

AMENDMENTS TO SENATE BILL NO. 560

Sponsor: REPRESENTATIVE KILLION

Printer's No. 728

1 Amend Bill, [page 1, lines 1](#) and 2, by striking out all of  
2 said lines and inserting

3 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
4 act relating to the public school system, including certain  
5 provisions applicable as well to private and parochial  
6 schools; amending, revising, consolidating and changing the  
7 laws relating thereto," further providing for definitions and  
8 for concurrent enrollment agreements; repealing provisions  
9 relating to charter schools; providing for charter school  
10 entities; establishing the State Military College Legislative  
11 Appointment Initiative Program; providing for educational  
12 improvement tax credit; and repealing provisions of the Tax  
13 Reform Code of 1971 relating to educational improvement tax  
14 credit.

15 Amend Bill, [page 1, lines 5](#) through 17; [page 2, lines 1](#)  
16 through 30; [page 3, lines 1](#) through 27, by striking out all of  
17 said lines on said pages and inserting

18 Section 1. The definitions of "concurrent student" and  
19 "school entity" in section 1602-B of the act of March 10, 1949  
20 (P.L.30, No.14), known as the Public School Code of 1949, added  
21 July 13, 2005 (P.L.226, No.46), are amended and the section is  
22 amended by adding a definition to read:

23 Section 1602-B. Definitions.

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

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28 "Charter school entity." As defined in section 1703-C.

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\* \* \*  
"Concurrent student." A student who is enrolled in a school district, a charter school entity, an area vocational-technical school, a nonpublic school, a private school or a home education program under section 1327.1 and who takes a concurrent course through a concurrent enrollment program.  
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"School entity." A school district, a charter school entity or an area vocational-technical school.  
\* \* \*  
Section 2. Section 1613-B of the act is amended by adding a subsection to read:  
Section 1613-B. Concurrent enrollment agreements.  
\* \* \*  
(c) Charter school entities.--Charter school entities shall have the power and authority to enter into a concurrent enrollment agreement with an institution of higher education, and appropriate credit shall be awarded to students concurrently enrolled under the agreement.  
Section 3. Article XVII-A heading, Subdivision heading (a) and sections 1701-A and 1702-A, added June 19, 1997 (P.L.225, No.22), are repealed:  
[ARTICLE XVII-A.  
CHARTER SCHOOLS.  
(a) Preliminary Provisions.  
Section 1701-A. Short Title.--This article shall be known and may be cited as the "Charter School Law."  
Section 1702-A. Legislative Intent.--It is the intent of the General Assembly, in enacting this article, to provide pupils and community members to establish and maintain schools that operate independently from the existing school district structure as a method to accomplish all of the following:  
(1) Improve pupil learning.  
(2) Increase learning opportunities for all pupils.  
(3) Encourage the use of different and innovative teaching methods.  
(4) Create new professional opportunities for teachers,

31 including the opportunity to be responsible for the learning  
32 program at the school site.  
33 (5) Provide parents and pupils with expanded choices in the  
34 types of educational opportunities that are available within the  
35 public school system.  
36 (6) Hold the schools established under this act accountable  
37 for meeting measurable academic standards and provide the school  
38 with a method to establish accountability systems.]  
39 Section 4. Section 1703-A of the act, amended June 29, 2002  
40 (P.L.524, No.88), is repealed:  
41 [Section 1703-A. Definitions.--As used in this article,  
42 "Appeal board" shall mean the State Charter School Appeal  
43 Board established by this article.  
44 "At-risk student" shall mean a student at risk of educational  
45 failure because of limited English proficiency, poverty,  
46 community factors, truancy, academic difficulties or economic  
47 disadvantage.  
48 "Charter school" shall mean an independent public school  
49 established and operated under a charter from the local board of  
50 school directors and in which students are enrolled or attend. A  
51 charter school must be organized as a public, nonprofit

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1 corporation. Charters may not be granted to any for-profit  
2 entity.  
3 "Chief executive officer" shall mean an individual appointed  
4 by the board of trustees to oversee and manage the operation of  
5 the charter school, but who shall not be deemed a professional  
6 staff member under this article.  
7 "Cyber charter school" shall mean an independent public  
8 school established and operated under a charter from the  
9 Department of Education and in which the school uses technology  
10 in order to provide a significant portion of its curriculum and  
11 to deliver a significant portion of instruction to its students  
12 through the Internet or other electronic means. A cyber charter  
13 school must be organized as a public, nonprofit corporation. A  
14 charter may not be granted to a for-profit entity.  
15 "Department" shall mean the Department of Education of the  
16 Commonwealth.

17 "Local board of school directors" shall mean the board of  
18 directors of a school district in which a proposed or an  
19 approved charter school is located.  
20 "Regional charter school" shall mean an independent public  
21 school established and operated under a charter from more than  
22 one local board of school directors and in which students are  
23 enrolled or attend. A regional charter school must be organized  
24 as a public, nonprofit corporation. Charters may not be granted  
25 to any for-profit entity.  
26 "School district of residence" shall mean the school district  
27 in this Commonwealth in which the parents or guardians of a  
28 child reside.  
29 "School entity" shall mean a school district, intermediate  
30 unit, joint school or area vocational-technical school.  
31 "Secretary" shall mean the Secretary of Education of the  
32 Commonwealth.  
33 "State board" shall mean the State Board of Education of the  
34 Commonwealth.]  
35 Section 5. Subdivision heading (b) of Article XVII-A of the  
36 act, added June 19, 1997 (P.L.225, No.22), is repealed:  
37 [(b) Charter Schools.]  
38 Section 5.1. Section 1714-A of the act, amended July 4, 2004  
39 (P.L.536, No.70), is repealed:  
40 [Section 1714-A. Powers of Charter Schools.--(a) A charter  
41 school established under this act is a body corporate and shall  
42 have all powers necessary or desirable for carrying out its  
43 charter, including, but not limited to, the power to:  
44 (1) Adopt a name and corporate seal; however, any name  
45 selected shall include the words "charter school."  
46 (2) Sue and be sued, but only to the same extent and upon  
47 the same condition that political subdivisions and local  
48 agencies can be sued.  
49 (3) Acquire real property from public or private sources by  
50 purchase, lease, lease with an option to purchase or gift for  
51 use as a charter school facility.

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1 (4) Receive and disburse funds for charter school purposes  
2 only.

3 (5) Make contracts and leases for the procurement of  
4 services, equipment and supplies.

5 (6) Incur temporary debts in anticipation of the receipt of  
6 funds.

7 (6.1) Incur debt for the construction of school facilities.

8 (7) Solicit and accept any gifts or grants for charter  
9 school purposes.

10 (b) A charter school shall have such other powers as are  
11 necessary to fulfill its charter and which are not inconsistent  
12 with this article.

13 (c) Any indebtedness incurred by a charter school in the  
14 exercise of the powers specified in this section shall not  
15 impose any liability or legal obligation upon a school entity or  
16 upon the Commonwealth.]

17 Section 5.2. Section 1715-A, added June 19, 1997 (P.L.225,  
18 No.22) and July 9, 2008 (P.L.846, No.61), is repealed:  
19 [Section 1715-A. Charter School Requirements.--Charter  
20 schools shall be required to comply with the following  
21 provisions:

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

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

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

35 (4) A charter school shall be nonsectarian in all  
36 operations.

37 (5) A charter school shall not provide any religious  
38 instruction, nor shall it display religious objects and symbols  
39 on the premises of the charter school.

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

41 (7) A charter school shall only be subject to the laws and  
42 regulations as provided for in section 1732-A, or as otherwise  
43 provided for in this article.  
44 (8) A charter school shall participate in the Pennsylvania  
45 State Assessment System as provided for in 22 Pa. Code Ch. 5  
46 (relating to curriculum), or subsequent regulations promulgated  
47 to replace 22 Pa. Code Ch. 5, in the manner in which the school  
48 district in which the charter school is located is scheduled to  
49 participate.  
50 (9) A charter school shall provide a minimum of one hundred  
51 eighty (180) days of instruction or nine hundred (900) hours per  
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1 year of instruction at the elementary level, or nine hundred  
2 ninety (990) hours per year of instruction at the secondary  
3 level. Nothing in this clause shall preclude the use of computer  
4 and satellite linkages for delivering instruction to students.  
5 (10) Boards of trustees and contractors of charter schools  
6 shall be subject to the following statutory requirements  
7 governing construction projects and construction-related work:  
8 (i) The following provisions of this act:  
9 (A) Sections 751 and 751.1.  
10 (B) Sections 756 and 757 insofar as they are consistent with  
11 the act of December 20, 1967 (P.L.869, No.385), known as the  
12 "Public Works Contractors' Bond Law of 1967."  
13 (ii) Section 1 of the act of May 1, 1913 (P.L.155, No.104),  
14 entitled "An act regulating the letting of certain contracts for  
15 the erection, construction, and alteration of public buildings."  
16 (iii) The act of August 11, 1961 (P.L.987, No.442), known as  
17 the "Pennsylvania Prevailing Wage Act."  
18 (iv) The "Public Works Contractors' Bond Law of 1967."  
19 (v) The act of March 3, 1978 (P.L.6, No.3), known as the  
20 "Steel Products Procurement Act."  
21 (11) Trustees of a charter school shall be public officials.  
22 (12) A person who serves as an administrator for a charter  
23 school shall not receive compensation from another charter  
24 school or from a company that provides management or other  
25 services to another charter school. The term "administrator"  
26 shall include the chief executive officer of a charter school

27 and all other employes of a charter school who by virtue of  
28 their positions exercise management or operational oversight  
29 responsibilities. A person who serves as an administrator for a  
30 charter school shall be a public official under 65 Pa.C.S. Ch.  
31 11 (relating to ethics standards and financial disclosure). A  
32 violation of this clause shall constitute a violation of 65  
33 Pa.C.S. § 1103(a) (relating to restricted activities), and the  
34 violator shall be subject to the penalties imposed under the  
35 jurisdiction of the State Ethics Commission.]  
36 Section 5.3. Sections 1716-A, 1717-A, 1718-A and 1719-A,  
37 added June 19, 1997 (P.L.225, No.22), are repealed:  
38 [Section 1716-A. Powers of Board of Trustees.--(a) The  
39 board of trustees of a charter school shall have the authority  
40 to decide matters related to the operation of the school,  
41 including, but not limited to, budgeting, curriculum and  
42 operating procedures, subject to the school's charter. The board  
43 shall have the authority to employ, discharge and contract with  
44 necessary professional and nonprofessional employes subject to  
45 the school's charter and the provisions of this article.  
46 (b) No member of a local board of school directors of a  
47 school entity shall serve on the board of trustees of a charter  
48 school that is located in the member's district.  
49 (c) The board of trustees shall comply with the act of July  
50 3, 1986 (P.L.388, No.84), known as the "Sunshine Act."  
51 Section 1717-A. Establishment of Charter School.--(a) A

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1 charter school may be established by an individual; one or more  
2 teachers who will teach at the proposed charter school; parents  
3 or guardians of students who will attend the charter school; any  
4 nonsectarian college, university or museum located in this  
5 Commonwealth; any nonsectarian corporation not-for-profit, as  
6 defined in 15 Pa.C.S. (relating to corporations and  
7 unincorporated associations); any corporation, association or  
8 partnership; or any combination thereof. A charter school may be  
9 established by creating a new school or by converting an  
10 existing public school or a portion of an existing public  
11 school. No charter school shall be established or funded by and  
12 no charter shall be granted to any sectarian school, institution

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or other entity. No funds allocated or disbursed under this article shall be used to directly support instruction pursuant to section 1327.1.

(b) (1) The conversion of an existing public school or portion of an existing public school to a charter school may be initiated by any individual or entity authorized to establish a charter school under subsection (a).

(2) In order to convert an existing public school to a charter school, the applicants must show that:

(i) More than fifty per centum of the teaching staff in the public school have signed a petition in support of the public school becoming a charter school; and

(ii) More than fifty per centum of the parents or guardians of pupils attending that public school have signed a petition in support of the school becoming a charter school.

(3) In no event shall the board of school directors serve as the board of trustees of an existing school which is converted to a charter school pursuant to this subsection.

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

(d) Within forty-five (45) days of receipt of an application, the local board of school directors in which the proposed charter school is to be located shall hold at least one public hearing on the provisions of the charter application, under the act of July 3, 1986 (P.L.388, No.84), known as the "Sunshine Act." At least forty-five (45) days must transpire between the first public hearing and the final decision of the board on the charter application except that for a charter school beginning in the 1997-1998 school year, only thirty (30) days must transpire between the first public hearing and the



1 (e) (1) Not later than seventy-five (75) days after the  
2 first public hearing on the application, the local board of  
3 school directors shall grant or deny the application. For a  
4 charter school beginning in the 1997-1998 school year, the local  
5 board of school directors shall grant or deny the application no  
6 later than sixty (60) days after the first public hearing.  
7 (2) A charter school application submitted under this  
8 article shall be evaluated by the local board of school  
9 directors based on criteria, including, but not limited to, the  
10 following:  
11 (i) The demonstrated, sustainable support for the charter  
12 school plan by teachers, parents, other community members and  
13 students, including comments received at the public hearing held  
14 under subsection (d).  
15 (ii) The capability of the charter school applicant, in  
16 terms of support and planning, to provide comprehensive learning  
17 experiences to students pursuant to the adopted charter.  
18 (iii) The extent to which the application considers the  
19 information requested in section 1719-A and conforms to the  
20 legislative intent outlined in section 1702-A.  
21 (iv) The extent to which the charter school may serve as a  
22 model for other public schools.  
23 (3) The local board of school directors, in the case of an  
24 existing school being converted to a charter school, shall  
25 establish the alternative arrangements for current students who  
26 choose not to attend the charter school.  
27 (4) A charter application shall be deemed approved by the  
28 local board of school directors of a school district upon  
29 affirmative vote by a majority of all the directors. Formal  
30 action approving or denying the application shall be taken by  
31 the local board of school directors at a public meeting, with  
32 notice or consideration of the application given by the board,  
33 under the "Sunshine Act."  
34 (5) Written notice of the board's action shall be sent to  
35 the applicant, the department and the appeal board. If the  
36 application is denied, the reasons for the denial, including a

37 description of deficiencies in the application, shall be clearly  
38 stated in the notice sent by the local board of school directors  
39 to the charter school applicant.

40 (f) At the option of the charter school applicant, a denied  
41 application may be revised and resubmitted to the local board of  
42 school directors. Following the appointment and confirmation of  
43 the Charter School Appeal Board under section 1721-A, the  
44 decision of the local board of school directors may be appealed  
45 to the appeal board. When an application is revised and  
46 resubmitted to the local board of school directors, the board  
47 may schedule additional public hearings on the revised  
48 application. The board shall consider the revised and  
49 resubmitted application at the first board meeting occurring at  
50 least forty-five (45) days after receipt of the revised  
51 application by the board. For a revised application resubmitted

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

7 (g) Notwithstanding the provisions of subsection (e)(5),  
8 failure by the local board of directors to hold a public hearing  
9 and to grant or deny the application for a charter school within  
10 the time periods specified in subsections (d), (e) and (f) shall  
11 permit the applicant for a charter to file its application as an  
12 appeal to the appeal board. In such case, the appeal board shall  
13 review the application and make a decision to grant or deny a  
14 charter based on the criteria established in subsection (e)(2).

15 (h) In the case of a review by the appeal board of an  
16 application that is revoked or is not renewed, the appeal board  
17 shall make its decision based on the criteria established in  
18 subsection (e)(2). A decision by the appeal board under this  
19 subsection or subsection (g) to grant, to renew or not to revoke  
20 a charter shall serve as a requirement for the local board of  
21 directors of a school district or school districts, as  
22 appropriate, to sign the written charter of the charter school

23 as provided for in section 1720-A. Should the local board of  
24 directors fail to grant the application and sign the charter  
25 within ten (10) days of notice of reversal of the decision of  
26 the local board of directors, the charter shall be deemed to be  
27 approved and shall be signed by the chairman of the appeal  
28 board.

29 (i) (1) The appeal board shall have the exclusive review of  
30 an appeal by a charter school applicant, or by the board of  
31 trustees of an existing charter school, of a decision made by a  
32 local board of directors not to grant a charter as provided in  
33 this section.

34 (2) In order for a charter school applicant to be eligible  
35 to appeal the denial of a charter by the local board of  
36 directors, the applicant must obtain the signatures of at least  
37 two per centum of the residents of the school district or of one  
38 thousand (1,000) residents, whichever is less, who are over  
39 eighteen (18) years of age. For a regional charter school, the  
40 applicant must obtain the signatures of at least two per centum  
41 of the residents of each school district granting the charter or  
42 of one thousand (1,000) residents from each of the school  
43 districts granting the charter, whichever is less, who are over  
44 eighteen (18) years of age. The signatures shall be obtained  
45 within sixty (60) days of the denial of the application by the  
46 local board of directors in accordance with clause (3).

