

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 530 Session of
2015

INTRODUCED BY REESE, CAUSER, DIAMOND, GROVE, KRIEGER, MILLARD,
O'NEILL, SAYLOR, DUNBAR, MOUL, CUTLER, BAKER AND GABLER,
FEBRUARY 18, 2015

AMENDMENTS TO SENATE AMENDMENTS, HOUSE OF REPRESENTATIVES, JUNE
30, 2016

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," ~~in preliminary provisions, further~~ <--
6 ~~providing for criminal history of employees and prospective~~
7 ~~employees and conviction of certain offenses and for Keystone~~
8 ~~exams; providing for powers and duties of the Secretary of~~
9 ~~Education; in duties and powers of boards of school~~
10 ~~directors, providing for publication of policies; providing~~
11 ~~for school watch, and for State opportunity schools; in~~
12 ~~grounds and buildings, providing for posting of information~~
13 ~~and further providing for limitations on approval of public~~
14 ~~school building projects; and establishing the Public School~~
15 ~~Building Construction and Reconstruction Advisory Committee;~~
16 ~~in professional employees; further providing for payment of~~
17 ~~salaries in cases of sickness, injury or death; in~~
18 ~~certification of teachers, further providing for granting~~
19 ~~provisional college certificates and providing for~~
20 ~~provisional vocational education; in pupils and attendance,~~
21 ~~further providing for education and training of exceptional~~
22 ~~children; and for cost of tuition and maintenance of certain~~
23 ~~exceptional children in approved institutions; in school~~
24 ~~health services, further providing for definitions; providing~~
25 ~~for education of school employees in diabetes care and~~
26 ~~management, for diabetes care in schools, for possession and~~
27 ~~use of diabetes medication and monitoring equipment, for~~
28 ~~liability, for coordinating, supervising or educating not~~
29 ~~considered delegation and for diabetes care in nonpublic~~
30 ~~schools; in terms and courses of study, further providing for~~
31 ~~agreements with institutions of higher education; in~~

1 ~~education support services and educational assistance~~
2 ~~programs, providing for supplemental online mathematics~~
3 ~~support; in opportunities for educational excellence, further~~
4 ~~providing for definitions, for responsibilities of school~~
5 ~~entities and for concurrent enrollment agreements; in charter~~
6 ~~schools, extensively revising and adding charter school~~
7 ~~provisions; in vocational education, further providing for~~
8 ~~vocational education equipment grants; in community colleges,~~
9 ~~further providing for election or appointment and term and~~
10 ~~organization of board of trustees, financial program and~~
11 ~~payment reimbursement; in disruptive student programs,~~
12 ~~further providing for applications; in private alternative~~
13 ~~education institutions for disruptive students, further~~
14 ~~providing for contracts with private alternative education~~
15 ~~institutions; providing for rural regional college for~~
16 ~~underserved counties; in funding for public libraries,~~
17 ~~providing for State aid for fiscal year 2015 2016; in~~
18 ~~reimbursements by Commonwealth and between school districts,~~
19 ~~providing for student weighted basic education funding, for~~
20 ~~transition to student weighted basic education funding for~~
21 ~~2014 2015 school year and for career and technical education~~
22 ~~career preparation; further providing for payments to~~
23 ~~intermediate units, for special education payments to school~~
24 ~~districts and for extraordinary special education program~~
25 ~~expenses; repealing provisions relating to special education~~
26 ~~funding for eligible students with disabilities in Cost~~
27 ~~Category 3; further providing for assistance to school~~
28 ~~districts declared to be in financial recovery status or~~
29 ~~identified for financial watch status; providing for~~
30 ~~reimbursement for school districts not submitting required~~
31 ~~documentation, for public school building lease and debt~~
32 ~~service reimbursements for fiscal year 2015 2016 and for~~
33 ~~ready to learn block grants; providing for school district~~
34 ~~debt refinancing bonds; in the State Board of Education,~~
35 ~~further providing for powers and duties of the board; and~~
36 ~~repealing provisions of The Fiscal Code relating to rural~~
37 ~~regional college for underserved counties. IN PRELIMINARY~~ <--
38 ~~PROVISIONS, FURTHER PROVIDING FOR KEYSTONE EXAMS; IN~~
39 ~~PROFESSIONAL EMPLOYEES, FURTHER PROVIDING FOR PAYMENT OF~~
40 ~~SALARIES IN CASES OF SICKNESS, INJURY OR DEATH; IN~~
41 ~~CERTIFICATION OF TEACHERS, FURTHER PROVIDING FOR GRANTING~~
42 ~~PROVISIONAL COLLEGE CERTIFICATES AND PROVIDING FOR~~
43 ~~PROVISIONAL VOCATIONAL EDUCATION CERTIFICATE; IN TERMS AND~~
44 ~~COURSES OF STUDY, FURTHER PROVIDING FOR AGREEMENTS WITH~~
45 ~~INSTITUTIONS OF HIGHER EDUCATION; IN OPPORTUNITIES FOR~~
46 ~~EDUCATIONAL EXCELLENCE, FURTHER PROVIDING FOR DEFINITIONS,~~
47 ~~FOR RESPONSIBILITIES OF SCHOOL ENTITIES AND FOR CONCURRENT~~
48 ~~ENROLLMENT AGREEMENTS; IN CHARTER SCHOOLS, EXTENSIVELY~~
49 ~~REVISING AND ADDING CHARTER SCHOOL PROVISIONS; IN COMMUNITY~~
50 ~~COLLEGES, FURTHER PROVIDING FOR ELECTION OR APPOINTMENT AND~~
51 ~~TERM AND ORGANIZATION OF BOARD OF TRUSTEES; PROVIDING FOR~~
52 ~~EDUCATIONAL TAX CREDITS; IN THE STATE BOARD OF EDUCATION,~~
53 ~~FURTHER PROVIDING FOR POWERS AND DUTIES OF THE BOARD; AND~~
54 ~~REPEALING PROVISIONS OF THE TAX REFORM CODE OF 1971 RELATED~~
55 ~~TO EDUCATIONAL TAX CREDITS.~~

56 The General Assembly of the Commonwealth of Pennsylvania
57 hereby enacts as follows:

1 ~~Section 1. Section 111(b), (c.1) and (j) (2) of the act of~~
2 ~~March 10, 1949 (P.L.30, No.14), known as the Public School Code~~
3 ~~of 1949, amended or added July 9, 2008 (P.L.846, No.61) and June~~
4 ~~30, 2012 (P.L.684, No.82), are amended and the section is~~
5 ~~amended by adding subsections to read:~~

6 ~~Section 111. Criminal History of Employes and Prospective~~
7 ~~Employes; Conviction of Certain Offenses.~~

8 ~~* * *~~

9 ~~(b) Administrators of public and private schools,~~
10 ~~intermediate units and area vocational technical schools shall~~
11 ~~require prospective employes to submit with their employment~~
12 ~~application, pursuant to 18 Pa.C.S. Ch.91 (relating to criminal~~
13 ~~history record information), a report of criminal history record~~
14 ~~information from the Pennsylvania State Police or a statement~~
15 ~~from the Pennsylvania State Police that the State Police central~~
16 ~~repository contains no such information relating to that person.~~
17 ~~Such report of criminal history record information shall be no~~
18 ~~more than [one (1) year] five (5) years old. An applicant may~~
19 ~~submit a copy of the required information with the application~~
20 ~~for employment. Administrators shall maintain a copy of the~~
21 ~~required information. Administrators shall require contractors~~
22 ~~to produce a report of criminal history record information for~~
23 ~~each prospective employe of such contractor prior to employment.~~
24 ~~A copy of the report of criminal history record information from~~
25 ~~the Pennsylvania State Police shall be made available to the~~
26 ~~applicant in a manner prescribed by the Department of Education.~~

27 ~~(c.1) Beginning April 1, 2007, administrators shall maintain~~
28 ~~on file with the application for employment a copy of the~~
29 ~~Federal criminal history record in a manner prescribed by the~~
30 ~~Department of Education. At a minimum, the Department of~~

1 ~~Education shall prescribe a method for applicants to submit a~~
2 ~~set of fingerprints to be transmitted to the Federal Bureau of~~
3 ~~Investigation for Federal criminal history record information~~
4 ~~pursuant to the applicable Federal law. The Federal criminal~~
5 ~~history record information report shall be no more than [one (1)~~
6 ~~year] five (5) years old. Administrators shall maintain a copy~~
7 ~~of the required information and shall require each applicant to~~
8 ~~secure a Federal criminal history record information report that~~
9 ~~may not be more than [one (1) year] five (5) years old at the~~
10 ~~time of employment. A copy of the Federal criminal history~~
11 ~~record information report shall be made available to the~~
12 ~~applicant in a manner prescribed by the Department of Education.~~

13 * * *

14 ~~(c.3) In accordance with 23 Pa.C.S. § 6344.4 (relating to~~
15 ~~certification compliance), administrators shall require the~~
16 ~~persons subject to this section to obtain the reports described~~
17 ~~in subsections (b) and (c.1) and under 23 Pa.C.S. § 6344(b)(2)~~
18 ~~(relating to employees having contact with children; adoptive~~
19 ~~and foster parents) on a renewed basis every sixty (60) months.~~
20 ~~Any person subject to this section who has previously not been~~
21 ~~required to obtain the reports required by subsections (b) and~~
22 ~~(c.1) and under 23 Pa.C.S. § 6344(b)(2) on account of service~~
23 ~~prior to April 1, 2007, shall be required to obtain such reports~~
24 ~~no later than December 31, 2015. The administrator shall review~~
25 ~~the reports and determine if the reports disclose information~~
26 ~~that may require further action. The administrator shall~~
27 ~~maintain a copy of the required reports.~~

28 ~~(c.4) To the extent permitted by 23 Pa.C.S. § 6344.3(f)~~
29 ~~(relating to continued employment or participation in program,~~
30 ~~activity or service), an administrator may accept the reports~~

1 ~~identified in 23 Pa.C.S. § 6344(b)(1) and (3) obtained for~~
2 ~~employment or volunteer requirements pursuant to 23 Pa.C.S. §~~
3 ~~6344 in satisfaction of the requirements of subsections (b) and~~
4 ~~(c.1), provided the reports are not more than sixty (60) months~~
5 ~~old and the applicant provides the administrator with the report~~
6 ~~described in subsection (j)(1) indicating that the individual~~
7 ~~has not been disqualified from employment pursuant to subsection~~
8 ~~(e) or (f.1). The applicant shall also provide an attestation~~
9 ~~that the applicant has not been disqualified for employment~~
10 ~~under 23 Pa.C.S. § 6344(c)(1). The administrator shall review~~
11 ~~the reports and determine if the reports disclose information~~
12 ~~that may require further action and shall maintain a copy of the~~
13 ~~required reports.~~

14 * * *

15 (j) * * *

16 (2) ~~All current and prospective employes of a public or~~
17 ~~private school, intermediate unit or area vocational technical~~
18 ~~school shall complete the form described in clause (1),~~
19 ~~indicating whether or not they have been arrested for or~~
20 ~~convicted of an offense enumerated under subsections (e) and~~
21 ~~(f.1), provided that any current employe who completed the form~~
22 ~~on or before December 27, 2011, in compliance with clauses (1)~~
23 ~~and (2) on that date and who has not been arrested for or~~
24 ~~convicted of an offense enumerated under subsections (e) and~~
25 ~~(f.1) shall not be required to complete an additional form under~~
26 ~~this subsection every sixty (60) months as required in~~
27 ~~subsection (c.3).~~

28 * * *

29 Section 2. ~~Section 121 of the act, added June 30, 2012~~
30 ~~(P.L.684, No.82), is amended to read:~~

1 Section 121. ~~Keystone Exams. (a) Subject to annual~~
2 ~~appropriation, not later than the 2020-2021 school year, the~~
3 ~~Department of Education shall develop and implement Keystone~~
4 ~~Exams in the following subjects: algebra I, literature, biology,~~
5 ~~English composition, algebra II, geometry, United States~~
6 ~~history, chemistry, civics and government and world history. The~~
7 ~~State Board of Education shall promulgate regulations, subject~~
8 ~~to the act of June 25, 1982 (P.L.633, No.181), known as the~~
9 ~~"Regulatory Review Act," necessary to implement this section.~~
10 ~~(b) In addition to any requirements on the State Board of~~
11 ~~Education under the "Regulatory Review Act", on the same date~~
12 ~~that pursuant to the "Regulatory Review Act" the State Board of~~
13 ~~Education submits a proposed regulation for or related to the~~
14 ~~implementation of Keystone Exams under this section to the~~
15 ~~Legislative Reference Bureau for publication of notice of~~
16 ~~proposed rulemaking in the Pennsylvania Bulletin as required by~~
17 ~~the act of July 31, 1968 (P.L.769, No.240), referred to as the~~
18 ~~Commonwealth Documents Law, and thereafter on the same date it~~
19 ~~submits the text of the final form regulation to the Independent~~
20 ~~Regulatory Review Commission, it shall submit to the chairman~~
21 ~~and minority chairman of the Education Committee of the Senate~~
22 ~~and the chairman and minority chairman of the Education~~
23 ~~Committee of the House of Representatives a detailed fiscal~~
24 ~~impact statement that the proposed or final form regulation will~~
25 ~~have on the Commonwealth, the communities, the school districts~~
26 ~~and, if applicable, private and private religious schools. The~~
27 ~~detailed fiscal impact statement shall include a comprehensive~~
28 ~~fiscal note of all direct and indirect costs whether incurred in~~
29 ~~preparation of the proposed or final form regulation or which~~
30 ~~will be required as a result of the promulgation of the~~

1 ~~regulation to its best dollar estimate. The State Board of~~
2 ~~Education may include narrative statements to accompany its best~~
3 ~~dollar estimate, but may not do so in lieu of detailed best~~
4 ~~estimated dollar amounts.~~

5 ~~(c) The following shall apply:~~

6 ~~(1) Notwithstanding section 2604 B(b) (2) (v), 22 Pa. Code §~~
7 ~~4.24 (relating to high school graduation requirements), 4.51~~
8 ~~(relating to State assessment system) or 4.51c (relating to~~
9 ~~project based assessment) or any statute or regulation to the~~
10 ~~contrary, the use of the Keystone Exam as a graduation~~
11 ~~requirement or as a benchmark for the need for participation in~~
12 ~~a project based assessment shall be delayed until the 2018-2019~~
13 ~~school year.~~

14 ~~(2) The Department of Education shall investigate and~~
15 ~~develop alternatives in addition to the use of the Keystone~~
16 ~~Exams as a requirement for graduation and shall, within six (6)~~
17 ~~months of the effective date of this paragraph, issue a report~~
18 ~~of the Department of Education's findings and recommendations,~~
19 ~~including proposed legislation, to the chairman and minority~~
20 ~~chairman of the Education Committee of the Senate and the~~
21 ~~chairman and minority chairman of the Education Committee of the~~
22 ~~House of Representatives. The report shall, at a minimum,~~
23 ~~contain a detailed plan and timeline within which the Department~~
24 ~~of Education shall accomplish all of the following:~~

25 ~~(i) Implement alternative methods for students to~~
26 ~~demonstrate proficiency for graduation in addition to the~~
27 ~~Keystone Exams, project based assessment and other alternative~~
28 ~~assessments provided for in 22 Pa. Code § 4.24.~~

29 ~~(ii) Improve and expedite the evaluation of project based~~
30 ~~assessments.~~

~~(iii) Ensure that no student is prohibited from participation in vocational technical education or elective courses or programs as a result of supplemental instruction required in 22 Pa. Code §§ 4.24(k) and 4.51b(f) (relating to Keystone Exams).~~

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

~~Section 124. Powers and Duties of the Secretary of Education. (a) On behalf of the Commonwealth, the Secretary of Education shall have the authority and duty to enter into and administer membership in a regional compact and an interstate reciprocity agreement for the provision of postsecondary distance education by the following:~~

~~(1) Institutions of higher education to students in other states, territories and districts party to such agreement.~~

~~(2) Postsecondary institutions in other states, territories or districts that are a party to such agreement to students in this Commonwealth.~~

~~(b) The Department of Education may charge administrative fees to institutions of higher education that choose to participate in the agreement, not to exceed the department's costs to implement and administer the agreement. The department may promulgate final omitted regulations pursuant to the act of June 25, 1982 (P.L.633, No.181), known as the "Regulatory Review Act," necessary to implement this subsection, provided that such final omitted regulations shall expire on June 30, 2018. After June 30, 2018, any revisions to the administrative fees charged under this subsection shall be made through regulations promulgated under the Regulatory Review Act.~~

~~(c) The Postsecondary Distance Education Interstate Reciprocity Agreement Restricted Receipts Account is established~~

1 ~~as a special restricted receipts account within the General Fund~~
2 ~~of the State Treasury, from which the department may draw moneys~~
3 ~~for the purpose of agreement expenses, the costs of~~
4 ~~administering and implementing the agreement and all other costs~~
5 ~~associated with the activities of the department related to~~
6 ~~implementation of this section. This account shall consist of~~
7 ~~all administrative fees deposited under subsection (b) and State~~
8 ~~funds appropriated for use under this section. The restricted~~
9 ~~receipts account shall be subject to audit by the Auditor~~
10 ~~General.~~

11 ~~(d) For purposes of this section, "institution of higher~~
12 ~~education" shall have the meaning given in section 118 and~~
13 ~~Article XIX B.~~

14 ~~Section 510.2. Publication of Policies. Beginning with the~~
15 ~~2016-2017 school year, the board of school directors of a school~~
16 ~~district shall post on its publicly accessible Internet website~~
17 ~~the following policies to the extent such policies are required~~
18 ~~to be adopted by the school district under Federal or State law:~~

19 ~~(1) The following relating to students:~~

20 ~~(i) Admission of beginners.~~

21 ~~(ii) Attendance, excusals and truancy.~~

22 ~~(iii) Withdrawal from school.~~

23 ~~(iv) Student discipline.~~

24 ~~(v) Suspension and expulsion of students.~~

25 ~~(vi) Searches.~~

26 ~~(vii) Audio interception on school buses or school vehicles~~
27 ~~for disciplinary or security purposes.~~

28 ~~(viii) Retention, maintenance and access to student records.~~

29 ~~(ix) Use of personal electronic devices.~~

30 ~~(x) Dress and grooming.~~

- 1 ~~(xi) Student complaint process.~~
- 2 ~~(xii) Parent appeal of a school district's placement of~~
3 ~~twins or multiple birth siblings.~~
- 4 ~~(xiii) Participation by home school students in school~~
5 ~~district extracurricular activities.~~
- 6 ~~(2) The following relating to educational programs:~~
- 7 ~~(i) Curriculum review by parents and students.~~
- 8 ~~(ii) Promotion and retention.~~
- 9 ~~(iii) Graduation requirements.~~
- 10 ~~(3) The following relating to student health:~~
- 11 ~~(i) Communicable diseases and immunization.~~
- 12 ~~(ii) Health examinations and screenings.~~
- 13 ~~(iii) Student use of medications.~~
- 14 ~~(iv) The school district's wellness policy.~~
- 15 ~~(4) The following relating to school property:~~
- 16 ~~(i) Use of school property and facilities.~~
- 17 ~~(ii) School visitation policies.~~
- 18 ~~(iii) Integrated pest management plan.~~
- 19 ~~(5) The following relating to community:~~
- 20 ~~(i) Public participation in school board meetings.~~
- 21 ~~(ii) Public attendance at school events.~~
- 22 ~~(iii) Parental involvement policy for parents and guardians~~
23 ~~of students participating pursuant to section 1118 of the~~
24 ~~Elementary and Secondary Education Act of 1965 (Public Law 89-~~
25 ~~10, 20 U.S.C § 6318).~~
- 26 ~~(iv) Public access to and use of school district buildings,~~
27 ~~facilities and grounds.~~
- 28 ~~(v) Public complaint process.~~

29 Section 4. The act is amended by adding articles to read:

30 ARTICLE VI B

1 SCHOOL WATCH

2 Section 601 B. Scope.

3 This article relates to Public School Web Accountability and
4 Transparency (SchoolWATCH).

5 Section 602 B. Definitions.

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

9 "Administrative staff." Employees of a public school entity
10 that include, but are not limited to, superintendents, assistant
11 superintendents, deputy superintendents, principals, assistant
12 principals, supervisors, managers, directors and coordinators.

13 "Area vocational technical school." As defined in section
14 1841.

15 "Average daily membership." As defined in section 2501.

16 "Charter school." As defined in section 1703 A.

17 "Charter school entity." A charter school, cyber charter
18 school or regional charter school as defined in section 1703 A.

19 "Cyber charter school." As defined in section 1703 A.

20 "Department." The Department of Education of the
21 Commonwealth.

22 "Facilities acquisition and construction expenditures."
23 Expenditures related to the purchase or improvement of land,
24 buildings, service systems and built in equipment.

25 "General fund balance." The balance in a public school
26 entity's general fund, which shall not include nonspendable and
27 restricted fund balances.

28 "Instructional expenditures." Expenditures related to all
29 those activities dealing directly with the interaction between
30 teachers and students and related costs, which can be directly

1 ~~attributed to a program of instruction.~~

2 ~~"Market value/personal income aid ratio." As defined in~~
3 ~~sections 1703 A and 2501.~~

4 ~~"Noninstructional expenditures." Expenditures related to~~
5 ~~activities concerned with providing noninstructional services to~~
6 ~~students, staff or the community.~~

7 ~~"Other financing uses." Current debt service expenditures~~
8 ~~and other expenses such as the refunding of debt and transfers~~
9 ~~of money from one fund to another.~~

10 ~~"Public school entity." Any of the following:~~

11 ~~(1) An area vocational technical school.~~

12 ~~(2) A school district.~~

13 ~~(3) A charter school entity.~~

14 ~~"Regional charter school." As defined in section 1703 A.~~

15 ~~"School district." As defined in section 102.~~

16 ~~"School performance profile." A comprehensive overview of~~
17 ~~student academic performance in a public school entity compiled~~
18 ~~annually by the department.~~

19 ~~"Support services expenditures." Expenditures related to~~
20 ~~those services that provide administrative support, technical~~
21 ~~support, including, but not limited to, guidance and health, and~~
22 ~~logistical support to facilitate and enhance instruction.~~

23 ~~Section 603 B. Financial information to be posted.~~

24 ~~(a) Information. Beginning May 31, 2016, and by May 31 each~~
25 ~~year thereafter, the department shall post all of the following~~
26 ~~for each public school entity on its publicly accessible~~
27 ~~Internet website, to the extent the information is available to~~
28 ~~the department:~~

29 ~~(1) The following financial information for the public~~
30 ~~school entity for the most recent fiscal year for which the~~

~~public school entity reported such information to the
department:~~

~~(i) Total expenditures in the following categories:~~

~~(A) Instructional.~~

~~(B) Support services.~~

~~(C) Noninstructional.~~

~~(D) Facilities acquisition and construction.~~

~~(E) Other financing uses.~~

~~(ii) The public school entity's per student
expenditures, on each of the following bases:~~

~~(A) Based on the public school entity's
instructional expenditures.~~

~~(B) Based on the public school entity's total
expenditures.~~

~~(iii) The public school entity's per student charter
school tuition rates in each of the following categories:~~

~~(A) For regular education students.~~

~~(B) For special education students.~~

~~(iv) The public school entity's average daily
membership.~~

~~(v) The public school entity's market value/personal
income aid ratio.~~

~~(vi) The average teacher salary in the public school
entity.~~

~~(vii) Total revenues from the following sources:~~

~~(A) Federal.~~

~~(B) State.~~

~~(C) Local.~~

~~(D) Other.~~

~~(viii) The public school entity's general fund~~

1 ~~balance.~~

2 ~~(2) A link to the most recent of each of the following~~
3 ~~reports filed by the public school entity with the~~
4 ~~department:~~

5 ~~(i) Summaries of financial report data.~~

6 ~~(ii) Nonadministrative staff compensation report.~~

7 ~~(iii) Administrative staff compensation report.~~

8 ~~(3) A link to the public school entity's publicly~~
9 ~~accessible Internet website, where available.~~

10 ~~(4) A statement instructing the public to contact the~~
11 ~~public school entity for access to any union contract.~~

12 ~~(b) Posting. In posting financial information as required~~
13 ~~under this section, the department shall:~~

14 ~~(1) Post and compile annually all information as a "View~~
15 ~~Fiscal Information" icon located on a School Performance~~
16 ~~Profile for each public school entity.~~

17 ~~(2) Post all information in a location and manner that~~
18 ~~is easily accessible to the public.~~

19 ~~(3) Include all definitions and other explanatory~~
20 ~~references that may be necessary to assist Internet website~~
21 ~~users in understanding the posted information.~~

22 ~~(4) Use existing databases and electronic reporting~~
23 ~~systems to the extent possible.~~

24 ~~(5) Provide for an electronic feature that will allow~~
25 ~~the public to compare financial information for a minimum of~~
26 ~~four public school entities.~~

27 ~~(6) Beginning with information pertaining to the 2012-~~
28 ~~2013 fiscal year, post the information required under~~
29 ~~subsection (a) (1) for at least the most recent three fiscal~~
30 ~~years for which such information is available to the~~

~~department, including a trend graph displaying the change in the amount reported each year from the amount reported in the previous year.~~

~~(c) Limitation. The department's posting of financial information under this section shall not be construed to:~~

~~(1) Require a public school entity to provide the department with any additional information, data or reports that the public school entity is not already required to provide to the department as of the effective date of this act.~~

~~(2) Require any public school entity to provide the department with additional information beyond the information required to be provided to the department by any other public school entity.~~

ARTICLE VI C

STATE OPPORTUNITY SCHOOLS

~~Section 601 C. Scope.~~

~~This article relates to the transfer of underperforming schools to the Department of Education.~~

~~Section 602 C. Definitions.~~

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

~~"Commission." The School Reform Commission established under section 696.~~

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

~~"Diagnostic audit." A comprehensive review of a school's organizational structure, school management, operations, academics, use of data and climate completed to identify the~~

1 ~~weaknesses and strengths of the school and areas for growth and~~
2 ~~improvement within the school.~~

3 ~~"Education management service provider." A for profit or~~
4 ~~nonprofit management organization, nonprofit charter management~~
5 ~~organization, school design provider, business manager or any~~
6 ~~other partner entity with which a school district contracts to~~
7 ~~provide educational design, business services, comprehensive~~
8 ~~management or personnel functions. The term does not include a~~
9 ~~charter school foundation.~~

10 ~~"Eligible school." A school within a school district~~
11 ~~designated by the school district under its performance metric~~
12 ~~as an intervention school.~~

13 ~~"Intervention school." A school designated in the lowest~~
14 ~~performance tier of a school district's performance metric.~~

15 ~~"Performance metric." The system created and utilized by a~~
16 ~~school district to measure a school's academic performance.~~

17 ~~"Persistently low achieving school." An eligible school~~
18 ~~designated by the secretary under section 603 C.~~

19 ~~"School district." A school district of the first class.~~

20 ~~"School improvement process." A school improvement plan~~
21 ~~developed and implemented by the secretary.~~

22 ~~"Secretary." The Secretary of Education of the Commonwealth.~~
23 ~~Section 603 C. Persistently low achieving schools.~~

24 ~~(a) Designation.—~~

25 ~~(1) Within 30 days of the effective date of this section~~
26 ~~and by September 30 of each succeeding year, the secretary~~
27 ~~shall identify eligible schools and designate persistently~~
28 ~~low achieving schools.~~

29 ~~(2) The secretary shall have discretion to designate~~
30 ~~persistently low achieving schools from the list of eligible~~

1 ~~schools created by the performance metrics.~~

2 ~~(3) The secretary shall notify persistently low-~~
3 ~~achieving schools and the school district of their~~
4 ~~designation in writing within 30 days of their designation.~~

5 ~~(4) The secretary shall designate five schools per year~~
6 ~~as persistently low achieving.~~

7 ~~(b) Limitations. The secretary shall not identify a school~~
8 ~~as persistently low achieving if the school:~~

9 ~~(1) Has been converted to a charter school or~~
10 ~~renaissance model within the past three years.~~

11 ~~(2) Initially opened within the past three years.~~

12 ~~(3) Exclusively serves a historically underserved~~
13 ~~population, including, but not limited to, returning truants,~~
14 ~~homeless students, students with disabilities or adjudicated~~
15 ~~minors.~~

16 ~~(4) Has a college matriculation rate that meets or~~
17 ~~exceeds the local school district average.~~

18 ~~(5) Is a charter school whose academic performance as~~
19 ~~measured by the most recent Pennsylvania School Performance~~
20 ~~Profile exceeds the average Pennsylvania School Performance~~
21 ~~Profile for schools in the authorizing school district.~~

22 ~~(c) Designation. Once designated, a persistently low-~~
23 ~~achieving school shall enter the school improvement process as~~
24 ~~set forth in section 604 C.~~

25 ~~Section 604 C. School improvement process.~~

26 ~~(a) Diagnostic audit. During the first academic year in~~
27 ~~which a school has been designated a persistently low achieving~~
28 ~~school, a diagnostic audit of the school shall be completed no~~
29 ~~later than June 30. The audit shall be provided by the~~
30 ~~department.~~

~~(b) Department action. Upon completion of the diagnostic audit, the department shall take one or more of the following actions:~~

~~(1) Contract with an education management service provider to operate the persistently low achieving school and guarantee admission to students who were enrolled in the school in the prior school year.~~

~~(2) Convert the persistently low achieving school to a charter school and guarantee admission to students who were enrolled in the school in the prior school year.~~

~~(3) Close the persistently low achieving school and facilitate the transfer of students to higher performing schools.~~

~~(4) Authorize a new charter school and, notwithstanding the provisions of Article XVII A, guarantee admission preference to any students who reside in the area being served by the persistently low achieving school. The department shall adopt criteria for the authorization of charter schools that is consistent with the criteria set forth by the National Association of Charter School Authorizers.~~

~~(5) Replace the principal and at least 50% of the professional staff at the persistently low achieving school.~~

~~(6) Operate under one of the powers enumerated under section 606 C.~~

~~Section 605 C. Powers and duties of department.~~

~~(a) General rule. Except as otherwise specifically provided in this article, the department shall have the powers and duties of a school district under this act.~~

~~(b) Charter schools. The authority of the department to~~

1 ~~authorize the grant of a charter to an applicant for a charter~~
2 ~~school and the authority to convert a charter school shall be~~
3 ~~limited as set forth in this section.~~

4 ~~(c) Criteria for conversion. Notwithstanding the provisions~~
5 ~~of Article XVII A, the department may convert a school under its~~
6 ~~jurisdiction to a charter school.~~

7 ~~(d) Limitations. For the school year 2017-2018, and each~~
8 ~~school year thereafter, the department shall take one or more of~~
9 ~~the actions under section 604 C(b) in persistently low achieving~~
10 ~~schools. For the school year 2017-2018, and each school year~~
11 ~~thereafter, the department shall take action under section 604-~~
12 ~~C(b) (2) or (4) in at least two of the persistently low achieving~~
13 ~~schools. Notwithstanding section 604 C(b), the number of schools~~
14 ~~under the jurisdiction of the department may not exceed 15 at~~
15 ~~any one time.~~

16 ~~(e) Charter schools. Notwithstanding any provision of law~~
17 ~~to the contrary, in accordance with section 1720 A, the~~
18 ~~department may revoke or opt not to renew a charter school~~
19 ~~within its jurisdiction provided the department continues to~~
20 ~~meet the requirements of section 605 C(d). The nonrenewal or~~
21 ~~revocation may not be appealed to the State Charter School~~
22 ~~Appeal Board. Any appeal of the nonrenewal or revocation shall~~
23 ~~be to Commonwealth Court.~~

24 ~~(f) Authority to operate. The department may directly~~
25 ~~operate a school or contract with individuals or education~~
26 ~~management service providers to manage the day to day operations~~
27 ~~of a persistently low achieving school, including, but not~~
28 ~~limited to, providing direct services to students.~~

29 ~~(g) Intermediate unit services. The department may require~~
30 ~~an intermediate unit to provide school support or student~~

~~1 support services for a school transferred from the intermediate
2 unit's jurisdiction, including, but not limited to, student
3 transportation, school food service, alternative schools and
4 special education services, in compliance with laws and
5 regulations governing such services. The department shall
6 reimburse actual costs incurred by the intermediate unit in
7 providing the services from funds received under section 610-C.~~

~~8 (h) Procurement. Notwithstanding any law to the contrary,
9 the department has the same authority and autonomy afforded to a
10 school district under State law regarding the procurement of
11 property, goods and services, including, but not limited to,
12 personal, professional, consulting and social services.~~

~~13 (i) Waiver. Any entity the department contracts with to
14 operate or manage a school under the jurisdiction of the
15 department may apply to the secretary for a waiver of any
16 regulation or statutory provision that inhibits the ability of
17 the school to increase student achievement. The secretary may
18 waive any regulation or statutory provision that inhibits the
19 ability of the school to increase student achievement.~~

~~20 Notwithstanding this subsection, the secretary may not waive
21 rules related to the following:~~

- ~~22 (1) Federal and State civil rights.~~
- ~~23 (2) Federal, State and local health and safety.~~
- ~~24 (3) Federal and State public records.~~
- ~~25 (4) Possession of weapons on school grounds.~~
- ~~26 (5) Background checks and fingerprints of personnel.~~
- ~~27 (6) Federal and State special education requirements.~~
- ~~28 (7) Student due process.~~
- ~~29 (8) Parental rights.~~
- ~~30 (9) Federal and State student assessment and~~

1 ~~accountability.~~

2 ~~(10) Open meetings.~~

3 ~~(j) Funding. The department may seek, manage and expend~~
4 ~~Federal money and grants and other funding with the same~~
5 ~~authority as a school district.~~

6 ~~(k) Taxing power. The department has no authority to levy~~
7 ~~any tax.~~

8 ~~Section 606 C. Department operated persistently low achieving~~
9 ~~schools.~~

10 ~~(a) Powers of department. In addition to the powers granted~~
11 ~~by law to school districts, and notwithstanding any other law to~~
12 ~~the contrary, the department shall have the following powers as~~
13 ~~to persistently low achieving schools operated by the~~
14 ~~department:~~

15 ~~(1) To enter into agreements with persons or education~~
16 ~~management service providers to operate the school. A school~~
17 ~~operated under this paragraph shall be funded in accordance~~
18 ~~with the terms of the agreement.~~

19 ~~(2) To employ professional and senior management~~
20 ~~employees who do not hold State certification if the~~
21 ~~department has approved the qualifications of the person at a~~
22 ~~salary established by the department.~~

23 ~~(3) To enter into agreements with persons or education~~
24 ~~management service providers providing educational or other~~
25 ~~services to the school. Services provided under this~~
26 ~~paragraph shall be funded in accordance with the terms of the~~
27 ~~agreement.~~

28 ~~(4) Notwithstanding any other provision of this article,~~
29 ~~to close or reconstitute a school, including the~~
30 ~~reassignment, suspension or dismissal of professional~~

1 ~~employees.~~

2 ~~(5) To appoint managers, administrators or education~~
3 ~~management service providers to oversee the operations of the~~
4 ~~school.~~

5 ~~(6) To delegate to a person, including an employee of~~
6 ~~the school district or an education management service~~
7 ~~provider, powers it deems necessary to carry out the purposes~~
8 ~~of this article, subject to the supervision and direction of~~
9 ~~the department.~~

10 ~~Section 607 C. Transfer to department.~~

11 ~~(a) General rule. The department may transfer an eligible~~
12 ~~school to its jurisdiction after providing notice to the~~
13 ~~transferring district or transferring charter school.~~

14 ~~(b) Objection by school district. The school district of~~
15 ~~the eligible school subject to transfer may object to a transfer~~
16 ~~based on the criteria set forth in section 603 C(b). An~~
17 ~~objection and reasons for the objection must be filed with the~~
18 ~~department within 30 days of the notice in subsection (a).~~

19 ~~(c) Objection by charter school. If the eligible school~~
20 ~~subject to transfer is a charter school, the charter school may~~
21 ~~object to the transfer based on the criteria set forth in~~
22 ~~section 603 C(b). An objection and reasons for the objection~~
23 ~~must be filed with the department within 30 days of the notice~~
24 ~~in subsection (a).~~

25 ~~(d) Public hearing. Within 30 days of receipt of an~~
26 ~~objection by a school district or charter school, the department~~
27 ~~shall hold a public hearing on the objection and shall receive~~
28 ~~public testimony during the hearing.~~

29 ~~(e) Decision by department. Within 60 days of the public~~
30 ~~hearing, the department shall make a final decision in~~

1 ~~accordance with the criteria set forth in section 603 C(b).~~

2 ~~(f) Appeal. Within 60 days of the final decision under~~
3 ~~subsection (e), an objecting party under this section shall have~~
4 ~~a right of appeal to Commonwealth Court.~~

5 ~~(g) Decision final. If no objection under this section is~~
6 ~~filed within the required period, the decision to transfer under~~
7 ~~this section shall be final.~~

8 ~~Section 608 C. Transfer from department.~~

9 ~~(a) Length of transfer. A persistently low achieving school~~
10 ~~shall remain under the jurisdiction of the department for a~~
11 ~~minimum of three years.~~

12 ~~(b) Return to jurisdiction of school district. After the~~
13 ~~minimum time set forth in subsection (a), the department may~~
14 ~~transfer a persistently low achieving school to the jurisdiction~~
15 ~~of its school district of origin if, for two consecutive years,~~
16 ~~the school does not meet the criteria necessary to be deemed a~~
17 ~~persistently low achieving school.~~

18 ~~(c) Charter schools. Upon approval of the secretary, a~~
19 ~~charter school under the jurisdiction of the department may~~
20 ~~retain the department as its authorizer under Article XVII A.~~
21 ~~Section 609 C. Evaluation.~~

22 ~~Beginning with school year 2020 2021 and each school year~~
23 ~~thereafter, an eligible school may not be transferred to the~~
24 ~~jurisdiction of the department unless the department:~~

25 ~~(1) demonstrates, in a report and based on criteria~~
26 ~~established by the secretary, that eligible schools within the~~
27 ~~jurisdiction of the department for at least three years have~~
28 ~~outperformed eligible schools not transferred to the department~~
29 ~~in the 2017 2018 school year; and~~

30 ~~(2) submits the report to the chairman and minority chairman~~

1 ~~of the Education Committee of the Senate, the chairman and~~
2 ~~minority chairman of the Education Committee of the House of~~
3 ~~Representatives and the Governor.~~

4 ~~Section 610 C. Payments and funding.~~

5 ~~(a) Tuition. Tuition may not be charged for a resident or~~
6 ~~nonresident student attending a persistently low achieving~~
7 ~~school.~~

8 ~~(b) Funding. Funding shall be provided as follows:~~

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

23 ~~(2) For special education students, the department shall~~
24 ~~receive for each student enrolled the same funding as for~~
25 ~~each nonspecial education student as provided in paragraph~~
26 ~~(1), plus an additional amount determined by dividing the~~
27 ~~district of residence's total special education expenditure~~
28 ~~by the product of multiplying the combined percentage of~~
29 ~~section 2509.5(k) times the district of residence's total~~
30 ~~average daily membership for the prior school year. This~~

1 ~~amount shall be paid by the district of residence of each~~
2 ~~student.~~

3 ~~(3) The department may request the intermediate unit in~~
4 ~~which the persistently low achieving school is located to~~
5 ~~provide services to assist the department to address the~~
6 ~~specific needs of exceptional students. The intermediate unit~~
7 ~~shall assist the department and bill the department for the~~
8 ~~services. The intermediate unit may not charge the department~~
9 ~~more for any service than it charges the constituent~~
10 ~~districts of the intermediate unit.~~

11 ~~(4) Payments shall be made to the department in 12 equal~~
12 ~~monthly payments, by the fifth day of each month, within the~~
13 ~~operating school year. A student enrolled in a persistently~~
14 ~~low achieving school shall be included in the average daily~~
15 ~~membership of the student's district of residence for the~~
16 ~~purpose of providing basic education funding payments and~~
17 ~~special education funding under Article XXV. If a school~~
18 ~~district fails to make a payment to the department as~~
19 ~~prescribed in this paragraph, the secretary shall deduct the~~
20 ~~estimated amount, as documented by the department, from any~~
21 ~~and all State payments made to the district after receipt of~~
22 ~~documentation from the department.~~

23 ~~(5) Within 30 days after the secretary makes the~~
24 ~~deduction described in paragraph (4), a school district may~~
25 ~~notify the secretary that the deduction made from State~~
26 ~~payments to the district under this subsection is inaccurate.~~
27 ~~The secretary shall provide the school district with an~~
28 ~~opportunity to be heard concerning:~~

29 ~~(i) whether the department documented that its~~
30 ~~students were enrolled with the department;~~

1 ~~(ii) the period of time during which each student~~
2 ~~was enrolled;~~

3 ~~(iii) the school district of residence of each~~
4 ~~student; and~~

5 ~~(iv) whether the amounts deducted from the school~~
6 ~~district were accurate.~~

7 ~~(c) Donations. The department may accept donations of~~
8 ~~money, property or securities from any source for the benefit of~~
9 ~~the persistently low achieving schools. A donation shall, in~~
10 ~~good faith, be disbursed in accordance with the conditions of~~
11 ~~the donation.~~

12 ~~(d) Appropriations. The General Assembly shall appropriate~~
13 ~~funds as it deems necessary to pay the costs for the~~
14 ~~implementation and administration of this article.~~

15 ~~Section 611 C. Facilities.~~

16 ~~Subject to a lease or license at no more than fair market~~
17 ~~rates, the department shall have the right to use any school~~
18 ~~building and all facilities and property otherwise part of the~~
19 ~~persistently low achieving school and recognized as part of the~~
20 ~~facilities or assets of the school prior to its transfer to the~~
21 ~~department and shall have access to additional facilities as~~
22 ~~were typically available to the school, its students, faculty~~
23 ~~and staff prior to its transfer to the department. Extensive~~
24 ~~repairs to buildings or facilities considered capital expenses~~
25 ~~shall be the responsibility of the transferring school district~~
26 ~~and not the department. Any fixtures, improvements or tangible~~
27 ~~assets added to a school building or facility by the department~~
28 ~~shall remain at the school building or facility upon the school~~
29 ~~being returned to the jurisdiction of the transferring school~~
30 ~~district.~~

1 ~~Section 612-C. Employees.~~

2 ~~(a) Direct operation by department. An employee hired to~~
3 ~~work in a department school directly operated by the department~~
4 ~~shall be deemed an employee of the department, and the employees~~
5 ~~shall be under the exclusive control of the department. The~~
6 ~~provisions of Article VI of the act of April 9, 1929 (P.L.177,~~
7 ~~No.175), known as The Administrative Code of 1929, and the~~
8 ~~classification and compensation plans of the Commonwealth do not~~
9 ~~apply to department employees under this article. The department~~
10 ~~shall develop written procedures for employment and management~~
11 ~~of personnel as well as the development of compensation and~~
12 ~~benefit plans. Within the limits of the budget, staffing needs~~
13 ~~of any persistently low achieving school shall be exclusively~~
14 ~~determined by the department.~~

15 ~~(b) Employee transfers. The department, or an entity under~~
16 ~~contract to operate a persistently low achieving school, may~~
17 ~~determine whether an employee who is assigned to a school prior~~
18 ~~to the school's transfer to the department may opt to continue~~
19 ~~as an employee of the department or the operating entity. If an~~
20 ~~employee is not provided the option, the employee shall be~~
21 ~~retained as an employee of the transferring school district. If~~
22 ~~an employee accepts the option, the employee may, at the~~
23 ~~discretion of the transferring school district, return to the~~
24 ~~employ of the school district, if the department or operating~~
25 ~~entity later determines not to continue employment.~~

26 ~~(c) Certification. At least 75% of the professional staff~~
27 ~~members of a persistently low achieving school shall hold~~
28 ~~appropriate State certification.~~

