the purposes of this article.

9 (e) It shall be unlawful for any trustee of a charter school
10 or any board of trustees of a charter school or any other person
11 affiliated in any way with a charter school to demand or
12 request, directly or indirectly, any gift, donation or
13 contribution of any kind from any parent, teacher, employe or
14 any other person affiliated with the charter school as a
15 condition for employment or enrollment and/or continued
16 attendance of any pupil. Any donation, gift or contribution
17 received by a charter school shall be given freely and
18 voluntarily.] Funding for a charter school entity shall be
19 provided in the following manner and shall not be in violation
20 of any applicable Federal or State law, regulation or agreement:

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

23 (2) The following apply:

24 (i) For nonspecial education students, the charter school
25 entity shall receive for each student enrolled no less than the
26 budgeted total expenditure per average daily membership of the
27 prior school year, as defined in section 2501(20), minus the
28 budgeted expenditures of the district of residence for all of
29 the following:

30 (A) Nonpublic school programs.

1 (B) Adult education programs.

2 (C) Community and junior college programs.

3 (D) Student transportation services.

4 (E) Special education programs.

5 (F) Facilities acquisition, construction and improvement
6 services.

7 (G) Programs and services to the extent they are funded from
8 the proceeds of competitive grants from private or public
9 resources or from contributions or donations from private
10 sources.

11 (H) Other financing uses, including debt service and fund
12 transfers as provided in the Manual of Accounting and Related
13 Financial Procedures for Pennsylvania School Systems established
14 by the department.

15 (i.1) The amount under subclause (i) shall be calculated by
16 each school district on a form prescribed by the secretary in
17 accordance with this section. The secretary, upon receipt of a
18 district's calculation, shall review the district's calculation
19 and may request supporting documentation from the district
20 regarding its calculation. If the secretary finds an error or
21 discrepancy in a district's calculation, the secretary shall
22 require the district to correct the calculation and require the
23 school district to notify affected charter school entities.

24 (ii) The following apply:

25 (A) The amount under subclause (i) shall be paid by the
26 school district of residence of each student by deduction and
27 transfer from all State payments due to the district as provided
28 under clause (5).

29 (B) If a charter school entity disputes the accuracy of a
30 district's calculation under this clause, the charter school

1 entity shall file a notice of the dispute with the secretary,
2 who shall hold a hearing to determine the accuracy of the
3 district's calculation within thirty (30) days of the notice.

4 (C) The secretary shall determine the accuracy of the
5 district's calculation within thirty (30) days of the hearing.

6 (D) The district shall bear the burden of production and
7 proof with respect to its calculation under this clause.

8 (E) The district shall be liable for the reasonable legal
9 fees incurred by a charter school entity if the charter school
10 entity is the substantially prevailing party after a hearing
11 under this section. The charter school entity shall be liable
12 for the reasonable legal fees incurred by the district if the
13 district is the substantially prevailing party after a hearing
14 under this section.

15 (F) All decisions of the secretary under this clause shall
16 be subject to appellate review by Commonwealth Court.

17 (3) The following apply:

18 (i) For special education students, the charter school
19 entity shall receive for each student enrolled the same funding
20 as for each nonspecial education student as provided under
21 clause (2), plus an additional amount determined by dividing the
22 total special education expenditure of the school district of
23 residence by the product of:

24 (A) the combined percentage of section 2509.5(k) applicable
25 to the school year; and

26 (B) the total average daily membership of the school
27 district of residence for the prior school year.

28 (ii) The amount under subclause (i) shall be paid by the
29 school district of residence of each student by deduction and
30 transfer from all State payments due to the district as provided

1 under clause (5).

2 (iii) If a charter school entity disputes the accuracy of a
3 district's calculation under this clause, the charter school
4 entity shall file a notice of the dispute with the secretary,
5 who shall hold a hearing to determine the accuracy of the
6 district's calculation within thirty (30) days of the notice.

7 (iv) The secretary shall determine the accuracy of the
8 district's calculation within thirty (30) days of the hearing.

9 (v) The district shall bear the burden of production and
10 proof with respect to its calculation under this clause.

11 (vi) The district shall be liable for the reasonable legal
12 fees incurred by a charter school entity if the charter school
13 entity is the substantially prevailing party after a hearing
14 under this section. The charter school entity shall be liable
15 for the reasonable legal fees incurred by the school district if
16 the district is the substantially prevailing party after a
17 hearing under this section.

