

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

SENATOR SMUCKER, EDUCATION, IN SENATE, AS AMENDED, JUNE 26, 2015

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," in terms and courses of study,
6 further providing for agreements with institutions of higher
7 education; in opportunities for educational excellence,
8 further providing for definitions and for concurrent
9 enrollment agreements; and extensively revising and adding
10 charter school provisions.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

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

16 Section 1525. Agreements with Institutions of Higher
17 Education.--Notwithstanding any other provision of law to the
18 contrary, a school district, charter school, regional charter
19 school, cyber charter school or area vocational-technical school
20 may enter into an agreement with one or more institutions of
21 higher education approved to operate in this Commonwealth in

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

10 Section 2. The definitions of "concurrent student" and
11 "school entity" in section 1602-B of the act, added July 13,
12 2005 (P.L.226, No.46), are amended to read:

13 Section 1602-B. Definitions.

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

17 * * *

18 "Concurrent student." A student who is enrolled in a school
19 district, a charter school, a regional charter school, a cyber
20 charter school, an area vocational-technical school, a nonpublic
21 school, a private school or a home education program under
22 section 1327.1 and who takes a concurrent course through a
23 concurrent enrollment program.

24 * * *

25 "School entity." A school district, a charter school, a
26 regional charter school, a cyber charter school or an area
27 vocational-technical school.

28 * * *

29 Section 3. Section 1613-B of the act is amended by adding a
30 subsection to read:

1 Section 1613-B. Concurrent enrollment agreements.

2 * * *

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

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

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

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

23 "Assessment" shall mean the Pennsylvania System of School
24 Assessment test, the Keystone Exam or another test established
25 by the State board to meet the requirements of section 2603-
26 B(d)(10)(i) and required under the No Child Left Behind Act of
27 2001 (Public Law 107-110, 115 Stat. 1425) or its successor
28 Federal statute.

29 "At-risk student" shall mean a student at risk of educational
30 failure because of limited English proficiency, poverty,

1 community factors, truancy, academic difficulties or economic
2 disadvantage.

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

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

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

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

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

25 "Community college" shall mean a community college
26 established under Article XIX-A.

27 "Cyber charter school" shall mean an independent public
28 school established and operated under a charter from the
29 Department of Education and in which the school uses technology,
30 including electronic or digital books, in order to provide a

1 significant portion of its curriculum and to deliver a
2 significant portion of instruction to its students through the
3 Internet or other electronic means. A cyber charter school must
4 be organized as a public, nonprofit corporation. A charter may
5 not be granted to a for-profit entity.

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

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

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

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

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

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

30 "School district of residence" shall mean the school district

1 in this Commonwealth in which [the parents or guardians of a
2 child reside] a child resides as determined under section 1302
3 and 22 Pa. Code § 11.11(a)(1) (relating to entitlement of
4 resident children to attend public schools).

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

7 "School performance profile" shall mean the Pennsylvania
8 School Performance Profile developed by the department under
9 section 1123.

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

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

14 "State System institution" shall mean a member institution of
15 the State System of Higher Education established under Article
16 XX-A.

17 Section 5. The act is amended by adding a section to read:

18 Section 1704-A. Charter School Funding Advisory

19 Commission.--(1) ~~The chairman of the State board shall~~ <--

20 ~~immediately convene a Statewide advisory commission, to be known~~

21 ~~as the Charter A CHARTER School Funding Advisory Commission, to~~ <--

22 IS ESTABLISHED. THE COMMISSION SHALL examine the financing of <--

23 charter school entities in the public education system and

24 related issues. The commission shall examine how charter school

25 entity finances affect opportunities for teachers, parents,

26 pupils and community members to establish and maintain schools

27 that operate independently from the existing school district

28 structure as a method to accomplish the requirements of section

29 1702-A. The ~~department~~ GENERAL ASSEMBLY shall provide <--

30 administrative support, meeting space and any other assistance

1 required by the commission to carry out its duties under this
2 section.

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

4 (i) Four members of the Senate appointed by the President
5 pro tempore of the Senate, in consultation with the Majority
6 Leader of the Senate and the Minority Leader of the Senate, with
7 two appointees from the majority party, ONE OF WHOM SHALL BE THE <--
8 MAJORITY CHAIRMAN OF THE EDUCATION COMMITTEE OF THE SENATE, and
9 two appointees from the minority party.

10 (ii) Four members of the House of Representatives appointed
11 by the Speaker of the House of Representatives, in consultation
12 with the Majority Leader of the House of Representatives and the
13 Minority Leader of the House of Representatives, with two
14 appointees from the majority party, ONE OF WHOM SHALL BE THE <--
15 MAJORITY CHAIRMAN OF THE EDUCATION COMMITTEE OF THE HOUSE OF
16 REPRESENTATIVES, and two appointees from the minority party.

17 (iii) The secretary or a designee.

18 (iv) ~~The chairman of the State board or a designee.~~ AN AT- <--
19 LARGE MEMBER CHOSEN BY THE GOVERNOR, THE PRESIDENT PRO TEMPORE
20 OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

21 (v) To represent the interests of charter school entities,
22 the following members, who shall be appointed by the chairman of <--
23 the State board, subject to the approval of a majority of the
24 members of the State board SECRETARY FROM A LIST PROVIDED BY THE <--
25 PENNSYLVANIA COALITION OF PUBLIC CHARTER SCHOOLS AND THE
26 KEYSTONE ALLIANCE:

27 (A) One member who shall ~~represent charter schools~~ BE A <--
28 BUSINESS MANAGER OF A CHARTER SCHOOL.

29 ~~(B) One member who shall represent regional charter schools.~~ <--

30 ~~(C) (B) One member who shall represent cyber charter schools <--~~

1 BE A BUSINESS MANAGER OF A CYBER CHARTER SCHOOL. <--

2 ~~(D) One member who shall be a teacher in a charter school~~ <--

3 ~~entity.~~

4 ~~(E) One member who shall be a parent of a child attending a~~

5 ~~charter school entity.~~

6 (vi) To represent the interests of school districts, the

7 following members, who shall be appointed by the chairman of the <--

8 State board, subject to the approval of a majority of the

9 members of the State board SECRETARY FROM A LIST PROVIDED BY THE <--

10 PENNSYLVANIA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS:

11 ~~(A) One member who shall be a teacher in a public school~~ <--

12 ~~that is not a charter school entity~~ BUSINESS MANAGER OF A RURAL <--

13 SCHOOL DISTRICT.

14 ~~(B) One member who shall represent school administrators.~~ <--

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

16 ~~(D)~~ (B) One member who shall be a business manager of a AN <--

17 URBAN school district.

18 (3) Members of the commission shall be appointed within

19 twenty (20) days of the effective date of this section. Any

20 vacancy on the commission shall be filled by the original

21 appointing authority. The commission shall select a chairman and <--

22 vice chairman from among its membership at an organizational

23 meeting BE CO-CHAired BY THE CHAIRMAN OF THE EDUCATION COMMITTEE <--

24 OF THE SENATE AND CHAIRMAN OF THE EDUCATION COMMITTEE OF THE

25 HOUSE OF REPRESENTATIVES. The organizational meeting shall take

26 place not later than forty-five (45) days following the

27 effective date of this section.

28 (4) The commission shall hold meetings at the call of the

29 chairman. The commission may also hold NO MORE THAN SIX public <--

30 hearings on the matters to be considered by the commission at <--

1 ~~locations throughout this Commonwealth.~~ All meetings and public
2 ~~hearings of the commission shall be deemed public meetings for~~
3 ~~the purpose of 65 Pa.C.S. Ch. 7 (relating to open meetings).~~ Ten <--
4 ~~(10) EIGHT (8) members of the commission shall constitute a~~ <--
5 ~~quorum at any meeting. Each member of the commission may~~
6 ~~designate another person to represent that member at meetings of~~
7 ~~the commission.~~

8 (5) Commission members shall receive no compensation for
9 their services but shall be reimbursed by the department for all
10 necessary travel and other reasonable expenses incurred in
11 connection with the performance of their duties as members.
12 Whenever possible, the commission shall utilize the services and
13 expertise of existing personnel and staff of State government.
14 ~~The department may utilize undistributed funds not expended,~~ <--
15 ~~encumbered or committed from appropriations for grants and~~
16 ~~subsidies made to the department, not to exceed three hundred~~
17 ~~thousand dollars (\$300,000), to carry out this section.~~

18 (6) The commission shall have the following powers and
19 duties:

20 (i) Meet with current charter school entity operators and
21 school district personnel.