47 (3) Each person signing a petition to appeal denial of a  
48 charter under clause (2) shall declare that he or she is a  
49 resident of the school district which denied the charter  
50 application and shall include his or her printed name;  
51 signature; address, including city, borough or township, with

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1 street and number, if any; and the date of signing. All pages  
2 shall be bound together. Additional pages of the petition shall  
3 be numbered consecutively. There shall be appended to the  
4 petition a statement that the local board of directors rejected  
5 the petition for a charter school, the names of all applicants  
6 for the charter, the date of denial by the board and the  
7 proposed location of the charter school. No resident may sign  
8 more than one petition relating to the charter school

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application within the sixty (60) days following denial of the application. The department shall develop a form to be used to petition for an appeal.

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

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

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

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

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

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

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

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

(5) If the required number of signatures are obtained within sixty (60) days of the denial of the application, the applicant may present the petition to the court of common pleas of the county in which the charter school would be situated. The court shall hold a hearing only on the sufficiency of the petition. The applicant and local board of school directors shall be given seven (7) days' notice of the hearing. The court shall issue a decree establishing the sufficiency or insufficiency of the petition. If the petition is sufficient, the decree shall be transmitted to the State Charter School Appeal Board for review in accordance with this section. Notification of the decree shall be given to the applicant and the local board of directors.

(6) In any appeal, the decision made by the local board of directors shall be reviewed by the appeal board on the record as certified by the local board of directors. The appeal board shall give due consideration to the findings of the local board of directors and specifically articulate its reasons for agreeing or disagreeing with those findings in its written

47 decision. The appeal board shall have the discretion to allow  
48 the local board of directors and the charter school applicant to  
49 supplement the record if the supplemental information was  
50 previously unavailable.

51 (7) Not later than thirty (30) days after the date of notice

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1 of the acceptance of the appeal, the appeal board shall meet to  
2 officially review the certified record.

3 (8) Not later than sixty (60) days following the review  
4 conducted pursuant to clause (6), the appeal board shall issue a  
5 written decision affirming or denying the appeal. If the appeal  
6 board has affirmed the decision of the local board of directors,  
7 notice shall be provided to both parties.

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

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

20 Section 1718-A. Regional Charter School.--(a) A regional  
21 charter school may be established by an individual, one or more  
22 teachers who will teach at the proposed charter school; parents  
23 or guardians of students who will attend the charter school; any  
24 nonsectarian college, university or museum located in this  
25 Commonwealth; any nonsectarian corporation not-for-profit, as  
26 defined in 15 Pa.C.S. (relating to corporations and  
27 unincorporated associations); any corporation, association or  
28 partnership; or any combination thereof. A regional charter  
29 school may be established by creating a new school or by  
30 converting an existing public school or a portion of an existing  
31 public school. Conversion of an existing public school to a  
32 regional charter school shall be accomplished in accordance with

33 section 1714-A(b). No regional charter school shall be  
34 established or funded by and no charter shall be granted to any  
35 sectarian school, institution or other entity.

36 (b) The boards of school directors of one or more school  
37 districts may act jointly to receive and consider an application  
38 for a regional charter school, except that any action to approve  
39 an application for a charter or to sign a written charter of an  
40 applicant shall require an affirmative vote of a majority of all  
41 the directors of each of the school districts involved. The  
42 applicant shall apply for a charter to the board of directors of  
43 any school district in which the charter school will be located.

44 (c) The provisions of this article as they pertain to  
45 charter schools and the powers and duties of the local board of  
46 school directors of a school district and the appeal board shall  
47 apply to regional charter schools, except as provided in  
48 subsections (a) and (b) or as otherwise clearly stated in this  
49 article.

50 Section 1719-A. Contents of Application.--An application to  
51 establish a charter school shall include all of the following

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1 information:

2 (1) The identification of the charter applicant.

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

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

5 (4) The proposed governance structure of the charter school,  
6 including a description and method for the appointment or  
7 election of members of the board of trustees.

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

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

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

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

- 19 (9) The financial plan for the charter school and the  
20 provisions which will be made for auditing the school under  
21 section 437.
- 22 (10) Procedures which shall be established to review  
23 complaints of parents regarding the operation of the charter  
24 school.
- 25 (11) A description of and address of the physical facility  
26 in which the charter school will be located and the ownership  
27 thereof and any lease arrangements.
- 28 (12) Information on the proposed school calendar for the  
29 charter school, including the length of the school day and  
30 school year consistent with the provisions of section 1502.
- 31 (13) The proposed faculty and a professional development  
32 plan for the faculty of a charter school.
- 33 (14) Whether any agreements have been entered into or plans  
34 developed with the local school district regarding participation  
35 of the charter school students in extracurricular activities  
36 within the school district. Notwithstanding any provision to the  
37 contrary, no school district of residence shall prohibit a  
38 student of a charter school from participating in any  
39 extracurricular activity of that school district of residence:  
40 Provided, That the student is able to fulfill all of the  
41 requirements of participation in such activity and the charter  
42 school does not provide the same extracurricular activity.
- 43 (15) A report of criminal history record, pursuant to  
44 section 111, for all individuals who shall have direct contact  
45 with students.
- 46 (16) An official clearance statement regarding child injury  
47 or abuse from the Department of Public Welfare as required by 23  
48 Pa.C.S. Ch. 63 Subch. C.2 (relating to background checks for  
49 employment in schools) for all individuals who shall have direct  
50 contact with students.
- 51 (17) How the charter school will provide adequate liability

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1 and other appropriate insurance for the charter school, its  
2 employes and the board of trustees of the charter school.]  
3 Section 5.4. Section 1720-A of the act, amended July 9, 2008  
4 (P.L.846, No.61), is repealed:

5 [Section 1720-A. Term and Form of Charter.--(a) Upon  
6 approval of a charter application under section 1717-A, a  
7 written charter shall be developed which shall contain the  
8 provisions of the charter application and which shall be signed  
9 by the local board of school directors of a school district, by  
10 the local boards of school directors of a school district in the  
11 case of a regional charter school or by the chairman of the  
12 appeal board pursuant to section 1717-A(i)(5) and the board of  
13 trustees of the charter school. This written charter, when duly  
14 signed by the local board of school directors of a school  
15 district, or by the local boards of school directors of a school  
16 district in the case of a regional charter school, and the  
17 charter school's board of trustees, shall act as legal  
18 authorization for the establishment of a charter school. This  
19 written charter shall be legally binding on both the local board  
20 of school directors of a school district and the charter  
21 school's board of trustees. Except as otherwise provided in  
22 subsection (b), the charter shall be for a period of no less  
23 than three (3) nor more than five (5) years and may be renewed  
24 for five (5) year periods upon reauthorization by the local  
25 board of school directors of a school district or the appeal  
26 board. A charter will be granted only for a school organized as  
27 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  
31 determines that there is insufficient data concerning the  
32 charter school's academic performance to adequately assess that  
33 performance and determines that an additional year of  
34 performance data would yield sufficient data to assist the  
35 governing board in its decision whether to renew the charter for  
36 a period of five (5) years.

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

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



43 Section 5.5. Section 1721-A of the act, added June 19, 1997  
44 (P.L.225, No.22), is repealed:  
45 [Section 1721-A. State Charter School Appeal Board.--(a)  
46 The State Charter School Appeal Board shall consist of the  
47 Secretary of Education and six (6) members who shall be  
48 appointed by the Governor by and with the consent of a majority  
49 of all the members of the Senate. Appointments by the Governor  
50 shall not occur prior to January 1, 1999. The Governor shall  
51 select the chairman of the appeal board to serve at the pleasure

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1 of the Governor. The members shall include:

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

3 (2) A school board member.

4 (3) A certified teacher actively employed in a public  
5 school.

6 (4) A faculty member or administrative employe of an  
7 institution of higher education.

8 (5) A member of the business community.

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

10 The term of office of members of the appeal board, other than  
11 the secretary, shall be for a period of four (4) years or until  
12 a successor is appointed and qualified, except that, of the  
13 initial appointees, the Governor shall designate two (2) members  
14 to serve terms of two (2) years, two (2) members to serve terms  
15 of three (3) years and two (2) members to serve terms of four  
16 (4) years. Any appointment to fill any vacancy shall be for the  
17 period of the unexpired term or until a successor is appointed  
18 and qualified.

19 (b) The appeal board shall meet as needed to fulfill the  
20 purposes provided in this subsection. A majority of the members  
21 of the appeal board shall constitute a quorum, and a majority of  
22 the members of the appeal board shall have authority to act upon  
23 any matter properly before the appeal board. The appeal board is  
24 authorized to establish rules for its operation.

25 (c) The members shall receive no payment for their services.  
26 Members who are not employes of State government shall be  
27 reimbursed for expenses incurred in the course of their official  
28 duties from funds appropriated for the general government

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operations of the department.  
(d) The department shall provide assistance and staffing for the appeal board. The Governor, through the Governor's General Counsel, shall provide such legal advice and assistance as the appeal board may require.  
(e) Meetings of the appeal board shall be conducted under the act of July 3, 1986 (P.L.388, No.84), known as the "Sunshine Act." Documents of the appeal board shall be subject to the act of June 21, 1957 (P.L.390, No.212), referred to as the Right-to-Know Law.]  
Section 5.6. Section 1722-A of the act, amended November 17, 2010 (P.L.996, No.104), is repealed:  
[Section 1722-A. Facilities.--(a) A charter school may be located in an existing public school building, in a part of an existing public school building, in space provided on a privately owned site, in a public building or in any other suitable location.  
(b) The charter school facility shall be exempt from public school facility regulations except those pertaining to the health or safety of the pupils.  
(d) Notwithstanding any other provision of this act, a school district of the first class may, in its discretion, permit a charter school to operate its school at more than one

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location.  
(e) (1) Notwithstanding the provisions of section 204 of the act of May 22, 1933 (P.L.853, No.155), known as The General County Assessment Law, all school property, real and personal, owned by any charter school, cyber charter school or an associated nonprofit foundation, or owned by a nonprofit corporation or nonprofit foundation and leased to a charter school, cyber charter school or associated nonprofit foundation at or below fair market value, that is occupied and used by any charter school or cyber charter school for public school, recreation or any other purposes provided for by this act, shall be made exempt from every kind of State, county, city, borough, township or other real estate tax, including payments in lieu of taxes established through agreement with the Commonwealth or any

15 local taxing authority, as well as from all costs or expenses  
16 for paving, curbing, sidewalks, sewers or other municipal  
17 improvements, Provided, That any charter school or cyber charter  
18 school or owner of property leased to a charter school or cyber  
19 charter school may make a municipal improvement in a street on  
20 which its school property abuts or may contribute a sum toward  
21 the cost of the improvement.

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

26 (3) This subsection shall apply retroactively to all charter  
27 schools, cyber charter schools and associated nonprofit  
28 foundations that filed an appeal from an assessment, as provided  
29 in Article V of The General County Assessment Law, prior to the  
30 effective date of this subsection.

31 (4) For purposes of this subsection, "local taxing  
32 authority" shall include, but not be limited to, a county, city,  
33 borough, incorporated town, township or school district.]  
34 Section 5.7. Section 1723-A of the act, amended or added  
35 June 26, 1999 (P.L.394, No.36) and July 9, 2008 (P.L.846,  
36 No.61), is repealed:

37 [Section 1723-A. Enrollment.--(a) All resident children in  
38 this Commonwealth qualify for admission to a charter school  
39 within the provisions of subsection (b). If more students apply  
40 to the charter school than the number of attendance slots  
41 available in the school, then students must be selected on a  
42 random basis from a pool of qualified applicants meeting the  
43 established eligibility criteria and submitting an application  
44 by the deadline established by the charter school, except that  
45 the charter school may give preference in enrollment to a child  
46 of a parent who has actively participated in the development of  
47 the charter school and to siblings of students presently  
48 enrolled in the charter school. First preference shall be given  
49 to students who reside in the district or districts.

50 (b) (1) A charter school shall not discriminate in its  
51 admission policies or practices on the basis of intellectual

1 ability, except as provided in paragraph (2), or athletic  
2 ability, measures of achievement or aptitude, status as a person  
3 with a disability, proficiency in the English language or any  
4 other basis that would be illegal if used by a school district.

5 (2) A charter school may limit admission to a particular  
6 grade level, a targeted population group composed of at-risk  
7 students, or areas of concentration of the school such as  
8 mathematics, science or the arts. A charter school may establish  
9 reasonable criteria to evaluate prospective students which shall  
10 be outlined in the school's charter.

11 (c) If available classroom space permits, a charter school  
12 may enroll nonresident students on a space-available basis, and  
13 the student's district of residence shall permit the student to  
14 attend the charter school. The terms and conditions of the  
15 enrollment shall be outlined in the school's charter.

16 (d) (1) Enrollment of students in a charter school or cyber  
17 charter school shall not be subject to a cap or otherwise  
18 limited by any past or future action of a board of school  
19 directors, a board of control established under Article XVII-B,  
20 a special board of control established under section 692 or any  
21 other governing authority, unless agreed to by the charter  
22 school or cyber charter school as part of a written charter  
23 pursuant to section 1720-A.

24 (2) The provisions of this subsection shall apply to a  
25 charter school or cyber charter school regardless of whether the  
26 charter was approved prior to or is approved subsequent to the  
27 effective date of this subsection.]

28 Section 5.8. Section 1724-A of the act, added June 29, 1997  
29 (P.L.225, No.22), is repealed:

30 [Section 1724-A. School Staff.--(a) The board of trustees  
31 shall determine the level of compensation and all terms and  
32 conditions of employment of the staff except as may otherwise be  
33 provided in this article. At least seventy-five per centum of  
34 the professional staff members of a charter school shall hold  
35 appropriate State certification. Employees of a charter school  
36 may organize under the act of July 23, 1970 (P.L.563, No.195),  
37 known as the "Public Employe Relations Act." The board of  
38 trustees of a charter school shall be considered an employer for

39 the purposes of Article XI-A. Upon formation of one or more  
40 collective bargaining units at the school, the board of trustees  
41 shall bargain with the employes based on the provisions of this  
42 article, Article XI-A and the "Public Employe Relations Act."  
43 Collective bargaining units at a charter school shall be  
44 separate from any collective bargaining unit of the school  
45 district in which the charter school is located and shall be  
46 separate from any other collective bargaining unit. A charter  
47 school shall be considered a school entity as provided for in  
48 section 1161-A for the purpose of the secretary seeking an  
49 injunction requiring the charter school to meet the minimum  
50 requirements for instruction as provided for in this article.

51 (b) Each charter application shall list the general

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1 qualifications needed to staff any noncertified positions.  
2 Professional employes who do not hold appropriate Pennsylvania  
3 certification must present evidence that they:  
4 (i) Meet the qualifications in sections 1109 and 1209.  
5 (ii) Have demonstrated satisfactorily a combination of  
6 experience, achievement and qualifications as defined in the  
7 charter school application in basic skills, general knowledge,  
8 professional knowledge and practice and subject matter knowledge  
9 in the subject area where an individual will teach.  
10 (c) All employes of a charter school shall be enrolled in  
11 the Public School Employee's Retirement System in the same  
12 manner as set forth in 24 Pa.C.S. § 8301(a) (relating to  
13 mandatory and optional membership) unless at the time of the  
14 application for the charter school the sponsoring district or  
15 the board of trustees of the charter school has a retirement  
16 program which covers the employes or the employe is currently  
17 enrolled in another retirement program. The Commonwealth shall  
18 make contributions on behalf of charter school employes, and the  
19 charter school shall be considered a school district and shall  
20 make payments by employers and payments on account of Social  
21 Security as established under 24 Pa.C.S. Pt. IV (relating to  
22 retirement for school employes). For purposes of payments by  
23 employers, a charter school shall be considered a school  
24 district under 24 Pa.C.S. § 8329(a)(1) (relating to payments on

25 account of social security deductions from appropriations). The  
26 market value/income aid ratio used in calculating payments as  
27 prescribed in this subsection shall be the market value/income  
28 aid ratio for the school district in which the charter school is  
29 located or, in the case of a regional charter school, shall be a  
30 composite market value/income aid ratio for the participating  
31 school districts as determined by the department. Except as  
32 otherwise provided, employes of a charter school shall make  
33 regular member contributions as required for active members  
34 under 24 Pa.C.S. Pt. IV. If the employes of the charter school  
35 participate in another retirement plan, then those employes  
36 shall have no concurrent claim on the benefits provided to  
37 public school employes under 24 Pa.C.S. Pt. IV. For purposes of  
38 this subsection, a charter school shall be deemed to be a  
39 "public school" as defined in 24 Pa.C.S. § 8102 (relating to  
40 definitions).

