
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1328 Session of
2015

INTRODUCED BY ROEBUCK, DERMODY, FRANKEL, STURLA, MURT, KIM,
LONGIETTI, McCARTER, MULLERY, O'BRIEN, SCHREIBER, C. PARKER,
COHEN, PASHINSKI, DEAN, KORTZ, ACOSTA, KINSEY, SCHLOSSBERG,
GAINNEY, ROZZI AND BARBIN, JUNE 11, 2015

REFERRED TO COMMITTEE ON EDUCATION, JUNE 11, 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 professional employees, further
6 providing for rating system; in pupils and attendance,
7 providing for transfer of records to another school entity or
8 nonpublic school; in terms and courses of study, further
9 providing for agreements with institutions of higher
10 education; in opportunities for educational excellence,
11 further providing for definitions and for concurrent
12 enrollment agreements; extensively revising and adding
13 charter school provisions; and, in reimbursements by
14 Commonwealth and between school districts, further providing
15 for approved reimbursable annual rentals.

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

18 Section 1. Section 1123(e), (i), (n) and (o)(2) of the act
19 of March 10, 1949 (P.L.30, No.14), known as the Public School
20 Code of 1949, amended June 30, 2012 (P.L.684, No.82), are
21 amended to read:

22 Section 1123. Rating System.--* * *

23 (e) Notwithstanding subsections (b), (c) and (d),

1 professional employes and temporary professional employes
2 serving as classroom teachers, principals and nonteaching
3 professional employes may be evaluated through the use of a
4 rating tool developed by an individual school district,
5 intermediate unit [or], area vocational-technical school,
6 charter school or cyber charter school that the department has
7 approved as meeting or exceeding the measures of effectiveness
8 established under this section.

9 * * *

10 (i) All school districts, intermediate units [and], area
11 vocational-technical schools, charter schools and cyber charter
12 schools shall provide to the department the aggregate results of
13 all professional employe and temporary professional employe,
14 principal and nonteaching professional employe evaluations.

15 * * *

16 (n) The requirements of this section shall apply to all
17 school districts, intermediate units [and], area vocational-
18 technical schools, charter schools and cyber charter schools.

19 (o) For purposes of this section:

20 * * *

21 (2) The term "chief school administrator" shall include
22 individuals who are employed as a school district
23 superintendent, an executive director of an intermediate unit
24 [or], a chief school administrator of an area vocational-
25 technical school and a charter school or cyber charter school
26 chief executive officer.

27 * * *

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

29 Section 1313.1. Transfer of Records to Another School Entity
30 or Nonpublic School.--(a) Whenever a student transfers to

1 another school entity or nonpublic school within this
2 Commonwealth, a certified copy of the student's attendance
3 record shall be transmitted to the school entity or nonpublic
4 school to which the student has transferred. The school entity
5 or nonpublic school to which the student has transferred shall
6 request the record. The sending school entity or nonpublic
7 school shall have ten (10) days from the receipt of the request
8 to supply a certified copy of the student's attendance record.

9 (b) In the case of a student transferring during the course
10 of a school term, the student's unexcused absences shall be
11 included in the student's attendance record at the school entity
12 or nonpublic school to which the student has transferred for
13 that school term.

14 (c) For purposes of this section, the term "school entity"
15 shall mean a public school district, charter school, cyber
16 charter school, regional charter school, intermediate unit or
17 area vocational-technical school.

18 Section 3. Section 1525 of the act, added July 4, 2004
19 (P.L.536, No.70), is amended to read:

20 Section 1525. Agreements with Institutions of Higher
21 Education.--Notwithstanding any other provision of law to the
22 contrary, a school district, charter school, regional charter
23 school, cyber charter school or area vocational-technical school
24 may enter into an agreement with one or more institutions of
25 higher education approved to operate in this Commonwealth in
26 order to allow [resident] students to attend such institutions
27 of higher education while the [resident] students are enrolled
28 in the school district, charter school, regional charter school,
29 cyber charter school or area vocational-technical school. The
30 agreement may be structured so that high school students may

1 receive credits toward completion of courses at the school
2 district, charter school, regional charter school, cyber charter
3 school or area vocational-technical school and at institutions
4 of higher education approved to operate in this Commonwealth.

5 Section 4. The definitions of "concurrent student" and
6 "school entity" in section 1602-B of the act, added July 13,
7 2005 (P.L.226, No.46), are amended to read:

8 Section 1602-B. Definitions.

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

12 * * *

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

19 * * *

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

23 * * *

24 Section 5. Section 1613-B of the act is amended by adding a
25 subsection to read:

26 Section 1613-B. Concurrent enrollment agreements.

27 * * *

28 (c) Charter schools, regional charter schools and cyber
29 charter schools.--Charter schools, regional charter schools and
30 cyber charter schools shall have the power and authority to

1 enter into a concurrent enrollment agreement with an institution
2 of higher education, and appropriate credit shall be awarded to
3 students concurrently enrolled under the agreement.

4 Section 6. Section 1703-A of the act, amended June 29, 2002
5 (P.L.524, No.88), is amended to read:

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

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

18 "Assessment" shall mean the Pennsylvania System of School
19 Assessment test, the Keystone Exam or another test established
20 by the State board to meet the requirements of section 2603-
21 B(d)(10)(i) and required under the No Child Left Behind Act of
22 2001 (Public Law 107-110, 115 Stat. 1425) or its successor
23 Federal statute.

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

28 "Charter school" shall mean an independent public school
29 established and operated under a charter from the local board of
30 school directors and in which students are enrolled or attend. A

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

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

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

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

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

20 "Community college" shall mean a community college
21 established under Article XIX-A.

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

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

3 "Educational management service provider" shall mean:

4 (1) Any of the following:

5 (i) A for-profit or nonprofit education management
6 organization.

7 (ii) A school design provider.

8 (iii) An administrative or executive of an organization
9 under subclause (i), including the organization's chief
10 executive officer, business manager or an entity with which a
11 board of trustees of a charter school entity contracts to
12 provide educational design, business services, comprehensive
13 management or personnel functions or to implement a charter.

14 (2) The term does not include a charter school foundation.

15 "Financial relationship" shall mean a formal or informal
16 arrangement under which a charter school entity is obligated to
17 make payment or does make payment to an individual, group of
18 individuals or an entity.

19 "Founder" shall mean an individual or entity that has
20 established a charter school under section 1717-A, including:

21 (1) one or more teachers who will teach at the proposed
22 charter school;

23 (2) a parent or guardian of a student who will attend the
24 charter school; and

25 (3) a nonsectarian corporation not for profit.

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

28 "Local board of school directors" shall mean the board of
29 directors, School Reform Commission or other governing authority
30 of a school district in which a proposed or an approved charter

1 school is located.

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

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

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

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

17 "School performance profile" shall mean the Pennsylvania
18 School Performance Profile developed by the department under
19 section 1123.

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

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

24 "State System institution" shall mean a member institution of
25 the State System of Higher Education established under Article
26 XX-A.

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

28 Section 1704-A. Charter School Funding Advisory
29 Commission.--(1) The Governor shall immediately convene a
30 Statewide advisory commission, to be known as the Charter School

1 Funding Advisory Commission, to examine the financing of charter
2 schools in the public education system and related issues. The
3 commission shall examine how a charter school's finances affect
4 opportunities for teachers, parents, pupils and community
5 members to establish and maintain schools that operate
6 independently from the existing school district structure as a
7 method to accomplish the requirements of section 1702-A. The
8 commission shall examine how the financing of charter schools
9 affects the finances of existing school districts and
10 educational opportunities for students in existing school
11 districts. The commission shall receive input and gather
12 information on charter school funding reimbursements regarding
13 eligible students. The Office of the Budget and the department
14 shall provide administrative support, meeting space and any
15 other assistance required by the commission to carry out its
16 duties under this section.