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

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

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

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

1 (B) The process by which charter school entities are funded
2 under section 1725-A, including addressing potential funding
3 inequities, to include consideration of disallowing a school
4 district food services deduction in the case of cyber charter
5 schools that provide food services to their students, and
6 consideration of continuing the school district deduction for
7 cyber charter school tuition costs.

8 (C) Appropriate funding for charter school entity
9 facilities.

10 (D) A process by which the performance matrix established
11 under section 1731.2-A ~~may~~ SHALL compare the academic <--
12 performance of each charter school entity with the academic
13 performance of the school district of residence of each student
14 enrolled in the charter school entity.

15 (E) SPECIAL EDUCATION TRANSPORTATION. <--

16 (F) OTHER FUNDING ISSUES RAISED IN THE COURSE OF PUBLIC
17 HEARINGS.

18 (G) CONSIDERATION OF A SCHOOL DISTRICT DEDUCTION FOR
19 PROGRAMS AND SERVICES TO THE EXTENT THEY ARE FUNDED FROM THE
20 PROCEEDS OF COMPETITIVE GRANTS FROM PRIVATE OR PUBLIC RESOURCES
21 OR FROM CONTRIBUTIONS OR DONATIONS FROM PRIVATE SOURCES.

22 (H) THE APPROPRIATE MANNER OF FUNDING A CHARTER SCHOOL THAT
23 PRIMARILY SERVES ADJUDICATED YOUTH.

24 (I) FUNDING AND ALL COSTS ASSOCIATED WITH ATHLETIC PROGRAMS
25 PROVIDED BY CHARTER SCHOOL ENTITIES.

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

27 (7) The commission shall, no later than one year from the
28 effective date of this section, issue a report of its findings
29 and recommendations to the Governor, the President pro tempore
30 of the Senate, the Majority Leader of the Senate, the Minority

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

13 Section 6. Section 1715-A of the act, amended or added June
14 19, 1997 (P.L.225, No.22) and July 9, 2008 (P.L.846, No.61), is
15 amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

28 (8) A charter school entity shall participate in [the
29 Pennsylvania State Assessment System as provided for in 22 Pa.
30 Code Ch. 5 (relating to curriculum), or subsequent regulations

1 promulgated to replace 22 Pa. Code Ch. 5,] assessments in the
2 manner in which the school district in which the charter school
3 entity is located is scheduled to participate.

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

11 (9.1) A CYBER CHARTER SCHOOL SHALL NOT BE PRECLUDED FROM <--
12 CONSIDERING THE USE OF IN-PERSON INTERACTION, TESTING OR
13 INSTRUCTION FOR ANY STUDENT PROTECTED BY THE INDIVIDUALS WITH
14 DISABILITIES EDUCATION ACT (PUBLIC LAW 91-230, 20 U.S.C. § 1400
15 ET SEQ.) OR SECTION 504 OF THE REHABILITATION ACT OF 1973
16 (PUBLIC LAW 93-112, 29 U.S.C. § 794), AND A CYBER CHARTER SCHOOL
17 MAY USE IN-PERSON INTERACTION, TESTING OR INSTRUCTION TO THE
18 EXTENT CONSISTENT WITH THE CYBER CHARTER SCHOOL'S OBLIGATIONS
19 UNDER APPLICABLE PROVISIONS OF THE INDIVIDUALS WITH DISABILITIES
20 EDUCATION ACT AND SECTION 504 OF THE REHABILITATION ACT OF 1973.

21 (10) Boards of trustees and contractors of charter [schools]
22 school entities shall be subject to the following statutory
23 requirements governing construction projects and construction-
24 related work:

25 (i) The following provisions of this act:

26 (A) Sections 751 and 751.1.

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

30 (ii) Section 1 of the act of May 1, 1913 (P.L.155, No.104),

1 entitled "An act regulating the letting of certain contracts for
2 the erection, construction, and alteration of public buildings."

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

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

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

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

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

1 Pa.C.S. § 1103(a) (relating to restricted activities), and the
2 violator shall be subject to the penalties imposed under the
3 jurisdiction of the State Ethics Commission.]

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

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

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

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

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

29 (3) No administrator of a charter school entity or immediate
30 family member of the administrator may serve as a voting member

1 of the board of trustees of the charter school entity that
2 employs the administrator.

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

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

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

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

17 Section 7. Section 1716-A(c) of the act, added June 19, 1997
18 (P.L.225, No.22), is amended and the section is amended by
19 adding subsections to read:

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

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

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

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

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

16 (3) A member of the board of trustees of a charter school
17 entity who knowingly violates this subsection commits a
18 violation of 65 Pa.C.S. § 1103(a) and shall be subject to the
19 penalties imposed under the jurisdiction of the State Ethics
20 Commission.

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

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

26 (b.3) A member of the board of trustees of a charter school
27 entity shall be automatically disqualified and immediately
28 removed from the board of trustees upon conviction for an
29 offense graded as a felony, an infamous crime, an offense
30 pertaining to fraud, theft or mismanagement of public funds, any

1 offense pertaining to his official capacity as a member of the
2 board of trustees or any crime involving moral turpitude.

3 (c) The board of trustees shall comply with [the act of July
4 3, 1986 (P.L.388, No.84), known as the "Sunshine Act."] 65
5 Pa.C.S. Ch. 7 (relating to open meetings).

6 (d) (1) (i) The board of trustees of a charter school
7 entity shall consist of a minimum of five (5) nonrelated voting
8 members.

9 (ii) If a charter school entity has fewer than five (5)
10 nonrelated voting members serving on its board of trustees on
11 the effective date of this subsection, the charter school entity
12 shall, within sixty (60) days, appoint additional members to the
13 board of trustees to meet the minimum requirements of this
14 section.

15 (2) Within one (1) year of the effective date of this
16 subsection, at least one member of the board of trustees of a
17 charter school entity shall be a parent of a child currently
18 attending the charter school entity OR, IN THE CASE OF A CHARTER <--
19 SCHOOL THAT PRIMARILY SERVES ADJUDICATED YOUTH, A MEMBER OF THE
20 JUVENILE COURT JUDGES' COMMISSION. The board of trustees member
21 ~~required by~~ PROVIDED FOR UNDER this paragraph shall be eligible <--
22 to serve only so long as the child attends the charter school
23 entity.

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

28 (2) The affirmative vote of a majority of all the voting
29 members of the board of trustees, duly recorded, shall be
30 required in order to take official action on the subjects

1 enumerated under subsection (a).

2 Section 8. The act is amended by adding a section to read:

3 Section 1716.1-A. Payment of Indebtedness by Charter School

4 Entities.--(a) The board of trustees of a charter school entity

5 shall supply the secretary and, in the case of a charter school

6 or regional charter school, the local board of school directors

7 a list of the amount of rental payments which are guarantees for

8 school building debt or bonds that become due during the fiscal

9 year together with the amount paid on each item of indebtedness.

10 Any charter school entity that elects to issue debt shall hold

11 in escrow an amount sufficient to pay the annual amount of the

12 sum of the principal maturing or subject to mandatory redemption

13 and interest owing by the charter school entity or sinking fund

14 deposit due by the charter school entity.

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

16 charter school entity fails to pay or to provide for the payment

17 of:

18 (i) any indebtedness at date of maturity or date of

19 mandatory redemption or on any sinking fund deposit date; or

20 (ii) any interest due on such indebtedness on any interest

21 payment date or on any sinking fund deposit date in accordance

22 with the schedule under which the bonds were issued,

23 the bank or trustee for the bonds shall notify the board of

24 trustees of its obligation and shall immediately notify the

25 secretary and, in the case of a charter school or regional

26 charter school, the local board of school directors.

27 (2) The secretary shall withhold any payment due the charter

28 school entity in any amount necessary to fully fund the amount

29 held in escrow by the charter school entity which shall be equal

30 to the sum of the principal amount maturing or subject to

1 mandatory redemption and interest owing by the charter school
2 entity or sinking fund deposit due by the charter school entity
3 and shall require payover of the amount withheld to the bank or
4 trustee acting as the sinking fund depository for the bond issue
5 from the escrow account.

6 Section 9. Sections 1717-A(c), (d), (e) and (f) and 1719-A
7 of the act, added June 19, 1997 (P.L.225, No.22), are amended to
8 read:

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

10 (c) An application to establish a charter school shall be
11 submitted to the local board of school directors of the district
12 where the charter school will be located by [November 15]
13 October 1 of the school year preceding the school year in which
14 the charter school will be established except that for a charter
15 school beginning in the 1997-1998 school year, an application
16 must be received by July 15, 1997. In the 1997-1998 school year
17 only, applications shall be limited to recipients of fiscal year
18 1996-1997 Department of Education charter school planning
19 grants.

