

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 97 Session of 2017

INTRODUCED BY REESE, DUNBAR, HICKERNELL, IRVIN, MILLARD, SACCONI, TOPPER, GROVE, FEE, SAYLOR, STAATS AND A. HARRIS, APRIL 10, 2017

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, APRIL 19, 2017

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," IN PRELIMINARY PROVISIONS, PROVIDING <--
6 FOR ADVERTISING; IN PUPILS AND ATTENDANCE, PROVIDING FOR
7 TRANSFER OF ATTENDANCE 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, for responsibilities of
12 school entities and for concurrent enrollment agreements;
13 and, in charter schools, extensively revising and adding
14 charter school provisions.

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

17 ~~Section 1. Section 1525 of the act of March 10, 1949~~ <--
18 ~~(P.L.30, No.14), known as the Public School Code of 1949, is~~
19 ~~amended to read:~~

20 SECTION 1. THE ACT OF MARCH 10, 1949 (P.L.30, NO.14), KNOWN <--
21 AS THE PUBLIC SCHOOL CODE OF 1949, IS AMENDED BY ADDING SECTIONS
22 TO READ:

23 SECTION 126. ADVERTISING.-- (A) A PAID MEDIA ADVERTISEMENT

1 BY A PUBLIC SCHOOL ENTITY THAT REFERS TO THE COST OF TUITION OR  
2 TRANSPORTATION SHALL NOT ADVERTISE THOSE EXPENSES AS FREE AND  
3 ANY REFERENCE TO TUITION OR TRANSPORTATION COSTS MUST STIPULATE  
4 THAT THE COST IS COVERED BY TAXPAYER DOLLARS. A PAID MEDIA  
5 ADVERTISEMENT SHALL INCLUDE A TELEVISION, RADIO OR MOVIE THEATER  
6 ADVERTISEMENT, BILLBOARD, BUS POSTER, NEWSPAPER, MAGAZINE, A  
7 PUBLICLY ACCESSIBLE INTERNET WEBSITE OR ANY OTHER COMMERCIAL  
8 METHOD THAT MAY PROMOTE ENROLLMENT IN A PUBLIC SCHOOL ENTITY.

9 (B) FOR THE PURPOSES OF THIS SECTION, "PUBLIC SCHOOL ENTITY"  
10 SHALL MEAN A PUBLIC SCHOOL DISTRICT, CHARTER SCHOOL, CYBER  
11 CHARTER SCHOOL, REGIONAL CHARTER SCHOOL, INTERMEDIATE UNIT OR  
12 AREA VOCATIONAL-TECHNICAL SCHOOL.

13 SECTION 1313.2. TRANSFER OF ATTENDANCE RECORDS TO ANOTHER  
14 SCHOOL ENTITY OR NONPUBLIC SCHOOL.--(A) (1) WHENEVER A STUDENT  
15 TRANSFERS TO ANOTHER SCHOOL ENTITY OR NONPUBLIC SCHOOL WITHIN  
16 THIS COMMONWEALTH, A CERTIFIED COPY OF THE STUDENT'S ATTENDANCE  
17 RECORD SHALL BE TRANSMITTED TO THE SCHOOL ENTITY OR NONPUBLIC  
18 SCHOOL TO WHICH THE STUDENT HAS TRANSFERRED.

19 (2) THE SCHOOL ENTITY OR NONPUBLIC SCHOOL TO WHICH THE  
20 STUDENT HAS TRANSFERRED SHALL REQUEST THE ATTENDANCE RECORD.

21 (3) THE SENDING SCHOOL ENTITY OR NONPUBLIC SCHOOL SHALL HAVE  
22 TEN (10) DAYS FROM THE RECEIPT OF THE REQUEST TO PROVIDE A  
23 CERTIFIED COPY OF THE STUDENT'S ATTENDANCE RECORD.

24 (B) IN THE CASE OF A STUDENT TRANSFERRING DURING THE COURSE  
25 OF A SCHOOL TERM, THE STUDENT'S UNEXCUSED ABSENCES SHALL BE  
26 INCLUDED IN THE STUDENT'S ATTENDANCE RECORD AT THE SCHOOL ENTITY  
27 OR NONPUBLIC SCHOOL TO WHICH THE STUDENT HAS TRANSFERRED FOR  
28 THAT SCHOOL TERM.

29 (C) FOR PURPOSES OF THIS SECTION, THE TERM "SCHOOL ENTITY"  
30 MEANS A PUBLIC SCHOOL DISTRICT, CHARTER SCHOOL, CYBER CHARTER

1 SCHOOL, REGIONAL CHARTER SCHOOL, INTERMEDIATE UNIT OR AREA  
2 VOCATIONAL-TECHNICAL SCHOOL.

3 SECTION 1.1. SECTION 1525 OF THE ACT IS AMENDED TO READ:

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

19 Section 2. The definitions of "concurrent student" and  
20 "school entity" in section 1602-B of the act are amended to  
21 read:

22 Section 1602-B. Definitions.

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

26 \* \* \*

27 "Concurrent student." A student who is enrolled in a school  
28 district, a charter school, a regional charter school, a cyber  
29 charter school, an area vocational-technical school, a nonpublic  
30 school, a private school or a home education program under

1 section 1327.1 and who takes a concurrent course through a  
2 concurrent enrollment program.

3 \* \* \*

4 "School entity." A school district, a charter school, a  
5 regional charter school, a cyber charter school or an area  
6 vocational-technical school.

7 \* \* \*

8 Section 3. Sections 1611-B and 1613-B of the act are amended  
9 by adding subsections to read:

10 Section 1611-B. Responsibilities of school entities.

11 \* \* \*

12 (g) Revenue received by school district.--Notwithstanding  
13 any provision of law to the contrary, the revenues received by a  
14 school district under section 1603-B shall not be included in  
15 the school district's budgeted total expenditure per average  
16 daily membership used to calculate the amount to be paid to a  
17 charter school entity under section 1725-A(a) (2) and (3).

18 Section 1613-B. Concurrent enrollment agreements.

19 \* \* \*

20 (c) Charter schools, regional charter schools and cyber  
21 charter schools.--Charter schools, regional charter schools and  
22 cyber charter schools shall have the power and authority to  
23 enter into a concurrent enrollment agreement with an institution  
24 of higher education, and appropriate credit shall be awarded to  
25 students concurrently enrolled under the agreement.