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

18 (i) Four members of the Senate appointed by the President
19 pro tempore of the Senate, in consultation with the Majority
20 Leader of the Senate and the Minority Leader of the Senate, with
21 two appointees from the majority party and two appointees from
22 the minority party.

23 (ii) Four members of the House of Representatives appointed
24 by the Speaker of the House of Representatives, in consultation
25 with the Majority Leader of the House of Representatives and the
26 Minority Leader of the House of Representatives, with two
27 appointees from the majority party and two appointees from the
28 minority party.

29 (iii) The secretary or a designee.

30 (iv) To represent the interests of charter schools, the

1 following members, who shall be appointed by the Governor:

2 (A) Two members who shall represent charter schools.

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

4 (C) One member who shall be a teacher in a charter school.

5 (D) One member who shall be a parent of a child attending a
6 charter school.

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

9 (A) One member who shall be a teacher in a public school
10 that is not a charter school entity.

11 (B) One member who shall represent school administrators.

12 (C) Two members who shall represent school board members.

13 (D) One member who shall be a business manager of a school
14 district.

15 (3) Members of the commission shall be appointed within
16 twenty (20) days of the effective date of this section. Any
17 vacancy on the commission shall be filled by the original
18 appointing authority. The commission shall select a chairman and
19 vice chairman from among its membership at an organizational
20 meeting. The organizational meeting shall take place not later
21 than forty-five (45) days following the effective date of this
22 section.

23 (4) The commission shall hold meetings at the call of the
24 chairman. The commission may also hold public hearings on the
25 matters to be considered by the commission at locations
26 throughout this Commonwealth. All meetings and public hearings
27 of the commission shall be deemed public meetings for the
28 purpose of 65 Pa.C.S. Ch. 7 (relating to open meetings). Ten
29 (10) members of the commission shall constitute a quorum at any
30 meeting. Each member of the commission may designate another

1 person to represent that member at meetings of the commission.

2 (5) Commission members shall receive no compensation for
3 their services but shall be reimbursed by the department for all
4 necessary travel and other reasonable expenses incurred in
5 connection with the performance of their duties as members.

6 Whenever possible, the commission shall utilize the services and
7 expertise of existing personnel and staff of State government.

8 The department may utilize undistributed funds not expended,
9 encumbered or committed from appropriations for grants and
10 subsidies made to the department, not to exceed three hundred
11 thousand dollars (\$300,000), to carry out this section.

12 (6) The commission shall have the following powers and
13 duties:

14 (i) Meet with current charter school operators and school
15 district personnel.

16 (ii) Meet with public education organizations, including all
17 of the following:

18 (A) The Pennsylvania School Boards Association.

19 (B) The Pennsylvania Association of School Business
20 Officials.

21 (C) The Pennsylvania State Education Association.

22 (D) The American Federation of Teachers - Pennsylvania.

23 (iii) Review charter school financing laws in operation
24 throughout the United States.

25 (iv) Determine the per-pupil cost of charter schools in
26 terms of the instructional expenditures, student services
27 expenditures, special education expenditures and administrative
28 expenditures based on these expenditures in existing charter
29 schools in this Commonwealth and in other states and on existing
30 research on the costs of providing an adequate education to

1 students enrolled in charter schools.

2 (v) Review the process by which charter schools are funded
3 under section 1725-A, including a review of the budget
4 expenditures of a school district that should be excluded from
5 funding that a school district shall provide to a charter school
6 for a student enrolling in a charter school.

7 (vi) Evaluate and make recommendations on the following:

8 (A) Powers and duties extended to charter schools as the
9 powers and duties relate to financing.

10 (B) Funding formulas for charter schools, including
11 reimbursement procedures and funding under the Elementary and
12 Secondary Education Act of 1965 (Public Law 89-10, 20 U.S.C. §
13 6301 et seq.).

14 (C) The process by which charter schools are funded under
15 section 1725-A, including what budget expenditures of a school
16 district should be excluded from the funding that a school
17 district provides to a charter school entity for a student
18 enrolling in a charter school entity.

19 (D) Appropriate funding for charter school entity
20 facilities.

21 (E) A process by which the performance matrix established
22 under section 1731.2-A may compare the academic performance of
23 each charter school entity with the academic performance of the
24 school district of residence of each student enrolled in the
25 charter school entity.

26 (F) Student residency as it relates to funding.

27 (G) Special education funding reimbursements and other
28 special program funding.

29 (H) Charter school entity transportation.

30 (I) Charter school entity eligibility to receive grants and

1 funding.

2 (vii) Issue a report pursuant to clause (7).

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

19 Section 8. Section 1714-A(a) introductory paragraph and (5)
20 of the act, amended July 4, 2004 (P.L.536, No.70), are amended
21 to read:

22 Section 1714-A. Powers of Charter Schools.--(a) A charter
23 school entity established under this act is a body corporate and
24 shall have all powers necessary or desirable for carrying out
25 its charter, including, but not limited to, the power to:

26 * * *

27 (5) Make contracts and leases for the procurement of
28 services, equipment and supplies[.], subject to the following:

29 (i) No contract or lease entered into by a charter school
30 entity for an amount greater than one hundred dollars (\$100) may

1 provide for a payment in excess of the fair market value of the
2 services, equipment, supplies or other property being acquired
3 or leased.

4 (ii) A charter school entity may not enter into or continue
5 operating under a contract for management, operations or
6 educational services that involve the charter school entity
7 providing a percentage of the charter school entity's revenues
8 to the educational service provider.

9 (iii) No contract entered into by a charter school entity
10 shall have a term that extends beyond the charter school
11 entity's existing charter agreement with a local school board or
12 the department.

13 * * *

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

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

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

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

1 and implemented by each school.

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

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

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

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

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

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

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

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

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

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

29 (8) A charter school entity shall participate in [the
30 Pennsylvania State Assessment System as provided for in 22 Pa.

1 Code Ch. 5 (relating to curriculum), or subsequent regulations
2 promulgated to replace 22 Pa. Code Ch. 5,] assessments in the
3 manner in which the school district in which the charter school
4 entity is located is scheduled to participate.

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

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

16 (i) The following provisions of this act:

17 (A) Sections 751 and 751.1.

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

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

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

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

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

29 (11) Trustees of a charter school entity shall be public
30 officials[.] for the purposes of 65 Pa.C.S. Ch. 11 (relating to

1 ethics standards and financial disclosure) and shall file a
2 statement of financial interests for the preceding calendar year
3 with the State Ethics Commission and either the local board of
4 school directors in the case of a charter school or regional
5 charter school, or the department in the case of a cyber charter
6 school, not later than May 1 of each year that members hold the
7 position and of the year after a member leaves the position. All
8 members of the board of trustees of a charter school entity
9 shall take the oath of office as required under section 321
10 before entering upon the duties of their office.

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

25 (13) The board of trustees of a charter school entity must
26 record in written format the minutes of each meeting of the
27 board at which any business of the charter school entity is
28 considered or transacted. All meeting minutes must be maintained
29 by a charter school entity for at least seven (7) years.

30 (14) The board minutes of the trustees of a charter school

1 entity must reflect the board's approval or disapproval of all
2 contracts, agreements and obligations in excess of one hundred
3 dollars (\$100), including how each member voted on the contract,
4 agreement or obligation.

5 (15) The board minutes of the trustees of a charter school
6 entity must reflect the board's approval of an annual budget,
7 including how each member voted on the budget.

8 (16) An individual who is a trustee of a charter school
9 entity shall not serve as a trustee at any other charter school
10 entity.