18 (vii) All decisions of the secretary under this section
19 shall be subject to appellate review by Commonwealth Court.

20 (4) A charter school entity may request the intermediate
21 unit or school district in which the charter school entity is
22 located to provide services to assist the charter school entity
23 to address the specific needs of nonspecial education and
24 exceptional students. The intermediate unit or school district
25 shall provide the charter school entity with such services and
26 bill the charter school entity for the services. The
27 intermediate unit or school district may not charge the charter
28 school entity more for any service than it charges the
29 constituent districts of the intermediate unit. Nothing under
30 this clause shall preclude an intermediate unit or school

district from contracting with a charter school entity to provide the intermediate unit or school district with services to assist the intermediate unit or school district to address specific needs of nonspecial education and special education students.

(5) The following apply:

(i) Payments shall be made to the charter school entity in twelve (12) equal monthly payments, according to the established monthly unipay schedule within the operating school year.

(ii) Except as provided for in subclause (v), payments shall be made directly by the secretary deducting and paying to the charter school entity the estimated amount, as documented by the charter school entity, from all State payments due to the district or, if no payments are due to the district from all State payments reasonably expected to be due in the next established monthly unipay schedule, after receipt of documentation from the charter school entity as to its enrollment.

(iii) The secretary's obligation to make payments under this section is mandatory and ministerial.

(iv) If there are insufficient State payments due to a district in the established monthly unipay schedule to cover all charter school entity deductions and transfers, the district shall be responsible for paying the unpaid balance directly to the charter school entity not more than seven (7) days following the established monthly unipay schedule.

(v) The board of trustees of a charter school entity may elect on an annual basis to be paid directly from the school district of residence. Any board of trustees of a charter school entity that elects to be paid directly by the school district of

residence shall notify the department in accordance with the
timelines established in the department guidelines. The school
district of residence shall provide for payment to the charter
school entity as follows:

(A) Payments shall be made to the charter school entity in
twelve (12) equal monthly payments, according to the established
monthly unipay schedule, within the operating school year.

(B) Payments shall be made directly by the school district
of residence paying to the charter school entity the estimated
amount, as documented by the charter school entity, after
receipt of documentation from the charter school entity as to
its enrollment.

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

(6) The following apply:

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

(ii) The secretary shall provide the school district with an
opportunity to be heard concerning whether the charter school
entity documented that its students were enrolled in the charter
school entity, the period of time during which each student was
enrolled, the school district of residence of each student and
whether the amounts deducted from or paid by the school district
were accurate.

(iii) The burden of proof and production at the hearing

1 shall be on the school district. A hearing shall not be held
2 before the secretary deducts and transfers to the charter school
3 entity the amount estimated by the charter school entity.

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

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

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

17 (b) It shall be lawful for any charter school entity to
18 receive, hold, manage and use, absolutely or in trust, any
19 devise, bequest, grant, endowment, gift or donation of any
20 property, real or personal and mixed, which shall be made to the
21 charter school entity for any purpose of this article.

22 (c) It shall be unlawful for any trustee of a charter school
23 entity or any board of trustees of a charter school entity or
24 any other person affiliated in any way with a charter school
25 entity to demand or request, directly or indirectly, any gift,
26 donation or contribution of any kind from any parent, teacher,
27 employee or any other person affiliated with the school as a
28 condition for employment or enrollment and continued attendance
29 of any pupil. Any donation, gift or contribution received by a
30 charter school entity must be given freely and voluntarily.

1 (d) A cyber charter school may not provide discounts to a
2 school district or waive payments under this section for any
3 student.

4 (e) The department shall develop a transition procedure to
5 be able to recoup in subsequent fiscal years any payments made
6 in error to a charter school entity as a result of direct
7 payment by the department to the charter school entity.

8 Section 11. Section 1728-A(a) of the act, added June 19,
9 1997 (P.L.225, No.22), is amended and the section is amended by
10 adding subsections to read:

11 Section 1728-A. Annual Reports and Assessments.--(a) (1)
12 The local board of school directors or the governing board of an
13 institution of higher education shall annually assess whether
14 each charter school is meeting the goals of its charter and
15 shall conduct a comprehensive review prior to granting a [five
16 (5)] ten (10) year renewal of the charter. The local board of
17 school directors or the governing board of an institution of
18 higher education shall have ongoing access to the records and
19 facilities of the charter school to ensure that the charter
20 school is in compliance with its charter and this act and that
21 requirements for testing, civil rights and student health and
22 safety are being met.

