

LEGISLATIVE REFERENCE BUREAU

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No. \_\_\_\_\_

LEGISLATIVE REFERENCE BUREAU

AN ACT

Amending the act of March 10, 1949 (P.L.30, No.14), known as the Public School Code of 1949, extensively revising charter school provisions.

INTRODUCED \_\_\_\_\_ 20 \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

By \_\_\_\_\_ District NO. \_\_\_\_\_

See next page for additional co-sponsors.

<b>Referred to Committee on</b>	
Date _____	20 _____
Reported _____	20 _____
<b>As Committed-Amended</b>	
<b>Recommendation</b>	
_____	
By Hon. _____	



## AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," extensively revising charter school  
6 provisions.

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

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

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

1 activities or any activity where the official action has an  
2 economic impact of greater than a de minimis nature on the  
3 interests of any person.

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

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

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

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

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

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

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

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

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

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

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

27 "Governing board of an institution of higher education" shall  
28 mean an institution of higher education subject to Article XX-C  
29 which elects by affirmative vote of a majority of all members to  
30 become an authorizer of charter schools and shall assume the

1 same powers and duties as a local board of school directors  
2 under this article. The term does not include a governing board  
3 of an institution of higher education that does not vote  
4 affirmatively to become an authorizer.

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

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

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

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

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

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

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

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

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

29 Section 2. Section 1715-A of the act, amended or added June  
30 19, 1997 (P.L.225, No.22) and July 9, 2008 (P.L.846, No.61), is

1 amended to read:

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

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

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

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

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

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

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

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

30 (B) in which the unused portion of the facility or its

1 common areas contain religious symbols and objects.

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

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

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

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

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

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

25 (i) The following provisions of this act:

26 (A) Sections 751 and 751.1.

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

28 (4) (i) No administrator of a charter school may  
29 participate in the selection, award or administration of a  
30 contract if the person has a conflict of interest as that term

1 is defined in 65 Pa.C.S. § 1102 (relating to definitions).

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

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

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

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

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

23 (1) For the 2013-2014 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 fund balance limit, which will be determined as follows:

	<u>Maximum Unassigned Fund</u>
<u>Charter School Entity</u>	<u>Balance as Percentage of</u>
<u>Total Budgeted Expenditures</u>	<u>Total Budgeted Expenditures</u>
27	
28	
29	
30	
<u>Less than or equal to \$11,999,999</u>	<u>12%</u>

1	<u>Between \$12,000,000 and \$12,999,999</u>	<u>11.5%</u>
2	<u>Between \$13,000,000 and \$13,999,999</u>	<u>11%</u>
3	<u>Between \$14,000,000 and \$14,999,999</u>	<u>10.5%</u>
4	<u>Between \$15,000,000 and \$15,999,999</u>	<u>10%</u>
5	<u>Between \$16,000,000 and \$16,999,999</u>	<u>9.5%</u>
6	<u>Between \$17,000,000 and \$17,999,999</u>	<u>9%</u>
7	<u>Between \$18,000,000 and \$18,999,999</u>	<u>8.5%</u>
8	<u>Greater Than or Equal to \$19,000,000</u>	<u>8%</u>

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

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

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

1 year.

2 Section 3. Section 1716-A(c) of the act, added June 19, 1997  
3 (P.L.225, No.22), is amended and the section is amended by  
4 adding subsections to read:

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

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

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

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

24 (2) Any member of the board of trustees who in the discharge  
25 of the person's official duties would be required to vote on a  
26 matter that would result in a conflict of interest shall abstain  
27 from voting and follow the procedures required under 65 Pa.C.S.  
28 § 1103(j) (relating to restricted activities).

29 (3) A member of the board of trustees who knowingly violates  
30 this subsection commits a violation of 65 Pa.C.S. § 1103(a) and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (3) Payments made pursuant to this article shall not be  
30 given priority over payments required pursuant to sections 633

1 and 785 and 53 Pa.C.S. § 8125(b) (relating to security for tax  
2 anticipation notes and sinking fund), or an agreement pursuant  
3 to which the board is required to make payment to a holder of  
4 debt issued by or on behalf of a school entity.