11 (17) An individual who is a trustee of a charter school
12 entity shall not serve as an employe of any other charter school
13 entity.

14 (18) An individual who is a trustee of a charter school
15 entity shall not have a financial relationship with an entity
16 with which the charter school entity transacts any business,
17 including educational service providers.

18 (19) Members of the board of trustees and administrators of
19 a charter school entity shall be deemed to be public officials
20 and subject to the provisions of 65 Pa.C.S. Chs. 7 (relating to
21 open meetings) and 11 (relating to ethics standards and
22 financial disclosure).

23 (20) Members of the board of trustees and administrators of
24 a charter school entity shall be subject to the following
25 statutory requirements:

26 (i) The act of July 19, 1957 (P.L.1017, No.451), known as
27 the "State Adverse Interest Act."

28 (ii) The act of February 14, 2008 (P.L.6, No.3), known as
29 the "Right-to-Know Law."

30 (21) Notwithstanding section 322, an administrator,

1 supervisor, principal, teacher or employe of a charter school
2 entity shall not serve on a local school board which granted or
3 renewed its charter. This clause shall not prevent any
4 administrator, supervisor, teacher or employe of any charter
5 school entity from being a school director in a district other
6 than a district that granted the charter school entity's
7 charter.

8 (22) All payments made by a charter school entity shall be
9 cosigned by the treasurer of the board of trustees and the chief
10 administrator of the charter school entity.

11 (23) A founder, a person who serves as an administrator or
12 executive of an educational management service provider or an
13 administrator for a charter school shall not receive payment for
14 an approved reimbursable annual rental for a lease of a building
15 or a portion of a building for charter school use under section
16 2574.3.

17 (24) A charter school record produced, obtained or
18 maintained by an educational management service provider for a
19 charter school under a contract or agreement with a charter
20 school must be readily available to an auditor and investigator
21 and shall be subject to disclosure under the act of February 14,
22 2008 (P.L.6, No.3), known as the Right-to-Know Law.

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

30 (c) (1) No individual who serves as an administrator for a

1 charter school entity may receive compensation from another
2 charter school entity or from an educational management service
3 provider, unless:

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

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

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

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

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

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

30 (iii) Any contract made in violation of this clause shall be

1 voidable by the board of trustees of the charter school entity.

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

6 Section 10. Section 1716-A(c) of the act, added June 19,
7 1997 (P.L.225, No.22), is amended and the section is amended by
8 adding subsections to read:

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

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

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

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

29 (2) Any member of the board of trustees of a charter school
30 entity who in the discharge of the person's official duties

1 would be required to vote on a matter that would result in a
2 conflict of interest shall abstain from voting and follow the
3 procedures required under 65 Pa.C.S. § 1103(j) (relating to
4 restricted activities).

5 (3) A member of the board of trustees may not be employed in
6 any capacity or have any financial relationship with the local
7 school board from which the charter school received a charter. A
8 member of the board of trustees of a cyber charter school may
9 not be employed in any capacity or have any financial
10 relationship with the department.

11 (4) A member of the board of trustees of a charter school
12 entity who knowingly violates this subsection commits a
13 violation of 65 Pa.C.S. § 1103(a) and shall be subject to the
14 penalties imposed under the jurisdiction of the State Ethics
15 Commission.

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

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

21 (b.3) (1) A member of the board of trustees of a charter
22 school entity shall be automatically disqualified and
23 immediately removed from the board of trustees upon conviction
24 for an offense graded as a felony, an infamous crime, an offense
25 pertaining to fraud, theft or mismanagement of public funds, any
26 offense pertaining to his official capacity as a member of the
27 board of trustees or any crime involving moral turpitude.

28 (2) A person removed as a member of the board of trustees of
29 a charter school entity under this subsection may not be
30 eligible to serve as a board member or administrator for the

1 period of five (5) years from the date of removal.

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

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

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

14 (2) Within one (1) year of the effective date of this
15 subsection, at least one member of the board of trustees of a
16 charter school entity shall be a parent of a child currently
17 attending the charter school entity. The board of trustees
18 member required by this clause shall be eligible to serve only
19 so long as the child attends the charter school entity.

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

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

28 (f) A person who serves as a board of trustees member of a
29 charter school may not receive payment for an approved
30 reimbursable annual rental for a lease of a building or a

1 portion of a building for charter school use under section
2 2574.3.

3 Section 11. The act is amended by adding a section to read:

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

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

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

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

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

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

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

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

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

13 sum of the principal maturing or subject to mandatory redemption

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

15 deposit due by the charter school entity.

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

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

18 of:

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

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

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

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

23 with the schedule under which the bonds were issued,

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

25 trustees of its obligation and shall immediately notify the

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

27 charter school, the local board of school directors.

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

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

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

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

7 Section 12. Sections 1717-A(c), (d), (e) and (f) and 1719-A
8 of the act, added June 19, 1997 (P.L.225, No.22), are amended to
9 read:

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

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

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

1 transpire between the first public hearing and the final
2 decision of the board.

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

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

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

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

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

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

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

29 (4) A charter application shall be deemed approved by the
30 local board of school directors of a school district upon

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

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

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

30 * * *

1 Section 1719-A. Contents of Application.--[An] (a) The
2 department shall create a standard application form for charter
3 school applicants seeking to establish a charter school entity
4 and for existing charter school entities seeking renewal of
5 their charters. The form shall be published in the Pennsylvania
6 Bulletin and posted on the State board's publicly accessible
7 Internet website. The form shall include all of the following
8 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 policy and criteria for evaluating the
5 admission of students which shall comply with the requirements
6 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 13. 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.] A charter will be granted only for a school organized as
17 a public, nonprofit corporation.

18 (2) A charter school or regional charter school shall
19 request an amendment to its approved written charter if at any
20 time after the approval or renewal of its written charter the
21 charter school or regional charter school seeks to contract out
22 services of the charter school or regional charter school with
23 an educational service provider or contract with another
24 educational service provider not disclosed in the charter school
25 or regional charter school's application under section 1719-A.

26 (3) The charter school or regional charter school shall file
27 a written document describing the requested amendment with the
28 local board of school directors and include the following:

29 (i) Provide evidence of the educational service provider's
30 record in serving student populations, including demonstrated

1 academic achievement and demonstrated management of nonacademic
2 school functions, including proficiency with public school-based
3 accounting, if applicable.

4 (ii) Provide a copy of the finalized management agreement,
5 which shall include all of the following:

6 (A) The proposed duration of the service contract.

7 (B) Roles and responsibilities of the governing board, the
8 school staff and the educational service provider.

9 (C) The scope of services and resources to be provided by
10 the educational service provider.

11 (D) Performance evaluation measures and timelines.

12 (E) The compensation structure, including clear
13 identification of all fees to be paid to the educational service
14 provider.

15 (F) Methods of contract oversight and enforcement.

16 (G) Investment disclosure or the advance of moneys by the
17 educational service provider on behalf of the charter school or
18 regional charter school.

19 (H) Conditions for renewal and termination of the contract.

20 (iii) Disclose and explain any existing or potential
21 conflicts of interest between the board of trustees and proposed
22 educational service provider and any affiliated business
23 entities, including a charter school entity.

24 (4) Within twenty (20) days of its receipt of the request
25 for an amendment, the local board of school directors shall hold
26 a public hearing on the requested amendment under 65 Pa.C.S. Ch.
27 7 (relating to open meetings).

28 (5) Within twenty (20) days after the hearing, the local
29 board of school directors shall grant or deny the requested
30 amendment. Failure by the local board of school directors to

1 hold a public hearing and to grant or deny the amendment within
2 the time period specified in this subsection shall be deemed an
3 approval.