29 ~~(d) Collective bargaining. Employees of a persistently low~~
30 ~~achieving school may organize under the act of July 23, 1970~~

1 ~~(P.L.563, No.195), known as the Public Employe Relations Act.~~
2 ~~The department shall be considered an employer for the purposes~~
3 ~~of Article XI A. Upon formation of one or more collective~~
4 ~~bargaining units at the school, the department shall bargain~~
5 ~~with the employees based on the provisions of this article,~~
6 ~~Article XI A and the Public Employe Relations Act. Collective~~
7 ~~bargaining units at a persistently low achieving school shall be~~
8 ~~separate from any collective bargaining unit of the transferring~~
9 ~~school district.~~

10 ~~(e) Retirement. All employees of the department shall be~~
11 ~~enrolled in the Public School Employees' Retirement System in~~
12 ~~the same manner as set forth in 24 Pa.C.S. § 8301(a) (relating~~
13 ~~to mandatory and optional membership) unless the department~~
14 ~~provides for a federally qualified retirement plan. The~~
15 ~~Commonwealth shall make contributions on behalf of the~~
16 ~~department employees enrolled in the Public School Employees'~~
17 ~~Retirement System. The department shall be considered a school~~
18 ~~district for purposes of this article and shall make payments by~~
19 ~~employers to the Public School Employees' Retirement System and~~
20 ~~payments on account of Social Security as established under 24~~
21 ~~Pa.C.S. Pt. IV (relating to retirement for school employees).~~
22 ~~The market value/income aid ratio used in calculating payments~~
23 ~~as prescribed in this subsection shall be the market~~
24 ~~value/income aid ratio for the school district from which the~~
25 ~~school is transferred to the department. Except as otherwise~~
26 ~~provided, employees of the department shall make regular member~~
27 ~~contributions as required for active members under 24 Pa.C.S.~~
28 ~~Pt. IV. If the employees of the department participate in~~
29 ~~another retirement plan, then those employees shall have no~~
30 ~~concurrent claim on the benefits provided to public school~~

~~1 employees under 24 Pa.C.S. Pt. IV. For purposes of this~~
~~2 subsection, the department shall be deemed to be a public school~~
~~3 as defined in 24 Pa.C.S. § 8102 (relating to definitions).~~

~~4 (f) Health care benefits. Every employee of the department~~
~~5 shall be provided the same or comparable health care benefits as~~
~~6 the employee would be provided if he were an employee of the~~
~~7 transferring district.~~

~~8 (g) Sick leave. Any employee of a public school who is~~
~~9 given and accepts the offer of employment with the department~~
~~10 shall retain any accumulated sick leave in the position with the~~
~~11 department.~~

~~12 (h) Leave of absence. A public school employee of a school~~
~~13 entity may request a leave of absence for up to five years in~~
~~14 order to work for the department at a persistently low achieving~~
~~15 school. Approval of a leave of absence shall not be unreasonably~~
~~16 withheld.~~

~~17 (i) Tenure. A temporary professional employee on leave from~~
~~18 a school district may accrue tenure in the transferring school~~
~~19 system at the discretion of the transferring school district in~~
~~20 the same manner as the employee would under Article XI if the~~
~~21 employee had continued to be employed by the school district. A~~
~~22 professional employee on leave from a school district shall~~
~~23 retain tenure rights, as defined in Article XI, in the school~~
~~24 entity from which the employee transferred. No temporary~~
~~25 professional employee or professional employee shall have tenure~~
~~26 rights as against the department. A temporary professional~~
~~27 employee and professional employee shall continue to accrue~~
~~28 seniority in the school district from which the employee~~
~~29 transferred if the employee returns to the school district upon~~
~~30 termination of the leave.~~

1 ~~(j) Service requirements for certificates. Professional~~
2 ~~employees who hold a first level teaching or administrative~~
3 ~~certificate may, at their option, have the time completed in~~
4 ~~satisfactory service in the department applied to the length of~~
5 ~~service requirements for the next level of certification.~~

6 ~~(k) Return to school district. A temporary professional~~
7 ~~employee or professional employee who leaves the employ of the~~
8 ~~department shall have the right to return to a comparable~~
9 ~~position for which the person is properly certified in the~~
10 ~~school district which granted the leave of absence. In the case~~
11 ~~where a teacher has been dismissed by the department, the~~
12 ~~department shall provide to the school district which granted~~
13 ~~the leave of absence the following information:~~

14 ~~(1) The reason for the dismissal at the time it~~
15 ~~occurred.~~

16 ~~(2) A list of any witnesses who were relied upon by the~~
17 ~~department in moving for dismissal.~~

18 ~~(3) A description of and access to any physical evidence~~
19 ~~used by the department in moving for dismissal.~~

20 ~~(4) A copy of any record developed at any dismissal~~
21 ~~proceeding conducted by the department. The record of any~~
22 ~~hearing may be admissible in a hearing before the school~~
23 ~~district which granted the leave of absence.~~

24 ~~(l) Authority of commission. Nothing in this section shall~~
25 ~~affect the authority of the commission to initiate proceedings~~
26 ~~under Article XI if the commission determines that occurrences~~
27 ~~at the department leading to dismissal of a professional~~
28 ~~employee constitute adequate and independent grounds for~~
29 ~~discipline under section 1122.~~

30 ~~(m) Criminal history record and child abuse clearance. No~~

~~1 temporary employee or professional employee who leaves the
2 employ of the department shall be returned to a position in the
3 school district which granted a leave of absence until the
4 school district is in receipt of a current criminal history
5 record under section 111 and the official statement regarding
6 child injury or abuse from the Department of Human Services as
7 required by 23 Pa.C.S. Ch. 63 (relating to child protective
8 services).~~

~~9 (n) Criminal history record information. Prior to beginning
10 employment with the department, an individual who has direct
11 contact with children shall be required to submit a report of
12 criminal history record information as provided for in section
13 111. This subsection shall also apply to an individual who
14 volunteers to work on a full time or part time basis at a
15 persistently low achieving school.~~

~~16 (o) Child abuse clearance. An applicant for a position as a
17 school employee with the department shall be required to submit
18 the official statement regarding child injury or abuse from the
19 Department of Human Services as provided in 23 Pa.C.S. Ch. 63.
20 This subsection shall also apply to any individual who
21 volunteers to work on a full time or part time basis at the
22 persistently low achieving school.~~

~~23 Section 613 C. Student enrollment.~~

~~24 Any student eligible under this section has the right to
25 attend the school designated under section 603 C for which the
26 student is eligible, notwithstanding any other provision of law
27 to the contrary.~~

~~28 Section 614 C. Oversight.~~

~~29 (a) Report. Annually, the department shall submit a written
30 report to the Governor and the presiding officers of the Senate~~

1 ~~and the House of Representatives. The report shall include:~~

2 ~~(1) A listing and description of the status, including~~
3 ~~academic performance, of each school whose jurisdiction has~~
4 ~~been transferred to the department since the submittal of the~~
5 ~~preceding report.~~

6 ~~(2) A justification for each school determined to be an~~
7 ~~eligible school that is not transferred to the department.~~

8 ~~(b) Limitation. The department may not expand the total~~
9 ~~number of schools permitted under its jurisdiction in section~~
10 ~~605 C(b) without legislative authorization.~~

11 ~~Section 615 C. Prohibition.~~

12 ~~The secretary may not designate any more schools under~~
13 ~~section 603 C after making designations in the 2018-2019 school~~
14 ~~year.~~

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

16 ~~Section 731.2. Posting of Information by Department. No~~
17 ~~later than February 1, 2016, and every ninety (90) days~~
18 ~~thereafter, the Department of Education shall post and update on~~
19 ~~its publicly accessible Internet website in a searchable and~~
20 ~~sortable format the following information related to public~~
21 ~~school construction and reconstruction projects, building~~
22 ~~purchases and lease reimbursements submitted for the approval~~
23 ~~of, or approved by, the department:~~

24 ~~(1) The type of project, elementary school, middle school,~~
25 ~~intermediate school, high school, charter school or vocational~~
26 ~~technical school by school entity.~~

27 ~~(2) The scope of project, new construction, renovation,~~
28 ~~addition, purchase or lease.~~

29 ~~(3) The date of receipt of each application.~~

30 ~~(4) The date of department approval of each application.~~

- 1 ~~(5) The date of approval or denial of any waiver or~~
2 ~~exception granted by the department.~~
- 3 ~~(6) The reason for approval or denial of any waiver or~~
4 ~~exception granted by the department.~~
- 5 ~~(7) The date of submission of the application for each step~~
6 ~~of the reimbursement process.~~
- 7 ~~(8) The date of approval of the application for each step of~~
8 ~~the reimbursement process.~~
- 9 ~~(9) The anticipated total project cost.~~
- 10 ~~(10) Whether the project reached the maximum reimbursable~~
11 ~~project amount.~~
- 12 ~~(11) The anticipated term of State reimbursement.~~
- 13 ~~(12) The anticipated total reimbursement amount.~~
- 14 ~~(13) The temporary reimbursable percentage.~~
- 15 ~~(14) The permanent reimbursable percentage.~~
- 16 ~~(15) The dates of expected State payments.~~
- 17 ~~(16) The dates of expected school district payments.~~
- 18 ~~(17) Whether the project was financed by cash.~~
- 19 ~~(18) The date a project was voided, if applicable.~~
- 20 ~~(19) A summary of the terms of the project's debt service or~~
21 ~~lease.~~
- 22 ~~(20) An analysis of the callability of the project's debt~~
23 ~~service.~~

24 Section 5. Section 732.1 of the act is amended by adding a
25 subsection to read:

26 Section 732.1. Limitation on New Applications for Department
27 of Education Approval of Public School Building Projects. * * *

28 ~~(c) For the 2015-2016 and 2016-2017 school years, the~~
29 ~~Department of Education shall not accept or approve new building~~
30 ~~construction or reconstruction project applications. Completed~~

1 ~~school building construction or reconstruction project~~
2 ~~applications received by the Department of Education by January~~
3 ~~15, 2016, are not subject to this subsection.~~

4 ~~Section 6. The act is amended by adding a section to read:~~

5 ~~Section 732.3. Public School Building Construction and~~
6 ~~Reconstruction Advisory Committee. (a) There is hereby~~
7 ~~established an advisory committee.~~

8 ~~(b) The committee shall review and make findings and~~
9 ~~recommendations related to the program for State reimbursement~~
10 ~~for construction and reconstruction and lease of public school~~
11 ~~buildings.~~

12 ~~(c) The advisory committee shall consist of the following:~~

13 ~~(1) The Secretary of Education or a designee.~~

14 ~~(2) A member chosen jointly by the President pro tempore of~~
15 ~~the Senate and the Speaker of the House of Representatives.~~

16 ~~(3) A representative from the following:~~

17 ~~(i) The Pennsylvania Association of School Business~~
18 ~~Officials.~~

19 ~~(ii) The Pennsylvania School Boards Association.~~

20 ~~(4) The chairman and minority chairman of the Appropriations~~
21 ~~Committee and Education Committee of the Senate and the chairman~~
22 ~~and minority chairman of the Appropriations Committee and~~
23 ~~Education Committee of the House of Representatives.~~

24 ~~(5) One member appointed by the President pro tempore of the~~
25 ~~Senate.~~

26 ~~(6) One member appointed by the Minority Leader of the~~
27 ~~Senate.~~

28 ~~(7) One member appointed by the Speaker of the House of~~
29 ~~Representatives.~~

30 ~~(8) One member appointed by the Minority Leader of the House~~

1 ~~of Representatives.~~

2 ~~(d) The committee shall hold its first meeting within thirty~~
3 ~~(30) days of the effective date of this section regardless of~~
4 ~~whether all of the committee members have been appointed to the~~
5 ~~committee. At the first meeting, the Department of Education~~
6 ~~shall present its report relating to the Statewide analysis of~~
7 ~~school facilities and capital needs as required under section~~
8 ~~732.1.~~

9 ~~(e) The committee shall appoint a member to serve as~~
10 ~~chairman of the committee.~~

11 ~~(f) The committee shall hold meetings at the call of the~~
12 ~~chairman.~~

13 ~~(g) The members may not receive compensation for their~~
14 ~~services, but shall be reimbursed for all necessary travel and~~
15 ~~other reasonable expenses incurred in connection with the~~
16 ~~performance of their duties as members of the committee.~~

17 ~~(h) The General Assembly shall provide administrative~~
18 ~~support, meeting space and any other assistance required by the~~
19 ~~committee to carry out its duties under this section in~~
20 ~~cooperation with the department. The department shall provide~~
21 ~~the committee with data, research and other information upon~~
22 ~~request.~~

23 ~~(i) The committee shall issue a report not later than~~
24 ~~November 1, 2016, of the committee's findings to the Governor,~~
25 ~~the President pro tempore of the Senate, the Majority Leader and~~
26 ~~Minority Leader of the Senate, the Appropriations Committee and~~
27 ~~Education Committee of the Senate, the Speaker of the House of~~
28 ~~Representatives, the Majority Leader and Minority Leader of the~~
29 ~~House of Representatives, the Appropriations Committee and~~
30 ~~Education Committee of the House of Representatives and the~~

1 Secretary of Education.

2 SECTION 1. SECTION 121 OF THE ACT OF MARCH 10, 1949 (P.L.30, <--
3 NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, IS AMENDED BY
4 ADDING A SUBSECTION TO READ:

5 SECTION 121. KEYSTONE EXAMS.--* * *

6 (A.1) IN ADDITION TO ANY REQUIREMENTS IMPOSED ON THE STATE
7 BOARD OF EDUCATION UNDER THE "REGULATORY REVIEW ACT", ON THE
8 SAME DATE THAT PURSUANT TO THE "REGULATORY REVIEW ACT" THE STATE
9 BOARD OF EDUCATION SUBMITS A PROPOSED REGULATION FOR OR RELATED
10 TO THE IMPLEMENTATION OF KEYSTONE EXAMS UNDER THIS SECTION TO
11 THE LEGISLATIVE REFERENCE BUREAU FOR PUBLICATION OF NOTICE OF
12 PROPOSED RULEMAKING IN THE PENNSYLVANIA BULLETIN AS REQUIRED BY
13 THE ACT OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE
14 COMMONWEALTH DOCUMENTS LAW, AND THEREAFTER ON THE SAME DATE IT
15 SUBMITS THE TEXT OF THE FINAL-FORM REGULATION TO THE INDEPENDENT
16 REGULATORY REVIEW COMMISSION, IT SHALL SUBMIT TO THE CHAIRPERSON
17 AND MINORITY CHAIRPERSON OF THE EDUCATION COMMITTEE OF THE
18 SENATE AND THE CHAIRPERSON AND MINORITY CHAIRPERSON OF THE
19 EDUCATION COMMITTEE OF THE HOUSE OF REPRESENTATIVES A DETAILED
20 FISCAL IMPACT STATEMENT THAT THE PROPOSED OR FINAL-FORM
21 REGULATION WILL HAVE ON THE COMMONWEALTH, THE COMMUNITIES, THE
22 SCHOOL DISTRICTS AND, IF APPLICABLE, PRIVATE AND PRIVATE
23 RELIGIOUS SCHOOLS. THE DETAILED FISCAL IMPACT STATEMENT SHALL
24 INCLUDE A COMPREHENSIVE FISCAL NOTE OF ALL DIRECT AND INDIRECT
25 COSTS WHETHER INCURRED IN PREPARATION OF THE PROPOSED OR FINAL-
26 FORM REGULATION OR WHICH WILL BE REQUIRED AS A RESULT OF THE
27 PROMULGATION OF THE REGULATION TO ITS BEST DOLLAR ESTIMATE. THE
28 STATE BOARD OF EDUCATION MAY INCLUDE NARRATIVE STATEMENTS TO
29 ACCOMPANY ITS BEST DOLLAR ESTIMATE BUT MAY NOT DO SO IN LIEU OF
30 DETAILED BEST ESTIMATED DOLLAR AMOUNTS.

1 * * *

2 Section ~~7~~ 2. Section 1154(c) of the act, amended December <--
3 22, 1965 (P.L.1180, No.467), is amended to read:

4 Section 1154. Payment of Salaries in Cases of Sickness,
5 Injury or Death.--* * *

6 (c) Whenever a professional or temporary professional
7 employe is absent because of the death of a near relative, there
8 shall be no deduction in the salary of said employe for absence
9 on the day of the funeral. The board of school directors may
10 extend the period of absence with pay in its discretion as the
11 exigencies of the case may warrant. A near relative shall be
12 defined as a first cousin, grandfather, grandmother, grandchild,
13 aunt, uncle, niece, nephew, son-in-law, daughter-in-law,
14 brother-in-law or sister-in-law.

15 * * *

16 Section ~~7.1~~ 3. Section 1204 of the act, amended October 21, <--
17 1965 (P.L.601, No.312), is amended to read:

18 Section 1204. Granting Provisional College Certificates.--
19 The [Superintendent of Public Instruction] Secretary of
20 Education may grant a provisional college certificate to every
21 person who presents to [him] the Department of Education
22 satisfactory evidence of good moral character, and of being a
23 graduate of an approved college or university, who has completed
24 such work in education as may be required by the standards of
25 the State Board of Education, and to every person who presents
26 to [him] the Department of Education satisfactory evidence of
27 good moral character, and of being a graduate of music, with the
28 degree of bachelor of music of an approved college or
29 university, who has during such musical course completed the
30 prescribed number of hours of professional studies, which

1 certificate shall entitle [him] the individual to teach for
2 three annual school terms, and may be renewed for one additional
3 three-year period in accordance with standards to be established
4 by the State Board of Education.

5 Section ~~7.2~~ 4. The act is amended by adding a section to <--
6 read:

7 Section 1204.2. Provisional Vocational Education
8 Certificate.--The Secretary of Education may grant a provisional
9 vocational education certificate to every person who presents to
10 the Department of Education satisfactory evidence of good moral
11 character, and who has completed such work in vocational
12 education as may be required by the standards of the State Board
13 of Education, which certificate shall entitle the individual to
14 teach for eight annual school terms.

15 ~~Section 8. Section 1372(8) of the act, added May 10, 2000~~ <--
16 ~~(P.L.44, No.16), is amended to read:~~

17 ~~Section 1372. Exceptional Children; Education and~~
18 ~~Training. * * *~~

19 ~~(8) Reporting of Expenditures Relating to Exceptional~~
20 ~~Students.~~

21 ~~(i) By December 31, 2000, and each year thereafter, each~~
22 ~~school district shall compile information listing the number of~~
23 ~~students with disabilities for which expenditures are between~~
24 ~~twenty five thousand dollars (\$25,000) and fifty thousand~~
25 ~~dollars (\$50,000), which shall be known as Category 2; between~~
26 ~~fifty thousand dollars (\$50,000) and seventy five thousand~~
27 ~~dollars (\$75,000), which shall be known as Category 3A; and over~~
28 ~~seventy five thousand dollars (\$75,000), which shall be known as~~
29 ~~Category 3B, for the prior school year. The information shall be~~
30 ~~submitted to the department in a form prescribed by the~~

1 department. By February 1, 2001, and each year thereafter, the
2 department shall submit to the chairman and minority chairman of
3 the Education and Appropriations Committees of the Senate and
4 the chairman and minority chairman of the Education and
5 Appropriations Committees of the House of Representatives a
6 report listing this information by school district.

7 ~~(ii) By December 31, 2015, and each year thereafter, each~~
8 ~~school district shall compile information listing the number of~~
9 ~~students with disabilities for which expenditures are under~~
10 ~~twenty five thousand dollars (\$25,000), which shall be known as~~
11 ~~Category 1. The information shall be submitted to the department~~
12 ~~in a form prescribed by the department.~~

13 ~~(iii) Beginning with the 2015-2016 school year, the~~
14 ~~department shall annually adjust the dollar ranges for which the~~
15 ~~information is collected under this section by the percent~~
16 ~~change in the Consumer Price Index for All Urban Consumers for~~
17 ~~the Pennsylvania, New Jersey, Delaware and Maryland area~~
18 ~~reported by the Bureau of Labor Statistics for the twelve (12)~~
19 ~~month period ending in December of the school year for which the~~
20 ~~data is being collected.~~

21 Section 9. Section 1376 of the act is amended by adding a
22 subsection to read:

23 Section 1376. Cost of Tuition and Maintenance of Certain
24 Exceptional Children in Approved Institutions. * * *

25 ~~(c.9) For the 2015-2016 school year, the amount available in~~
26 ~~the appropriation after subtracting the amount determined to be~~
27 ~~the Commonwealth's share under subsection (a) and any amounts~~
28 ~~provided to a new approved private school shall be distributed~~
29 ~~on a pro rata basis based on the allocation determined in~~
30 ~~subsection (a.2) and shall be considered part of the base~~

1 ~~allocation in subsection (a.2).~~

2 * * *

3 Section 10. ~~Section 1401 of the act is amended by adding~~
4 ~~clauses to read:~~

5 Section 1401. ~~Definitions. As used in this article~~

6 * * *

7 ~~(13) "Diabetes medical management plan" means a document~~
8 ~~describing the medical orders or diabetes regimen developed and~~
9 ~~signed by the student's health care practitioner and parent or~~
10 ~~guardian.~~

11 ~~(14) "Service agreement" means a student's section 504~~
12 ~~service agreement pursuant to section 504 of the Rehabilitation~~
13 ~~Act of 1973 (Public Law 93-112, 29 U.S.C. § 794) and 22 Pa. Code~~
14 ~~Ch. 15 (relating to protected handicapped students).~~

15 ~~(15) "Health care practitioner" means the term as defined~~
16 ~~under section 103 of the act of July 19, 1979 (P.L.130, No.48),~~
17 ~~known as the Health Care Facilities Act.~~

18 ~~(16) "IEP" means a written statement for each child with a~~
19 ~~disability that is developed, reviewed or revised in a meeting~~
20 ~~in accordance with the Individuals with Disabilities Education~~
21 ~~Act (Public Law 91-230, 20 U.S.C. § 1400 et seq.) and 22 Pa.~~
22 ~~Code Ch. 14 (relating to special education services and~~
23 ~~programs).~~

24 Section 11. ~~The act is amended by adding sections to read:~~

25 ~~Section 1414.3. Education of School Employes in Diabetes~~
26 ~~Care and Management. (a) Within one hundred twenty (120) days~~
27 ~~of the effective date of this section, the Department of Health,~~
28 ~~in coordination with the Department of Education, shall~~
29 ~~establish educational modules and guidelines for the instruction~~
30 ~~of school employes in diabetes care and treatment and make the~~

~~1 modules and guidelines available on its publicly accessible~~
~~2 Internet website. The educational modules shall include~~
~~3 instruction in a school entity's obligations under 22 Pa. Code §~~
~~4 12.41 (relating to student services) and its responsibilities to~~
~~5 comply with section 504 of the Rehabilitation Act of 1973~~
~~6 (Public Law 93 112, 29 U.S.C. § 794), 22 Pa. Code Chs. 14~~
~~7 (relating to special education services and programs) and 15~~
~~8 (relating to protected handicapped students) and the Individuals~~
~~9 with Disabilities Education Act (Public Law 91 230, 20 U.S.C. §~~
~~10 1400 et seq.). At a minimum, the educational modules shall~~
~~11 include review of the responsibilities and instruction in:~~

- ~~12 (1) An overview of all types of diabetes.~~
- ~~13 (2) Means of monitoring blood glucose.~~
- ~~14 (3) The symptoms and treatment for blood glucose levels~~
~~15 outside of target ranges as well as symptoms and treatment for~~
~~16 hypoglycemia, hyperglycemia and other potential emergencies.~~
- ~~17 (4) Techniques on administering glucagon and insulin.~~

~~18 (b) The school nurse, in consultation with the chief school~~
~~19 administrator or a designee, may identify at least one school~~
~~20 employe who is not the school nurse and who does not need to be~~
~~21 a licensed health care practitioner in each school building~~
~~22 attended by a student with diabetes. If the school building~~
~~23 attended by a student with diabetes does not have a full time~~
~~24 school nurse, the chief school administrator may, but is not~~
~~25 required to, consult with the school nurse assigned to that~~
~~26 school building to identify at least one school employe in the~~
~~27 school building. An identified employe shall complete the annual~~
~~28 educational modules outlined in subsection (a) or annual~~
~~29 education offered by a licensed health care practitioner with~~
~~30 expertise in the care and treatment of diabetes that includes~~

1 ~~substantially the same information as outlined in subsection~~
2 ~~(a). An employe responsible for a child with diabetes in the~~
3 ~~absence of the school nurse shall have the right to decline the~~
4 ~~responsibility and related directives.~~

5 ~~(c) A school employe who is not a licensed health care~~
6 ~~practitioner and who has successfully completed the education~~
7 ~~modules under subsection (a) or annual education offered by a~~
8 ~~licensed health care practitioner with expertise in the care and~~
9 ~~treatment of diabetes that includes substantially the same~~
10 ~~information as outlined in subsection (a) may be designated in a~~
11 ~~student's service agreement or IEP to administer diabetes~~
12 ~~medications, use monitoring equipment and provide other diabetes~~
13 ~~care. A school entity may require the designated employe who has~~
14 ~~not declined the assignment, to complete the annual educational~~
15 ~~modules or annual education from a licensed health care~~
16 ~~practitioner, or both, in the administration of diabetes~~
17 ~~medications, use of monitoring equipment and provision of other~~
18 ~~diabetes care. Education provided to school employes shall be~~
19 ~~coordinated by the chief school administrator or a designee.~~
20 ~~School entities may include the education in the professional~~
21 ~~education plan submitted by the school entity to the Department~~
22 ~~of Education under section 1205.1.~~

23 ~~(d) Notwithstanding any other statute or regulation~~
24 ~~restricting the functions that may be performed by persons other~~
25 ~~than licensed health care practitioners, school employes who~~
26 ~~have completed the education requirements under this section may~~
27 ~~perform diabetes care and treatment for students. School~~
28 ~~employes who are not licensed health care practitioners shall~~
29 ~~only be authorized to administer diabetes medications via~~
30 ~~injection or infusion following annual education by a licensed~~

~~1 health care practitioner with expertise in the care and
2 treatment of diabetes, and following the school entity's receipt
3 of written authorization from both the student's health care
4 practitioner and parent or guardian that an educated school
5 employe, who is not a licensed health care practitioner, may
6 administer specified medications.~~

~~7 (c) For purposes of this section, "school entity" means a
8 school district, intermediate unit, area vocational technical
9 school, charter school or cyber charter school.~~

~~10 Section 1414.4. Diabetes Care in Schools. (a) A parent or
11 guardian of a student with diabetes who desires that the student
12 receive diabetes related care and treatment in a school setting
13 shall provide the school entity with written authorization for
14 the care and instructions from the student's health care
15 practitioner, consistent with the school entity's policies
16 regarding the provision of school health services. The required
17 authorizations may be submitted as part of a diabetes medical
18 management plan.~~

~~19 (b) All diabetes related care provided to students shall be
20 consistent with the school health program established by the
21 governing body of the school entity and any accommodations
22 outlined in a student's service agreement.~~

~~23 (c) A student's service agreement may require a school
24 entity to provide the driver of a school bus or school vehicle,
25 who provides transportation to a student with diabetes, with an
26 information sheet that:~~

~~27 (1) Identifies the student with diabetes.~~

~~28 (2) Identifies potential emergencies that may occur as a
29 result of the student's diabetes and the appropriate responses
30 to such emergencies.~~

~~(3) Provides the telephone number of a contact person in case of an emergency involving the student with diabetes.~~

~~(d) For purposes of this section:~~

~~"School bus" means a school bus as defined in 75 Pa.C.S. § 102 (relating to definitions).~~

~~"School entity" means a school district, intermediate unit, area vocational technical school, charter school or cyber charter school.~~

~~"School vehicle" means a school vehicle as defined in 75 Pa.C.S. § 102.~~

~~Section 1414.5. Possession and Use of Diabetes Medication~~

~~and Monitoring Equipment. (a) A school entity shall require~~

~~the parent or guardian of a student with diabetes who requests~~

~~that the student possess and self administer diabetes medication~~

~~and operate monitoring equipment in a school setting to provide~~

~~the following:~~

~~(1) A written statement from the student's health care~~

~~practitioner that provides the name of the drug, the dose, the~~

~~times when the medication is to be taken or the monitoring~~

~~equipment to be used, the specified time period for which the~~

~~medication or monitoring equipment is authorized to be used and~~

~~the diagnosis or reason the medicine or monitoring equipment is~~

~~needed. The student's health care practitioner shall indicate~~

~~the potential of any serious reaction to the medication that may~~

~~occur, as well as any necessary emergency response. The~~

~~student's health care practitioner shall state whether the~~

~~student is competent to self administer the medication or~~

~~monitoring equipment and whether the student is able to practice~~

~~proper safety precautions for the handling and disposal of the~~

~~medication and monitoring equipment.~~

1 ~~(2) A written request from the parent or guardian that the~~
2 ~~school entity comply with the instructions of the student's~~
3 ~~health care practitioner. The parent's request shall include a~~
4 ~~statement relieving the school entity or any school employe of~~
5 ~~any responsibility for the prescribed medication or monitoring~~
6 ~~equipment and acknowledging that the school entity bears no~~
7 ~~responsibility for ensuring that the medication is taken by the~~
8 ~~student and the monitoring equipment is used.~~

9 ~~(3) A written acknowledgment by the school nurse that the~~
10 ~~student has demonstrated that the student is capable of self-~~
11 ~~administration of the medication and use of the monitoring~~
12 ~~equipment.~~

13 ~~(4) A written acknowledgment by the student that the student~~
14 ~~has received instruction from the student's health care~~
15 ~~practitioner on proper safety precautions for the handling and~~
16 ~~disposal of the medications and monitoring equipment. The~~
17 ~~written acknowledgment shall also contain a provision stating~~
18 ~~that the student will not allow other students to have access to~~
19 ~~the medication and monitoring equipment and that the student~~
20 ~~understands appropriate safeguards.~~

21 ~~(b) A school entity may revoke or restrict a student's~~
22 ~~privileges to possess and self administer diabetes medication~~
23 ~~and operate monitoring equipment due to noncompliance with~~
24 ~~school rules and provisions of a student's service agreement,~~
25 ~~IEP or due to demonstrated unwillingness or inability of the~~
26 ~~student to safeguard the medication and monitoring equipment~~
27 ~~from access by other students.~~

28 ~~(c) A school entity that prohibits a student from possessing~~
29 ~~and self administering diabetes medication and operating~~
30 ~~monitoring equipment under subsection (b) shall ensure that the~~

~~1 diabetes medication or monitoring equipment is appropriately
2 stored in a readily accessible place in the school building
3 attended by the student. The school entity shall notify the
4 school nurse and other identified school employes regarding the
5 location of the diabetes medication and monitoring equipment and
6 means to access them.~~

~~7 (d) For purposes of this section, the following terms shall
8 have the following meanings:~~

~~9 "School entity" means a school district, intermediate unit,
10 area vocational technical school, charter school or cyber
11 charter school.~~

~~12 "Diabetes medication" means glucagon and insulin.~~

~~13 Section 1414.6. Liability. Nothing in sections 1414.3,
14 1414.4 or 1414.5 shall be construed to create, establish or
15 expand any civil liability on the part of any school entity or
16 school employe.~~

~~17 Section 1414.7. Coordinating, Supervising or Educating Not
18 Considered Delegation. (a) Notwithstanding any other law to
19 the contrary, coordinating or supervising the provision of
20 diabetes care by school employes authorized in sections 1414.3
21 and 1414.4 and providing education in accordance with section
22 1414.3 shall not be construed as a delegation by a licensed
23 health care practitioner.~~

~~24 (b) A licensed health care practitioner who, acting in
25 compliance with sections 1414.3 and 1414.4, coordinates or
26 supervises care for a student or provides education to a school
27 employe shall not be subject to any criminal or civil liability
28 or any professional disciplinary action for the same.~~

~~29 (c) Notwithstanding any other provision of law, a school
30 employe who is designated to provide diabetes medications to a~~

1 ~~student shall not be considered to be engaging in health related~~
2 ~~activities which are reserved exclusively for licensed~~
3 ~~professionals.~~

4 ~~Section 1414.8. Diabetes Care in Nonpublic Schools. (a) A~~
5 ~~nonpublic school may comply with the education of school~~
6 ~~employees and provision of diabetes related care to a student~~
7 ~~with diabetes required under sections 1414.3, 1414.4 and 1414.5.~~
8 ~~A written education plan that outlines the aids and related~~
9 ~~services required to meet the academic needs of the student with~~
10 ~~diabetes may take the place of a service agreement for a student~~
11 ~~with diabetes attending a nonpublic school unless a service~~
12 ~~agreement is otherwise required under law or regulation.~~

13 ~~(b) Nothing in section 1414.3, 1414.4, 1414.5, 1414.6 or~~
14 ~~this section shall be construed to do any of the following:~~

15 ~~(1) Create, establish or expand any obligations on the part~~
16 ~~of any nonpublic school to comply with section 504 of the~~
17 ~~Rehabilitation Act of 1973 (Public Law 93 112, 29 U.S.C. § 794).~~

18 ~~(2) Create, establish, result in or expand any contractual~~
19 ~~obligations on the part of any nonpublic school.~~

20 ~~(c) No nonpublic school employe or nonpublic school shall be~~
21 ~~liable for civil damages as a result of the activities~~
22 ~~authorized by sections 1414.3, 1414.4 and 1414.5, except that an~~
23 ~~employe may be liable for willful misconduct.~~

24 ~~Section 11.1~~ 5. Section 1525 of the act, added July 4, 2004 <--
25 (P.L.536, No.70), is amended to read:

26 Section 1525. Agreements with Institutions of Higher
27 Education.--Notwithstanding any other provision of law to the
28 contrary, a school district, charter school, regional charter
29 school, cyber charter school or area vocational-technical school
30 may enter into an agreement with one or more institutions of

1 higher education approved to operate in this Commonwealth in
2 order to allow [resident] students to attend such institutions
3 of higher education while the [resident] students are enrolled
4 in the school district, charter school, regional charter school,
5 cyber charter school or area vocational-technical school. The
6 agreement may be structured so that high school students may
7 receive credits toward completion of courses at the school
8 district, charter school, regional charter school, cyber charter
9 school or area vocational-technical school and at institutions
10 of higher education approved to operate in this Commonwealth.

11 ~~Section 12. The act is amended by adding a section to read: <--~~
12 ~~Section 1513 C. Supplemental online mathematics support.~~

13 ~~(a) General rule. For the 2015-2016 school year, the~~
14 ~~department shall make online mathematics support available to~~
15 ~~all students enrolled in school entities in grades three through~~
16 ~~eight and provide training and support for school entity~~
17 ~~personnel to effectively promote student use of the online~~
18 ~~mathematics support.~~

19 ~~(b) Contents. Online mathematics support shall include~~
20 ~~tutoring, student motivation programming and adaptive online~~
21 ~~instruction provided by instructors certified to teach~~
22 ~~mathematics under Article XII.~~

23 ~~(c) Contract. In carrying out its duty under this section,~~
24 ~~the department may enter into a contract with a service~~
25 ~~provider. In awarding a contract under this section, the~~
26 ~~department shall give preference to service providers based in~~
27 ~~this Commonwealth that have demonstrated success in providing~~
28 ~~Statewide online mathematics support.~~

29 ~~(d) Funding contingency. The powers and duties established~~
30 ~~in this section shall be contingent on appropriations made by~~

1 ~~the General Assembly.~~

2 ~~(c) Definition. For the purpose of this section, the term~~
3 ~~"school entity" shall include a school district, charter school,~~
4 ~~regional charter school or cyber charter school.~~

5 Section ~~12.1~~ 6. The definitions of "concurrent student" and <--
6 "school entity" in section 1602-B of the act, added July 13,
7 2005 (P.L.226, No.46), are amended to read:

8 Section 1602-B. Definitions.

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

12 * * *

13 "Concurrent student." A student who is enrolled in a school
14 district, a charter school, a regional charter school, a cyber
15 charter school, an area vocational-technical school, a nonpublic
16 school, a private school or a home education program under
17 section 1327.1 and who takes a concurrent course through a
18 concurrent enrollment program.

19 * * *

20 "School entity." A school district, a charter school, a
21 regional charter school, a cyber charter school or an area
22 vocational-technical school.

23 * * *

24 Section ~~12.2~~ 7. Sections 1611-B and 1613-B of the act are <--
25 amended by adding subsections to read:

26 Section 1611-B. Responsibilities of school entities.

27 * * *

28 (g) Revenue received by school district.--Notwithstanding
29 any provision of law to the contrary, the revenues received by a
30 school district under section 1603-B shall not be included in

1 the school district's budgeted total expenditure per average
2 daily membership used to calculate the amount to be paid to a
3 charter school entity under section 1725-A(a) (2) and (3).

4 Section 1613-B. Concurrent enrollment agreements.

5 * * *

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

12 Section ~~13~~ 8. Section 1703-A of the act, AMENDED JUNE 29, <--
13 2002 (P.L.524, NO.88), is amended to read:

14 Section 1703-A. Definitions.--As used in this article,

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

24 "Aid ratio" and "market value/income aid ratio" shall be:

25 (1) the aid ratio and market value/income aid ratio for the
26 school district that granted a charter to the charter school;

27 (2) for a regional charter school, the aid ratio and market
28 value/income aid ratio shall be a composite, as determined by
29 the department, based on the school districts that granted the
30 charter; or

1 (3) for a cyber charter school, the aid ratio and market
2 value/income aid ratio shall be that of the school district in
3 which the administrative offices of the cyber charter school are
4 located.

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

7 "Assessment" shall mean the Pennsylvania System of School
8 Assessment test, the Keystone Exam or another test established
9 OR APPROVED by the State board OR THE GENERAL ASSEMBLY to meet <--
10 the requirements of section 2603-B(d)(10)(i) and OR required <--
11 under the No Child Left Behind Act of 2001 (Public Law 107-110, <--
12 115 Stat. 1425) EVERY STUDENT SUCCEEDS ACT (PUBLIC LAW 114-95, <--
13 129 STAT. 1802) or its successor Federal statute.

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

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

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

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

1 entity.

2 "Chief administrator" shall mean an individual appointed by a
3 board of trustees to oversee and manage the operation of a
4 charter school entity. The term shall not include a professional
5 staff member under this article.

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

10 "Community college" shall mean a community college
11 established under Article XIX-A.

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

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

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

1 "Immediate family member" shall mean a parent, spouse, child,
2 brother, sister, grandparent or grandchild.

3 "Local board of school directors" shall mean the board of
4 directors, School Reform Commission or other governing authority
5 of a school district in which a proposed or an approved charter
6 school is located.

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

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

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

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

22 "School performance profile" shall mean the Pennsylvania
23 School Performance Profile developed by the department under
24 section 1123.

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

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

29 "State System institution" shall mean a member institution of
30 the State System of Higher Education established under Article

1 XX-A.

2 Section ~~13.1~~ 9. The act is amended by adding a section to <--
3 read:

4 Section 1704-A. Charter School Funding Advisory

5 Commission.--(1) A Charter School Funding Advisory Commission

6 is established. The commission shall examine the financing of

7 charter school entities in the public education system and

8 related issues. The commission shall examine how charter school

9 entity finances affect opportunities for teachers, parents,

10 pupils and community members to establish and maintain schools

11 that operate independently from the existing school district

12 structure as a method to accomplish the requirements of section

13 1702-A. The General Assembly shall provide administrative

14 support, meeting space and any other assistance required by the

15 commission to carry out its duties under this section.

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

17 (i) Four members of the Senate appointed by the President

18 pro tempore of the Senate, in consultation with the Majority

19 Leader of the Senate and the Minority Leader of the Senate, with

20 two appointees from the majority party, one of whom shall be the

21 majority chairman of the Education Committee of the Senate, and

22 two appointees from the minority party, one of whom shall be the

23 minority chairman of the Education Committee of the Senate.

24 (ii) Four members of the House of Representatives appointed

25 by the Speaker of the House of Representatives, in consultation

26 with the Majority Leader of the House of Representatives and the

27 Minority Leader of the House of Representatives, with two

28 appointees from the majority party, one of whom shall be the

29 majority chairman of the Education Committee of the House of

30 Representatives, and two appointees from the minority party, one

1 of whom shall be the minority chairman of the Education
2 Committee of the House of Representatives.

3 (iii) The secretary or a designee.

4 (iv) An at-large member chosen by the Governor, the
5 President pro tempore of the Senate and the Speaker of the House
6 of Representatives.

7 (v) To represent the interests of charter school entities,
8 the following members, who shall be appointed by the secretary
9 from a list provided by The Pennsylvania Coalition of Public
10 Charter Schools and the Keystone Alliance:

11 (A) One member who shall be a business manager of a charter
12 school.

13 (B) One member who shall be a business manager of a cyber
14 charter school.

15 (vi) To represent the interests of school districts, the
16 following members, who shall be appointed by the secretary from
17 a list provided by the Pennsylvania Association of School
18 Business Officials:

19 (A) One member who shall be a business manager of a rural
20 school district.

21 (B) One member who shall be a business manager of an urban
22 school district.

23 (3) Members of the commission shall be appointed within
24 twenty (20) days of the effective date of this section. Any
25 vacancy on the commission shall be filled by the original
26 appointing authority. The commission shall be co-chaired by the
27 chairman of the Education Committee of the Senate and chairman
28 of the Education Committee of the House of Representatives. The
29 organizational meeting shall take place not later than forty-
30 five (45) days following the effective date of this section.

1 (4) The commission shall hold meetings at the call of the
 2 chairman CHAIRMEN. The commission may hold no more than six
 3 public hearings on the matters to be considered by the
 4 commission. All meetings and public hearings of the commission
 5 shall be deemed public meetings for the purpose of 65 Pa.C.S.
 6 Ch. 7 (relating to open meetings). Eight (8) members of the
 7 commission shall constitute a quorum at any meeting. Each member
 8 of the commission may designate another person to represent that
 9 member at meetings of the commission.

10 (5) Commission members shall receive no compensation for
 11 their services but shall be reimbursed by the department for all
 12 necessary travel and other reasonable expenses incurred in
 13 connection with the performance of their duties as members.
 14 Whenever possible, the commission shall utilize the services and
 15 expertise of existing personnel and staff of State government.

16 (6) The commission shall have the following powers and
 17 duties:

18 (i) Meet with current charter school entity operators and
 19 school district personnel.

20 (ii) Review charter school entity financing laws in
 21 operation throughout the United States.

22 (iii) Explore the actual cost of educating a child in a
 23 cyber charter school.

24 (iv) Evaluate and make recommendations on the following:

25 (A) Consideration of establishing an independent State level
 26 board to authorize charter school entities and support charter
 27 school quality and accountability through performance monitoring
 28 and technical assistance.

29 (B) The process by which charter school entities are funded
 30 under section 1725-A, including addressing potential funding

1 inequities, to include consideration of continuing the school
2 district deductions for school library services, nonpublic
3 support services, tax assessment and collection services,
4 nonpublic health services, operation and maintenance of plant
5 services and community services.

6 (C) Appropriate funding for charter school entity
7 facilities.

8 (D) A process by which the performance matrix established
9 under section 1731.2-A shall compare the academic performance of
10 each charter school entity with the academic performance of the
11 school district of residence of each student enrolled in the
12 charter school entity.

13 (E) Special education transportation.

14 (F) Other funding issues raised in the course of public
15 hearings.

16 (G) Consideration of a school district deduction for
17 programs and services to the extent they are funded from the
18 proceeds of competitive grants from private or public resources
19 or from contributions or donations from private sources.

20 (H) The appropriate manner of funding a charter school that
21 primarily serves adjudicated youth.

22 (I) Funding and all costs associated with athletic programs
23 provided by charter school entities.