23 (2) Ongoing access to a charter school's records shall mean
24 that the local board of school directors or the governing board
25 of an institution of higher education shall have access to
26 records such as financial reports, financial audits, aggregate
27 standardized test scores without student-identifying information
28 and teacher certification and personnel records.

29 (3) Schools and school entities shall comply fully with the
30 requirements of the Family Educational Rights and Privacy Act of

1 1974 (Public Law 90-247, 20 U.S.C. § 1232g) and associated
2 regulations. No personally identifiable information from
3 education records shall be provided by the charter school to the
4 school district except in compliance with the Family Educational
5 Rights and Privacy Act of 1974.

6 * * *

7 (d) A charter school shall form an independent audit
8 committee of its board members which shall review at the close
9 of each fiscal year a complete certified audit of the operations
10 of the charter school. The audit shall be conducted by a
11 qualified independent certified public accountant. The audit
12 shall be conducted under generally accepted audit standards of
13 the Governmental Accounting Standards Board and shall include
14 the following:

15 (1) An enrollment test to verify the accuracy of student
16 enrollment and reporting to the State.

17 (2) Full review of expense reimbursements for board members
18 and administrators, including sampling of all reimbursements.

19 (3) Review of internal controls, including review of
20 receipts and disbursements.

21 (4) Review of annual Federal and State tax filings,
22 including the Internal Revenue Service Code Form 990, Return of
23 Organization Exempt from Income Tax and all related schedules
24 and appendices for the charter school and charter school
25 foundation, if applicable.

26 (5) Review of the financial statements of any charter school
27 foundation.

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

30 (7) Review of all board policies and procedures with regard

to internal controls, code of ethics, conflicts of interest, whistle-blower protections, complaints from parents or the public, compliance with 65 Pa.C.S. Ch. 7 (relating to open meetings), compliance with the "Right-to-Know Law," finances, budgeting, audits, public bidding and bonding.

(e) The certified audit under subsection (d) and the annual budget under subsection (g) are public documents and shall be made available on the school district's publicly accessible Internet website and the charter school's publicly accessible Internet website, if applicable.

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

(g) A charter school shall annually provide the school district and the department with a copy of the annual budget for the operation of the school that identifies the following:

(1) The source of funding for all expenditures as part of its reporting under subsection (a).

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

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

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

(h) (1) Notwithstanding any other provision of law, a charter school and any affiliated charter school foundation shall make copies of its annual Federal and State tax filings available upon request and on the foundation's or school's publicly accessible Internet website, if applicable, including

Internal Revenue Service Code Form 990, Return of Organization
Exempt from Income Tax and all related schedules and appendices.

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

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

Section 12. The act is amended by adding a section to read:

Section 1728.1-A. Charter Authorizer Accountability.--(a)
Each local board of school directors of a district and the
governing board of an institution of higher education shall be
required to submit to the department an annual report
summarizing:

(1) The strategic vision for chartering and progress toward
achieving that vision.

(2) The academic and financial performance of all operating
public charter schools overseen by the local board or the
governing board of an institution of higher education, according
to the performance expectations for public charter schools set
forth in this act.

(3) The status of the local board of school directors' or
the governing board of an institution of higher education's
public charter school portfolio, identifying all public charter
schools in each of the following categories: (i) approved, but
not open; (ii) open and operating; and (iii) closed, including
the year closed and the reason for closure.

(4) The authorizing functions provided by the local board of
school directors or the governing board of an institution of
higher education to the public charter schools under its

1 purview, including the authorizer's operating costs and expenses
2 detailed in annual audited financial statements that conform to
3 generally accepted accounting principles.

4 (b) The department shall be responsible for the following:

5 (1) Oversight of the performance of each established local
6 board of school directors of a district and the governing board
7 of an institution of higher education.

8 (2) Formal evaluation of the overall State charter school
9 program and outcomes every five years.

10 (3) For each local board of school directors of a district
11 and the governing board of an institution of higher education,
12 an annual review, based on objective data, to determine how well
13 the authorizer is exercising its duties and maintaining a
14 portfolio of high-performing charter schools.

15 (4) In reviewing or evaluating the performance of each local
16 board of school directors of a district and the governing board
17 of an institution of higher education, the department shall
18 apply nationally recognized principles and standards of quality
19 charter school authorizing as determined by the National
20 Association of Charter School Authorizers.

21 (c) The department shall publish the annual reviews on its
22 publicly accessible Internet website and submit a summary report
23 regarding authorizer performance to the Governor and the General
24 Assembly.