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

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

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

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

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

20 (A) For charter schools and regional charter schools that
21 have satisfied the academic quality benchmark established by the
22 State board pursuant to section 1731.2-A, a charter may be
23 renewed for ten (10) year periods upon reauthorization by the
24 local board of school directors or other governing body of a
25 school district or the appeal board.

26 (B) For charter schools and regional charter schools that
27 have not satisfied the academic quality benchmark established by
28 the State board pursuant to section 1731.2-A, a charter may be
29 renewed for five (5) year periods upon reauthorization by the
30 local board of school directors or other governing body of a

1 school district or the appeal board.

2 [(b) (1) Notwithstanding subsection (a), a governing board
3 of a school district of the first class may renew a charter for
4 a period of one (1) year if the board of school directors
5 determines that there is insufficient data concerning the
6 charter school's academic performance to adequately assess that
7 performance and determines that an additional year of
8 performance data would yield sufficient data to assist the
9 governing board in its decision whether to renew the charter for
10 a period of five (5) years.

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

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

17 (c) (1) A charter school or regional charter school may
18 request amendments to its approved written charter by filing a
19 written document describing the requested amendment with the
20 local board of school directors.

21 (2) Within twenty (20) days of its receipt of the request
22 for an amendment, the local board of school directors shall hold
23 a public hearing on the requested amendment under 65 Pa.C.S. Ch.
24 7 (relating to open meetings).

25 (3) Within twenty (20) days after the hearing, the local
26 board of school directors shall grant or deny the requested
27 amendment. Failure by the local board of school directors to
28 hold a public hearing and to grant or deny the amendment within
29 the time period specified in this subsection shall be deemed an
30 approval.

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

4 Section 14. Section 1721-A(a) and (e) of the act, added June
5 19, 1997 (P.L.225, No.22), are amended to read:

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

14 (1) A parent of a school-aged child.

15 (2) A school board member.

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

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

20 (5) A member of the business community.

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

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

1 * * *

2 (e) Meetings of the appeal board shall be conducted under
3 [the act of July 3, 1986 (P.L.388, No.84), known as the
4 "Sunshine Act."] 65 Pa.C.S. Ch. 7 (relating to open meetings).
5 Documents of the appeal board shall be subject to the [act of
6 June 21, 1957 (P.L.390, No.212), referred to as the Right-to-
7 Know Law] act of February 14, 2008 (P.L.6, No.3), known as the
8 "Right-to-Know Law".

9 Section 15. Section 1722-A(a), (b) and (d) of the act,
10 amended November 17, 2010 (P.L.996, No.104), are amended and the
11 section is amended by adding subsections to read:

12 Section 1722-A. Facilities.--(a) (1) A charter school
13 entity may be located in an existing public school building, in
14 a part of an existing public school building, in space provided
15 on a privately owned site, in a public building or in any other
16 suitable location.

17 (2) A charter school may not be located in a building owned
18 by any of the following:

19 (i) The charter school or a related nonprofit organization.

20 (ii) The charter school foundation.

21 (iii) The educational management service provider,
22 including:

23 (A) An administrator or executive of the educational
24 management service provider.

25 (B) Family members of an administrator or executive of the
26 educational management service provider.

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

30 (b.1) (1) A charter school entity shall have the right of

1 first refusal to purchase or lease, for educational purposes
2 only, a public school building or a part of a public school
3 building which is no longer in active use by the property
4 titleholder, at the price of one of the following:

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

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

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

12 (2) A school entity shall accept an offer from a charter
13 school entity that conforms to the provisions of clause (1).

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

22 (4) The following shall apply to the sale or lease of a
23 public school building or a part of a public school building by
24 a school entity:

25 (i) A school entity may not enter a contract to sell or
26 lease a building or part of a building until at least thirty
27 (30) days after the posting of a notice as required under clause
28 (3).

29 (ii) Where two (2) or more charter school entities make
30 offers on the same building or part of a building that conform

1 to the provisions of this subsection, the school entity shall:

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

4 (B) Accept the best offer, if the offers differ in dollar
5 amount.

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

10 * * *

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

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

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

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

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

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

1 Section 16. Section 1723-A(a), (b) and (d) of the act,
2 amended June 26, 1999 (P.L.394, No.36) and July 9, 2008
3 (P.L.846, No.61), are amended and the section is amended by
4 adding a subsection to read:

5 Section 1723-A. [Enrollment] Admission and Enrollment
6 Requirements.--(a) (1) All resident children in this
7 Commonwealth who submit a completed enrollment form in
8 accordance with clause (3) qualify for admission to a charter
9 school entity within the provisions of subsection (b). [If] In
10 the case of a charter school or regional charter school, if more
11 students apply to the charter school or regional charter school
12 than the number of attendance slots available in the school,
13 then students must be selected on a random basis from a pool of
14 [qualified applicants meeting the established eligibility
15 criteria and submitting an application] eligible applicants who
16 have submitted an enrollment form in accordance with clauses (3)
17 and (4) by the deadline established by the charter school or
18 regional charter school, except that the charter school or
19 regional charter school may give preference in enrollment to a
20 child of a parent who has actively participated in the
21 development of the charter school [and] or regional charter
22 school, to siblings of students presently enrolled in the
23 charter school or regional charter school and to siblings of
24 students selected for enrollment during the lottery process.
25 First preference shall be given to students who reside in the
26 district or districts[.] in which the charter school or regional
27 charter school is physically located.

28 (2) If a charter school or regional charter school has a
29 waiting list following its initial selection of eligible
30 applicants under clause (1), the charter school or regional

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

22 (3) The State board, in consultation with the department and
23 representatives of charter school entities, shall develop a
24 standard enrollment form that shall be used by all eligible
25 applicants to apply to a charter school entity. The standard
26 enrollment form shall only request information necessary to
27 allow the charter school entity to identify the student, grade
28 level and residency, including:

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

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

3 (4) The standard enrollment form shall be made physically
4 available at each charter school entity, in a form that complies
5 with Federal and State law and posted on the publicly accessible
6 Internet website of each charter school entity, if available. A
7 charter school entity may accept the enrollment form via
8 electronic means.

9 (5) When a student applies to a charter school entity, a
10 charter school entity shall not require or request information
11 beyond the contents of the standard enrollment form developed by
12 the State board.

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

17 (7) As used in this subsection "eligible applicant" shall
18 mean a student who is seeking to enter a grade level offered by
19 the charter school entity and meets the requirements of 22 Pa.
20 Code §§ 11.12 (relating to school age), 11.13 (relating to
21 compulsory school age), 11.14 (relating to admission to
22 kindergarten when provided), 11.15 (relating to admission of
23 beginners), 11.16 (relating to early admission of beginners) and
24 12.1 (relating to free education and attendance) and student
25 residency requirements.

26 (b) (1) A charter school entity shall not discriminate in
27 its admission policies or practices on the basis of intellectual
28 ability, [except as provided in paragraph (2), or] athletic
29 ability, measures of achievement or aptitude, status as a person
30 with a disability, proficiency in the English language or any

1 other basis that would be illegal if used by a school district.

2 (2) A charter school entity may limit [admission] its
3 academic focus to a particular grade level, a targeted
4 population group composed of at-risk students[, or areas of
5 concentration of the school such as mathematics, science or the
6 arts. A charter school may establish reasonable criteria to
7 evaluate prospective students which shall be outlined in the
8 school's charter.] or a specialized area or accelerated program
9 of study, such as mathematics, science or the arts.