24 (J) Consideration of a method by which a local board of
25 school directors, when considering a charter application, may
26 review whether charter school entities are sufficiently
27 distributed throughout a school district while also ensuring
28 that a charter application is not denied on the basis of
29 geographic location.

30 (k) Consideration of the appropriate manner of implementing

1 the recommendations of the Special Education Funding Commission
2 with respect to charter school entities, based on the manner in
3 which the commission's recommendations have been implemented for
4 school districts.

5 (v) Issue a report pursuant to paragraph (7).

6 (7) The commission shall, no later than one year from the
7 effective date of this section, issue a report of its findings
8 and recommendations to the Governor, the President pro tempore
9 of the Senate, the Majority Leader of the Senate, the Minority
10 Leader of the Senate, the chairman and minority chairman of the
11 Appropriations Committee of the Senate, the chairman and
12 minority chairman of the Education Committee of the Senate, the
13 Speaker of the House of Representatives, the Majority Leader of
14 the House of Representatives, the Minority Leader of the House
15 of Representatives, the chairman and minority chairman of the
16 Appropriations Committee of the House of Representatives and the
17 chairman and minority chairman of the Education Committee of the
18 House of Representatives. The recommendations of the commission
19 shall not take effect unless the recommendations are approved by
20 an act of the General Assembly enacted after the effective date
21 of this section.

22 Section ~~13.2~~ 10. Section 1715-A of the act, amended or added <--
23 June 19, 1997 (P.L.225, No.22) and July 9, 2008 (P.L.846,
24 No.61), is amended to read:

25 Section 1715-A. Charter School Entity Requirements.--(a)
26 Charter [schools] school entities shall be required to comply
27 with the following provisions:

28 (1) Except as otherwise provided in this article, a charter
29 school entity is exempt from statutory requirements established
30 in this act, from regulations of the State board and the

1 standards of the secretary not specifically applicable to
2 charter [schools] school entities. Charter [schools] school
3 entities are not exempt from statutes applicable to public
4 schools other than this act.

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

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

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

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

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

20 (A) if the charter school entity provides for discrete and
21 separate entrances to buildings utilized for school purposes
22 only;

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

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

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

30 (7) A charter school or regional charter school shall only

1 be subject to the laws and regulations as provided for in
2 section 1732-A, or as otherwise provided for in this [article]
3 act.

4 (7.1) A cyber charter school shall only be subject to the
5 laws and regulations as provided for in section 1749-A, or as
6 otherwise provided for in this act.

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

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

20 (9.1) A cyber charter school may use in-person interaction,
21 testing or instruction for students protected by the Individuals
22 with Disabilities Education Act (Public Law 91-230, 20 U.S.C. §
23 1400 et seq.) or section 504 of the Rehabilitation Act of 1973
24 (Public Law 93-112, 29 U.S.C. § 794), ~~and~~ for the amount of time <--
25 that such services are required by the student's individualized
26 education program or by the plan describing services provided to
27 the student pursuant to section 504 of the Rehabilitation Act of
28 1973.

29 (10) Boards of trustees and contractors of charter [schools]
30 school entities shall be subject to the following statutory

1 requirements governing construction projects and construction-
2 related work:

3 (i) The following provisions of this act:

4 (A) Sections 751 and 751.1.

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

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

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

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

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

16 (11) Trustees of a charter school entity shall be public
17 officials[.] for the purposes of 65 Pa.C.S. Ch. 11 (relating to
18 ethics standards and financial disclosure) and shall file a
19 statement of financial interests for the preceding calendar year
20 with the State Ethics Commission and either the local board of
21 school directors in the case of a charter school or regional
22 charter school, or the department in the case of a cyber charter
23 school, not later than May 1 of each year that members hold the
24 position and of the year after a member leaves the position. All
25 members of the board of trustees of a charter school entity
26 shall take the oath of office as required under section 321
27 before entering upon the duties of their office.

28 [(12) A person who serves as an administrator for a charter
29 school shall not receive compensation from another charter
30 school or from a company that provides management or other

1 services to another charter school. The term "administrator"
2 shall include the chief executive officer of a charter school
3 and all other employes of a charter school who by virtue of
4 their positions exercise management or operational oversight
5 responsibilities. A person who serves as an administrator for a
6 charter school shall be a public official under 65 Pa.C.S. Ch.
7 11 (relating to ethics standards and financial disclosure). A
8 violation of this clause shall constitute a violation of 65
9 Pa.C.S. § 1103(a) (relating to restricted activities), and the
10 violator shall be subject to the penalties imposed under the
11 jurisdiction of the State Ethics Commission.]

12 (b) An individual who serves as an administrator for a
13 charter school entity shall be a public employe for the purposes
14 of 65 Pa.C.S. Ch. 11 and shall file a statement of financial
15 interests for the preceding calendar year with the board of
16 trustees not later than May 1 of each year that the person holds
17 the position and of the year after the person leaves the
18 position.

19 (c) (1) No individual who serves as an administrator for a
20 charter school entity may receive compensation from another
21 charter school entity or from an educational management service
22 provider, unless:

23 (i) The administrator has submitted a sworn statement to the
24 board of trustees of the charter school entity and the sworn
25 statement details the work for the other entity and includes the
26 projected number of hours, rate of compensation and projected
27 duration.

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

1 (2) A copy of the sworn statement under clause (1)(i) and
2 the resolution by the board of trustees granting the permission
3 under clause (1)(ii) shall be provided to, and kept on file
4 with, the charter school entity and the local board of school
5 directors or, in the case of a cyber charter school, the
6 department.

7 (3) No administrator of a charter school entity or immediate
8 family member of the administrator may serve as a voting member
9 of the board of trustees of the charter school entity that
10 employs the administrator.

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

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

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

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

25 Section ~~13.3~~ 11. Section 1716-A(c) of the act, added June <--
26 19, 1997 (P.L.225, No.22), is amended and the section is amended
27 by adding subsections to read:

28 Section 1716-A. Powers of Board of Trustees.--* * *

29 (b.1) (1) For a charter school or regional charter school
30 chartered after the effective date of this subsection, an

1 individual shall be prohibited from serving as a voting member
2 of the board of trustees of the charter school or regional
3 charter school if the individual or an immediate family member
4 receives compensation from or is employed by or is a member of
5 the local board of school directors who participated in the
6 initial review, approval, oversight, evaluation or renewal
7 process of the charter school or regional charter school
8 chartered by that board.

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

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

18 (2) Any member of the board of trustees of a charter school
19 entity who in the discharge of the person's official duties
20 would be required to vote on a matter that would result in a
21 conflict of interest shall abstain from voting and follow the
22 procedures required under 65 Pa.C.S. § 1103(j) (relating to
23 restricted activities).

24 (3) A member of the board of trustees of a charter school
25 entity who knowingly violates this subsection commits a
26 violation of 65 Pa.C.S. § 1103(a) and shall be subject to the
27 penalties imposed under the jurisdiction of the State Ethics
28 Commission.

29 (4) A contract made in violation of this subsection shall be
30 voidable by a court of competent jurisdiction, if the suit is

1 commenced within ninety (90) days of the making of the contract.

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

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

11 (c) The board of trustees shall comply with [the act of July
12 3, 1986 (P.L.388, No.84), known as the "Sunshine Act."] 65
13 Pa.C.S. Ch. 7 (relating to open meetings).

14 (d) (1) (i) The board of trustees of a charter school
15 entity shall consist of a minimum of five (5) nonrelated voting
16 members.

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

23 (2) Within one (1) year of the effective date of this
24 subsection, at least one member of the board of trustees of a
25 charter school entity shall be a parent of a child currently
26 attending the charter school entity. The board of trustees
27 member provided for under this paragraph shall be eligible to
28 serve only so long as the child attends the charter school
29 entity. This paragraph shall not apply to a charter school that
30 primarily serves adjudicated youth.

1 (e) (1) A majority of the voting members of the board of
2 trustees shall constitute a quorum. If less than a majority is
3 present at any meeting, no business may be transacted at the
4 meeting.

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

9 Section ~~13.4~~ 12. The act is amended by adding a section to <--
10 read:

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

24 (b) (1) In any case where the board of trustees of a
25 charter school entity fails to pay or to provide for the payment
26 of:

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

29 (ii) any interest due on such indebtedness on any interest
30 payment date or on any sinking fund deposit date in accordance

1 with the schedule under which the bonds were issued,
2 the bank or trustee for the bonds shall notify the board of
3 trustees of its obligation and shall immediately notify the
4 secretary and, in the case of a charter school or regional
5 charter school, the local board of school directors.

6 (2) The secretary shall withhold any payment due the charter
7 school entity in any amount necessary to fully fund the amount
8 held in escrow by the charter school entity which shall be equal
9 to the sum of the principal amount maturing or subject to
10 mandatory redemption and interest owing by the charter school
11 entity or sinking fund deposit due by the charter school entity
12 and shall require payover of the amount withheld to the bank or
13 trustee acting as the sinking fund depositary for the bond issue
14 from the escrow account.

15 Section ~~13.5~~ 13. Sections 1717-A(c), (d), (e) and (f) and <--
16 1719-A of the act, added June 19, 1997 (P.L.225, No.22), are
17 amended to read:

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

19 (c) An application to establish a charter school shall be
20 submitted to the local board of school directors of the district
21 where the charter school will be located by [November 15]
22 October 1 of the school year preceding the school year in which
23 the charter school will be established except that for a charter
24 school beginning in the 1997-1998 school year, an application
25 must be received by July 15, 1997. In the 1997-1998 school year
26 only, applications shall be limited to recipients of fiscal year
27 1996-1997 Department of Education charter school planning
28 grants.

29 (d) Within forty-five (45) days of receipt of an
30 application, the local board of school directors in which the

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

11 (e) (1) Not later than seventy-five (75) days after the
12 first public hearing on the application, the local board of
13 school directors shall grant or deny the application. For a
14 charter school beginning in the 1997-1998 school year, the local
15 board of school directors shall grant or deny the application no
16 later than sixty (60) days after the first public hearing.

17 (2) A charter school application submitted under this
18 article shall be evaluated by the local board of school
19 directors based on criteria, including, but not limited to, the
20 following:

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

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

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

1 (iv) The extent to which the charter school may serve as a
2 model for other public schools and share best practices.

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

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

14 (5) Written notice of the board's action shall be sent to
15 the applicant, the department and the appeal board. If the
16 application is denied, the reasons for the denial, including a
17 description of deficiencies in the application, shall be clearly
18 stated in the notice sent by the local board of school directors
19 to the charter school applicant.

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

1 application by the board. For a revised application resubmitted
2 for the 1997-1998 school year, the board shall consider the
3 application at the first board meeting occurring at least thirty
4 (30) days after its receipt. The board shall provide notice of
5 consideration of the revised application under [the "Sunshine
6 Act."] 65 Pa.C.S. Ch. 7. No appeal from a decision of a local
7 school board may be taken until July 1, 1999.

8 * * *

9 Section 1719-A. Contents of Application.--[An] (a) The
10 department shall create a standard application form for charter
11 school applicants seeking to establish a charter school entity
12 and a standard APPLICATION form for existing charter school <--
13 entities seeking renewal of their charters. The forms shall be
14 published in the Pennsylvania Bulletin and posted on the
15 department's publicly accessible Internet website. The forms
16 shall include all of the following information:

- 17 (1) The identification of the charter school applicant.
- 18 (2) The name of the proposed charter school entity.
- 19 (3) The grade or age levels served by the school.
- 20 (4) [The proposed governance structure of the charter
21 school, including a description and method for the appointment
22 or election of members of the board of trustees.] An
23 organization chart clearly presenting the proposed governance
24 structure of the school, including lines of authority and
25 reporting between the board of trustees, administrators, staff
26 and any educational management service provider that will
27 provide management services to the charter school entity.

28 (4.1) A clear description of the roles and responsibilities
29 of the board of trustees, administrators and any other entities,
30 including a charter school foundation, shown in the organization

1 chart.

2 (4.2) A clear description of the method for the appointment
3 or election of members of the board of trustees.

4 (4.3) Standards for board of trustees performance, including
5 compliance with all applicable laws, regulations and terms of
6 the charter.

7 (4.4) If the charter school entity intends to contract with
8 an educational management service provider for services, all of
9 the following:

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

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

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

18 (B) The proposed duration of the service contract.

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

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

23 (E) Performance evaluation measures and timelines.

24 (F) The compensation structure, including clear
25 identification of all fees to be paid to the educational
26 management service provider.

27 (G) Methods of contract oversight and enforcement.

28 (H) Investment disclosure or the advance of moneys by the
29 educational management service provider on behalf of the charter
30 school entity.

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

2 (iii) Disclosure and explanation of any existing or
3 potential conflicts of interest between the members of the board
4 of trustees and the proposed educational management service
5 provider or any affiliated business entities, including a
6 charter school foundation qualified as a support organization
7 under the Internal Revenue Code of 1986 (Public Law 99-514, 26
8 U.S.C. § 1 et seq.).

9 (5) The mission and education goals of the charter school
10 entity, the curriculum to be offered and the methods of
11 assessing whether students are meeting educational goals.

12 (6) The admission and enrollment policy [and criteria for
13 evaluating the admission of students] which shall comply with
14 the requirements of section 1723-A.

15 (7) Procedures which will be used regarding the suspension
16 or expulsion of pupils. Said procedures shall comply with
17 section 1318.

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

20 (9) The financial plan for the charter school entity and the
21 provisions which will be made for auditing the school under
22 [section 437] sections 437 and 1728-A, including the role of any
23 charter school foundation.

24 (10) Procedures which shall be established to review
25 complaints of parents regarding the operation of the charter
26 school entity.

27 (11) A description of and address of the physical facility
28 in which the charter school entity will be located and the
29 ownership thereof and any lease arrangements.

30 (12) Information on the proposed school calendar for the

1 charter school entity, including the length of the school day
2 and school year consistent with the provisions of section 1502.

3 (13) The proposed faculty, if already determined, and a
4 professional development and continuing education plan for the
5 faculty and professional staff of [a] the charter school entity.

6 (14) Whether any agreements have been entered into or plans
7 developed with the local school district regarding participation
8 of the charter school entity's students in extracurricular
9 activities within the school district. Notwithstanding any
10 provision to the contrary, no school district of residence shall
11 prohibit a student of a charter school entity from participating
12 in any extracurricular activity of that school district of
13 residence: Provided, That the student is able to fulfill all of
14 the requirements of participation in such activity and the
15 charter school entity does not provide the same extracurricular
16 activity.

17 (15) [A report] REPORTS of criminal history [record] RECORDS <--
18 AND EMPLOYMENT HISTORY REVIEWS, pursuant to [section 111] <--
19 SECTIONS 111 AND 111.1, for all individuals identified in the
20 application who shall have direct contact with students[.] and a
21 plan for satisfying the proper criminal history record
22 clearances AND EMPLOYMENT HISTORY REVIEWS required for all other <--
23 staff.

24 (16) An official clearance statement regarding child injury
25 or abuse from the Department of Public Welfare as required by 23
26 Pa.C.S. Ch. 63 Subch. [C.2 (relating to background checks for
27 employment in schools)] C (relating to powers and duties of
28 department) and section 111 for all individuals identified in
29 the application who shall have direct contact with students[.]
30 and a plan for satisfying the proper official clearance

1 statement regarding child injury or abuse required for all other
2 staff.

3 (17) How the charter school entity will provide adequate
4 liability and other appropriate insurance for the charter school
5 entity, its employes and the board of trustees of the charter
6 school entity.

7 (18) Policies regarding truancy, absences and withdrawal of
8 students, including the manner in which the charter school
9 entity will monitor attendance consistent with section 1715-A(a)
10 (9). The charter school entity's policy shall establish, to the
11 satisfaction of the local board of school directors or, in the
12 case of a cyber charter school, to the satisfaction of the
13 department, that the charter school entity will comply with
14 sections 1332 and 1333 THE COMPULSORY ATTENDANCE PROVISIONS OF <--
15 ARTICLE XIII, including the institution of truancy proceedings
16 when required under section 1333 ARTICLE XIII. <--

17 (19) How the charter school entity will meet the standards
18 included in the performance matrix developed by the State Board
19 of Education under section 1731.2-A.

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

27 (b) A local board of school directors may not impose
28 additional terms, develop its own application or require
29 additional information outside the standard application forms
30 required under subsection (a). The department shall review the

1 standard application forms every three (3) years and shall
2 submit any recommended revisions in writing to the Education
3 Committee of the Senate and the Education Committee of the House
4 of Representatives. No such recommended revisions shall be made
5 to the standard application forms unless the revisions are
6 enacted by the General Assembly.

7 Section ~~13.6~~ 14. Section 1720-A of the act, amended July 9, <--
8 2008, (P.L.846, No.61), is amended to read:

9 Section 1720-A. Term and Form of Charter.--(a) (1) Upon
10 approval of a charter application under section 1717-A, a
11 written charter shall be developed which shall contain the
12 provisions of the standardized charter application under section
13 1719-A and which shall be signed by the local board of school
14 directors of a school district, by the local boards of school
15 directors of a school district in the case of a regional charter
16 school or by the chairman of the appeal board pursuant to
17 section [1717-A(i) (5)] 1717-A(i) (9) and the board of trustees of
18 the charter school or regional charter school. This written
19 charter, when duly signed by the local board of school directors
20 of a school district, [or] by the local boards of school
21 directors of a school district in the case of a regional charter
22 school or by the chairman of the appeal board, and the charter
23 school or regional charter school's board of trustees, shall act
24 as legal authorization for the establishment of a charter school
25 or regional charter school. This written charter shall be
26 legally binding on both the local board of school directors of a
27 school district and the charter school or regional charter
28 school's board of trustees. [Except as otherwise provided in
29 subsection (b), the charter shall be for a period of no less
30 than three (3) nor more than five (5) years and may be renewed

1 for five (5) year periods upon reauthorization by the local
2 board of school directors of a school district or the appeal
3 board.] If the charter school or regional charter school
4 contracts with an educational management service provider, a
5 contract shall be executed once the charter is approved. A
6 charter will be granted only for a school organized as a public,
7 nonprofit corporation.

8 (2) The following shall apply to all charters granted by a
9 school district:

10 (i) An initial charter executed pursuant to section
11 1720-A(a) (1) shall be for a period of five (5) years.

12 (ii) Prior to the effective date of the regulations
13 implementing the performance matrix as required pursuant to
14 section 1731.2-A, a charter may be renewed for five (5) year
15 periods upon reauthorization by the local board of school
16 directors or other governing body of a school district or the
17 appeal board.

18 (iii) Upon the effective date of the regulations
19 implementing the performance matrix as required pursuant to
20 section 1731.2-A, the following shall apply:

21 (A) For charter schools and regional charter schools that
22 have satisfied the academic quality benchmark established by the
23 State board pursuant to section 1731.2-A, a charter may be
24 renewed for ten (10) year periods upon reauthorization by the
25 local board of school directors or other governing body of a
26 school district or the appeal board; provided that, beginning in
27 the sixth year of any ten (10) year period of renewal under this
28 subclause, the charter of any charter school or regional charter
29 school that fails for two (2) consecutive years to satisfy the
30 academic quality benchmark established by the State board under

1 section 1731.2-A shall be subject to review by the local board
2 of school directors or other governing body of a school
3 district.

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

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

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

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

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

29 (2) Within sixty (60) days of its receipt of the request for
30 an amendment, the local board of school directors shall hold a

1 public hearing on the requested amendment under 65 Pa.C.S. Ch. 7
2 (relating to open meetings).

3 (3) Within sixty (60) days after the hearing, the local
4 board of school directors shall grant or deny the requested
5 amendment. Failure by the local board of school directors to
6 hold a public hearing and to grant or deny the amendment within
7 the time period specified in this subsection shall be deemed an
8 approval.

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

12 Section ~~13.7~~ 15. Section 1721-A(a) and (e) of the act, added <--
13 June 19, 1997 (P.L.225, No.22), are amended to read:

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

22 (1) A parent of a school-aged child enrolled in a charter
23 school entity.

24 (2) A school board member.

25 (3) A certified teacher actively employed in a public
26 school.

27 (4) A faculty member or administrative employe of an
28 institution of higher education.

29 (5) A member of the business community.

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

1 (7) An administrator of a charter school entity.

2 (8) A member of the board of trustees of a charter school
3 entity.

4 (9) A principal of a public school not operated under this
5 article.

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

17 * * *

18 (e) Meetings of the appeal board shall be conducted under
19 [the act of July 3, 1986 (P.L.388, No.84), known as the
20 "Sunshine Act."] 65 Pa.C.S. Ch. 7 (relating to open meetings).

21 Documents of the appeal board shall be subject to the [act of
22 June 21, 1957 (P.L.390, No.212), referred to as the Right-to-
23 Know Law.] act of February 14, 2008 (P.L.6, No.3), known as the <--
24 "Right-to-Know Law". LAW." <--

25 Section ~~13.8~~ 16. Section 1722-A(a), (b) and (d) of the act, <--
26 amended November 17, 2010 (P.L.996, No.104), are amended and the
27 section is amended by adding subsections to read:

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

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

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

6 (b.1) (1) A charter school entity shall have the right of
7 first refusal to purchase or lease, for educational purposes
8 only, a public school building or a part of a public school
9 building which is no longer in use by the property titleholder,
10 at the price of one of the following:

11 (i) The last best offer above fair market value received in
12 the ninety (90) days preceding the charter school entity's
13 offer.

14 (ii) Fair market value, if no offer has been received in the
15 ninety (90) days preceding the charter school entity's offer.

16 (iii) Below fair market value, upon the mutual agreement of
17 the school entity and the charter school entity.

18 (2) A school entity shall accept an offer from a charter
19 school entity that conforms to the provisions of paragraph (1).

20 (3) The department shall provide a page on its publicly
21 accessible Internet website on which school entities are
22 required to post a notice for each public school building or
23 part of a public school building that is available for purchase
24 or lease. A school entity shall submit a notice to the
25 department on a form to be developed by the department. The
26 department shall post the notice within five (5) days of
27 receiving the form.

28 (4) The following shall apply to the sale or lease of a
29 public school building or a part of a public school building by
30 a school entity:

1 (i) A school entity may not enter a contract to sell or
2 lease a building or part of a building until at least thirty
3 (30) days after the posting of a notice as required under
4 paragraph (3).

5 (ii) Where two (2) or more charter school entities make
6 offers on the same building or part of a building that conform
7 to the provisions of this subsection, the school entity shall:

8 (A) Accept the first offer, if the offers are equal in
9 dollar amount.

10 (B) Accept the best offer, if the offers differ in dollar
11 amount.

12 (d) Notwithstanding any other provision of this act, [a
13 school district of the first class may, in its discretion,
14 permit a charter school to operate its school at more than one
15 location.] a charter school or regional charter school that does
16 not have any limits on student enrollment or caps is permitted
17 to operate its school at more than one location and may not be
18 required to obtain permission to expand.

19 * * *

20 (f) (1) Alcoholic beverages shall not be available for
21 consumption, purchase or sale in any charter school entity
22 facility.

23 (2) If, in the case of a charter school or regional charter
24 school, the local board of school directors reasonably believes
25 that alcoholic beverages have been made available for
26 consumption, purchase or sale in the charter school or regional
27 charter school facility, the local board of school directors
28 shall notify the department.

29 (3) If alcoholic beverages have been made available for
30 consumption, purchase or sale in a charter school entity

1 facility, the secretary shall order the following forfeitures
2 against the charter school entity:

3 (i) A fine of one thousand dollars (\$1,000) for the first
4 violation.

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

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

10 Section ~~13.9~~ 17. Section 1723-A(a), (b) and (d) of the act, <--
11 amended June 26, 1999 (P.L.394, No.36) and July 9, 2008
12 (P.L.846, No.61), are amended and the section is amended by
13 adding a subsection to read:

14 Section 1723-A. [Enrollment] Admission and Enrollment
15 Requirements.--(a) (1) All resident children in this
16 Commonwealth who submit a completed enrollment form in
17 accordance with clause (3) qualify for admission to a charter
18 school entity within the provisions of subsection (b). [If] In
19 the case of a charter school or regional charter school, if more
20 students apply to the charter school or regional charter school
21 than the number of attendance slots available in the school,
22 then students must be selected on a random basis from a pool of
23 [qualified applicants meeting the established eligibility
24 criteria and submitting an application] eligible applicants who
25 have submitted an enrollment form in accordance with clauses (3)
26 and (4) by the deadline established by the charter school or
27 regional charter school, except that the charter school or
28 regional charter school may give preference in enrollment to a
29 child of a parent who has actively participated in the
30 development of the charter school [and] or regional charter

1 school, to siblings of students presently enrolled in the
2 charter school or regional charter school and to siblings of
3 students selected for enrollment during the lottery process.
4 First preference shall be given to students who reside in the
5 district or districts[.] in which the charter school is
6 physically located or in which the regional charter school is
7 chartered.

8 (2) If a charter school or regional charter school has a
9 waiting list following its initial selection of eligible
10 applicants under clause (1), the charter school or regional
11 charter school shall select and enroll eligible applicants from
12 the waiting list as spaces become available. All children shall
13 be assigned to the waiting list on a random basis. When
14 selecting and enrolling eligible applicants from the waiting
15 list, a charter school or regional charter school shall give
16 first preference to students as provided under clause (1) and to
17 those who reside in the district or districts in which the
18 charter school is physically located or in which the regional
19 charter school is chartered until the charter school or regional
20 charter school again reaches its maximum capacity of students.
21 If a charter school or regional charter school has a waiting
22 list, once the charter school or regional charter school has
23 exhausted the waiting list of resident children, it may then
24 enroll children on the waiting list who reside outside of the
25 district. Nonresident children shall also be selected and
26 enrolled on a random basis. If a charter school or regional
27 charter school and the school district from which it is
28 authorized have voluntarily capped enrollment or the district
29 attempts to involuntarily cap enrollment of resident students
30 and the charter school or regional charter school has enrolled

1 the maximum number of resident students, the charter school or
2 regional charter school may enroll students residing outside of
3 the district.

4 (3) The department, in consultation with representatives of
5 charter school entities, shall develop a standard enrollment
6 form that shall be used by all eligible applicants to apply to a
7 charter school entity. The standard enrollment form shall only
8 request information necessary to allow the charter school entity
9 to identify the student, grade level and residency, including:

10 (i) The student's name, physical address, telephone number,
11 age, birth date and current grade level.

12 (ii) The name, physical address, telephone number and e-mail
13 address of the student's parent or guardian.

14 (4) The standard enrollment form shall be made physically
15 available at each charter school entity, in a form that complies
16 with Federal and State law and posted on the publicly accessible
17 Internet website of each charter school entity, if available. A
18 charter school entity may accept the enrollment form via
19 electronic means.

20 (5) When a student applies to a charter school entity, a
21 charter school entity shall not require or request information
22 beyond the contents of the standard enrollment form developed by
23 the department.

24 (6) Nothing in this section shall prohibit a charter school
25 entity from requesting the submission of additional records and
26 information that public schools are entitled to receive after a
27 student is accepted for admission to, and has indicated an
28 intent to enroll in, a charter school entity.

29 (7) As used in this subsection "eligible applicant" shall
30 mean a student who is seeking to enter a grade level offered by

1 the charter school entity and meets the requirements of 22 Pa.
2 Code §§ 11.12 (relating to school age), 11.13 (relating to
3 compulsory school age), 11.14 (relating to admission to
4 kindergarten when provided), 11.15 (relating to admission of
5 beginners), 11.16 (relating to early admission of beginners) and
6 12.1 (relating to free education and attendance) and student
7 residency requirements.

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

14 (2) A charter school entity may limit [admission] its
15 academic focus to a particular grade level, a targeted
16 population group composed of at-risk students[, or areas of
17 concentration of the school such as mathematics, science or the
18 arts. A charter school may establish reasonable criteria to
19 evaluate prospective students which shall be outlined in the
20 school's charter.] or a specialized area or accelerated program
21 of study, such as mathematics, science or the arts.

22 * * *

23 (d) (1) Enrollment of students in a charter school [or
24 cyber charter school] entity, or expansion of a charter school
25 entity into additional grade levels, shall not be subject to a
26 cap or otherwise limited by any past or future action of a
27 [board of school directors, a board of control established under <--
28 Article XVII-B, a special board of control established under
29 section 692 or any other governing authority] LOCAL BOARD OF <--
30 SCHOOL DIRECTORS, unless agreed to by the charter school [or <--

1 cyber charter school] ENTITY as part of a written charter <--
2 pursuant to section 1720-A.

3 (2) The provisions of this subsection shall apply to a
4 charter school [or cyber charter school] ENTITY regardless of <--
5 whether the charter was approved prior to or is approved
6 subsequent to the effective date of this subsection.

7 (e) A school district's obligation to make payments for
8 students enrolled in a charter school entity shall be governed
9 by section 1725-A or, in the case of students who are below a
10 school district's age of enrollment, by the terms of any charter
11 or service contract between a school district and a charter
12 school entity. Notwithstanding the above, absent language to the
13 contrary in a charter or service contract between a school
14 district and a charter school entity, a school district shall
15 not be obligated to fund a four-year-old kindergarten program if
16 the school district has exercised its discretion not to offer
17 such a program in its own schools.

18 Section ~~14~~ 18. Section 1724-A(c) of the act, amended June <--
19 30, 2011 (P.L.112, No.24), is amended to read:

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

21 (c) All employes of a charter school shall be enrolled in
22 the Public School Employees' Retirement System in the same
23 manner as set forth in 24 Pa.C.S. § 8301(a) (relating to
24 mandatory and optional membership) unless at the time of the
25 application for the charter school the sponsoring district or
26 the board of trustees of the charter school has a retirement
27 program which covers the employes or the employe is currently
28 enrolled in another retirement program. [The Commonwealth shall
29 make contributions on behalf of charter school employes enrolled
30 in the Public School Employees' Retirement System.] The charter

1 school shall be considered a public school [district] as defined
2 in 24 Pa.C.S. § 8102 (relating to definitions) and shall make
3 quarterly payments by employers to the Public School Employees'
4 Retirement System and monthly payments on account of Social
5 Security as established under 24 Pa.C.S. Pt. IV (relating to
6 retirement for school employees). [The market value/income aid
7 ratio used in calculating payments as prescribed in this
8 subsection shall be the market value/income aid ratio for the
9 school district in which the charter school is located or, in
10 the case of a regional charter school, shall be a composite
11 market value/income aid ratio for the participating school
12 districts as determined by the department.] Except as otherwise
13 provided, employes of a charter school shall make regular member
14 contributions as required for active members under 24 Pa.C.S.
15 Pt. IV. If the employes of the charter school participate in
16 another retirement plan, then those employes shall have no
17 concurrent claim on the benefits provided to public school
18 employes under 24 Pa.C.S. Pt. IV. [For purposes of this
19 subsection, a charter school shall be deemed to be a "public
20 school" as defined in 24 Pa.C.S. § 8102 (relating to
21 definitions).] Notwithstanding any other provision of law to the
22 contrary, nothing in this article shall be construed to require
23 the Commonwealth to make payments to charter schools or
24 contributions on behalf of charter school employes from
25 appropriated funds, as provided in 24 Pa.C.S. §§ 8326 (relating
26 to contributions by the Commonwealth) and 8535 (relating to
27 payments to school entities by Commonwealth) on account of
28 charter school employes enrolled in the Public School Employees'
29 Retirement System and 24 Pa.C.S. § 8329(a) (relating to payments
30 on account of social security deductions from appropriations) on

1 account of Social Security payments made by a charter school.

2 * * *

3 Section ~~14.1~~ 19. Section 1725-A of the act, amended or added <--
4 June 19, 1997 (P.L.225, No.22), June 22, 2001 (P.L.530, No.35)
5 and June 29, 2002 (P.L.524, No.88), is amended to read:

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

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

11 (2) For non-special education students[, the]:

12 ~~(i) A charter school and regional charter school~~ SUBJECT TO <--
13 CLAUSE (II), A CHARTER SCHOOL ENTITY shall receive for each
14 student enrolled no less than the budgeted total expenditure per
15 average daily membership of the prior school year, as defined in
16 section 2501(20), minus the budgeted expenditures of the
17 district of residence for nonpublic school programs; adult
18 education programs; community/junior college programs; student
19 transportation services; for special education programs;
20 facilities acquisition, construction and improvement services;
21 and other financing uses, including debt service and fund
22 transfers as provided in the Manual of Accounting and Related
23 Financial Procedures for Pennsylvania School Systems established
24 by the department. [This amount] The amount under this
25 subparagraph shall be paid by the district of residence of each
26 student.

27 ~~(ii) (A) For the 2015-2016 school year, a cyber charter~~ <--
28 ~~school shall receive for each student enrolled the lesser of:~~

29 ~~(I) the budgeted total expenditures per average daily~~
30 ~~membership of the prior school year, as defined in section~~

1 ~~2501(20), minus the budgeted expenditures of the district of~~
2 ~~residence for nonpublic school programs; adult education~~
3 ~~programs; community/junior college programs; school library~~
4 ~~services; nonpublic support services; tax assessment and~~
5 ~~collection services; nonpublic health services; seven and five~~
6 ~~tenths percent (7.5%) of operation and maintenance of plant~~
7 ~~services; student transportation services; community services;~~
8 ~~special education programs; facilities acquisition, construction~~
9 ~~and improvement services; and other financing uses, including~~
10 ~~debt service and fund transfers as provided in the Manual of~~
11 ~~Accounting and Related Financial Procedures for Pennsylvania~~
12 ~~School Systems established by the department; or~~

13 ~~(II) the ninetieth percentile of the amounts determined in~~
14 ~~subclause (I) for all school districts. (RESERVED).~~ <--

15 ~~(B) For the 2016-2017 school year and each year thereafter~~
16 ~~until a new formula is enacted, a cyber charter school shall~~
17 ~~receive for each student enrolled the lesser of:~~ <--

18 ~~(I) the budgeted total expenditures per average daily~~
19 ~~membership of the prior school year, as defined in section~~
20 ~~2501(20), minus the budgeted expenditures of the district of~~
21 ~~residence for nonpublic school programs; adult education~~
22 ~~programs; community/junior college programs; school library~~
23 ~~services; nonpublic support services; tax assessment and~~
24 ~~collection services; nonpublic health services; forty-five~~
25 ~~percent (45%) of operation and maintenance of plant services;~~
26 ~~student transportation services; community services; for special~~
27 ~~education programs; facilities acquisition, construction and~~
28 ~~improvement services; and other financing uses, including debt~~
29 ~~service and fund transfers as provided in the Manual of~~
30 ~~Accounting and Related Financial Procedures for Pennsylvania~~

1 School Systems established by the department, ~~or~~ <--
2 ~~(II) the seventieth percentile of the amounts determined in~~
3 ~~subclause (I) for all school districts.~~

4 The amount under this subparagraph shall be paid by the district
5 of residence of each student.

6 (2.1) The amount under paragraph (2) shall be calculated by
7 each school district on a form prescribed by the secretary in
8 accordance with this section. The secretary, upon receipt of a
9 school district's calculation, shall review the school
10 district's calculation and may request supporting documentation
11 from the school district regarding its calculation. If the
12 secretary finds an error or discrepancy in a school district's
13 calculation, the secretary shall require the school district to
14 correct the calculation and require the school district to
15 notify affected charter school entities.

16 (3) For special education students[, the]:

17 (i) A charter school and regional charter school shall
18 receive for each student enrolled the same funding as for each
19 non-special education student as provided in [clause (2)]
20 ~~paragraph (2)(i)~~ (2), plus an additional amount determined by <--
21 dividing the district of residence's total special education
22 expenditure by the product of multiplying the combined
23 percentage of section 2509.5(k) times the district of
24 residence's total average daily membership for the prior school
25 year. [This] The amount under this paragraph shall be paid by
26 the district of residence of each student.

27 (ii) ~~(A) For the 2015-2016 2016-2017 school year and~~ <--
28 ~~continuing through the 2017-2018 school year~~ FOR EACH SCHOOL <--
29 YEAR THEREAFTER, a cyber charter school shall receive for each
30 special education student enrolled the same amount as for each

1 non-special education student as provided in paragraph (2)(ii) <--
2 (A) (2), plus an additional amount determined by dividing the <--
3 district of residence's total special education expenditure by
4 the product of multiplying the combined percentage of section
5 2509.5(k) times the district of residence's total average daily
6 membership for the prior school year.

7 The amount under this subparagraph shall be paid by the district
8 of residence of each student.

9 (B) For the 2018-2019 school year and each school year <--
10 thereafter until a new special education funding formula for
11 cyber charter schools is enacted, a cyber charter school shall
12 receive for each special education student enrolled the same
13 amount as for each non special education student as provided in
14 paragraph (2)(ii)(B), plus an additional amount equal to the
15 lesser of:

16 (I) the district of residence's total special education
17 expenditure divided by the product of multiplying the combined
18 percentage of section 2509.5(k) multiplied by the district of
19 residence's total average daily membership for the prior school
20 year; or

21 (II) the seventieth percentile of the amounts determined in
22 subclause (I) for all school districts.

23 The amount under this subparagraph shall be paid by the district
24 of residence of each student.

25 (3.1) Per student payments to a cyber charter school
26 calculated under paragraphs (2)(ii)(B) and (3)(ii)(B) shall be
27 made as follows:

28 (i) The amount under paragraphs (2)(ii)(B) and (3)(ii)(B)
29 shall be paid by the school district of residence of each
30 student by deduction and transfer from all State payments due to

1 ~~the school district of residence as provided under paragraph (5)~~
2 ~~(ii).~~

3 ~~(ii) If a cyber charter school disputes the accuracy of a~~
4 ~~school district's calculation under paragraphs (2) (ii) (B) and~~
5 ~~(3) (ii) (B), the cyber charter school shall file a notice of the~~
6 ~~dispute with the secretary, who shall hold a hearing to~~
7 ~~determine the accuracy of the school district's calculation~~
8 ~~within thirty (30) days of the notice.~~

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

12 ~~(iv) The school district shall bear the burden of production~~
13 ~~and proof with respect to its calculation under this paragraph.~~

14 ~~(v) The school district shall be liable for the reasonable~~
15 ~~legal fees incurred by a cyber charter school if the cyber~~
16 ~~charter school is the substantially prevailing party after a~~
17 ~~hearing under this section. The cyber charter school shall be~~
18 ~~liable for the reasonable legal fees incurred by the school~~
19 ~~district if the school district is the substantially prevailing~~
20 ~~party after a hearing under this section.~~

21 ~~(vi) All decisions of the secretary under this paragraph~~
22 ~~shall be subject to appellate review by Commonwealth Court.~~

23 ~~(3.2) (3.1) (i) For a school district in a city of the first <--~~
24 ~~class, the amount of cyber charter school savings under~~
25 ~~subparagraph (ii) FOR THE 2016-2017 SCHOOL YEAR AND EACH SCHOOL <--~~
26 ~~YEAR THEREAFTER shall be used only for school-based services~~
27 ~~that may include the following:~~

28 ~~(A) Early childhood education, including full-day~~
29 ~~kindergarten and prekindergarten.~~

30 ~~(B) Tutoring services.~~

1 (C) Educational enrichment programs.

2 (D) Reducing class size.

3 (E) Reducing or eliminating fees to participate in after-
4 school programs such as music or athletics.

5 (F) Expanding access to the arts, including music and art.

6 (G) Library services.

7 (ii) The amount of cyber charter school savings shall be
8 calculated as follows: <--

9 ~~(A) For the 2015-2016 school year, the difference between~~
10 ~~charter payments calculated under paragraphs (2)(i) and (3)(i)~~
11 ~~and cyber charter payments calculated under paragraphs (2)(ii)~~
12 ~~(A) and (3)(ii)(A).~~

13 ~~(B) For the 2016-2017 school year and each school year~~
14 ~~thereafter, EQUAL TO the difference between charter payments~~ <--
15 ~~calculated under paragraphs (2)(i) and (3)(i) and cyber charter~~
16 ~~payments calculated under paragraphs (2)(ii)(B) and (3)(ii)(B)~~ <--
17 ~~(3)(II).~~ <--

18 (4) [A charter school may request the intermediate unit in
19 which the charter school is located to provide services to
20 assist the charter school to address the specific needs of
21 exceptional students. The intermediate unit shall assist the
22 charter school and bill the charter school for the services. The
23 intermediate unit may not charge the charter school more for any
24 service than it charges the constituent districts of the
25 intermediate unit.] A charter school entity may request the
26 intermediate unit or school district in which the charter school
27 entity is located or another charter school entity to provide
28 services to assist the charter school entity to address the
29 specific needs of non-special education and special education
30 students. The intermediate unit or school district shall assist

1 the charter school entity and bill the charter school entity for
2 the services. The intermediate unit may not charge the charter
3 school entity more for any service than it charges the
4 constituent districts of the intermediate unit. Nothing under
5 this paragraph shall preclude an intermediate unit or school
6 district from contracting with a charter school entity to
7 provide the intermediate unit or school district with services
8 to assist the intermediate unit or school district to address
9 specific needs of non-special education and special education
10 students.

11 (5) ~~{Payments} (i) For a charter school or regional charter~~<--
12 ~~school, payments~~ shall be made to the charter school ~~or regional~~
13 ~~charter school ENTITY~~ in twelve (12) equal monthly payments, by <--
14 the fifth day of each month, within the operating school year. A
15 student enrolled in a charter school ~~or regional charter school~~ <--
16 ~~ENTITY~~ shall be included in the average daily membership of the <--
17 student's district of residence for the purpose of providing
18 basic education funding payments and special education funding
19 pursuant to Article XXV. If a school district fails to make a
20 payment to a charter school ~~or regional charter school ENTITY~~ as <--
21 prescribed in this ~~{clause} subparagraph~~, the secretary shall <--
22 deduct the estimated amount, as documented by the charter school
23 ~~or regional charter school ENTITY~~, from any and all State <--
24 payments made to the district after receipt of documentation
25 from the charter school[.] ~~or regional charter school. ENTITY.~~ <--
26 ~~ANY INVOICE SUBMITTED TO THE DEPARTMENT PRIOR TO JUNE 30 OF ANY~~ <--
27 ~~CALENDAR YEAR THAT REMAINS UNPAID AS OF JULY 1 OF SAID YEAR~~
28 ~~SHALL BE PAID BY THE DEPARTMENT FROM THE NEXT STATE PAYMENT DUE~~
29 ~~TO THE SCHOOL DISTRICT OF RESIDENCE, REGARDLESS OF THE YEAR IN~~
30 ~~WHICH THE APPROPRIATION TO THE SCHOOL DISTRICT OF RESIDENCE IS~~

1 ~~MADE.~~ No later than ~~November~~ OCTOBER 1 of each year, a charter <--
2 ~~school or regional charter school~~ ENTITY shall submit to the <--
3 ~~school district of residence of each student final documentation~~
4 ~~of payment to be made based on the average daily membership for~~
5 ~~the students enrolled in the charter school or regional charter~~ <--
6 ~~school~~ ENTITY from the school district for the previous school <--
7 year. If a school district fails to make payment to the charter
8 ~~school or regional charter school~~ ENTITY, the secretary shall <--
9 deduct and pay the amount as documented by the charter school or <--
10 ~~regional charter school~~ ENTITY from any and all State payments <--
11 made to the district after receipt of documentation from the
12 ~~charter school or regional charter school~~ ENTITY REGARDLESS OF <--
13 ~~THE YEAR IN WHICH THE APPROPRIATION TO THE SCHOOL DISTRICT OF~~
14 ~~RESIDENCE IS MADE.~~ FROM THE APPROPRIATIONS FOR THE FISCAL YEAR <--
15 IN WHICH THE FINAL DOCUMENTATION OF PAYMENT WAS SUBMITTED TO THE
16 SCHOOL DISTRICT OF RESIDENCE.