25 (d) The department shall develop a plan for sanctioning
26 local boards of school directors of a district or governing
27 boards of an institution of higher education that maintain
28 portfolios with persistently low-performing charter schools and
29 fail to provide adequate authorizer oversight or intervention
30 that may include a corrective action plan for the authorizer and

1 other sanctions deemed necessary by the department.

2 Section 13. Section 1729-A(a), (b) and (c) of the act, added
3 June 19, 1997 (P.L.225, No.22), are amended to read:

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

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

12 (2) Failure to meet the requirements for student performance
13 [set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or
14 subsequent regulations promulgated to replace 22 Pa. Code Ch. 5]
15 assessments or failure to meet any performance standard set
16 forth in the written charter signed pursuant to section 1716-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 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 the governing board of an institution of higher
30 education proves by a preponderance of the evidence that an

1 administrator or board member of a charter school has violated
2 this article, the terms and conditions of the charter or any
3 other violation of law, the local board of school directors or
4 the governing board of an institution of higher education may
5 require the charter school to replace the administrator or board
6 member in order to obtain renewal of the charter. The local
7 board of school directors or the governing board of an
8 institution of higher education 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 the governing board of an institution of higher education
12 discovers or receives information about possible violations of
13 law by any person affiliated with or employed by a charter
14 school.

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 or the governing board of an institution of higher
18 education shall state the grounds for such action with
19 reasonable specificity and give reasonable notice to the
20 governing board of the charter school of the date on which a
21 public hearing concerning the revocation or nonrenewal will be
22 held. The local board of school directors or the governing board
23 of an institution of higher education shall conduct such
24 hearing, present evidence in support of the grounds for
25 revocation or nonrenewal stated in its notice and give the
26 charter school reasonable opportunity to offer testimony before
27 taking final action. Formal action revoking or not renewing a
28 charter shall be taken by the local board of school directors or
29 the governing board of an institution of higher education at a
30 public meeting pursuant to [the act of July 3, 1986 (P.L.388,

1 No.84), known as the "Sunshine Act,"] 65 Pa.C.S. Ch. 7 (relating
2 to open meetings) after the public has had thirty (30) days to
3 provide comments to the board. All proceedings of the local
4 board pursuant to this subsection shall be subject to 2 Pa.C.S.
5 Ch. 5 Subch. B (relating to practice and procedure of local
6 agencies). Except as provided in subsection (d), the decision of
7 the local board shall not be subject to 2 Pa.C.S. Ch. 7 Subch. B
8 (relating to judicial review of local agency action).

9 * * *

10 Section 14. The act is amended by adding sections to read:

11 Section 1729.1-A. Evaluation of Educators.--(a) All
12 applications by a charter school entity for a charter or for the
13 renewal of a charter shall include a system of evaluation for
14 educators that includes both of the following:

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

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

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

27 Section 1729.2-A. Multiple Charter School Organizations.--

28 (a) Establishment shall be as follows:

29 (1) Subject to the requirements of subsection (b), two or
30 more charter schools may consolidate under 15 Pa.C.S. Pt. II

Subpt. C (relating to nonprofit corporations) into a multiple charter school organization.

(2) The multiple charter school organization shall be:

(i) granted a single charter to operate two or more individual charter schools under the oversight of a single board of trustees and a chief administrator who shall oversee and manage the operation of the individual charter schools under its organization;

(ii) considered a charter school entity; and

(iii) subject to all of the requirements of this article unless otherwise provided for under this section.

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

(b) The following apply to consolidation of two or more individual charter schools into a multiple charter school organization:

(1) A charter school that, prior to the effective date of this section, was approved by a local board of school directors, a special board of control, a School Reform Commission or another governing authority and that chooses to consolidate into a multiple charter school organization under this section may apply to the department to consolidate all affiliated school charters into a single charter within ninety (90) days after the department publishes the standard application form required under subsection (c). Beginning ninety-one (91) days after the department publishes the standard application form required under subsection (c), no charter school that was approved prior to the effective date of this section shall be eligible to

consolidate with another charter school.

(2) Consolidation is restricted as follows:

(i) Except as set forth in subparagraph (ii), a charter school shall not be eligible to consolidate with another charter school that:

(A) within either of the most recent two (2) school years, has failed to meet the requirements for student performance set forth in 22 Pa. Code Ch. 4 (relating to academic standards and assessment);

(B) does not meet accepted standards of fiscal management or audit requirements; or

(C) does not meet the standards set forth by the matrix established under section 1732-A(c)(3).