41 (d) Every employe of a charter school shall be provided the  
42 same health care benefits as the employe would be provided if he  
43 or she were an employe of the local district. The local board of  
44 school directors may require the charter school to provide the  
45 same terms and conditions with regard to health insurance as the  
46 collective bargaining agreement of the school district to  
47 include employe contributions to the district's health benefits  
48 plan. The charter school shall make any required employer's  
49 contribution to the district's health plan to an insurer, a  
50 local board of school directors or a contractual representative  
51 of school employes, whichever is appropriate to provide the

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1 required coverage.

2 (e) Any public school employe of a school entity may request  
3 a leave of absence for up to five (5) years in order to work in  
4 a charter school located in the district of employment or in a  
5 regional charter school in which the employing school district  
6 is a participant. Approval for a leave shall not be unreasonably  
7 withheld.

8 (f) Temporary professional employes on leave from a school  
9 district may accrue tenure in the non-charter public school  
10 system at the discretion of the local board of school directors,

11 the same as they would under Article XI if they had continued to  
12 be employed by that district. Professional employes on leave  
13 from a school district shall retain their tenure rights, as  
14 defined in Article XI, in the school entity from which they  
15 came. No temporary professional employe or professional employe  
16 shall have tenure rights as against a charter school. Both  
17 temporary professional employes and professional employes shall  
18 continue to accrue seniority in the school entity from which  
19 they came if they return to that school entity when the leave  
20 ends.

21 (g) Professional employes who hold a first level teaching or  
22 administrative certificate may, at their option, have the time  
23 completed in satisfactory service in a charter school applied to  
24 the length of service requirements for the next level of  
25 certification.

26 (h) (1) Any temporary professional employe or professional  
27 employe who leaves employment at a charter school shall have the  
28 right to return to a comparable position for which the person is  
29 properly certified in the school entity which granted the leave  
30 of absence. In the case where a teacher has been dismissed by  
31 the charter school, the school entity which granted the leave of  
32 absence is to be provided by the charter school with the reasons  
33 for such dismissal at the time it occurs, a list of any  
34 witnesses who were relied on by the charter school in moving for  
35 dismissal, a description of and access to any physical evidence  
36 used by the charter school in moving for dismissal and a copy of  
37 any record developed at any dismissal proceeding conducted by  
38 the charter school. The record of any such hearing may be  
39 admissible in a hearing before the school entity which granted  
40 the leave of absence. Nothing in this section shall affect the  
41 authority of the board of school directors to initiate  
42 proceedings under Article XI if the board determines that  
43 occurrences at the charter school leading to dismissal of a  
44 teacher constitute adequate and independent grounds for  
45 discipline under section 1122.

46 (2) No temporary employe or professional employe who is  
47 leaving employment at a charter school shall be returned to a  
48 position in the public school district which granted his leave

49 of absence until such public school district is in receipt of a  
50 current criminal history record under section 111 and the  
51 official clearance statement regarding child injury or abuse

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1 from the Department of Public Welfare as required by 23 Pa.C.S.  
2 Ch. 63 Subch. C.2 (relating to background checks for employment  
3 in schools).

4 (i) All individuals who shall have direct contact with  
5 students shall be required to submit a report of criminal  
6 history record information as provided for in section 111 prior  
7 to accepting a position with the charter school. This subsection  
8 shall also apply to any individual who volunteers to work on a  
9 full-time or part-time basis at the charter school.

10 (j) All applicants for a position as a school employe shall  
11 be required to submit the official clearance statement regarding  
12 child injury or abuse from the Department of Public Welfare as  
13 required by 23 Pa.C.S. Ch. 63 Subch. C.2. This section shall  
14 also apply to any individual who volunteers to work on a full-  
15 time or part-time basis at a charter school.]

16 Section 5.9. Section 1725-A of the act, amended or added  
17 June 19, 1997 (P.L.225, No.22), June 22, 2001 (P.L.530, No.35)  
18 and June 29, 2002 (P.L.524, No.88), is repealed:

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

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

23 (2) For non-special education students, the charter school  
24 shall receive for each student enrolled no less than the  
25 budgeted total expenditure per average daily membership of the  
26 prior school year, as defined in section 2501(20), minus the  
27 budgeted expenditures of the district of residence for nonpublic  
28 school programs; adult education programs; community/junior  
29 college programs; student transportation services; for special  
30 education programs; facilities acquisition, construction and  
31 improvement services; and other financing uses, including debt  
32 service and fund transfers as provided in the Manual of  
33 Accounting and Related Financial Procedures for Pennsylvania  
34 School Systems established by the department. This amount shall



35 be paid by the district of residence of each student.  
36 (3) For special education students, the charter school shall  
37 receive for each student enrolled the same funding as for each  
38 non-special education student as provided in clause (2), plus an  
39 additional amount determined by dividing the district of  
40 residence's total special education expenditure by the product  
41 of multiplying the combined percentage of section 2509.5(k)  
42 times the district of residence's total average daily membership  
43 for the prior school year. This amount shall be paid by the  
44 district of residence of each student.

45 (4) A charter school may request the intermediate unit in  
46 which the charter school is located to provide services to  
47 assist the charter school to address the specific needs of  
48 exceptional students. The intermediate unit shall assist the  
49 charter school and bill the charter school for the services. The  
50 intermediate unit may not charge the charter school more for any  
51 service than it charges the constituent districts of the

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1 intermediate unit.

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

14 (6) Within thirty (30) days after the secretary makes the  
15 deduction described in clause (5), a school district may notify  
16 the secretary that the deduction made from State payments to the  
17 district under this subsection is inaccurate. The secretary  
18 shall provide the school district with an opportunity to be  
19 heard concerning whether the charter school documented that its  
20 students were enrolled in the charter school, the period of time

21 during which each student was enrolled, the school district of  
22 residence of each student and whether the amounts deducted from  
23 the school district were accurate.

24 (b) The Commonwealth shall provide temporary financial  
25 assistance to a school district due to the enrollment of  
26 students in a charter school who attended a nonpublic school in  
27 the prior school year in order to offset the additional costs  
28 directly related to the enrollment of those students in a public  
29 charter school. The Commonwealth shall pay the school district  
30 of residence of a student enrolled in a nonpublic school in the  
31 prior school year who is attending a charter school an amount  
32 equal to the school district of residence's basic education  
33 subsidy for the current school year divided by the district's  
34 average daily membership for the prior school year. This payment  
35 shall occur only for the first year of the attendance of the  
36 student in a charter school, starting with school year  
37 1997-1998. Total payments of temporary financial assistance to  
38 school districts on behalf of a student enrolling in a charter  
39 school who attended a nonpublic school in the prior school year  
40 shall be limited to funds appropriated for this program in a  
41 fiscal year. If the total of the amount needed for all students  
42 enrolled in a nonpublic school in the prior school year who  
43 enroll in a charter school exceeds the appropriation for the  
44 temporary financial assistance program, the amount paid to a  
45 school district for each qualifying student shall be pro rata  
46 reduced. Receipt of funds under this subsection shall not  
47 preclude a school district from applying for a grant under  
48 subsection (c).

49 (c) The Commonwealth shall create a grant program to provide  
50 temporary transitional funding to a school district due to the  
51 budgetary impact relating to any student's first-year attendance

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1 at a charter school. The department shall develop criteria which  
2 shall include, but not be limited to, the overall fiscal impact  
3 on the budget of the school district resulting from students of  
4 a school district attending a charter school. The criteria shall  
5 be published in the Pennsylvania Bulletin. This subsection shall  
6 not apply to a public school converted to a charter school under

7 section 1717-A(b). Grants shall be limited to funds appropriated  
8 for this purpose.

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

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

24 Section 5.10. Section 1726-A of the act, amended July 11,  
25 2006 (P.L.1092, No.114) and July 9, 2008 (P.L.846, No.61), is  
26 repealed:

27 [Section 1726-A. Transportation.--(a) Students who attend a  
28 charter school located in their school district of residence, a  
29 regional charter school of which the school district is a part  
30 or a charter school located outside district boundaries at a  
31 distance not exceeding ten (10) miles by the nearest public  
32 highway shall be provided free transportation to the charter  
33 school by their school district of residence on such dates and  
34 periods that the charter school is in regular session whether or  
35 not transportation is provided on such dates and periods to  
36 students attending schools of the district. Transportation is  
37 not required for elementary students, including kindergarten  
38 students, residing within one and one-half (1.5) miles or for  
39 secondary students residing within two (2) miles of the nearest  
40 public highway from the charter school in which the students are  
41 enrolled unless the road or traffic conditions are such that  
42 walking constitutes a hazard to the safety of the students when  
43 so certified by the Department of Transportation, except that if  
44 the school district provides transportation to the public

45 schools of the school district for elementary students,  
46 including kindergarten students, residing within one and one-  
47 half (1.5) miles or for secondary students residing within two  
48 (2) miles of the nearest public highway under nonhazardous  
49 conditions, transportation shall also be provided to charter  
50 schools under the same conditions. Districts providing  
51 transportation to a charter school outside the district and, for  
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1 the 2007-2008 school year and each school year thereafter,  
2 districts providing transportation to a charter school within  
3 the district shall be eligible for payments under section 2509.3  
4 for each public school student transported.

5 (a.1) In addition to any other requirements in this section,  
6 school districts of the first class shall provide transportation  
7 to students who attend a charter school if they are the same age  
8 or are enrolled in the same grade, grades or their grade  
9 equivalents as any of the students of the school district for  
10 whom transportation is provided under any program or policy to  
11 the schools of the school district.

12 (b) In the event that the Secretary of Education determines  
13 that a school district is not providing the required  
14 transportation to students to the charter school, the Department  
15 of Education shall pay directly to the charter school funds for  
16 costs incurred in the transportation of its students. Payments  
17 to a charter school shall be determined in the following manner:  
18 for each eligible student transported, the charter school shall  
19 receive a payment equal to the total expenditures for  
20 transportation of the school district divided by the total  
21 number of school students transported by the school district  
22 under any program or policy.

23 (c) The department shall deduct the amount paid to the  
24 charter school under subsection (b) from any and all payments  
25 made to the district.

26 (d) A school district of the first class shall submit a copy  
27 of its current transportation policy to the department no later  
28 than August 1 of each year.]

29 Section 5.11. Sections 1727-A and 1728-A of the act, added  
30 June 19, 1997 (P.L.225, No.22), are repealed:

31 [Section 1727-A. Tort Liability.--For purposes of tort  
32 liability, employees of the charter school shall be considered  
33 public employees and the board of trustees shall be considered  
34 the public employer in the same manner as political subdivisions  
35 and local agencies. The board of trustees of a charter school  
36 and the charter school shall be solely liable for any and all  
37 damages of any kind resulting from any legal challenge involving  
38 the operation of a charter school. Notwithstanding this  
39 requirement, the local board of directors of a school entity  
40 shall not be held liable for any activity or operation related  
41 to the program of the charter school.

42 Section 1728-A. Annual Reports and Assessments.--(a) The  
43 local board of school directors shall annually assess whether  
44 each charter school is meeting the goals of its charter and  
45 shall conduct a comprehensive review prior to granting a five  
46 (5) year renewal of the charter. The local board of school  
47 directors shall have ongoing access to the records and  
48 facilities of the charter school to ensure that the charter  
49 school is in compliance with its charter and this act and that  
50 requirements for testing, civil rights and student health and  
51 safety are being met.

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1 (b) In order to facilitate the local board's review and  
2 secretary's report, each charter school shall submit an annual  
3 report no later than August 1 of each year to the local board of  
4 school directors and the secretary in the form prescribed by the  
5 secretary.

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

17 Section 5.12. Section 1729-A of the act, amended or added  
18 June 19, 1997 (P.L.225, No.22), July 4, 2004 (P.L.536, No.70)  
19 and July 9, 2008 (P.L.846, No.61), is repealed:

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

- 25 (1) One or more material violations of any of the  
26 conditions, standards or procedures contained in the written  
27 charter signed pursuant to section 1720-A.  
28 (2) Failure to meet the requirements for student performance  
29 set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or  
30 subsequent regulations promulgated to replace 22 Pa. Code Ch. 5  
31 or failure to meet any performance standard set forth in the  
32 written charter signed pursuant to section 1716-A.  
33 (3) Failure to meet generally accepted standards of fiscal  
34 management or audit requirements.  
35 (4) Violation of provisions of this article.  
36 (5) Violation of any provision of law from which the charter  
37 school has not been exempted, including Federal laws and  
38 regulations governing children with disabilities.  
39 (6) The charter school has been convicted of fraud.  
40 (a.1) When a charter school located in a school district of  
41 the first class is in corrective action status and seeks renewal  
42 of its charter, if the governing body of the school district of  
43 the first class renews the charter, it may place specific  
44 conditions in the charter that require the charter school to  
45 meet specific student performance targets within stated periods  
46 of time subject to the following:  
47 (i) The performance targets and the periods of time in which  
48 the performance targets must be met shall be reasonable.  
49 (ii) The placement of conditions in a charter as specified  
50 in this subsection shall not be considered an adjudication and  
51 may not be appealed to the State Charter School Appeal Board.

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- 1 (iii) If the charter school fails to meet the performance  
2 targets within the stated period of time, such failure shall be

3 sufficient cause for revocation of the charter.

4 (b) A member of the board of trustees who is convicted of a  
5 felony or any crime involving moral turpitude shall be  
6 immediately disqualified from serving on the board of trustees.

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

27 (d) Following the appointment and confirmation of the appeal  
28 board, but not before July 1, 1999, the charter school may  
29 appeal the decision of the local board of school directors to  
30 revoke or not renew the charter to the appeal board. The appeal  
31 board shall have the exclusive review of a decision not to renew  
32 or revoke a charter. The appeal board shall review the record  
33 and shall have the discretion to supplement the record if the  
34 supplemental information was previously unavailable. The appeal  
35 board may consider the charter school plan, annual reports,  
36 student performance and employe and community support for the  
37 charter school in addition to the record. The appeal board shall  
38 give due consideration to the findings of the local board of  
39 directors and specifically articulate its reasons for agreeing  
40 or disagreeing with those findings in its written decision.

41 (e) If the appeal board determines that the charter should  
42 not be revoked or should be renewed, the appeal board shall  
43 order the local board of directors to rescind its revocation or  
44 nonrenewal decision.

45 (f) Except as provided in subsection (g), the charter shall  
46 remain in effect until final disposition by the appeal board.

47 (g) In cases where the health or safety of the school's  
48 pupils, staff or both is at serious risk, the local board of  
49 school directors may take immediate action to revoke a charter.

50 (h) All decisions of the charter school appeal board shall  
51 be subject to appellate review by the Commonwealth Court.

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1 (i) When a charter is revoked, not renewed, forfeited,  
2 surrendered or otherwise ceases to operate, the charter school  
3 shall be dissolved. After the disposition of any liabilities and  
4 obligations of the charter school, any remaining assets of the  
5 charter school, both real and personal, shall be distributed on  
6 a proportional basis to the school entities with students  
7 enrolled in the charter school for the last full or partial  
8 school year of the charter school. In no event shall such school  
9 entities or the Commonwealth be liable for any outstanding  
10 liabilities or obligations of the charter school.

11 (j) When a charter is revoked or is not renewed, a student  
12 who attended the charter school shall apply to another public  
13 school in the student's school district of residence. Normal  
14 application deadlines will be disregarded under these  
15 circumstances. All student records maintained by the charter  
16 school shall be forwarded to the student's district of  
17 residence.]

18 Section 5.13. Sections 1730-A and 1731-A of the act, added  
19 June 19, 1997 (P.L.225, No.22), are repealed:

20 [Section 1730-A. Desegregation Orders.--The local board of  
21 school directors of a school district which is operating under a  
22 desegregation plan approved by the Pennsylvania Human Relations  
23 Commission or a desegregation order by a Federal or State court  
24 shall not approve a charter school application if such charter  
25 school would place the school district in noncompliance with its  
26 desegregation order.



27 Section 1731-A. Charter School Grants.--(a) The secretary  
28 shall allocate grants for planning and start-up funding to  
29 eligible applicants under section 1717-A from funds appropriated  
30 for the implementation of this act.

31 (1) Planning grant applications shall be filed on a form and  
32 by a date determined by the secretary. The amount of a grant may  
33 vary depending on the size and scope of the planning needed by  
34 the applicant. The application shall address the manner in which  
35 the applicant plans to address the criteria established for  
36 charter schools in sections 1715-A and 1717-A.