26 Section 4. Section 1703-A of the act, amended July 13, 2016  
27 (P.L.716, No.86), is amended to read:

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

29 "Administrator" shall include an employe of a charter school  
30 entity, including the chief administrator of a charter school

1 entity and any other employe, who by virtue of the employe's  
2 position is responsible for taking official action of a  
3 nonministerial nature with regard to contracting or procurement,  
4 administering or monitoring grants or subsidies, managing or  
5 regulating staff, student and school activities or any activity  
6 where the official action has an economic impact of greater than  
7 a de minimis nature on the interests of any person.

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

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

11 (2) for a regional charter school, the aid ratio and market  
12 value/income aid ratio shall be a composite, as determined by  
13 the department, based on the school districts that granted the  
14 charter; or

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

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

21 "Assessment" shall mean the Pennsylvania System of School  
22 Assessment test, the Keystone Exam or another test established  
23 or approved by the State board or the General Assembly to meet  
24 the requirements of section 2603-B or 2604-B or 22 Pa. Code §  
25 4.51 (relating to State assessment system) or required under the  
26 Every Student Succeeds Act (Public Law 114-95, 129 Stat. 1802)  
27 or its successor Federal statute.

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

1 disadvantage.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 "School district of residence" shall mean the school district  
30 in this Commonwealth in which [the parents or guardians of a

1 child reside] a child resides as determined under section 1302  
2 and 22 Pa. Code § 11.11(a)(1) (relating to entitlement of  
3 resident children to attend public schools).

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

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

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

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

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

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

17 Section 1704-A. Charter School Funding Advisory  
18 Commission.--(a) A Charter School Funding Advisory Commission  
19 is established. The commission shall examine the financing of  
20 charter school entities in the public education system and  
21 related issues. The commission shall examine how charter school  
22 entity finances affect opportunities for teachers, parents,  
23 pupils and community members to establish and maintain schools  
24 that operate independently from the existing school district  
25 structure as a method to accomplish the requirements of section  
26 1702-A. The General Assembly shall provide administrative  
27 support, meeting space and any other assistance required by the  
28 commission to carry out its duties under this section.

29 (b) The commission shall consist of the following members:

30 (1) Two members of the Senate from the majority party

1 appointed by the President pro tempore of the Senate, in  
2 consultation with the Majority Leader of the Senate, one of whom  
3 shall be the chairman of the Education Committee of the Senate.

4 (2) Two members of the Senate from the minority party  
5 appointed by the Minority Leader of the Senate, one of whom  
6 shall be the minority chairman of the Education Committee of the  
7 Senate.

8 (3) Two members of the House of Representatives from the  
9 majority party appointed by the Speaker of the House of  
10 Representatives, in consultation with the Majority Leader of the  
11 House of Representatives, one of whom shall be the chairman of  
12 the Education Committee of the House of Representatives.

13 (4) Two members of the House of Representatives from the  
14 minority party appointed by the Minority Leader of the House of  
15 Representatives, one of whom shall be the minority chairman of  
16 the Education Committee of the House of Representatives.

17 (5) The secretary or a designee.

18 (6) An at-large member chosen by the Governor, the President  
19 pro tempore of the Senate and the Speaker of the House of  
20 Representatives.

21 (7) To represent the interests of charter school entities,  
22 the following members, who shall be appointed by the secretary  
23 from a list provided by the Pennsylvania Coalition of Public  
24 Charter Schools and the Keystone Alliance:

25 (i) One member who shall be a business manager of a charter  
26 school.

27 (ii) One member who shall be a business manager of a cyber  
28 charter school.

29 (8) To represent the interests of school districts, the  
30 following members, who shall be appointed by the secretary from

1 a list provided by the Pennsylvania Association of School

2 Business Officials:

3 (i) One member who shall be a business manager of a rural  
4 school district.

5 (ii) One member who shall be a business manager of an urban  
6 school district.

7 (c) Members of the commission shall be appointed within  
8 thirty (30) days of the effective date of this section. Any  
9 vacancy on the commission shall be filled by the original  
10 appointing authority. The commission shall be co-chaired by the  
11 chairman of the Education Committee of the Senate and chairman  
12 of the Education Committee of the House of Representatives. The  
13 organizational meeting shall take place not later than sixty  
14 (60) days following the effective date of this section.

15 (d) The commission shall hold meetings at the call of the  
16 chairmen. The commission ~~may hold no more than six~~ SHALL HOLD <--  
17 SIX OR MORE public hearings on the matters to be considered by  
18 the commission. All meetings and public hearings of the  
19 commission shall be deemed public meetings for the purpose of 65  
20 Pa.C.S. Ch. 7 (relating to open meetings). Eight members of the  
21 commission shall constitute a quorum at any meeting. Each member  
22 of the commission may designate another person to represent that  
23 member at meetings of the commission.

24 (e) Commission members shall receive no compensation for  
25 their services but shall be reimbursed by the department for all  
26 necessary travel and other reasonable expenses incurred in  
27 connection with the performance of their duties as members.  
28 Whenever possible, the commission shall utilize the services and  
29 expertise of existing personnel and staff of State government.

30 (f) The commission shall have the following powers and

1 duties:

2 (1) Meet with current charter school entity operators and  
3 personnel, school district personnel and other representatives  
4 of public education.

5 (2) Review charter school entity financing laws in operation  
6 throughout the United States.

7 (3) Assess the actual cost of educating a child in a cyber  
8 charter school.

9 (4) Evaluate and make recommendations on the following:

10 (i) Consideration of establishing an independent State-level  
11 board, or multiple entities, to authorize charter school  
12 entities and support charter school quality and accountability  
13 through performance monitoring and technical assistance.

14 (ii) The process by which charter school entities are funded  
15 under section 1725-A, including addressing potential funding  
16 inequities, to include consideration of continuing the school  
17 district deductions for tax assessment and collection services,  
18 thirty per centum of operation and maintenance of plant services  
19 and the actual total amount the district of residence paid to  
20 cyber charter schools under section 1725-A for the prior school  
21 year.

22 (iii) Appropriate funding for charter school entity  
23 facilities and management.

24 (iv) A process by which the performance matrix established  
25 under section 1731.2-A shall compare the academic performance of  
26 each charter school entity with the academic performance of the  
27 school district of residence of each student enrolled in the  
28 charter school entity.

29 (v) Special education transportation.

30 (vi) Other funding issues raised in the course of public

1 hearings.

2 (vii) Consideration of a school district deduction for  
3 programs and services to the extent they are funded from the  
4 proceeds of competitive grants from private or public resources  
5 or from contributions or donations from private sources.

6 (viii) The appropriate manner of funding a charter school  
7 that primarily serves adjudicated youth.

8 (ix) Funding of and all costs associated with athletic  
9 programs.