(ii) Subparagraph (i) shall not apply if the consolidation includes a charter school which is not in violation of subparagraph (i) over the most recent two (2) school years.

(iii) Clause (i)(C) shall not apply until the matrix required under section 1732-A(c)(3) has been developed.

(3) The board of trustees of each charter school shall jointly submit their charter school's current charter and annual report to the department and request that oversight over the multiple charter school organization, including the authority to consider applications for renewal, be transferred to the department.

(4) (i) Upon receipt of a consolidation and transfer application and all necessary documentation as required by the department, the department shall have thirty (30) days to approve or deny the consolidation and transfer application.

(ii) Written notice of the department's action shall be sent to the applicants. If the application is denied, the reasons for

1 the denial, including a description of deficiencies in the
2 application, shall be clearly stated in the notice sent by the
3 department to the applicants.

4 (iii) If the department approves the consolidation and
5 transfer, the department shall provide notification to the local
6 boards of school directors, the special boards of control, the
7 School Reform Commission or other governing authorities which
8 initially approved the charters.

9 (iv) A decision by the department to deny the consolidation
10 and transfer application under subparagraph (i) may be appealed
11 to the appeal board. The following shall apply to an appeal
12 under this paragraph:

13 (A) In the case of an appeal under this clause, the appeal
14 board shall review the application and make a decision to
15 approve or deny the consolidation and transfer application based
16 on whether the application includes the information required
17 under subsection (c).

18 (B) Within thirty (30) days following receipt of an appeal
19 under this clause, the appeal board shall meet to officially
20 review the certified record of the department.

21 (C) Within sixty (60) days following the review conducted
22 pursuant to clause (B), the appeal board shall issue a written
23 decision affirming or reversing the decision of the department.
24 Written notice of the decision of the appeal board shall be
25 provided to the parties.

26 (D) A decision by the appeal board under this clause to
27 approve the consolidation and transfer application shall serve
28 as a requirement for the department to approve the application
29 and provide notification of the approval to the local boards of
30 school directors, the special boards of control, the School

Reform Commission or other governing authorities which initially approved the charters within ten (10) days of the reversal of the decision of the department. If the department fails to provide notification within ten (10) days of the reversal of the decision of the department, the application shall be deemed to be approved, and the appeal board shall provide notification of the approval to the local boards of school directors, the special boards of control, the School Reform Commission or other governing authorities which initially approved the charters.

(E) All decisions of the appeal board shall be subject to appellate review by the Commonwealth Court.

(5) No later than thirty (30) days after the receipt of the notification of approval required under paragraph (4), the local boards of school directors, the special boards of control, the School Reform Commission or other governing authorities which initially approved the charters shall transfer to the department all records regarding oversight of the charter schools.

(6) A charter school's charter term shall remain in effect until the time of expiration, at which time the department will undertake a comprehensive review prior to granting a ten-year charter renewal.

(c) Within thirty (30) days of the effective date of this section, the department shall develop and issue a standard application form for multiple charter school organization applicants and shall publish the application form in the Pennsylvania Bulletin and on the department's publicly accessible Internet website. The application form shall contain the following information:

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

(2) The names of the charter schools seeking consolidation

1 and transfer under this section.

2 (3) A copy of the approved charter of each charter school
3 seeking to consolidate and transfer oversight functions to the
4 department.

5 (4) An organizational chart clearly presenting the proposed
6 governance structure of the multiple charter school
7 organization, including lines of authority and reporting between
8 the board of trustees, chief administrator, administrators,
9 staff and any educational management service provider that will
10 play a role in providing management services to the charter
11 schools under its jurisdiction.

12 (5) A clear description of the roles and responsibilities
13 for the board of trustees, chief administrator, administrators
14 and any other entities, including a charter school foundation,
15 shown in the organizational chart.

16 (6) A clear description and method for the appointment or
17 election of members of the board of trustees.

18 (7) Standards for board of trustees performance, including
19 compliance with all applicable laws, regulations and terms of
20 the charter.

21 (8) Enrollment procedures for each individual charter school
22 included in its charter.

23 (9) Any other information as deemed necessary by the
24 department.

25 (d) A multiple charter school organization may:

26 (1) Participate in the assessment system in the same manner
27 in which a school district participates, with its individual
28 charter schools participating in the assessment system in the
29 same manner as individual schools in school districts. All data
30 +gathered for purposes of evaluation shall be gathered in the

same manner in which data is gathered in the case of school districts and individual schools in school districts.