37 (2) Start-up funding grant applications shall be filed on a  
38 form and by a date determined by the secretary. The applicant  
39 for the charter school shall submit its application for a  
40 charter when applying for the grant. A grant for start-up  
41 funding may vary depending on the size and special  
42 characteristics of the charter school. A start-up grant may be  
43 used to meet the expenses of the charter school as established  
44 in their charter and as authorized in the provisions of this  
45 article.

46 (b) The applicant shall include a copy of a letter informing  
47 the local board of school directors of the school district of  
48 the application for the planning grant if the location of the  
49 proposed charter school is known. An applicant receiving a  
50 start-up funding grant shall notify the school district or  
51 districts signing the charter of receipt of this grant.]

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1 Section 5.14. Section 1732-A, Subdivision (c) heading and  
2 sections 1741-A, 1742-A, 1743-A, 1744-A, 1745-A, 1746-A, 1747-A,  
3 1748-A, 1749-A, 1750-A and 1751-A of the act, amended or added  
4 June 29, 2002 (P.L.524, No.88), are repealed:

5 [Section 1732-A. Provisions Applicable to Charter Schools.--

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

7 Sections 108, 110, 111, 321, 325, 326, 327, 431, 436, 443,  
8 510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753, 755,  
9 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a), 1301, 1310,  
10 1317, 1317.1, 1317.2, 1318, 1327, 1330, 1332, 1303-A, 1513,  
11 1517, 1518, 1521, 1523, 1531, 1547, 2014-A, Article XIII-A and  
12 Article XIV.

13 Act of July 17, 1961 (P.L.776, No.341), known as the  
14 "Pennsylvania Fair Educational Opportunities Act."  
15 Act of July 19, 1965 (P.L.215, No.116), entitled "An act  
16 providing for the use of eye protective devices by persons  
17 engaged in hazardous activities or exposed to known dangers in  
18 schools, colleges and universities."  
19 Section 4 of the act of January 25, 1966 (1965 P.L.1546,  
20 No.541), entitled "An act providing scholarships and providing  
21 funds to secure Federal funds for qualified students of the  
22 Commonwealth of Pennsylvania who need financial assistance to  
23 attend postsecondary institutions of higher learning, making an  
24 appropriation, and providing for the administration of this  
25 act."  
26 Act of July 12, 1972 (P.L.765, No.181), entitled "An act  
27 relating to drugs and alcohol and their abuse, providing for  
28 projects and programs and grants to educational agencies, other  
29 public or private agencies, institutions or organizations."  
30 Act of December 15, 1986 (P.L.1595, No.175), known as the  
31 "Antihazing Law."  
32 (b) Charter schools shall be subject to the following  
33 provisions of 22 Pa. Code:  
34 Section 5.216 (relating to ESOL).  
35 Section 5.4 (relating to general policies).  
36 Chapter 11 (relating to pupil attendance).  
37 Chapter 12 (relating to students).  
38 Section 32.3 (relating to assurances).  
39 Section 121.3 (relating to discrimination prohibited).  
40 Section 235.4 (relating to practices).  
41 Section 235.8 (relating to civil rights).  
42 Chapter 711 (relating to charter school services and programs  
43 for children with disabilities).  
44 (c) (1) The secretary may promulgate additional regulations  
45 relating to charter schools.  
46 (2) The secretary shall have the authority and the  
47 responsibility to ensure that charter schools comply with  
48 Federal laws and regulations governing children with  
49 disabilities. The secretary shall promulgate regulations to  
50 implement this provision.

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

2 (a) Powers and duties.--The department shall:

3 (1) Receive, review and act on applications for the

4 creation of a cyber charter school and have the power to

5 request further information from applicants, obtain input

6 from interested persons or entities and hold hearings

7 regarding applications.

8 (2) Renew the charter of cyber charter school and renew

9 the charter of a charter school approved under section 1717-A

10 or 1718-A which provides instruction through the Internet or

11 other electronic means. Upon renewal of a charter of a

12 charter school approved under section 1717-A or 1718-A, the

13 charter school shall qualify as a cyber charter school under

14 this subdivision and shall be subject to the provisions of

15 this subdivision.

16 (3) Revoke or deny renewal of a cyber charter school's

17 charter under the provisions of section 1729-A.

18 (i) Notwithstanding the provisions of section 1729-

19 A(i), when the department has revoked or denied renewal

20 of a charter, the cyber charter school shall be

21 dissolved. After the disposition of the liabilities and

22 obligations of the cyber charter school, any remaining

23 assets of the cyber charter school shall be given over to

24 the intermediate unit in which the cyber charter school's

25 administrative office was located for distribution to the

26 school districts in which the students enrolled in the

27 cyber charter school reside at the time of dissolution.

28 (ii) Notwithstanding any laws to the contrary, the

29 department may, after notice and hearing, take immediate

30 action to revoke a charter if:

31 (A) a material component of the student's

32 education as required under this subdivision is not

33 being provided; or

34 (B) the cyber charter school has failed to

35 maintain the financial ability to provide services as

36 required under this subdivision.

37 (4) Execute charters after approval.  
38 (5) Develop forms, including the notification form under  
39 section 1748-A(b), necessary to carry out the provisions of  
40 this subdivision.  
41 (b) Hearings.--Hearings conducted by the department shall be  
42 conducted under 65 Pa.C.S. Ch. 7 (relating to open meetings).  
43 (c) Documents.--Documents of the appeal board shall be  
44 subject to the act of June 21, 1957 (P.L.390, No.212), referred  
45 to as the Right-to-Know Law.  
46 Section 1742-A. Assessment and evaluation.  
47 The department shall:  
48 (1) Annually assess whether each cyber charter school is  
49 meeting the goals of its charter and is in compliance with  
50 the provisions of the charter and conduct a comprehensive  
51 review prior to granting a five-year renewal of the charter.

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1 (2) Annually review each cyber charter school's  
2 performance on the Pennsylvania System of School Assessment  
3 test, standardized tests and other performance indicators to  
4 ensure compliance with 22 Pa. Code Ch. 4 (relating to  
5 academic standards and assessment) or subsequent regulations  
6 promulgated to replace 22 Pa. Code Ch. 4.  
7 (3) Have ongoing access to all records, instructional  
8 materials and student and staff records of each cyber charter  
9 school and to every cyber charter school facility to ensure  
10 the cyber charter school is in compliance with its charter  
11 and this subdivision.  
12 Section 1743-A. Cyber charter school requirements and  
13 prohibitions.  
14 (a) Special financial requirements prohibited.--A cyber  
15 charter school shall not:  
16 (1) provide discounts to a school district or waive  
17 payments under section 1725-A for any student;  
18 (2) except as provided for in subsection (e), provide  
19 payments to parents or guardians for the purchase of  
20 instructional materials; or  
21 (3) except as compensation for the provision of specific  
22 services, enter into agreements to provide funds to a school

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entity.  
(b) Enrollment.--A cyber charter school shall report to the department an increase or a decrease of 30% or more in its anticipated enrollment set forth in the application under section 1747-A(11).  
(c) School district.--A cyber charter school shall make available upon request, either in writing or electronically, to each student's school district of residence the following:  
(1) A copy of the charter.  
(2) A copy of the cyber charter school application.  
(3) A copy of all annual reports prepared by the cyber charter school.  
(4) A list of all students from that school district enrolled in the cyber charter school.  
(d) Parent or guardian.--Upon request and prior to the student's first day in a cyber charter school, the cyber charter school shall, either in writing or electronically, provide to the parent or guardian of a student the following:  
(1) A list and brief description of the courses of instruction the student will receive. The list shall be updated annually for each grade level in which the student is enrolled.  
(2) A description of the lessons and activities to be offered both online and offline.  
(3) The manner in which attendance will be reported and work will be authenticated.  
(4) A list of all standardized tests the student will be required to take during the school year and the place where the test will be administered, if available.

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(5) The meetings to be held during the school year between a parent or guardian and a teacher and among other school officials or parents or guardians and the manner in which the parent or guardian will be notified of the time and place for the meeting.  
(6) The address of the cyber charter school and the name, telephone number and e-mail address of the school administrator and other school personnel.

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- (7) A list of any extracurricular activities provided by the cyber charter school.
  - (8) The names of the student's teachers, if available, and the manner in which each teacher can be contacted by the student or the parent or guardian.
  - (9) A list of all services that will be provided to the student by the cyber charter school.
  - (10) Copies of policies relating to computer security and privacy, truancy, absences, discipline and withdrawal or expulsion of students.
  - (11) Information on:
    - (i) The cyber charter school's professional staff, including the number of staff personnel, their education level and experience.
    - (ii) The cyber charter school's performance on the PSSA and other standardized test scores.
  - (12) Information regarding the proper usage of equipment and materials and the process for returning equipment and materials supplied to the students by the cyber charter school. A parent or guardian shall acknowledge, either in writing or electronically, the receipt of this information.
  - (13) A description of the school calendar, including, but not limited to, the time frame that will constitute a school year and a school week, holidays and term breaks.
- (e) Students.--For each student enrolled, a cyber charter school shall:
- (1) provide all instructional materials;
  - (2) provide all equipment, including, but not limited to, a computer, computer monitor and printer; and
  - (3) provide or reimburse for all technology and services necessary for the on-line delivery of the curriculum and instruction.
- The Commonwealth shall not be liable for any reimbursement owed to students, parents or guardians by a cyber charter school under paragraph (3).
- (f) Annual report.--A cyber charter school shall submit an annual report no later than August 1 of each year to the department in the form prescribed by the department.

47 (g) Records and facilities.--A cyber charter school shall  
48 provide the department with ongoing access to all records and  
49 facilities necessary for the department to assess the cyber  
50 charter school in accordance with the provisions of this  
51 subdivision.

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1 (h) Offices and facilities.--A cyber charter school shall  
2 maintain an administrative office within this Commonwealth where  
3 all student records shall be maintained at all times and shall  
4 provide the department with the addresses of all offices and  
5 facilities of the cyber charter school, the ownership thereof  
6 and any lease arrangements. The administrative office of the  
7 cyber charter school shall be considered as the principal place  
8 of business for service of process for any action brought  
9 against the cyber charter school or cyber charter school staff  
10 members. The cyber charter school shall notify the department of  
11 any changes in this information within ten days of the change.

12 (i) Applicable law.--Any action taken against the cyber  
13 charter school, its successors or assigns or its employees,  
14 including any cyber charter school staff member as defined in  
15 the act of December 12, 1973 (P.L.397, No.141), known as the  
16 Professional Educator Discipline Act, shall be governed by the  
17 laws of this Commonwealth. If the department initiates an  
18 investigation or pursues an action pursuant to the Professional  
19 Educator Discipline Act involving any current or former charter  
20 school staff member outside this Commonwealth, any reasonable  
21 expenses incurred by the department in such investigation or  
22 action shall be paid by the cyber charter school which employed  
23 that staff member at the time of the alleged misconduct.

24 Section 1744-A. School district and intermediate unit  
25 responsibilities.

26 An intermediate unit or a school district in which a student  
27 enrolled in a cyber charter school resides shall do all of the  
28 following:

29 (1) Provide the cyber charter school within ten days of  
30 receipt of the notice of the admission of the student under  
31 section 1748-A(a) with all records relating to the student,  
32 including transcripts, test scores and a copy of any

33 individualized education program for that student.  
34 (2) Provide the cyber charter school with reasonable  
35 access to its facilities for the administration of  
36 standardized tests required under this subdivision.  
37 (3) Upon request, provide assistance to the cyber  
38 charter school in the delivery of services to a student with  
39 disabilities. The school district or intermediate unit shall  
40 not charge the cyber charter school more for a service than  
41 it charges a school district.  
42 (4) Make payments to the cyber charter school under  
43 section 1725-A.

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

45 (a) Establishment.--A cyber charter school may be  
46 established by an individual; one or more teachers who will  
47 teach at the proposed cyber charter school; parents or guardians  
48 of students who will enroll in the cyber charter school; a  
49 nonsectarian college, university or museum located in this  
50 Commonwealth; a nonsectarian corporation not-for-profit as  
51 defined in 15 Pa.C.S. § 5103 (relating to definitions); a

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1 corporation, association or partnership; or any combination of  
2 the foregoing. Section 1327.1 shall not apply to a cyber charter  
3 school established under this subdivision.  
4 (b) Sectarian entities.--No cyber charter school shall be  
5 established or funded by and no charter shall be granted to a  
6 sectarian school, institution or other entity.  
7 (c) Attendance.--Attendance at a cyber charter school shall  
8 satisfy requirements for compulsory attendance.  
9 (d) Application.--An application to establish a cyber  
10 charter school shall be submitted to the department by October 1  
11 of the school year preceding the school year in which the cyber  
12 charter school proposes to commence operation.  
13 (e) Grant or denial.--Within 120 days of receipt of an  
14 application, the department shall grant or deny the application.  
15 The department shall review the application and shall hold at  
16 least one public hearing under 65 Pa.C.S. Ch. 7 (relating to  
17 open meetings). At least 30 days prior to the hearing, the  
18 department shall publish in the Pennsylvania Bulletin and on the



19 department's World Wide Web site notice of the hearing and the  
20 purpose of the application.

21 (f) Evaluation criteria.--

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

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

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

32 (iii) The extent to which the programs outlined in  
33 the application will enable students to meet the academic  
34 standards under 22 Pa. Code Ch. 4 (relating to academic  
35 standards and assessment) or subsequent regulations  
36 promulgated to replace 22 Pa. Code Ch. 4.

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

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

41 (2) Written notice of the action of the department shall  
42 be sent by certified mail to the applicant and published on  
43 the department's World Wide Web site. If the application is  
44 denied, the reasons for denial, including a description of  
45 deficiencies in the application, shall be clearly stated in  
46 the notice.

47 (3) Upon approval of a cyber charter school application,  
48 a written charter shall be developed which shall contain the  
49 provisions of the charter application and be signed by the  
50 secretary and each member of the board of trustees of the  
51 cyber charter school. The charter, when duly signed, shall

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1 act as legal authorization of the establishment of a cyber  
2 charter school. The charter shall be legally binding on the  
3 department, the cyber charter school and its board of  
4 trustees. The charter shall be for a period of no less than

5 three years nor more than five years and may be renewed for a  
6 period of five years by the department.

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

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

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

19 Section 1746-A. State Charter School Appeal Board review.

20 (a) Jurisdiction.--The appeal board shall have the exclusive  
21 review of an appeal by a cyber charter school applicant or by  
22 the board of trustees of a cyber charter school on the decisions  
23 of the department, including:

24 (1) The denial of an application for a charter.

25 (2) The denial of a renewal of a charter.

26 (3) The revocation of a charter.

27 (4) An appeal under section 1745-A(h).

28 (b) Procedure.--The appeal board shall:

29 (1) Review the decision made by the department under  
30 subsection (a) on the record as certified by the department.

31 The secretary shall recuse himself from all cyber charter  
32 school appeals and shall not participate in a hearing,  
33 deliberation or vote on a cyber charter school appeal. The  
34 appeal board may allow the department, the cyber charter  
35 school applicant or the board of trustees of a cyber charter  
36 school to supplement the record if the supplemental  
37 information was previously unavailable.

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

40 (3) Issue a written decision affirming or denying the  
41 appeal no later than 60 days following its review.

42 (4) In the case of a decision by the department to deny

43 a cyber charter application, make its decision based on  
44 section 1745-A(f)(1). A decision by the appeal board to  
45 reverse the decision of the department and grant a charter  
46 shall serve as a requirement for the secretary to sign the  
47 written charter of the cyber charter school.

48 (5) In the case of a decision by the department to  
49 revoke or deny renewal of a cyber school charter in  
50 accordance with section 1741-A(a)(3), make its decision based  
51 on section 1729-A(a). A decision of the appeal board to

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1 reverse the decision of the department to not revoke or deny  
2 renewal of a charter shall serve as a requirement of the  
3 department to not revoke or to not deny renewal of the  
4 charter of the cyber charter school.

5 (c) Stay.--If the department appeals the decision of the  
6 appeal board, the appeal board's decision shall be stayed only  
7 upon order of the appeal board, the Commonwealth Court or the  
8 Pennsylvania Supreme Court.

9 (d) Review.--All decisions of the appeal board shall be  
10 subject to appellate review by the Commonwealth Court.

11 Section 1747-A. Cyber charter school application.

12 In addition to the provisions of section 1719-A, an  
13 application to establish a cyber charter school shall also  
14 include the following:

15 (1) The curriculum to be offered and how it meets the  
16 requirements of 22 Pa. Code Ch. 4 (relating to academic  
17 standards and assessment) or subsequent regulations  
18 promulgated to replace 22 Pa. Code Ch. 4.

19 (2) The number of courses required for elementary and  
20 secondary students.