10 * * *

11 (d) (1) Enrollment of students in a charter school [or
12 cyber charter school] entity, or expansion of a charter school
13 entity into additional grade levels, shall not be subject to a
14 cap or otherwise limited by any past or future action of a board
15 of school directors, a board of control established under
16 Article XVII-B, a special board of control established under
17 section 692 or any other governing authority[, unless agreed to
18 by the charter school or cyber charter school as part of a
19 written charter pursuant to section 1720-A].

20 (2) The provisions of this subsection shall apply to a
21 charter school [or cyber charter school] entity regardless of
22 whether the charter was approved prior to or is approved
23 subsequent to the effective date of this subsection.

24 (e) A school district's obligation to make payments for
25 students enrolled in a charter school entity shall be governed
26 by section 1725-A or, in the case of students who are below a
27 school district's age of enrollment, by the terms of any charter
28 or service contract between a school district and a charter
29 school entity. Notwithstanding the above, absent language to the
30 contrary in a charter or service contract between a school

1 district and a charter school entity, a school district shall
2 not be obligated to fund a four-year-old kindergarten program if
3 the school district has exercised its discretion not to offer
4 such a program in its own schools.

5 Section 17. Section 1724-A(c) of the act, amended June 30,
6 2011 (P.L.112, No.24), is amended to read:

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

8 (c) All employes of a charter school shall be enrolled in
9 the Public School Employees' Retirement System in the same
10 manner as set forth in 24 Pa.C.S. § 8301(a) (relating to
11 mandatory and optional membership) unless at the time of the
12 application for the charter school the sponsoring district or
13 the board of trustees of the charter school has a retirement
14 program which covers the employes or the employe is currently
15 enrolled in another retirement program. [The Commonwealth shall
16 make contributions on behalf of charter school employes enrolled
17 in the Public School Employees' Retirement System.] The charter
18 school shall be considered a public school [district] as defined
19 in 24 Pa.C.S. § 8102 (relating to definitions) and shall make
20 quarterly payments by employers to the Public School Employees'
21 Retirement System and monthly payments on account of Social
22 Security as established under 24 Pa.C.S. Pt. IV (relating to
23 retirement for school employees). [The market value/income aid
24 ratio used in calculating payments as prescribed in this
25 subsection shall be the market value/income aid ratio for the
26 school district in which the charter school is located or, in
27 the case of a regional charter school, shall be a composite
28 market value/income aid ratio for the participating school
29 districts as determined by the department.] Except as otherwise
30 provided, employes of a charter school shall make regular member

1 contributions as required for active members under 24 Pa.C.S.
2 Pt. IV. If the employes of the charter school participate in
3 another retirement plan, then those employes shall have no
4 concurrent claim on the benefits provided to public school
5 employes under 24 Pa.C.S. Pt. IV. [For purposes of this
6 subsection, a charter school shall be deemed to be a "public
7 school" as defined in 24 Pa.C.S. § 8102 (relating to
8 definitions).] Notwithstanding any other provision of law to the
9 contrary, nothing in this article shall be construed to require
10 the Commonwealth to make payments to charter schools or
11 contributions on behalf of charter school employes from
12 appropriated funds, as provided in 24 Pa.C.S. §§ 8326 (relating
13 to contribution by the Commonwealth) and 8535 (relating to
14 payments to school entities by the Commonwealth) on account of
15 charter school employes enrolled in the Public School Employees'
16 Retirement System and 24 Pa.C.S. § 8329(a) (relating to payments
17 on account of social security deductions from appropriations) on
18 account of Social Security payments made by a charter school.

19 * * *

20 Section 18. Section 1725-A of the act, amended or added June
21 19, 1997 (P.L.225, No.22), June 22, 2001 (P.L.530, No.35) and
22 June 29, 2002 (P.L.524, No.88), is amended to read:

23 Section 1725-A. Funding for Charter [Schools] School
24 Entities.--(a) Funding for a charter school entity shall be
25 provided in the following manner and is not in violation of any
26 applicable Federal or State law, regulation or agreement:

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

29 (2) [For non-special education students, the charter school
30 shall receive for each student enrolled no less than the

1 budgeted total expenditure per average daily membership of the
2 prior school year, as defined in section 2501(20), minus the
3 budgeted expenditures of the district of residence for nonpublic
4 school programs; adult education programs; community/junior
5 college programs; student transportation services; for special
6 education programs; facilities acquisition, construction and
7 improvement services; and other financing uses, including debt
8 service and fund transfers as provided in the Manual of
9 Accounting and Related Financial Procedures for Pennsylvania
10 School Systems established by the department. This amount shall
11 be paid by the district of residence of each student.] For non-
12 special education students, the charter school entity shall
13 receive for each student enrolled the following, which shall be
14 paid by the school district of residence of each student by
15 deduction and transfer from all State payments due to the school
16 district of residence as provided for under clause (5):

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

29 (ii) Beginning in the 2015-2016 school year, the following:

30 (A) For each student enrolled in a charter school or

1 regional charter school, no less than the actual total
2 expenditure per average daily membership of the prior school
3 year, as defined in section 2501(20), minus the actual
4 expenditures at the end of the most recent fiscal year of the
5 district of residence for nonpublic school programs; adult
6 education programs; community/junior college programs; student
7 transportation services; special education programs; facilities
8 acquisition, construction and improvement services; athletic
9 funds and school-sponsored extracurricular activities set up in
10 accordance with section 511; tuition to Pennsylvania charter
11 schools for educational services provided to students attending
12 the charter school; for programs and services to the extent they
13 are funded from Federal funds; for programs and services to the
14 extent they are funded from the proceeds of competitive grants
15 from private or public sources or from contributions or
16 donations from private sources; and other financing uses,
17 including debt service and fund transfers as provided in the
18 Manual of Accounting and Related Financial Procedures for
19 Pennsylvania School Systems established by the department.

20 (B) For each student enrolled in a cyber charter school, a
21 cyber charter school shall receive five thousand nine hundred
22 fifty dollars (\$5,950). For the 2016-2017 school year and each
23 school year thereafter, the amount per non-special education
24 student shall be adjusted by the index calculated under section
25 2501(28).

26 (2.1) The amount under clause (2) shall be calculated by
27 each school district on a form prescribed by the secretary in
28 accordance with this section. The secretary, upon receipt of a
29 school district's calculation, shall review the school
30 district's calculation and may request supporting documentation

1 from the school district regarding its calculation. If the
2 secretary finds an error or discrepancy in a school district's
3 calculation, the secretary shall require the school district to
4 correct the calculation and require the school district to
5 notify affected charter school entities.

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

16 (i) A charter school entity shall receive for each student
17 enrolled the same funding as for each non-special education
18 student as provided under clause (2), plus an additional amount
19 determined by dividing the total special education expenditure
20 of the school district of residence by the product of:

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

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

25 (ii) For the 2015-2016 school year and each school year
26 thereafter, a charter school entity shall receive for each
27 special education student enrolled the same amount as for each
28 non-special education student as under clause (2), plus an
29 additional amount to be paid by the district of residence of
30 each student calculated as follows:

1 (A) For each special education student enrolled in the
2 charter school entity for which the annual expenditure is less
3 than twenty-five thousand dollars (\$25,000), which shall be
4 known as Category 1, multiply the same funding as for each non-
5 special education student by fifty-one hundredths (.51).

6 (B) For each special education student enrolled in the
7 charter school entity for which the annual expenditure is equal
8 to or greater than twenty-five thousand dollars (\$25,000) and
9 less than fifty thousand dollars (\$50,000), which shall be known
10 as Category 2, multiply the same funding as for each non-special
11 education student by two and seventy-seven hundredths (2.77).

12 (C) For each special education student enrolled in the
13 charter school entity for which the annual expenditure is equal
14 to or greater than fifty thousand dollars (\$50,000), which shall
15 be known as Category 3, multiply the same funding as for each
16 non-special education student by six and forty-six hundredths
17 (6.46).