10 (x) Consideration of a method by which a local board of  
11 school directors, when considering a charter application, may  
12 review whether charter school entities are sufficiently  
13 distributed throughout a school district while also ensuring  
14 that a charter application is not denied on the basis of  
15 geographic location.

16 (xi) Consideration of the appropriate manner of implementing  
17 the recommendations of the Special Education Funding Commission  
18 with respect to charter school entities, based on the manner in  
19 which the commission's recommendations have been implemented for  
20 school districts.

21 (5) Issue a report pursuant to subsection (g).

22 (g) The commission shall, no later than twelve (12) months  
23 from the effective date of this section, issue a report of its  
24 findings and recommendations to the Governor, the President pro  
25 tempore of the Senate, the Majority Leader of the Senate, the  
26 Minority Leader of the Senate, the chairman and minority  
27 chairman of the Appropriations Committee of the Senate, the  
28 chairman and minority chairman of the Education Committee of the  
29 Senate, the Speaker of the House of Representatives, the  
30 Majority Leader of the House of Representatives, the Minority

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

8 Section 6. Section 1715-A of the act is amended to read:

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

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

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

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

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

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

1 charter school entity.

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

4 (A) if the charter school entity provides for discrete and  
5 separate entrances to buildings utilized for school purposes  
6 only;

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

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

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

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

18 (7.1) A cyber charter school shall only be subject to the  
19 laws and regulations as provided for in section 1749-A, or as  
20 otherwise provided for in this act.

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

27 (9) A charter school entity shall provide a minimum of one  
28 hundred eighty (180) days of instruction or nine hundred (900)  
29 hours per year of instruction at the elementary level, or nine  
30 hundred ninety (990) hours per year of instruction at the

1 secondary level. Nothing in this clause shall preclude the use  
2 of computer and satellite linkages for delivering instruction to  
3 students.

4 (9.1) A cyber charter school may use in-person interaction,  
5 testing or instruction for students protected by the Individuals  
6 with Disabilities Education Act (Public Law 91-230, 20 U.S.C. §  
7 1400 et seq.) or section 504 of the Rehabilitation Act of 1973  
8 (Public Law 93-112, 29 U.S.C. § 794) for the amount of time that  
9 such services are required by the student's individualized  
10 education program or by the plan describing services provided to  
11 the student pursuant to section 504 of the Rehabilitation Act of  
12 1973.

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

17 (i) The following provisions of this act:

18 (A) Sections 751 and 751.1.

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

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

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

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

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

30 (11) Trustees of a charter school entity shall be public

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

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

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

1 the position and of the year after the person leaves the  
2 position.

3 (c) (1) No individual who serves as an administrator for a  
4 charter school entity may receive compensation from another  
5 charter school entity or from an educational management service  
6 provider, unless:

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

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

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

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

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

29 (ii) An administrator who knowingly violates this clause  
30 commits a violation of 65 Pa.C.S. § 1103(a) (relating to

1 restricted activities) and shall be subject to the penalties  
2 imposed under the jurisdiction of the State Ethics Commission.

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

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

9 Section 7. Section 1716-A(c) of the act is amended and the  
10 section is amended by adding subsections to read:

11 Section 1716-A. Powers of Board of Trustees.--\* \* \*

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

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

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

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

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

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

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

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

24 (c) The board of trustees shall comply with [the act of July  
25 3, 1986 (P.L.388, No.84), known as the "Sunshine Act."] 65  
26 Pa.C.S. Ch. 7 (relating to open meetings).

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

30 (ii) If a charter school entity has fewer than five (5)

1 nonrelated voting members serving on its board of trustees on  
2 the effective date of this subsection, the charter school entity  
3 shall, within sixty (60) days, appoint additional members to the  
4 board of trustees to meet the minimum requirements of this  
5 section.

6 (2) Within one (1) year of the effective date of this  
7 subsection, at least one member of the board of trustees of a  
8 charter school entity shall be a parent of a child currently  
9 attending the charter school entity. The board of trustees  
10 member provided for under this paragraph shall be eligible to  
11 serve only so long as the child attends the charter school  
12 entity. This paragraph shall not apply to a charter school that  
13 primarily serves adjudicated youth.

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

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

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

23 Section 1716.1-A. Payment of Indebtedness by Charter School  
24 Entities.--(a) The board of trustees of a charter school entity  
25 shall supply the secretary and, in the case of a charter school  
26 or regional charter school, the local board of school directors  
27 a list of the amount of rental payments which are guarantees for  
28 school building debt or bonds that become due during the fiscal  
29 year together with the amount paid on each item of indebtedness.  
30 Any charter school entity that elects to issue new school

1 building debt or bonds shall hold in escrow an amount sufficient  
2 to pay the annual amount of the sum of the principal maturing or  
3 subject to mandatory redemption and interest owing by the  
4 charter school entity or sinking fund deposit due by the charter  
5 school entity.

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

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

11 (ii) any interest due on such indebtedness on any interest  
12 payment date or on any sinking fund deposit date in accordance  
13 with the schedule under which the bonds were issued,  
14 the bank or trustee for the bonds shall notify the board of  
15 trustees of its obligation and shall immediately notify the  
16 secretary and, in the case of a charter school or regional  
17 charter school, the local board of school directors.

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

27 Section 9. Sections 1717-A(c), (d), (e) and (f), 1719-A,  
28 1720-A and 1721-A(a) and (e) of the act are amended to read:

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

30 (c) An application to establish a charter school shall be

1 submitted to the local board of school directors of the district  
2 where the charter school will be located by [November 15]  
3 October 1 of the school year preceding the school year in which  
4 the charter school will be established except that for a charter  
5 school beginning in the 1997-1998 school year, an application  
6 must be received by July 15, 1997. In the 1997-1998 school year  
7 only, applications shall be limited to recipients of fiscal year  
8 1996-1997 Department of Education charter school planning  
9 grants.

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

22 (e) (1) Not later than seventy-five (75) days after the  
23 first public hearing on the application, the local board of  
24 school directors shall grant or deny the application. For a  
25 charter school beginning in the 1997-1998 school year, the local  
26 board of school directors shall grant or deny the application no  
27 later than sixty (60) days after the first public hearing.

28 (2) A charter school application submitted under this  
29 article shall be evaluated by the local board of school  
30 directors based on criteria, including, but not limited to, the

1 following:

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

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

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

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

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

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

25 (5) Written notice of the board's action shall be sent to  
26 the applicant, the department and the appeal board. If the  
27 application is denied, the reasons for the denial, including a  
28 description of deficiencies in the application, shall be clearly  
29 stated in the notice sent by the local board of school directors  
30 to the charter school applicant.