21 (3) An explanation of the amount of on-line time  
22 required for elementary and secondary students.

23 (4) The manner in which teachers will deliver  
24 instruction, assess academic progress and communicate with  
25 students to provide assistance.

26 (5) A specific explanation of any cooperative learning  
27 opportunities, meetings with students, parents and guardians,  
28 field trips or study sessions.

- 29 (6) The technology, including types of hardware and  
30 software, equipment and other materials which will be  
31 provided by the cyber charter school to the student.  
32 (7) A description of how the cyber charter school will  
33 define and monitor a student's school day, including the  
34 delineation of on-line and off-line time.  
35 (8) A description of commercially prepared standardized  
36 achievement tests that will be used by the cyber charter  
37 school in addition to the Pennsylvania System of School  
38 Assessment test, including the grade levels that will be  
39 tested and how the data collected from the tests will be used  
40 to improve instruction.  
41 (9) The technical support that will be available to  
42 students and parents or guardians.  
43 (10) The privacy and security measures to ensure the  
44 confidentiality of data gathered online.  
45 (11) The level of anticipated enrollment during each  
46 school year of the proposed charter, including expected  
47 increases due to the addition of grade levels.  
48 (12) The methods to be used to insure the authenticity  
49 of student work and adequate proctoring of examinations.  
50 (13) The provision of education and related services to  
51 students with disabilities, including evaluation and the

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- 1 development and revision of individualized education  
2 programs.  
3 (14) Policies regarding truancy, absences and withdrawal  
4 of students, including the manner in which the cyber charter  
5 school will monitor attendance consistent with the provisions  
6 of section 1715-A(9).  
7 (15) The types and frequency of communication between  
8 the cyber charter school and the student and the manner in  
9 which the cyber charter school will communicate with parents  
10 and guardians.  
11 (16) The addresses of all facilities and offices of the  
12 cyber charter school, the ownership thereof and any lease  
13 arrangements.  
14 Section 1748-A. Enrollment and notification.

15 (a) Notice to school district.--  
16 (1) Within 15 days of the enrollment of a student to a  
17 cyber charter school, the parent or guardian and the cyber  
18 charter school shall notify the student's school district of  
19 residence of the enrollment through the use of the  
20 notification form under subsection (b).  
21 (2) If a school district which has received notice under  
22 paragraph (1) determines that a student is not a resident of  
23 the school district, the following apply:  
24 (i) Within seven days of receipt of the notice under  
25 paragraph (1), the school district shall notify the cyber  
26 charter school and the department that the student is not  
27 a resident of the school district. Notification of  
28 nonresidence shall include the basis for the  
29 determination.  
30 (ii) Within seven days of notification under  
31 subparagraph (i), the cyber charter school shall review  
32 the notification of nonresidence, respond to the school  
33 district and provide a copy of the response to the  
34 department. If the cyber charter school agrees that a  
35 student is not a resident of the school district, it  
36 shall determine the proper district of residence of the  
37 student before requesting funds from another school  
38 district.  
39 (iii) Within seven days of receipt of the response  
40 under subparagraph (ii), the school district shall notify  
41 the cyber charter school that it agrees with the cyber  
42 charter school's determination or does not agree with the  
43 cyber charter school's determination.  
44 (iv) A school district that has notified the cyber  
45 charter school that it does not agree with the cyber  
46 charter school's determination under subparagraph (iii)  
47 shall appeal to the department for a final determination.  
48 (v) All decisions of the department regarding the  
49 school district of residence of a student shall be  
50 subject to review by the Commonwealth Court.  
51 (vi) A school district shall continue to make

1 payments to a cyber charter school under section 1725-A  
2 during the time in which the school district of residence  
3 of a student is in dispute.

4 (vii) If a final determination is made that a  
5 student is not a resident of an appealing school  
6 district, the cyber charter school shall return all funds  
7 provided on behalf of that student to the school district  
8 within 30 days.

9 (b) Notification form.--The department shall develop a  
10 notification form for use under subsection (a). The notification  
11 shall include:

12 (1) The name, home address and mailing address of the  
13 student.

14 (2) The grade in which the student is being enrolled.

15 (3) The date the student will be enrolled.

16 (4) The name and address of the cyber charter school and  
17 the name and telephone number of a contact person able to  
18 provide information regarding the cyber charter school.

19 (5) The signature of the parent or guardian and an  
20 authorized representative of the cyber charter school.

21 (c) Withdrawal.--The cyber charter school and the parent or  
22 guardian of a student enrolled in a cyber charter school shall  
23 provide written notification to the student's school district of  
24 residence within 15 days following the withdrawal of a student  
25 from the cyber charter school.

26 Section 1749-A. Applicability of other provisions of this  
27 act and of other acts and regulations.

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

30 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431,  
31 436, 443, 510, 518, 527, 708, 752, 753, 755, 771, 776, 777,  
32 808, 809, 810, 1109, 1111, 1112(a), 1205.1, 1205.2, 1301,  
33 1302, 1310, 1317.2, 1318, 1330, 1332, 1303-A, 1518, 1521,  
34 1523, 1531, 1547, 1702-A, 1703-A, 1714-A, 1715-A, 1716-A,  
35 1719-A, 1721-A, 1722-A, 1723-A(a) and (b), 1724-A, 1725-A,  
36 1727-A, 1729-A, 1730-A, 1731-A(a)(1) and (b) and 2014-A and  
37 Articles XII-A, XIII-A and XIV.

38 (2) The act of July 17, 1961 (P.L.776, No.341), known as

39 the Pennsylvania Fair Educational Opportunities Act.  
40 (3) The act of July 19, 1965 (P.L.215, No.116), entitled  
41 "An act providing for the use of eye protective devices by  
42 persons engaged in hazardous activities or exposed to known  
43 dangers in schools, colleges and universities."  
44 (4) Section 4 of the act of January 25, 1966 (1965  
45 P.L.1546, No.541), entitled "An act providing scholarships  
46 and providing funds to secure Federal funds for qualified  
47 students of the Commonwealth of Pennsylvania who need  
48 financial assistance to attend postsecondary institutions of  
49 higher learning, making an appropriation, and providing for  
50 the administration of this act."  
51 (5) The act of July 12, 1972 (P.L.765, No.181) entitled

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1 "An act relating to drugs and alcohol and their abuse,  
2 providing for projects and programs and grants to educational  
3 agencies, other public or private agencies, institutions or  
4 organizations."  
5 (6) The act of December 15, 1986 (P.L.1595, No.175),  
6 known as the Antihazing Law.  
7 (b) Regulations.--Cyber charter schools shall be subject to  
8 the following provisions of 22 Pa. Code (relating to education):  
9 (1) Chapter 4 (relating to academic standards and  
10 assessment).  
11 (2) Chapter 11 (relating to pupil attendance).  
12 (3) Chapter 12 (relating to students).  
13 (4) Section 32.3 (relating to assurances).  
14 (5) Section 121.3 (relating to discrimination  
15 prohibited).  
16 (6) Section 235.4 (relating to practices).  
17 (7) Section 235.8 (relating to civil rights).  
18 (8) Chapter 711 (relating to charter school services and  
19 programs for children with disabilities).  
20 (c) Existing charter schools.--  
21 (1) The charter of a charter school approved under  
22 section 1717-A or 1718-A which provides instruction through  
23 the Internet or other electronic means shall remain in effect  
24 for the duration of the charter and shall be subject to the

25 provisions of Subdivision (b).  
26 (2) In addition to subsections (a) and (b), the  
27 following provisions of this subdivision shall apply to a  
28 charter school approved under section 1717-A or 1718-A which  
29 provides instruction through the Internet or other electronic  
30 means:  
31 (i) Section 1743-A(c), (d), (e), (h) and (i).  
32 (ii) Section 1744-A.  
33 (iii) Section 1748-A.  
34 Section 1750-A. Effect on certain existing charter schools.  
35 (a) Determination.--For a charter school approved under  
36 section 1717-A or 1718-A which provides instruction through the  
37 Internet or other electronic means, prior to August 15, 2002,  
38 the department shall determine:  
39 (1) whether the charter school is in compliance with  
40 this subdivision;  
41 (2) whether the charter school has provided notification  
42 of the enrollment of each existing student to the school  
43 district of residence; and  
44 (3) how the charter school plans to comply with section  
45 1743-A(d).  
46 (b) Notification of compliance.--Prior to August 15, 2002,  
47 the department shall:  
48 (1) Notify each charter school and the chartering school  
49 district of the department's determination under subsection  
50 (a). The notification shall include specific requirements  
51 with which the charter school has failed to comply.

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1 (2) Publish a copy of the notification on the  
2 department's World Wide Web site.  
3 (c) Charter school requirement.--A charter school subject to  
4 the requirements of this section shall, either in writing or  
5 electronically, provide the parent or guardian of any student  
6 enrolled in the charter school a copy of the department's  
7 determination under subsection (b).  
8 (d) School districts.--A school district shall not renew the  
9 charter of a charter school approved under section 1717-A or  
10 1718-A which provides instruction through the Internet or other



11 electronic means or approve a charter for a cyber charter  
12 school.

13 (e) Renewal of charter for certain existing charter  
14 schools.--Upon the expiration of its charter, a charter school  
15 approved under section 1717-A or 1718-A which provides  
16 instruction through the Internet or other electronic means shall  
17 seek renewal of its charter from the department under this  
18 subdivision. The charter shall be amended as needed to reflect  
19 the requirements of this subdivision.

20 Section 1751-A. Regulations.

21 The department may issue regulations to implement this  
22 subdivision.]

23 Section 6. The act is amended by adding articles to read:

24 ARTICLE XVII-C

25 CHARTER SCHOOL ENTITIES

26 SUBARTICLE A

27 PRELIMINARY PROVISIONS

28 Section 1701-C. Scope of article.

29 This article relates to charter school entities.

30 Section 1702-C. Legislative intent.

31 It is the intent of the General Assembly to provide pupils  
32 and community members the ability to establish and maintain  
33 schools that operate independently from the existing school  
34 district structure as a method to accomplish all of the  
35 following:

36 (1) Improve pupil learning.

37 (2) Increase learning opportunities for all pupils.

38 (3) Encourage the use of different and innovative  
39 teaching methods.

40 (4) Create new professional opportunities for teachers,  
41 including the opportunity to be responsible for the learning  
42 program at the school site.

43 (5) Provide parents and pupils with expanded choices in  
44 the types of educational opportunities that are available  
45 within the public school system.

46 (6) Hold the schools established under this article  
47 accountable for meeting measurable academic standards and  
48 provide the school with a method to establish accountability

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systems.  
Section 1703-C. Definitions.  
The following words and phrases when used in this article  
shall have the meanings given to them in this section unless the  
context clearly indicates otherwise:  
"Administrator." The term includes those employees of a  
charter school entity, including the chief administrator of a  
charter school entity and all other employees, who by virtue of  
their positions are responsible for taking or recommending  
official action of a nonministerial nature with regard to  
contracting or procurement, administering or monitoring grants  
or subsidies, managing or regulating staff, student and school  
activities or any activity where the official action has an  
economic impact of greater than a de minimis nature on the  
interests of any person.  
"Appeal board." The State Charter School Appeal Board.  
"At-risk student." A student at risk of educational failure  
because of limited English proficiency, poverty, community  
factors, truancy, academic difficulties or economic  
disadvantage.  
"Authorizer." The commission or a local board of school  
directors.  
"Charter school." An independent public school established  
and operated under a charter from an authorizer and in which  
students are enrolled or attend.  
"Charter school entity." A charter school, regional charter  
school or cyber charter school.  
"Charter school foundation." A nonprofit organization, as  
defined under section 501(c)(3) of the Internal Revenue Code of  
1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)), that provides  
funding, resources or otherwise serves to support a charter  
school entity, either directly or through an affiliated entity.  
"Chief administrator." An individual appointed by the board  
of trustees to oversee and manage the operation of the charter  
school entity. The term shall not include a professional staff  
member.  
"Commission." The State Commission on Charter Schools.

35 "Committee." The Charter School Funding Advisory Committee.  
36 "Cyber charter school." An independent public school  
37 established and operated under a charter from the commission and  
38 which uses technology in order to provide a significant portion  
39 of its curriculum and to deliver a significant portion of  
40 instruction to its students through the Internet or other  
41 electronic means.  
42 "Department." The Department of Education of the  
43 Commonwealth.  
44 "Educational management service provider." A for-profit  
45 education management organization, nonprofit charter or  
46 education management organization, school design provider,  
47 business manager or any other partner entity with which a board  
48 of trustees of a charter school entity contracts to provide  
49 educational design, business services, comprehensive management,  
50 personnel functions or implementation of the charter.  
51 "Fund." The State Charter School Assessment Fund.

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1 "Governing board." The council of trustees of an institution  
2 of higher education.  
3 "Immediate family member." A parent, spouse, child, brother  
4 or sister.  
5 "Institution of higher education." An institution as defined  
6 in section 2001-A(10).  
7 "Local board of school directors." The board of directors of  
8 a school district in which a proposed or an approved charter  
9 school is located. The term shall include a special board of  
10 control or a School Reform Commission.  
11 "Local taxing authority." A county, city, borough,  
12 incorporated town, township or school district.  
13 "Nonrelated." An individual who is not an immediate family  
14 member.  
15 "Regional charter school." An independent public school that  
16 is a charter school established and operated under a charter  
17 from more than one authorizer and in which students are enrolled  
18 or attend.  
19 "Right-to-Know Law." The act of February 14, 2008 (P.L.6,  
20 No.3), known as the Right-to-Know Law.

21 "School district of residence." The school district in this  
22 Commonwealth in which a child resides as determined under  
23 section 1302.  
24 "School entity." A school district, intermediate unit, joint  
25 school or area vocational-technical school.  
26 "School Reform Commission." The School Reform Commission  
27 established under section 696.  
28 "Secretary." The Secretary of Education of the Commonwealth.  
29 "Special board of control." A special board of control  
30 established under section 692.  
31 "State board." The State Board of Education of the  
32 Commonwealth.  
33 "Unused facility." Any building owned by a school district  
34 or the Commonwealth that is not used by the school district or  
35 the Commonwealth for its own programs or that is leased to a  
36 third party for consideration.  
37 Section 1704-C. State Commission on Charter Schools.  
38 (a) Establishment.--The State Commission on Charter Schools  
39 is established as an independent administrative commission.  
40 (b) Composition.--  
41 (1) The commission shall consist of citizens of this  
42 Commonwealth who possess strong experience and expertise in  
43 one of the following areas:  
44 (i) Public nonprofit governance.  
45 (ii) Business and administration.  
46 (iii) Social services.  
47 (iv) Management.  
48 (v) Finance.  
49 (vi) Public school leadership.  
50 (vii) Assessment.  
51 (viii) Curriculum and instruction.

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1 (ix) Public education law.  
2 (2) All members of the commission shall have a  
3 demonstrated understanding of and commitment to charter  
4 schooling as a strategy for strengthening public education.  
5 (3) No current State public official or appointee shall  
6 be appointed to serve as a member of the commission.

7 (4) Members of the commission shall be appointed as  
8 follows:

9 (i) Three individuals who shall be appointed by the  
10 Governor.

11 (ii) Four individuals who shall be appointed by the  
12 General Assembly as follows:

13 (A) The President pro tempore of the Senate  
14 shall appoint one individual.

15 (B) The Minority Leader of the Senate shall  
16 appoint one individual.

17 (C) The Speaker of the House of Representatives  
18 shall appoint one individual.

19 (D) The Minority Leader of the House of  
20 Representatives shall appoint one individual.

21 (c) Terms.--

22 (1) The members initially appointed by the Governor  
23 shall serve for terms of two, three and four years,  
24 respectively, the particular term of each to be designated by  
25 the Governor at the time of appointment.

26 (2) (i) Except as provided under subparagraph (ii), the  
27 members initially appointed by the General Assembly under  
28 subsection (b)(4)(ii) shall serve for terms of four years  
29 and the terms of those members' successors shall be four  
30 years each.

31 (ii) Any person appointed to fill a vacancy for a  
32 member appointed under subsection (b)(4)(ii) shall serve  
33 only for the unexpired term or until a successor is  
34 appointed and qualified.

35 (3) An appointed member of the commission shall be  
36 eligible for reappointment.

37 (4) The Governor shall select one of the members to  
38 serve as chairperson of the commission.

39 (d) Meetings.--The commission shall meet at least monthly to  
40 fulfill the purposes provided under this section. A majority of  
41 the members of the commission shall constitute a quorum and a  
42 majority of the members of the commission shall have authority  
43 to act upon any matter properly before the commission. The  
44 commission is authorized to establish rules for its operation.