17 ~~(ii) For a cyber charter school, the following shall apply~~ <--
18 ~~beginning in the 2016 2017 school year:~~

19 ~~(A) Payments shall be made to the cyber charter school in~~
20 ~~twelve (12) equal monthly payments, according to the established~~
21 ~~monthly unipay schedule within the operating school year or any~~
22 ~~subsequent school year.~~

23 ~~(B) Except as provided for in subparagraph (v), payments~~
24 ~~shall be made directly by the secretary deducting and paying to~~
25 ~~the cyber charter school the estimated amount, as documented by~~
26 ~~the cyber charter school, from:~~

27 ~~(I) all State payments due to the school district of~~
28 ~~residence; or~~

29 ~~(II) if no payments are due to the school district of~~
30 ~~residence, from all State payments reasonably expected to be due~~

1 ~~in the next established monthly unipay schedule.~~

2 ~~(C) At least thirty (30) days prior to the scheduled payment~~
3 ~~date each month, a cyber charter school shall provide to the~~
4 ~~department and to the school district of residence of each~~
5 ~~student enrolled in the cyber charter school documentation of~~
6 ~~the cyber charter school's enrollment, on a form to be developed~~
7 ~~by the secretary within sixty (60) days of the effective date of~~
8 ~~this subparagraph. The form, which shall be developed in~~
9 ~~consultation with representatives of cyber charter schools and~~
10 ~~school districts, shall require the cyber charter school to~~
11 ~~provide to the department and to the school district of~~
12 ~~residence of each student enrolled in the cyber charter school,~~
13 ~~documentation of each student's current enrollment in the cyber~~
14 ~~charter school and current residence in the school district,~~
15 ~~including the following information:~~

16 ~~(I) Student's name.~~

17 ~~(II) Student's home address.~~

18 ~~(III) Name and telephone number of student's parent or~~
19 ~~guardian.~~

20 ~~(IV) Student's date of birth.~~

21 ~~(V) Student's grade level.~~

22 ~~(VI) Type of school in which student was previously~~
23 ~~enrolled.~~

24 ~~(VII) Student's date of enrollment.~~

25 ~~(VIII) Whether the student is being educated under an~~
26 ~~individualized education plan under the Individuals with~~
27 ~~Disabilities Education Act (Public Law 91 230, 20 U.S.C. § 1400-~~
28 ~~et seq.) and the date of the most recent individualized~~
29 ~~education plan.~~

30 ~~(IX) The tuition amount due on account of each student.~~

1 ~~(X) The total amount due from the school district for that~~
2 ~~month.~~

3 ~~(XI) Copies of the actual documents used by the cyber~~
4 ~~charter school to verify the student's residence in the school~~
5 ~~district.~~

6 ~~The secretary shall not make payments under this section until~~
7 ~~the cyber charter school provides the department and the school~~
8 ~~district of residence with a completed form and accompanying~~
9 ~~documentation as required under this clause. A cyber charter~~
10 ~~school may make only one (1) payment request per month under~~
11 ~~this clause. After a cyber charter school makes a payment~~
12 ~~request under this clause, any necessary corrections or~~
13 ~~adjustments may be made in the next subsequent monthly payment~~
14 ~~request. No later than November 1 of each year, a cyber charter~~
15 ~~school shall submit to the department final documentation of~~
16 ~~payment to be made based on the average daily membership for the~~
17 ~~students enrolled in the cyber charter school from each school~~
18 ~~district of residence for the previous school year. The~~
19 ~~secretary shall deduct and pay the amount as documented by the~~
20 ~~cyber charter school from any and all State payments made to the~~
21 ~~district after receipt of documentation from the cyber charter~~
22 ~~school.~~

23 ~~(D) The secretary's obligation to make payments under this~~
24 ~~section is mandatory and ministerial, except that payments made~~
25 ~~pursuant to this section shall not be given priority over~~
26 ~~payments required pursuant to sections 633 and 785 and 53~~
27 ~~Pa.C.S. § 8125(b) (relating to security for tax anticipation~~
28 ~~notes and sinking fund), preferential claims under section 1155,~~
29 ~~or an agreement pursuant to which the Commonwealth is required~~
30 ~~to make payment to a holder of debt issued by or on behalf of a~~

1 ~~school entity. If payments required under sections 633, 785 and~~
2 ~~1155 and 53 Pa.C.S. § 8125(b) preclude the timely payment of~~
3 ~~funds to a cyber charter school under section 1725 A or will~~
4 ~~cause the board of school directors of a school district to fail~~
5 ~~to pay or provide for payment under this subsection, nothing~~
6 ~~shall preclude the secretary from withholding funds from any and~~
7 ~~all State payments made to the school district for the operating~~
8 ~~school year or for any subsequent operating school year.~~

9 ~~(E) If there are insufficient State payments due to a school~~
10 ~~district in the established monthly unipay schedule to cover all~~
11 ~~cyber charter school deductions and transfers, the school~~
12 ~~district shall be responsible for paying the unpaid balance~~
13 ~~directly to the cyber charter school not more than ten (10) days~~
14 ~~following the established monthly unipay schedule.~~

15 ~~(F) A student enrolled in a cyber charter school shall be~~
16 ~~included in the average daily membership of the student's school~~
17 ~~district of residence for the purpose of providing basic~~
18 ~~education funding payments and special education funding under~~
19 ~~Article XXV.~~

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

30 (i) Within thirty (30) days after the payment is made to the

1 charter school entity as described under paragraph (5), a school
2 district may notify the secretary that the estimated amount, as
3 documented by the charter school entity, is inaccurate.

4 (ii) Within thirty (30) days of the notice by the school
5 district under subparagraph (i), the secretary shall provide the
6 school district with a hearing concerning whether the charter
7 school entity documented that students were enrolled in the
8 charter school entity, the period of time during which each
9 student was enrolled in the charter school entity, the school
10 district of residence of each student enrolled in the charter
11 school entity and whether the amounts deducted from or paid by
12 the school district were accurate.

13 (iii) The burden of proof and production at the hearing
14 shall be on the school district. A hearing shall not be held
15 before the amount estimated by the charter school entity is paid
16 to the charter school entity.

17 (iv) The secretary shall determine the accuracy of the
18 amount documented by the charter school entity. Any necessary
19 payment adjustment shall be made within thirty (30) days of the
20 hearing.

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

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

30 (vii) Supersedeas shall not be granted to the secretary or

1 any party to the proceeding on an appeal from the decision of
2 the secretary under this section; and, absent a court order,
3 payments shall not be held in escrow.

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

29 (c) The Commonwealth shall create a grant program to provide
30 temporary transitional funding to a school district due to the

1 budgetary impact relating to any student's first-year attendance
2 at a charter school. The department shall develop criteria which
3 shall include, but not be limited to, the overall fiscal impact
4 on the budget of the school district resulting from students of
5 a school district attending a charter school. The criteria shall
6 be published in the Pennsylvania Bulletin. This subsection shall
7 not apply to a public school converted to a charter school under
8 section 1717-A(b). Grants shall be limited to funds appropriated
9 for this purpose.]

10 (d) It shall be lawful for any charter school entity to
11 receive, hold, manage and use, absolutely or in trust, any
12 devise, bequest, grant, endowment, gift or donation of any
13 property, real or personal and/or mixed, which shall be made to
14 the charter school entity for any of the purposes of this
15 article.

16 (e) It shall be unlawful for any trustee of a charter school
17 entity or any board of trustees of a charter school entity or
18 any other person affiliated in any way with a charter school
19 entity to demand or request, directly or indirectly, any gift,
20 donation or contribution of any kind from any parent, teacher,
21 employe or any other person affiliated with the charter school
22 entity as a condition for employment or enrollment and/or
23 continued attendance of any pupil. Any donation, gift or
24 contribution received by a charter school entity shall be given
25 freely and voluntarily.

26 (f) A charter school entity may not provide discounts to a
27 school district or waive payments under this section for any
28 student, except in the case of a school district identified for
29 financial recovery status under Article VI-A.

30 Section ~~14.2~~ 20. Sections 1728-A and 1729-A(a), (b) and (c) <--

1 of the act, added June 19, 1997 (P.L.225, No.22), are amended to
2 read:

3 Section 1728-A. Annual Reports and Assessments.--(a) (1)

4 The local board of school directors shall annually assess and
5 publicly report whether each charter school or regional charter
6 school is meeting the goals of its charter and shall conduct a
7 comprehensive review prior to [granting a five (5) year renewal
8 of the charter] renewing the charter pursuant to section 1720-
9 A(a)(2). The local board of school directors shall have ongoing
10 access to the records and facilities of the charter school or
11 regional charter school to ensure that the charter school or
12 regional charter school is in compliance with its charter and
13 this act and that requirements for testing, civil rights and
14 student health and safety are being met.

15 (2) Ongoing access to a charter school's or regional charter
16 school's records shall mean that the local board of school
17 directors shall have access to records such as financial
18 reports, financial audits, teacher certification and personnel
19 records, and aggregate standardized test scores without student-
20 identifying information.

21 (3) Charter schools and regional charter schools shall
22 comply fully with the requirements of the Family Educational
23 Rights and Privacy Act of 1974 (Public Law 90-247, 20 U.S.C. §
24 1232g) and associated regulations. No personally identifiable
25 information from education records shall be provided by the
26 charter school or regional charter school to the school district
27 except in compliance with the Family Educational Rights and
28 Privacy Act of 1974.

29 (b) In order to facilitate the local board's review and
30 secretary's report, each charter school or regional charter

1 school shall submit an annual report no later than August 1 of
2 each year to the local board of school directors and the
3 secretary in the form prescribed by the secretary.

4 [(c) Five (5) years following the effective date of this
5 article, the secretary shall contract with an independent
6 professional consultant with expertise in public and private
7 education. The consultant shall receive input from members of
8 the educational community and the public on the charter school
9 program. The consultant shall submit a report to the secretary,
10 the Governor and the General Assembly and an evaluation of the
11 charter school program, which shall include a recommendation on
12 the advisability of the continuation, modification, expansion or
13 termination of the program and any recommendations for changes
14 in the structure of the program.]

15 (d) A charter school entity shall form an independent audit
16 committee of its board of trustees members which shall review at
17 the close of each fiscal year a complete certified audit of the
18 operations of the charter school entity. The audit shall be
19 conducted by a qualified independent certified public
20 accountant. The audit shall be conducted under generally
21 accepted audit standards of the Governmental Accounting
22 Standards Board and shall include the following:

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

25 (2) Full review of expense reimbursements for board of
26 trustees members and administrators, including sampling of all
27 reimbursements.

28 (3) Review of internal controls, including review of
29 receipts and disbursements.

30 (4) Review of annual Federal and State tax filings,

1 including the Internal Revenue Service Form 990, Return of
2 Organization Exempt from Income Tax and all related schedules
3 and appendices for the charter school entity and charter school
4 foundation, if applicable.

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

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

9 (7) Review of all board policies and procedures with regard
10 to internal controls, code of ethics, conflicts of interest,
11 whistle-blower protections, complaints from parents or the
12 public, compliance with 65 Pa.C.S. Ch. 7 (relating to open
13 meetings), finances, budgeting, audits, public bidding and
14 bonding.

15 (e) The certified audit under subsection (d) and the annual
16 budget under subsection (g) are public documents and shall be
17 made available on the charter school entity's publicly
18 accessible Internet website, if available, and, in the case of a
19 charter school or regional charter school, on the school
20 district's publicly accessible Internet website.

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

24 (g) A charter school entity shall annually provide the
25 department and, in the case of a charter school or regional
26 charter school, shall annually provide the school district, with
27 a copy of the annual budget for the operation of the charter
28 school entity that identifies the following:

29 (1) The source of funding for all expenditures.

30 (2) Where funding is provided by a charter school

1 foundation, the amount of funds and a description of the use of
2 the funds.

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

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

7 (h) (1) Notwithstanding any other provision of law, a
8 charter school entity and any affiliated charter school
9 foundation shall make copies of its annual Federal and State tax
10 filings available upon request and on the charter school
11 entity's or foundation's publicly accessible Internet website,
12 if available, including Internal Revenue Service Form 990,
13 Return of Organization Exempt from Income Tax and all related
14 schedules and appendices.

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

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

22 Section 1729-A. Causes for Nonrenewal or Termination.--(a)
23 During the term of the charter or at the end of the term of the
24 charter, the local board of school directors may choose to
25 revoke or not to renew the charter based on any of the
26 following:

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

30 (2) Failure to meet the requirements for student performance

1 [set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or
2 subsequent regulations promulgated to replace 22 Pa. Code Ch. 5]
3 on assessments or failure to meet any performance standard set
4 forth in the written charter signed pursuant to section [1716-A]
5 1720-A.

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

8 (4) Violation of provisions of this article.

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

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

13 * * *

14 (b) [A member of the board of trustees who is convicted of a
15 felony or any crime involving moral turpitude shall be
16 immediately disqualified from serving on the board of trustees.]
17 If, after a hearing under this section, a local board of school
18 directors or, in the case of a cyber charter school, the
19 department, proves by a preponderance of the evidence that an
20 administrator or board member of a charter school entity has
21 violated this article, the terms and conditions of the charter
22 or any other law, the local board of school directors or, in the
23 case of a cyber charter school, the department may require the
24 charter school entity to replace an administrator or board of
25 trustees member in order to obtain renewal of the charter. The
26 local board of school directors or, in the case of a cyber
27 charter school, the department may refer its findings to the
28 district attorney with jurisdiction or to the Office of Attorney
29 General for prosecution if the local board of school directors
30 or, in the case of a cyber charter school, the department

1 discovers or receives information about possible violations of
2 law by any person affiliated with or employed by a charter
3 school entity. A member of the board of trustees who is
4 convicted of a felony or any crime involving moral turpitude
5 shall be immediately disqualified from serving on the board of
6 trustees.

7 (c) Any notice of revocation or nonrenewal of a charter
8 given by the local board of school directors of a school
9 district shall state the grounds for such action with reasonable
10 specificity and give reasonable notice to the [governing] board
11 of trustees of the charter school or regional charter school of
12 the date on which a public hearing concerning the revocation or
13 nonrenewal will be held. The local board of school directors
14 shall conduct such hearing, present evidence in support of the
15 grounds for revocation or nonrenewal stated in its notice and
16 give the charter school or regional charter school reasonable
17 opportunity to offer testimony before taking final action.
18 Formal action revoking or not renewing a charter shall be taken
19 by the local board of school directors at a public meeting held
20 pursuant to [the act of July 3, 1986 (P.L.388, No.84), known as
21 the "Sunshine Act,"] 65 Pa.C.S. Ch. 7 (relating to open
22 meetings) after the public has had thirty (30) days to provide
23 comments to the board. All proceedings of the local board
24 pursuant to this subsection shall be subject to 2 Pa.C.S. Ch. 5
25 Subch. B (relating to practice and procedure of local agencies).
26 Except as provided in subsection (d), the decision of the local
27 board shall not be subject to 2 Pa.C.S. Ch. 7 Subch. B (relating
28 to judicial review of local agency action).

29 * * *

30 Section ~~14.3~~ 21. The act is amended by adding sections to

<--

1 read:

2 Section 1729.1-A. Evaluation of Educators.--(a) All
3 applications by a charter school entity for a charter or for the
4 renewal of a charter shall include a system of evaluation for
5 educators that includes:

6 (1) At least four (4) rating categories of educator
7 performance.

8 (2) Multiple measures of student performance which shall
9 include, but may not be limited to, value-added assessment
10 system data made available by the department under section 221
11 and student performance on the most recent assessments for which
12 results have been released by the department and may include
13 goals specific to the mission of the charter school entity's
14 charter.

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

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

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

23 (a) Establishment shall be as follows:

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

28 (i) The department approves the consolidation as proposed in
29 the application form submitted to the department pursuant to
30 subsection (c). If the department does not approve or disapprove

1 the proposed consolidation within forty-five (45) days after
2 receipt of the application, the department will be deemed to
3 have approved the consolidation.

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

14 (2) The multiple charter school organization shall be:

15 (i) granted legal authority to operate two (2) or more
16 individual charter schools under the oversight of a single board
17 of trustees and a chief administrator who shall oversee and
18 manage the operation of the individual charter schools under its
19 organization; and

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

22 (3) Nothing under this section shall be construed to affect
23 or change the terms or conditions of any individual charter
24 previously granted that is consolidated under this section,
25 including, but not limited to, any obligation of a school
26 district to provide transportation for students enrolled in an
27 individual charter school within a multiple charter school
28 organization.

29 (b) A charter school that, within either of the most recent
30 two (2) school years, has failed to meet any of the following

1 shall not be eligible to consolidate with another charter
2 school:

3 (1) Requirements for student performance set forth in 22 Pa.
4 Code Ch. 4 (relating to academic standards and assessment).

5 (2) Accepted standards of fiscal management or audit
6 requirements.

7 (3) Performance standards set forth by the performance
8 matrix established under section 1731.2-A or, prior to the
9 effective date of the regulations implementing the performance
10 matrix, a School Performance Profile score that is among the top
11 twenty-fifth percentile of Pennsylvania charter schools as
12 measured by the School Performance Profile for the most recent
13 year for which a School Performance Profile score is available;
14 Provided, that a charter school that has failed to meet any of
15 these requirements may consolidate if the consolidation includes
16 a charter school demonstrating that it has satisfied such
17 requirements for the most recent two (2) school years.

18 (c) The department shall develop and issue a standard
19 application form that multiple charter school organization
20 applicants must submit to the department and to the local board
21 of school directors of each school district that granted the
22 initial charter of any charter school included in the proposed
23 consolidation. The application form shall contain the following
24 information:

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

26 (2) The names of the charter schools seeking consolidation
27 under this section.

28 (3) A copy of the approved charter of each charter school
29 seeking to consolidate under this section.

30 (4) An organizational chart clearly presenting the proposed

1 governance structure of the multiple charter school
2 organization, including lines of authority and reporting between
3 the board of trustees, chief administrator, administrators,
4 staff and any educational management service provider that will
5 play a role in providing management services to the charter
6 schools under its jurisdiction.

7 (5) A clear description of the roles and responsibilities
8 for the board of trustees, chief administrator, administrators
9 and any other entities, including a charter school foundation,
10 shown in the organizational chart.

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

13 (7) Standards for board of trustees performance, including
14 compliance with all applicable laws, regulations and terms of
15 the charter.

16 (8) Enrollment procedures for each individual charter school
17 included in its charter.

18 (9) Any other information as deemed necessary by the State
19 board.

20 (d) A multiple charter school organization may:

21 (1) Participate in the assessment system in the same manner
22 in which a school district participates, with its individual
23 charter schools participating in the assessment system in the
24 same manner as individual schools within school districts. All
25 data gathered for purposes of evaluation shall be gathered in
26 the same manner in which data is gathered in the case of school
27 districts and individual schools within school districts.

28 Nothing in this paragraph shall alter the manner in which
29 charter school performance on assessments is measured as
30 required under the No Child Left Behind Act of 2001 (Public Law <--

1 ~~107-110, 115 Stat. 1425)~~ EVERY STUDENT SUCCEEDS ACT (PUBLIC LAW <--
2 ~~114-95, 129 STAT. 1802)~~, or its successor Federal statute.

3 (2) Add existing charter schools to its organization by
4 obtaining the approval of the department and of the school
5 district that granted the initial charter of each charter school
6 proposed to be added under subsection (a) (1).

7 (3) Allow students enrolled in an individual charter school
8 to matriculate to another individual charter school under its
9 oversight so as to complete a course of instruction in an
10 educational institution from kindergarten through grade twelve
11 or otherwise in the best interests of the student.

12 (e) A multiple charter school organization shall be regarded
13 as the holder of the charter of each individual charter school
14 under its oversight and each previously or subsequently awarded
15 charter shall be subject to nonrenewal or revocation by the
16 local board of school directors that granted the initial charter
17 in accordance with this act. The nonrenewal or revocation of the
18 charter of an individual charter school under the oversight of a
19 multiple charter school organization shall not affect the status
20 of a charter awarded for any other individual charter school
21 under the oversight of the multiple charter school organization.

22 (f) Appeals shall be as follows:

23 (1) The appeal board shall have the exclusive review of an
24 appeal by an applicant for consolidation, with respect to the
25 rejection of a proposed consolidation by either the department
26 or a school district.

27 (2) In considering an appeal under this section, the appeal
28 board shall:

29 (i) Review the decision made by either the department or the
30 school district on the record as certified by the entity that

1 made the decision being appealed, provided that the appeal board
2 may allow the department, a school district or the applicant for
3 consolidation to supplement the record if the supplemental
4 information was previously unavailable.

5 (ii) Meet to officially review the certified record no later
6 than thirty (30) days after the date of filing the appeal.

7 (iii) Issue a written decision affirming or denying the
8 appeal no later than sixty (60) days following its review of the
9 certified record.

10 (iv) Make its decision based on whether the proposed
11 consolidation satisfies the requirements of subsections (b) and
12 (c).

13 (3) The secretary shall recuse himself from all appeals of
14 decisions by the department and shall not participate in a
15 hearing, deliberation or vote on any appeal of a decision made
16 by the department.

17 (4) All decisions of the appeal board shall be subject to
18 appellate review by the Commonwealth Court. In the event of an
19 appeal of a decision by the appeal board to the Commonwealth
20 Court, the decision of the appeal board shall be stayed only
21 upon order of the appeal board, the Commonwealth Court or the
22 Pennsylvania Supreme Court.

23 (g) For purposes of this section, the term "charter school"
24 shall include a regional charter school.

25 Section 1731.1-A. Fund Balance Limits.--Fund balance limits
26 shall be as follows:

27 (1) For the 2016-2017 school year and each school year
28 thereafter, a charter school entity shall not accumulate an
29 unassigned fund balance greater than the charter school entity
30 unassigned fund balance limit, which will be determined as

1 follows:

<u>Charter School Entity</u>	<u>Maximum Unassigned Fund</u>
<u>Total Budgeted Expenditures</u>	<u>Balance as Percentage of</u> <u>Total Budgeted Expenditures</u>
<u>Less than or equal to \$11,999,999</u>	<u>16%</u>
<u>Between \$12,000,000 and \$12,999,999</u>	<u>15.5%</u>
<u>Between \$13,000,000 and \$13,999,999</u>	<u>15%</u>
<u>Between \$14,000,000 and \$14,999,999</u>	<u>14.5%</u>
<u>Between \$15,000,000 and \$15,999,999</u>	<u>14%</u>
<u>Between \$16,000,000 and \$16,999,999</u>	<u>13.5%</u>
<u>Between \$17,000,000 and \$17,999,999</u>	<u>13%</u>
<u>Between \$18,000,000 and \$18,999,999</u>	<u>12.5%</u>
<u>Greater Than or Equal to \$19,000,000</u>	<u>12%</u>

14 (2) For the 2016-2017 school year and each school year
15 thereafter, any unassigned fund balance in place on June 30,
16 2017, and on June 30 of each year thereafter in excess of the
17 charter school entity unassigned fund balance limit shall be
18 refunded on a pro rata basis within ninety (90) days to all
19 school districts that paid tuition to the charter school entity
20 in the prior school year, based upon the number of students for
21 whom each school district paid tuition to the charter school
22 entity multiplied by the school district's per student payment
23 under section 1725-A.

24 (3) By October 31, 2017, and by October 31 of each year
25 thereafter, each charter school entity shall provide the
26 department and all school districts that paid tuition to the
27 charter school entity in the prior school year with information
28 certifying compliance with this section. The information shall
29 be provided in a form and manner prescribed by the department
30 and shall include information on the charter school entity's

1 estimated ending unassigned fund balance expressed as a dollar
2 amount and as a percentage of the charter school entity's total
3 budgeted expenditures for that school year.

4 (4) Unassigned funds of the charter school entity in excess
5 of the unassigned fund balance limit may not be used to pay
6 bonuses to any administrator, board of trustees member, employe,
7 staff member or contractor and may not be transferred to a
8 charter school foundation. If a charter school entity uses funds
9 in excess of the unassigned fund balance limit to pay bonuses to
10 any administrator, board of trustees member, employe, staff
11 member or contractor or transfers such funds to a charter school
12 foundation, the value of the bonus payment or fund transfer
13 shall be refunded on a pro rata basis to all school districts
14 that paid tuition to the charter school entity in the prior
15 school year, based upon the number of students for whom each
16 school district paid tuition to the charter school entity
17 multiplied by the school district's per student payment under
18 section 1725-A.

19 (5) As used in this section, "unassigned fund balance" shall
20 mean that portion of the fund balance of a charter school entity
21 that provides funding or resources or otherwise THAT serves to <--
22 support the charter school entity that is:

23 (i) available for expenditure or not legally or otherwise
24 segregated for a specific or tentative future use; and

25 (ii) held in the General Fund accounts of the charter school
26 entity.

27 Section 1731.2-A. Performance Matrix.--The following shall
28 apply:

29 (1) Within twenty-four (24) months of the effective date of
30 this section, the State board shall develop a standard

1 performance matrix to evaluate charter school entity performance
2 and shall promulgate regulations pursuant to the act of June 25,
3 1982 (P.L.633, No.181), known as the "Regulatory Review Act," to
4 implement this section.

5 (2) The performance matrix shall assess performance by
6 utilizing objective criteria, including, but not limited to:
7 student performance on assessments; annual growth as measured by
8 the Pennsylvania Value-Added Assessment System; attendance;
9 attrition rates; graduation rates; other standardized test
10 scores; school safety; parent satisfaction; accreditation by a
11 nationally recognized accreditation agency, including the Middle
12 States Association of Colleges and Schools or another regional
13 institutional accrediting agency recognized by the United States
14 Department of Education or an equivalent federally recognized
15 body for charter school education; and other measures of school
16 quality, including measures for assessing teacher effectiveness.

17 (3) In developing the performance matrix, the State board
18 shall determine an academic quality benchmark the satisfaction
19 of which shall qualify a charter school entity for a ten (10)
20 year renewal term pursuant to section 1720-A(a) (2) or 1745-A(f)
21 (3). The academic quality benchmark shall be included in the
22 regulations required under clause (1).

23 (4) In developing the performance matrix, the State board
24 may:

25 (i) Contract for consulting services with an entity that has
26 experience in developing performance matrices if the services
27 are procured through a competitive bidding process.

28 (ii) To the extent possible, utilize an existing database
29 developed by the department, including the School Performance
30 Profile.

1 (5) Neither the department nor any local board of school
2 directors or other school district governing authority may
3 develop a separate performance matrix for the evaluation of a
4 charter school entity. The department shall review the
5 performance matrix every three (3) years to ensure the
6 performance matrix properly measures school quality and shall
7 submit any recommendations in writing to the State Board of
8 Education, the Education Committee of the Senate and the
9 Education Committee of the House of Representatives. Such
10 recommended revisions shall not take effect unless the State
11 Board of Education promulgates regulations to adopt the
12 revisions pursuant to the "Regulatory Review Act."

13 (6) (i) A local board of school directors or other school
14 district governing authority shall utilize the standard
15 performance matrix as a primary factor in evaluating renewal
16 charter school and regional charter school applicants and in
17 annual monitoring and evaluation of charter schools and regional
18 charter schools.

19 (ii) The department shall utilize the standard performance
20 matrix as a primary factor in evaluating renewal cyber charter
21 school applicants, in evaluating consolidation applications
22 under section 1729.2-A and in annual monitoring and evaluation
23 of cyber charter schools.

24 (7) (i) In developing the performance matrix and
25 promulgating the regulations required under clause (1), the
26 State board shall convene and consult with a Statewide advisory
27 committee which shall consist of representatives of the
28 department and a minimum of seven (7) representatives from
29 charter schools, regional charter schools, cyber charter schools
30 and school district personnel. Members of the committee shall be

1 selected to be representative of the urban, rural and suburban
2 areas of this Commonwealth.

3 (ii) The Statewide advisory committee required to be
4 convened under subparagraph (i) shall be convened not later than
5 thirty (30) days after the effective date of this section and
6 shall meet regularly to fulfill requirements of this paragraph.

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

10 Section ~~14.4~~ 22. Section 1732-A of the act, amended or added <--
11 June 19, 1997 (P.L.225, No.22), and June 29, 2002 (P.L.524,
12 No.88), is amended to read:

13 Section 1732-A. Provisions Applicable to Charter Schools and
14 Regional Charter Schools.--(a) Charter schools and regional
15 charter schools shall be subject to the following:

16 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431, 436,
17 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753,
18 [755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a),
19 1205.1, 1205.2, 1205.3, 1205.4, 1205.5, 1301, 1302, 1303, 1310,
20 1317, 1317.1, 1317.2, 1317.3, 1318, 1327, 1330, 1332, 1333,
21 1303-A, 1513, 1517, 1518, 1521, 1523, 1531, 1547, 2014-A,
22 Article XIII-A and Article XIV.

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

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

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

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

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

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

14 (8) 65 Pa.C.S. Ch. 7 (relating to open meetings).

15 (9) 65 Pa.C.S. Ch. 11 (relating to ethics standards and
16 financial disclosure).

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

19 [Section 5.216 (relating to ESOL).

20 Section 5.4 (relating to general policies).]

21 (1) Chapter 4 (relating to academic standards and
22 assessments).

23 (2) Chapter 11 (relating to pupil attendance).

24 (3) Chapter 12 (relating to students).

25 (4) Section 32.3 (relating to assurances).

26 (5) Section 121.3 (relating to discrimination prohibited).

27 (6) Section 235.4 (relating to practices).

28 (7) Section 235.8 (relating to civil rights).

29 (8) Chapter 711 (relating to charter school services and
30 programs for children with disabilities).

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

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

8 Section ~~14.5~~ 23. The act is amended by adding a section to <--
9 read:

10 Section 1733-A. Effect on Existing Charter School
11 Entities.--(a) Within one (1) year of the effective date of
12 this section, a charter school entity established under section
13 1717-A, 1718-A or 1745-A prior to the effective date of this
14 section shall amend its current charter through the amendment
15 process under section 1720-A(c) or 1745-A(f) (5) as needed to
16 reflect the requirements of this article. Any renewal that takes
17 effect after June 30, 2016, shall be for the term specified
18 under section 1720-A(a) (2) or 1745-A(f) (3).

19 (b) A charter school entity approved after the effective
20 date of this section shall be in full compliance with this
21 article.

22 (c) Within ninety (90) days of the effective date of this
23 section, each charter school entity shall demonstrate, to the
24 satisfaction of the local board of school directors or, in the
25 case of a cyber charter school, to the satisfaction of the
26 department, that the charter school entity is in compliance with
27 ~~sections 1332 and 1333~~ THE COMPULSORY ATTENDANCE PROVISIONS OF <--
28 ARTICLE XIII, including the institution of truancy proceedings
29 when required under ~~section 1333~~ ARTICLE XIII. <--

30 Section ~~14.6~~ 24. Sections 1741-A(c) and 1742-A of the act, <--

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

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

3 * * *

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

8 Section 1742-A. Assessment and evaluation.

9 (a) The department shall:

10 (1) Annually assess whether each cyber charter school is
11 meeting the goals of its charter and is in compliance with
12 the provisions of the charter and conduct a comprehensive
13 review prior to granting a [five-year] renewal of the charter
14 for the period specified in section 1745-A(f)(3).

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

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

26 (b) School districts, intermediate units, community colleges
27 and State system institutions shall provide a cyber charter
28 school with reasonable access to its facilities for the
29 administration of standardized testing as follows:

30 (1) A cyber charter school shall provide an intermediate

1 unit, school district, community college or State system
2 institution with at least 60 days' notice of the need for
3 facilities to be used for the administration of standardized
4 tests.

5 (2) Within 30 days of the cyber charter school's
6 request, the intermediate unit, school district, community
7 college or State system institution shall notify the cyber
8 charter school of the location of the facilities that will be
9 provided, which shall be a quiet, separate location in which
10 cyber charter school students will not be commingled with
11 students of the intermediate unit, school district, community
12 college or State system institution.

13 (3) An intermediate unit, school district of residence,
14 community college or State system institution shall not be
15 required to make facilities available to a cyber charter
16 school on dates and times that may cause undue interference
17 with the educational programs of the intermediate unit,
18 school district, community college or State System
19 institution.

20 (4) Any facilities rental fee charged to the cyber
21 charter school and the payment thereof shall be in compliance
22 with the facility rental policy of the intermediate unit,
23 school district, community college or State system
24 institution that applies generally to all organizations and
25 community groups.

26 ~~Section 14.7. Section 1743 A(e) of the act, added June 29, <--~~
27 ~~2002 (P.L.524, No.88), is amended to read:~~

28 SECTION 25. SECTIONS 1743-A(E), 1744-A, 1745-A AND 1749-A(A) <--
29 AND (C) OF THE ACT, ADDED JUNE 29, 2002 (P.L.524, NO.88), ARE
30 AMENDED TO READ:

1 Section 1743-A. Cyber charter school requirements and
2 prohibitions.

3 * * *

4 (e) Students.--For each student enrolled, a cyber charter
5 school shall:

6 (1) provide all instructional materials, which may
7 include electronic or digital books in place of textbooks;

8 (2) provide all equipment, including, but not limited
9 to, a computer, computer monitor and printer; provided, that
10 a parent or guardian of more than one child who is enrolled
11 in the same cyber charter school may elect not to receive a
12 separate computer, computer monitor and printer for each
13 enrolled child; and

14 (3) provide or reimburse for all technology and services
15 necessary for the on-line delivery of the curriculum and
16 instruction.

17 The Commonwealth shall not be liable for any reimbursement owed
18 to students, parents or guardians by a cyber charter school
19 under paragraph (3).

20 * * *

21 ~~Section 14.8. Sections 1744 A, 1745 A and 1749 A(a) and (c) <--~~
22 ~~of the act, added June 29, 2002 (P.L.524, No.88), are amended to~~
23 ~~read:~~

24 Section 1744-A. School district and intermediate unit
25 responsibilities.

26 An intermediate unit or a school district in which a student
27 enrolled in a cyber charter school resides shall do all of the
28 following:

29 (1) Provide the cyber charter school within ten days of
30 receipt of the notice of the admission of the student under

1 section 1748-A(a) with all records relating to the student,
2 including transcripts, test scores and a copy of any
3 individualized education program for that student.

4 [(2) Provide the cyber charter school with reasonable
5 access to its facilities for the administration of
6 standardized tests required under this subdivision.]

7 (3) Upon request, provide assistance to the cyber
8 charter school in the delivery of services to a student with
9 disabilities. The school district or intermediate unit shall
10 not charge the cyber charter school more for a service than
11 it charges a school district.

12 (4) Make payments to the cyber charter school under
13 section 1725-A.

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

15 (a) Establishment.--A cyber charter school may be
16 established by an individual; one or more teachers who will
17 teach at the proposed cyber charter school; parents or guardians
18 of students who will enroll in the cyber charter school; a
19 nonsectarian college, university or museum located in this
20 Commonwealth; a nonsectarian corporation not-for-profit as
21 defined in 15 Pa.C.S. § 5103 (relating to definitions); a
22 corporation, association or partnership; or any combination of
23 the foregoing. Section 1327.1 shall not apply to a cyber charter
24 school established under this subdivision.

25 (b) Sectarian entities.--No cyber charter school shall be
26 established or funded by and no charter shall be granted to a
27 sectarian school, institution or other entity.

28 (b.1) Local board of school directors or intermediate
29 unit.--

30 (1) Nothing in this article shall be construed to

1 preclude a school district or an intermediate unit from
2 offering instruction via the Internet or other electronic
3 means, except that the instruction shall not be recognized as
4 a cyber charter school under this article unless the school
5 district or intermediate unit establishes a cyber charter
6 school pursuant to subsections (a) and ~~(b.1)(1)~~ (B.1)(2). <--

7 (2) A cyber charter school may be established by a local
8 board of school directors or an intermediate unit if the
9 procedures and requirements of this article are satisfied.

10 (c) Attendance.--Attendance at a cyber charter school shall
11 satisfy requirements for compulsory attendance, subject to
12 penalties for violation of compulsory attendance requirements
13 under ~~section 1333~~ ARTICLE XIII. <--

14 (d) Application.--An application to establish a cyber
15 charter school shall be submitted to the department by October 1
16 of the school year preceding the school year in which the cyber
17 charter school proposes to commence operation.

18 (e) Grant or denial.--Within 120 days of receipt of an
19 application, the department shall grant or deny the application.
20 The department shall review the application and shall hold at
21 least one public hearing under 65 Pa.C.S. Ch. 7 (relating to
22 open meetings). At least 30 days prior to the hearing, the
23 department shall publish in the Pennsylvania Bulletin and on the
24 department's [World Wide Web site] publicly accessible Internet
25 website notice of the hearing and the purpose of the
26 application.

27 (f) Evaluation criteria.--

28 (1) A cyber charter school application submitted under
29 this subdivision shall be evaluated by the department based
30 on the following criteria:

1 (i) The demonstrated, sustainable support for the
2 cyber charter school plan by teachers, parents or
3 guardians and students.

4 (ii) The capability of the cyber charter school
5 applicant, in terms of support and planning, to provide
6 comprehensive learning experiences to students under the
7 charter.

8 (iii) The extent to which the programs outlined in
9 the application will enable students to meet the academic
10 standards under 22 Pa. Code Ch. 4 (relating to academic
11 standards and assessment) or subsequent regulations
12 promulgated to replace 22 Pa. Code Ch. 4.

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

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

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

23 (3) Upon approval of a cyber charter school application,
24 a written charter shall be developed which shall contain the
25 provisions of the charter application and be signed by the
26 secretary and each member of the board of trustees of the
27 cyber charter school. The charter, when duly signed, shall
28 act as legal authorization of the establishment of a cyber
29 charter school. The charter shall be legally binding on the
30 department, the cyber charter school and its board of

1 trustees. The charter [shall be for a period of no less than
2 three years nor more than five years and may be renewed for a
3 period of five years by the department.] term shall be as
4 follows:

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

7 (ii) Prior to the effective date of the regulations
8 implementing the performance matrix as required pursuant
9 to section 1731.2-A, a charter may be renewed for five-
10 year periods upon reauthorization by the department.

11 (iii) Upon the effective date of the regulations
12 implementing the performance matrix as required pursuant
13 to section 1731.2-A, the following shall apply:

14 (A) For cyber charter schools that have
15 satisfied the academic quality benchmark established
16 by the State board pursuant to section 1731.2-A, a
17 charter may be renewed for ten-year periods upon
18 reauthorization by the department; provided that,
19 beginning in the sixth year of any ten-year period of
20 renewal under this subclause, the charter of any
21 cyber charter school that fails for two consecutive
22 years to satisfy the academic quality benchmark
23 established by the State board under section 1731.2-A
24 shall be subject to review by the department.

25 (B) For cyber charter schools that have not
26 satisfied the academic quality benchmark established
27 by the State board pursuant to section 1731.2-A, a
28 charter may be renewed for five-year periods upon
29 reauthorization by the department.

30 (4) The decision of the department to deny an

1 application may be appealed to the appeal board.

2 (5) (i) A cyber charter school may request amendments
3 to its approved written charter by filing with the
4 department a written document describing the requested
5 amendment.

6 (ii) Within 60 days of its receipt of the request
7 for an amendment, the department shall hold a public
8 hearing on the requested amendment under 65 Pa.C.S. Ch. 7
9 (relating to open meetings).

10 (iii) Within 20 days after the hearing, the
11 department shall grant or deny the requested amendment.
12 Failure by the department to hold a public hearing and to
13 grant or deny the amendment within the time period
14 specified shall be deemed an approval.

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

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

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

28 Section 1749-A. Applicability of other provisions of this act
29 and of other acts and regulations.

30 (a) General requirements.--Cyber charter schools shall be

1 subject to the following:

2 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431,
3 436, 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741,
4 752, 753, [755,] 771, 776, 777, 808, 809, 810, 1109, 1111,
5 1112(a), 1205.1, 1205.2, 1205.3, 1205.5, 1301, 1302, 1303,
6 1310, 1317, 1317.2, 1318, 1327, 1330, 1332, 1333, 1303-A,
7 1513, 1517, 1518, 1521, 1523, 1525, 1531, 1547, 1602-B, 1613-
8 B, 1702-A, 1703-A, 1704-A, 1714-A, 1715-A, 1716-A, 1716.1-A,
9 1719-A, 1721-A, 1722-A, [1723-A(a) and (b)] 1723-A(a), (b)
10 and (d), 1724-A, 1725-A, 1727-A, 1728-A(d), (e), (f), (g) and
11 (h), 1729-A, 1729.1-A, 1730-A, 1731-A(a) (1) and (b), 1731.1-
12 A, 1731.2-A, 1733-A and 2014-A and Articles [XII-A,] XIII-A
13 and XIV.

14 (1.1) Act of July 19, 1957 (P.L.1017, No.451), known as
15 the State Adverse Interest Act.

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

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

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

29 (5) The act of July 12, 1972 (P.L.765, No.181) entitled
30 "An act relating to drugs and alcohol and their abuse,

1 providing for projects and programs and grants to educational
2 agencies, other public or private agencies, institutions or
3 organizations."

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

6 (7) 65 Pa.C.S. Ch. 7 (relating to open meetings).

7 (8) 65 Pa.C.S. Ch. 11 (relating to ethics standards and
8 financial disclosure).

9 * * *

10 (c) Existing charter schools.--

11 (1) The charter of a charter school approved under
12 section 1717-A or 1718-A which provides instruction through
13 the Internet or other electronic means shall remain in effect
14 for the duration of the charter and shall be subject to the
15 provisions of Subdivision (b).

16 (2) In addition to subsections (a) and (b), the
17 following provisions of this subdivision shall apply to a
18 charter school approved under section 1717-A or 1718-A which
19 provides instruction through the Internet or other electronic
20 means:

21 (i) Section 1743-A(c), (d), (e), (f), (g), (h) and
22 (i).

23 (ii) Section 1744-A.

24 (iii) Section 1748-A.

25 ~~Section 15. Section 1855 of the act, amended June 22, 2001 <--~~
26 ~~(P.L.530, No.35), is amended to read:~~

27 ~~Section 1855. Vocational Education Equipment Grants. (a)~~
28 ~~For the 2000-2001 fiscal year and the 2001-2002 fiscal year, the~~
29 ~~Department of Education shall establish a grant program to~~
30 ~~assist area vocational technical schools, school districts~~

1 offering approved vocational technical programs and the Thaddeus
2 Stevens State College of Technology in purchasing equipment that
3 meets industry standards for the purpose of providing training
4 to students. Grants shall be limited to the purchase of
5 equipment in the following program areas: automotive technology,
6 auto body, diesel technology, precision machine technology,
7 heating ventilation and air conditioning, printing, dental
8 assisting, electronics, building trades and other program areas
9 approved by the Secretary of Education. Grants shall be awarded
10 by the Department of Education on a matching basis, two State
11 dollars (\$2) for every local dollar (\$1), and shall be limited
12 to funds appropriated for that purpose.