(2) Beginning ninety-one (91) days after the department publishes the standard application form required under subsection (c), add newly established charter schools to its organization through both of the following:

(i) Establish a new charter school by applying for a charter through the local school board under section 1717-A; and

(ii) Apply to the department to consolidate and transfer under this section.

(3) Amend the individual charters of each charter school under its organization by seeking approval from the department under the amendment process included under section 1720-A.

(4) Allow students enrolled in an individual charter school to matriculate to another individual charter school under its oversight so as to complete a course of instruction in an educational institution from kindergarten through grade twelve.

(e) The annual report required under section 1728-A shall be provided by the board of trustees and chief administrator of the multiple charter school organization and shall include all information required to provide a basis for evaluation for renewal of each individual charter school under the oversight of the multiple charter school organization.

(f) A multiple charter school organization shall be regarded as the holder of the charter of each individual charter school under its oversight and each previously or subsequently awarded charter shall be subject to nonrenewal or revocation in accordance with this act. The nonrenewal or revocation shall not affect the status of a charter awarded for any other individual charter school under the oversight of the multiple charter

1 school organization.

2 (g) The department shall:

3 (1) Receive, review and act on multiple charter school
4 organization consolidation and transfer applications under this
5 section.

6 (2) Exercise oversight over multiple charter school
7 organizations approved under this section.

8 (3) Develop and issue a standard application form for
9 multiple charter school organization applicants and publish the
10 application form in the Pennsylvania Bulletin and on the
11 department's publicly accessible Internet website under
12 subsection (c).

13 Section 15. Section 1732-A of the act, amended June 29, 2002
14 (P.L.524, No.88), is amended to read:

15 Section 1732-A. Provisions Applicable to Charter Schools.--

16 (a) Charter schools shall be subject to the following:

17 Sections 108, 110, 111, 321, 325, 326, 327, 431, 436, 443,
18 510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753,
19 [755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a),
20 1205.3, 1205.4, 1205.5, 1301, 1302, 1303, 1310, 1317, 1317.1,
21 1317.2, 1317.3, 1318, 1327, 1330, 1332, 1303-A, 1513, 1517,
22 1518, 1521, 1523, 1531, 1547, 2014-A, Article XIII-A and Article
23 XIV.

24 Act of July 19, 1957 (P.L.1017, No.451), known as the "State
25 Adverse Interest Act."

26 Act of July 17, 1961 (P.L.776, No.341), known as the
27 "Pennsylvania Fair Educational Opportunities Act."

28 Act of July 19, 1965 (P.L.215, No.116), entitled "An act
29 providing for the use of eye protective devices by persons
30 engaged in hazardous activities or exposed to known dangers in

1 schools, colleges and universities."

2 Section 4 of the act of January 25, 1966 (1965 P.L.1546,
3 No.541), entitled "An act providing scholarships and providing
4 funds to secure Federal funds for qualified students of the
5 Commonwealth of Pennsylvania who need financial assistance to
6 attend postsecondary institutions of higher learning, making an
7 appropriation, and providing for the administration of this
8 act."

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

13 Act of December 15, 1986 (P.L.1595, No.175), known as the
14 "Antihazing Law."

15 The "Right-to-Know Law."

16 65 Pa.C.S. Ch. 7 (relating to open meetings).

17 65 Pa.C.S. Ch. 11 (relating to ethics standards and financial
18 disclosure).

19 (b) Charter schools shall be subject to the following
20 provisions of 22 Pa. Code:

21 [Section 5.216 (relating to ESOL).

22 Section 5.4 (relating to general policies).]

23 Chapter 4 (relating to academic standards and assessments).

24 Chapter 11 (relating to pupil attendance).

25 Chapter 12 (relating to students).

26 Section 32.3 (relating to assurances).

27 Section 121.3 (relating to discrimination prohibited).

28 Section 235.4 (relating to practices).

29 Section 235.8 (relating to civil rights).

30 Chapter 711 (relating to charter school services and programs

1 for children with disabilities).

2 (c) (1) The secretary may promulgate additional regulations
3 relating to charter schools.

4 (2) The secretary shall have the authority and the
5 responsibility to ensure that charter schools comply with
6 Federal laws and regulations governing children with
7 disabilities. The secretary shall promulgate regulations to
8 implement this provision.