18 (3.1) The following apply:

19 (i) The amount under clauses (2) and (3) shall be paid by
20 the school district of residence of each student by deduction
21 and transfer from all State payments due to the school district
22 of residence as provided under clause (5) but may not exceed the
23 actual cost of the educational services provided for each
24 special education student. A resident school district may not
25 pay out to a charter school entity an amount greater than the
26 district receives for special education.

27 (ii) If a charter school entity disputes the accuracy of a
28 school district's calculation under clauses (2) and (3), the
29 charter school entity shall file a notice of the dispute with
30 the secretary, who shall hold a hearing to determine the

1 accuracy of the school district's calculation within thirty (30)
2 days of the notice.

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

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

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

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

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

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

9 (5) [Payments shall be made to the charter school in twelve
10 (12) equal monthly payments, by the fifth day of each month,
11 within the operating school year. A student enrolled in a
12 charter school shall be included in the average daily membership
13 of the student's district of residence for the purpose of
14 providing basic education funding payments and special education
15 funding pursuant to Article XXV. If a school district fails to
16 make a payment to a charter school as prescribed in this clause,
17 the secretary shall deduct the estimated amount, as documented
18 by the charter school, from any and all State payments made to
19 the district after receipt of documentation from the charter
20 school.] Beginning in the 2015-2016 school year, the following
21 apply:

22 (i) Payments shall be made to the charter school entity in
23 twelve (12) equal monthly payments, according to the established
24 monthly unipay schedule within the operating school year or any
25 subsequent school year.

26 (ii) Except as provided for in subclause (v), payments shall
27 be made directly by the secretary deducting and paying to the
28 charter school entity the estimated amount, as documented by the
29 charter school entity, from:

30 (A) all State payments due to the school district of

1 residence; or

2 (B) if no payments are due to the school district of
3 residence, from all State payments reasonably expected to be due
4 in the next established monthly unipay schedule, after receipt
5 of documentation from the charter school entity as to its
6 enrollment.

7 (iii) At least thirty (30) days prior to the scheduled
8 payment date each month, a charter school entity shall provide
9 to the department and to the school district of residence of
10 each student enrolled in the charter school entity documentation
11 of the charter school entity's enrollment, on a form to be
12 developed by the secretary within sixty (60) days of the
13 effective date of this section. The form, which shall be
14 developed in consultation with representatives of charter school
15 entities and school districts, shall require the charter school
16 entity to provide to the department and to the school district
17 of residence of each student enrolled in the charter school
18 entity, documentation of each student's current enrollment in
19 the charter school entity and current residence in the school
20 district, including the following information:

21 (A) Student's name.

22 (B) Student's home address.

23 (C) Name and telephone number of student's parent or
24 guardian.

25 (D) Student's date of birth.

26 (E) Student's grade level.

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

28 (G) Student's date of enrollment.

29 (H) Whether each student is being educated under an
30 individualized education plan under the Individuals with

1 Disabilities Education Act (Public Law 91-230, 20 U.S.C. § 1400
2 et seq.).

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

4 (J) The total amount due from the school district for that
5 month.

6 (K) Copies of the actual documents used by the charter
7 school entity to verify each student's residence in the school
8 district.

9 The secretary shall not make payments under this section until
10 the charter school entity provides the department and the school
11 district of residence with a completed form and accompanying
12 documentation as required under this clause. A charter school
13 entity may make only one (1) payment request per month under
14 this clause. After a charter school entity makes a payment
15 request under this clause, any necessary corrections or
16 adjustments may be made in the next subsequent monthly payment
17 request.

18 (iv) The secretary's obligation to make payments under this
19 section is mandatory and ministerial, except that payments made
20 pursuant to this section shall not be given priority over
21 payments required pursuant to sections 633 and 785 and 53
22 Pa.C.S. § 8125(b) (relating to security for tax anticipation
23 notes and sinking fund), or an agreement pursuant to which the
24 Commonwealth is required to make payment to a holder of debt
25 issued by or on behalf of a school entity. If payments required
26 under sections 633 and 785 and 53 Pa.C.S. § 8125(b) preclude the
27 timely payment of funds to a charter school entity under section
28 1725-A or will cause the board of school directors of a school
29 district to fail to pay or provide for payment under this
30 subsection, nothing shall preclude the secretary from

1 withholding funds from any and all State payments made to the
2 school district for the operating school year or for any
3 subsequent operating school year.

4 (v) If there are insufficient State payments due to a school
5 district in the established monthly unipay schedule to cover all
6 charter school entity deductions and transfers, the school
7 district shall be responsible for paying the unpaid balance
8 directly to the charter school entity not more than ten (10)
9 days following the established monthly unipay schedule.

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

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

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

29 (ii) Within thirty (30) days of the notice by the school
30 district under subclause (i), the secretary shall provide the

1 school district with a hearing concerning whether the charter
2 school entity documented that students were enrolled in the
3 charter school entity, the period of time during which each
4 student was enrolled in the charter school entity, the school
5 district of residence of each student enrolled in the charter
6 school entity and whether the amounts deducted from or paid by
7 the school district were accurate.

8 (iii) The burden of proof and production at the hearing
9 shall be on the school district. A hearing shall not be held
10 before the secretary deducts and transfers to the charter school
11 entity the amount estimated by the charter school entity.

12 (iv) The secretary shall determine the accuracy of the
13 amount documented by the charter school entity and make any
14 necessary payment adjustment within thirty (30) days of the
15 hearing.

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

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

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

29 (b) The Commonwealth shall provide temporary financial
30 assistance to a school district due to the enrollment of

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

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

1 be published in the Pennsylvania Bulletin. This subsection shall
2 not apply to a public school converted to a charter school under
3 section 1717-A(b). Grants shall be limited to funds appropriated
4 for this purpose.

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

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

21 (f) A charter school entity may not provide discounts to a
22 school district or waive payments under this section for any
23 student, except in the case of a school district identified for
24 financial recovery status under Article VI-A or in the case of a
25 cyber charter school established by a local board of school
26 directors or an intermediate unit under section 1745-A(b.1).

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

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

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

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

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

26 (b) In order to facilitate the local board's review and
27 secretary's report, each charter school or regional charter
28 school shall submit an annual report no later than August 1 of
29 each year to the local board of school directors and the
30 secretary in the form prescribed by the secretary.

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

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

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

22 (2) Full review of expense reimbursements for board of
23 trustees members and administrators, including sampling of all
24 reimbursements.

25 (3) Review of internal controls, including review of
26 receipts and disbursements.

27 (4) Review of annual Federal and State tax filings,
28 including the Internal Revenue Service Form 990, Return of
29 Organization Exempt from Income Tax and all related schedules
30 and appendices for the charter school entity and charter school

1 foundation, if applicable.

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

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

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

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

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

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

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

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

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

1 entity.

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

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

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

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

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

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

27 (2) Failure to meet the requirements for student performance
28 [set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or
29 subsequent regulations promulgated to replace 22 Pa. Code Ch. 5]
30 on assessments or failure to meet any performance standard set

1 forth in the written charter signed pursuant to section [1716-A]
2 1720-A.

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

5 (4) Violation of provisions of this article.

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

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

10 * * *

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

14 If, after a hearing under this section, a local board of school
15 directors or, in the case of a cyber charter school, the
16 department, proves by a preponderance of the evidence that an
17 administrator or board member of a charter school entity has
18 violated this article, the terms and conditions of the charter
19 or any other law, the local board of school directors or, in the
20 case of a cyber charter school, the department may require the
21 charter school entity to replace an administrator or board of
22 trustees member in order to obtain renewal of the charter. The
23 local board of school directors or, in the case of a cyber
24 charter school, the department may refer its findings to the
25 district attorney with jurisdiction or to the Office of Attorney
26 General for prosecution if the local board of school directors
27 or, in the case of a cyber charter school, the department
28 discovers or receives information about possible violations of
29 law by any person affiliated with or employed by a charter
30 school entity.