5 Section 4. Sections 1717-A(c), (d), (e), (f) and (i) and  
6 1719-A of the act, added June 19, 1997 (P.L.225, No.22), are  
7 amended to read:

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

8 \* \* \*

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

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

28 (3) Each person signing a petition to appeal denial of a  
29 charter under clause (2) shall declare that he or she is a  
30 resident of the school district which denied the charter

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

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

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

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

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

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

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

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

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

30 (5) If the required number of signatures are obtained within

1 sixty (60) days of the denial of the application, the applicant  
2 may present the petition to the court of common pleas of the  
3 county in which the charter school would be situated. The court  
4 shall hold a hearing only on the sufficiency of the petition.  
5 The applicant and local board of school directors shall be given  
6 seven (7) days' notice of the hearing. The court shall issue a  
7 decree establishing the sufficiency or insufficiency of the  
8 petition. If the petition is sufficient, the decree shall be  
9 transmitted to the State Charter School Appeal Board for review  
10 in accordance with this section. Notification of the decree  
11 shall be given to the applicant and the local board of  
12 directors.]

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

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

30 (8) Not later than sixty (60) days following the review

1 conducted pursuant to clause (6), the appeal board shall issue a  
2 written decision affirming or denying the appeal. If the appeal  
3 board has affirmed the decision of the local board of directors  
4 or the governing board of an institution of higher education,  
5 notice shall be provided to both parties.

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

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

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

26 (1) The identification of the charter applicant.

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

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

29 (4) [The proposed governance structure of the charter  
30 school, including a description and method for the appointment

1 or election of members of the board of trustees.] An  
2 organizational chart clearly presenting the proposed governance  
3 structure of the school, including lines of authority and  
4 reporting between the board of trustees, administrators, staff  
5 and any educational management service provider that will  
6 provide management services to the charter school.

7 (4.1) A clear description of the roles and responsibilities  
8 for the board of trustees, administrators and any other  
9 entities, including a charter school foundation, shown in the  
10 organizational chart.

11 (4.2) A clear description and method for the appointment or  
12 election of members of the board of trustees.

13 (4.3) Standards for board performance, including compliance  
14 with all applicable laws, regulations and terms of the charter.

15 (4.4) If the charter school intends to contract with an  
16 educational management service provider for services, all of the  
17 following:

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

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

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

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

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

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

1       (E) Performance evaluation measures and timelines.

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

5       (G) Methods of contract oversight and enforcement.

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

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

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

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

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

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

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

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



1 charter school foundation.

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

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

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

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

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

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

29 (16) An official clearance statement regarding child injury  
30 or abuse from the Department of Public Welfare as required by 23

1 Pa.C.S. Ch. 63 Subch. C.2 (relating to background checks for  
2 employment in schools) for all individuals identified in the  
3 application who shall have direct contact with students and a  
4 plan for satisfying the proper official clearance statement  
5 regarding child injury or abuse required for all other staff.

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

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

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

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

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

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

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

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

28 (b) [(1) Notwithstanding subsection (a), a governing board  
29 of a school district of the first class may renew a charter for  
30 a period of one (1) year if the board of school directors

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

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

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

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

17 (2) Within twenty (20) days of its receipt of the request  
18 for an amendment, the local board of school directors or the  
19 governing board of an institution of higher education shall hold  
20 a public hearing on the requested amendment under 65 Pa.C.S. Ch.  
21 7 (relating to open meetings).

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

30 (4) An applicant for an amendment shall have the right to

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

3 Section 6. Section 1721-A(a) and (e) of the act, added June  
4 19, 1997 (P.L.225, No.22), are amended to read:

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

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

15 (2) A school board member.

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

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

20 (5) A member of the business community.

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

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

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

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

1 of three (3) years and two (2) members to serve terms of four  
2 (4) years. A parent member appointed under paragraph (1) shall  
3 serve a term of four (4) years, provided the member's child  
4 remains enrolled in the charter school or cyber charter school.  
5 Any appointment to fill any vacancy shall be for the period of  
6 the unexpired term or until a successor is appointed and  
7 qualified.

8 \* \* \*

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

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

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

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

29 (d) Notwithstanding any other provision of this act, a  
30 school district [of the first class] may, in its discretion,

1 permit a charter school to operate its school at more than one  
2 location.

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

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

29 (3) This subsection shall apply retroactively to all charter  
30 schools, cyber charter schools [and], associated nonprofit

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

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

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

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

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

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

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

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

30 Section 1723-A. Enrollment.--(a) (1) All resident children



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

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

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

28 (4) Applications for admission to a charter school or  
29 entrance into a pool for random selection shall not require or  
30 include a request for any other information that goes beyond the

1 contents of the application form developed by the department,  
2 unless delineated in the school's charter and approved by the  
3 department.