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

19 \* \* \*

20 Section 1719-A. Contents of Application.--[An] (a) The  
21 department shall create a standard application form in paper and  
22 electronic formats for charter school applicants seeking to  
23 establish a charter school entity and a standard application  
24 form in paper and electronic formats for existing charter school  
25 entities seeking renewal of their charters. The forms shall be  
26 published in the Pennsylvania Bulletin and posted on the  
27 department's publicly accessible Internet website. The forms  
28 shall include all of the following information:

29 (1) The identification of the charter school applicant.

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

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

2 (4) [The proposed governance structure of the charter  
3 school, including a description and method for the appointment  
4 or election of members of the board of trustees.] An  
5 organization chart clearly presenting the proposed governance  
6 structure of the school, including lines of authority and  
7 reporting between the board of trustees, administrators, staff  
8 and any educational management service provider that will  
9 provide management services to the charter school entity.

10 (4.1) A clear description of the roles and responsibilities  
11 of the board of trustees, administrators and any other entities,  
12 including a charter school foundation, shown in the organization  
13 chart.

14 (4.2) A clear description of the method for the appointment  
15 or election of members of the board of trustees.

16 (4.3) Standards for board of trustees' performance,  
17 including compliance with all applicable laws, regulations and  
18 terms of the charter.

19 (4.4) If the charter school entity intends to contract with  
20 an educational management service provider for services, all of  
21 the following shall apply:

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

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

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

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

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

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

5 (E) Performance evaluation measures and timelines.

6 (F) The compensation structure, including clear  
7 identification of all fees to be paid to the educational  
8 management service provider.

9 (G) Methods of contract oversight and enforcement.

10 (H) Investment disclosure or the advance of moneys by the  
11 educational management service provider on behalf of the charter  
12 school entity.

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

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

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

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

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

30 (8) Information on the manner in which community groups will

1 be involved in the charter school entity planning process.

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

6 (10) Procedures which shall be established to review  
7 complaints of parents regarding the operation of the charter  
8 school entity.

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

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

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

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

29 (15) [A report] Reports of criminal history [record] records  
30 and employment history reviews, pursuant to [section 111]

1 sections 111 and 111.1, for all individuals identified in the  
2 application who shall have direct contact with students[.] and a  
3 plan for satisfying the proper criminal history record  
4 clearances and employment history reviews required for all other  
5 staff.

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

15 (17) How the charter school entity will provide adequate  
16 liability and other appropriate insurance for the charter school  
17 entity, its employes and the board of trustees of the charter  
18 school entity.

19 (18) Policies regarding truancy, absences and withdrawal of  
20 students, including the manner in which the charter school  
21 entity will monitor attendance consistent with section 1715-A(a)  
22 (9). The charter school entity's policy shall establish, 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 will comply with the  
26 provisions of sections 1326, 1327, 1327.2, 1329, 1330, 1332,  
27 1333, 1333.1, 1333.2 and 1333.3, including the institution of  
28 truancy proceedings when required under section 1333.1.

29 (19) How the charter school entity will meet the standards  
30 included in the performance matrix developed by the State Board

1 of Education under section 1731.2-A.

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

9 (b) A local board of school directors may not impose  
10 additional terms, develop its own application or require  
11 additional information outside the standard application forms  
12 required under subsection (a). The department shall review the  
13 standard application forms every three (3) years and shall  
14 submit any recommended revisions in writing to the Education  
15 Committee of the Senate and the Education Committee of the House  
16 of Representatives. No such recommended revisions shall be made  
17 to the standard application forms unless the revisions are  
18 enacted by the General Assembly.

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

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

18 (2) The following shall apply to all charters granted by a  
19 local board of school directors:

20 (i) An initial charter executed pursuant to section  
21 1720-A(a)(1) shall be for a period of five (5) years.

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

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

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

1 have satisfied the academic quality benchmark established by the  
2 State board pursuant to section 1731.2-A(3), a charter may be  
3 renewed for ten (10) year periods upon reauthorization by the  
4 local board of school directors or the appeal board. Beginning  
5 in the sixth year of any ten (10) year period of renewal under  
6 this subclause, the charter of any charter school or regional  
7 charter school that fails for two (2) consecutive years to  
8 satisfy the academic quality benchmark established by the State  
9 board under section 1731.2-A(3) shall be subject to review by  
10 the local board of school directors.

11 (B) For charter schools and regional charter schools that  
12 have not satisfied the academic quality benchmark established by  
13 the State board pursuant to section 1731.2-A(3), a charter may  
14 be renewed for five (5) year periods upon reauthorization by the  
15 local board of school directors or the appeal board.

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

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

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

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

5     (2) Within sixty (60) days of its receipt of the request for  
6 an amendment, the local board of school directors shall hold a  
7 public hearing on the requested amendment under 65 Pa.C.S. Ch. 7  
8 (relating to open meetings).

9     (3) Within sixty (60) days after the hearing, the local  
10 board of school directors shall grant or deny the requested  
11 amendment. Failure by the local board of school directors to  
12 hold a public hearing and to grant or deny the amendment within  
13 the time period specified in this subsection shall be deemed an  
14 approval.

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

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

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

28     (2) A school board member.

29     (3) A certified teacher actively employed in a public  
30 school.

1 (4) A faculty member or administrative employe of an  
2 institution of higher education.

3 (5) A member of the business community.

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

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

6 (8) A member of the board of trustees of a charter school  
7 entity.

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

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

21 \* \* \*

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

29 Section 10. Section 1722-A(a), (b) and (d) and 1723-A(a) and  
30 (b) of the act are amended and the sections are amended by

1 adding subsections to read:

2 Section 1722-A. Facilities.--(a) A charter school entity  
3 may be located in an existing public school building, in a part  
4 of an existing public school building, in space provided on a  
5 privately owned site, in a public building or in any other  
6 suitable location.

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

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

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

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

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

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

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

1 receiving the form.

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

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

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

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

14 (B) Accept the best offer, if the offers differ in dollar  
15 amount.

16 (d) Notwithstanding any other provision of this act, [a  
17 school district of the first class may, in its discretion,  
18 permit a charter school to operate its school at more than one  
19 location.] a charter school or regional charter school that does  
20 not have in its written charter any limits on student enrollment  
21 or caps is permitted to operate its school at more than one  
22 location.

23 \* \* \*

24 (f) (1) Alcoholic beverages shall not be available for  
25 consumption, purchase or sale in any charter school entity  
26 facility.

27 (2) If, in the case of a charter school or regional charter  
28 school, the local board of school directors reasonably believes  
29 that alcoholic beverages have been made available for  
30 consumption, purchase or sale in the charter school or regional

1 charter school facility, the local board of school directors  
2 shall notify the department.