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

1 decision of the board.

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

8 (2) A charter school application submitted under this
9 article shall be evaluated by the local board of school
10 directors based on criteria, including, but not limited to, the
11 following:

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

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

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

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

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

28 (4) A charter application shall be deemed approved by the
29 local board of school directors of a school district upon
30 affirmative vote by a majority of all the directors. Formal

1 action approving or denying the application shall be taken by
2 the local board of school directors at a public meeting, with
3 notice or consideration of the application given by the board,
4 under [the "Sunshine Act."] 65 Pa.C.S. Ch. 7.

5 (5) Written notice of the board's action shall be sent to
6 the applicant, the department and the appeal board. If the
7 application is denied, the reasons for the denial, including a
8 description of deficiencies in the application, shall be clearly
9 stated in the notice sent by the local board of school directors
10 to the charter school applicant.

11 (f) At the option of the charter school applicant, a denied
12 application may be revised and resubmitted to the local board of
13 school directors. Following the appointment and confirmation of
14 the Charter School Appeal Board under section 1721-A, the
15 decision of the local board of school directors may be appealed
16 to the appeal board. When an application is revised and
17 resubmitted to the local board of school directors, the board
18 may schedule additional public hearings on the revised
19 application. The board shall consider the revised and
20 resubmitted application at the first board meeting occurring at
21 least forty-five (45) days after receipt of the revised
22 application by the board. For a revised application resubmitted
23 for the 1997-1998 school year, the board shall consider the
24 application at the first board meeting occurring at least thirty
25 (30) days after its receipt. The board shall provide notice of
26 consideration of the revised application under [the "Sunshine
27 Act."] 65 Pa.C.S. Ch. 7. No appeal from a decision of a local
28 school board may be taken until July 1, 1999.

29 * * *

30 Section 1719-A. Contents of Application.--[An] (a) The

1 ~~State board, in consultation with the department,~~ DEPARTMENT <--
2 shall create a standard application form for charter school
3 applicants seeking to establish a charter school entity and A <--
4 STANDARD FORM for existing charter school entities seeking
5 renewal of their charters. The ~~form~~ FORMS shall be published in <--
6 the Pennsylvania Bulletin and posted on the ~~State board's~~ <--
7 DEPARTMENT'S publicly accessible Internet website. The ~~form~~ <--
8 FORMS shall include all of the following information: <--
9 (1) The identification of the charter school applicant.
10 (2) The name of the proposed charter school entity.
11 (3) The grade or age levels served by the school.
12 (4) [The proposed governance structure of the charter
13 school, including a description and method for the appointment
14 or election of members of the board of trustees.] An
15 organization chart clearly presenting the proposed governance
16 structure of the school, including lines of authority and
17 reporting between the board of trustees, administrators, staff
18 and any educational management service provider that will
19 provide management services to the charter school entity.
20 (4.1) A clear description of the roles and responsibilities
21 of the board of trustees, administrators and any other entities,
22 including a charter school foundation, shown in the organization
23 chart.
24 (4.2) A clear description of the method for the appointment
25 or election of members of the board of trustees.
26 (4.3) Standards for board of trustees performance, including
27 compliance with all applicable laws, regulations and terms of
28 the charter.
29 (4.4) If the charter school entity intends to contract with
30 an educational management service provider for services, all of

1 the following:

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

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

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

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

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

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

15 (E) Performance evaluation measures and timelines.

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

19 (G) Methods of contract oversight and enforcement.

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

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

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

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

4 (6) The admission AND ENROLLMENT policy [and criteria for <--
5 evaluating the admission of students] which shall comply with <--
6 the requirements of section 1723-A.

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

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

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

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

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

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

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

28 (14) Whether any agreements have been entered into or plans
29 developed with the local school district regarding participation
30 of the charter school entity's students in extracurricular

1 activities within the school district. Notwithstanding any
2 provision to the contrary, no school district of residence shall
3 prohibit a student of a charter school entity from participating
4 in any extracurricular activity of that school district of
5 residence: Provided, That the student is able to fulfill all of
6 the requirements of participation in such activity and the
7 charter school entity does not provide the same extracurricular
8 activity.

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

14 (16) An official clearance statement regarding child injury
15 or abuse from the Department of Public Welfare as required by 23
16 Pa.C.S. Ch. 63 Subch. [C.2 (relating to background checks for
17 employment in schools)] C (relating to powers and duties of
18 department) and section 111 for all individuals identified in
19 the application who shall have direct contact with students[.]
20 and a plan for satisfying the proper official clearance
21 statement regarding child injury or abuse required for all other
22 staff.

23 (17) How the charter school entity will provide adequate
24 liability and other appropriate insurance for the charter school
25 entity, its employes and the board of trustees of the charter
26 school entity.

27 (18) Policies regarding truancy, absences and withdrawal of
28 students, including the manner in which the charter school
29 entity will monitor attendance consistent with section 1715-A(a)
30 (9). The charter school entity's policy shall establish, to the

1 satisfaction of the local board of school directors or, in the
2 case of a cyber charter school, to the satisfaction of the
3 department, that the charter school entity will comply with
4 sections 1332 and 1333, including the institution of truancy
5 proceedings when required under section 1333.

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

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

16 (b) A local board of school directors may not impose
17 additional terms, develop its own application or require
18 additional information outside the standard application form
19 required under subsection (a).

20 Section 10. Section 1720-A of the act, amended July 9, 2008,
21 (P.L.846, No.61), is amended to read:

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

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

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

23 (i) An initial charter executed pursuant to section
24 1720-A(a)(1) shall be for a period of five (5) years.

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

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

4 (A) For charter schools and regional charter schools that
5 have satisfied the academic quality benchmark established by the
6 State board pursuant to section 1731.2-A, a charter may be
7 renewed for ten (10) 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-; PROVIDED THAT, BEGINNING <--
10 IN THE SIXTH YEAR OF ANY TEN (10) YEAR PERIOD OF RENEWAL UNDER
11 THIS SUBCLAUSE, THE CHARTER OF ANY CHARTER SCHOOL OR REGIONAL
12 CHARTER SCHOOL THAT FAILS FOR TWO (2) CONSECUTIVE YEARS TO
13 SATISFY THE ACADEMIC QUALITY BENCHMARK ESTABLISHED BY THE STATE
14 BOARD UNDER SECTION 1731.2-A SHALL BE SUBJECT TO REVIEW BY THE
15 LOCAL BOARD OF SCHOOL DIRECTORS OR OTHER GOVERNING BODY OF A
16 SCHOOL DISTRICT.

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

23 [(b) (1) Notwithstanding subsection (a), a governing board
24 of a school district of the first class may renew a charter for
25 a period of one (1) year if the board of school directors
26 determines that there is insufficient data concerning the
27 charter school's academic performance to adequately assess that
28 performance and determines that an additional year of
29 performance data would yield sufficient data to assist the
30 governing board in its decision whether to renew the charter for

1 a period of five (5) years.

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

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

8 (c) (1) A charter school or regional charter school may
9 request amendments to its approved written charter by filing a
10 written document describing the requested amendment with the
11 local board of school directors.

12 (2) Within ~~twenty (20)~~ THIRTY-FIVE (35) days of its receipt <--
13 of the request for an amendment, the local board of school
14 directors shall hold a public hearing on the requested amendment
15 under 65 Pa.C.S. Ch. 7 (relating to open meetings).

16 (3) Within ~~twenty (20)~~ THIRTY-FIVE (35) days after the <--
17 hearing, the local board of school directors shall grant or deny
18 the requested amendment. Failure by the local board of school
19 directors to hold a public hearing and to grant or deny the
20 amendment within the time period specified in this subsection
21 shall be deemed an approval.

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

25 Section 11. Section 1721-A(a) and (e) of the act, added June
26 19, 1997 (P.L.225, No.22), are amended to read:

27 Section 1721-A. State Charter School Appeal Board.--(a) The
28 State Charter School Appeal Board shall consist of the Secretary
29 of Education and [six (6)] the following members who shall be
30 appointed by the Governor by and with the consent of a majority

1 of all the members of the Senate. [Appointments by the Governor
2 shall not occur prior to January 1, 1999.] The Governor shall
3 select the chairman of the appeal board to serve at the pleasure
4 of the Governor. The members shall include:

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

7 (2) A school board member.

8 (3) A certified teacher actively employed in a public
9 school.

10 (4) A faculty member or administrative employe of an
11 institution of higher education.

12 (5) A member of the business community.

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

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

15 (8) A member of the board of trustees of a charter school
16 entity.