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

23 * * *

24 Section 20. The act is amended by adding sections to read:

25 Section 1729.1-A. Evaluation of Educators.--(a) Beginning
26 in the 2017-2018 school year, all educators teaching in a
27 charter school entity shall be evaluated using an approved
28 rating tool developed under section 1123.

29 (b) The department shall develop, issue and publish in the
30 Pennsylvania Bulletin a rating tool for educators teaching in a

1 charter school entity that is consistent with section 1123 and
2 includes the weights given to the multiple measures of student
3 performance contained in section 1123.

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

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

9 (a) Establishment shall be as follows:

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

14 (i) The department approves the consolidation as proposed in
15 the application form submitted to the department pursuant to
16 subsection (c). If the department does not approve the proposed
17 consolidation within forty-five (45) days after receipt of the
18 application, the department will be deemed to have approved the
19 consolidation.

20 (ii) Each school district that granted the initial charter
21 of any charter school included in the proposed consolidation
22 approves, by a majority vote of the local board of school
23 directors, a resolution approving the consolidation as proposed
24 in the application submitted to the local board of school
25 directors pursuant to subsection (c). If a local board of school
26 directors does not adopt a resolution under this clause
27 approving or rejecting the proposed consolidation within forty-
28 five (45) days after receipt of the application, the school
29 district will be deemed to have approved the consolidation.

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

1 (i) granted legal authority to operate two (2) or more
2 individual charter schools under the oversight of a single board
3 of trustees and a chief administrator who shall oversee and
4 manage the operation of the individual charter schools under its
5 organization; and

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

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

11 (b) A charter school that, within either of the most recent
12 two (2) school years, has failed to meet any of the following
13 shall not be eligible to consolidate with another charter
14 school:

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

17 (2) Accepted standards of fiscal management or audit
18 requirements.

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

27 (c) The department shall develop and issue a standard
28 application form that multiple charter school organization
29 applicants must submit to the department and to the local board
30 of school directors of each school district that granted the

1 initial charter of any charter school included in the proposed
2 consolidation. The application form shall contain the following
3 information:

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

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

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

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

16 (5) A clear description of the roles and responsibilities
17 for the board of trustees, chief administrator, administrators
18 and any other entities, including a charter school foundation,
19 shown in the organizational chart.

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

22 (7) Standards for board of trustees performance, including
23 compliance with all applicable laws, regulations and terms of
24 the charter.

25 (8) Enrollment procedures for each individual charter school
26 included in its charter.

27 (9) Any other information as deemed necessary by the
28 department.

29 (d) A multiple charter school organization may:

30 (1) Participate in the assessment system in the same manner

1 in which a school district participates, with its individual
2 charter schools participating in the assessment system in the
3 same manner as individual schools within school districts. All
4 data gathered for purposes of evaluation shall be gathered in
5 the same manner in which data is gathered in the case of school
6 districts and individual schools within school districts.
7 Nothing in this clause shall alter the manner in which charter
8 school performance on assessments is measured as required under
9 the No Child Left Behind Act of 2001 (Public Law 107-110, 115
10 Stat. 1425), or its successor Federal statute.

11 (2) Add existing charter schools to its organization by
12 obtaining the approval of the department and of the school
13 district that granted the initial charter of each charter school
14 proposed to be added under subsection (a) (1).

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

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

30 (f) Appeals shall be as follows:

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

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

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

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

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

18 (iv) Make its decision based on whether the proposed
19 consolidation satisfies the requirements of subsections (b) and
20 (c).

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

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

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

3 Section 1731.1-A. Fund Balance Limits.--Fund balance limits
4 shall be as follows:

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

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

1 under section 1725-A.

2 (3) By September 30, 2016, and by September 30 of each year
3 thereafter, each charter school entity shall provide the
4 department and all school districts that paid tuition to the
5 charter school entity in the prior school year with information
6 certifying compliance with this section. The information shall
7 be provided in a form and manner prescribed by the department
8 and shall include information on the charter school entity's
9 estimated ending unassigned fund balance expressed as a dollar
10 amount and as a percentage of the charter school entity's total
11 budgeted expenditures for that school year.

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

28 (5) As used in this section, "unassigned fund balance" shall
29 mean that portion of the fund balance of a charter school entity
30 that provides funding or resources or otherwise serves to

1 support the charter school entity that is:

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

4 (ii) held in the General Fund accounts of the charter school
5 entity.

6 Section 1731.2-A. Performance Matrix.--The following shall
7 apply:

8 (1) Within eighteen (18) months of the effective date of
9 this section, the State board shall develop a standard
10 performance matrix to evaluate charter school entity performance
11 and shall promulgate regulations pursuant to the act of June 25,
12 1982 (P.L.633, No.181), known as the "Regulatory Review Act," to
13 implement this section.

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

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

1 regulations required under clause (1).

2 (4) In developing the performance matrix, the State board
3 may:

4 (i) Contract for consulting services with an entity that has
5 experience in developing performance matrices if the services
6 are procured through a competitive bidding process.

7 (ii) To the extent possible, utilize an existing database
8 developed by the department, including the School Performance
9 Profile.

10 (5) Neither the department nor any local board of school
11 directors or other school district governing authority may
12 develop a separate performance matrix for the evaluation of a
13 charter school entity.

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

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

25 (7) (i) In developing the performance matrix and
26 promulgating the regulations required under clause (1), the
27 State board shall convene and consult with a Statewide advisory
28 committee which shall consist of representatives of the
29 department and a minimum of seven (7) representatives from
30 charter schools, regional charter schools, cyber charter schools

1 and school district personnel. Members of the committee shall be
2 selected to be representative of the urban, rural and suburban
3 areas of this Commonwealth.

4 (ii) The Statewide advisory committee required to be
5 convened under subclause (i) shall be convened not later than
6 thirty (30) days after the effective date of this section and
7 shall meet regularly to fulfill requirements of this clause.

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

11 Section 21. Section 1732-A of the act, amended June 29, 2002
12 (P.L.524, No.88), is amended to read:

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

16 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431, 436,
17 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753,
18 [755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a),
19 1205.1, 1205.2, 1205.3, 1205.4, 1205.5, 1301, 1302, 1303, 1310,
20 1317, 1317.1, 1317.2, 1317.3, 1318, 1327, 1330, 1332, 1333,
21 1303-A, 1513, 1517, 1518, 1521, 1523, 1531, 1547, 2014-A,
22 Article XIII-A and Article XIV.

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

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

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

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

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

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

14 (8) 65 Pa.C.S. Ch. 7 (relating to open meetings).

15 (9) 65 Pa.C.S. Ch. 11 (relating to ethics standards and
16 financial disclosure).

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

19 [Section 5.216 (relating to ESOL).

20 Section 5.4 (relating to general policies).]

21 (1) Chapter 4 (relating to academic standards and
22 assessments).

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

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

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

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

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

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

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

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

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

8 Section 22. The act is amended by adding sections to read:

9 Section 1733-A. Effect on Existing Charter School

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

18 (b) A charter school entity approved after the effective
19 date of this section shall be in full compliance with this
20 article.

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

28 Section 1733.1-A. Annual Reconciliation Based on Audited
29 Charter School Expenditures.--(a) For the 2014-2015 school year
30 and each school year thereafter, a charter school shall refund

1 any revenue in excess of its audited total expenditures as
2 reported on the annual financial report within thirty (30) days
3 of the submission deadline under section 218. Each school
4 district that paid tuition to the charter school shall receive a
5 refund calculated as follows:

6 (1) Subtract audited total expenditures from total revenues.