3 (3) If alcoholic beverages have been made available for  
4 consumption, purchase or sale in a charter school entity  
5 facility, the secretary shall order the following forfeitures <--  
6 against the charter school entity:

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

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

11 (III) REVOCATION OF THE CHARTER FOR THE THIRD VIOLATION. <--

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

15 Section 1723-A. [Enrollment] Admission and Enrollment  
16 Requirements.--(a) (1) All resident children in this

17 Commonwealth who submit a completed enrollment form in  
18 accordance with clauses (3) and (4) qualify for admission to a  
19 charter school entity within the provisions of subsection (b).

20 [If] In the case of a charter school or regional charter school,  
21 if more students apply to the charter school or regional charter

22 school than the number of attendance slots available in the  
23 school, then students must be selected on a random basis from a  
24 pool of [qualified applicants meeting the established

25 eligibility criteria and submitting an application] eligible  
26 applicants who have submitted an enrollment form in accordance

27 with clauses (3) and (4) by the deadline established by the  
28 charter school or regional charter school, except that the  
29 charter school or regional charter school may give preference in  
30 enrollment to a child of a parent who has actively participated

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

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

28 (3) The department, in consultation with representatives of  
29 charter school entities, shall develop a standard enrollment  
30 form in both paper and electronic formats that shall be used by

1 all eligible applicants to apply to a charter school entity. The  
2 standard enrollment form shall only request information  
3 necessary to allow the charter school entity to identify the  
4 student, grade level and residency, including:

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

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

9 (4) The standard enrollment form shall be made physically  
10 available at each charter school entity, in a form that complies  
11 with Federal and State law, and posted on the publicly  
12 accessible Internet website of each charter school entity, if  
13 available. A charter school entity may accept the enrollment  
14 form via paper or electronic means.

15 (5) When a student applies to a charter school entity, a  
16 charter school entity shall not require or request information  
17 beyond the contents of the standard enrollment form developed by  
18 the department.

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

24 (7) As used in this subsection, "eligible applicant" shall  
25 mean a student who is seeking to enter a grade level offered by  
26 the charter school entity and meets the requirements of 22 Pa.  
27 Code §§ 11.12 (relating to school age), 11.13 (relating to  
28 compulsory school age), 11.14 (relating to admission to  
29 kindergarten when provided), 11.15 (relating to admission of  
30 beginners), 11.16 (relating to early admission of beginners) and

1 12.1 (relating to free education and attendance) and student  
2 residency requirements.

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

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

17 \* \* \*

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

29 Section 11. Section 1725-A of the act, amended July 13, 2016  
30 (P.L.716, No.86), is amended to read:

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

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

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

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

21 (ii) Beginning in the 2017-2018 school year and continuing  
22 until the earlier of the end of the 2018-2019 school year or the  
23 enactment of a new formula, a cyber charter school shall receive  
24 for each student enrolled the budgeted total expenditures per  
25 average daily membership of the prior school year, as defined in  
26 section 2501(20), minus the actual total amount the district of  
27 residence paid to cyber charter schools under this section for  
28 the prior school year; and budgeted expenditures of the district  
29 of residence for nonpublic school programs; adult education  
30 programs; community/junior college programs; tax assessment and

1 collection services; thirty per centum of operation and  
2 maintenance of plant services; student transportation services;  
3 for special education programs; facilities acquisition,  
4 construction and improvement services; and other financing uses,  
5 including debt service and fund transfers as provided in the  
6 Manual of Accounting and Related Financial Procedures for  
7 Pennsylvania School Systems established by the department. The  
8 amount under this subclause shall be paid by the district of  
9 residence of each student.

10 (2.1) The amount under clause (2) shall be calculated by  
11 each school district on a form prescribed by the secretary in  
12 accordance with this section. The secretary, upon receipt of a  
13 school district's calculation, shall review the school  
14 district's calculation and may request supporting documentation  
15 from the school district regarding its calculation. If the  
16 secretary finds an error or discrepancy in a school district's  
17 calculation, the secretary shall require the school district to  
18 correct the calculation and require the school district to  
19 notify affected charter school entities. IF THE SCHOOL DISTRICT <--  
20 FINDS AN ERROR OR DISCREPANCY IN THE SCHOOL DISTRICT'S  
21 CALCULATION, THE SCHOOL DISTRICT SHALL NOTIFY THE SECRETARY AND  
22 THE AFFECTED CHARTER SCHOOL ENTITIES AS SOON AS POSSIBLE, BUT  
23 NOT LATER THAN OCTOBER 31 OF EACH YEAR.

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

1 membership for the prior school year. [This] The amount under  
2 this clause shall be paid by the district of residence of each  
3 student.

4 (3.1) (i) For a school district in a city of the first  
5 class, the amount of cyber charter school savings under  
6 subclause (ii) for the 2017-2018 and 2018-2019 school years  
7 shall be used only for school-based services that may include  
8 the following:

9 (A) Early childhood education, including full-day  
10 kindergarten and prekindergarten.

11 (B) Tutoring services.

12 (C) Educational enrichment programs.

13 (D) Reducing class size.

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

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

17 (G) Library services.

18 (ii) The amount of cyber charter school savings shall be  
19 equal to the difference between charter school entity payments  
20 calculated under clauses (2) (i) and (3) and cyber charter school  
21 payments calculated under clauses (2) (ii) and (3).

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

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

15 (5) Payments shall be made to the charter school entity in  
16 twelve (12) equal monthly payments, by the fifth day of each  
17 month, within the operating school year. A charter school  
18 entity's initial request for payment each year from a school  
19 district with respect to a student enrolled in the charter  
20 school entity shall include a copy of the student's standard  
21 enrollment form submitted to the charter school entity. A  
22 student enrolled in a charter school entity shall be included in  
23 the average daily membership of the student's district of  
24 residence for the purpose of providing basic education funding  
25 payments and special education funding pursuant to Article XXV.  
26 If a school district fails to make a payment to a charter school  
27 entity as prescribed in this clause, the secretary shall deduct  
28 the estimated amount, as documented by the charter school  
29 entity, from any and all State payments made to the district  
30 after receipt of documentation from the charter school entity.

1 No later than October 1 of each year, a charter school entity  
2 shall submit to the school district of residence of each student  
3 final documentation of payment to be made based on the average  
4 daily membership for the students enrolled in the charter school  
5 entity from the school district for the previous school year. If  
6 a school district fails to make payment to the charter school  
7 entity, the secretary shall deduct and pay the amount as  
8 documented by the charter school entity from any and all State  
9 payments made to the district after receipt of documentation  
10 from the charter school entity from the appropriations for the  
11 fiscal year in which the final documentation of payment was  
12 submitted to the school district of residence.