13 ~~(b) For the 2015-2016 school year, the Department of~~
14 ~~Education shall establish a grant program to assist each area~~
15 ~~vocational technical school and school district with an approved~~
16 ~~vocational program that applies for and is approved for funding~~
17 ~~by the Department of Education to purchase equipment that meets~~
18 ~~industry standards. Grants shall be distributed in an amount to~~
19 ~~be calculated as follows:~~

20 ~~(1) A base amount of three thousand dollars (\$3,000).~~

21 ~~(2) A per student amount calculated as follows:~~

22 ~~(i) Multiply the 2014-2015 average daily membership in~~
23 ~~approved vocational education programs for each area vocational~~
24 ~~technical school or school district that has been approved for~~
25 ~~funding by the department by the difference between the amount~~
26 ~~appropriated for career and technical education equipment grants~~
27 ~~and the sum of the funding distributed under paragraph (1) to~~
28 ~~all area vocational technical schools and school districts.~~

29 ~~(ii) Divide the product from subparagraph (i) by the sum of~~
30 ~~the 2014-2015 average daily membership in approved vocational~~

1 ~~education programs for all area vocational technical schools and~~
2 ~~school districts that have been approved for funding by the~~
3 ~~department.~~

4 ~~(c) The application to apply for funding under subsection~~
5 ~~(b) shall be developed by the department within thirty days of~~
6 ~~the effective date of this section and only require the~~
7 ~~following, which may be collected electronically:~~

8 ~~(1) Name, address, e mail address and telephone number of~~
9 ~~the area vocational technical school or school district.~~

10 ~~(2) Name, e mail address and telephone number of an employee~~
11 ~~of the area vocational technical school or school district who~~
12 ~~will be available to answer questions regarding the funding~~
13 ~~application.~~

14 ~~(3) Description of the equipment for which the requested~~
15 ~~funding will be used; the career and technical education program~~
16 ~~in which the equipment will be used; the date on which the~~
17 ~~occupational advisory committee recommended the purchase of the~~
18 ~~equipment; and verification that the equipment will be used for~~
19 ~~technical classroom instruction.~~

20 ~~(d) The department may not request and consider any~~
21 ~~information other than the information provided in the funding~~
22 ~~application.~~

23 ~~(e) Each area vocational technical school or school district~~
24 ~~with an approved vocational program that submits a completed~~
25 ~~funding application shall receive funding in the amount~~
26 ~~determined under subsection (b).~~

27 ~~(f) For purposes of this section, "occupational advisory~~
28 ~~committee" shall mean an occupational advisory committee~~
29 ~~established pursuant to 22 Pa. Code Ch. 339 (relating to~~
30 ~~vocational education).~~

1 Section ~~16~~ 26. Section 1904-A(d) of the act, added July 4, <--
2 2004 (P.L.536, No.70), is amended to read:

3 Section 1904-A. Election or Appointment; Term and
4 Organization of Board of Trustees.--* * *

5 (d) Notwithstanding the provisions of subsections (a) and
6 (b), the board of trustees of a community college may appoint a
7 trustee from each county where a campus or satellite classroom
8 is located for which no local sponsor exists[.] and, for a
9 community college that is located in a county of the third class
10 with a population between 290,000 and 310,000 as of the 2010
11 census, may appoint up to two trustees from a county where a
12 campus is located for which no local sponsor exists. The trustee
13 shall be selected by the board of trustees of the community
14 college. Trustees appointed under the provisions of this
15 subsection shall be appointed for terms of two years.

16 ~~Section 17. Section 1913 A(b) (1.6) (v) and (1.7) (ii) of the <--~~
17 ~~act, amended July 9, 2008 (P.L.846, No.61) and July 9, 2013~~
18 ~~(P.L.408, No.59), are amended and clause (1.6) is amended by~~
19 ~~adding a subclause to read:~~

20 ~~Section 1913 A. Financial Program; Reimbursement of~~
21 ~~Payments. * * *~~

22 ~~(b) * * *~~

23 ~~(1.6) For the 2006-2007 fiscal year and each fiscal year~~
24 ~~thereafter, the payment for a community college shall consist of~~
25 ~~the following:~~

26 ~~* * *~~

27 ~~(v) Subclauses (i), (ii), (iii) and (iv) shall not apply to~~
28 ~~the 2011-2012, 2012-2013 [and], 2013-2014 and 2014-2015 fiscal~~
29 ~~years, and each fiscal year thereafter.~~

30 ~~* * *~~

1 ~~(ix) For the 2015-2016 fiscal year, each community college~~
2 ~~shall receive an amount equal to the sum of the following:~~

3 ~~(A) An amount equal to the amount allocated to the community~~
4 ~~college for operating costs under subclause (viii) (A).~~

5 ~~(B) An amount equal to the amount allocated to a community~~
6 ~~college for the economic development stipend under subclause~~
7 ~~(viii) (B).~~

8 ~~(C) An amount determined for each community college as~~
9 ~~follows:~~

10 ~~(I) Divide the sum of the amounts of funding the community~~
11 ~~college received under paragraphs (A) and (B) by the total~~
12 ~~amount of funding provided under paragraphs (A) and (B) for all~~
13 ~~community colleges.~~

14 ~~(II) Multiply the quotient in subparagraph (I) by the~~
15 ~~difference between the appropriation for payment of approved~~
16 ~~operating expenses of community colleges in fiscal year 2014-~~
17 ~~2015 and fiscal year 2013-2014.~~

18 ~~(D) An amount determined for each community college as~~
19 ~~follows:~~

20 ~~(I) Multiply the audited full time equivalent enrollment as~~
21 ~~verified under subsection (k.1) for the most recent year~~
22 ~~available for the community college by the difference between~~
23 ~~the appropriation for payment of approved operating expenses of~~
24 ~~community colleges in fiscal year 2015-2016 and fiscal year~~
25 ~~2014-2015.~~

26 ~~(II) Divide the product in subparagraph (I) by the sum of~~
27 ~~the audited full time equivalent enrollment as verified under~~
28 ~~subsection (k.1) for the most recent year available for all~~
29 ~~community colleges.~~

30 * * *

1 ~~(1.7) The payment for a community college shall include an~~
2 ~~economic development stipend which shall consist of the~~
3 ~~following:~~

4 ~~***~~

5 ~~(ii) For the 2006-2007 through 2008-2009 fiscal [year and~~
6 ~~each fiscal year thereafter] years, each community college shall~~
7 ~~receive, subject to the provisions of subclause (iii), an amount~~
8 ~~determined by:~~

9 ~~(A) Adding the following:~~

10 ~~(I) the number of full-time equivalent students enrolled in~~
11 ~~high priority and high instructional cost occupation programs at~~
12 ~~the community college multiplied by 1.50;~~

13 ~~(II) the number of full-time equivalent students enrolled in~~
14 ~~high priority occupation programs at the community college~~
15 ~~multiplied by 1.25; and~~

16 ~~(III) the number of full-time equivalent students enrolled~~
17 ~~in noncredit workforce development courses at the community~~
18 ~~college.~~

19 ~~(B) Dividing the total from paragraph (A) by the sum of the~~
20 ~~totals from paragraph (A) for all community colleges.~~

21 ~~(C) Multiplying the amount from paragraph (B) by the amount~~
22 ~~allocated for the economic development stipend pursuant to~~
23 ~~clause (1.6)(ii).~~

24 ~~(D) Applying the following:~~

25 ~~(I) For the 2006-2007 fiscal year, for the first, second and~~
26 ~~third quarter payments made in the 2007-2008 fiscal year, and~~
27 ~~for the first and second quarter payments made in the 2008-2009~~
28 ~~fiscal year and each fiscal year thereafter, the number of full-~~
29 ~~time equivalent students shall be determined based upon the~~
30 ~~final midyear rebudget submitted by a community college for the~~

1 ~~prior fiscal year. Such rebudget shall be submitted, as required~~
2 ~~by the Department of Education, no later than May 31, 2006, and~~
3 ~~May 31 of each year thereafter.~~

4 ~~(II) For the 2007-2008 fiscal year, the Department of~~
5 ~~Education shall provide the fourth quarter payment to each~~
6 ~~community college under this subclause based upon the number of~~
7 ~~full-time equivalent students enrolled in high priority and~~
8 ~~high instructional cost occupation programs, high priority~~
9 ~~occupation programs and noncredit workforce development courses~~
10 ~~for the 2006-2007 fiscal year, as verified in the audited~~
11 ~~financial statement required under subsection (k.1).~~

12 ~~(III) For the 2008-2009 fiscal year and each fiscal year~~
13 ~~thereafter, the Department of Education shall provide the third~~
14 ~~and fourth quarter payments to each community college under this~~
15 ~~subclause based upon the number of full-time equivalent students~~
16 ~~enrolled in high priority and high instructional cost occupation~~
17 ~~programs, high priority occupation programs and noncredit~~
18 ~~workforce development courses for the immediately preceding~~
19 ~~fiscal year, as verified in the audited financial statement~~
20 ~~required under subsection (k.1).~~

21 ~~* * *~~

22 ~~Section 18. Section 1902 C introductory paragraph of the~~
23 ~~act, added June 25, 1997 (P.L.297, No.30), is amended and the~~
24 ~~section is amended by adding a subsection to read:~~

25 ~~Section 1902 C. Applications. (a) Applicants shall submit~~
26 ~~applications at the time, in the manner and containing or~~
27 ~~accompanied by such information as the department may prescribe~~
28 ~~but, in any case, shall document the following:~~

29 ~~* * *~~

30 ~~(b) A school district, combination of school districts or~~

1 ~~charter school that makes an application to establish an~~
2 ~~alternative education program shall submit initial and renewal~~
3 ~~applications along with a fee of four hundred dollars (\$400) as~~
4 ~~prescribed by the department. The money collected shall be~~
5 ~~deposited into a restricted account in the General Fund to be~~
6 ~~known as the Alternative Education Program Account. The money in~~
7 ~~the restricted account is hereby appropriated on a continuing~~
8 ~~basis to the department.~~

9 Section 19. ~~Section 1902 E of the act, added November 23,~~
10 ~~1999 (P.L.529, No.48), is amended by adding a paragraph to read:~~

11 Section 1902 E. ~~Contracts with Private Alternative Education~~
12 ~~Institutions.—~~

13 * * *

14 ~~(5) A private alternative education institution that makes~~
15 ~~an application for approval to operate shall submit initial and~~
16 ~~renewal applications along with a fee of one thousand dollars~~
17 ~~(\$1,000) as prescribed by the department. The funds collected~~
18 ~~shall be deposited into the Alternative Education Program~~
19 ~~Account established in section 1902 C(b).~~

20 Section 20. ~~The act is amended by adding an article to read:~~

21 ~~ARTICLE XIX G~~

22 ~~RURAL REGIONAL COLLEGE FOR UNDERSERVED COUNTIES~~

23 ~~Section 1901 G. (Reserved).~~

24 ~~Section 1901.1 G. Legislative intent.~~

25 ~~It is the intent of the General Assembly to provide for the~~
26 ~~continued existence, operation and administration of the rural~~
27 ~~regional college established under former Article XVII E.1 of~~
28 ~~the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal~~
29 ~~Code.~~

30 ~~Section 1901.2 G. Appropriations.~~

1 ~~Appropriations for the operation of the rural regional~~
2 ~~college shall have preferred status and be considered ordinary~~
3 ~~expenses of State government.~~

4 ~~Section 1902 G. Scope of article.~~

5 ~~This article provides for the establishment of a rural~~
6 ~~regional college in a multicounty rural area that is underserved~~
7 ~~by comprehensive community college education and work force~~
8 ~~development.~~

9 ~~Section 1903 G. Definitions.~~

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

13 ~~"Annual." A 12 month period coterminous with the~~
14 ~~Commonwealth's fiscal year beginning July 1 and ending June 30.~~

15 ~~"Board of trustees." The board of trustees of a rural~~
16 ~~regional college established under this article.~~

17 ~~"Certified public accountant." A member of the American~~
18 ~~Institute of Certified Public Accountants who has a minimum of~~
19 ~~five years' verifiable experience in performing audits of~~
20 ~~government funds for nonprofit organizations with a comparable~~
21 ~~or larger annual budget.~~

22 ~~"County." Any county in this Commonwealth.~~

23 ~~"Middle States." The Middle States Association of Colleges~~
24 ~~and Schools.~~

25 ~~"Partner institution." One or more Middle States accredited~~
26 ~~institutions of higher education.~~

27 ~~"Rural regional college." A public institution of higher~~
28 ~~education which is established in a rural area and operated in~~
29 ~~accordance with the provisions of this article as a college~~
30 ~~which provides up to a two year, postsecondary education not to~~

1 ~~exceed the level of an associate of arts or sciences degree and~~
2 ~~which is active in work force development.~~

3 ~~"Rural regional college plan" or "plan." A plan for the~~
4 ~~establishment and operation of a rural regional college under~~
5 ~~this article.~~

6 ~~"Secretary." The Secretary of Education of the Commonwealth~~
7 ~~or such person as the secretary may designate to act on behalf~~
8 ~~of the secretary with regard to any of the duties and~~
9 ~~prerogatives imposed by this article.~~

10 ~~"State Board." The State Board of Education.~~

11 ~~Section 1904 G. Designations by secretary.~~

12 ~~(a) Duties of secretary.~~

13 ~~(1) The secretary shall designate an established~~
14 ~~nonprofit organization as defined under section 501(c)(3) of~~
15 ~~the Internal Revenue Code of 1986 (Public Law 99 514, 26~~
16 ~~U.S.C. § 501(c)(3)), which represents a rural multicounty~~
17 ~~region underserved by a comprehensive community college~~
18 ~~program, including work force development, to assist the~~
19 ~~secretary with the designation under paragraph (2).~~

20 ~~(2) Within 30 days of the designation under paragraph~~
21 ~~(1), the secretary shall, in consultation with the nonprofit~~
22 ~~organization, designate contiguous counties or parts of~~
23 ~~contiguous counties to be served by establishment of a rural~~
24 ~~regional college.~~

25 ~~(b) Changes. No sooner than July 10, 2018, the secretary,~~
26 ~~with approval of the board of trustees, may add counties or~~
27 ~~parts of counties to be served by the rural regional college.~~

28 ~~Section 1905 G. Designation and board of trustees.~~

29 ~~Within 60 days of the secretary's designation under section~~
30 ~~1904 G(a)(2), a board of trustees shall be appointed to~~

1 ~~establish a rural regional college. The board of trustees shall~~
2 ~~consist of not fewer than seven members nor more than 15 members~~
3 ~~appointed by the secretary in consultation and jointly with the~~
4 ~~nonprofit organization designated under section 1904 G(a)(1).~~
5 ~~The following shall apply to the board of trustees established~~
6 ~~under this section:~~

7 ~~(1) Members of the board of trustees shall be~~
8 ~~representative of the area designated under section 1904 G(a)~~
9 ~~(2) and may include school administrators, community~~
10 ~~education council officials, business leaders and government~~
11 ~~officials.~~

12 ~~(2) Members of the board of trustees shall be appointed~~
13 ~~for terms of three years each, except that those persons~~
14 ~~initially appointed shall draw lots to determine which~~
15 ~~trustees shall serve for a term of three years, which~~
16 ~~trustees shall serve for a term of two years and which~~
17 ~~trustees shall serve for a term of one year. To the extent~~
18 ~~practicable, from those trustees initially appointed, an~~
19 ~~equal number shall draw lots to serve for a term of three~~
20 ~~years, for a term of two years and for a term of one year.~~
21 ~~Thereafter, all members shall be appointed for terms of three~~
22 ~~years each.~~

23 ~~(3) Vacancies on the board shall be filled by the~~
24 ~~existing board. A trustee may succeed himself, provided that~~
25 ~~no member shall serve for longer than 10 years.~~

26 ~~(4) The secretary shall convene an initial meeting of~~
27 ~~the board of trustees within 30 days of the secretary's~~
28 ~~appointment of a board of trustees under this section. After~~
29 ~~the initial meeting, the board of trustees shall meet at such~~
30 ~~times each year as the board of trustees determines to be~~

1 ~~necessary to satisfy the requirements of this article.~~

2 ~~(5) The board of trustees shall adopt standing operating~~
3 ~~rules and procedures, bylaws and articles of incorporation.~~

4 ~~(6) The board of trustees shall establish an advisory~~
5 ~~council of presidents, or their designees, from institutions~~
6 ~~with postsecondary education programs within the region~~
7 ~~designated under section 1904 G(a)(2). The advisory council~~
8 ~~shall meet quarterly to discuss employer and work force~~
9 ~~needs, new educational offerings and general coordination of~~
10 ~~service and facilities. One advisory council member~~
11 ~~representing a community college and one advisory council~~
12 ~~member that is a president of a college or university shall~~
13 ~~serve as cochairmen. The cochairmen of the advisory council~~
14 ~~shall provide updates to the board of trustees as~~
15 ~~appropriate.~~

16 ~~(7) The board of trustees shall choose from among its~~
17 ~~members a chairman, vice chairman and secretary.~~

18 ~~(8) A majority of the members of the board of trustees~~
19 ~~shall constitute a quorum.~~

20 ~~(9) Trustees shall serve without compensation, except~~
21 ~~that they shall be reimbursed by the rural regional college~~
22 ~~for their actual and necessary expenses incurred in the~~
23 ~~performance of their duties.~~

24 ~~Section 1906 G. Establishment.~~

25 ~~(a) General rule. No later than October 30, 2016, the board~~
26 ~~of trustees appointed under section 1905 G shall submit to the~~
27 ~~secretary a proposed rural regional college plan in such form~~
28 ~~and containing such information as the secretary may require. In~~
29 ~~addition to other information which may be required by the~~
30 ~~secretary, the plan shall include the following:~~

1 ~~(1) A designation of the name of the proposed rural~~
2 ~~regional college which shall be the "Rural Regional College~~
3 ~~of _____ " or " _____ Rural Regional~~
4 ~~College."~~

5 ~~(2) A survey of the educational, vocational and~~
6 ~~occupational needs of the area and the means by which the~~
7 ~~proposed rural regional college will meet those needs,~~
8 ~~reengage high school dropouts to earn their secondary~~
9 ~~credentials and postsecondary credentials or industry~~
10 ~~certification, reduce unemployment and improve the employable~~
11 ~~skills of residents of the area to be served by the rural~~
12 ~~regional college.~~

13 ~~(3) An operating and financial plan for the proposed~~
14 ~~rural regional college, including a plan for the capital~~
15 ~~needs and expenses of the proposed rural regional college.~~

16 ~~(4) A plan by which the rural regional college shall~~
17 ~~seek accreditation by an accrediting association which is~~
18 ~~recognized by the United States Department of Education.~~

19 ~~(b) Submission of plan. Within 60 days of the submission of~~
20 ~~the rural regional college plan to the secretary, the secretary~~
21 ~~shall issue an approval or rejection of the plan. A rejection of~~
22 ~~the plan shall be accompanied by a written statement of the~~
23 ~~reasons for the rejection of the plan. If the plan is rejected,~~
24 ~~the board of trustees shall submit a revised plan to the~~
25 ~~secretary within 60 days of the plan's rejection.~~

26 ~~(c) Plan approval. Upon the approval of the plan by the~~
27 ~~secretary, the rural regional college shall be considered~~
28 ~~established.~~

29 ~~Section 1907 G. Powers and duties of board of trustees.~~

30 ~~(a) General rule. The board of trustees appointed under~~

1 ~~section 1905 G shall administer and supervise the affairs of the~~
2 ~~rural regional college established under this article. Subject~~
3 ~~to any other law and to any regulations promulgated by the State~~
4 ~~Board pertaining to rural regional colleges, the board of~~
5 ~~trustees shall have the following powers and duties:~~

6 ~~(1) To advance the mission of the rural regional college~~
7 ~~in service to residents of the region designated under~~
8 ~~section 1904 G(a) (2).~~

9 ~~(2) To appoint and fix the salary of a president of the~~
10 ~~rural regional college.~~

11 ~~(3) To appoint and fix the salary of a chief financial~~
12 ~~officer of the rural regional college.~~

13 ~~(4) To hold, rent, lease, sell, purchase and improve~~
14 ~~land, buildings, furnishings, equipment, materials, books and~~
15 ~~supplies.~~

16 ~~(5) To enter into contracts for services with community~~
17 ~~education councils, schools, colleges or universities, or~~
18 ~~with school districts or municipalities, and other applicable~~
19 ~~or appropriate agencies and organizations to effectuate the~~
20 ~~purposes of this article.~~

21 ~~(6) To accept and receive gifts of real and personal~~
22 ~~property and Federal, State and local money, loans and grants~~
23 ~~and to expend the same.~~

24 ~~(7) To make policies providing for the admission and~~
25 ~~expulsion of students, the courses of instruction, the~~
26 ~~tuition and fees to be charged and for all matters related to~~
27 ~~the government and administration of the rural regional~~
28 ~~college, provided that policies related to admission, tuition~~
29 ~~and fees give preference to residents of the area designated~~
30 ~~by the secretary under section 1904 G(a) (2).~~

1 ~~(8) To submit to the secretary for approval proposed~~
2 ~~amendments to the rural regional college plan.~~

3 ~~(9) To enter into contracts for services to high schools~~
4 ~~located in the area designated by the secretary under section~~
5 ~~1904 G to provide services, including area vocational~~
6 ~~technical education services.~~

7 ~~(10) To approve an annual budget to be submitted to the~~
8 ~~secretary for funding.~~

9 ~~(11) To exercise such other powers and perform such~~
10 ~~other duties as are necessary to effectuate the purposes of~~
11 ~~this article.~~

12 ~~(b) Duties of board. The board of trustees shall enter into~~
13 ~~contracts, hold property and take other actions in the name of~~
14 ~~the rural regional college.~~

15 ~~(c) Initial partnership.~~

16 ~~(1) The board of trustees shall select initially a~~
17 ~~partner institution to develop and offer accredited courses~~
18 ~~and programs of study at the approved sites of operation~~
19 ~~which have been selected by the board of trustees.~~

20 ~~(2) The partner institution shall select programs only~~
21 ~~with approval of the board of trustees and consistent with~~
22 ~~the partner institution's accreditation and shall be~~
23 ~~responsible for staffing and evaluation and provision of~~
24 ~~other support services as may be required for students.~~

25 ~~(3) The board of trustees may contract with other~~
26 ~~colleges to provide curricula not available through the~~
27 ~~partner institution.~~

28 ~~(4) As the rural regional college is able to operate on~~
29 ~~its own, a transition plan and budget shall be included in~~
30 ~~the contract between the rural regional college and the~~

1 ~~partner institution to efficiently expedite the transition.~~

2 ~~(5) Nothing in this article shall be construed to~~
3 ~~preclude the board of trustees from contracting for specific~~
4 ~~services or programs following the transition from the~~
5 ~~initial partner institution.~~

6 ~~Section 1908 G. Officers of rural regional college.~~

7 ~~(a) President. The president shall be the chief executive~~
8 ~~and administrative officer of the rural regional college and~~
9 ~~shall perform all duties which the board of trustees may~~
10 ~~prescribe. The president shall have the right to attend meetings~~
11 ~~of the board of trustees and to be heard on all matters before~~
12 ~~it but shall have no right to vote on any matter.~~

13 ~~(b) Chief financial officer. The chief financial officer of~~
14 ~~the rural regional college shall give a proper bond in such~~
15 ~~amount and with such corporate surety as is approved by the~~
16 ~~board of trustees. The chief financial officer shall file the~~
17 ~~bond with the board of trustees. The account of the chief~~
18 ~~financial officer shall be audited annually by a certified~~
19 ~~public accountant or other qualified public accountant selected~~
20 ~~by the board of trustees.~~

21 ~~Section 1909 G. Students.~~

22 ~~Any individual may apply for admission to the rural regional~~
23 ~~college established under this article, provided that preference~~
24 ~~in admissions, tuition and fees may be given to residents of the~~
25 ~~multicounty area designated by the secretary under section 1904~~
26 ~~G(a)(2). In considering applicants for admission, the rural~~
27 ~~regional college shall not discriminate on the basis of race,~~
28 ~~color, gender, marital status, ethnic group or religion.~~

29 ~~Section 1910 G. Tuition.~~

30 ~~The tuition and fees charged by the rural regional college~~

1 ~~shall be an amount determined by the board of trustees, in~~
2 ~~accordance with the budget submitted to the secretary. The board~~
3 ~~of trustees shall annually establish a separate schedule of~~
4 ~~tuition and fees for students that reside inside the region~~
5 ~~designated under section 1904 G(a) (2) and students that reside~~
6 ~~outside the region.~~

7 ~~Section 1911 G. Dissolution and transition of rural regional~~
8 ~~college.~~

9 ~~The rural regional college established under this article may~~
10 ~~not be dissolved without the approval of the secretary. Upon~~
11 ~~dissolution of the rural regional college, the Commonwealth~~
12 ~~shall assume all assets and liabilities of the rural regional~~
13 ~~college, except that such assets that are the property of any~~
14 ~~partner institution that may be operating for and within the~~
15 ~~rural regional college shall remain the property of the partner~~
16 ~~institution.~~

17 ~~Section 1912 G. Degrees.~~

18 ~~The rural regional college established under this article may~~
19 ~~award any type of diploma, technical or career training~~
20 ~~certificate or associate degrees in the arts, sciences,~~
21 ~~technologies or general education upon successful completion of~~
22 ~~programs authorized by the board of trustees. As long as the~~
23 ~~partner institution provides the accredited curricula and~~
24 ~~courses under contract to the rural regional college, the~~
25 ~~requirements of the accrediting agency shall pertain to the~~
26 ~~granting of such awards.~~

27 ~~Section 1913 G. Funding.~~

28 ~~The rural regional college established under this article~~
29 ~~shall be funded by tuition and fees established by the board of~~
30 ~~trustees and may accept appropriations from the General~~

1 ~~Assembly, grants from the Federal Government, grants from the~~
2 ~~Commonwealth, grants from private foundations or any combination~~
3 ~~thereof.~~

4 ~~Section 1914 G. Financial aid.~~

5 ~~(a) Initial partnership period. During the rural regional~~
6 ~~college's initial partnership with a partner institution, a~~
7 ~~student enrolled in the rural regional college shall be eligible~~
8 ~~for consideration for a Pennsylvania State Grant and other~~
9 ~~Commonwealth funded financial aid administered by the~~
10 ~~Pennsylvania Higher Education Assistance Agency, provided that~~
11 ~~the partner institution is an institution of higher education as~~
12 ~~approved by and in accordance with rules and regulations of the~~
13 ~~Pennsylvania Higher Education Assistance Agency.~~

14 ~~(b) Posttransition period. Upon the rural regional college~~
15 ~~operating on its own without a partner institution, a student~~
16 ~~shall only be eligible for consideration for a Pennsylvania~~
17 ~~State Grant and any other Commonwealth funded financial aid if~~
18 ~~the rural regional college is approved by the Department of~~
19 ~~Education, is accredited or a recognized candidate for~~
20 ~~accreditation with an accrediting body recognized under rules~~
21 ~~and regulations of the Pennsylvania Higher Education Assistance~~
22 ~~Agency and satisfies any other institutional and administrative~~
23 ~~program requirements as the Pennsylvania Higher Education~~
24 ~~Assistance Agency may require.~~

25 ~~Section 1915 G. Regulations.~~

26 ~~The State Board may promulgate regulations under the act of~~
27 ~~June 25, 1982 (P.L.633, No.181), known as the Regulatory Review~~
28 ~~Act, as necessary to implement this article.~~

29 ~~Section 1916 G. Reports.~~

30 ~~The Legislative Budget and Finance Committee shall prepare~~

~~1 and submit to the General Assembly written interim and final
2 reports evaluating the operation of this article. The interim
3 report shall be submitted by June 30, 2018, and the final report
4 shall be submitted by June 30, 2022. Each report shall include,
5 but may not be limited to, the following:~~

~~6 (1) A review of the success of the rural regional
7 college established under this article in satisfying the
8 goals set forth in the rural regional college plan approved
9 by the secretary and in satisfying the needs of the
10 multicounty area the rural regional college was established
11 to serve.~~

~~12 (2) Demographic and program data, including the
13 following:~~

~~14 (i) Numbers of full time and part time faculty and
15 student enrollments, in total and within curricular
16 areas.~~

~~17 (ii) Dual enrollment participation.~~

~~18 (iii) Credit hours taught by faculty.~~

~~19 (iv) Distance learning courses offered.~~

~~20 (v) Articulation agreements with higher education
21 institutions.~~

~~22 (vi) Lists of courses with fewer than 20 students.~~

~~23 (vii) Lists of courses with more than 50 students.~~

~~24 Where available, student data shall be disaggregated by
25 categories, including gender, race and age.~~

~~26 (3) Student progress and achievement measures, including
27 the following:~~

~~28 (i) Retention rates related to student goals.~~

~~29 (ii) Graduation and completion rates after two,
30 three and four years.~~

1 ~~(iii) Passing rates on certification and licensure~~
2 ~~examinations.~~

3 ~~(iv) Number of students employed within one year of~~
4 ~~program completion.~~

5 ~~(v) Placement into additional education or~~
6 ~~employment in the student's field of study.~~

7 ~~Where available, data shall be disaggregated by categories,~~
8 ~~including gender, race and age.~~

9 ~~(4) Economic and work force development measures,~~
10 ~~including:~~

11 ~~(i) Employer satisfaction.~~

12 ~~(ii) Customized job training offerings.~~

13 ~~(iii) Employment status.~~

14 ~~(iv) Numbers of businesses and organizations served.~~

15 ~~(5) Recommendations for future legislation.~~

16 ~~Section 1917 G. Transfers of credits.~~

17 ~~For purposes of facilitating the transfer of credits attained~~
18 ~~by students of the rural regional college, the rural regional~~
19 ~~college shall be considered a public institution of higher~~
20 ~~education as defined in section 2001 C and, upon the rural~~
21 ~~regional college being able to operate on its own, shall be~~
22 ~~required to fulfill all the duties and obtain for its students~~
23 ~~all the benefits of Article XX C within two years of operation~~
24 ~~of the established rural regional college.~~

25 ~~Section 21. The act is amended by adding sections to read:~~

26 ~~Section 2320. State aid for fiscal year 2015 2016.~~

27 ~~Notwithstanding any other provision of law to the contrary,~~
28 ~~each library subject to 24 Pa.C.S. Ch. 93 (relating to public~~
29 ~~library code), shall be eligible for State aid for fiscal year~~
30 ~~2015 2016, as follows:~~

1 ~~(1) Funds appropriated for libraries shall be~~
2 ~~distributed to each library under the following formula:~~

3 ~~(i) Divide the amount of funding that the library~~
4 ~~received in fiscal year 2014-2015 under section 1722-~~
5 ~~J(18) of the act of April 9, 1929 (P.L.343, No.176),~~
6 ~~known as The Fiscal Code, by the total State aid subsidy~~
7 ~~for fiscal year 2014-2015.~~

8 ~~(ii) Multiply the quotient under subparagraph (i) by~~
9 ~~the total State aid subsidy for fiscal year 2015-2016.~~

10 ~~(2) Following distribution of funds appropriated for~~
11 ~~State aid to libraries under paragraph (1), any remaining~~
12 ~~funds may be distributed at the discretion of the State~~
13 ~~Librarian.~~

14 ~~(3) If funds appropriated for State aid to libraries in~~
15 ~~fiscal year 2015-2016 are less than funds appropriated in~~
16 ~~fiscal year 2002-2003, the State Librarian may waive~~
17 ~~standards as prescribed in 24 Pa.C.S. Ch. 93.~~

18 ~~(4) Each library system receiving State aid under this~~
19 ~~section may distribute the local library share of that aid in~~
20 ~~a manner as determined by the board of directors of the~~
21 ~~library system.~~

22 ~~(5) In the case of a library system that contains a~~
23 ~~library operating in a city of the second class, changes to~~
24 ~~the distribution of State aid to the library shall be made by~~
25 ~~mutual agreement between the library and the library system.~~

26 ~~(6) In the event of a change in district library center~~
27 ~~population prior to the effective date of this section as a~~
28 ~~result of:~~

29 ~~(i) a city, borough, town, township, school district~~
30 ~~or county moving from one library center to another; or~~

1 ~~(ii) a transfer of district library center status to~~
2 ~~a county library system.~~

3 ~~Funding of district library center aid shall be paid based on~~
4 ~~the population of the newly established or reconfigured~~
5 ~~district library center.~~

6 ~~(7) In the event of a change in direct service area from~~
7 ~~one library to another, the State Librarian, upon agreement~~
8 ~~of the affected libraries, may redistribute the local library~~
9 ~~share of aid to the library currently servicing the area.~~

10 ~~Section 2502.53. Student Weighted Basic Education Funding.~~

11 ~~(a) The General Assembly finds and declares that:~~

12 ~~(1) The student weighted basic education funding formula is~~
13 ~~the result of the work of the Basic Education Funding Commission~~
14 ~~established pursuant to section 123.~~

15 ~~(2) In the 2014 2015 school year, the student weighted basic~~
16 ~~education funding formula is one part of the allocation~~
17 ~~determined in section 2502.54.~~

18 ~~(3) Beginning in the 2015 2016 school year, the student~~
19 ~~weighted basic education formula will be used to distribute the~~
20 ~~difference between the amount appropriated for the school year~~
21 ~~and the amount appropriated for the distribution under section~~
22 ~~2502.54.~~

23 ~~(b) For the 2015 2016 school year and each school year~~
24 ~~thereafter, the Commonwealth shall pay to each school district a~~
25 ~~basic education funding allocation which shall consist of the~~
26 ~~following:~~

27 ~~(1) An amount equal to the school district's transition to~~
28 ~~student weighted basic education funding allocation for the~~
29 ~~2014 2015 school year under section 2502.54.~~

30 ~~(2) A student based allocation to be calculated as follows:~~

1 ~~(i) Multiply the school district's student weighted average~~
2 ~~daily membership by the median household index and local effort~~
3 ~~capacity index.~~

4 ~~(ii) Multiply the product in subparagraph (i) by the~~
5 ~~difference between the amount appropriated for the allocation of~~
6 ~~basic education funding to school districts and the amount~~
7 ~~appropriated for the allocation in paragraph (1).~~

8 ~~(iii) Divide the product in subparagraph (ii) by the sum of~~
9 ~~the products in subparagraph (i) for all school districts.~~

10 ~~(c) For the purpose of this section:~~

11 ~~(1) Student weighted average daily membership for a school~~
12 ~~district shall be the sum of the following:~~

13 ~~(i) The average of the school district's three most recent~~
14 ~~years' average daily membership.~~

15 ~~(ii) The acute poverty average daily membership calculated~~
16 ~~as follows:~~

17 ~~(A) Multiply the school district's acute poverty percentage~~
18 ~~by its average daily membership.~~

19 ~~(B) Multiply the product in clause (A) by six tenths (0.6).~~

20 ~~(iii) The poverty average daily membership calculated as~~
21 ~~follows:~~

22 ~~(A) Multiply the school district's poverty percentage by its~~
23 ~~average daily membership.~~

24 ~~(B) Multiply the product in clause (A) by three tenths~~
25 ~~(0.3).~~

26 ~~(iv) The concentrated poverty average daily membership for~~
27 ~~qualifying school districts with an acute poverty percentage~~
28 ~~equal to or greater than thirty percent (30%), to be calculated~~
29 ~~as follows:~~

30 ~~(A) Multiply the school district's acute poverty percentage~~

1 ~~by its average daily membership.~~

2 ~~(B) Multiply the product in clause (A) by three tenths~~
3 ~~(0.3).~~

4 ~~(v) The number of the school district's limited English~~
5 ~~proficient students multiplied by six tenths (0.6).~~

6 ~~(vi) The average daily membership for the school district's~~
7 ~~students enrolled in charter schools and cyber charter schools~~
8 ~~multiplied by two tenths (0.2).~~

9 ~~(vii) The sparsity/size adjustment for qualifying school~~
10 ~~districts with a sparsity/size ratio greater than the~~
11 ~~sparsity/size ratio that represents the 70th percentile~~
12 ~~sparsity/size ratio for all school districts calculated as~~
13 ~~follows:~~

14 ~~(A) Divide the school district's sparsity/size ratio by the~~
15 ~~sparsity/size ratio that represents the 70th percentile for all~~
16 ~~school districts.~~

17 ~~(B) Subtract one (1) from the quotient in clause (A).~~

18 ~~(C) Multiply the sum of subparagraphs (i), (ii), (iii),~~
19 ~~(iv), (v) and (vi) by the amount in clause (B).~~

20 ~~(D) Multiply the product in clause (C) by seven tenths~~
21 ~~(0.7).~~

22 ~~(2) Local effort index for a school district shall be~~
23 ~~calculated as follows:~~

24 ~~(i) Determine the school district's local effort factor~~
25 ~~calculated as follows:~~

26 ~~(A) Multiply the school district's median household income~~
27 ~~by its number of households.~~

28 ~~(B) Divide the school district's local tax related revenue~~
29 ~~by the product in clause (A).~~

30 ~~(C) Multiply the quotient in clause (B) by one thousand~~

1 ~~(1,000).~~

2 ~~(D) Divide the product in clause (C) by the Statewide median~~
3 ~~of clause (C).~~

4 ~~(ii) Determine the school district's excess spending factor,~~
5 ~~to be calculated as follows:~~

6 ~~(A) Divide the school district's current expenditures by the~~
7 ~~sum of its average daily membership and the amounts in paragraph~~
8 ~~(1) (ii), (iii), (iv), (v), (vi) and (vii).~~

9 ~~(B) Divide the quotient in clause (A) by the Statewide~~
10 ~~median of clause (A).~~

11 ~~(C) Divide one (1) by the quotient in clause (B).~~

12 ~~(iii) Multiply the school district's local effort factor by~~
13 ~~the lesser of one (1) or the school district's excess spending~~
14 ~~factor.~~

15 ~~(3) Local capacity index for a qualifying school district~~
16 ~~shall be calculated as follows:~~

17 ~~(i) Divide the school district's local tax related revenue~~
18 ~~by the sum of its market value and personal income valuation.~~

19 ~~(ii) Multiply the sum of the school district's market value~~
20 ~~and personal income valuation by the Statewide median of~~
21 ~~subparagraph (i).~~

22 ~~(iii) Determine the school district's local capacity per~~
23 ~~student by dividing the product in subparagraph (ii) by the sum~~
24 ~~of its average daily membership and the amounts in paragraph (1)~~
25 ~~(ii), (iii), (iv), (v), (vi) and (vii).~~

26 ~~(iv) If the school district's local capacity per student is~~
27 ~~less than the Statewide median of subparagraph (iii):~~

28 ~~(A) Divide the school district's local capacity per student~~
29 ~~by the Statewide median.~~

30 ~~(B) Subtract the quotient in clause (A) from one (1).~~

1 ~~(4) Local effort capacity index for a school district shall~~
2 ~~equal the sum of its local effort index and local capacity~~
3 ~~index.~~

4 ~~(5) The data used to calculate the factors and indexes in~~
5 ~~this section shall be based on the most recent years for which~~
6 ~~data is available as determined by the Department of Education.~~

7 ~~(d) For purposes of this section:~~

8 ~~(1) "Households" shall mean the number of households in each~~
9 ~~school district as determined by the most recent five year~~
10 ~~estimate of the United States Census Bureau's American Community~~
11 ~~Survey.~~

12 ~~(2) "Local tax related revenue" shall mean the sum of school~~
13 ~~district revenues for State property tax reduction allocation,~~
14 ~~taxes levied and assessed, delinquencies on taxes levied and~~
15 ~~assessed, revenue from local government units, and other local~~
16 ~~revenues not specified elsewhere, as designated in the Manual of~~
17 ~~Accounting and Financial Reporting for Pennsylvania Public~~
18 ~~Schools.~~

19 ~~(3) "Median household income" shall mean the median~~
20 ~~household income for school districts and the State as~~
21 ~~determined by the most recent five year estimate of the United~~
22 ~~States Census Bureau's American Community Survey.~~

23 ~~(4) "Median household income index" shall mean a number~~
24 ~~calculated as follows:~~

25 ~~(i) Divide a school district's median household income by~~
26 ~~the State median household income.~~

27 ~~(ii) Divide one (1) by the quotient in subparagraph (i).~~

28 ~~(5) "Size ratio" shall mean a number calculated as follows:~~

29 ~~(i) Divide the average of a school district's three most~~
30 ~~recent years' average daily membership by the Statewide average~~

1 ~~of the three most recent years' average daily membership for all~~
2 ~~school districts.~~

3 ~~(ii) Multiply the amount in subparagraph (i) by five tenths~~
4 ~~(0.5).~~

5 ~~(iii) Subtract the amount in subparagraph (ii) from one (1).~~

6 ~~(6) "Sparsity ratio" shall mean a number calculated as~~
7 ~~follows:~~

8 ~~(i) Divide the average of a school district's three most~~
9 ~~recent years' average daily membership by its total square miles~~
10 ~~as reported in the latest decennial census as reported by United~~
11 ~~States Census Bureau.~~

12 ~~(ii) Divide the State total average daily membership by the~~
13 ~~State total square miles.~~

14 ~~(iii) Divide the quotient in subparagraph (i) by the~~
15 ~~quotient in subparagraph (ii).~~

16 ~~(iv) Multiply the quotient in subparagraph (iii) by five~~
17 ~~tenths (0.5).~~

18 ~~(v) Subtract the product in subparagraph (iv) from one (1).~~

19 ~~(7) "Sparsity/size ratio" shall mean a number calculated by~~
20 ~~adding the following amounts:~~

21 ~~(i) The sparsity ratio multiplied by four tenths (0.4).~~

22 ~~(ii) The size ratio multiplied by six tenths (0.6).~~

23 ~~(8) "Acute poverty percentage" shall mean the number of~~
24 ~~children six to seventeen years of age living in a household~~
25 ~~where the ratio of income to poverty is less than one hundred~~
26 ~~percent (100%) of the Federal poverty guidelines divided by the~~
27 ~~total number of children six to seventeen years of age as~~
28 ~~determined by the most recent five year estimate of the United~~
29 ~~States Census Bureau's American Community Survey.~~

30 ~~(9) "Poverty percentage" shall mean the number of children~~

~~1 six to seventeen years of age living in a household where the
2 ratio of income to poverty is between one hundred percent (100%)
3 and one hundred eighty four percent (184%) of the Federal
4 poverty guidelines divided by the total number of children six
5 to seventeen years of age as determined by the most recent five
6 year estimate of the United States Census Bureau's American
7 Community Survey.~~

~~8 Section 2502.54. Transition to Student Weighted Basic
9 Education Funding for 2014-2015 School Year. (a) For the 2014-
10 2015 school year, the Commonwealth shall pay to each school
11 district a transition to student weighted basic education
12 funding allocation as follows:~~

~~13 (1) An amount equal to the basic education funding
14 allocation for the 2013-2014 school year.~~

~~15 (2) For a third class school district identified in
16 financial watch status under section 611-A for two or more years
17 that has curtailed its educational program by eliminating its
18 high school program and has assigned its pupils to a neighboring
19 school district through a written agreement with the neighboring
20 school district, an amount equal to three million dollars
21 (\$3,000,000), to be used as described in the written agreement
22 between the two school districts.~~

~~23 (3) For a second class school district declared to be in
24 financial recovery status under section 621-A(a)(1)(i)(B), an
25 amount equal to twelve million dollars (\$12,000,000), to be used
26 to reduce the school district's structural deficit.~~

~~27 (4) An allocation increase calculated for each school
28 district as follows:~~

~~29 (i) Multiply the amount for the school district in
30 subsection (b) by three hundred fifty million dollars~~

1 ~~(\$350,000,000).~~

2 ~~(ii) Divide the product in subparagraph (i) by the total~~
3 ~~amount in subsection (b) for all school districts.~~

4 ~~(iii) Calculate the amount in section 2502.53(b)(2) using~~
5 ~~three hundred fifty million dollars (\$350,000,000) as the amount~~
6 ~~appropriated.~~

7 ~~(iv) Determine the greater of subparagraph (ii) or (iii).~~

8 ~~(v) Multiply the amount from subparagraph (iv) by three~~
9 ~~hundred fifty million dollars (\$350,000,000).~~

10 ~~(vi) Divide the product from subparagraph (v) by the total~~
11 ~~of the amounts in subparagraph (iv) for all school districts.~~

12 ~~(vii) If the amount in subparagraph (vi) is less than the~~
13 ~~amount in subparagraph (iii) multiplied by ninety percent (90%),~~
14 ~~the school district shall receive an additional amount such that~~
15 ~~the sum of subparagraph (vi) and this subparagraph equals ninety~~
16 ~~percent (90%) of the amount in subparagraph (iii).~~

17 ~~(b) An allocation increase for each school district that is~~
18 ~~the sum of the following:~~