45 (e) Compensation.--The members shall receive no payment for  
46 their services. Members who are not employees of State  
47 government shall be reimbursed from the fund for expenses  
48 incurred in the course of their official duties.

49 (f) Executive director.--An executive director shall be  
50 appointed by the members of the commission. The executive  
51 director shall be paid compensation as the commission may

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1 determine. The executive director may employ personnel and  
2 contract for consulting services as may be necessary and is  
3 authorized to carry out the purposes of this article if the  
4 services are procured through a competitive bidding process.

5 (g) Open meetings and documents.--Meetings of the commission  
6 shall be conducted under 65 Pa.C.S. Ch. 7 (relating to open  
7 meetings) and all hearings shall be conducted in accordance with  
8 2 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of  
9 Commonwealth agencies). Documents of the commission shall be  
10 subject to the Right-to-Know Law.

11 (h) Powers and duties.--The commission shall have the  
12 following powers and duties:

13 (1) Implement the provisions of this article and  
14 promulgate regulations.

15 (2) Serve as an authorizer for charter school entities.

16 (3) Develop and issue standardized forms that shall be  
17 used by all applicants, authorizers and charter school  
18 entities as required under sections 1718-C, 1721-C, 1726-C,  
19 1731-C and 1735-C. The commission shall receive input from  
20 the department, authorizers and charter school entity  
21 operators to develop the standardized forms.

22 (4) Receive, review and act on applications for the  
23 creation of a charter school entity, obtain input from  
24 interested persons or entities and hold hearings regarding  
25 applications.

26 (5) Monitor and evaluate the operation of each charter  
27 school entity the commission has authorized on an annual  
28 basis in order to determine whether the school is in  
29 compliance with the terms of its charter and applicable  
30 statutes and regulations.

31 (6) Renew, revoke or deny renewal of a charter school  
32 entity's charter that the commission has chartered under  
33 section 1723-C.  
34 (7) Provide a list of approved qualified independent  
35 certified public accountants to conduct independent audits as  
36 required under section 1731-C.  
37 (8) Receive, review and act on charter school transfers  
38 under section 1734-C(c).  
39 (9) Accept applications under section 1718-C.  
40 (10) Receive, review and act on multiple charter school  
41 organization requests under section 1735-C.  
42 (11) (i) Develop a standard performance matrix for use  
43 by the commission and authorizers to evaluate charter  
44 school entity performance. The performance matrix shall  
45 assess performance by utilizing objective criteria,  
46 including:  
47 (A) Student performance on the Pennsylvania  
48 System of School Assessment test, the Keystone Exam  
49 or another test established by the State board to  
50 meet the requirements of section 2603-B(d)(10)(i) and  
51 required under the No Child Left Behind Act of 2001.

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1 (B) Annual growth as measured by the  
2 Pennsylvania Value-Added Assessment System.  
3 (C) Attendance.  
4 (D) Attrition rates.  
5 (E) Graduation rates.  
6 (F) Except for clauses (A) and (B), other  
7 assessment instruments or measures of student  
8 achievement.  
9 (G) School safety.  
10 (H) Parent satisfaction.  
11 (I) Other measures of school quality.  
12 (ii) The commission shall develop the matrix under  
13 subparagraph (i) within one year of the effective date of  
14 this section with input from the department and charter  
15 school entity operators. The commission may contract for  
16 consulting services with an entity that has experience in

17 developing these matrices if the services are procured  
18 through a competitive bidding process.  
19 (iii) Authorizers may not develop a separate matrix  
20 for the evaluation of charter school entities.  
21 (iv) The standard performance matrix shall be  
22 distributed by the commission to all known authorizers  
23 and shall be published on the commission's publicly  
24 accessible Internet website.  
25 (v) Beginning July 1, 2013, authorizers shall  
26 utilize the standard performance matrix as a primary  
27 factor in evaluating new and renewal charter school  
28 entity applicants.  
29 (12) Provide a list of nationally recognized  
30 accreditation agencies, including the Middle States  
31 Association of Colleges and Schools or other regional  
32 institutional accrediting agencies recognized by the United  
33 States Department of Education or an equivalent federally  
34 recognized body for charter school or cyber charter school  
35 education, that a charter school entity may use to seek  
36 accreditation.  
37 (13) Develop policies, procedures and regulations  
38 pertaining to cyber charter school student truancy.  
39 (14) The commission may employ personnel and contract  
40 for consulting services as may be necessary and is authorized  
41 to carry out the purposes of this article if the services are  
42 procured through a competitive bidding process.  
43 Section 1705-C. Commission funding.  
44 (a) Grants.--The commission shall annually seek Federal and  
45 nonprofit grants to support its operations.  
46 (b) Limited use of certain funds.--For the 2011-2012 fiscal  
47 year, the commission and department may utilize undistributed  
48 funds not expended, encumbered or committed from appropriations  
49 for grants and subsidies made to the department to the extent  
50 necessary to carry out the provisions of this article and based  
51 upon a budget submitted and approved by the Governor's Budget

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1 Office. Funds identified by the department and approved by the  
2 Governor's Budget Office shall be transferred to the account.



3 Section 1706-C. Charter School Funding Advisory Committee.

4 (a) Convention.--

5 (1) The department shall, after the effective date of  
6 this section, convene a Statewide advisory committee to  
7 examine the financing of charter school entities in the  
8 public education system. The committee shall examine how  
9 charter school entity finances affect opportunities for  
10 teachers, parents, pupils and community members to establish  
11 and maintain schools that operate independently from the  
12 existing school district structure as a method to accomplish  
13 the requirements of section 1702-C. The department shall  
14 provide administrative support, meeting space and any other  
15 assistance required by the committee to carry out its duties  
16 under this section.

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

19 (i) The chairman and minority chairman of the  
20 Education Committee of the Senate and the chairman and  
21 the minority chairman of the Education Committee of the  
22 House of Representatives, or their designees.

23 (ii) The secretary or a designee.

24 (iii) The chairman of the State board or a designee.

25 (iv) The following members, who shall be appointed  
26 by the secretary:

27 (A) One member who shall represent charter  
28 schools.

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

31 (C) One member who shall represent cyber charter  
32 schools.

33 (D) One member who shall represent teachers. The  
34 member may be a public school teacher, a charter  
35 school teacher, a regional charter school teacher, a  
36 cyber charter school teacher or a nonpublic school  
37 teacher.

38 (E) One member who shall represent school  
39 administrators.

40 (F) One member who shall represent school board

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members.  
(G) One member who shall represent a business manager of a school district.  
(H) One member who shall represent a parent of a child attending a charter school entity.  
(I) One member who shall represent an institution of higher education.  
(3) Members of the committee shall be appointed within 45 days of the effective date of this section. Any vacancy on the committee shall be filled by the original appointing officer or agency. The committee shall select a chairman and vice chairman from among its membership at an organizational meeting. The organizational meeting shall take place no later than 90 days following the effective date of this section.  
(4) The committee shall hold meetings at the call of the chairman. The committee may hold public hearings on the matters to be considered by the committee at locations throughout this Commonwealth. All meetings and public hearings of the committee shall be subject to 65 Pa.C.S. Ch. 7 (relating to open meetings). Nine members of the committee shall constitute a quorum at any meeting. Each member of the committee may designate another person to represent that member at meetings of the committee.  
(5) Committee members shall receive no compensation for their services but shall be reimbursed for all necessary travel and other reasonable expenses incurred in connection with the performance of their duties as members. If possible, the committee shall utilize the services and expertise of existing personnel and staff of State government.  
(6) The committee shall have the following powers and duties:  
(i) Meet with current charter school entity operators within this Commonwealth, including cyber charter schools with blended programs.  
(ii) Review charter school entity financing laws in operation throughout the United States.  
(iii) Evaluate and make recommendations on the

27 following:  
28 (A) Powers and duties extended to charter school  
29 entities as they relate to financing.  
30 (B) Funding formulas for charter school  
31 entities, including reimbursement procedures and  
32 funding under Title I of the Elementary and Secondary  
33 Education Act of 1965 (Public Law 89-10, 20 U.S.C. §  
34 6301 et seq.).  
35 (C) The process by which charter school entities  
36 are funded under section 1728-C.  
37 (D) Student residency as it relates to funding.  
38 (E) Special education and other special program  
39 funding.  
40 (F) Charter school entity transportation.  
41 (G) Charter school entity eligibility to receive  
42 grants and funding.  
43 (H) Appropriate assessment fees on charter  
44 school entities.  
45 (I) Consideration of recognizing a charter  
46 school entity for additional designations as a local  
47 education agency.  
48 (iv) The committee shall, no later than November 30,  
49 2012, issue a report of its findings and recommendations  
50 to the Governor, the President pro tempore of the Senate,  
51 the Minority Leader of the Senate, the chairman and

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1 minority chairman of the Education Committee of the  
2 Senate, the Speaker of the House of Representatives, the  
3 Minority Leader of the House of Representatives and the  
4 chairman and minority chairman of the Education Committee  
5 of the House of Representatives.  
6 (b) (Reserved).  
7 SUBARTICLE B  
8 CHARTER SCHOOL ENTITIES  
9 Section 1714-C. Powers.  
10 (a) Body corporate.--A charter school entity established  
11 under this article is a body corporate and shall have all powers  
12 necessary or desirable for carrying out its charter, including

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- the power to:
- (1) Adopt a name and corporate seal, except that any name selected shall include the words "charter school," "regional charter school" or "cyber charter school."
  - (2) Sue and be sued, but only to the same extent and upon the same condition that political subdivisions and local agencies can be sued.
  - (3) Acquire real property from public or private sources by purchase, lease, lease with an option to purchase or gift for use as a charter school entity facility.
  - (4) Receive and disburse funds for charter school entity purposes only.
  - (5) Make contracts and leases for the procurement of services, including services to fulfill the duties of the administrators and chief administrator for the charter school entity, equipment and supplies.
  - (6) Incur temporary debts in anticipation of the receipt of funds.
  - (7) Incur debt for the construction of school facilities.
  - (8) Solicit and accept any gifts or grants for charter school entity purposes.
  - (9) Enter into a concurrent enrollment agreement under Article XVI-B with an institution of higher education.
  - (10) Seek accreditation by an accreditation agency recognized by the Commission pursuant to Section 1704-C(h) (13).
- (b) Necessary powers.--A charter school entity shall have other powers as are necessary to fulfill its charter and which are not inconsistent with this article.
- (c) Liability for indebtedness.--Any indebtedness incurred by a charter school entity in the exercise of the powers specified under this section shall not impose any liability or legal obligation upon a school entity or upon the Commonwealth. Section 1715-C. Requirements.
- (a) Compliance.--Charter school entities shall be required to comply with the following:
    - (1) Except as provided under this article, a charter

1 established under this act, from regulations of the State  
2 board and from standards of the secretary not specifically  
3 applicable to charter school entities. Charter school  
4 entities shall not be exempt from statutes applicable to  
5 public schools other than under this article.

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

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

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

15 (5) A charter school entity may not provide any  
16 religious instruction or display religious objects and  
17 symbols on the premises of the school with the intention of  
18 advancing or endorsing religion. It shall not be a violation  
19 of this paragraph for a charter school entity to utilize a  
20 sectarian facility:

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

24 (ii) the charter school entity provides for discrete  
25 and separate entrances to buildings utilized for school  
26 purposes only.

27 (6) A charter school entity may not advocate unlawful  
28 behavior.

29 (7) Subject to section 220, a charter school entity  
30 shall participate in the Pennsylvania State Assessment System  
31 as provided for in 22 Pa. Code Ch. 4 (relating to academic  
32 standards and assessment). A charter school entity shall be  
33 treated in the same manner as a school district for the  
34 purposes of measuring the charter school entity's adequate  
35 yearly progress under the No Child Left Behind Act of 2001.

36 (8) A charter school entity shall provide a minimum of

37 180 days of instruction or 900 hours per year of instruction  
38 at the elementary level or 990 hours per year of instruction  
39 at the secondary level. Attendance at a cyber charter school  
40 shall satisfy requirements for compulsory attendance. Nothing  
41 in this section shall preclude the use of computer and  
42 satellite linkages for delivering instruction to students.

43 (b) (Reserved).

44 Section 1716-C. Board of trustees.

45 (a) Public officials.--

46 (1) All members of the board of trustees of a charter  
47 school entity shall be public officials for the purposes of  
48 65 Pa.C.S. Ch. 11 (relating to ethics standards and financial  
49 disclosure) and shall file a statement of financial interests  
50 for the preceding calendar year with the State Ethics  
51 Commission and the authorizer no later than May 1 of each

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1 year that members hold the position and of the year after a  
2 member leaves the position.

3 (2) All members of the board of trustees of a charter  
4 school entity shall take the oath of office as required under  
5 section 321 before entering upon the duties of their office.

6 (b) Powers.--The board of trustees of a charter school  
7 entity shall have the authority to decide matters related to the  
8 operation of the school, including budgeting, curriculum and  
9 operating procedures, subject to the school's charter. The board  
10 shall have the authority to employ, discharge and contract with  
11 necessary professional and nonprofessional employees, subject to  
12 the school's charter and this article.

13 (c) Restrictions.--The following shall apply to all members  
14 of the board of trustees of a charter school entity:

15 (1) No member of the local board of school directors of  
16 a school entity shall serve on the board of trustees of a  
17 charter school entity that is located in the member's  
18 district.

19 (2) For all charter school entities chartered after the  
20 effective date of this section, an individual shall be  
21 prohibited from serving as a voting member of the board of  
22 trustees of a charter school entity if the individual or an

23 immediate family member receives compensation from or is  
24 employed by or is a board member of an authorizer who  
25 participates in the initial review, approval, oversight,  
26 evaluation or renewal process of a charter school entity  
27 chartered by that authorizer with the exception of all  
28 current board members. An employee of the authorizer that  
29 chartered the charter school entity may serve as a member of  
30 the board of trustees without voting privileges.

31 (3) No member of the board of trustees of a charter  
32 school entity shall participate in the selection, award or  
33 administration of any contract if the member has a conflict  
34 of interest as defined in 65 Pa.C.S. § 1102 (relating to  
35 definitions). Any member of the board of trustees who in the  
36 discharge of his official duties would be required to vote on  
37 a matter that would result in a conflict of interest shall  
38 abstain from voting and follow the procedures required under  
39 65 Pa.C.S. § 1103(j) (relating to restricted activities). A  
40 member of the board of trustees who knowingly violates this  
41 section commits a violation of 65 Pa.C.S. § 1103(a) and shall  
42 be subject to the penalties imposed under the jurisdiction of  
43 the State Ethics Commission. Any contract made in violation  
44 of this paragraph shall be voidable by a court of competent  
45 jurisdiction if the suit is commenced within 90 days of the  
46 making of the contract.

47 (4) A member of the board of trustees of a charter  
48 school entity shall be automatically disqualified and  
49 immediately removed from the board upon conviction for an  
50 offense graded as a felony, an infamous crime, an offense  
51 pertaining to fraud, theft or mismanagement of public funds,

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

3 (d) Structure.--

4 (1) The board of trustees of a charter school entity  
5 shall have a minimum of five nonrelated voting members. If a  
6 charter school entity has fewer than five nonrelated voting  
7 members serving on its board on the effective date of this  
8 section, the charter school entity shall, within 60 days of

9 the effective date of this section, appoint additional  
10 members to the board to meet the minimum requirements of this  
11 section.

12 (2) Within one year of the effective date of this  
13 section, at least one member of the board of trustees of a  
14 charter school entity shall be a parent of a child currently  
15 attending that charter school entity. The board member shall  
16 be eligible to serve only so long as the child is attending  
17 the charter school entity.

18 (e) Organization of meetings of boards of trustees.--

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

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

27 (3) All meetings shall be subject to 65 Pa.C.S. Ch. 7  
28 (relating to open meetings).

29 (f) Refusal or neglect of duty.--

30 (1) If a member of the board of trustees refuses or  
31 neglects to perform any duty imposed upon it under this  
32 article, 25 individuals who are parents or guardians of  
33 students of the charter school entity may present a petition  
34 in writing of the refusal or neglect, verified by oath or  
35 affirmation, to the court of common pleas in the county in  
36 which the charter school or regional charter school building  
37 is located or, in the case of a cyber charter school, to  
38 Commonwealth Court. The petition shall set forth the facts  
39 regarding the board member.

40 (2) (i) The court shall grant a rule upon the member of  
41 the board of trustees, returnable in not less than ten  
42 days nor more than 20 days from the date of issue, to  
43 show cause why the member should not be removed from the  
44 board. The member shall have at least five days' notice  
45 of the granting of the rule.

46 (ii) On or before the return day of the rule, the



47 member or members, individually or jointly, shall file in  
48 writing their answer or answers to the petition, under  
49 oath.