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

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

27 (ii) Within thirty (30) days of the notice by the school  
28 district under subclause (i), the secretary shall provide the  
29 school district with a hearing concerning whether the charter  
30 school entity documented that students were enrolled in the

1 charter school entity, the period of time during which each  
2 student was enrolled in the charter school entity, the school  
3 district of residence of each student enrolled in the charter  
4 school entity and whether the amounts deducted from or paid by  
5 the school district were accurate.

6 (iii) The burden of proof and production at the hearing  
7 shall be on the school district. A hearing shall not be held  
8 before the amount estimated by the charter school entity is paid  
9 to the charter school entity.

10 (iv) The secretary shall determine the accuracy of the  
11 amount documented by the charter school entity. Any necessary  
12 payment adjustment shall be made within thirty (30) days of the  
13 hearing.

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

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

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

27 [(b) The Commonwealth shall provide temporary financial  
28 assistance to a school district due to the enrollment of  
29 students in a charter school who attended a nonpublic school in  
30 the prior school year in order to offset the additional costs

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

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

1 section 1717-A(b). Grants shall be limited to funds appropriated  
2 for this purpose.]

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

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

19 (f) In the case of a school district identified for  
20 financial recovery status under Article VI-A, a charter school  
21 entity, that is in operation on the effective date of this  
22 subsection or that is not authorized by the school district, may  
23 provide discounts to the school district or waive payments under  
24 this section, provided that any discounts or waivers of payment  
25 under this subsection shall be included in the school district's  
26 financial recovery plan under section 641-A.

27 Section 12. Sections 1728-A and 1729-A(a), (b) and (c) of  
28 the act are amended to read:

29 Section 1728-A. Annual Reports and Assessments.--(a) (1)  
30 The local board of school directors shall annually assess and

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

11 (2) Ongoing access to a charter school's or regional charter  
12 school's records shall mean that the local board of school  
13 directors shall have access to records including, but not  
14 limited to, financial reports, financial audits, teacher  
15 certification and personnel records and aggregate standardized  
16 test scores without student-identifying information.

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

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

30 [(c) Five (5) years following the effective date of this

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (2) Failure to meet the requirements for student performance  
27 [set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or  
28 subsequent regulations promulgated to replace 22 Pa. Code Ch. 5]  
29 on assessments and on the performance matrix established under  
30 section 1731.2-A 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. A member of the board of trustees who is

1 convicted of a felony or any crime involving moral turpitude  
2 shall be immediately disqualified from serving on the board of  
3 trustees.

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

27 \* \* \*

28 Section 13. The act is amended by adding sections to read:

29 Section 1729.1-A. Evaluation of Educators.--(a) All  
30 applications for a charter or for the renewal of a charter shall

1 include a system of evaluation for educators that includes:

2 (1) At least four (4) rating categories of educator  
3 performance.

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

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

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

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

19 (a) Establishment shall be as follows:

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

24 (i) The department approves the consolidation as proposed in  
25 the application form submitted to the department pursuant to  
26 subsection (c). If the department does not approve or disapprove  
27 the proposed consolidation within forty-five (45) days after  
28 receipt of the application, the department will be deemed to  
29 have approved the consolidation.

30 (ii) Each school district that granted the initial charter

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

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

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

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

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

25 (b) (1) A charter school that, within either of the most  
26 recent two (2) school years, has failed to meet any of the  
27 following shall not be eligible to consolidate with another  
28 charter school:

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

1 (ii) Accepted standards of fiscal management or audit  
2 requirements.

3 (iii) Performance standards set forth by the performance  
4 matrix established under section 1731.2-A or, prior to the  
5 effective date of the regulations implementing the performance  
6 matrix, a School Performance Profile score that is among the top  
7 twenty-fifth percentile of Pennsylvania charter schools as  
8 measured by the School Performance Profile for the most recent  
9 year for which a School Performance Profile score is available.

10 (2) A charter school that has failed to meet any of the  
11 requirements of paragraph (1) may consolidate if the  
12 consolidation includes a charter school demonstrating that it  
13 has satisfied such requirements for the most recent two (2)  
14 school years.

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

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

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

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

27 (4) An organizational chart clearly presenting the proposed  
28 governance structure of the multiple charter school  
29 organization, including lines of authority and reporting between  
30 the board of trustees, chief administrator, administrators,

1 staff and any educational management service provider that will  
2 play a role in providing management services to the charter  
3 schools under its jurisdiction.

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

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

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

13 (8) Enrollment procedures for each individual charter school  
14 included in its charter.

15 (9) Any other information as deemed necessary by the  
16 department.

17 (d) A multiple charter school organization may:

18 (1) Participate in the assessment system in the same manner  
19 in which a school district participates, with its individual  
20 charter schools participating in the assessment system in the  
21 same manner as individual schools within school districts. All  
22 data gathered for purposes of evaluation shall be gathered in  
23 the same manner in which data is gathered in the case of school  
24 districts and individual schools within school districts.  
25 Nothing in this paragraph shall alter the manner in which  
26 charter school performance on assessments is measured as  
27 required under the Every Student Succeeds Act (Public Law 114-  
28 95, 129 Stat. 1802), or its successor Federal statute.

29 (2) Add existing charter schools to its organization by  
30 obtaining the approval of the department and of the local board

1 of school directors that granted the initial charter of each  
2 charter school proposed to be added under subsection (a) (1).

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

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

18 (f) Appeals shall be as follows:

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

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

25 (i) Review the decision made by either the department or the  
26 school district on the record as certified by the entity that  
27 made the decision being appealed, provided that the appeal board  
28 may allow the department, a school district or the applicant for  
29 consolidation to supplement the record if the supplemental  
30 information was previously unavailable.

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

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

6 (iv) Make its decision based on whether the proposed  
7 consolidation satisfies the requirements of subsections (b) and  
8 (c).