17 The term of office of members of the appeal board, other than
18 the secretary, shall be for a period of four (4) years or until
19 a successor is appointed and qualified, except that, of the
20 initial appointees, the Governor shall designate two (2) members
21 to serve terms of two (2) years, two (2) members to serve terms
22 of three (3) years and two (2) members to serve terms of four
23 (4) years. A parent member appointed under paragraph (1) shall
24 serve a term of four (4) years, provided the member's child
25 remains enrolled in the charter school entity. Any appointment
26 to fill any vacancy shall be for the period of the unexpired
27 term or until a successor is appointed and qualified.

28 * * *

29 (e) Meetings of the appeal board shall be conducted under
30 [the act of July 3, 1986 (P.L.388, No.84), known as the

1 "Sunshine Act.]" 65 Pa.C.S. Ch. 7 (relating to open meetings).
2 Documents of the appeal board shall be subject to the [act of
3 June 21, 1957 (P.L.390, No.212), referred to as the Right-to-
4 Know Law] act of February 14, 2008 (P.L.6, No.3), known as the
5 "Right-to-Know Law".

6 Section 12. Section 1722-A(a), (b) and (d) of the act,
7 amended November 17, 2010 (P.L.996, No.104), are amended and the
8 section is amended by adding subsections to read:

9 Section 1722-A. Facilities.--(a) A charter school entity
10 may be located in an existing public school building, in a part
11 of an existing public school building, in space provided on a
12 privately owned site, in a public building or in any other
13 suitable location.

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

17 (b.1) (1) A charter school entity shall have the right of
18 first refusal to purchase or lease, for educational purposes
19 only, a public school building or a part of a public school
20 building which is no longer in active use by the property
21 titleholder, at the price of one of the following:

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

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

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

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

1 (3) The department shall provide a page on its publicly
2 accessible Internet website on which school entities are
3 required to post a notice for each public school building or
4 part of a public school building that is available for purchase
5 or lease. A school entity shall submit a notice to the
6 department on a form to be developed by the department. The
7 department shall post the notice within five (5) days of
8 receiving the form.

9 (4) The following shall apply to the sale or lease of a
10 public school building or a part of a public school building by
11 a school entity:

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

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

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

21 (B) Accept the best offer, if the offers differ in dollar
22 amount.

23 (d) Notwithstanding any other provision of this act, a
24 school district [of the first class] may, in its discretion,
25 permit a charter school or regional charter school to operate
26 its school at more than one location.

27 * * *

28 (f) (1) Alcoholic beverages shall not be available for
29 consumption, purchase or sale in any charter school entity
30 facility.

1 (2) If, in the case of a charter school or regional charter
2 school, the local board of school directors reasonably believes
3 that alcoholic beverages have been made available for
4 consumption, purchase or sale in the charter school or regional
5 charter school facility, the local board of school directors
6 shall notify the department.

7 (3) If alcoholic beverages have been made available for
8 consumption, purchase or sale in a charter school entity
9 facility, the secretary shall order the following forfeitures
10 against the charter school entity:

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

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

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

18 Section 13. Section 1723-A(a), (b) and (d) of the act,
19 amended June 26, 1999 (P.L.394, No.36) and July 9, 2008
20 (P.L.846, No.61), are amended and the section is amended by
21 adding a subsection to read:

22 Section 1723-A. [Enrollment] Admission and Enrollment
23 Requirements.--(a) (1) All resident children in this
24 Commonwealth who submit a completed enrollment form in
25 accordance with clause (3) qualify for admission to a charter
26 school entity within the provisions of subsection (b). [If] In
27 the case of a charter school or regional charter school, if more
28 students apply to the charter school or regional charter school
29 than the number of attendance slots available in the school,
30 then students must be selected on a random basis from a pool of

1 [qualified applicants meeting the established eligibility
2 criteria and submitting an application] eligible applicants who
3 have submitted an enrollment form in accordance with clauses (3)
4 and (4) by the deadline established by the charter school or
5 regional charter school, except that the charter school or
6 regional charter school may give preference in enrollment to a
7 child of a parent who has actively participated in the
8 development of the charter school [and] or regional charter
9 school, to siblings of students presently enrolled in the
10 charter school or regional charter school and to siblings of
11 students selected for enrollment during the lottery process.
12 First preference shall be given to students who reside in the
13 district or districts[.] in which the charter school or regional <--
14 charter school is physically located OR IN WHICH THE REGIONAL <--
15 CHARTER SCHOOL IS CHARTERED.

16 (2) If a charter school or regional charter school has a
17 waiting list following its initial selection of eligible
18 applicants under clause (1), the charter school or regional
19 charter school shall select eligible applicants from the waiting
20 list as spaces become available. All children shall be assigned
21 to the waiting list on a random basis. When selecting eligible
22 applicants from the waiting list, a charter school or regional
23 charter school shall give first preference to students as
24 provided under clause (1) and to those who reside in the
25 district or districts in which the charter school or regional <--
26 charter school is physically located OR IN WHICH THE REGIONAL <--
27 CHARTER SCHOOL IS CHARTERED until the charter school or regional
28 charter school again reaches its maximum capacity of students.
29 If a charter school or regional charter school has a waiting
30 list, once the charter school or regional charter school has

1 exhausted the waiting list of resident children, it may then
2 enroll children on the waiting list who reside outside of the
3 district. Nonresident children shall also be selected on a
4 random basis. If a charter school or regional charter school and
5 the school district from which it is authorized have voluntarily
6 capped enrollment or the district attempts to involuntarily cap
7 enrollment of resident students and the charter school or
8 regional charter school has enrolled the maximum number of
9 resident students, the charter school or regional charter school
10 may enroll students residing outside of the district.

11 (3) ~~The State board DEPARTMENT, in consultation with the~~ <--
12 ~~department and representatives of charter school entities, shall~~
13 develop a standard enrollment form that shall be used by all
14 eligible applicants to apply to a charter school entity. The
15 standard enrollment form shall only request information
16 necessary to allow the charter school entity to identify the
17 student, grade level and residency, including:

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

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

22 (4) The standard enrollment form shall be made physically
23 available at each charter school entity, in a form that complies
24 with Federal and State law and posted on the publicly accessible
25 Internet website of each charter school entity, if available. A
26 charter school entity may accept the enrollment form via
27 electronic means.

28 (5) When a student applies to a charter school entity, a
29 charter school entity shall not require or request information
30 beyond the contents of the standard enrollment form developed by

1 the State board DEPARTMENT.

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

6 (7) As used in this subsection "eligible applicant" shall
7 mean a student who is seeking to enter a grade level offered by
8 the charter school entity and meets the requirements of 22 Pa.
9 Code §§ 11.12 (relating to school age), 11.13 (relating to
10 compulsory school age), 11.14 (relating to admission to
11 kindergarten when provided), 11.15 (relating to admission of
12 beginners), 11.16 (relating to early admission of beginners) and
13 12.1 (relating to free education and attendance) and student
14 residency requirements.

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

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

29 * * *

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

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

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

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

24 Section 14. Section 1725-A of the act, amended or added June
25 19, 1997 (P.L.225, No.22), June 22, 2001 (P.L.530, No.35) and
26 June 29, 2002 (P.L.524, No.88), is amended to read:

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

30 (1) There shall be no tuition charge for a resident or

1 nonresident student attending a charter school entity.

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

20 (i) Subject to clause (ii), no less than the budgeted total
21 expenditure per average daily membership of the prior school
22 year, as defined in section 2501(20), minus the budgeted
23 expenditures of the district of residence for nonpublic school
24 programs; adult education programs; community/junior college
25 programs; student transportation services; for special education
26 programs; facilities acquisition, construction and improvement
27 services; and other financing uses, including debt service and
28 fund transfers as provided in the Manual of Accounting and
29 Related Financial Procedures for Pennsylvania School Systems
30 established by the department.

1 (ii) Beginning in the 2015-2016 school year, AND CONTINUING <--
2 THROUGH THE 2018-2019 SCHOOL YEAR, the following:

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

15 (B) For each student enrolled in a cyber charter school, no
16 less than the budgeted total expenditure per average daily
17 membership of the prior school year, as defined in section
18 2501(20), minus the following:

19 (I) the budgeted expenditures of the district of residence
20 for nonpublic school programs; adult education programs;
21 community/junior college programs; student transportation
22 services; special education programs; facilities acquisition,
23 construction and improvement services; other financing uses,
24 including debt service and fund transfers as provided in the
25 Manual of Accounting and Related Financial Procedures for
26 Pennsylvania School Systems established by the department; and
27 food services; and

28 (II) ~~during the 2015-2016 and 2016-2017 school years only,~~ <--
29 the actual total amount the district of residence paid to cyber
30 charter schools under this section for the prior school year.