50 (iii) If the facts set forth in the petition or any  
51 material part of the petition, are denied, the court

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1 shall conduct a hearing on the petition.

2 (iv) If, after the hearing under subparagraph (iii)  
3 or if no answer is timely filed denying the facts set  
4 forth in the petition, the court finds that any duty  
5 imposed on the members required under this article has  
6 not been done or has been neglected by them, the court  
7 shall have power to remove the member or members and  
8 shall direct the authorizer to appoint other qualified  
9 persons to serve for the duration of the removed members'  
10 unexpired terms, subject to this article.

11 (v) The court shall impose the cost of the  
12 proceedings upon the petitioners, the members of the  
13 board of trustees, the authorizer or may apportion the  
14 cost among them.

15 (vi) Any person removed as a member of the board of  
16 trustees of a charter school entity under this subsection  
17 shall not be eligible again as a board member for a  
18 period of five years from the removal.

19 Section 1717-C. Administrators.

20 (a) Public employee.--A person who serves as an  
21 administrator for a charter school entity shall be a public  
22 employee for the purposes of 65 Pa.C.S. Ch. 11 (relating to  
23 ethics standards and financial disclosure) and shall file a  
24 statement of financial interests for the preceding calendar year  
25 with the authorizer and the board of trustees no later than May  
26 1 of each year that he holds the position and of the year after  
27 he leaves the position.

28 (b) Duties of chief administrator.--The chief administrator  
29 shall exercise the duties designated by the board of trustees,  
30 including the following:

31 (1) In accordance with established board policy and  
32 bylaws, upon action by the board of trustees to approve any

33 bill or account for payment of money and to prepare and sign  
34 an order for the payment of money.

35 (2) To comply with all reporting requirements of this  
36 article.

37 (3) Notwithstanding any other provision of this article  
38 and other law, to serve as custodian of all records,  
39 commissions and property of the charter school entity.

40 (4) To perform other duties pertaining to the business  
41 of the charter school entity as required under this article.

42 (c) Restrictions.--

43 (1) A person who serves as an administrator for a  
44 charter school entity shall not receive compensation from  
45 another charter school entity or from an educational  
46 management service provider except if the following apply:

47 (i) The administrator has submitted a sworn  
48 statement to each charter school entity board of  
49 trustees. The sworn statement shall detail the work for  
50 the other entity and include the projected number of  
51 hours, rate of compensation and projected duration.

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1 (ii) The board of trustees has reviewed a statement  
2 under subparagraph (i) and has agreed to grant permission  
3 to the administrator by resolution.

4 (2) A copy of the sworn statement under paragraph (1)(i)  
5 and the resolution by the board of trustees approving the  
6 request shall be kept on file with the charter school entity  
7 and the authorizer.

8 (3) No administrator of a charter school entity or  
9 immediate family member shall be permitted to serve as a  
10 voting member of the board of trustees of their charter  
11 school entity.

12 (4) No administrator of a charter school entity shall  
13 participate in the selection, award or administration of a  
14 contract if he has a conflict of interest as that term is  
15 defined in 65 Pa.C.S. § 1102 (relating to definitions). An  
16 administrator who knowingly violates this subsection commits  
17 a violation of 65 Pa.C.S. § 1103(a) (relating to restricted  
18 activities) and shall be subject to the penalties imposed

19 under the jurisdiction of the State Ethics Commission. Any  
20 contract made in violation of this subsection shall be  
21 voidable by the board of trustees of the charter school  
22 entity.  
23 (5) An administrator shall be immediately dismissed upon  
24 conviction for an offense graded as a felony, an infamous  
25 crime, an offense pertaining to fraud, theft or mismanagement  
26 of public funds or any crime involving moral turpitude.  
27 Section 1718-C. Establishment.  
28 (a) Entities who may establish.--  
29 (1) A charter school entity may be established by any of  
30 the following:  
31 (i) An individual.  
32 (ii) One or more teachers who will teach at the  
33 proposed school.  
34 (iii) Parents or guardians of students who will  
35 enroll at the school.  
36 (iv) A nonsectarian college, university or museum  
37 located in this Commonwealth.  
38 (v) A nonsectarian corporation not-for-profit, as  
39 defined in 15 Pa.C.S. (relating to corporations and  
40 unincorporated associations).  
41 (vi) A corporation, association or partnership.  
42 (vii) A combination of any of the entities listed  
43 under this subsection.  
44 (2) No charter school entity shall be established or  
45 funded by and no charter shall be granted to any sectarian  
46 school, institution or other entity. No funds allocated or  
47 disbursed under this article shall be used to directly  
48 support instruction under section 1327.1.  
49 (3) A charter school must be organized as a public,  
50 nonprofit corporation. A charter may not be granted to any  
51 for-profit entity.

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1 (b) Establishment by conversion.--  
2 (1) A charter school may be established by converting an  
3 existing public school building or a portion of an existing  
4 public school building. The conversion of an existing public

5 school building or portion of an existing public school  
6 building to a charter school may be initiated by the school  
7 district where the existing public school is located or by  
8 the parent petition process under paragraph (3). There shall  
9 be no limit on the number of public schools in a school  
10 district that can be converted to a charter school.  
11 (2) The local board of school directors, the special  
12 board of control or the School Reform Commission that desires  
13 to convert an existing public school building or a portion of  
14 an existing public school building to a charter school may  
15 designate and approve the existing public school building or  
16 portion of an existing public school building that it seeks  
17 to convert to a charter school by accepting applications in  
18 accordance with paragraph (4).  
19 (3) (i) For the purposes of improving academic  
20 achievement or student safety, the parents or legal  
21 guardians of at least 51% of students attending an  
22 existing public school building may petition the local  
23 board of school directors, the special board of control  
24 or the School Reform Commission to convert the existing  
25 public school building or a portion of the existing  
26 public school building to a charter school.  
27 (ii) The commission shall develop and issue a  
28 standard petition form that shall be used by all parents  
29 or legal guardians seeking conversion.  
30 (iii) Upon certified receipt of the petition and  
31 verification of the signatures, the local board of school  
32 directors, the special board of control established under  
33 section 692 or the School Reform Commission shall convert  
34 the existing public school building or a portion of an  
35 existing public school building to a charter school  
36 building by accepting applications in accordance with  
37 paragraph (4). Notwithstanding any other provision of  
38 law, the local board of school directors shall not be  
39 required to negotiate or agree to any provision that  
40 prevents, impedes or prohibits a school district's  
41 ability to convert to a charter school under this article  
42 after the effective date of this section. A term in a

43 collective bargaining agreement in place on the effective  
44 date of this section that operates to prevent, impede or  
45 prohibit a school district from converting to a charter  
46 school under this article shall not continue past the  
47 expiration date of the collective bargaining agreement.  
48 (4) (i) Applications for the charter school shall be  
49 solicited through a competitive request for proposal  
50 process initiated by the local board of school directors,  
51 the special board of control or the School Reform

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1 Commission. The content and dissemination of the request  
2 for proposal must be consistent with the purpose and the  
3 requirements of this article. The local board of school  
4 directors, the special board of control or the School  
5 Reform Commission may accept applications by any  
6 individual or entity authorized to establish a charter  
7 school under subsection (a) to operate the converted  
8 charter school.  
9 (ii) The local board of directors, the special board  
10 of control or the School Reform Commission shall evaluate  
11 each submitted proposal in a public manner. Once  
12 selected, the local board of school directors, the  
13 special board or the School Reform Commission shall do  
14 all of the following:  
15 (A) Explain how and why the proposal was  
16 selected.  
17 (B) Provide evidence, if available, of the  
18 provider's success in serving student populations  
19 similar to the targeted population, including  
20 demonstrated academic achievement as well as  
21 successful management of nonacademic school functions  
22 if applicable.  
23 (5) The authorizer may not serve as the board of  
24 trustees of an existing school which is converted to a  
25 charter school under this subsection.  
26 (6) This article shall apply to an existing public  
27 school building or a portion of an existing public school  
28 building converted to a charter school.

29 (7) In the case of an existing school being converted to  
30 a charter school, the local board of school directors, the  
31 special board of control or the School Reform Commission  
32 shall establish the alternative arrangements for current  
33 students who choose not to attend the charter school.  
34 (c) Establishment of a cyber charter school by a local board  
35 of school directors or intermediate unit.--A cyber charter  
36 school may be established by a local board of school directors  
37 or an intermediate unit if they follow the procedures and  
38 requirements of this article. Nothing under this article shall  
39 preclude a school district or an intermediate unit from offering  
40 instruction via the Internet or other electronic means, except  
41 that the instruction shall not be recognized as a cyber charter  
42 school under this article. A cyber charter school must be  
43 organized as a public, nonprofit corporation. A charter may not  
44 be granted to any for-profit entity.  
45 (d) Authorizers.--  
46 (1) The following entities shall be authorizers of  
47 charter schools and regional charter schools:  
48 (i) The commission.  
49 (ii) A local board of school directors.  
50 (2) The commission shall be the authorizer of cyber  
51 charter schools.

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1 (e) Authorizer powers and duties.--  
2 (1) The commission shall have the following powers and  
3 duties:  
4 (i) Receive, review and act on applications for the  
5 creation of a charter school entity, obtain input from  
6 interested persons or entities and hold hearings  
7 regarding applications.  
8 (ii) Execute charter contracts with an approved  
9 charter school entity applicant.  
10 (iii) Monitor and evaluate the operation of each  
11 charter school entity authorized by the commission on an  
12 annual basis in order to determine whether the charter  
13 school entity is in compliance with the terms of its  
14 charter and all applicable laws and regulations.

15 (iv) Renew, revoke or deny renewal of a charter  
16 school entity's charter under section 1723-C.  
17 (2) The local board of school directors shall have the  
18 following powers and duties:  
19 (i) Receive, review and act on applications for the  
20 creation of a charter school or regional charter school,  
21 obtain input from interested persons or entities and hold  
22 hearings regarding applications.  
23 (ii) Execute charter contracts with an approved  
24 charter school or regional charter school applicant.  
25 (iii) Monitor and evaluate the operation of each  
26 charter school or regional charter school on an annual  
27 basis in order to determine whether the charter school or  
28 regional charter school is in compliance with the terms  
29 of its charter and all applicable laws and regulations.  
30 (iv) Renew, revoke or deny renewal of a charter  
31 school or regional charter school's charter under section  
32 1723-C.  
33 (v) Assess and receive administrative fees as  
34 allowed under section 1705-C.  
35 (f) Special conditions.--Authorizers may not exercise the  
36 power and duties of the department as set forth under Federal or  
37 State laws or regulations.  
38 (g) Initial application procedure.--  
39 (1) An application to establish a charter school entity  
40 shall be submitted to a authorizer under subsection (d) by  
41 October 1 of the school year preceding the school year in  
42 which the charter school entity proposes to commence  
43 operation.  
44 (2) (i) Within 45 days of receipt of an application,  
45 the authorizer shall hold at least one public hearing on  
46 the charter application under section 1720-C and 65  
47 Pa.C.S. Ch. 7 (relating to open meetings). The authorizer  
48 shall give the applicant at least 48 hours written or  
49 electronic notice of the public hearing.  
50 (ii) A school district directly impacted by the  
51 potential charter school entity may provide testimony at

1 the public hearing, except that testimony with regard to  
2 the economic impact of an applicant on a school district  
3 may not be the sole basis for denial of the application.

4 (iii) At least 45 days must transpire between the  
5 first public hearing and the final decision of the  
6 authorizer on the charter application, during which time  
7 public comment shall be received and made part of the  
8 record. Nothing in this article shall prohibit a school  
9 district or any other interested party from providing  
10 public comment.

11 (3) An application submitted under this article shall be  
12 evaluated by the authorizer based on established criteria,  
13 including the following:

14 (i) The demonstrated, sustainable support for the  
15 charter school plan by teachers, parents, other community  
16 members and students, including comments received at the  
17 public hearing held under subsection (g)(2).

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

21 (4) Not later than 75 days after the first public  
22 hearing on the application, the authorizer that received the  
23 application shall grant or deny the application.

24 (5) An application shall be deemed approved by the  
25 authorizer upon affirmative vote by a majority of all members  
26 of the authorizer. Formal action approving or denying the  
27 application shall be taken at a public meeting, with notice  
28 or consideration of the application given by the authorizer  
29 under 65 Pa.C.S. Ch. 7. The authorizer shall give the  
30 applicant at least 48 hours written or electronic notice of  
31 the meeting at which the authorizer will be considering the  
32 application.

33 (6) Written notice of the action of the authorizer shall  
34 be sent to the applicant, the department and the commission.  
35 If the application is denied, the reasons for the denial,  
36 including a description of deficiencies in the application,  
37 shall be clearly stated in the notice to the applicant. The  
38 written notice shall be issued by the authorizer within 30



39 days of the denial of the application.  
40 (7) At the option of the applicant, a denied application  
41 may be revised and resubmitted to the authorizer that denied  
42 the application. If an application is revised and resubmitted  
43 to the authorizer that denied the application, the authorizer  
44 shall follow the procedures listed under paragraphs (2), (3),  
45 (4), (5) and (6).  
46 (8) The decision of the authorizer to deny a resubmitted  
47 application after following the procedures under paragraph  
48 (7) may be appealed to the appeal board as provided under  
49 section 1724-C. Failure by the authorizer to hold a public  
50 hearing and to grant or deny the application for a charter  
51 school within the time periods specified under paragraphs

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1 (2), (4), (5) and (6) shall permit the applicant for a  
2 charter to file its application with the appeal board as  
3 provided for under section 1724-C.  
4 Section 1719-C. Regional charter school.  
5 (a) Establishment.--  
6 (1) A regional charter school may be established by any  
7 individual or entity allowed under section 1718-C (a).  
8 (2) A regional charter school may be established by  
9 creating a new school or by converting an existing public  
10 school building or a portion of an existing public school  
11 building. Conversion of an existing public school building or  
12 a portion of an existing public school building to a regional  
13 charter school shall be accomplished in accordance with  
14 section 1718-C(b).  
15 (3) No regional charter school may be established or  
16 funded by and no charter shall be granted to any sectarian  
17 school, institution or other entity.  
18 (4) A regional charter school must be organized as a  
19 public, nonprofit corporation. A charter may not be granted  
20 to any for-profit entity.  
21 (b) Application.--The boards of school directors of one or  
22 more school districts or the governing board of any combination  
23 of one or more authorizers, may act jointly to receive and  
24 consider an application for a regional charter school. Any

25 action to approve an application for a charter or to sign a  
26 written charter of an applicant shall require an affirmative  
27 vote of a majority of all the directors of each of the school  
28 districts or a majority of the members of the governing board of  
29 each of the initial approving authorities involved.

30 (c) Special conditions.--The provisions of this article  
31 relating to charter schools and the powers and duties of  
32 authorizers and the commission shall apply to regional charter  
33 schools, except as provided under this article.

34 Section 1720-C. Hearings.

35 All hearings held by authorizers under this article shall be  
36 conducted as follows:

37 (1) If the hearing is conducted by a local board of  
38 school directors, the hearing shall be conducted in  
39 accordance with 2 Pa.C.S. Ch. 5 Subch. B (relating to  
40 practice and procedure of local agencies).

41 (2) If the hearing is conducted by the commission, the  
42 hearing shall be conducted in accordance with 2 Pa.C.S. Ch. 5  
43 Subch. A (relating to practice and procedure of Commonwealth  
44 agencies).

45 Section 1721-C. Application.

46 (a) Contents and form.--The commission shall develop and  
47 issue a standard application form that shall be used by all  
48 applicants to establish a charter school entity. The application  
49 to establish a charter school entity shall include all of the  
50 following information:

51 (1) The identification of the charter applicant.

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

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

3 (4) An organizational chart clearly presenting the  
4 proposed governance structure of the school, including lines  
5 of authority and reporting between the board of trustees,  
6 administrators, staff and any educational management service  
7 provider that will play a role in providing management  
8 services to the charter school entity.

9 (5) A clear description of the roles and  
10 responsibilities for the board of trustees, administrators

11 and any other entities, including a charter school  
12 foundation, shown in the organizational chart.  
13 (6) A clear description and method for the appointment  
14 or election of members of the board of trustees.  
15 (7) Standards for board performance, including  
16 compliance with all applicable laws, regulations and terms of  
17 the charter.  
18 (8) If the charter school entity intends to contract  
19 with an educational management service provider for services,  
20 all of the following:  
21 (i) Evidence of the education management service  
22 provider's record in serving student populations,  
23 including demonstrated academic achievement and  
24 demonstrated management of nonacademic school functions,  
25 including proficiency with public school-based  
26 accounting, if applicable.  
27 (ii) A term sheet setting forth all of the  
28 following:  
29 (A) The officers, chief administrator and  
30 administrators of the education management service  
31 provider.  
32 (B) The proposed duration of the service  
33 contract.  
34 (C) Roles and responsibilities of the governing  
35 board, the school staff and the educational  
36 management service provider.  
37 (D) The scope of services, personnel and  
38 resources to be provided by the educational  
39 management service provider.  
40 (E) Performance evaluation measures and time  
41 lines.  
42 (F) The compensation structure, including clear  
43 identification of all fees to be paid to the  
44 educational management service provider.  
45 (G) Methods of contract oversight and  
46 enforcement.  
47 (H) Investment disclosure or the advance of  
48 moneys by the educational management service provider

49 on behalf of the charter school entity.  
50 (I) Conditions for renewal and termination of  
51 the contract.