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

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

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

30 \* \* \*

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

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

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

16 Section 1724-A. School Staff.--\* \* \*

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

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

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

29 \* \* \*

30 Section 10. Section 1725-A of the act, amended or added June

1 19, 1997 (P.L.225, No.22), June 22, 2001 (P.L.530, No.35) and  
2 June 29, 2002 (P.L.524, No.88), is amended to read:

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

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

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

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

29 (4) A charter school may request the intermediate unit in  
30 which the charter school is located to provide services to

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

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

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

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

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

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

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

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

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

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

24 (2) The following apply:

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



- 1 (A) Nonpublic school programs.
- 2 (B) Adult education programs.
- 3 (C) Community and junior college programs.
- 4 (D) Student transportation services.
- 5 (E) Special education programs.
- 6 (F) Facilities acquisition, construction and improvement  
7 services.
- 8 (G) Programs and services to the extent they are funded from  
9 the proceeds of competitive grants from private or public  
10 resources or from contributions or donations from private  
11 sources.
- 12 (H) Other financing uses, including debt service and fund  
13 transfers as provided in the Manual of Accounting and Related  
14 Financial Procedures for Pennsylvania School Systems established  
15 by the department.
- 16 (i.1) The amount under subclause (i) shall be calculated by  
17 each school district on a form prescribed by the secretary in  
18 accordance with this section. The secretary, upon receipt of a  
19 district's calculation, shall review the district's calculation  
20 and may request supporting documentation from the district  
21 regarding its calculation. If the secretary finds an error or  
22 discrepancy in a district's calculation, the secretary shall  
23 require the district to correct the calculation and require the  
24 school district to notify affected charter school entities.
- 25 (ii) The following apply:
- 26 (A) The amount under subclause (i) shall be paid by the  
27 school district of residence of each student by deduction and  
28 transfer from all State payments due to the district as provided  
29 under clause (5).
- 30 (B) If a charter school entity disputes the accuracy of a

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

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

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

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

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

18 (3) The following apply:

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

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

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

29 (ii) The amount under subclause (i) shall be paid by the  
30 school district of residence of each student by deduction and

1 transfer from all State payments due to the district as provided  
2 under clause (5).

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

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

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

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

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

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

1 this clause shall preclude an intermediate unit or school  
2 district from contracting with a charter school entity to  
3 provide the intermediate unit or school district with services  
4 to assist the intermediate unit or school district to address  
5 specific needs of nonspecial education and special education  
6 students.

7 (5) The following apply:

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

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

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

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

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

1 entity that elects to be paid directly by the school district of  
2 residence shall notify the department in accordance with the  
3 timelines established in the department guidelines. The school  
4 district of residence shall provide for payment to the charter  
5 school entity as follows:

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

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

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

19 (6) The following apply:

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

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

1     (iii) The burden of proof and production at the hearing  
2 shall be on the school district. A hearing shall not be held  
3 before the secretary deducts and transfers to the charter school  
4 entity the amount estimated by the charter school entity.

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

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

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

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

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

1 charter school entity must be given freely and voluntarily.

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

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

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

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

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

30 (3) Schools and school entities shall comply fully with the

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

7 \* \* \*

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

27 (h) (1) Notwithstanding any other provision of law, a  
28 charter school and any affiliated charter school foundation  
29 shall make copies of its annual Federal and State tax filings  
30 available upon request and on the foundation's or school's

1 publicly accessible Internet website, if applicable, including  
2 Internal Revenue Service Code Form 990, Return of Organization  
3 Exempt from Income Tax and all related schedules and appendices.

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

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

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

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

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

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

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

29 (4) The authorizing functions provided by the local board of  
30 school directors or the governing board of an institution of

1 higher education to the public charter schools under its  
2 purview, including the authorizer's operating costs and expenses  
3 detailed in annual audited financial statements that conform to  
4 generally accepted accounting principles.

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

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

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

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

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

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

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

1 that may include a corrective action plan for the authorizer and  
2 other sanctions deemed necessary by the department.

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

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

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

13 (2) Failure to meet the requirements for student performance  
14 [set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or  
15 subsequent regulations promulgated to replace 22 Pa. Code Ch. 5]  
16 assessments or failure to meet any performance standard set  
17 forth in the written charter signed pursuant to section 1716-A.

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

20 (4) Violation of provisions of this article.