1 (III) BEGINNING IN THE 2019-2020 SCHOOL YEAR, THE FOLLOWING: <--

2 (A) FOR EACH STUDENT ENROLLED IN A CHARTER SCHOOL OR
3 REGIONAL CHARTER SCHOOL, NO LESS THAN THE BUDGETED TOTAL
4 EXPENDITURE PER AVERAGE DAILY MEMBERSHIP OF THE PRIOR SCHOOL
5 YEAR, AS DEFINED IN SECTION 2501(20), MINUS THE BUDGETED
6 EXPENDITURES OF THE DISTRICT OF RESIDENCE FOR NONPUBLIC SCHOOL
7 PROGRAMS; ADULT EDUCATION PROGRAMS; COMMUNITY/JUNIOR COLLEGE
8 PROGRAMS; STUDENT TRANSPORTATION SERVICES; SPECIAL EDUCATION
9 PROGRAMS; FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT
10 SERVICES; AND OTHER FINANCING USES, INCLUDING DEBT SERVICE AND
11 FUND TRANSFERS AS PROVIDED IN THE MANUAL OF ACCOUNTING AND
12 RELATED FINANCIAL PROCEDURES FOR PENNSYLVANIA SCHOOL SYSTEMS
13 ESTABLISHED BY THE DEPARTMENT.

14 (B) FOR EACH STUDENT ENROLLED IN A CYBER CHARTER SCHOOL, THE
15 LESSER OF THE FOLLOWING:

16 (I) THE PER-STUDENT PAYMENT AMOUNT FOR THE IMMEDIATELY
17 PRECEDING SCHOOL YEAR AS WOULD BE CALCULATED UNDER SUBPARAGRAPH
18 (II) (B); OR

19 (II) THE MEDIAN PER-STUDENT CYBER CHARTER SCHOOL PAYMENT FOR
20 NON-SPECIAL EDUCATION STUDENTS PAID BY ALL SCHOOL DISTRICTS FOR
21 THE IMMEDIATELY PRECEDING SCHOOL YEAR, PLUS TEN PER CENTUM.

22 (2.1) The amount under clause (2) shall be calculated by
23 each school district on a form prescribed by the secretary in
24 accordance with this section. The secretary, upon receipt of a
25 school district's calculation, shall review the school
26 district's calculation and may request supporting documentation
27 from the school district regarding its calculation. If the
28 secretary finds an error or discrepancy in a school district's
29 calculation, the secretary shall require the school district to
30 correct the calculation and require the school district to

1 notify affected charter school entities.

2 (3) [For special education students, the charter school
3 shall receive for each student enrolled the same funding as for
4 each non-special education student as provided in clause (2),
5 plus an additional amount determined by dividing the district of
6 residence's total special education expenditure by the product
7 of multiplying the combined percentage of section 2509.5(k)
8 times the district of residence's total average daily membership
9 for the prior school year. This amount shall be paid by the
10 district of residence of each student.] For special education
11 students, the charter school entity shall receive for each
12 student enrolled the same funding as for each non-special
13 education student as provided under clause (2), plus an
14 additional amount determined by dividing the total special
15 education expenditure of the school district of residence by the
16 product of:

17 (i) the combined percentage of section 2509.5(k) applicable
18 to the school year; and

19 (ii) the total average daily membership of the school
20 district of residence for the prior school year.

21 (3.1) ~~The following apply:~~ PER-STUDENT PAYMENTS TO A CYBER <--
22 CHARTER SCHOOL CALCULATED UNDER CLAUSES (2) AND (3) SHALL BE
23 MADE AS FOLLOWS:

24 (i) The amount under clauses (2) and (3) shall be paid by
25 the school district of residence of each student by deduction
26 and transfer from all State payments due to the school district
27 of residence as provided under clause ~~(5)~~ (5) (II). <--

28 (ii) If a ~~charter school entity~~ CYBER CHARTER SCHOOL <--
29 disputes the accuracy of a school district's calculation under
30 clauses (2) and (3), the ~~charter school entity~~ CYBER CHARTER <--

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

4 (iii) The secretary shall determine the accuracy of the
5 school district's calculation and make any necessary billing
6 adjustment within thirty (30) days of the hearing.

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

9 (v) The school district shall be liable for the reasonable
10 legal fees incurred by a ~~charter school entity~~ CYBER CHARTER <--
11 SCHOOL if the ~~charter school entity~~ CYBER CHARTER SCHOOL is the <--
12 substantially prevailing party after a hearing under this
13 section. The ~~charter school entity~~ CYBER CHARTER SCHOOL shall be <--
14 liable for the reasonable legal fees incurred by the school
15 district if the school district is the substantially prevailing
16 party after a hearing under this section.

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

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

1 or school district shall assist the charter school entity and
2 bill the charter school entity for the services. The
3 intermediate unit may not charge the charter school entity more
4 for any service than it charges the constituent districts of the
5 intermediate unit. Nothing under this clause shall preclude an
6 intermediate unit or school district from contracting with a
7 charter school entity to provide the intermediate unit or school
8 district with services to assist the intermediate unit or school
9 district to address specific needs of non-special education and
10 special education 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 in twelve (12) equal monthly payments, by the
14 fifth day of each month, within the operating school year. A
15 student enrolled in a charter school OR REGIONAL CHARTER SCHOOL <--
16 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 as <--
21 prescribed in this clause, the secretary shall deduct the
22 estimated amount, as documented by the charter school OR <--
23 REGIONAL CHARTER SCHOOL, from any and all State payments made to
24 the district after receipt of documentation from the charter
25 school OR REGIONAL CHARTER SCHOOL. ~~Beginning in the 2015-2016 <--~~
26 ~~school year, the following apply:~~

27 (II) FOR A CYBER CHARTER SCHOOL, THE FOLLOWING SHALL APPLY <--
28 BEGINNING IN THE 2015-2016 SCHOOL YEAR:

29 ~~(i) (A) Payments shall be made to the charter school entity <--~~
30 CYBER CHARTER SCHOOL in twelve (12) equal monthly payments, <--

1 according to the established monthly unipay schedule within the
2 operating school year or any subsequent school year.

3 ~~(ii)~~ (B) Except as provided for in subclause (v), payments <--
4 shall be made directly by the secretary deducting and paying to
5 the ~~charter school entity~~ CYBER CHARTER SCHOOL the estimated <--
6 amount, as documented by the ~~charter school entity~~ CYBER CHARTER <--
7 SCHOOL, from:

8 ~~(A)~~ (I) all State payments due to the school district of <--
9 residence; or

10 ~~(B)~~ (II) if no payments are due to the school district of <--
11 residence, from all State payments reasonably expected to be due
12 in the next established monthly unipay schedule, after receipt
13 of documentation from the ~~charter school entity~~ CYBER CHARTER <--
14 SCHOOL as to its enrollment.

15 ~~(iii)~~ (C) At least thirty (30) days prior to the scheduled <--
16 payment date each month, a ~~charter school entity~~ CYBER CHARTER <--
17 SCHOOL shall provide to the department and to the school
18 district of residence of each student enrolled in the ~~charter~~ <--
19 ~~school entity~~ CYBER CHARTER SCHOOL documentation of the ~~charter~~ <--
20 ~~school entity's~~ CYBER CHARTER SCHOOL'S enrollment, on a form to <--
21 be developed by the secretary within sixty (60) days of the
22 effective date of this section. The form, which shall be
23 developed in consultation with representatives of ~~charter school~~ <--
24 ~~entities~~ CYBER CHARTER SCHOOLS and school districts, shall <--
25 require the ~~charter school entity~~ CYBER CHARTER SCHOOL to <--
26 provide to the department and to the school district of
27 residence of each student enrolled in the ~~charter school entity~~ <--
28 CYBER CHARTER SCHOOL, documentation of each student's current <--
29 enrollment in the ~~charter school entity~~ CYBER CHARTER SCHOOL and <--
30 current residence in the school district, including the

1 following information:

2 ~~(A)~~ (I) Student's name. <--

3 ~~(B)~~ (II) Student's home address. <--

4 ~~(C)~~ (III) Name and telephone number of student's parent or <--
5 guardian.

6 ~~(D)~~ (IV) Student's date of birth. <--

7 ~~(E)~~ (V) Student's grade level. <--

8 ~~(F)~~ (VI) Type of school in which student was previously <--
9 enrolled.

10 ~~(G)~~ (VII) Student's date of enrollment. <--

11 ~~(H)~~ (VIII) Whether each student is being educated under an <--
12 individualized education plan under the Individuals with
13 Disabilities Education Act (Public Law 91-230, 20 U.S.C. § 1400
14 et seq.).