19 ~~(1) An amount equal to the school district's original~~
20 ~~accountability block grant allocation in 2010-2011 under section~~
21 ~~1722-L(a)(10) of "The Fiscal Code" minus the school district's~~
22 ~~allocation under section 1722-J(21)(i) of "The Fiscal Code."~~

23 ~~(2) An amount equal to the school district's original~~
24 ~~educational assistance program funding allocation in 2010-2011~~
25 ~~under section 1722-L(a)(9) of "The Fiscal Code."~~

26 ~~(3) An amount on account of tuition costs for resident~~
27 ~~students enrolled in a charter school approved under section~~
28 ~~1717-A or 1718-A or a cyber charter school approved under~~
29 ~~section 1741-A calculated as follows:~~

30 ~~(i) Multiply the tuition to Pennsylvania charter schools and~~

1 ~~cyber charter schools as reported on the school district's 2013-~~
2 ~~2014 annual financial report by one hundred fifty million-~~
3 ~~dollars (\$150,000,000).~~

4 ~~(ii) Divide the product in clause (A) by the sum of the~~
5 ~~products in clause (A) for all school districts.~~

6 ~~(4) An amount to further provide basic education funding~~
7 ~~calculated as follows:~~

8 ~~(i) Subtract the school district's basic education funding~~
9 ~~allocation for the 2009-2010 school year under section 1722-L(a)~~
10 ~~(14) of "The Fiscal Code" from the school district's basic~~
11 ~~education allocation for the 2013-2014 school year under section~~
12 ~~1722-J(16) of "The Fiscal Code."~~

13 ~~(ii) If the difference in subparagraph (i) is less than zero~~
14 ~~dollars (\$0), multiply the difference in subparagraph (i) by~~
15 ~~fifty three million three hundred eighty four thousand dollars~~
16 ~~(\$53,384,000).~~

17 ~~(iii) Divide the product in subparagraph (ii) by the sum of~~
18 ~~the differences in subparagraph (ii) for all school districts~~
19 ~~where the difference is less than zero dollars (\$0).~~

20 ~~Section 2508.6. Career and Technical Education Career~~
21 ~~Preparation. For the 2015-2016 school year, the sum of eight~~
22 ~~million dollars (\$8,000,000) shall be distributed on a~~
23 ~~competitive basis to school districts and area vocational~~
24 ~~technical programs to offer college and career counseling in~~
25 ~~middle and high schools in order to develop pathways for~~
26 ~~students to pursue high skill careers.~~

27 ~~Section 22. Sections 2509.1 and 2509.5 of the act are~~
28 ~~amended by adding subsections to read:~~

29 ~~Section 2509.1. Payments to Intermediate Units. * * *~~

30 ~~(c.2) (1) For the 2015-2016 school year, five and four~~

1 ~~tenths percent (5.4%) of the State special education~~
2 ~~appropriation shall be paid to intermediate units on account of~~
3 ~~special education services.~~

4 ~~(2) Thirty five percent (35%) of the amount under paragraph~~
5 ~~(1) shall be distributed equally among all intermediate units.~~

6 ~~(3) Sixty five percent (65%) of the amount under paragraph~~
7 ~~(1) shall be distributed to each intermediate unit in proportion~~
8 ~~to the number of average daily membership of the component~~
9 ~~school districts of each intermediate unit as compared to the~~
10 ~~Statewide total average daily membership.~~

11 * * *

12 ~~Section 2509.5. Special Education Payments to School~~
13 ~~Districts. * * *~~

14 ~~(bbb) (1) During the 2015-2016 school year and each school~~
15 ~~year thereafter, each school district shall receive an amount~~
16 ~~equal to the amount it received during the 2013-2014 school year~~
17 ~~under subsection (aaa) and a student based allocation equal to~~
18 ~~the difference between the amount allocated for special~~
19 ~~education payments for school districts and the sum of the~~
20 ~~amounts paid under subsection (aaa) during the 2013-2014 school~~
21 ~~year to all school districts. The student based allocation for~~
22 ~~each school district shall be calculated as follows:~~

23 ~~(i) Multiply the sum of the school district's weighted~~
24 ~~special education student headcount and its sparsity/size~~
25 ~~adjustment calculated under paragraph (2)(v) by its market~~
26 ~~value/income aid ratio and its equalized millage multiplier~~
27 ~~calculated under paragraph (2)(vi).~~

28 ~~(ii) Multiply the product under subparagraph (i) by the~~
29 ~~total amount available for the student based allocation.~~

30 ~~(iii) Divide the product under subparagraph (ii) by the sum~~

1 ~~of the products under subparagraph (i) for all school districts.~~

2 ~~(2) For the purposes of paragraph (1)(i):~~

3 ~~(i) The weighted special education student headcount shall~~
4 ~~be calculated for each school district as follows:~~

5 ~~(A) Multiply the number of special education students who~~
6 ~~reside in the school district for which the annual expenditure~~
7 ~~is in Category 1 by one and fifty one hundredths (1.51).~~

8 ~~(B) Multiply the number of special education students who~~
9 ~~reside in the school district for which the annual expenditure~~
10 ~~is in Category 2 by three and seventy seven hundredths (3.77).~~

11 ~~(C) Multiply the number of special education students who~~
12 ~~reside in the school district for which the annual expenditure~~
13 ~~is in Category 3 by seven and forty six hundredths (7.46).~~

14 ~~(D) Add the products under clauses (A), (B) and (C).~~

15 ~~(ii) The sparsity ratio shall be calculated for each school~~
16 ~~district as follows:~~

17 ~~(A) Divide the school district's average daily membership~~
18 ~~per square mile by the Commonwealth's average daily membership~~
19 ~~per square mile.~~

20 ~~(B) Multiply the quotient under clause (A) by one half~~
21 ~~(0.5).~~

22 ~~(C) Subtract the product under clause (B) from one (1).~~

23 ~~(iii) The size ratio for each school district shall be~~
24 ~~calculated as follows:~~

25 ~~(A) Divide the school district's average daily membership by~~
26 ~~the average of the average daily membership of all school~~
27 ~~districts.~~

28 ~~(B) Multiply the quotient under clause (A) by one half~~
29 ~~(0.5).~~

30 ~~(C) Subtract the product under clause (B) from one (1).~~

1 ~~(iv) The sparsity/size ratio for each school district shall~~
2 ~~be calculated by adding forty percent (40%) of the sparsity~~
3 ~~ratio and sixty percent (60%) of the size ratio.~~

4 ~~(v) The sparsity/size adjustment for each school district~~
5 ~~shall be calculated as follows:~~

6 ~~(A) For a school district with a sparsity/size ratio less~~
7 ~~than or equal to the sparsity/size ratio that represents the~~
8 ~~seventieth percentile of the sparsity/size ratio of all school~~
9 ~~districts, the school district's sparsity/size adjustment shall~~
10 ~~be zero (0).~~

11 ~~(B) For a school district with a sparsity/size ratio greater~~
12 ~~than the sparsity/size ratio that represents the seventieth~~
13 ~~percentile of the sparsity/size ratio of all school districts,~~
14 ~~the school district's sparsity/size adjustment shall be~~
15 ~~calculated as follows:~~

16 ~~(I) Divide the school district's sparsity/size ratio by the~~
17 ~~sparsity/size ratio that represents the seventieth percentile of~~
18 ~~the sparsity/size ratio of all school districts.~~

19 ~~(II) Subtract one (1) from the quotient under subclause (I).~~

20 ~~(III) Multiply the remainder under subclause (II) by one~~
21 ~~half (0.5).~~

22 ~~(IV) Multiply the product under subclause (III) by the~~
23 ~~school district's weighted special education student headcount.~~

24 ~~(vi) The equalized millage multiplier for each school~~
25 ~~district shall be calculated as follows:~~

26 ~~(A) For a school district with an equalized millage rate~~
27 ~~greater than or equal to the equalized millage rate that~~
28 ~~represents the seventieth percentile of the equalized millage~~
29 ~~rate of all school districts, the school district's equalized~~
30 ~~millage multiplier shall be one (1).~~

1 ~~(B) For a school district with an equalized millage rate~~
2 ~~less than the equalized millage rate that represents the~~
3 ~~seventieth percentile of the equalized millage rate of all~~
4 ~~school districts, the school district's equalized millage~~
5 ~~multiplier shall be calculated by dividing the school district's~~
6 ~~equalized millage rate by the equalized millage rate that~~
7 ~~represents the seventieth percentile of the equalized millage~~
8 ~~rate of all school districts.~~

9 ~~(vii) The dollar ranges for the annual expenditure amounts~~
10 ~~designated as Category 1, Category 2 and Category 3 under~~
11 ~~subparagraph (i) shall be based on the information reported to~~
12 ~~the department under section 1372(8). For the purposes of~~
13 ~~subparagraph (i), Category 3 shall be the sum of the students~~
14 ~~reported in Categories 3A and 3B under section 1372(8).~~

15 ~~(viii) The data used to calculate the weighted special~~
16 ~~education student headcount under subparagraph (i) shall be~~
17 ~~based on information from the most recent year for which data is~~
18 ~~available as determined by the Department of Education. The data~~
19 ~~used to calculate the provisions under subparagraphs (ii),~~
20 ~~(iii), (iv), (v) and (vi) shall be averaged for the three most~~
21 ~~recent years for which data is available as determined by the~~
22 ~~Department of Education.~~

23 ~~Section 23. Section 2509.8(e) of the act, added December 23,~~
24 ~~2003 (P.L.304, No.48), is amended and the section is amended by~~
25 ~~adding a subsection to read:~~

26 ~~Section 2509.8. Extraordinary Special Education Program~~
27 ~~Expenses. * * *~~

28 ~~(e) For the 2003-2004 school year [and each school year~~
29 ~~thereafter] through the 2013-2014 school year, the Department of~~
30 ~~Education shall set aside one percent (1%) of the special~~

1 ~~education appropriation for extraordinary expenses incurred in~~
2 ~~providing a special education program or service to one or more~~
3 ~~students with disabilities as approved by the Secretary of~~
4 ~~Education. Such special education program or service shall~~
5 ~~include, but not be limited to, the transportation of students~~
6 ~~with disabilities; services related to occupational therapy,~~
7 ~~physical therapy, speech and language, hearing impairments or~~
8 ~~visual impairments; or training in orientation and mobility for~~
9 ~~children who are visually impaired or blind.~~

10 ~~(f) (i) For the 2015-2016 school year and each school year~~
11 ~~thereafter, an amount equal to one percent (1%) of the special~~
12 ~~education appropriation shall be distributed to school districts~~
13 ~~and charter schools for extraordinary expenses incurred in~~
14 ~~providing a special education program or service to one or more~~
15 ~~students with disabilities as approved by the Secretary of~~
16 ~~Education. Such special education program or service shall~~
17 ~~include, but not be limited to, the transportation of students~~
18 ~~with disabilities; services related to occupational therapy,~~
19 ~~physical therapy, speech and language, hearing impairments or~~
20 ~~visual impairments; or training in orientation and mobility for~~
21 ~~children who are visually impaired or blind.~~

22 ~~(ii) Funds distributed to a school district or charter~~
23 ~~school under this subsection shall be allocated for students for~~
24 ~~which expenses are incurred on an annual basis that are equal to~~
25 ~~or greater than seventy five thousand dollars (\$75,000) as~~
26 ~~follows:~~

27 ~~(A) For a student for whom expenses are equal to or greater~~
28 ~~than seventy five thousand dollars (\$75,000) and less than or~~
29 ~~equal to one hundred thousand dollars (\$100,000), subtract the~~
30 ~~State subsidies paid on behalf of the student to the school~~

~~1 district or, for a student enrolled in a charter school, the
2 charter school payment received by the charter school where the
3 child is enrolled from the expense incurred for the student and
4 multiply the difference by the school district's or charter
5 school's market value/personal income aid ratio.~~

~~6 (B) For a student for which expenses are greater than one
7 hundred thousand dollars (\$100,000), subtract the State
8 subsidies paid on behalf of the student to the school district
9 or, for a student enrolled in a charter school, the charter
10 school payment received by the charter school where the child is
11 enrolled from the expense incurred for the student.~~

~~12 (iii) No school district or charter school shall in any
13 school year receive an amount under subclause (i) which exceeds
14 the total amount of funding available multiplied by the
15 percentage equal to the greatest percentage of the State's
16 special education students enrolled in a school district or
17 charter school.~~

~~18 Section 24. Section 2509.14 of the act is repealed:~~

~~19 {Section 2509.14. Special Education Funding for Eligible
20 Students with Disabilities in Cost Category 3. (a) For the
21 2014-2015 school year and each school year thereafter, the
22 Department of Education shall set aside an amount not less than
23 one percent (1%) of the State special education appropriation
24 above the level of the appropriation in the base year. The
25 Department of Education shall distribute this amount as provided
26 in subsection (b).~~

~~27 (b) For the 2014-2015 school year and each school year
28 thereafter, each school district in this Commonwealth shall
29 receive a pro rata share of the amount set aside under
30 subsection (a) based upon the number of eligible students~~

1 ~~residing or enrolled in each school district and classified in-~~
2 ~~Cost Category 3 during the immediately preceding school year.~~

3 ~~(c) The funding provided under this section shall be-~~
4 ~~accounted for as part of actual special education spending and-~~
5 ~~as part of the special education allocation received by a school-~~
6 ~~district, according to the definitions in section 2501. School-~~
7 ~~districts shall also account for the funding provided under this-~~
8 ~~section and the resulting services and supports for eligible-~~
9 ~~students through the special education plans, revisions, updates-~~
10 ~~and amendments required by section 2509.15.]~~

11 ~~Section 25. Section 2510.3 of the act, added July 9, 2013-~~
12 ~~(P.L.408, No.59), is amended to read:~~

13 ~~Section 2510.3. Assistance to School Districts Declared to-~~
14 ~~be in Financial Recovery Status or Identified for Financial-~~
15 ~~Watch Status. (a) For the 2013 2014 and 2015 2016 fiscal year,~~
16 ~~the Department of Education may utilize up to four million five-~~
17 ~~hundred thousand dollars (\$4,500,000) of undistributed funds not-~~
18 ~~expended, encumbered or committed from appropriations for grants-~~
19 ~~and subsidies made to the Department of Education to assist-~~
20 ~~school districts declared to be in financial recovery status-~~
21 ~~under section 621 A or identified for financial watch status-~~
22 ~~under section 611 A. The funds shall be transferred by the-~~
23 ~~Secretary of the Budget to a restricted account as necessary to-~~
24 ~~make payments under this section and, when transferred, are-~~
25 ~~hereby appropriated to carry out the provisions of this section.~~

26 ~~(b) For the 2013 2014 fiscal year, the amount of seven-~~
27 ~~million five hundred thousand dollars (\$7,500,000) of-~~
28 ~~undistributed funds not expended, encumbered or committed from-~~
29 ~~appropriations for grants and subsidies made to the Department-~~
30 ~~of Education shall be transferred to the Financial Recovery-~~

1 ~~School District Transitional Loan Account to make loans as~~
2 ~~provided under section 681 A.~~

3 ~~Section 26. The act is amended by adding sections to read:~~

4 ~~Section 2581. Reimbursement for School Districts Not~~
5 ~~Submitting Required Documentation. (a) For a school district~~
6 ~~that has received Department of Education approval for~~
7 ~~Commonwealth reimbursement of a construction or reconstruction~~
8 ~~project, but fails to submit all additional project~~
9 ~~documentation requested by the department within ninety (90)~~
10 ~~days after the department's request, the department shall move:~~

11 ~~(1) the project back in the reimbursement order until such~~
12 ~~time as the school district complies with the information~~
13 ~~request; and~~

14 ~~(2) other projects up in the reimbursement order.~~

15 ~~(b) The Secretary of Education may grant waivers to school~~
16 ~~districts that fail to submit requested documentation under~~
17 ~~subsection (a) and are in the process of reconciling financial~~
18 ~~records or are facing litigation or bond refinancing delays.~~

19 ~~Section 2582. Public School Building Lease and Debt Service~~
20 ~~Reimbursements for Fiscal Year 2015-2016. (a) For the 2015-~~
21 ~~2016 fiscal year, the Department of Education shall utilize~~
22 ~~undistributed funds not expended as of December 20, 2015, from~~
23 ~~appropriations for payment on account of annual rental or~~
24 ~~sinking fund charges on school buildings, including charter~~
25 ~~schools, to make reimbursements for school building leases and~~
26 ~~debt service necessary to make payments in fiscal year 2015-2016~~
27 ~~under this article.~~

28 ~~(b) This section shall not include reimbursement for debt~~
29 ~~service meeting the criteria for bond issuance under Article~~
30 ~~XXV-B.~~

1 ~~Section 2599.6. Ready to Learn Block Grants. (a) For the~~
2 ~~2015-2016 school year, the Department of Education shall pay to~~
3 ~~each school entity a Ready to Learn Block Grant equal to the~~
4 ~~amount paid during the 2014-2015 school year under section 1722-~~
5 ~~J of the act of April 9, 1929 (P.L.343, No.176), known as "The~~
6 ~~Fiscal Code."~~

7 ~~(b) Notwithstanding any provision of law to the contrary,~~
8 ~~the revenues received by a school district under this section in~~
9 ~~an amount equal to the amount received by the school district~~
10 ~~under section 1722 J(21)(ii) of "The Fiscal Code" shall not be~~
11 ~~included in the school district's budgeted total expenditure per~~
12 ~~average daily membership used to calculate the amount to be paid~~
13 ~~to a charter school entity under section 1725 A(a)(2) and (3).~~

14 ~~(c) To be eligible to receive funding under this section,~~
15 ~~each school entity shall submit a plan for approval to the~~
16 ~~department outlining how the funding will be used.~~

17 ~~(d) Funds distributed under this section shall be used for~~
18 ~~the following purposes:~~

19 ~~(1) According to the provisions contained in section~~
20 ~~2599.2(b).~~

21 ~~(2) Prekindergarten through grade 3 curriculum alignment~~
22 ~~with the current academic standards.~~

23 ~~(3) Teacher training and professional development~~
24 ~~opportunities aligned with the current academic standards~~
25 ~~designed to improve early literacy and STEM education in~~
26 ~~prekindergarten through grade 3 classes.~~

27 ~~(4) Prekindergarten through grade 3 extended learning~~
28 ~~opportunities that allow for additional classroom instruction~~
29 ~~before, during and after school.~~

30 ~~(5) Establishing, maintaining or expanding a quality~~

1 ~~prekindergarten program aligned with the current academic~~
2 ~~standards.~~

3 ~~(6) Establishing, maintaining or expanding a quality~~
4 ~~full day kindergarten program aligned with current academic~~
5 ~~standards.~~

6 ~~(7) Supplemental instruction and instructional coaches~~
7 ~~for the current Keystone Exams.~~

8 ~~(8) Implementation of the Pennsylvania Comprehensive~~
9 ~~Literacy Plan.~~

10 ~~(9) Efforts that improve student outcomes in STEM~~
11 ~~education, including STEM training and professional~~
12 ~~development for educators.~~

13 ~~(10) Establishing, maintaining or expanding hybrid~~
14 ~~learning models.~~

15 ~~(11) Researching, establishing, maintaining or expanding~~
16 ~~competency based learning models.~~

17 ~~(e) If insufficient funds are appropriated, payments shall~~
18 ~~be made on a pro rata basis.~~

19 ~~(f) For the purpose of this section, a "school entity" means~~
20 ~~a school district, charter school or cyber charter school.~~

21 ~~ARTICLE XXV B~~

22 ~~SCHOOL DISTRICT DEBT REFINANCING BONDS~~

23 ~~Section 2501 B. Definitions.~~

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

27 ~~"Authority." The Commonwealth Financing Authority.~~

28 ~~"Cost of a project." The term includes all items~~
29 ~~reimbursable under law.~~

30 ~~"Cost of PlanCon project." Approved reimbursable rentals and~~

1 ~~approved reimbursable sinking fund charges, capital grants, any~~
2 ~~necessary or appropriate reserves, costs of issuance and any~~
3 ~~other financing costs related to a PlanCon project.~~

4 ~~"Department." The Department of Education of the~~
5 ~~Commonwealth.~~

6 ~~"Finance." The lending or providing of funds to a school~~
7 ~~district for payment of the cost of a project and the provision~~
8 ~~of funds for a PlanCon project.~~

9 ~~"Financing Law." The provisions of 64 Pa.C.S. Ch. 15~~
10 ~~(relating to Commonwealth Financing Authority).~~

11 ~~"PlanCon project." The funding of approved reimbursable~~
12 ~~rentals for approved leases and approved reimbursable sinking~~
13 ~~fund charges authorized under section 2574 and capital grants~~
14 ~~for a project authorized to be approved under section 2574.4.~~

15 ~~"Project." As defined in 64 Pa.C.S. Ch. 15 (relating to~~
16 ~~Commonwealth Financing Authority) or any project of a school~~
17 ~~district that is eligible for reimbursement by the Commonwealth~~
18 ~~as required under Subarticle (f) of Article XXV for approved~~
19 ~~rental or sinking fund charges.~~

20 ~~Section 2502 B. Bond issuance.~~

21 ~~(a) Declaration of policy. The General Assembly finds and~~
22 ~~declares that:~~

23 ~~(1) Funding the payment of reimbursements to school~~
24 ~~districts for construction and reconstruction projects,~~
25 ~~through the authority, is in the best interest of the~~
26 ~~Commonwealth.~~

27 ~~(2) The Financing Law is to be liberally construed to~~
28 ~~effect the legislative and public purposes.~~

29 ~~(3) One of those stated purposes is the protection of~~
30 ~~"the health, safety and general welfare of the people of this~~

1 ~~Commonwealth" pursuant to 64 Pa.C.S. § 1503(6) (relating to~~
2 ~~findings and declaration of policy).~~

3 ~~(4) In order to accomplish such a goal "it is desirable~~
4 ~~to build, improve and finance facilities owned by~~
5 ~~municipalities, municipal authorities and other authorities~~
6 ~~and instrumentalities of the Commonwealth," which includes~~
7 ~~school districts, pursuant to 64 Pa.C.S. § 1503(7).~~

8 ~~(b) Authority. Notwithstanding any other law the authority~~
9 ~~shall establish a program to issue bonds on behalf of school~~
10 ~~districts to provide reimbursements from the Commonwealth as~~
11 ~~required under Article XXV for approved rental or sinking fund~~
12 ~~charges.~~

13 ~~(c) Debt or liability.---~~

14 ~~(1) Bonds issued under this article shall not be a debt~~
15 ~~or liability of the Commonwealth and shall not create or~~
16 ~~constitute any indebtedness, liability or obligation of the~~
17 ~~Commonwealth.~~

18 ~~(2) Bond obligations shall be payable solely from~~
19 ~~revenues or funds pledged or available for repayment as~~
20 ~~authorized under this article.~~

21 ~~(3) Each bond must contain on its face a statement that:~~

22 ~~(i) The authority is obligated to pay the principal~~
23 ~~of or interest on the bonds only from the revenues or~~
24 ~~funds pledged or available for repayment as authorized~~
25 ~~under this article.~~

26 ~~(ii) Neither the Commonwealth nor any school~~
27 ~~district is obligated to pay the principal of or interest~~
28 ~~on the bonds.~~

29 ~~(iii) The full faith and credit of the Commonwealth~~
30 ~~or of any school district is not pledged to the payment~~

1 ~~of the principal of or the interest on the bonds.~~

2 ~~Section 2503 B. Limitations on bond issuance.~~

3 ~~The authority may issue bonds for a PlanCon project in an~~
4 ~~aggregate principal amount not to exceed \$2,500,000,000, unless~~
5 ~~the authority and the department determine this amount is~~
6 ~~insufficient to carry out the purposes of this article, then the~~
7 ~~authority shall adopt a resolution to petition the Secretary of~~
8 ~~the Budget to increase the maximum aggregate principal amount.~~

9 ~~The Secretary of the Budget may approve the petition and, if~~
10 ~~approved, shall publish notice of the approval in the~~
11 ~~Pennsylvania Bulletin. The authority shall not issue any bonds~~
12 ~~for the PlanCon project, except refunding bonds, after June 30,~~
13 ~~2025. The authority, in consultation with the department and the~~
14 ~~Office of the Budget, shall determine the principal amounts of~~
15 ~~taxable and tax exempt bonds to be issued during a fiscal year.~~
16 ~~Notwithstanding any other limitation, the authority, at the~~
17 ~~request of the department, may issue refunding bonds at any time~~
18 ~~while bonds issued for the PlanCon project are outstanding,~~
19 ~~provided that the final maturity of any series of bonds being~~
20 ~~refunded shall not be extended. Interest on bonds issued for the~~
21 ~~PlanCon project and refunding bonds authorized under this~~
22 ~~section shall be payable at such time or times as the authority~~
23 ~~shall determine in the resolution authorizing such bonds and~~
24 ~~shall otherwise be subject to the other provisions of the~~
25 ~~Financing Law. The aggregate principal amount of bonds set forth~~
26 ~~in this section shall not be subject to the debt limitations set~~
27 ~~forth in 64 Pa.C.S. § 1543 (relating to indebtedness).~~

28 ~~Section 2504 B. Service agreement authorized.~~

29 ~~The authority and the department may enter into any agreement~~
30 ~~or service agreement to effectuate the purposes of this article,~~

1 ~~including an agreement to secure bonds issued for a PlanCon~~
2 ~~project, pursuant to which the department shall agree to pay~~
3 ~~service charges to the authority in each fiscal year that the~~
4 ~~bonds or refunding bonds are outstanding in amounts sufficient~~
5 ~~to timely pay in full the debt service and any other financing~~
6 ~~costs due on the bonds issued for the PlanCon project. The~~
7 ~~department's payment of such service charges shall be subject to~~
8 ~~and dependent upon the appropriation of funds by the General~~
9 ~~Assembly to the department for payment of the service charges.~~
10 ~~The service agreement may be amended or supplemented by the~~
11 ~~authority and the department in connection with the issuance of~~
12 ~~any series of bonds or refunding bonds authorized in this~~
13 ~~section.~~

14 ~~Section 2505 B. Deposit of bond proceeds.~~

15 ~~The net proceeds of bonds, other than refunding bonds,~~
16 ~~exclusive of costs of issuance, reserves and any other financing~~
17 ~~charges, shall be transferred by the authority to the State~~
18 ~~Treasurer for deposit into a restricted account established in~~
19 ~~the State Treasury and held solely for the purpose of paying~~
20 ~~costs of a PlanCon project which are due to school districts.~~
21 ~~Payment by the department shall follow the process required by~~
22 ~~Article VII, unless the department is specifically directed to~~
23 ~~follow a different process by this article. The department shall~~
24 ~~requisition payments due to school districts from that account.~~
25 ~~To pay for expenses related to its administration of this~~
26 ~~program, the department, with the approval of the Governor and~~
27 ~~the authority, may charge a fee against the proceeds deposited~~
28 ~~in the restricted account.~~

29 ~~Section 2506 B. Sinking fund charges for school building~~
30 ~~projects.~~

1 ~~The following shall apply:~~

2 ~~(1) All school districts which submitted completed~~
3 ~~applications to the department prior to the effective date of~~
4 ~~this section, and which vote to proceed with construction and~~
5 ~~awarded bids on their construction contracts no later than~~
6 ~~July 1, 2019, shall, as permitted by law, either be awarded a~~
7 ~~one time capital grant, if available, for the approved~~
8 ~~project in lieu of approved reimbursement payments or, if not~~
9 ~~available, shall receive payments in the form of~~
10 ~~reimbursements.~~

11 ~~(2) The department shall administer the payments due and~~
12 ~~payable under this section, and shall determine the amount of~~
13 ~~the capital grant due each school district which shall not~~
14 ~~exceed the maximum reimbursable project amount.~~

15 Section 27. The act is amended by adding an article to read:

16 ARTICLE XX-B <--

17 EDUCATIONAL TAX CREDITS

18 SECTION 2001-B. SCOPE OF ARTICLE.

19 THIS ARTICLE ESTABLISHES THE EDUCATIONAL IMPROVEMENT AND
20 OPPORTUNITY SCHOLARSHIP TAX CREDITS.

21 SECTION 2002-B. DEFINITIONS.

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

25 "APPLICABLE TAXES." ANY OF THE TAXES DUE UNDER ARTICLE III,
26 IV, VI, VII, VIII, IX, XV OR XX OF THE TAX REFORM CODE OF 1971
27 OR A TAX UNDER ARTICLE XVI OF THE ACT OF MAY 17, 1921 (P.L.682,
28 NO.284), KNOWN AS THE INSURANCE COMPANY LAW OF 1921.

29 "APPLICANT." AN ELIGIBLE STUDENT WHO APPLIES FOR A
30 SCHOLARSHIP.

1 "ASSESSMENT." THE PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT
2 TEST, THE KEYSTONE EXAM, AN EQUIVALENT LOCAL ASSESSMENT OR
3 ANOTHER TEST ESTABLISHED OR APPROVED BY THE STATE BOARD OF
4 EDUCATION OR THE GENERAL ASSEMBLY TO MEET THE REQUIREMENTS OF
5 SECTION 2603-B(D)(10)(I), OR REQUIRED UNDER THE EVERY STUDENT
6 SUCCEEDS ACT (PUBLIC LAW 114-95, 129 STAT. 1802) OR ITS
7 SUCCESSOR STATUTE OR ANOTHER TEST REQUIRED TO ACHIEVE OTHER
8 STANDARDS ESTABLISHED BY THE DEPARTMENT OF EDUCATION FOR THE
9 PUBLIC SCHOOL OR SCHOOL DISTRICT UNDER 22 PA. CODE § 403.3
10 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM).

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

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

14 "BUSINESS FIRM." AN ENTITY AUTHORIZED TO DO BUSINESS IN THIS
15 COMMONWEALTH AND SUBJECT TO TAXES IMPOSED UNDER ARTICLE III, IV,
16 VI, VII, VIII, IX, XV OR XX OF THE TAX REFORM CODE OF 1971 OR A
17 TAX UNDER ARTICLE XVI OF THE INSURANCE COMPANY LAW OF 1921. THE
18 TERM INCLUDES A PASS-THROUGH ENTITY, INCLUDING A PASS-THROUGH
19 ENTITY, THE PURPOSE OF WHICH IS THE MAKING OF CONTRIBUTIONS
20 UNDER THIS ARTICLE AND WHOSE SHAREHOLDERS, PARTNERS OR MEMBERS
21 ARE COMPOSED OF OWNERS OR EMPLOYEES OF OTHER BUSINESS FIRMS.

22 "CAREER AND TECHNICAL SCHOOL." A PUBLIC SECONDARY SCHOOL
23 ESTABLISHED UNDER THE PROVISIONS OF ARTICLE XVIII.

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

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

30 "EDUCATIONAL IMPROVEMENT ORGANIZATION." A NONPROFIT ENTITY

1 WHICH:

2 (1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C)
3 (3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514,
4 26 U.S.C. § 1 ET SEQ.); AND

5 (2) CONTRIBUTES AT LEAST 80% OF ITS ANNUAL RECEIPTS AS
6 GRANTS TO A PUBLIC SCHOOL, A CHARTERED SCHOOL AS DEFINED IN
7 SECTION 1376.1, OR A PRIVATE SCHOOL APPROVED UNDER SECTION
8 1376, FOR INNOVATIVE EDUCATIONAL PROGRAMS.

9 FOR PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY
10 "CONTRIBUTES" ITS ANNUAL CASH RECEIPTS WHEN IT EXPENDS OR
11 OTHERWISE IRREVOCABLY ENCUMBERS THOSE FUNDS FOR EXPENDITURE
12 DURING THE THEN CURRENT FISCAL YEAR OF THE NONPROFIT ENTITY OR
13 DURING THE NEXT SUCCEEDING FISCAL YEAR OF THE NONPROFIT ENTITY.
14 A NONPROFIT ENTITY SHALL INCLUDE A SCHOOL DISTRICT FOUNDATION,
15 PUBLIC SCHOOL FOUNDATION, CHARTER SCHOOL FOUNDATION OR CYBER
16 CHARTER SCHOOL FOUNDATION.

17 "ELEMENTARY SCHOOL." A SCHOOL WHICH IS NOT A SECONDARY
18 SCHOOL.

19 "ELIGIBLE PRE-KINDERGARTEN STUDENT." A STUDENT, INCLUDING AN
20 ELIGIBLE STUDENT WITH A DISABILITY, WHO IS ENROLLED IN A PRE-
21 KINDERGARTEN PROGRAM AND IS A MEMBER OF A HOUSEHOLD WITH A
22 MAXIMUM ANNUAL HOUSEHOLD INCOME AS INCREASED BY THE APPLICABLE
23 INCOME ALLOWANCE.

24 "ELIGIBLE STUDENT." A SCHOOL-AGE STUDENT, INCLUDING AN
25 ELIGIBLE STUDENT WITH A DISABILITY, WHO IS ENROLLED IN A SCHOOL
26 AND IS A MEMBER OF A HOUSEHOLD WITH A MAXIMUM ANNUAL HOUSEHOLD
27 INCOME AS INCREASED BY THE APPLICABLE INCOME ALLOWANCE.

28 "ELIGIBLE STUDENT WITH A DISABILITY." A PRE-KINDERGARTEN
29 STUDENT OR A SCHOOL-AGE STUDENT WHO MEETS ALL OF THE FOLLOWING:

30 (1) IS ENROLLED IN A SPECIAL EDUCATION SCHOOL OR HAS

1 OTHERWISE BEEN IDENTIFIED, IN ACCORDANCE WITH 22 PA. CODE CH.
2 14 (RELATING TO SPECIAL EDUCATION SERVICES AND PROGRAMS), AS
3 A "CHILD WITH A DISABILITY," AS DEFINED IN 34 CFR § 300.8
4 (RELATING TO CHILD WITH A DISABILITY).

5 (2) NEEDS SPECIAL EDUCATION AND RELATED SERVICES.

6 (3) IS ENROLLED IN A PRE-KINDERGARTEN PROGRAM OR IN A
7 SCHOOL.

8 (4) IS A MEMBER OF A HOUSEHOLD WITH A HOUSEHOLD INCOME
9 OF NOT MORE THAN THE MAXIMUM ANNUAL HOUSEHOLD INCOME.

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

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

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

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

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

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

1 (5) PAYMENTS TO REIMBURSE ACTUAL EXPENSES.

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

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

8 "INCOME ALLOWANCE." THE BASE AMOUNT OF \$15,000 FOR EACH
9 ELIGIBLE STUDENT, ELIGIBLE PRE-KINDERGARTEN STUDENT AND
10 DEPENDENT MEMBER OF THE HOUSEHOLD. BEGINNING JULY 1, 2014, THE
11 DEPARTMENT SHALL ANNUALLY ADJUST THE BASE AMOUNT TO REFLECT
12 UPWARD CHANGES IN THE CONSUMER PRICE INDEX FOR ALL URBAN
13 CONSUMERS FOR THE PENNSYLVANIA, NEW JERSEY, DELAWARE AND
14 MARYLAND AREA FOR THE PRECEDING 12 MONTHS. THE DEPARTMENT SHALL
15 IMMEDIATELY SUBMIT THE ADJUSTED AMOUNTS TO THE LEGISLATIVE
16 REFERENCE BUREAU FOR PUBLICATION AS A NOTICE IN THE PENNSYLVANIA
17 BULLETIN.

18 "INNOVATIVE EDUCATIONAL PROGRAM." AN ADVANCED ACADEMIC OR
19 SIMILAR PROGRAM THAT IS NOT PART OF THE REGULAR ACADEMIC PROGRAM
20 OF A PUBLIC SCHOOL BUT THAT ENHANCES THE CURRICULUM OR ACADEMIC
21 PROGRAM OF THE PUBLIC SCHOOL, CHARTERED SCHOOL OR PRIVATE SCHOOL
22 OR PROVIDES PRE-KINDERGARTEN PROGRAMS TO PUBLIC SCHOOL STUDENTS,
23 STUDENTS OF A CHARTERED SCHOOL OR STUDENTS OF A PRIVATE SCHOOL.
24 FOR THE PURPOSES OF THIS DEFINITION, A CHARTERED SCHOOL SHALL
25 MEAN A CHARTERED SCHOOL AS DEFINED IN SECTION 1376.1, AND A
26 PRIVATE SCHOOL SHALL MEAN A PRIVATE SCHOOL APPROVED UNDER
27 SECTION 1376.

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

1 "LOW-ACHIEVING SCHOOL." A PUBLIC SCHOOL THAT RANKED IN THE
2 LOWEST 15% OF THE SCHOOL'S DESIGNATION AS AN ELEMENTARY SCHOOL
3 OR A SECONDARY SCHOOL BASED ON COMBINED MATHEMATICS AND READING
4 SCORES FROM THE ANNUAL ASSESSMENT ADMINISTERED IN THE PREVIOUS
5 SCHOOL YEAR AND FOR WHICH THE DEPARTMENT OF EDUCATION HAS POSTED
6 RESULTS ON THE DEPARTMENT OF EDUCATION'S PUBLICLY ACCESSIBLE
7 INTERNET WEBSITE. THE TERM DOES NOT INCLUDE A CHARTER SCHOOL,
8 CYBER CHARTER SCHOOL OR AREA VOCATIONAL-TECHNICAL SCHOOL.

9 "MAXIMUM ANNUAL HOUSEHOLD INCOME."

10 (1) SUBJECT TO ADJUSTMENT UNDER PARAGRAPHS (2) AND (3),
11 THE AMOUNT OF \$75,000, PLUS THE APPLICABLE INCOME ALLOWANCE.

12 (2) WITH RESPECT TO AN ELIGIBLE STUDENT WITH A
13 DISABILITY, AS CALCULATED BY MULTIPLYING:

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

15 (II) THE APPLICABLE SUPPORT LEVEL FACTOR ACCORDING

16 TO THE FOLLOWING TABLE:

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

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

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

1 "OPPORTUNITY SCHOLARSHIP." AN AWARD GIVEN TO AN APPLICANT TO
2 PAY TUITION AND SCHOOL-RELATED FEES NECESSARY TO ATTEND A
3 PARTICIPATING NONPUBLIC SCHOOL OR A PARTICIPATING PUBLIC SCHOOL
4 LOCATED IN A SCHOOL DISTRICT WHICH IS NOT THE RECIPIENT'S SCHOOL
5 DISTRICT OF RESIDENCE.

6 "OPPORTUNITY SCHOLARSHIP ORGANIZATION." A NONPROFIT ENTITY
7 WHICH:

8 (1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C)
9 (3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514,
10 26 U.S.C. § 1 ET SEQ.); AND

11 (2) CONTRIBUTES AT LEAST 80% OF THE ENTITY'S ANNUAL CASH
12 RECEIPTS TO AN OPPORTUNITY SCHOLARSHIP PROGRAM.

13 FOR THE PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY
14 CONTRIBUTES THE ENTITY'S CASH RECEIPTS TO AN OPPORTUNITY
15 SCHOLARSHIP PROGRAM WHEN THE ENTITY EXPENDS OR OTHERWISE
16 IRREVOCABLY ENCUMBERS THOSE FUNDS FOR DISTRIBUTION DURING THE
17 THEN-CURRENT FISCAL YEAR OF THE NONPROFIT ENTITY OR DURING THE
18 NEXT SUCCEEDING FISCAL YEAR OF THE NONPROFIT ENTITY.

19 "OPPORTUNITY SCHOLARSHIP PROGRAM." A PROGRAM TO PROVIDE
20 OPPORTUNITY SCHOLARSHIPS TO ELIGIBLE STUDENTS WHO RESIDE WITHIN
21 THE ATTENDANCE AREA OF A LOW-ACHIEVING SCHOOL.

22 "PARENT." AN INDIVIDUAL WHO:

23 (1) IS A RESIDENT OF THIS COMMONWEALTH; AND

24 (2) EITHER:

25 (I) HAS LEGAL CUSTODY OR GUARDIANSHIP OF A STUDENT;

26 OR

27 (II) KEEPS IN THE INDIVIDUAL'S HOME A STUDENT AND

28 SUPPORTS THE STUDENT GRATIS AS IF THE STUDENT WERE A

29 LINEAL DESCENDANT OF THE INDIVIDUAL.

30 "PARTICIPATING NONPUBLIC SCHOOL." A NONPUBLIC SCHOOL WHICH

1 NOTIFIES THE DEPARTMENT OF EDUCATION UNDER SECTION 2011-B THAT
2 THE SCHOOL WISHES TO ACCEPT OPPORTUNITY SCHOLARSHIP RECIPIENTS.

3 "PARTICIPATING PUBLIC SCHOOL." A PUBLIC SCHOOL IN A SCHOOL
4 DISTRICT WHICH NOTIFIES THE DEPARTMENT OF EDUCATION UNDER
5 SECTION 2011-B THAT THE SCHOOL WISHES TO ACCEPT OPPORTUNITY
6 SCHOLARSHIP RECIPIENTS. THE TERM DOES NOT INCLUDE A LOW-
7 ACHIEVING SCHOOL.

8 "PASS-THROUGH ENTITY." A PARTNERSHIP AS DEFINED IN SECTION
9 301(N.0) OF ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX
10 REFORM CODE OF 1971, A SINGLE-MEMBER LIMITED LIABILITY COMPANY
11 TREATED AS A DISREGARDED ENTITY FOR FEDERAL INCOME TAX PURPOSES
12 OR A PENNSYLVANIA S CORPORATION AS DEFINED IN SECTION 301(N.1)
13 OF THE TAX REFORM CODE. THE TERM INCLUDES A PASS-THROUGH ENTITY
14 THAT OWNS AN INTEREST IN A PASS-THROUGH ENTITY.

15 "PRE-KINDERGARTEN PROGRAM." A PROGRAM OF INSTRUCTION FOR
16 THREE-YEAR-OLD, FOUR-YEAR-OLD, FIVE-YEAR-OLD OR SIX-YEAR-OLD
17 STUDENTS, OTHER THAN A KINDERGARTEN, THAT UTILIZES A CURRICULUM
18 ALIGNED WITH THE CURRICULUM OF THE SCHOOL WITH WHICH IT IS
19 AFFILIATED AND WHICH PROVIDES ONE OF THE FOLLOWING:

20 (1) A MINIMUM OF TWO HOURS OF INSTRUCTIONAL AND
21 DEVELOPMENTAL ACTIVITIES PER DAY AT LEAST 60 DAYS PER SCHOOL
22 YEAR.

23 (2) A MINIMUM OF TWO HOURS OF INSTRUCTIONAL AND
24 DEVELOPMENTAL ACTIVITIES PER DAY AT LEAST 20 DAYS OVER THE
25 SUMMER RECESS.

26 "PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATION." A NONPROFIT
27 ENTITY WHICH:

28 (1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C)
29 (3) OF THE INTERNAL REVENUE CODE OF 1986 OR IS OPERATED AS A
30 SEPARATE SEGREGATED FUND BY A SCHOLARSHIP ORGANIZATION THAT

1 HAS BEEN QUALIFIED UNDER SECTION 2003-B; AND

2 (2) CONTRIBUTES AT LEAST 80% OF ITS ANNUAL CASH RECEIPTS
3 TO A PRE-KINDERGARTEN SCHOLARSHIP PROGRAM BY EXPENDING OR
4 OTHERWISE IRREVOCABLY ENCUMBERING THOSE FUNDS FOR
5 DISTRIBUTION DURING THE THEN CURRENT FISCAL YEAR OF THE
6 ORGANIZATION OR DURING THE NEXT SUCCEEDING FISCAL YEAR OF THE
7 ORGANIZATION.