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

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

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

21 Section 1731.1-A. Fund Balance Limits.--Fund balance limits  
22 shall be as follows:

23 (1) For the 2017-2018 school year and each school year  
24 thereafter, a charter school entity shall not accumulate an  
25 unassigned fund balance greater than the charter school entity  
26 unassigned fund balance limit, which will be determined as  
27 follows:

28		<u>Maximum Unassigned Fund</u>
29	<u>Charter School Entity</u>	<u>Balance as Percentage of</u>
30	<u>Total Budgeted Expenditures</u>	<u>Total Budgeted Expenditures</u>

1	<u>Less than or equal to \$11,999,999</u>	<u>16%</u>
2	<u>Between \$12,000,000 and \$12,999,999</u>	<u>15.5%</u>
3	<u>Between \$13,000,000 and \$13,999,999</u>	<u>15%</u>
4	<u>Between \$14,000,000 and \$14,999,999</u>	<u>14.5%</u>
5	<u>Between \$15,000,000 and \$15,999,999</u>	<u>14%</u>
6	<u>Between \$16,000,000 and \$16,999,999</u>	<u>13.5%</u>
7	<u>Between \$17,000,000 and \$17,999,999</u>	<u>13%</u>
8	<u>Between \$18,000,000 and \$18,999,999</u>	<u>12.5%</u>
9	<u>Greater Than or Equal to \$19,000,000</u>	<u>12%</u>

10     (2) For the 2017-2018 school year and each school year  
11 thereafter, any unassigned fund balance in place on June 30,  
12 2018, and on June 30 of each year thereafter in excess of the  
13 charter school entity unassigned fund balance limit shall be  
14 refunded on a pro rata basis within ninety (90) days to all  
15 school districts that paid tuition to the charter school entity  
16 in the prior school year, based upon the number of students for  
17 whom each school district paid tuition to the charter school  
18 entity multiplied by the school district's per student payment  
19 under section 1725-A.

20     (3) By October 31, 2018, and by October 31 of each year  
21 thereafter, each charter school entity shall provide the  
22 department and all school districts that paid tuition to the  
23 charter school entity in the prior school year with information  
24 certifying compliance with this section. The information shall  
25 be provided in a form and manner prescribed by the department  
26 and shall include information on the charter school entity's  
27 estimated ending unassigned fund balance expressed as a dollar  
28 amount and as a percentage of the charter school entity's total  
29 budgeted expenditures for that school year.

30     (4) Unassigned funds of the charter school entity in excess

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

15 (5) As used in this section, "unassigned fund balance" shall  
16 mean that portion of the fund balance of a charter school entity  
17 that provides funding that serves to support the charter school  
18 entity that is:

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

21 (ii) held in the General Fund accounts of the charter school  
22 entity.

23 Section 1731.2-A. Performance Matrix.--The following shall  
24 apply:

25 (1) Within twenty-four (24) months of the effective date of  
26 this section, the State board shall develop a standard  
27 performance matrix to evaluate charter school entity performance  
28 and shall promulgate regulations pursuant to the act of June 25,  
29 1982 (P.L.633, No.181), known as the "Regulatory Review Act," to  
30 implement this section.

1     (2) The performance matrix shall assess performance by  
2 utilizing objective criteria, including, but not limited to:  
3 student performance on assessments; annual growth as measured by  
4 the Pennsylvania Value-Added Assessment System; attendance;  
5 attrition rates; graduation rates; other standardized test  
6 scores; school safety; parent satisfaction; accreditation by a  
7 nationally recognized accreditation agency, including the Middle  
8 States Association of Colleges and Schools or another regional  
9 institutional accrediting agency recognized by the United States  
10 Department of Education or an equivalent federally recognized  
11 body for charter school education; and other measures of school  
12 quality, including measures for assessing teacher effectiveness.

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

19     (4) In developing the performance matrix, the State board  
20 may:

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

24     (ii) To the extent possible, utilize an existing database  
25 developed by the department, including the School Performance  
26 Profile.

27     (5) Neither the department nor any local board of school  
28 directors may develop a separate performance matrix for the  
29 evaluation of a charter school entity. The department shall  
30 review the performance matrix every three (3) years to ensure

1 the performance matrix properly measures school quality and  
2 shall submit any recommendations in writing to the State board,  
3 the Education Committee of the Senate and the Education  
4 Committee of the House of Representatives. Such recommended  
5 revisions shall not take effect unless the General Assembly  
6 enacts the revisions or the State board promulgates regulations  
7 to adopt the revisions pursuant to the "Regulatory Review Act."

8 (6) (i) A local board of school directors shall utilize the  
9 standard performance matrix as a primary factor in evaluating  
10 renewal charter school and regional charter school applicants,  
11 in evaluating consolidation applications under section 1729.2-A  
12 and in annual monitoring and evaluation of charter schools and  
13 regional charter schools.

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

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

28 (ii) The Statewide advisory committee required to be  
29 convened under subparagraph (i) shall be convened not later than  
30 ninety (90) days after the effective date of this section and

1 shall meet regularly to fulfill requirements of this paragraph.

2 (8) The department shall distribute the performance matrix  
3 to all school districts and charter school entities and shall  
4 publish the annual calculation of the matrix on the department's  
5 publicly accessible Internet website.

6 Section 14. Section 1732-A of the act, amended November 3,  
7 2016 (P.L.1061, No.138), is amended to read:

8 Section 1732-A. Provisions Applicable to Charter Schools and  
9 Regional Charter Schools.--(a) Charter schools shall be subject  
10 to the following:

11 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431, 436,  
12 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753,  
13 [755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a),  
14 1205.1, 1205.2, 1205.3, 1205.4, 1205.5, 1301, 1302, 1303, 1310,  
15 1317, 1317.1, 1317.2, 1317.3, 1318, 1326, 1327, 1327.2, 1329,  
16 1330, 1332, 1333, 1333.1, 1333.2, 1333.3, 1303-A, 1513, 1517,  
17 1518, 1521, 1523, 1531, 1547, 2014-A, Article XIII-A and Article  
18 XIV.

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

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

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

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

1 attend postsecondary institutions of higher learning, making an  
2 appropriation, and providing for the administration of this  
3 act."

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

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

10 (8) 65 Pa.C.S. Ch. 7 (relating to open meetings).

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

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

15 [Section 5.216 (relating to ESOL).

16 Section 5.4 (relating to general policies).]

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

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

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

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

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

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

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

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

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

29 (2) The secretary shall have the authority and the  
30 responsibility to ensure that charter schools and regional

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

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

5 Section 1733-A. Effect on Existing Charter School

6 Entities.--(a) Within one (1) year of the effective date of

7 this section, a charter school entity established under section

8 1717-A, 1718-A or 1745-A prior to the effective date of this

9 section shall amend its current charter through the amendment

10 process under section 1720-A(c) or 1745-A(f) (5) as needed to

11 reflect the requirements of this article. Any renewal that takes

12 effect after June 30, 2017, shall be for the term specified

13 under section 1720-A(a) (2) or 1745-A(f) (3).

14 (b) A charter school entity approved after June 30, 2017,

15 shall be in full compliance with this article.