15 ~~(I)~~ (IX) The tuition amount due on account of each student. <--

16 ~~(J)~~ (X) The total amount due from the school district for <--
17 that month.

18 ~~(K)~~ (XI) Copies of the actual documents used by the ~~charter~~ <--
19 ~~school entity~~ CYBER CHARTER SCHOOL to verify each student's <--
20 residence in the school district.

21 The secretary shall not make payments under this section until
22 the ~~charter school entity~~ CYBER CHARTER SCHOOL provides the <--
23 department and the school district of residence with a completed
24 form and accompanying documentation as required under this
25 ~~clause~~ SUBCLAUSE. A ~~charter school entity~~ CYBER CHARTER SCHOOL <--
26 may make only one (1) payment request per month under this
27 ~~clause~~ SUBCLAUSE. After a ~~charter school entity~~ CYBER CHARTER <--
28 SCHOOL makes a payment request under this ~~clause~~ SUBCLAUSE, any <--
29 necessary corrections or adjustments may be made in the next
30 subsequent monthly payment request.

1 ~~(iv)~~ (D) The secretary's obligation to make payments under <--
2 this section is mandatory and ministerial, except that payments
3 made pursuant to this section shall not be given priority over
4 payments required pursuant to sections 633 and 785 and 53
5 Pa.C.S. § 8125(b) (relating to security for tax anticipation
6 notes and sinking fund), PREFERENTIAL CLAIMS UNDER SECTION 1155, <--
7 or an agreement pursuant to which the Commonwealth is required
8 to make payment to a holder of debt issued by or on behalf of a
9 school entity. If payments required under sections 633 and, 785 <--
10 AND 1155 and 53 Pa.C.S. § 8125(b) preclude the timely payment of <--
11 funds to a ~~charter school entity~~ CYBER CHARTER SCHOOL under <--
12 section 1725-A or will cause the board of school directors of a
13 school district to fail to pay or provide for payment under this
14 subsection, nothing shall preclude the secretary from
15 withholding funds from any and all State payments made to the
16 school district for the operating school year or for any
17 subsequent operating school year.

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

25 ~~(vi)~~ (F) A student enrolled in a ~~charter school entity~~ CYBER <--
26 CHARTER SCHOOL shall be included in the average daily membership
27 of the student's school district of residence for the purpose of
28 providing basic education funding payments and special education
29 funding under Article XXV.

30 (6) [Within thirty (30) days after the secretary makes the

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

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

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

23 (iii) The burden of proof and production at the hearing
24 shall be on the school district. A hearing shall not be held
25 before the secretary deducts and transfers to the charter school <--
26 entity the amount estimated by the charter school entity IS PAID <--
27 TO THE CHARTER SCHOOL ENTITY.

28 (iv) The secretary shall determine the accuracy of the
29 amount documented by the charter school entity and make any. ANY <--
30 necessary payment adjustment SHALL BE MADE within thirty (30) <--

1 days of the hearing.

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

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

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

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

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

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

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

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

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

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

12 Section 15. Sections 1728-A and 1729-A(a), (b) and (c) of
13 the act, added June 19, 1997 (P.L.225, No.22), are amended to
14 read:

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

27 (2) Ongoing access to a charter school's or regional charter
28 school's records shall mean that the local board of school
29 directors shall have access to records such as financial
30 reports, financial audits, aggregate standardized test scores

1 without student-identifying information and teacher
2 certification and personnel records.

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

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

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

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

1 conducted by a qualified independent certified public
2 accountant. The audit shall be conducted under generally
3 accepted audit standards of the Governmental Accounting
4 Standards Board and shall include the following:

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

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

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

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

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

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

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

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

1 charter school or regional charter school, on the school
2 district's publicly accessible Internet website.

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

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

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

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

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

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

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

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

1 fiscal year.

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

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

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

12 (2) Failure to meet the requirements for student performance
13 [set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or
14 subsequent regulations promulgated to replace 22 Pa. Code Ch. 5]
15 ~~on assessments~~ AS MEASURED BY THE ACADEMIC PERFORMANCE MATRIX or <--
16 failure to meet any performance standard set forth in the
17 written charter signed pursuant to section [1716-A] 1720-A.

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

20 (4) Violation of provisions of this article.

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

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

25 * * *

26 (b) [A member of the board of trustees who is convicted of a
27 felony or any crime involving moral turpitude shall be
28 immediately disqualified from serving on the board of trustees.]

29 If, after a hearing under this section, a local board of school
30 directors or, in the case of a cyber charter school, the

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

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

1 meetings) after the public has had thirty (30) days to provide
2 comments to the board. All proceedings of the local board
3 pursuant to this subsection shall be subject to 2 Pa.C.S. Ch. 5
4 Subch. B (relating to practice and procedure of local agencies).
5 Except as provided in subsection (d), the decision of the local
6 board shall not be subject to 2 Pa.C.S. Ch. 7 Subch. B (relating
7 to judicial review of local agency action).

8 * * *

9 Section 16. The act is amended by adding sections to read:

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

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

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

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

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

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

1 (a) Establishment shall be as follows:

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

6 (i) The department approves the consolidation as proposed in
7 the application form submitted to the department pursuant to
8 subsection (c). If the department does not approve the proposed
9 consolidation within forty-five (45) days after receipt of the
10 application, the department will be deemed to have approved the
11 consolidation.

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

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

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

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

30 (3) Nothing under this section shall be construed to affect

1 or change the terms or conditions of any individual charter
2 previously granted that is consolidated under this section-, <--
3 INCLUDING, BUT NOT LIMITED TO, ANY OBLIGATION OF A SCHOOL
4 DISTRICT TO PROVIDE TRANSPORTATION FOR STUDENTS ENROLLED IN AN
5 INDIVIDUAL CHARTER SCHOOL WITHIN A MULTIPLE CHARTER SCHOOL
6 ORGANIZATION.

7 (b) A charter school that, within either of the most recent
8 two (2) school years, has failed to meet any of the following
9 shall not be eligible to consolidate with another charter
10 school:

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

13 (2) Accepted standards of fiscal management or audit
14 requirements.

15 (3) Performance standards set forth by the performance
16 matrix established under section 1731.2-A or, prior to the
17 effective date of the regulations implementing the performance
18 matrix, a School Performance Profile score of at least ~~80.0~~ <--
19 75.0; Provided, that a charter school that has failed to meet <--
20 any of these requirements may consolidate if the consolidation
21 includes a charter school demonstrating that it has satisfied
22 such requirements for the most recent two (2) school years.

23 (c) The State board, in consultation with the department, <--
24 DEPARTMENT shall develop and issue a standard application form <--
25 that multiple charter school organization applicants must submit
26 to the department and to the local board of school directors of
27 each school district that granted the initial charter of any
28 charter school included in the proposed consolidation. The
29 application form shall contain the following information:

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

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

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

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

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

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

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

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

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

25 (d) A multiple charter school organization may:

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

1 the same manner in which data is gathered in the case of school
2 districts and individual schools within school districts.
3 Nothing in this paragraph shall alter the manner in which
4 charter school performance on assessments is measured as
5 required under the No Child Left Behind Act of 2001 (Public Law
6 107-110, 115 Stat. 1425), or its successor Federal statute.

7 (2) Add existing charter schools to its organization by
8 obtaining the approval of the department and of the school
9 district that granted the initial charter of each charter school
10 proposed to be added under subsection (a) (1).

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

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

26 (f) Appeals shall be as follows:

27 (1) The appeal board shall have the exclusive review of an
28 appeal by an applicant for consolidation, with respect to the
29 rejection of a proposed consolidation by either the department
30 or a school district.

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

3 (i) Review the decision made by either the department or the
4 school district on the record as certified by the entity that
5 made the decision being appealed, provided that the appeal board
6 may allow the department, a school district or the applicant for
7 consolidation to supplement the record if the supplemental
8 information was previously unavailable.

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

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

14 (iv) Make its decision based on whether the proposed
15 consolidation satisfies the requirements of subsections (b) and
16 (c).