9 (3) (i) Within one (1) year of the effective date of this
10 clause, the department shall develop a standard performance
11 matrix to evaluate charter school performance and shall
12 promulgate regulations pursuant to the act of June 25, 1982
13 (P.L.633, No.181), known as the "Regulatory Review Act," to
14 implement this section.

15 (ii) The performance matrix may assess performance by
16 utilizing objective criteria, including, but not limited to:
17 student performance on the Pennsylvania System of School
18 Assessment test, the Keystone Exam or another test established
19 by the State board to meet the requirements of section 2603-B(d)
20 (10)(i) and required under the No Child Left Behind Act of 2001
21 (Public Law 107-110, 115 Stat. 1425) or its successor Federal
22 statute; annual growth as measured by the Pennsylvania Value-
23 Added Assessment System; attendance; attrition rates; graduation
24 rates; other standardized test scores; school safety; parent
25 satisfaction; accreditation by a nationally recognized
26 accreditation agency, including the Middle States Association of
27 Colleges and Schools or another regional institutional
28 accrediting agency recognized by the United States Department of
29 Education or an equivalent federally recognized body for charter
30 school education; and other measures of school quality,

1 including measures for assessing teacher effectiveness.

2 (iii) The department shall develop the performance matrix
3 with input from charter school operators and may contract for
4 consulting services with an entity that has experience in
5 developing performance matrices if the services are procured
6 through a competitive bidding process.

7 (iv) No local board of school directors or the governing
8 board of an institution of higher education may develop a
9 separate performance matrix for the evaluation of a charter
10 school.

11 (v) A local board of school directors or the governing board
12 of an institution of higher education shall utilize the standard
13 performance matrix as a primary factor in evaluating new charter
14 school applicants and applicants for charter school renewal and
15 in annual monitoring and evaluation of charter schools.

16 (vi) The department shall distribute the performance matrix
17 to all local boards of school directors or the governing board
18 of an institution of higher education and shall publish the
19 matrix on the department's publicly accessible Internet website.

20 Section 16. The act is amended by adding a section to read:

21 Section 1733-A. Effect on Existing Charter Schools.--(a)
22 Within one (1) year of the effective date of this section, a
23 charter school established under section 1717-A or 1718-A prior
24 to the effective date of this section shall amend the current
25 charter through the amendment process under section 1720-A(c) as
26 needed to reflect the requirements of this article. Any renewal
27 that takes effect after July 15, 2013, shall be for the term
28 specified under section 1720-A(a).

29 (b) A charter school or regional charter school approved
30 after the effective date of this section shall be in full

1 compliance with this article.

2 Section 17. Sections 1741-A(c) and 1742-A of the act, added
3 June 29, 2002 (P.L.524, No.88), are amended to read:

4 Section 1741-A. Powers and duties of department.

5 * * *

6 (c) Documents.--Documents of the appeal board shall be
7 subject to [the act of June 21, 1957 (P.L.390, No.212), referred
8 to as] the Right-to-Know Law.

9 Section 1742-A. Assessment and evaluation.

10 The department shall:

11 (1) Annually assess whether each cyber charter school is
12 meeting the goals of its charter and is in compliance with
13 the provisions of the charter and conduct a comprehensive
14 review prior to granting a [five-year] ten-year renewal of
15 the charter.

16 (2) Annually review each cyber charter school's
17 performance on the Pennsylvania System of School Assessment
18 test, standardized tests and other performance indicators to
19 ensure compliance with 22 Pa. Code Ch. 4 (relating to
20 academic standards and assessment) or subsequent regulations
21 promulgated to replace 22 Pa. Code Ch. 4.

22 (3) Have ongoing access to all records, instructional
23 materials and student and staff records of each cyber charter
24 school and to every cyber charter school facility to ensure
25 the cyber charter school is in compliance with its charter
26 and this subdivision.

27 Section 18. Section 1745-A(f) of the act, added June 29,
28 2002 (P.L.524, No.88), is amended and the section is amended by
29 adding a subsection to read:

30 Section 1745-A. Establishment of cyber charter school.

1 * * *

2 (b.1) Local board of school directors or intermediate
3 unit.--

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

7 (2) Nothing in this article shall be construed to
8 preclude a school district or an intermediate unit from
9 offering instruction via the Internet or other electronic
10 means, except that the instruction shall not be recognized as
11 a cyber charter school under this article.

12 * * *

13 (f) Evaluation criteria.--

14 (1) A cyber charter school application submitted under
15 this subdivision shall be evaluated by the department based
16 on the following criteria:

17 (i) The demonstrated, sustainable support for the
18 cyber charter school plan by teachers, parents or
19 guardians and students.