8 "PRE-KINDERGARTEN SCHOLARSHIP PROGRAM." A PROGRAM TO PROVIDE
9 TUITION TO ELIGIBLE PRE-KINDERGARTEN STUDENTS TO ATTEND A PRE-
10 KINDERGARTEN PROGRAM OPERATED BY OR IN CONJUNCTION WITH A SCHOOL
11 LOCATED IN THIS COMMONWEALTH AND THAT INCLUDES AN APPLICATION
12 AND REVIEW PROCESS FOR THE PURPOSE OF MAKING AWARDS TO ELIGIBLE
13 PRE-KINDERGARTEN STUDENTS AND AWARDS SCHOLARSHIPS TO ELIGIBLE
14 PRE-KINDERGARTEN STUDENTS WITHOUT LIMITING AVAILABILITY TO ONLY
15 STUDENTS OF ONE SCHOOL OR ONE BUILDING WITHIN A SCHOOL DISTRICT
16 OR NONPUBLIC SCHOOL ENTITY.

17 "PUBLIC SCHOOL." A PUBLIC PRE-KINDERGARTEN WHERE COMPULSORY
18 ATTENDANCE REQUIREMENTS DO NOT APPLY OR A PUBLIC KINDERGARTEN,
19 ELEMENTARY SCHOOL, SECONDARY SCHOOL OR CAREER AND TECHNICAL
20 SCHOOL AT WHICH THE COMPULSORY ATTENDANCE REQUIREMENTS OF THIS
21 COMMONWEALTH MAY BE MET AND WHICH MEETS THE APPLICABLE
22 REQUIREMENTS OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 (PUBLIC
23 LAW 88-352, 78 STAT. 241).

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

25 "SCHOLARSHIP." AN AWARD UNDER A SCHOLARSHIP PROGRAM TO PAY
26 TUITION AND SCHOOL-RELATED FEES TO ATTEND A SCHOOL.

27 "SCHOLARSHIP ORGANIZATION." A NONPROFIT ENTITY WHICH:

28 (1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C)

29 (3) OF THE INTERNAL REVENUE CODE OF 1986; AND

30 (2) CONTRIBUTES AT LEAST 80% OF ITS ANNUAL CASH RECEIPTS

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

8 "SCHOLARSHIP PROGRAM." A PROGRAM TO PROVIDE TUITION AND
9 SCHOOL-RELATED FEES TO ELIGIBLE STUDENTS TO ATTEND A SCHOOL
10 LOCATED IN THIS COMMONWEALTH. A SCHOLARSHIP PROGRAM MUST INCLUDE
11 AN APPLICATION AND REVIEW PROCESS FOR THE PURPOSE OF MAKING
12 AWARDS TO ELIGIBLE STUDENTS. THE AWARD OF SCHOLARSHIPS TO
13 ELIGIBLE STUDENTS SHALL BE MADE WITHOUT LIMITING AVAILABILITY TO
14 ONLY STUDENTS OF ONE SCHOOL OR ONE BUILDING WITHIN A SCHOOL
15 DISTRICT OR NONPUBLIC SCHOOL ENTITY.

16 "SCHOOL." A PUBLIC OR NONPUBLIC PRE-KINDERGARTEN,
17 KINDERGARTEN, ELEMENTARY SCHOOL OR SECONDARY SCHOOL AT WHICH THE
18 COMPULSORY ATTENDANCE REQUIREMENTS OF THE COMMONWEALTH MAY BE
19 MET AND WHICH MEETS THE APPLICABLE REQUIREMENTS OF TITLE VI OF
20 THE CIVIL RIGHTS ACT OF 1964.

21 "SCHOOL AGE." CHILDREN FROM THE EARLIEST ADMISSION AGE TO A
22 SCHOOL'S PRE-KINDERGARTEN OR KINDERGARTEN PROGRAM OR, WHEN NO
23 PRE-KINDERGARTEN OR KINDERGARTEN PROGRAM IS PROVIDED, THE
24 SCHOOL'S EARLIEST ADMISSION AGE FOR BEGINNERS, UNTIL THE END OF
25 THE SCHOOL YEAR THE STUDENT ATTAINS 21 YEARS OF AGE OR
26 GRADUATION FROM HIGH SCHOOL, WHICHEVER OCCURS FIRST.

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

29 "SCHOOL-RELATED FEES." FEES CHARGED BY A SCHOOL TO ALL
30 STUDENTS FOR BOOKS, INSTRUCTIONAL MATERIALS, TECHNOLOGY

1 EQUIPMENT AND SERVICES, UNIFORMS AND ACTIVITIES.

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

3 "SPECIAL EDUCATION SCHOOL." A SCHOOL OR PROGRAM WITHIN A

4 SCHOOL THAT IS DESIGNATED SPECIFICALLY AND EXCLUSIVELY FOR

5 STUDENTS WITH ANY OF THE DISABILITIES LISTED IN 34 CFR § 300.8

6 AND MEETS ONE OF THE FOLLOWING:

7 (1) IS LICENSED UNDER THE ACT OF JANUARY 28, 1988

8 (P.L.24, NO.11), KNOWN AS THE PRIVATE ACADEMIC SCHOOLS ACT.

9 (2) IS ACCREDITED BY AN ACCREDITING ASSOCIATION APPROVED

10 BY THE STATE BOARD OF EDUCATION.

11 (3) IS A SCHOOL FOR THE BLIND OR DEAF RECEIVING

12 COMMONWEALTH APPROPRIATIONS.

13 (4) IS OPERATED BY OR UNDER THE AUTHORITY OF A BONA FIDE

14 RELIGIOUS INSTITUTION OR BY THE COMMONWEALTH OR ANY POLITICAL

15 SUBDIVISION THEREOF.

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

17 (1) IS SCHOOL AGE.

18 (2) IS A RESIDENT OF THIS COMMONWEALTH.

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

20 "SUPPORT LEVEL." THE LEVEL OF SUPPORT NEEDED BY AN ELIGIBLE

21 STUDENT WITH A DISABILITY, AS SET FORTH IN THE FOLLOWING MATRIX:

22 SUPPORT LEVEL 1 - THE STUDENT IS NOT ENROLLED IN A

23 SPECIAL EDUCATION SCHOOL.

24 SUPPORT LEVEL 2 - THE STUDENT IS ENROLLED AS A STUDENT IN

25 A SPECIAL EDUCATION SCHOOL.

26 "TAX REFORM CODE OF 1971." THE ACT OF MARCH 4, 1971 (P.L.6,

27 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

28 SECTION 2003-B. QUALIFICATION AND APPLICATION BY ORGANIZATIONS.

29 (A) ESTABLISHMENT.--IN ACCORDANCE WITH SECTION 14 OF ARTICLE

30 III OF THE CONSTITUTION OF PENNSYLVANIA, THE EDUCATIONAL

1 IMPROVEMENT AND OPPORTUNITY SCHOLARSHIP TAX CREDIT PROGRAMS ARE
2 HEREBY ESTABLISHED TO ENHANCE THE EDUCATIONAL OPPORTUNITIES
3 AVAILABLE TO ALL STUDENTS IN THIS COMMONWEALTH.

4 (B) INFORMATION.--IN ORDER TO QUALIFY UNDER THIS ARTICLE, AN
5 EDUCATIONAL IMPROVEMENT ORGANIZATION, A SCHOLARSHIP
6 ORGANIZATION, A PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATION OR AN
7 OPPORTUNITY SCHOLARSHIP ORGANIZATION MUST SUBMIT INFORMATION TO
8 THE DEPARTMENT THAT ENABLES THE DEPARTMENT TO CONFIRM THAT THE
9 ORGANIZATION IS EXEMPT FROM TAXATION UNDER SECTION 501(C)(3) OF
10 THE INTERNAL REVENUE CODE OF 1986.

11 (C) SCHOLARSHIP ORGANIZATIONS AND PRE-KINDERGARTEN
12 SCHOLARSHIP ORGANIZATIONS.--A SCHOLARSHIP ORGANIZATION OR PRE-
13 KINDERGARTEN SCHOLARSHIP ORGANIZATION MUST CERTIFY TO THE
14 DEPARTMENT THAT THE ORGANIZATION IS ELIGIBLE TO PARTICIPATE IN
15 THE EDUCATIONAL IMPROVEMENT TAX CREDIT PROGRAM ESTABLISHED UNDER
16 THIS ARTICLE AND MUST AGREE TO ANNUALLY REPORT THE FOLLOWING
17 INFORMATION TO THE DEPARTMENT BY SEPTEMBER 1 OF EACH YEAR:

18 (1) (I) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
19 IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE PRE-
20 KINDERGARTEN STUDENTS.

21 (II) THE TOTAL AND AVERAGE AMOUNTS OF THE
22 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
23 SCHOOL YEAR TO ELIGIBLE PRE-KINDERGARTEN STUDENTS.

24 (III) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
25 IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE STUDENTS IN
26 GRADES KINDERGARTEN THROUGH EIGHT.

27 (IV) THE TOTAL AND AVERAGE AMOUNTS OF THE
28 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
29 SCHOOL YEAR TO ELIGIBLE STUDENTS IN GRADES KINDERGARTEN
30 THROUGH EIGHT.

1 (V) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
2 IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE STUDENTS IN
3 GRADES NINE THROUGH 12.

4 (VI) THE TOTAL AND AVERAGE AMOUNTS OF THE
5 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
6 SCHOOL YEAR TO ELIGIBLE STUDENTS IN GRADES NINE THROUGH
7 12.

8 (VII) WHERE THE SCHOLARSHIP ORGANIZATION OR PRE-
9 KINDERGARTEN SCHOLARSHIP ORGANIZATION COLLECTS
10 INFORMATION ON A COUNTY-BY-COUNTY BASIS, THE TOTAL NUMBER
11 AND THE TOTAL AMOUNT OF SCHOLARSHIPS AWARDED DURING THE
12 IMMEDIATELY PRECEDING SCHOOL YEAR TO RESIDENTS OF EACH
13 COUNTY IN WHICH THE SCHOLARSHIP ORGANIZATION OR PRE-
14 KINDERGARTEN SCHOLARSHIP ORGANIZATION AWARDED
15 SCHOLARSHIPS.

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

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

26 (2) THE INFORMATION REQUIRED UNDER PARAGRAPH (1) SHALL
27 BE SUBMITTED ON A FORM PROVIDED BY THE DEPARTMENT. NO LATER
28 THAN MAY 1 OF EACH YEAR, THE DEPARTMENT SHALL ANNUALLY
29 DISTRIBUTE SUCH SAMPLE FORMS, TOGETHER WITH THE FORMS ON
30 WHICH THE REPORTS ARE REQUIRED TO BE MADE, TO EACH LISTED

1 SCHOLARSHIP ORGANIZATION AND PRE-KINDERGARTEN SCHOLARSHIP
2 ORGANIZATION.

3 (3) THE DEPARTMENT MAY NOT REQUIRE ANY OTHER INFORMATION
4 TO BE PROVIDED BY SCHOLARSHIP ORGANIZATIONS OR PRE-
5 KINDERGARTEN SCHOLARSHIP ORGANIZATIONS, EXCEPT AS EXPRESSLY
6 AUTHORIZED IN THIS ARTICLE.

7 (D) EDUCATIONAL IMPROVEMENT ORGANIZATION.--

8 (1) AN APPLICATION SUBMITTED BY AN EDUCATIONAL
9 IMPROVEMENT ORGANIZATION MUST DESCRIBE ITS PROPOSED
10 INNOVATIVE EDUCATIONAL PROGRAM OR PROGRAMS IN A FORM
11 PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT SHALL CONSULT
12 WITH THE DEPARTMENT OF EDUCATION AS NECESSARY. THE DEPARTMENT
13 SHALL REVIEW AND APPROVE OR DISAPPROVE THE APPLICATION. IN
14 ORDER TO BE ELIGIBLE TO PARTICIPATE IN THE EDUCATIONAL
15 IMPROVEMENT TAX CREDIT PROGRAM ESTABLISHED UNDER THIS
16 ARTICLE, AN EDUCATIONAL IMPROVEMENT ORGANIZATION MUST AGREE
17 TO ANNUALLY REPORT THE FOLLOWING INFORMATION TO THE
18 DEPARTMENT BY SEPTEMBER 1 OF EACH YEAR:

19 (I) THE NAME OF THE INNOVATIVE EDUCATIONAL PROGRAM
20 OR PROGRAMS AND THE TOTAL AMOUNT OF THE GRANT OR GRANTS
21 MADE TO THOSE PROGRAMS DURING THE IMMEDIATELY PRECEDING
22 SCHOOL YEAR.

23 (II) A DESCRIPTION OF HOW EACH GRANT WAS UTILIZED
24 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR AND A
25 DESCRIPTION OF ANY DEMONSTRATED OR EXPECTED INNOVATIVE
26 EDUCATIONAL IMPROVEMENTS.

27 (III) THE NAMES OF THE PUBLIC SCHOOLS AND SCHOOL
28 DISTRICTS WHERE INNOVATIVE EDUCATIONAL PROGRAMS THAT
29 RECEIVED GRANTS DURING THE IMMEDIATELY PRECEDING SCHOOL
30 YEAR WERE IMPLEMENTED.

1 (IV) WHERE THE EDUCATIONAL IMPROVEMENT ORGANIZATION
2 COLLECTS INFORMATION ON A COUNTY-BY-COUNTY BASIS, THE
3 TOTAL NUMBER AND THE TOTAL AMOUNT OF GRANTS MADE DURING
4 THE IMMEDIATELY PRECEDING SCHOOL YEAR FOR PROGRAMS AT
5 PUBLIC SCHOOLS IN EACH COUNTY IN WHICH THE EDUCATIONAL
6 IMPROVEMENT ORGANIZATION MADE GRANTS.

7 (V) THE ORGANIZATION'S FEDERAL FORM 990 OR OTHER
8 FEDERAL FORM INDICATING THE TAX STATUS OF THE
9 ORGANIZATION FOR FEDERAL TAX PURPOSES, IF ANY, AND A COPY
10 OF A COMPILATION, REVIEW OR AUDIT OF THE ORGANIZATION'S
11 FINANCIAL STATEMENTS CONDUCTED BY A CERTIFIED PUBLIC
12 ACCOUNTING FIRM.

13 (2) THE INFORMATION REQUIRED UNDER PARAGRAPH (1) SHALL
14 BE SUBMITTED ON A FORM PROVIDED BY THE DEPARTMENT. NO LATER
15 THAN MAY 1 OF EACH YEAR, THE DEPARTMENT SHALL ANNUALLY
16 DISTRIBUTE SUCH SAMPLE FORMS, TOGETHER WITH THE FORMS ON
17 WHICH THE REPORTS ARE REQUIRED TO BE MADE, TO EACH LISTED
18 EDUCATIONAL IMPROVEMENT ORGANIZATION.

19 (3) THE DEPARTMENT MAY NOT REQUIRE ANY OTHER INFORMATION
20 TO BE PROVIDED BY EDUCATIONAL IMPROVEMENT ORGANIZATIONS,
21 EXCEPT AS EXPRESSLY AUTHORIZED IN THIS ARTICLE.

22 (D.1) OPPORTUNITY SCHOLARSHIP ORGANIZATIONS.--

23 (1) AN OPPORTUNITY SCHOLARSHIP ORGANIZATION MUST ENHANCE
24 THE EDUCATIONAL OPPORTUNITIES AVAILABLE TO STUDENTS IN THIS
25 COMMONWEALTH BY PROVIDING OPPORTUNITY SCHOLARSHIPS TO
26 ELIGIBLE STUDENTS WHO RESIDE WITHIN THE ATTENDANCE BOUNDARY
27 OF LOW-ACHIEVING SCHOOLS TO ATTEND SCHOOLS WHICH ARE NOT LOW-
28 ACHIEVING SCHOOLS AND WHICH ARE NOT PUBLIC SCHOOLS WITHIN THE
29 ELIGIBLE STUDENT'S SCHOOL DISTRICT OF RESIDENCE. BY FEBRUARY
30 15 OF EACH YEAR, AN OPPORTUNITY SCHOLARSHIP ORGANIZATION MUST

1 CERTIFY TO THE DEPARTMENT THAT THE ORGANIZATION IS ELIGIBLE
2 TO PARTICIPATE IN THE OPPORTUNITY SCHOLARSHIP TAX CREDIT
3 PROGRAM.

4 (2) AN OPPORTUNITY SCHOLARSHIP ORGANIZATION MUST AGREE
5 TO REPORT THE FOLLOWING INFORMATION ON A FORM PROVIDED BY THE
6 DEPARTMENT BY SEPTEMBER 1 OF EACH YEAR:

7 (I) THE TOTAL NUMBER OF APPLICATIONS FOR OPPORTUNITY
8 SCHOLARSHIPS RECEIVED DURING THE IMMEDIATELY PRECEDING
9 SCHOOL YEAR FROM ELIGIBLE STUDENTS IN GRADES KINDERGARTEN
10 THROUGH EIGHT.

11 (II) THE NUMBER OF OPPORTUNITY SCHOLARSHIPS AWARDED
12 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE
13 STUDENTS IN GRADES KINDERGARTEN THROUGH EIGHT.

14 (III) THE TOTAL AND AVERAGE AMOUNTS OF THE
15 OPPORTUNITY SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY
16 PRECEDING SCHOOL YEAR TO ELIGIBLE STUDENTS IN GRADES
17 KINDERGARTEN THROUGH EIGHT.

18 (IV) THE TOTAL NUMBER OF APPLICATIONS FOR
19 OPPORTUNITY SCHOLARSHIPS RECEIVED DURING THE IMMEDIATELY
20 PRECEDING SCHOOL YEAR FROM ELIGIBLE STUDENTS IN GRADES
21 NINE THROUGH 12.

22 (V) THE NUMBER OF OPPORTUNITY SCHOLARSHIPS AWARDED
23 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE
24 STUDENTS IN GRADES NINE THROUGH 12.

25 (VI) THE TOTAL AND AVERAGE AMOUNTS OF THE
26 OPPORTUNITY SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY
27 PRECEDING SCHOOL YEAR TO ELIGIBLE STUDENTS IN GRADES NINE
28 THROUGH 12.

29 (VII) WHERE THE OPPORTUNITY SCHOLARSHIP ORGANIZATION
30 COLLECTS INFORMATION ON A COUNTY-BY-COUNTY BASIS, THE

1 TOTAL NUMBER AND THE TOTAL AMOUNT OF OPPORTUNITY
2 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
3 SCHOOL YEAR TO RESIDENTS OF EACH COUNTY IN WHICH THE
4 OPPORTUNITY SCHOLARSHIP ORGANIZATION AWARDED OPPORTUNITY
5 SCHOLARSHIPS.

6 (VIII) THE NUMBER OF OPPORTUNITY SCHOLARSHIPS
7 AWARDED DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO
8 APPLICANTS WITH A HOUSEHOLD INCOME THAT DOES NOT EXCEED
9 185% OF THE FEDERAL POVERTY LEVEL.

10 (IX) THE TOTAL AND AVERAGE AMOUNTS OF OPPORTUNITY
11 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
12 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
13 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL.

14 (X) THE NUMBER OF OPPORTUNITY SCHOLARSHIPS AWARDED
15 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO
16 APPLICANTS WITH A HOUSEHOLD INCOME THAT DOES NOT EXCEED
17 185% OF THE FEDERAL POVERTY LEVEL AND WHO RESIDE WITHIN A
18 FIRST CLASS SCHOOL DISTRICT.

19 (XI) THE TOTAL AND AVERAGE AMOUNTS OF OPPORTUNITY
20 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
21 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
22 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL AND WHO
23 RESIDE WITHIN A FIRST CLASS SCHOOL DISTRICT.

24 (XII) THE NUMBER OF OPPORTUNITY SCHOLARSHIPS AWARDED
25 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO
26 APPLICANTS WITH A HOUSEHOLD INCOME THAT DOES NOT EXCEED
27 185% OF THE FEDERAL POVERTY LEVEL AND WHO RESIDE WITHIN A
28 SCHOOL DISTRICT THAT WAS DESIGNATED AS A FINANCIAL
29 RECOVERY SCHOOL DISTRICT UNDER ARTICLE VI-A AT THE TIME
30 OF THE AWARD.

1 (XIII) THE TOTAL AND AVERAGE AMOUNTS OF OPPORTUNITY
2 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
3 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
4 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL AND WHO
5 RESIDE WITHIN A SCHOOL DISTRICT THAT WAS DESIGNATED AS A
6 FINANCIAL RECOVERY SCHOOL DISTRICT UNDER ARTICLE VI-A AT
7 THE TIME OF THE AWARD.

8 (XIV) THE TOTAL NUMBER OF OPPORTUNITY SCHOLARSHIP
9 APPLICATIONS PROCESSED AND THE AMOUNTS OF ANY APPLICATION
10 FEES CHARGED EITHER PER OPPORTUNITY SCHOLARSHIP
11 APPLICATION OR IN THE AGGREGATE THROUGH A THIRD-PARTY
12 PROCESSOR.

13 (XV) THE OPPORTUNITY SCHOLARSHIP ORGANIZATION'S
14 FEDERAL FORM 990 OR OTHER FEDERAL FORM INDICATING THE TAX
15 STATUS OF THE OPPORTUNITY SCHOLARSHIP ORGANIZATION FOR
16 FEDERAL TAX PURPOSES, IF ANY, AND A COPY OF A
17 COMPILATION, REVIEW OR AUDIT OF THE OPPORTUNITY
18 SCHOLARSHIP ORGANIZATION'S FINANCIAL STATEMENTS CONDUCTED
19 BY A CERTIFIED PUBLIC ACCOUNTING FIRM.

20 (3) NO LATER THAN MAY 1 OF EACH YEAR, THE DEPARTMENT
21 SHALL ANNUALLY DISTRIBUTE SUCH SAMPLE FORMS, TOGETHER WITH
22 THE FORMS ON WHICH THE REPORTS ARE REQUIRED TO BE MADE, TO
23 EACH LISTED OPPORTUNITY SCHOLARSHIP ORGANIZATION.

24 (4) THE DEPARTMENT MAY NOT REQUIRE OTHER INFORMATION TO
25 BE PROVIDED BY OPPORTUNITY SCHOLARSHIP ORGANIZATIONS, EXCEPT
26 AS EXPRESSLY AUTHORIZED IN THIS ARTICLE.

27 (E) NOTIFICATION.--THE DEPARTMENT SHALL NOTIFY THE
28 SCHOLARSHIP ORGANIZATION, PRE-KINDERGARTEN SCHOLARSHIP
29 ORGANIZATION, EDUCATIONAL IMPROVEMENT ORGANIZATION OR
30 OPPORTUNITY SCHOLARSHIP ORGANIZATION THAT THE ORGANIZATION MEETS

1 THE REQUIREMENTS OF AND IS QUALIFIED UNDER THIS ARTICLE FOR THAT
2 FISCAL YEAR NO LATER THAN 60 DAYS AFTER THE ORGANIZATION HAS
3 SUBMITTED THE INFORMATION REQUIRED UNDER THIS SECTION.

4 (F) PUBLICATION.--THE DEPARTMENT SHALL ANNUALLY PUBLISH A
5 LIST OF EACH SCHOLARSHIP ORGANIZATION, PRE-KINDERGARTEN
6 SCHOLARSHIP ORGANIZATION, EDUCATIONAL IMPROVEMENT ORGANIZATION
7 AND OPPORTUNITY SCHOLARSHIP ORGANIZATION QUALIFIED UNDER THIS
8 SECTION IN THE PENNSYLVANIA BULLETIN. THE LIST SHALL ALSO BE
9 POSTED AND UPDATED AS NECESSARY ON THE PUBLICLY ACCESSIBLE
10 INTERNET WEBSITE OF THE DEPARTMENT.

11 SECTION 2004-B. APPLICATION BY BUSINESS FIRMS.

12 (A) SCHOLARSHIP ORGANIZATION, PRE-KINDERGARTEN SCHOLARSHIP
13 ORGANIZATION OR OPPORTUNITY SCHOLARSHIP ORGANIZATION.--A
14 BUSINESS FIRM SHALL APPLY TO THE DEPARTMENT FOR A TAX CREDIT FOR
15 CONTRIBUTIONS TO A SCHOLARSHIP ORGANIZATION, PRE-KINDERGARTEN
16 SCHOLARSHIP ORGANIZATION OR OPPORTUNITY SCHOLARSHIP ORGANIZATION
17 UNDER SECTION 2005-B. A BUSINESS FIRM SHALL RECEIVE A TAX CREDIT
18 UNDER THIS ARTICLE IF THE SCHOLARSHIP ORGANIZATION, PRE-
19 KINDERGARTEN SCHOLARSHIP ORGANIZATION OR OPPORTUNITY SCHOLARSHIP
20 ORGANIZATION THAT RECEIVES THE CONTRIBUTION APPEARS ON THE LIST
21 ESTABLISHED UNDER SECTION 2003-B(F), SUBJECT TO THE LIMITATIONS
22 IN SECTIONS 2005-B AND 2006-B.

23 (B) EDUCATIONAL IMPROVEMENT ORGANIZATION.--A BUSINESS FIRM
24 MUST APPLY TO THE DEPARTMENT FOR A CREDIT FOR A CONTRIBUTION TO
25 AN EDUCATIONAL IMPROVEMENT ORGANIZATION UNDER SECTION 2005-B. A
26 BUSINESS FIRM SHALL RECEIVE A TAX CREDIT UNDER THIS ARTICLE IF
27 THE DEPARTMENT HAS APPROVED THE PROGRAM PROVIDED BY THE
28 EDUCATIONAL IMPROVEMENT ORGANIZATION THAT RECEIVES THE
29 CONTRIBUTION, SUBJECT TO THE LIMITATIONS IN SECTIONS 2005-B AND
30 2006-B.

1 (C) AVAILABILITY OF TAX CREDITS.--TAX CREDITS UNDER THIS
2 ARTICLE SHALL BE MADE AVAILABLE BY THE DEPARTMENT ON A FIRST-
3 COME, FIRST-SERVED BASIS WITHIN THE LIMITATION ESTABLISHED UNDER
4 SECTION 2006-B(A).

5 (D) CONTRIBUTIONS.--A CONTRIBUTION BY A BUSINESS FIRM TO A
6 SCHOLARSHIP ORGANIZATION, PRE-KINDERGARTEN SCHOLARSHIP
7 ORGANIZATION, OPPORTUNITY SCHOLARSHIP ORGANIZATION OR
8 EDUCATIONAL IMPROVEMENT ORGANIZATION SHALL BE MADE NO LATER THAN
9 60 DAYS FOLLOWING THE APPROVAL OF AN APPLICATION UNDER
10 SUBSECTION (A) OR (B).

11 (E) APPLICATION IN THE ALTERNATIVE.--AT THE TIME OF
12 APPLICATION FOR AN EDUCATIONAL IMPROVEMENT OR OPPORTUNITY
13 SCHOLARSHIP TAX CREDIT, THE DEPARTMENT SHALL ADVISE A BUSINESS
14 FIRM THAT THE FIRM MAY ELECT THAT ITS APPLICATION FOR A
15 PARTICULAR CREDIT WILL, IN THE ALTERNATIVE, BE DEEMED AN
16 APPLICATION RECEIVED BY THE DEPARTMENT ON THE SAME DATE AS THE
17 PREFERRED APPLICATION, BUT FOR A DIFFERENT TAX CREDIT AUTHORIZED
18 UNDER THIS SECTION IF THE BUSINESS FIRM'S PREFERRED CHOICE OF
19 TAX CREDIT IS NOT AVAILABLE. WHEN A BUSINESS FIRM DOES NOT
20 RECEIVE ITS PREFERRED CHOICE OF TAX CREDIT, THE DEPARTMENT SHALL
21 PROMPTLY CONSIDER THE BUSINESS FIRM'S APPLICATION IN THE
22 ALTERNATIVE FOR A DIFFERENT TAX CREDIT AUTHORIZED UNDER THIS
23 SECTION.

24 SECTION 2005-B. TAX CREDITS.

25 (A) SCHOLARSHIP OR EDUCATIONAL IMPROVEMENT ORGANIZATIONS.--
26 IN ACCORDANCE WITH SECTION 2006-B, THE DEPARTMENT OF REVENUE
27 SHALL GRANT A TAX CREDIT AGAINST ANY APPLICABLE TAX TO A
28 BUSINESS FIRM PROVIDING PROOF OF A CONTRIBUTION TO A SCHOLARSHIP
29 ORGANIZATION OR EDUCATIONAL IMPROVEMENT ORGANIZATION IN THE
30 TAXABLE YEAR IN WHICH THE CONTRIBUTION IS MADE IN ACCORDANCE

1 WITH THE FOLLOWING:

2 (1) THE TAX CREDIT SHALL NOT EXCEED 75% OF THE TOTAL
3 AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS
4 FIRM.

5 (2) FOR FISCAL YEAR 2014-2015, AND EACH FISCAL YEAR
6 THEREAFTER, THE TAX CREDIT SHALL NOT EXCEED \$750,000 ANNUALLY
7 PER BUSINESS FIRM FOR CONTRIBUTIONS MADE TO SCHOLARSHIP
8 ORGANIZATIONS OR EDUCATIONAL IMPROVEMENT ORGANIZATIONS EXCEPT
9 AS PROVIDED UNDER SUBSECTION (I).

10 (A.1) OPPORTUNITY SCHOLARSHIP ORGANIZATIONS.--IN ACCORDANCE
11 WITH SECTION 2006-B, THE DEPARTMENT OF REVENUE SHALL GRANT A TAX
12 CREDIT AGAINST ANY APPLICABLE TAX TO A BUSINESS FIRM PROVIDING
13 PROOF OF A CONTRIBUTION TO AN OPPORTUNITY SCHOLARSHIP
14 ORGANIZATION IN THE TAXABLE YEAR IN WHICH THE CONTRIBUTION IS
15 MADE IN ACCORDANCE WITH THE FOLLOWING:

16 (1) THE TAX CREDIT SHALL NOT EXCEED 75% OF THE TOTAL
17 AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS
18 FIRM.

19 (2) FOR FISCAL YEAR 2014-2015, AND EACH FISCAL YEAR
20 THEREAFTER, THE TAX CREDIT SHALL NOT EXCEED \$750,000 ANNUALLY
21 PER BUSINESS FIRM FOR CONTRIBUTIONS MADE TO OPPORTUNITY
22 SCHOLARSHIP ORGANIZATIONS, EXCEPT AS PROVIDED IN SUBSECTION
23 (I).

24 (B) ADDITIONAL AMOUNT.--IN ACCORDANCE WITH SECTION 2006-B,
25 THE DEPARTMENT OF REVENUE SHALL GRANT A TAX CREDIT OF UP TO 90%
26 OF THE TOTAL AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR IF THE
27 BUSINESS FIRM PROVIDES A WRITTEN COMMITMENT TO PROVIDE THE
28 SCHOLARSHIP ORGANIZATION, EDUCATIONAL IMPROVEMENT ORGANIZATION
29 OR OPPORTUNITY SCHOLARSHIP ORGANIZATION WITH THE SAME AMOUNT OF
30 CONTRIBUTION FOR TWO CONSECUTIVE TAX YEARS. THE BUSINESS FIRM

1 MUST PROVIDE THE WRITTEN COMMITMENT UNDER THIS SUBSECTION TO THE
2 DEPARTMENT AT THE TIME OF APPLICATION.

3 (C) PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS.--IN
4 ACCORDANCE WITH SECTION 2006-B, THE DEPARTMENT OF REVENUE SHALL
5 GRANT A TAX CREDIT AGAINST ANY APPLICABLE TAX TO A BUSINESS FIRM
6 PROVIDING PROOF OF A CONTRIBUTION TO A PRE-KINDERGARTEN
7 SCHOLARSHIP ORGANIZATION IN THE TAXABLE YEAR IN WHICH THE
8 CONTRIBUTION IS MADE IN ACCORDANCE WITH THE FOLLOWING:

9 (1) THE TAX CREDIT SHALL BE EQUAL TO 100% OF THE FIRST
10 \$10,000 CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS
11 FIRM AND SHALL NOT EXCEED 90% OF THE REMAINING AMOUNT
12 CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS FIRM. AT
13 THE TIME OF APPLICATION, A BUSINESS FIRM MAY PROVIDE A
14 WRITTEN COMMITMENT TO THE DEPARTMENT TO PROVIDE THE PRE-
15 KINDERGARTEN SCHOLARSHIP ORGANIZATION WITH AT LEAST THE SAME
16 AMOUNT OF CONTRIBUTION FOR TWO CONSECUTIVE YEARS.

17 (2) THE TAX CREDIT SHALL NOT EXCEED \$200,000 ANNUALLY
18 PER BUSINESS FIRM FOR CONTRIBUTIONS MADE TO PRE-KINDERGARTEN
19 SCHOLARSHIP ORGANIZATIONS, EXCEPT AS PROVIDED IN SUBSECTION
20 (I).

21 (D) COMBINATION OF TAX CREDITS.--IN ACCORDANCE WITH SECTION
22 2006-B, A BUSINESS FIRM MAY RECEIVE TAX CREDITS FROM THE
23 DEPARTMENT OF REVENUE IN ANY TAX YEAR FOR ANY COMBINATION OF
24 CONTRIBUTIONS UNDER SUBSECTION (A), (A.1), (B) OR (C). EXCEPT AS
25 PROVIDED IN SUBSECTION (I), IN NO CASE MAY A BUSINESS FIRM
26 RECEIVE TAX CREDITS IN ANY TAX YEAR IN EXCESS OF THE FOLLOWING:

27 (1) \$750,000 FOR COMBINED CONTRIBUTIONS TO SCHOLARSHIP
28 AND EDUCATIONAL IMPROVEMENT ORGANIZATIONS UNDER SUBSECTIONS
29 (A) AND (B).

30 (2) \$750,000 FOR CONTRIBUTIONS TO OPPORTUNITY

1 SCHOLARSHIP ORGANIZATIONS UNDER SUBSECTIONS (A.1) AND (B).

2 (3) \$200,000 FOR CONTRIBUTIONS TO PRE-KINDERGARTEN
3 SCHOLARSHIP ORGANIZATIONS UNDER SUBSECTION (C).

4 (E) PASS-THROUGH ENTITY.--

5 (1) IF A PASS-THROUGH ENTITY DOES NOT INTEND TO USE ALL
6 APPROVED TAX CREDITS UNDER THIS SECTION, IT MAY ELECT IN
7 WRITING TO DISTRIBUTE FOR NO CONSIDERATION ALL OR A PORTION
8 OF THE CREDIT TO SHAREHOLDERS, MEMBERS OR PARTNERS IN
9 PROPORTION TO THE PERCENTAGE INTEREST OF THE SHAREHOLDER,
10 MEMBER OR PARTNER IN DISTRIBUTIONS FROM THE PASS-THROUGH
11 ENTITY, WHICH CREDITS MAY BE USED BY THE SHAREHOLDERS,
12 MEMBERS OR PARTNERS IN THE TAXABLE YEAR IN WHICH THE
13 CONTRIBUTION IS MADE OR IN THE TAXABLE YEAR IMMEDIATELY
14 FOLLOWING THE YEAR IN WHICH THE CONTRIBUTION IS MADE. THE
15 ELECTION SHALL DESIGNATE THE YEAR IN WHICH THE DISTRIBUTED
16 CREDITS ARE TO BE USED AND SHALL BE MADE ACCORDING TO
17 PROCEDURES ESTABLISHED BY THE DEPARTMENT OF REVENUE. A PASS-
18 THROUGH ENTITY THAT RECEIVED A DISTRIBUTION FROM A PASS-
19 THROUGH ENTITY UNDER THIS PARAGRAPH MAY MAKE A DISTRIBUTION
20 UNDER THIS PARAGRAPH.

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

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

27 (4) AN INDIVIDUAL SHAREHOLDER, PARTNER OR MEMBER MAY
28 APPLY A CREDIT DISTRIBUTED UNDER THIS SECTION TO INCOME
29 TAXABLE UNDER ARTICLE III OF THE TAX REFORM CODE OF 1971 TO
30 THE SHAREHOLDER, PARTNER OR MEMBER, TO THE SPOUSE OF THE

1 SHAREHOLDER, PARTNER OR MEMBER OR TO BOTH, IF BOTH THE
2 SHAREHOLDER, PARTNER OR MEMBER AND THE SPOUSE REPORT INCOME
3 ON A JOINT PERSONAL INCOME TAX RETURN.

4 (F) RESTRICTION ON APPLICABILITY OF CREDITS.--NO CREDITS
5 GRANTED UNDER THIS SECTION SHALL BE APPLIED AGAINST ANY TAX
6 WITHHELD BY AN EMPLOYER FROM AN EMPLOYEE UNDER ARTICLE III OF
7 THE TAX REFORM CODE OF 1971.

8 (G) TIME OF APPLICATION FOR CREDITS.--

9 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), THE DEPARTMENT
10 MAY ACCEPT APPLICATIONS FOR TAX CREDITS AVAILABLE DURING A
11 FISCAL YEAR NO EARLIER THAN JULY 1 OF EACH FISCAL YEAR.

12 (2) THE APPLICATION OF ANY BUSINESS FIRM FOR TAX CREDITS
13 AVAILABLE DURING A FISCAL YEAR AS PART OF THE SECOND YEAR OF
14 A TWO-YEAR COMMITMENT OR AS A RENEWAL OF A TWO-YEAR
15 COMMITMENT WHICH WAS FULFILLED IN THE PREVIOUS FISCAL YEAR
16 MAY BE ACCEPTED NO EARLIER THAN MAY 15 PRECEDING THE FISCAL
17 YEAR.

18 (G.1) APPROVAL OF TAX CREDITS.--UNLESS OTHERWISE REQUESTED
19 BY THE BUSINESS FIRM AND AGREED TO BY BOTH THE BUSINESS FIRM AND
20 THE DEPARTMENT, AND UNLESS ALL AUTHORIZED CREDITS HAVE ALREADY
21 BEEN AWARDED:

22 (1) FOR FISCAL YEAR 2016-2017, AND EACH FISCAL YEAR
23 THEREAFTER, THE DEPARTMENT SHALL GIVE WRITTEN NOTICE OF ITS
24 APPROVAL TO EACH BUSINESS FIRM THAT SUBMITTED A COMPLETED
25 APPLICATION UNDER SUBSECTION (G) BY AUGUST 15, OR 30 DAYS
26 FOLLOWING RECEIPT OF THE COMPLETED APPLICATION, WHICHEVER IS
27 LATER.

28 (2) FOR FISCAL YEAR 2016-2017, AND EACH FISCAL YEAR
29 THEREAFTER, THE DEPARTMENT SHALL GIVE WRITTEN NOTICE OF ITS
30 APPROVAL TO EACH BUSINESS FIRM THAT SUBMITTED A COMPLETED

1 APPLICATION UNDER SUBSECTION (J) (2) WITHIN 30 DAYS FOLLOWING
2 RECEIPT OF THE COMPLETED APPLICATION.

3 (H) WAITING LIST.--THE DEPARTMENT SHALL MAINTAIN A WAITING
4 LIST CONSISTING OF EACH BUSINESS FIRM WHICH CHOOSES TO BE
5 INCLUDED ON THE LIST AND WHOSE APPLICATION HAS NOT BEEN APPROVED
6 BECAUSE ALL AVAILABLE TAX CREDITS HAVE BEEN AWARDED. A BUSINESS
7 FIRM THAT WAS NOT AWARDED A TAX CREDIT DUE TO A LACK OF
8 AVAILABLE TAX CREDITS SHALL BE NOTIFIED OF AND OFFERED A PLACE
9 ON THE WAITING LIST. WHEN TAX CREDITS BECOME AVAILABLE, THE
10 DEPARTMENT SHALL AWARD THE TAX CREDITS TO THE BUSINESS FIRMS IN
11 THE ORDER IN WHICH THE BUSINESS FIRMS WERE PLACED ON THE WAITING
12 LIST.

13 (I) TEMPORARY INCREASE IN MAXIMUM TAX CREDITS AVAILABLE.--

14 (1) IF ALL TAX CREDITS AUTHORIZED UNDER THIS ARTICLE FOR
15 CONTRIBUTIONS TO THE CATEGORY OF SCHOLARSHIP ORGANIZATIONS,
16 OPPORTUNITY SCHOLARSHIP ORGANIZATIONS OR PRE-KINDERGARTEN
17 SCHOLARSHIP ORGANIZATIONS HAVE NOT BEEN AWARDED AS OF OCTOBER
18 1 OF ANY FISCAL YEAR, THEN FOR APPLICATIONS ACCEPTED BY THE
19 DEPARTMENT FROM OCTOBER 1 THROUGH NOVEMBER 30 OF SUCH FISCAL
20 YEAR, THE LIMITATIONS SET FORTH IN SUBSECTIONS (A), (A.1),
21 (C) AND (D) RELATING TO THE MAXIMUM AMOUNT OF TAX CREDITS A
22 BUSINESS FIRM CAN RECEIVE DURING A FISCAL YEAR FOR
23 CONTRIBUTIONS TO EACH SUCH CATEGORY OF ORGANIZATIONS SHALL
24 NOT APPLY. UNDER THIS PARAGRAPH, THE DEPARTMENT MAY ACCEPT
25 APPLICATIONS UNDER SECTION 2004-B FROM OCTOBER 1 THROUGH
26 NOVEMBER 30 AS FOLLOWS:

27 (I) A BUSINESS FIRM, INCLUDING A BUSINESS FIRM THAT
28 ALREADY APPLIED FOR THE MAXIMUM TAX CREDITS AVAILABLE
29 PURSUANT TO SUBSECTIONS (A) AND (D), MAY APPLY UNDER
30 SECTION 2004-B(A) FOR UP TO THE TOTAL AMOUNT OF TAX

1 CREDITS REMAINING AVAILABLE FOR CONTRIBUTIONS TO
2 SCHOLARSHIP ORGANIZATIONS FOR THE FISCAL YEAR AS SET
3 FORTH IN SECTION 2006-B(A) (1).

4 (II) A BUSINESS FIRM, INCLUDING A BUSINESS FIRM THAT
5 ALREADY APPLIED FOR THE MAXIMUM TAX CREDITS AVAILABLE
6 PURSUANT TO SUBSECTIONS (A.1) AND (D), MAY APPLY UNDER
7 SECTION 2004-B(A) FOR UP TO THE TOTAL AMOUNT OF TAX
8 CREDITS REMAINING AVAILABLE FOR CONTRIBUTIONS TO
9 OPPORTUNITY SCHOLARSHIP ORGANIZATIONS FOR THE FISCAL YEAR
10 AS SET FORTH IN SECTION 2006-B(A) (3).

11 (III) A BUSINESS FIRM, INCLUDING A BUSINESS FIRM
12 THAT ALREADY APPLIED FOR THE MAXIMUM TAX CREDITS
13 AVAILABLE PURSUANT TO SUBSECTIONS (C) AND (D), MAY APPLY
14 UNDER SECTION 2004-B(A) FOR UP TO THE TOTAL AMOUNT OF TAX
15 CREDITS REMAINING AVAILABLE FOR CONTRIBUTIONS TO PRE-
16 KINDERGARTEN SCHOLARSHIP ORGANIZATIONS FOR THE FISCAL
17 YEAR AS SET FORTH IN SECTION 2006-B(A) (2).

18 (2) THE PROVISIONS OF SUBSECTION (B) SHALL NOT APPLY TO
19 APPLICATIONS FOR TAX CREDITS MADE UNDER THIS SUBSECTION. TAX
20 CREDITS AWARDED UNDER THIS SUBSECTION SHALL NOT EXCEED 75% OF
21 THE TOTAL AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY A
22 BUSINESS FIRM PURSUANT TO AN APPLICATION FILED UNDER THIS
23 SUBSECTION.