7 (2) Multiply the difference in clause (1) by the amount of
8 tuition revenue received from the school district.

9 (3) Divide the product in clause (2) by the total tuition
10 revenue received from all school districts.

11 (b) By November 30 of each year, each charter school shall
12 provide the department and all school districts that paid
13 tuition to the charter school in the prior school year with
14 information certifying compliance with this section. The
15 certification shall be provided in a form and manner prescribed
16 by the department.

17 (c) Nothing shall prohibit a charter school from returning a
18 portion of or all of an unassigned fund balance to school
19 districts that paid tuition.

20 Section 23. Sections 1741-A(c), 1742-A, 1743-A(a)(1) and
21 (e), 1744-A, 1745-A and 1749-A(a) and (c) of the act, added June
22 29, 2002 (P.L.524, No.88), are amended to read:

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

24 * * *

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

29 Section 1742-A. Assessment and evaluation.

30 (a) The department shall:

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

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

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

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

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

26 (2) Within 30 days of the cyber charter school's
27 request, the intermediate unit, school district, community
28 college or State system institution shall notify the cyber
29 charter school of the location of the facilities that will be
30 provided, which shall be a quiet, separate location in which

1 cyber charter school students will not be commingled with
2 students of the intermediate unit, school district, community
3 college or State system institution.

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

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

17 Section 1743-A. Cyber charter school requirements and
18 prohibitions.

19 (a) Special financial requirements prohibited.--A cyber
20 charter school shall not:

21 (1) provide discounts to a school district or waive
22 payments under section 1725-A for any student except in the
23 case of a school district identified for financial recovery
24 status under Article VI-A or a cyber charter school
25 established by a local board of school directors or an
26 intermediate unit under section 1745-A(b.1);

27 * * *

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

30 (1) provide all instructional materials, which may

1 include electronic or digital books in place of textbooks;

2 (2) provide all equipment, including, but not limited
3 to, a computer, computer monitor and printer; provided, that
4 a parent or guardian of more than one child who is enrolled
5 in the same cyber charter school may elect not to receive a
6 separate computer, computer monitor and printer for each
7 enrolled child; and

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

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

14 * * *

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

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

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

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

28 (3) Upon request, provide assistance to the cyber
29 charter school in the delivery of services to a student with
30 disabilities. The school district or intermediate unit shall

1 not charge the cyber charter school more for a service than
2 it charges a school district.

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

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

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

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

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

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

24 (2) Nothing in this article shall be construed to
25 preclude a school district or an intermediate unit from
26 offering instruction via the Internet or other electronic
27 means, except that the instruction shall not be recognized as
28 a cyber charter school under this article unless the school
29 district or intermediate unit establishes a cyber charter
30 school pursuant to subsections (a) and (b.1)(1).

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

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

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

18 (f) Evaluation criteria.--

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

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

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

29 (iii) The extent to which the programs outlined in
30 the application will enable students to meet the academic

1 standards under 22 Pa. Code Ch. 4 (relating to academic
2 standards and assessment) or subsequent regulations
3 promulgated to replace 22 Pa. Code Ch. 4.

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

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

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

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

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

28 (ii) Prior to the effective date of the regulations
29 implementing the performance matrix as required pursuant
30 to section 1731.2-A, a charter may be renewed for five-

1 year periods upon reauthorization by the department.

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

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

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

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

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

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

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

30 (iv) An applicant for an amendment shall have the

1 right to appeal the denial of a requested amendment to
2 the appeal board provided for under section 1721-A.

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

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

13 Section 1749-A. Applicability of other provisions of this act
14 and of other acts and regulations.

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

17 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431,
18 436, 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741,
19 752, 753, [755,] 771, 776, 777, 808, 809, 810, 1109, 1111,
20 1112(a), 1205.1, 1205.2, 1205.3, 1205.5, 1301, 1302, 1303,
21 1310, 1317, 1317.2, 1318, 1327, 1330, 1332, 1333, 1303-A,
22 1513, 1517, 1518, 1521, 1523, 1525, 1531, 1547, 1602-B, 1613-
23 B, 1702-A, 1703-A, 1704-A, 1714-A, 1715-A, 1716-A, 1716.1-A,
24 1719-A, 1721-A, 1722-A, [1723-A(a) and (b)] 1723-A(a), (b)
25 and (d), 1724-A, 1725-A, 1727-A, 1728-A(d), (e), (f), (g) and
26 (h), 1729-A, 1729.1-A, 1730-A, 1731-A(a) (1) and (b), 1731.1-
27 A, 1731.2-A, 1733-A and 2014-A and Articles [XII-A,] XIII-A
28 and XIV.

29 (1.1) Act of July 19, 1957 (P.L.1017, No.451), known as
30 the State Adverse Interest Act.

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

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

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

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

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

21 (7) 65 Pa.C.S. Ch. 7 (relating to open meetings).

22 (8) 65 Pa.C.S. Ch. 11 (relating to ethics standards and
23 financial disclosure).

24 * * *

25 (c) Existing charter schools.--

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

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

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

8 (ii) Section 1744-A.

9 (iii) Section 1748-A.

10 Section 24. Section 2574.3 of the act is amended by adding
11 subsections to read:

12 Section 2574.3. Approved Reimbursable Annual Rental for
13 Leases of Buildings or Portions of Buildings for Charter School
14 Use.--* * *

15 (c) A charter school shall provide all of the following
16 documentation in the charter school's application for funding
17 under this section:

18 (1) A copy of the signed lease agreement for the leased
19 building.

20 (2) A copy of the deed for the leased building.

21 (3) The names of the board of trustees and administrators of
22 the charter school.

23 (4) If applicable, the names of the administrators or
24 executives of the educational management services provider.

25 (5) If the owner of the leased building is a nonprofit
26 organization or a charter school foundation, the names of the
27 board members of the nonprofit organization or a charter school
28 foundation.

29 (d) Charter schools may not apply for and the Department of
30 Education may not authorize a charter lease reimbursement if the

1 reimbursement is for a lease payment to any of the following:

2 (1) An administrator of the charter school, a member of an
3 administrator's immediate family or a business with which the
4 administrator of the administrator's immediate family is
5 associated.

6 (2) A trustee of the board of trustees of the charter
7 school, a member of the trustee's immediate family or a business
8 with which the trustee or the trustee's immediate family is
9 associated.

10 (3) A founder or member of the founder's immediate family or
11 a business with which the founder or the founder's immediate
12 family is associated.

13 (4) An administrator or executive of the educational
14 management service provider or a member of the administrator or
15 executive's immediate family or a business with which an
16 administrator or executive or an administrator or executive's
17 immediate family is associated.

18 (5) Another entity that has a financial interest, as defined
19 in 65 Pa.C.S. § 1102 (relating to definitions), with the charter
20 school entity, except for the lease agreement.

21 (e) The Department of Education shall seek reimbursement
22 from a charter school for each inappropriate lease reimbursement
23 within sixty (60) days of the inappropriate reimbursement.

24 Section 25. This act shall take effect as follows:

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

27 (i) Section 1704-A.

28 (ii) Section 1725-A(a)(1), (2), (2.1), (3) and (4),
29 (b), (c), (d), (e) and (f).

30 (iii) Section 1731.1-A.

1 (iv) Section 1731.2-A.

2 (v) Section 1732-A.

3 (vi) Section 1749-A.

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

6 (3) This section shall take effect immediately.

7 (4) The remainder of this act shall take effect in 60 days.