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

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

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

29 Section 1731.1-A. Fund Balance Limits.--Fund balance limits
30 shall be as follows:

1 (1) For the 2015-2016 school year and each school year
 2 thereafter, a charter school entity shall not accumulate an
 3 unassigned fund balance greater than the charter school entity
 4 unassigned fund balance limit, which will be determined as
 5 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>Total Budgeted Expenditures</u>	
<u>Less than or equal to \$11,999,999</u>	<u>12% 16%</u>	<--
<u>Between \$12,000,000 and \$12,999,999</u>	<u>11.5% 15.5%</u>	<--
<u>Between \$13,000,000 and \$13,999,999</u>	<u>11% 15%</u>	<--
<u>Between \$14,000,000 and \$14,999,999</u>	<u>10.5% 14.5%</u>	<--
<u>Between \$15,000,000 and \$15,999,999</u>	<u>10% 14%</u>	<--
<u>Between \$16,000,000 and \$16,999,999</u>	<u>9.5% 13.5%</u>	<--
<u>Between \$17,000,000 and \$17,999,999</u>	<u>9% 13%</u>	<--
<u>Between \$18,000,000 and \$18,999,999</u>	<u>8.5% 12.5%</u>	<--
<u>Greater Than or Equal to \$19,000,000</u>	<u>8% 12%</u>	<--

18 (2) For the 2015-2016 school year and each school year
 19 thereafter, any unassigned fund balance in place on June 30,
 20 2016, and on June 30 of each year thereafter in excess of the
 21 charter school entity unassigned fund balance limit shall be
 22 refunded on a pro rata basis within ninety (90) days to all
 23 school districts that paid tuition to the charter school entity
 24 in the prior school year, based upon the number of students for
 25 whom each school district paid tuition to the charter school
 26 entity multiplied by the school district's per student payment
 27 under section 1725-A.

28 (3) By September 30, 2016, and by September 30 of each year
 29 thereafter, each charter school entity shall provide the
 30 department and all school districts that paid tuition to the

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

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

24 (5) As used in this section, "unassigned fund balance" shall
25 mean that portion of the fund balance of a charter school entity
26 that provides funding or resources or otherwise serves to
27 support the charter school entity that is:

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

30 (ii) held in the General Fund accounts of the charter school

1 entity.

2 Section 1731.2-A. Performance Matrix.--The following shall
3 apply:

4 (1) Within eighteen (18) months of the effective date of
5 this section, the State board shall develop a standard
6 performance matrix to evaluate charter school entity performance
7 and shall promulgate regulations pursuant to the act of June 25,
8 1982 (P.L.633, No.181), known as the "Regulatory Review Act," to
9 implement this section.

10 (2) The performance matrix ~~may~~ SHALL assess performance by <--
11 utilizing objective criteria, including, but not limited to:
12 student performance on assessments; annual growth as measured by
13 the Pennsylvania Value-Added Assessment System; attendance;
14 attrition rates; graduation rates; other standardized test
15 scores; school safety; parent satisfaction; accreditation by a
16 nationally recognized accreditation agency, including the Middle
17 States Association of Colleges and Schools or another regional
18 institutional accrediting agency recognized by the United States
19 Department of Education or an equivalent federally recognized
20 body for charter school education; and other measures of school
21 quality, including measures for assessing teacher effectiveness.

22 (3) In developing the performance matrix, the State board
23 shall determine an academic quality benchmark the satisfaction
24 of which shall qualify a charter school entity for a ten (10)
25 year renewal term pursuant to section 1720-A(a) (2) or 1745-A(f)
26 (3). The academic quality benchmark shall be included in the
27 regulations required under clause (1).

28 (4) In developing the performance matrix, the State board
29 may:

30 (i) Contract for consulting services with an entity that has

1 experience in developing performance matrices if the services
2 are procured through a competitive bidding process.

3 (ii) To the extent possible, utilize an existing database
4 developed by the department, including the School Performance
5 Profile.

6 (5) Neither the department nor any local board of school
7 directors or other school district governing authority may
8 develop a separate performance matrix for the evaluation of a
9 charter school entity.

10 (6) (i) A local board of school directors or other school
11 district governing authority shall utilize the standard
12 performance matrix as a primary factor in evaluating new and
13 renewal charter school and regional charter school applicants
14 and in annual monitoring and evaluation of charter schools and
15 regional charter schools.

16 (ii) The department shall utilize the standard performance
17 matrix as a primary factor in evaluating new and renewal cyber
18 charter school applicants, in evaluating consolidation
19 applications under section 1729.2-A and in annual monitoring and
20 evaluation of cyber charter schools.

21 (7) (i) In developing the performance matrix and
22 promulgating the regulations required under clause (1), the
23 State board shall convene and consult with a Statewide advisory
24 committee which shall consist of representatives of the
25 department and a minimum of seven (7) representatives from
26 charter schools, regional charter schools, cyber charter schools
27 and school district personnel. Members of the committee shall be
28 selected to be representative of the urban, rural and suburban
29 areas of this Commonwealth.

30 (ii) The Statewide advisory committee required to be

1 convened under subparagraph (i) shall be convened not later than
2 thirty (30) days after the effective date of this section and
3 shall meet regularly to fulfill requirements of this paragraph.

4 (8) The department shall distribute the performance matrix
5 to all school districts and shall publish the matrix on the
6 department's publicly accessible Internet website.

7 Section 17. Section 1732-A of the act, amended or added June
8 19, 1997 (P.L.225, No.22), and June 29, 2002 (P.L.524, No.88),
9 is amended to read:

10 Section 1732-A. Provisions Applicable to Charter Schools and
11 Regional Charter Schools.--(a) Charter schools and regional
12 charter schools shall be subject to the following:

13 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431, 436,
14 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753,
15 [755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a),
16 1205.1, 1205.2, 1205.3, 1205.4, 1205.5, 1301, 1302, 1303, 1310,
17 1317, 1317.1, 1317.2, 1317.3, 1318, 1327, 1330, 1332, 1333,
18 1303-A, 1513, 1517, 1518, 1521, 1523, 1531, 1547, 2014-A,
19 Article XIII-A and Article XIV.

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

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

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

28 (5) Section 4 of the act of January 25, 1966 (1965 P.L.1546,
29 No.541), entitled "An act providing scholarships and providing
30 funds to secure Federal funds for qualified students of the

1 Commonwealth of Pennsylvania who need financial assistance to
2 attend postsecondary institutions of higher learning, making an
3 appropriation, and providing for the administration of this
4 act."

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

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

11 (8) 65 Pa.C.S. Ch. 7 (relating to open meetings).

12 (9) 65 Pa.C.S. Ch. 11 (relating to ethics standards and
13 financial disclosure).

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

16 [Section 5.216 (relating to ESOL).

17 Section 5.4 (relating to general policies).]

18 (1) Chapter 4 (relating to academic standards and
19 assessments).

20 (2) Chapter 11 (relating to pupil attendance).

21 (3) Chapter 12 (relating to students).

22 (4) Section 32.3 (relating to assurances).

23 (5) Section 121.3 (relating to discrimination prohibited).

24 (6) Section 235.4 (relating to practices).

25 (7) Section 235.8 (relating to civil rights).

26 (8) Chapter 711 (relating to charter school services and
27 programs for children with disabilities).

28 (c) (1) The secretary may promulgate additional regulations
29 relating to charter schools and regional charter schools.

30 (2) The secretary shall have the authority and the

1 responsibility to ensure that charter schools and regional
2 charter schools comply with Federal laws and regulations
3 governing children with disabilities. The secretary shall
4 promulgate regulations to implement this provision.

5 Section 18. The act is amended by adding a section to read:

6 Section 1733-A. Effect on Existing Charter School

7 Entities.--(a) Within one (1) year of the effective date of
8 this section, a charter school entity established under section
9 1717-A, 1718-A or 1745-A prior to the effective date of this
10 section shall amend its current charter through the amendment
11 process under section 1720-A(c) or 1745-A(f) (5) as needed to
12 reflect the requirements of this article. Any renewal that takes
13 effect after June 30, 2015, shall be for the term specified
14 under section 1720-A(a) (2) or 1745-A(f) (3).

15 (b) A charter school entity approved after the effective
16 date of this section shall be in full compliance with this
17 article.

18 (c) Within ~~sixty (60)~~ NINETY (90) days of the effective date <--
19 of this section, each charter school entity shall demonstrate,
20 to the satisfaction of the local board of school directors or,
21 in the case of a cyber charter school, to the satisfaction of
22 the department, that the charter school entity is in compliance
23 with sections 1332 and 1333, including the institution of
24 truancy proceedings when required under section 1333.

25 Section 19. Sections 1741-A(c) and 1742-A of the act, added
26 June 29, 2002 (P.L.524, No.88), are amended to read:

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

28 * * *

29 (c) Documents.--Documents of the appeal board shall be
30 subject to the act of [June 21, 1957 (P.L.390, No.212), referred

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

3 Section 1742-A. Assessment and evaluation.

4 (a) The department shall:

5 (1) Annually assess whether each cyber charter school is
6 meeting the goals of its charter and is in compliance with
7 the provisions of the charter and conduct a comprehensive
8 review prior to granting a [five-year] renewal of the charter
9 for the period specified in section 1745-A(f)(3).