20 (ii) The capability of the cyber charter school
21 applicant, in terms of support and planning, to provide
22 comprehensive learning experiences to students under the
23 charter.

24 (iii) The extent to which the programs outlined in
25 the application will enable students to meet the academic
26 standards under 22 Pa. Code Ch. 4 (relating to academic
27 standards and assessment) or subsequent regulations
28 promulgated to replace 22 Pa. Code Ch. 4.

29 (iv) The extent to which the application meets the
30 requirements of section 1747-A.

1 [(v) The extent to which the cyber charter school
2 may serve as a model for other public schools.]

3 (2) Written notice of the action of the department shall
4 be sent by certified mail to the applicant and published on
5 the department's [World Wide Web site] publicly accessible
6 Internet website. If the application is denied, the reasons
7 for denial, including a description of deficiencies in the
8 application, shall be clearly stated in the notice.

9 (3) Upon approval of a cyber charter school application,
10 a written charter shall be developed which shall contain the
11 provisions of the charter application and be signed by the
12 secretary and each member of the board of trustees of the
13 cyber charter school. The charter, when duly signed, shall
14 act as legal authorization of the establishment of a cyber
15 charter school. The charter shall be legally binding on the
16 department, the cyber charter school and its board of
17 trustees. The charter shall be for a period of [no less than
18 three years nor more than] five years and may be renewed for
19 a period of [five] ten years by the department.

20 (4) The decision of the department to deny an
21 application may be appealed to the appeal board.

22 (5) (i) A cyber charter school may request amendments
23 to its approved written charter by filing a written document
24 describing the requested amendment to the department.

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

29 (iii) Within 20 days after the hearing, the department
30 shall grant or deny the requested amendment. Failure by the

1 department to hold a public hearing and to grant or deny the
2 amendments within the time period specified shall be deemed a
3 denial.

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

7 * * *

8 Section 19. Section 1749-A(a) of the act, added June 29,
9 2002 (P.L.524, No.88), is amended to read:

10 Section 1749-A. Applicability of other provisions of this act
11 and of other acts and regulations.

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

14 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431,
15 436, 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741,
16 752, 753, [755,] 771, 776, 777, 808, 809, 810, 1109, 1111,
17 1112(a), 1205.1, 1205.2, 1301, 1302, 1310, 1317, 1317.2,
18 1318, 1327, 1330, 1332, 1303-A, 1513, 1517, 1518, 1521, 1523,
19 1531, 1547, 1702-A, 1703-A, 1714-A, 1715-A, 1716-A, 1719-A,
20 1721-A, 1722-A, 1723-A(a) and (b), 1724-A, [1725-A,] 1727-A,
21 1728-A(d), (e), (f), (g) and (h), 1729-A, 1729.1-A, 1730-A,
22 1731-A(a) (1) and (b) and 2014-A and Articles [XII-A,] XIII-A
23 and XIV.

24 (1.1) Act of July 19, 1957 (P.L.1017, No.451), known as
25 the State Adverse Interest Act.

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

28 (3) The act of July 19, 1965 (P.L.215, No.116), entitled
29 "An act providing for the use of eye protective devices by
30 persons engaged in hazardous activities or exposed to known

dangers in schools, colleges and universities."

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

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

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

(7) The Right-to-Know Law.

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

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

* * *

Section 20. The act is amended by adding a section to read:

Section 1752-A. Funding for cyber charter schools.

Funding for a cyber charter school shall be provided under section 1725-A(a)(1), (4), (5) and (6) and as follows:

(1) For non-special education students, the cyber charter school shall receive for each student enrolled, the lesser of the median of the amounts calculated to be paid by all districts of residence under section 1725-A(a)(2), or 90% of the amount calculated to be paid by the district of residence under section 1725-A(a)(2). This amount shall be

1 paid by the school district of residence of each student.

2 (2) For special education students, the cyber charter
3 school shall receive for each student enrolled, the lesser of
4 the median of the amounts calculated to be paid by all
5 districts of residence under section 1725-A(a)(3), or 90% of
6 the amount calculated to be paid by the district of residence
7 under section 1725-A(a)(3). This amount shall be paid by the
8 school district of residence of each student.

9 Section 21. This act shall take effect as follows:

10 (1) The following provisions shall take effect
11 immediately:

12 (i) The addition of section 1733-A of the act.

13 (ii) This section.

14 (2) The remainder of this act shall take effect in 60 days.