16 (c) By the beginning of the 2017-2018 school year, each

17 charter school entity shall demonstrate, to the satisfaction of

18 the local board of school directors or, in the case of a cyber

19 charter school, to the satisfaction of the department that the

20 charter school entity is in compliance with the compulsory

21 attendance provisions of sections 1326, 1327, 1327.2, 1329,

22 1330, 1332, 1333, 1333.1, 1333.2 and 1333.3, including the

23 institution of truancy proceedings when required under section

24 1333.1.

25 Section 16. Sections 1741-A(c), 1742-A, 1743-A(e), 1744-A

26 and 1745-A of the act are amended to read:

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

28 \* \* \*

29 (c) Documents.--Documents of the appeal board shall be

30 subject to the act of [June 21, 1957 (P.L.390, No.212), referred

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

3 Section 1742-A. Assessment and evaluation.

4 (a) Assessment.--The department shall:

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

10 (2) Annually review each cyber charter school's  
11 performance on [the Pennsylvania System of School Assessment  
12 test, standardized tests and other performance indicators to  
13 ensure compliance with 22 Pa. Code Ch. 4 (relating to  
14 academic standards and assessment) or subsequent regulations  
15 promulgated to replace 22 Pa. Code Ch. 4] assessments and the  
16 performance matrix established under section 1731.2-A.

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

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

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

1           (2) Within 30 days of the cyber charter school's  
2 request, the intermediate unit, school district, community  
3 college or State system institution shall notify the cyber  
4 charter school of the location of the facilities that will be  
5 provided, which shall be a quiet, separate location in which  
6 cyber charter school students will not be commingled with  
7 students of the intermediate unit, school district, community  
8 college or State system institution.

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

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

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

24 \* \* \*

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

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

29 (2) provide all equipment, including, but not limited  
30 to, a computer, computer monitor and printer, provided that a

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

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

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

11 \* \* \*

12 Section 1744-A. School district and intermediate unit  
13 responsibilities.

14 An intermediate unit or a school district in which a student  
15 enrolled in a cyber charter school resides shall do all of the  
16 following:

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

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

25 (3) Upon request, provide assistance to the cyber  
26 charter school in the delivery of services to a student with  
27 disabilities. The school district or intermediate unit shall  
28 not charge the cyber charter school more for a service than  
29 it charges a school district.

30 (4) Make payments to the cyber charter school under

1 section 1725-A.

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

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

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

16 (b.1) Local board of school directors or intermediate  
17 unit.--

18 (1) Nothing in this article shall be construed to  
19 preclude a school district or an intermediate unit from  
20 offering instruction via the Internet or other electronic  
21 means, except that the instruction shall not be recognized as  
22 a cyber charter school under this article unless the school  
23 district or intermediate unit establishes a cyber charter  
24 school under subsection (a) and paragraph (2).

25 (2) A cyber charter school may be established by a local  
26 board of school directors or an intermediate unit if the  
27 procedures and requirements of this article are satisfied.

28 (c) Attendance.--Attendance at a cyber charter school shall  
29 satisfy requirements for compulsory attendance[.], subject to  
30 interventions and penalties for violation of compulsory

1 attendance requirements under sections 1326, 1327.2, 1329, 1333,  
2 1333.1, 1333.2 and 1333.3.

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

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

16 (f) Evaluation criteria.--

17 (1) A cyber charter school application pursuant to  
18 section 1719-A submitted under this subdivision shall be  
19 evaluated by the department based on the following criteria:

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

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

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

1 promulgated to replace 22 Pa. Code Ch. 4.

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

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

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

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

24 (i) An initial charter granted under this section  
25 shall be for a period of five years.

26 (ii) Prior to the effective date of the regulations  
27 implementing the performance matrix as required under  
28 section 1731.2-A, a charter may be renewed for five-year  
29 periods upon reauthorization by the department.

30 (iii) Upon the effective date of the regulations

1 implementing the performance matrix as required pursuant  
2 to section 1731.2-A, the following shall apply:

3 (A) For cyber charter schools that have  
4 satisfied the academic quality benchmark established  
5 by the State board under section 1731.2-A(3), a  
6 charter may be renewed for 10-year periods upon  
7 reauthorization by the department; provided that,  
8 beginning in the sixth year of any 10-year period of  
9 renewal under this clause, the charter of any cyber  
10 charter school that fails for two consecutive years  
11 to satisfy the academic quality benchmark established  
12 by the State board under section 1731.2-A(3) shall be  
13 subject to review by the department.

14 (B) For cyber charter schools that have not  
15 satisfied the academic quality benchmark established  
16 by the State board under section 1731.2-A(3), a  
17 charter may be renewed for five-year periods upon  
18 reauthorization by the department.

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

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

25 (ii) Within 60 days of its receipt of the request  
26 for an amendment, the department shall hold a public  
27 hearing on the requested amendment under 65 Pa.C.S. Ch. 7  
28 (relating to open meetings).

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

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

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

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

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

17 Section 17. Section 1749-A(a) and (c) of the act, amended  
18 November 3, 2016 (P.L.1061, No.138), are amended to read:  
19 Section 1749-A. Applicability of other provisions of this act  
20 and of other acts and regulations.

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

23 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431,  
24 436, 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741,  
25 752, 753, [755,] 771, 776, 777, 808, 809, 810, 1109, 1111,  
26 1112(a), 1205.1, 1205.2, 1205.3, 1205.5, 1301, 1302, 1303,  
27 1310, 1317, 1317.2, 1318, 1326, 1327, 1327.2, 1329, 1330,  
28 1332, 1333, 1333.1, 1333.2, 1333.3, 1303-A, 1513, 1517, 1518,  
29 1521, 1523, 1525, 1531, 1547, 1602-B, 1613-B, 1702-A, 1703-A,  
30 1704-A, 1714-A, 1715-A, 1716-A, 1716.1-A, 1719-A, 1721-A,

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

5 (1.1) The act of July 19, 1957 (P.L.1017, No.451), known  
6 as the State Adverse Interest Act.

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

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

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

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

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

27 (7) 65 Pa.C.S. Ch. 7 (relating to open meetings).

28 (8) 65 Pa.C.S. Ch. 11 (relating to ethics standards and  
29 financial disclosure).

30 \* \* \*

1 (c) Existing charter schools.--

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

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

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

14 (ii) Section 1744-A.

15 (iii) Section 1748-A.

16 Section 18. This act shall take effect as follows:

17 (1) THE ADDITION OF SECTIONS 126 AND 1313.2 OF THE ACT <--  
18 SHALL TAKE EFFECT IN 60 DAYS.

19 ~~(1)~~ (2) The addition of sections 1704-A and 1731.2-A of <--  
20 the act shall take effect in 120 days.

21 ~~(2)~~ (3) The remainder of this act shall take effect <--  
22 immediately.