10 (2) Annually review each cyber charter school's
11 performance on [the Pennsylvania System of School Assessment
12 test, standardized tests and other performance indicators to
13 ensure compliance with 22 Pa. Code Ch. 4 (relating to
14 academic standards and assessment) or subsequent regulations
15 promulgated to replace 22 Pa. Code Ch. 4] assessments.

16 (3) Have ongoing access to all records, instructional
17 materials and student and staff records of each cyber charter
18 school and to every cyber charter school facility to ensure
19 the cyber charter school is in compliance with its charter
20 and this subdivision.

21 (b) School districts, intermediate units, community colleges
22 and State system institutions shall provide a cyber charter
23 school with reasonable access to its facilities for the
24 administration of standardized testing as follows:

25 (1) A cyber charter school shall provide an intermediate
26 unit, school district, community college or State system
27 institution with at least 60 days' notice of the need for
28 facilities to be used for the administration of standardized
29 tests.

30 (2) Within 30 days of the cyber charter school's

1 request, the intermediate unit, school district, community
2 college or State system institution shall notify the cyber
3 charter school of the location of the facilities that will be
4 provided, which shall be a quiet, separate location in which
5 cyber charter school students will not be commingled with
6 students of the intermediate unit, school district, community
7 college or State system institution.

8 (3) An intermediate unit, school district of residence,
9 community college or State system institution shall not be
10 required to make facilities available to a cyber charter
11 school on dates and times that may cause undue interference
12 with the educational programs of the intermediate unit,
13 school district, community college or State System
14 institution.

15 (4) Any facilities rental fee charged to the cyber
16 charter school and the payment thereof shall be in compliance
17 with the facility rental policy of the intermediate unit,
18 school district, community college or State system
19 institution that applies generally to all organizations and
20 community groups.

21 Section 20. Section 1743-A(e) of the act, added June 29,
22 2002 (P.L.524, No.88), is amended to read:

23 Section 1743-A. Cyber charter school requirements and
24 prohibitions.

25 * * *

26 (e) Students.--For each student enrolled, a cyber charter
27 school shall:

28 (1) provide all instructional materials, which may
29 include electronic or digital books in place of textbooks;

30 (2) provide all equipment, including, but not limited

1 to, a computer, computer monitor and printer; provided, that
2 a parent or guardian of more than one child who is enrolled
3 in the same cyber charter school may elect not to receive a
4 separate computer, computer monitor and printer for each
5 enrolled child; and

6 (3) provide or reimburse for all technology and services
7 necessary for the on-line delivery of the curriculum and
8 instruction.

9 The Commonwealth shall not be liable for any reimbursement owed
10 to students, parents or guardians by a cyber charter school
11 under paragraph (3).

12 * * *

13 Section 21. Sections 1744-A, 1745-A and 1749-A(a) and (c) of
14 the act, added June 29, 2002 (P.L.524, No.88), are amended to
15 read:

16 Section 1744-A. School district and intermediate unit
17 responsibilities.

18 An intermediate unit or a school district in which a student
19 enrolled in a cyber charter school resides shall do all of the
20 following:

21 (1) Provide the cyber charter school within ten days of
22 receipt of the notice of the admission of the student under
23 section 1748-A(a) with all records relating to the student,
24 including transcripts, test scores and a copy of any
25 individualized education program for that student.

26 [(2) Provide the cyber charter school with reasonable
27 access to its facilities for the administration of
28 standardized tests required under this subdivision.]

29 (3) Upon request, provide assistance to the cyber
30 charter school in the delivery of services to a student with

1 disabilities. The school district or intermediate unit shall
2 not charge the cyber charter school more for a service than
3 it charges a school district.

4 (4) Make payments to the cyber charter school under
5 section 1725-A.

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

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

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

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

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

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

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

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

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

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

19 (f) Evaluation criteria.--

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

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

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

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

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

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

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

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

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

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

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

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

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

6 (A) For cyber charter schools that have
7 satisfied the academic quality benchmark established
8 by the State board pursuant to section 1731.2-A, a
9 charter may be renewed for ten-year periods upon
10 reauthorization by the department-; PROVIDED THAT, <--
11 BEGINNING IN THE SIXTH YEAR OF ANY TEN-YEAR PERIOD OF
12 RENEWAL UNDER THIS SUBCLAUSE, THE CHARTER OF ANY
13 CYBER CHARTER SCHOOL THAT FAILS FOR TWO CONSECUTIVE
14 YEARS TO SATISFY THE ACADEMIC QUALITY BENCHMARK
15 ESTABLISHED BY THE STATE BOARD UNDER SECTION 1731.2-A
16 SHALL BE SUBJECT TO REVIEW BY THE DEPARTMENT.

17 (B) For cyber charter schools that have not
18 satisfied the academic quality benchmark established
19 by the State board pursuant to section 1731.2-A, a
20 charter may be renewed for five-year periods upon
21 reauthorization by the department.

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

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

28 (ii) Within ~~twenty (20)~~ 35 days of its receipt of <--
29 the request for an amendment, the department shall hold a
30 public hearing on the requested amendment under 65

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

2 (iii) Within ~~twenty (20)~~ 35 days after the hearing, <--
3 the department shall grant or deny the requested
4 amendment. Failure by the department to hold a public
5 hearing and to grant or deny the amendment within the
6 time period specified shall be deemed an approval.

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

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

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

20 Section 1749-A. Applicability of other provisions of this act
21 and of other acts and regulations.

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

24 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431,
25 436, 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741,
26 752, 753, [755,] 771, 776, 777, 808, 809, 810, 1109, 1111,
27 1112(a), 1205.1, 1205.2, 1205.3, 1205.5, 1301, 1302, 1303,
28 1310, 1317, 1317.2, 1318, 1327, 1330, 1332, 1333, 1303-A,
29 1513, 1517, 1518, 1521, 1523, 1525, 1531, 1547, 1602-B, 1613-
30 B, 1702-A, 1703-A, 1704-A, 1714-A, 1715-A, 1716-A, 1716.1-A,

1 1719-A, 1721-A, 1722-A, [1723-A(a) and (b)] 1723-A(a), (b)
2 and (d), 1724-A, 1725-A, 1727-A, 1728-A(d), (e), (f), (g) and
3 (h), 1729-A, 1729.1-A, 1730-A, 1731-A(a) (1) and (b), 1731.1-
4 A, 1731.2-A, 1733-A and 2014-A and Articles [XII-A,] XIII-A
5 and XIV.

6 (1.1) Act of July 19, 1957 (P.L.1017, No.451), known as
7 the State Adverse Interest Act.

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

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

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

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

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

28 (7) 65 Pa.C.S. Ch. 7 (relating to open meetings).

29 (8) 65 Pa.C.S. Ch. 11 (relating to ethics standards and
30 financial disclosure).

1 * * *

2 (c) Existing charter schools.--

3 (1) The charter of a charter school approved under
4 section 1717-A or 1718-A which provides instruction through
5 the Internet or other electronic means shall remain in effect
6 for the duration of the charter and shall be subject to the
7 provisions of Subdivision (b).

8 (2) In addition to subsections (a) and (b), the
9 following provisions of this subdivision shall apply to a
10 charter school approved under section 1717-A or 1718-A which
11 provides instruction through the Internet or other electronic
12 means:

13 (i) Section 1743-A(c), (d), (e), (f), (g), (h) and
14 (i).

15 (ii) Section 1744-A.

16 (iii) Section 1748-A.

17 ~~Section 22. The addition of section 1725 A(a) (2) (ii) (B) (II) <--~~
18 ~~shall expire at the end of the 2016-2017 school year.~~

19 Section 23 22. This act shall take effect as follows: <--

20 (1) The amendment or addition of the following
21 provisions of the act shall take effect immediately:

22 (i) Section 1704-A.

23 ~~(ii) Section 1725 A(a) (1), (2), (2.1), (3) and (4), <--~~
24 ~~(b), (c), (d), (e) and (f).~~

25 (II) SECTION 1725-A. <--

26 (iii) Sections 1731.1-A.

27 (iv) Section 1731.2-A.

28 (v) Section 1732-A.

29 (vi) Section 1749-A.

30 ~~(2) The amendment of section 1725 A(a) (5) and (6) of the <--~~

1 ~~act shall take effect in 90 days.~~

2 ~~(3)~~ (2) This section shall take effect immediately. <--

3 ~~(4)~~ (3) The remainder of this act shall take effect in <--

4 60 days.