24 (3) PRIOR TO THE AWARD OF TAX CREDITS APPLIED FOR UNDER
25 THIS SUBSECTION, THE DEPARTMENT SHALL FIRST AWARD TAX CREDITS
26 APPLIED FOR BY A BUSINESS FIRM DURING THE PERIOD OCTOBER 1
27 THROUGH NOVEMBER 30 IN AN AMOUNT NO GREATER THAN THE MAXIMUM
28 AMOUNT OF TAX CREDITS FOR WHICH A BUSINESS FIRM IS ELIGIBLE
29 UNDER SUBSECTIONS (A), (A.1), (C) AND (D). THE TAX CREDITS
30 SHALL BE AWARDED ON A FIRST-COME, FIRST-SERVED BASIS AS SET

1 FORTH IN SECTION 2004-B(C).

2 (4) AFTER THE DEPARTMENT HAS AWARDED TAX CREDITS UNDER
3 PARAGRAPH (3), ANY TAX CREDITS REMAINING AVAILABLE WITHIN THE
4 CATEGORY OF SCHOLARSHIP ORGANIZATIONS, OPPORTUNITY
5 SCHOLARSHIP ORGANIZATIONS AND PRE-KINDERGARTEN SCHOLARSHIP
6 ORGANIZATIONS SHALL BE AWARDED BASED ON THE TOTAL AMOUNT OF
7 TAX CREDITS WITHIN EACH CATEGORY OF ORGANIZATION FOR WHICH
8 APPLICATIONS ARE RECEIVED UNDER THIS SUBSECTION FROM OCTOBER
9 1 THROUGH NOVEMBER 30 OF THE FISCAL YEAR AS FOLLOWS:

10 (I) IF THE TOTAL AMOUNT OF TAX CREDITS APPLIED FOR
11 BY ALL BUSINESS FIRMS UNDER THIS SUBSECTION DOES NOT
12 EXCEED THE TOTAL AMOUNT OF TAX CREDITS THAT REMAINED
13 AVAILABLE FOR AWARD WITHIN A CATEGORY AS OF OCTOBER 1,
14 LESS THOSE TAX CREDITS AWARDED UNDER PARAGRAPH (3), THEN
15 EACH BUSINESS FIRM MAY BE AWARDED THE FULL AMOUNT OF TAX
16 CREDITS APPLIED FOR.

17 (II) IF THE TOTAL AMOUNT OF TAX CREDITS APPLIED FOR
18 BY ALL BUSINESS FIRMS UNDER THIS SUBSECTION EXCEEDS THE
19 TOTAL AMOUNT OF TAX CREDITS THAT REMAINED AVAILABLE FOR
20 AWARD WITHIN A CATEGORY AS OF OCTOBER 1, LESS THOSE TAX
21 CREDITS AWARDED UNDER PARAGRAPH (3), THEN EACH BUSINESS
22 FIRM MAY BE AWARDED AN AMOUNT OF TAX CREDITS DETERMINED
23 BY MULTIPLYING THE AMOUNT OF TAX CREDITS APPLIED FOR BY
24 THE BUSINESS FIRM BY A RATIO, THE NUMERATOR OF WHICH IS
25 THE TOTAL AMOUNT OF TAX CREDITS THAT REMAINED AVAILABLE
26 FOR AWARD WITHIN THE CATEGORY AS OF OCTOBER 1, LESS THOSE
27 AWARDED AS SET FORTH IN PARAGRAPH (3), AND THE
28 DENOMINATOR OF WHICH IS THE TOTAL AMOUNT OF TAX CREDITS
29 APPLIED FOR BY ALL BUSINESS FIRMS UNDER THIS SUBSECTION.

30 (5) NOTWITHSTANDING A TEMPORARY INCREASE IN MAXIMUM TAX

1 CREDITS AVAILABLE UNDER THIS SUBSECTION, THE LIMITATIONS SET
2 FORTH IN SUBSECTIONS (A), (A.1), (C) AND (D) RELATING TO THE
3 MAXIMUM AMOUNT OF TAX CREDITS A BUSINESS FIRM CAN RECEIVE
4 DURING A YEAR FOR CONTRIBUTIONS TO A CATEGORY OF SCHOLARSHIP
5 ORGANIZATIONS, OPPORTUNITY SCHOLARSHIP ORGANIZATIONS OR PRE-
6 KINDERGARTEN SCHOLARSHIP ORGANIZATIONS SHALL BE REINSTATED
7 FOR ALL APPLICATIONS ACCEPTED BY THE DEPARTMENT ON OR AFTER
8 DECEMBER 1 OF THE FISCAL YEAR.

9 (J) REALLOCATION OF TAX CREDITS.--

10 (1) BEGINNING ON JANUARY 1 OF ANY FISCAL YEAR, IF ANY
11 TAX CREDITS AUTHORIZED UNDER THIS ARTICLE FOR CONTRIBUTIONS
12 TO ANY OF THE CATEGORIES OF SCHOLARSHIP ORGANIZATIONS,
13 OPPORTUNITY SCHOLARSHIP ORGANIZATIONS OR PRE-KINDERGARTEN
14 SCHOLARSHIP ORGANIZATIONS REMAIN UNAWARDED, SUCH UNAWARDED
15 TAX CREDITS MAY BE REALLOCATED TO ANY OF THE CATEGORIES OF
16 SCHOLARSHIP ORGANIZATIONS, OPPORTUNITY SCHOLARSHIP
17 ORGANIZATIONS OR PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS
18 FOR WHICH ALL AVAILABLE TAX CREDITS HAVE BEEN AWARDED. THE
19 DEPARTMENT SHALL, WITHIN 10 BUSINESS DAYS, INFORM EACH
20 BUSINESS FIRM ON THE WAITING LIST MAINTAINED BY THE
21 DEPARTMENT UNDER SUBSECTION (H) THAT TAX CREDITS REMAIN
22 AVAILABLE UNDER ANOTHER CATEGORY FOR WHICH THE BUSINESS FIRM
23 HAS NOT YET APPLIED. IF A BUSINESS FIRM NOTIFIED UNDER THIS
24 PARAGRAPH ELECTS, THE DEPARTMENT SHALL REALLOCATE AVAILABLE
25 TAX CREDITS FOR AWARD TO THE BUSINESS FIRM IN THE BUSINESS
26 FIRM'S PREFERRED TAX CREDIT CATEGORY, NOTWITHSTANDING THE
27 LIMITATIONS CONTAINED IN SECTION 2006-B(A). THE AMOUNT OF TAX
28 CREDITS TO BE AWARDED TO A BUSINESS FIRM UNDER THIS PARAGRAPH
29 SHALL NOT EXCEED THE AMOUNT OF TAX CREDITS AVAILABLE FOR
30 REALLOCATION OR THE MAXIMUM AMOUNT OF TAX CREDITS FOR WHICH A

1 BUSINESS FIRM IS ELIGIBLE UNDER SUBSECTIONS (A), (A.1), (C)
2 AND (D). EACH BUSINESS FIRM SHALL HAVE 10 BUSINESS DAYS FROM
3 THE DATE OF THE DEPARTMENT'S NOTICE TO ELECT A REALLOCATION
4 OF TAX CREDITS UNDER THIS PARAGRAPH. THE DEPARTMENT SHALL
5 AWARD TAX CREDITS ON A FIRST-COME, FIRST-SERVED BASIS.

6 (2) AFTER THE DEPARTMENT HAS AWARDED TAX CREDITS UNDER
7 PARAGRAPH (1), THE DEPARTMENT SHALL ACCEPT NEW APPLICATIONS
8 FOR REALLOCATION OF TAX CREDITS FROM ANY OF THE CATEGORIES OF
9 SCHOLARSHIP ORGANIZATIONS, OPPORTUNITY SCHOLARSHIP
10 ORGANIZATIONS OR PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS
11 FOR WHICH TAX CREDITS REMAIN AVAILABLE TO THE APPLICANT'S
12 PREFERRED CATEGORY OF SCHOLARSHIP ORGANIZATIONS, OPPORTUNITY
13 SCHOLARSHIP ORGANIZATIONS OR PRE-KINDERGARTEN SCHOLARSHIP
14 ORGANIZATIONS FOR WHICH ALL AVAILABLE TAX CREDITS HAVE BEEN
15 AWARDED, NOTWITHSTANDING ANY LIMITATIONS CONTAINED IN SECTION
16 2006-B(A). THE AMOUNT OF TAX CREDITS TO BE AWARDED TO A
17 BUSINESS FIRM UNDER THIS PARAGRAPH SHALL NOT EXCEED THE
18 AMOUNT OF TAX CREDITS AVAILABLE FOR REALLOCATION OR THE
19 MAXIMUM AMOUNT OF TAX CREDITS FOR WHICH A BUSINESS FIRM IS
20 ELIGIBLE UNDER SUBSECTIONS (A), (A.1), (C) AND (D). THE
21 DEPARTMENT SHALL AWARD TAX CREDITS ON A FIRST-COME, FIRST-
22 SERVED BASIS.

23 (2.1) IN ANY FISCAL YEAR, THE FIRST \$10,000,000 IN TAX
24 CREDITS AVAILABLE FOR REALLOCATION UNDER PARAGRAPHS (1) AND
25 (2) SHALL BE SET ASIDE FOR CONTRIBUTIONS TO PRE-KINDERGARTEN
26 SCHOLARSHIP ORGANIZATIONS. IF \$10,000,000 IN TAX CREDITS HAVE
27 NOT BEEN AWARDED TO PRE-KINDERGARTEN SCHOLARSHIP
28 ORGANIZATIONS UNDER PARAGRAPHS (1) AND (2) PRIOR TO MARCH 1
29 OF ANY FISCAL YEAR, THE REMAINING TAX CREDITS AVAILABLE FOR
30 REALLOCATION UNDER PARAGRAPHS (1) AND (2) SHALL BE MADE

1 AVAILABLE FOR CONTRIBUTIONS TO ANY OF THE CATEGORIES OF
2 SCHOLARSHIP ORGANIZATIONS, OPPORTUNITY SCHOLARSHIP
3 ORGANIZATIONS OR PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS.

4 (3) NO TAX CREDITS SHALL BE AWARDED UNDER THIS
5 SUBSECTION UNTIL THE DEPARTMENT HAS COMPLETED THE AWARD OF
6 TAX CREDITS FOR APPLICATIONS MADE UNDER SUBSECTION (I).

7 (4) THE DEPARTMENT SHALL NOT REALLOCATE TAX CREDITS FROM
8 ANY OF THE CATEGORIES OF SCHOLARSHIP ORGANIZATIONS,
9 OPPORTUNITY SCHOLARSHIP ORGANIZATIONS OR PRE-KINDERGARTEN
10 SCHOLARSHIP ORGANIZATIONS TO THE CATEGORY OF EDUCATIONAL
11 IMPROVEMENT ORGANIZATIONS.

12 (5) SUBSECTIONS (B) AND (G) SHALL NOT APPLY TO AN
13 APPLICATION FOR REALLOCATION OF TAX CREDITS UNDER THIS
14 SUBSECTION.

15 SECTION 2006-B. LIMITATIONS.

16 (A) AMOUNT.--

17 (1) THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS
18 APPROVED FOR CONTRIBUTIONS FROM BUSINESS FIRMS TO SCHOLARSHIP
19 ORGANIZATIONS, EDUCATIONAL IMPROVEMENT ORGANIZATIONS AND PRE-
20 KINDERGARTEN SCHOLARSHIP ORGANIZATIONS SHALL NOT EXCEED
21 \$125,000,000 IN A FISCAL YEAR.

22 (I) NO LESS THAN \$75,000,000 OF THE TOTAL AGGREGATE
23 AMOUNT SHALL BE USED TO PROVIDE TAX CREDITS FOR
24 CONTRIBUTIONS FROM BUSINESS FIRMS TO SCHOLARSHIP
25 ORGANIZATIONS.

26 (II) NO LESS THAN \$37,500,000 OF THE TOTAL AGGREGATE
27 AMOUNT SHALL BE USED TO PROVIDE TAX CREDITS FOR
28 CONTRIBUTIONS FROM BUSINESS FIRMS TO EDUCATIONAL
29 IMPROVEMENT ORGANIZATIONS.

30 (III) THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS

1 APPROVED FOR CONTRIBUTIONS FROM BUSINESS FIRMS TO PRE-
2 KINDERGARTEN SCHOLARSHIP ORGANIZATIONS SHALL NOT EXCEED
3 \$12,500,000 IN A FISCAL YEAR.

4 (2) THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS
5 APPROVED FOR CONTRIBUTIONS FROM BUSINESS FIRMS TO OPPORTUNITY
6 SCHOLARSHIP ORGANIZATIONS SHALL NOT EXCEED \$50,000,000 IN A
7 FISCAL YEAR.

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

11 (C) TAX LIABILITY.--

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

15 (2) IN THE CASE OF A CREDIT GRANTED TO A PASS-THROUGH
16 ENTITY WHICH ELECTS TO DISTRIBUTE THE CREDIT ACCORDING TO
17 SECTION 2005-B(E), A TAX CREDIT GRANTED FOR ANY ONE TAXABLE
18 YEAR AND DISTRIBUTED TO A SHAREHOLDER, MEMBER OR PARTNER MAY
19 NOT EXCEED THE TAX LIABILITY OF THE SHAREHOLDER, MEMBER OR
20 PARTNER.

21 (D) USE.--A TAX CREDIT NOT USED BY THE APPLICANT IN THE
22 TAXABLE YEAR THE CONTRIBUTION WAS MADE OR IN THE YEAR DESIGNATED
23 BY THE SHAREHOLDER, MEMBER OR PARTNER TO WHOM THE CREDIT WAS
24 TRANSFERRED UNDER SECTION 2005-B(E) MAY NOT BE CARRIED FORWARD
25 OR CARRIED BACK AND IS NOT REFUNDABLE OR TRANSFERABLE.

26 (E) NONTAXABLE INCOME.--A SCHOLARSHIP FROM ANY CATEGORY OF
27 ORGANIZATION RECEIVED BY AN ELIGIBLE STUDENT OR ELIGIBLE PRE-
28 KINDERGARTEN STUDENT SHALL NOT BE CONSIDERED TO BE TAXABLE
29 INCOME FOR THE PURPOSES OF ARTICLE III OF THE TAX REFORM CODE OF
30 1971.

1 (F) FINANCIAL ASSISTANCE.--A SCHOLARSHIP FROM ANY CATEGORY
2 OF ORGANIZATION RECEIVED BY AN ELIGIBLE STUDENT OR ELIGIBLE PRE-
3 KINDERGARTEN STUDENT SHALL NOT CONSTITUTE AN APPROPRIATION OR
4 FINANCIAL ASSISTANCE TO THE SCHOOL ATTENDED BY THE RECIPIENT.

5 SECTION 2007-B. LISTS.

6 THE DEPARTMENT OF REVENUE SHALL PROVIDE A LIST OF ALL
7 SCHOLARSHIP ORGANIZATIONS, PRE-KINDERGARTEN SCHOLARSHIP
8 ORGANIZATIONS, EDUCATIONAL IMPROVEMENT ORGANIZATIONS AND
9 OPPORTUNITY SCHOLARSHIP ORGANIZATIONS RECEIVING CONTRIBUTIONS
10 FROM BUSINESS FIRMS GRANTED A TAX CREDIT UNDER THIS ARTICLE TO
11 THE GENERAL ASSEMBLY BY JUNE 30TH OF EACH YEAR.

12 SECTION 2008-B. GUIDELINES.

13 THE DEPARTMENT IN CONSULTATION WITH THE DEPARTMENT OF
14 EDUCATION SHALL DEVELOP GUIDELINES TO DETERMINE THE ELIGIBILITY
15 OF AN INNOVATIVE EDUCATIONAL PROGRAM.

16 SECTION 2009-B. OPPORTUNITY SCHOLARSHIPS.

17 (A) NOTICE.--BY FEBRUARY 1 OF EACH YEAR, THE DEPARTMENT
18 SHALL PROVIDE ALL OPPORTUNITY SCHOLARSHIP ORGANIZATIONS WITH A
19 LIST OF THE LOW-ACHIEVING SCHOOLS LOCATED WITHIN EACH SCHOOL
20 DISTRICT.

21 (B) AWARD.--AN OPPORTUNITY SCHOLARSHIP ORGANIZATION MAY
22 AWARD AN OPPORTUNITY SCHOLARSHIP TO AN APPLICANT WHO RESIDES
23 WITHIN THE ATTENDANCE BOUNDARY OF A LOW-ACHIEVING SCHOOL TO
24 ATTEND A PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING
25 NONPUBLIC SCHOOL SELECTED BY THE PARENT OF THE APPLICANT. IF AN
26 APPLICANT WHO RECEIVED AN OPPORTUNITY SCHOLARSHIP FOR THE PRIOR
27 SCHOOL YEAR RESIDES WITHIN THE ATTENDANCE BOUNDARY OF A SCHOOL
28 THAT WAS REMOVED FROM THE LIST OF LOW-ACHIEVING SCHOOLS PROVIDED
29 BY THE DEPARTMENT UNDER SUBSECTION (A), THE APPLICANT MAY
30 RECEIVE AN OPPORTUNITY SCHOLARSHIP. THE OPPORTUNITY SCHOLARSHIP

1 MAY BE FOR EACH YEAR OF ENROLLMENT IN A PARTICIPATING PUBLIC
2 SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL FOR UP TO THE LESSER OF
3 FIVE YEARS OR UNTIL COMPLETION OF GRADE 12, PROVIDED THE
4 APPLICANT OTHERWISE REMAINS ELIGIBLE. IN AWARDING SCHOLARSHIPS,
5 AN OPPORTUNITY SCHOLARSHIP ORGANIZATION SHALL GIVE PREFERENCE TO
6 ANY OF THE FOLLOWING:

7 (1) AN APPLICANT WHO RECEIVED AN OPPORTUNITY SCHOLARSHIP
8 FOR THE PRIOR SCHOOL YEAR.

9 (2) AN APPLICANT OF A HOUSEHOLD WITH A HOUSEHOLD INCOME
10 THAT DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL FOR
11 THE SCHOOL YEAR PRECEDING THE SCHOOL YEAR FOR WHICH THE
12 APPLICATION IS BEING MADE.

13 (3) AN APPLICANT OF A HOUSEHOLD WITH A HOUSEHOLD INCOME
14 THAT DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL FOR
15 THE SCHOOL YEAR PRECEDING THE SCHOOL YEAR FOR WHICH THE
16 APPLICATION IS BEING MADE AND WHO RESIDES WITHIN ANY OF THE
17 FOLLOWING:

18 (I) A FIRST CLASS SCHOOL DISTRICT.

19 (II) A SCHOOL DISTRICT DESIGNATED AS A FINANCIAL
20 RECOVERY SCHOOL DISTRICT UNDER ARTICLE VI-A FOR THE YEAR
21 FOR WHICH THE AWARD IS MADE.

22 (C) HOME SCHOOLING.--AN OPPORTUNITY SCHOLARSHIP ORGANIZATION
23 SHALL NOT AWARD AN OPPORTUNITY SCHOLARSHIP TO AN APPLICANT FOR
24 ENROLLMENT IN A HOME EDUCATION PROGRAM UNDER SECTION 1327.1.

25 (D) FUNDING.--THE AGGREGATE AMOUNT OF OPPORTUNITY
26 SCHOLARSHIPS SHALL NOT EXCEED THE AGGREGATE AMOUNT OF
27 CONTRIBUTIONS MADE BY BUSINESS FIRMS TO THE OPPORTUNITY
28 SCHOLARSHIP ORGANIZATION.

29 (E) AMOUNT.--

30 (1) THE MAXIMUM AMOUNT OF AN OPPORTUNITY SCHOLARSHIP

1 AWARDED TO AN APPLICANT WITHOUT A DISABILITY SHALL BE \$8,500.

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

4 (3) IN NO CASE SHALL THE COMBINED AMOUNT OF THE
5 OPPORTUNITY SCHOLARSHIP AWARDED TO A RECIPIENT AND ANY
6 ADDITIONAL FINANCIAL ASSISTANCE PROVIDED TO THE RECIPIENT
7 EXCEED THE TUITION RATE AND SCHOOL-RELATED FEES FOR THE
8 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL
9 THAT THE RECIPIENT WILL ATTEND.

10 SECTION 2010-B. LOW-ACHIEVING SCHOOLS.

11 (A) LIST OF LOW-ACHIEVING SCHOOLS.--BY FEBRUARY 1 OF EACH
12 YEAR, THE DEPARTMENT OF EDUCATION SHALL PUBLISH ON THE
13 DEPARTMENT OF EDUCATION'S PUBLICLY ACCESSIBLE INTERNET WEBSITE
14 AND IN THE PENNSYLVANIA BULLETIN A LIST OF THE LOW-ACHIEVING
15 SCHOOLS FOR THE FOLLOWING SCHOOL YEAR.

16 (B) NOTICE.--BY FEBRUARY 1 OF EACH YEAR, THE DEPARTMENT OF
17 EDUCATION SHALL NOTIFY EVERY SCHOOL DISTRICT IDENTIFIED AS
18 HAVING AT LEAST ONE LOW-ACHIEVING SCHOOL OF SUCH IDENTIFICATION
19 AND SHALL FURNISH THE SCHOOL DISTRICT WITH A LIST OF THE LOW-
20 ACHIEVING SCHOOLS LOCATED WITHIN THE SCHOOL DISTRICT.

21 (C) PUBLICATION.--WITHIN 15 DAYS OF RECEIPT OF A
22 NOTIFICATION UNDER SUBSECTION (B), A SCHOOL DISTRICT SHALL POST
23 ON THE DISTRICT'S PUBLICLY ACCESSIBLE INTERNET WEBSITE NOTICE OF
24 ALL OF THE FOLLOWING:

25 (1) A DESCRIPTION OF THE OPPORTUNITY SCHOLARSHIP
26 PROGRAM.

27 (2) INSTRUCTIONS FOR APPLYING FOR AN OPPORTUNITY
28 SCHOLARSHIP.

29 (3) A LIST OF SCHOOLS IN THE SCHOOL DISTRICT THAT HAVE
30 BEEN DESIGNATED BY THE DEPARTMENT OF EDUCATION AS LOW-

1 ACHIEVING SCHOOLS.

2 (4) NOTICE THAT A PARENT MUST DIRECTLY CONTACT A SCHOOL
3 DISTRICT OF A PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING
4 NONPUBLIC SCHOOL IF THE PARENT SEEKS TO ENROLL THE STUDENT IN
5 THE OPPORTUNITY SCHOLARSHIP PROGRAM.

6 (D) NOTIFICATION TO PARENTS.--

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

12 (2) UPON REGISTRATION OF A KINDERGARTEN STUDENT, A
13 SCHOOL DISTRICT SHALL NOTIFY THE PARENTS OF THE KINDERGARTEN
14 STUDENT THAT THE STUDENT WILL BE ASSIGNED TO A LOW-ACHIEVING
15 SCHOOL DURING THE SCHOOL YEAR OF THE SCHOOL'S DESIGNATION.

16 (3) THE NOTICE SHALL BE IN A FORM PROVIDED BY THE
17 DEPARTMENT OF EDUCATION AND SHALL PROVIDE THE FOLLOWING
18 INFORMATION REGARDING THE OPPORTUNITY SCHOLARSHIP PROGRAM:

19 (I) A DESCRIPTION OF THE OPPORTUNITY SCHOLARSHIP
20 PROGRAM.

21 (II) INSTRUCTIONS FOR OBTAINING INFORMATION ABOUT
22 APPLYING FOR AN OPPORTUNITY SCHOLARSHIP UNDER THE
23 OPPORTUNITY SCHOLARSHIP PROGRAM.

24 (III) NOTICE OF THE PARENT'S RESPONSIBILITIES WITH
25 REGARD TO APPLYING TO A SCHOOL DISTRICT OF A
26 PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING NONPUBLIC
27 SCHOOL IF THE PARENT SEEKS TO ENROLL THE STUDENT IN THE
28 OPPORTUNITY SCHOLARSHIP PROGRAM.

29 (E) AVERAGE DAILY MEMBERSHIP.--

30 (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE

1 CONTRARY, A RECIPIENT WHO WAS ENROLLED IN THE RECIPIENT'S
2 RESIDENT SCHOOL DISTRICT OR IN A CHARTER SCHOOL, REGIONAL
3 CHARTER SCHOOL OR CYBER CHARTER SCHOOL WHEN THE RECIPIENT
4 FIRST RECEIVED AN OPPORTUNITY SCHOLARSHIP SHALL CONTINUE TO
5 BE COUNTED IN THE AVERAGE DAILY MEMBERSHIP OF THE SCHOOL
6 DISTRICT FOR A PERIOD OF ONE YEAR AFTER ENROLLING IN A
7 PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING NONPUBLIC
8 SCHOOL.

9 (2) DURING THE YEAR REFERENCED IN PARAGRAPH (1) AND EACH
10 SCHOOL YEAR THEREAFTER, A SCHOOL DISTRICT OF A PARTICIPATING
11 PUBLIC SCHOOL IN WHICH THE RECIPIENT IS ENROLLED SHALL NOT
12 INCLUDE THE RECIPIENT IN THE SCHOOL DISTRICT'S AVERAGE DAILY
13 MEMBERSHIP.

14 SECTION 2011-B. SCHOOL PARTICIPATION IN PROGRAM.

15 (A) ELECTION.--

16 (1) BY FEBRUARY 15 OF EACH YEAR, A NONPUBLIC SCHOOL MAY
17 ELECT TO PARTICIPATE IN THE OPPORTUNITY SCHOLARSHIP PROGRAM
18 FOR THE FOLLOWING SCHOOL YEAR.

19 (2) BY FEBRUARY 15 OF EACH YEAR, A SCHOOL DISTRICT MAY
20 ELECT TO PARTICIPATE IN THE OPPORTUNITY SCHOLARSHIP PROGRAM
21 FOR THE FOLLOWING SCHOOL YEAR.

22 (B) NOTICE.--

23 (1) A SCHOOL DISTRICT OR NONPUBLIC SCHOOL THAT ELECTS TO
24 PARTICIPATE UNDER SUBSECTION (A) MUST NOTIFY THE DEPARTMENT
25 OF EDUCATION OF THE DISTRICT'S OR NONPUBLIC SCHOOL'S INTENT
26 TO PARTICIPATE.

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

30 (I) EACH SCHOOL WITHIN THE SCHOOL DISTRICT WHICH THE

1 SCHOOL DISTRICT INTENDS TO MAKE A PARTICIPATING PUBLIC
2 SCHOOL.

3 (II) THE AMOUNT OF TUITION AND SCHOOL-RELATED FEES
4 ATTRIBUTABLE TO EACH AVAILABLE SEAT. THE AMOUNT UNDER
5 THIS SUBPARAGRAPH SHALL NOT EXCEED THE AMOUNT CALCULATED
6 UNDER SECTION 2561.

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

11 (C) TUITION RATES.--

12 (1) NO SCHOOL DISTRICT OF A PARTICIPATING PUBLIC SCHOOL
13 OR PARTICIPATING NONPUBLIC SCHOOL MAY CHARGE A RECIPIENT A
14 HIGHER TUITION RATE OR SCHOOL-RELATED FEE THAN THE SCHOOL
15 DISTRICT OF THE PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING
16 NONPUBLIC SCHOOL WOULD HAVE CHARGED TO A SIMILARLY SITUATED
17 STUDENT WHO IS NOT RECEIVING AN OPPORTUNITY SCHOLARSHIP.

18 (2) NOTWITHSTANDING THE PROVISIONS OF SECTION 2561, A
19 SCHOOL DISTRICT OF A PARTICIPATING PUBLIC SCHOOL MAY CHARGE A
20 RECIPIENT A TUITION RATE THAT IS LOWER THAN THAT CHARGED TO
21 STUDENTS WHO ARE NOT RECIPIENTS OF OPPORTUNITY SCHOLARSHIPS.

22 (D) PARTICIPATING PUBLIC SCHOOL CRITERIA.--THE FOLLOWING
23 CRITERIA APPLY TO A PARTICIPATING PUBLIC SCHOOL:

24 (1) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, A
25 SCHOOL DISTRICT SHALL ENROLL STUDENTS IN A PARTICIPATING
26 PUBLIC SCHOOL ON A LOTTERY BASIS FROM A POOL OF RECIPIENTS
27 WHO MEET THE APPLICATION DEADLINE SET BY THE DEPARTMENT OF
28 EDUCATION UNTIL THE PARTICIPATING PUBLIC SCHOOL FILLS THE
29 SCHOOL'S AVAILABLE SEATS. THE POOL MAY NOT INCLUDE A
30 RECIPIENT WHO:

1 (I) HAS BEEN EXPELLED OR IS IN THE PROCESS OF BEING
2 EXPELLED UNDER SECTION 1317.2 OR 1318 AND APPLICABLE
3 REGULATIONS OF THE STATE BOARD OF EDUCATION.

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

6 (2) THE ENROLLMENT OF RECIPIENTS MAY NOT PLACE THE
7 SCHOOL DISTRICT IN VIOLATION OF A VALID AND BINDING
8 DESEGREGATION ORDER.

9 (3) PRIORITY SHALL BE GIVEN TO:

10 (I) AN EXISTING RECIPIENT.

11 (II) A RECIPIENT WHO IS A SIBLING OF A STUDENT
12 CURRENTLY ENROLLED IN THE SCHOOL DISTRICT.

13 (E) PARTICIPATING NONPUBLIC SCHOOL CRITERIA.--THE FOLLOWING
14 CRITERIA APPLY TO A PARTICIPATING NONPUBLIC SCHOOL:

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

18 (2) THE PARTICIPATING NONPUBLIC SCHOOL SHALL COMPLY WITH
19 SECTION 1521.

20 (3) THE PARTICIPATING NONPUBLIC SCHOOL OR ITS
21 REPRESENTATIVES MAY NOT RECRUIT A STUDENT FOR ATHLETIC
22 PURPOSES.

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

24 (1) PRIOR TO ENROLLMENT OF A RECIPIENT, A SCHOOL
25 DISTRICT OF A PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING
26 NONPUBLIC SCHOOL SHALL INFORM THE PARENT OF A RECIPIENT OF
27 ANY AND ALL RULES, POLICIES AND PROCEDURES OF THE
28 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC
29 SCHOOL, INCLUDING ANY ACADEMIC POLICIES, DISCIPLINARY RULES
30 AND ADMINISTRATIVE PROCEDURES OF THE PARTICIPATING PUBLIC

1 SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL.

2 (2) ENROLLMENT OF A RECIPIENT IN A PARTICIPATING PUBLIC
3 SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL SHALL CONSTITUTE
4 ACCEPTANCE OF ANY RULES, POLICIES AND PROCEDURES OF THE
5 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC
6 SCHOOL.

7 (G) TRANSPORTATION.--

8 (1) TRANSPORTATION OF RECIPIENTS SHALL BE PROVIDED UNDER
9 SECTION 1361.

10 (2) REIMBURSEMENT SHALL BE AS FOLLOWS:

11 (I) TRANSPORTATION OF A RECIPIENT ATTENDING A
12 PARTICIPATING PUBLIC SCHOOL SHALL BE SUBJECT TO
13 REIMBURSEMENT UNDER SECTION 2541.

14 (II) TRANSPORTATION OF A RECIPIENT ATTENDING A
15 PARTICIPATING NONPUBLIC SCHOOL SHALL BE SUBJECT TO
16 REIMBURSEMENT UNDER SECTIONS 2509.3 AND 2541.

17 (H) CONSTRUCTION.--NOTHING IN THIS ARTICLE SHALL BE
18 CONSTRUED TO:

19 (1) PROHIBIT A PARTICIPATING NONPUBLIC SCHOOL FROM
20 LIMITING ADMISSION TO A PARTICULAR GRADE LEVEL, A SINGLE
21 GENDER OR AREAS OF CONCENTRATION OF THE PARTICIPATING
22 NONPUBLIC SCHOOL, INCLUDING MATHEMATICS, SCIENCE AND THE
23 ARTS.

24 (2) AUTHORIZE THE COMMONWEALTH OR ANY OF ITS AGENCIES OR
25 OFFICERS OR POLITICAL SUBDIVISIONS TO IMPOSE ANY ADDITIONAL
26 REQUIREMENTS ON A PARTICIPATING NONPUBLIC SCHOOL WHICH ARE
27 NOT OTHERWISE AUTHORIZED UNDER THE LAWS OF THIS COMMONWEALTH
28 OR TO REQUIRE A PARTICIPATING NONPUBLIC SCHOOL TO ENROLL A
29 RECIPIENT IF THE PARTICIPATING NONPUBLIC SCHOOL DOES NOT
30 OFFER APPROPRIATE PROGRAMS OR IS NOT STRUCTURED OR EQUIPPED

1 WITH THE NECESSARY FACILITIES TO MEET THE SPECIAL NEEDS OF
2 THE RECIPIENT OR DOES NOT OFFER A PARTICULAR PROGRAM
3 REQUESTED.

4 SECTION 2012-B. TUITION GRANTS BY SCHOOL DISTRICTS.

5 (A) GENERAL RULE.--THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL
6 DISTRICT MAY USE FUNDS RECEIVED FROM THE COMMONWEALTH FOR
7 EDUCATIONAL PURPOSES TO ESTABLISH A PROGRAM OF TUITION GRANTS TO
8 PROVIDE FOR THE EDUCATION OF STUDENTS WHO RESIDE WITHIN THE
9 DISTRICT AND ATTEND OR WILL ATTEND A PUBLIC OR NONPUBLIC SCHOOL
10 ON A TUITION-PAYING BASIS.

11 (B) NONPUBLIC SCHOOL GRANT AMOUNT.--FOR STUDENTS WHO ATTEND
12 OR WILL ATTEND A NONPUBLIC SCHOOL, THE GRANT AMOUNT FOR EACH
13 STUDENT SHALL NOT EXCEED THE AMOUNT OF THE PER PUPIL STATE
14 SUBSIDY FOR BASIC EDUCATION OF THE SCHOOL DISTRICT OF RESIDENCE.

15 (C) AVERAGE DAILY MEMBERSHIP.--

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

20 (2) A STUDENT WHO RECEIVES A GRANT UNDER THIS SECTION TO
21 ATTEND A PUBLIC SCHOOL OUTSIDE THE SCHOOL DISTRICT AWARDING
22 THE TUITION GRANT SHALL NOT BE INCLUDED IN THE AVERAGE DAILY
23 MEMBERSHIP OF THE SCHOOL DISTRICT THE STUDENT ATTENDS.

24 (D) GUIDELINES.--

25 (1) THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT
26 SHALL PREPARE GUIDELINES ON ALL THE FOLLOWING:

27 (I) ESTABLISHMENT OF AN APPLICATION FORM AND
28 APPROVAL PROCESS.

29 (II) STANDARDS FOR VERIFICATION OF THE ACCURACY OF
30 APPLICATION INFORMATION.

1 (III) CONFIRMATION OF ATTENDANCE BY A STUDENT WHO
2 RECEIVES A TUITION GRANT.

3 (IV) RESTRICTIVE ENDORSEMENT OF GRANT CHECKS BY
4 PARENTS TO THE SCHOOL CHOSEN BY THE PARENTS.

5 (V) PRO RATA REFUNDS OF GRANTS FOR STUDENTS WHO
6 WITHDRAW DURING THE SCHOOL YEAR.

7 (VI) REPAYMENT OF REFUNDED GRANTS TO THE SCHOOL
8 DISTRICT.

9 (VII) REASONABLE DEADLINE DATES FOR SUBMISSION OF
10 GRANT APPLICATIONS.

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

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

18 (4) IN THE EVENT A STUDENT IS NO LONGER ENROLLED PRIOR
19 TO THE COMPLETION OF THE SCHOOL TERM, THE SCHOOL SHALL SEND
20 WRITTEN NOTICE TO THE SCHOOL DISTRICT.

21 (E) NONTAXABLE.--GRANTS AWARDED TO STUDENTS UNDER THIS
22 SECTION SHALL NOT:

23 (1) BE CONSIDERED TAXABLE INCOME FOR PURPOSES OF A LOCAL
24 TAXING ORDINANCE OR FOR PURPOSES OF ARTICLE III OF THE TAX
25 REFORM CODE OF 1971.

26 (2) CONSTITUTE FINANCIAL ASSISTANCE OR APPROPRIATIONS TO
27 THE SCHOOL ATTENDED BY THE STUDENT.

28 (F) CONSTRUCTION.--NOTHING IN THIS SECTION SHALL BE
29 CONSTRUED TO EMPOWER THE COMMONWEALTH OR A SCHOOL DISTRICT OR
30 ANY OF THEIR AGENCIES OR OFFICERS TO DO ANY OF THE FOLLOWING:

1 (1) PRESCRIBE THE COURSE CONTENT OR ADMISSIONS CRITERIA
2 FOR ANY RELIGIOUSLY AFFILIATED SCHOOL.

3 (2) COMPEL ANY PRIVATE SCHOOL TO ACCEPT OR ENROLL A
4 STUDENT.

5 (3) IMPOSE ANY ADDITIONAL REQUIREMENTS ON ANY PRIVATE
6 SCHOOL THAT ARE NOT OTHERWISE AUTHORIZED.

7 (4) REQUIRE ANY SCHOOL TO ACCEPT OR RETAIN A STUDENT IF
8 THE SCHOOL DOES NOT OFFER PROGRAMS OR IS NOT STRUCTURED OR
9 EQUIPPED WITH THE NECESSARY FACILITIES TO MEET THE SPECIAL
10 NEEDS OF THE STUDENT OR DOES NOT OFFER A PARTICULAR PROGRAM
11 REQUESTED.

12 SECTION 2013-B. ORIGINAL JURISDICTION.

13 THE PENNSYLVANIA SUPREME COURT SHALL HAVE EXCLUSIVE AND
14 ORIGINAL JURISDICTION TO HEAR A CHALLENGE OR TO RENDER A
15 DECLARATORY JUDGMENT CONCERNING THE CONSTITUTIONALITY OF THIS
16 ARTICLE. THE PENNSYLVANIA SUPREME COURT MAY TAKE SUCH ACTION AS
17 THE COURT DEEMS APPROPRIATE, CONSISTENT WITH THE PENNSYLVANIA
18 SUPREME COURT'S RETAINING JURISDICTION OVER SUCH A MATTER, TO
19 FIND FACTS OR TO EXPEDITE A FINAL JUDGMENT IN CONNECTION WITH A
20 CHALLENGE OR REQUEST FOR DECLARATORY RELIEF.

21 Section 28. Section 2603-B of the act is amended by adding a
22 subsection to read:

23 Section 2603-B. Powers and Duties of the Board.--* * *

24 (1) Notwithstanding any other provision of law to the
25 contrary, the board shall require that each regulation prepared
26 by the Council of Basic Education or the Council of Higher
27 Education under section 2604-B and promulgated by the board
28 under the act of June 25, 1982 (P.L.633, No.181), known as the
29 "Regulatory Review Act," includes, in so far as the regulation
30 relates to costs to the Commonwealth, the fiscal note prepared

1 by the Office of the Budget pursuant to section 612 of the act
2 of April 9, 1929 (P.L.177, No.175), known as "The Administrative
3 Code of 1929."

4 Section 29. Repeals are as follows:

5 ~~(1) The General Assembly finds that the repeal under~~ <--
6 ~~paragraph (2) is necessary for the addition of Article XIX G~~
7 ~~of the act.~~

8 ~~(2) Article XVII E.1 of the act of April 9, 1929~~
9 ~~(P.L.343, No.176), known as The Fiscal Code, is repealed.~~

10 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEAL UNDER <--
11 PARAGRAPH (2) IS NECESSARY TO EFFECTUATE THE ADDITION OF
12 ARTICLE XX-B OF THE ACT.

13 (2) ARTICLE XVII-F OF THE ACT OF MARCH 4, 1971 (P.L.6,
14 NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, IS REPEALED.

15 Section 30. ~~The addition of Article XIX G of the act is a~~ <--
16 ~~continuation of former Article XVII E.1 of the act of April 9,~~
17 ~~1929 (P.L.343, No.176), known as The Fiscal Code. The following~~
18 ~~apply:~~

19 ~~(1) Except as otherwise provided in Article XIX G of the~~
20 ~~act, all activities initiated under former Article XVII E.1~~
21 ~~of The Fiscal Code shall continue and remain in full force~~
22 ~~and effect and may be completed under Article XIX G of the~~
23 ~~act. Orders, regulations, rules and decisions which were made~~
24 ~~under former Article XVII E.1 of The Fiscal Code and which~~
25 ~~are in effect on the effective date of this section shall~~
26 ~~remain in full force and effect until revoked, vacated or~~
27 ~~modified under Article XIX G of the act. Contracts,~~
28 ~~obligations and collective bargaining agreements entered into~~
29 ~~under former Article XVII E.1 of The Fiscal Code are not~~
30 ~~affected nor impaired by the repeal of former Article XVII~~

1 ~~E.1 of The Fiscal Code.~~

2 ~~(2) Except as set forth in paragraph (3), any difference~~
3 ~~in language between Article XIX G of the act and former~~
4 ~~Article XVII E.1 of The Fiscal Code is intended only to~~
5 ~~conform to the style of the Public School Code of 1949 and is~~
6 ~~not intended to change or affect the legislative intent,~~
7 ~~judicial construction or administration and implementation of~~
8 ~~former Article XVII E.1 of The Fiscal Code.~~

9 ~~(3) Paragraph (2) does not apply to the addition of the~~
10 ~~following provisions:~~

11 ~~(i) Sections 1901.1 G and 1901.2 G of the act.~~

12 ~~(ii) The reference to October 30, 2016, in section~~
13 ~~1906 G(a) of the act.~~

14 ~~(4) Any reference in any act to former Article XVII E.1~~
15 ~~of the act of April 9, 1929 (P.L.343, No.176), known as The~~
16 ~~Fiscal Code, shall be considered to be a reference to Article~~
17 ~~XIX G of the act of March 10, 1949 (P.L.30, No.14), known as~~
18 ~~the Public School Code of 1949.~~

19 ~~Section 31. This act shall take effect as follows:~~

20 ~~(1) The amendment or addition of sections 510.2, 1204,~~
21 ~~1204.2, 1401, 1414.3, 1414.4, 1414.5, 1414.6, 1414.7, 1414.8,~~
22 ~~1525, 1602 B, 1611 B, 1613 B, 1703 A, 1715 A, 1716 A, 1716.1~~
23 ~~A, 1717 A, 1719 A, 1720 A, 1721 A, 1722 A, 1723 A, 1728 A,~~
24 ~~1729 A, 1729.1 A, 1729.2 A, 1733 A, 1741 A, 1742 A, 1743 A,~~
25 ~~1744 A and 1745 A of the act shall take effect in 60 days.~~

26 ~~(2) The remainder of this act shall take effect~~
27 ~~immediately.~~

28 SECTION 30. THE ADDITION OF ARTICLE XX-B OF THE ACT IS A <--
29 CONTINUATION OF ARTICLE XVII-F OF THE ACT OF MARCH 4, 1971
30 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971. EXCEPT AS

1 OTHERWISE PROVIDED IN ARTICLE XX-B OF THE ACT, ALL ACTIVITIES
2 INITIATED UNDER ARTICLE XVII-F OF THE TAX REFORM CODE OF 1971
3 SHALL CONTINUE AND REMAIN IN FULL FORCE AND EFFECT AND MAY BE
4 COMPLETED UNDER ARTICLE XX-B OF THE ACT. ORDERS, REGULATIONS,
5 RULES AND DECISIONS WHICH WERE MADE UNDER XVII-F OF THE TAX
6 REFORM CODE OF 1971 AND WHICH ARE IN EFFECT ON THE EFFECTIVE
7 DATE OF SECTION 29(2) OF THIS ACT SHALL REMAIN IN FULL FORCE AND
8 EFFECT UNTIL REVOKED, VACATED OR MODIFIED UNDER ARTICLE XX-B OF
9 THE ACT.

10 SECTION 31. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

11 (1) THE AMENDMENT OR ADDITION OF SECTIONS 1204, 1204.2
12 AND 1704-A OF THE ACT SHALL TAKE EFFECT IN 60 DAYS.

13 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
14 IMMEDIATELY.