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

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

25 \* \* \*

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

29 If, after a hearing under this section, a local board of school  
30 directors or the governing board of an institution of higher

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

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

1 public meeting pursuant to [the act of July 3, 1986 (P.L.388,  
2 No.84), known as the "Sunshine Act,"] 65 Pa.C.S. Ch. 7 (relating  
3 to open meetings) after the public has had thirty (30) days to  
4 provide comments to the board. All proceedings of the local  
5 board pursuant to this subsection shall be subject to 2 Pa.C.S.  
6 Ch. 5 Subch. B (relating to practice and procedure of local  
7 agencies). Except as provided in subsection (d), the decision of  
8 the local board shall not be subject to 2 Pa.C.S. Ch. 7 Subch. B  
9 (relating to judicial review of local agency action).

10 \* \* \*

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

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

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

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

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

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

29 (a) Establishment shall be as follows:

30 (1) Subject to the requirements of subsection (b), two or

1 more charter schools may consolidate under 15 Pa.C.S. Pt. II  
2 Subpt. C (relating to nonprofit corporations) into a multiple  
3 charter school organization.

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

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

10 (ii) considered a charter school entity; and

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

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

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

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

1 to the effective date of this section shall be eligible to  
2 consolidate with another charter school.

3 (2) Consolidation is restricted as follows:

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

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

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

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

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

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

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

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

30 (ii) Written notice of the department's action shall be sent



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26     (d) A multiple charter school organization may:

27     (1) Participate in the assessment system in the same manner  
28 in which a school district participates, with its individual  
29 charter schools participating in the assessment system in the  
30 same manner as individual schools in school districts. All data

1 +gathered for purposes of evaluation shall be gathered in the  
2 same manner in which data is gathered in the case of school  
3 districts and individual schools in school districts.

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

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

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

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

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

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

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

1 charter school under the oversight of the multiple charter  
2 school organization.

3 (g) The department shall:

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

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

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

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

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

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

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

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

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

29 Act of July 19, 1965 (P.L.215, No.116), entitled "An act  
30 providing for the use of eye protective devices by persons

1 engaged in hazardous activities or exposed to known dangers in  
2 schools, colleges and universities."

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

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

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

16 The "Right-to-Know Law."

17 65 Pa.C.S. Ch. 7 (relating to open meetings).

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

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

22 [Section 5.216 (relating to ESOL).

23 Section 5.4 (relating to general policies).]

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

25 Chapter 11 (relating to pupil attendance).

26 Chapter 12 (relating to students).

27 Section 32.3 (relating to assurances).

28 Section 121.3 (relating to discrimination prohibited).

29 Section 235.4 (relating to practices).

30 Section 235.8 (relating to civil rights).

1 Chapter 711 (relating to charter school services and programs  
2 for children with disabilities).

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

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

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

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

1 school education; and other measures of school quality,  
2 including measures for assessing teacher effectiveness.

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

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

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

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

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

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

30 (b) A charter school or regional charter school approved



1 after the effective date of this section shall be in full  
2 compliance with this article.

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

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

6 \* \* \*

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

10 Section 1742-A. Assessment and evaluation.

11 The department shall:

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

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

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

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

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

2 \* \* \*

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

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

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

13 \* \* \*

14 (f) Evaluation criteria.--

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

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

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

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

30 (iv) The extent to which the application meets the

1 requirements of section 1747-A.

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

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

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

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

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

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

30 (iii) Within 20 days after the hearing, the department

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

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

8 \* \* \*

9 Section 19. Section 1749-A(a) of the act, added June 29,  
10 2002 (P.L.524, No.88), is amended to read:

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

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

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

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

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

29 (3) The act of July 19, 1965 (P.L.215, No.116), entitled  
30 "An act providing for the use of eye protective devices by

1 persons engaged in hazardous activities or exposed to known  
2 dangers in schools, colleges and universities."

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

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

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

17 (7) The Right-to-Know Law.

18 (8) 65 Pa.C.S. Ch. 7 (relating to open meetings).

19 (9) 65 Pa.C.S. Ch. 11 (relating to ethics standards and  
20 financial disclosure).

21 \* \* \*

22 Section 20. The act is amended by adding a section to read:  
23 Section 1752-A. Funding for cyber charter schools.

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

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

1 residence under section 1725-A(a)(2). This amount shall be  
2 paid by the school district of residence of each student.

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

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

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

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

14 (ii) This section.

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