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1 (iii) Disclosure and explanation of any existing or  
2 potential conflicts of interest between the members of  
3 the board of trustees and the proposed educational  
4 management service provider or any affiliated business  
5 entities, including a charter school foundation qualified  
6 as a support organization under the Internal Revenue Code  
7 of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.).  
8 (9) The mission and educational goals of the charter  
9 school entity, the curriculum to be offered and the methods  
10 of assessing whether students are meeting educational goals.  
11 (10) The admission policy and criteria for evaluating  
12 the admission of students, which shall comply with section  
13 1726-C.  
14 (11) Procedures which will be used regarding the  
15 suspension or expulsion of pupils, which shall comply with  
16 section 1318.  
17 (12) Information on the manner in which community groups  
18 will be involved in the charter school planning process.  
19 (13) The financial plan for the charter school entity  
20 and the provisions which will be made for auditing the school  
21 under section 437, including the role of any charter school  
22 foundation.  
23 (14) Procedures which shall be established to review  
24 complaints of parents regarding the operation of the charter  
25 school entity.  
26 (15) A description and address of the physical facility,  
27 if already determined, in which the charter school entity  
28 will be located, the ownership of the physical facility and  
29 any lease arrangements.  
30 (16) Information on the proposed school calendar for the  
31 charter school entity including the length of the school day  
32 and school year, consistent with section 1502.  
33 (17) The proposed faculty, if already determined and a  
34 professional development and continuing education plan for

35 the faculty and professional staff of a charter school  
36 entity.  
37 (18) Whether any agreements have been entered into or  
38 plans developed with the local school district regarding  
39 participation of the charter school entity students in  
40 extracurricular activities within the school district.  
41 Notwithstanding any other provision of law, no school  
42 district of residence shall prohibit a student of a charter  
43 school entity from participating in any extracurricular  
44 activity of that school district of residence if the student  
45 is able to fulfill all of the requirements of participation  
46 in the activity and the charter school entity does not  
47 provide the same extracurricular activity.  
48 (19) A report of criminal history record under section  
49 111 for all board members, employees and volunteers  
50 identified in the application who shall have direct contact  
51 with students and a plan for satisfying the proper criminal

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1 history record clearances required for all other staff.  
2 (20) An official clearance statement regarding child  
3 injury or abuse from the Department of Public Welfare as  
4 required under 23 Pa.C.S. Ch. 63 Subch. C.2 (relating to  
5 background checks for employment in schools) for all board  
6 members, employees and volunteers identified in the  
7 application who shall have direct contact with students and a  
8 plan for satisfying the proper official clearance statement  
9 regarding child injury or abuse required for all other staff.  
10 (21) How the charter school entity will provide adequate  
11 liability and other appropriate insurance for the charter  
12 school, its employees and the board of trustees of the  
13 charter school.  
14 (22) Policies regarding truancy, absences and withdrawal  
15 of students, including the manner in which the charter school  
16 or regional charter school will monitor attendance consistent  
17 with section 1715-C(a)(8).  
18 (23) How the charter school will meet the standards  
19 included in the performance matrix developed by the  
20 commission under section 1704-C(h)(12).

21 (24) An indication on whether or not the charter school  
22 entity will seek accreditation by a body recognized by the  
23 commission under section 1704-C(h)(13).  
24 (b) Cyber charter school application.--The commission shall  
25 develop a standard application form for cyber charter school  
26 applicants. In addition to the requirements of subsection (a),  
27 an application to establish a cyber charter school shall also  
28 include the following:  
29 (1) An explanation of the amount of online time required  
30 for elementary and secondary students.  
31 (2) The manner in which teachers will deliver  
32 instruction, assess academic progress and communicate with  
33 students to provide assistance.  
34 (3) A specific explanation of any cooperative learning  
35 opportunities, meetings with students, parents and guardians,  
36 field trips or study sessions.  
37 (4) The technology, including types of hardware and  
38 software, equipment and other materials which will be  
39 provided by the cyber charter school to the student.  
40 (5) A description of how the cyber charter school will  
41 define and monitor a student's school day, including the  
42 delineation of online and offline time.  
43 (6) A description of commercially prepared standardized  
44 achievement tests that will be used by the cyber charter  
45 school in addition to the Pennsylvania System of School  
46 Assessment test, including the grade levels that will be  
47 tested and how the data collected from the tests will be used  
48 to improve instruction.  
49 (7) The technical support that will be available to  
50 students and parents or guardians.  
51 (8) The privacy and security measures to ensure the

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1 confidentiality of data gathered online.  
2 (9) The methods to be used to ensure the authenticity of  
3 student work and adequate proctoring of examinations.  
4 (10) The provision of education and related services to  
5 students with disabilities, including evaluation and the  
6 development and revision of individualized educational

7 programs.

8 (11) Policies regarding truancy, absences and withdrawal  
9 of students, including the manner in which the cyber charter  
10 school will monitor attendance consistent with commission  
11 policies, procedures and regulations established under  
12 section 1704-C(h)(14) and as required under section  
13 1715-C(a).

14 (12) The types and frequency of communication between  
15 the cyber charter school and the student and the manner in  
16 which the cyber charter school will communicate with parents  
17 and guardians.

18 (13) The addresses and ownership of all facilities and  
19 offices of the cyber charter school and any lease  
20 arrangements.

21 (c) Additional terms.--An authorizer may not impose  
22 additional terms, develop its own application or require  
23 additional information in contradiction of the standard  
24 application form required under subsection (a).

25 (d) Limitation.--

26 (1) A charter school applicant shall be prohibited from  
27 submitting an application for a charter school at a single  
28 location to more than one authorizer at one time. Nothing in  
29 this section shall prohibit a regional charter school from  
30 applying to multiple authorizers as provided for under  
31 section 1719-C.

32 (2) An applicant for a charter school that fails to  
33 comply with this section may be subject to a denial of the  
34 charter application or revocation of an approved charter.

35 (3) Nothing under this subsection shall prohibit an  
36 applicant for a charter school at a single location from  
37 submitting the same or a similar application to another  
38 authorizer after the completion of the application process  
39 required under section 1718-C, upon formal withdrawal of  
40 their application with the authorizer during the application  
41 process or the completion of the appeal process under section  
42 1724-C.

43 Section 1722-C. Charter.

44 (a) Development.--Upon approval of an application under

45 section 1718-C, a written charter shall be developed which shall  
46 contain the provisions of the application required under section  
47 1721-C. The charter shall be signed by the authorizer and the  
48 board of trustees of the charter school entity. The written  
49 charter, when duly signed by the authorizer and the school's  
50 board of trustees, shall act as legal authorization for the  
51 establishment and operation of a charter school entity and shall

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1 be legally binding on both the board of trustees and on the  
2 authorizer. A charter may be granted only for a school organized  
3 as a public, nonprofit corporation.

4 (b) Amendments.--A charter school entity shall have the  
5 ability to request amendments to its approved written charter by  
6 filing a written document describing the requested amendment to  
7 the authorizer. Within 30 days of its receipt of the request for  
8 an amendment, the authorizer shall hold a public hearing on the  
9 requested amendment under section 1720-C and 65 Pa.C.S. Ch. 7  
10 (relating to open meetings). Within 30 days after the hearing,  
11 the authorizer must grant or deny the requested amendment.  
12 Failure by the authorizer to hold a public hearing and to grant  
13 or deny the amendments within the time period specified shall be  
14 deemed an approval. An applicant for an amendment shall have the  
15 right to appeal the denial of a requested amendment to the  
16 appeal board provided for under section 1724-C.

17 Section 1723-C. Renewal, nonrenewal and termination.

18 (a) Terms.--An initial written charter shall be valid for a  
19 period of five years and shall be renewed for a period of ten  
20 years upon reauthorization by an authorizer.

21 (b) Renewal process.--A charter school entity seeking  
22 renewal shall send an intent to renew letter to the original  
23 authorizer no later than October 1 of the final school year of  
24 the charter school's current charter, except that an intent to  
25 renew letter for a charter that was transferred or consolidated  
26 under section 1734-C must be submitted to the commission. The  
27 authorizer shall conduct a comprehensive review of the annual  
28 reports and assessments required under section 1731-C and, if  
29 appropriate, renew the charter for a period of ten years. If an  
30 authorizer fails to act upon the expiration of initial or



31 renewed charter, the charter shall be deemed to be renewed for a  
32 period of ten years.

33 (c) Authorizer review.--

34 (1) During the term of the charter or at the end of the  
35 term of the charter, the authorizer may choose to revoke or  
36 not to renew the charter based on any of the following:

37 (i) One or more material violations of any of the  
38 conditions, standards or procedures contained in the  
39 written charter signed under section 1722-C.

40 (ii) Failure to meet the requirements for student  
41 performance or failure to meet any performance standard  
42 set forth in the written charter signed under section  
43 1722-C.

44 (iii) Failure to meet generally accepted standards  
45 of fiscal management or audit requirements.

46 (iv) Failure to maintain the financial ability to  
47 continue as an ongoing concern according to generally  
48 accepted accounting principles.

49 (v) Violation of any of the provisions of this  
50 article.

51 (vi) Violation of any provision of law from which

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1 the charter school entity has not been exempted,  
2 including Federal laws and regulations governing children  
3 with disabilities.

4 (vii) Failure to satisfactorily meet the performance  
5 standards set forth in the performance matrix developed  
6 by the commission under section 1704-C(h)(12).

7 (2) If the health or safety of the school's pupils,  
8 staff or both is at serious risk, the authorizer may take  
9 immediate action to revoke a charter.

10 (d) Removal of board member or administrator.--If, after a  
11 hearing under this section, an authorizer proves by a  
12 preponderance of the evidence that an administrator or board  
13 member has violated this article, the terms and conditions of  
14 the charter or any other law, the authorizer shall have the  
15 authority to require the charter school entity to replace the  
16 administrator or board member in order to obtain renewal of the

17 charter. The authorizer may refer its findings to the district  
18 attorney with jurisdiction or to the Office of Attorney General  
19 for prosecution if the authorizer discovers or receives  
20 information about possible violations of law by any person  
21 affiliated with or employed by a charter school entity.  
22 (e) Notice of revocation or nonrenewal.--Any notice of  
23 revocation or nonrenewal of a charter shall state the grounds  
24 for the action with reasonable specificity and give reasonable  
25 notice to the board of trustees of the charter school entity of  
26 the date on which a public hearing concerning the revocation or  
27 nonrenewal will be held. The authorizer shall conduct the  
28 hearing under section 1720-C and present evidence in support of  
29 the grounds for revocation or nonrenewal stated in its notice  
30 and give the charter school entity reasonable opportunity to  
31 offer testimony and amendments under section 1722-C(b) before  
32 taking final action. Formal action revoking or not renewing a  
33 charter shall be taken by the authorizer at a public meeting  
34 under section 1720-C and 65 Pa.C.S. Ch. 7 (relating to open  
35 meetings) and after the public has had 30 days to provide  
36 comments to the members of the commission or the local board of  
37 school directors or the governing board of an institution of  
38 higher education.  
39 (f) Dissolution.--  
40 (1) If a charter is revoked, not renewed, forfeited,  
41 surrendered or otherwise ceases to operate, the charter  
42 school entity shall be dissolved. The charter school entity  
43 shall provide its authorizer with a resolution passed by the  
44 board of trustees identifying the name, address, e-mail  
45 address, fax number and telephone number of the person who  
46 has been authorized to proceed with the dissolution of the  
47 charter school entity. The authorized person shall be  
48 responsible for marshaling the assets of the school,  
49 disposing of the school's liabilities and obligations and  
50 ensuring that student records are forwarded to each student's  
51 school district of residence as required under subsection

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1 (g).  
2 (2) After the disposition of any liabilities and

3 obligations of the charter school or regional charter school,  
4 the person authorized under paragraph (1) shall distribute  
5 any remaining assets of the school, both real and personal,  
6 on a proportional basis to the school entities with students  
7 enrolled in the charter school or regional charter school for  
8 the last full or partial school year of the charter school or  
9 regional charter school.

10 (3) After the disposition of any liabilities and  
11 obligations of a cyber charter school, the person authorized  
12 under paragraph (1) shall provide any remaining assets of the  
13 cyber charter school to the department for distribution to  
14 the school districts in which the students enrolled in cyber  
15 charter school reside at the time of dissolution.

16 (4) School entities, authorizers or the Commonwealth  
17 shall not be liable for any outstanding liabilities or  
18 obligations of the charter school entity.

19 (g) Student application.--If a charter is revoked or is not  
20 renewed, a student who attended the charter school entity shall  
21 be eligible to enroll in another public school in the student's  
22 school district of residence. Normal application deadlines shall  
23 not apply to the enrollment. All student records maintained by  
24 the charter school entity shall be forwarded to the student's  
25 school district of residence.

26 Section 1724-C. Appeal process.

27 (a) Establishment.--The State Charter School Appeal Board is  
28 established and shall consist of the Secretary of Education and  
29 the following members who shall be appointed by the Governor by  
30 and with the consent of a majority of all the members of the  
31 Senate:

32 (1) A parent of a school-aged child enrolled at a  
33 charter school entity.

34 (2) A school board member.

35 (3) A certified teacher actively employed in a public  
36 school.

37 (4) A faculty member or administrative employee of an  
38 institution of higher education.

39 (5) A member of the business community.

40 (6) A member of the State board.

41 (7) An administrator of a charter school entity.  
42 (8) A member of the board of trustees of a charter  
43 school entity.  
44 (b) Chairman.--The Governor shall select the chairman of the  
45 appeal board, who shall serve at the pleasure of the Governor.  
46 (c) Terms.--The term of office of members of the appeal  
47 board, other than the secretary and the parent member appointed  
48 under subsection (a)(1), shall be for a period of four years or  
49 until a successor is appointed and qualified, except that, of  
50 the initial appointees, the Governor shall designate two  
51 members to serve terms of two years, two members to serve terms

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1 of three years and two members to serve terms of four years. A  
2 parent member appointed under subsection (a)(1) shall serve a  
3 term of four years as long as the member's child remains  
4 enrolled in the charter school entity. Any appointment to fill a  
5 vacancy shall be for the period of the unexpired term or until a  
6 successor is appointed and qualified.  
7 (d) Operation.--The appeal board shall meet as needed to  
8 fulfill the purposes provided under this section. A majority of  
9 the members of the appeal board shall constitute a quorum, and a  
10 majority of the members of the appeal board shall have authority  
11 to act upon any matter properly before the appeal board.  
12 Meetings of the appeal board shall be conducted under 65 Pa.C.S.  
13 Ch. 7 (relating to open meetings). Documents of the appeal board  
14 shall be subject to the Right-to-Know Law. The appeal board is  
15 authorized to establish rules for its operation.  
16 (e) Compensation.--The members shall receive no payment for  
17 their services. Members who are not employees of State  
18 government shall be reimbursed for expenses incurred in the  
19 course of their official duties from funds appropriated for the  
20 general government operations of the department.  
21 (f) Assistance.--The department shall provide assistance and  
22 staffing for the appeal board. The Office of General Counsel  
23 shall provide legal advice and assistance as the appeal board  
24 may require.  
25 (g) Review by appeal board.--The following shall apply:  
26 (1) The appeal board shall have the exclusive review of

27 an appeal by a charter school entity applicant or by the  
28 board of trustees of an existing charter school entity of a  
29 decision made by an authorizer to:  
30 (i) Deny a charter under section 1718-C.  
31 (ii) Deny amendments to a charter under section  
32 1722-C.  
33 (iii) Revoke or refuse to renew a charter under  
34 section 1723-C.  
35 (2) In an appeal under this subsection, the decision  
36 made by the authorizer shall be reviewed by the appeal board.  
37 The appeal board shall accept all appeals within 30 days of  
38 receipt of the appeal. The appeal board shall give due  
39 consideration to the findings of the authorizer and  
40 specifically articulate its reasons for agreeing or  
41 disagreeing with those findings in its written decision. The  
42 appeal board shall have discretion to allow the authorizer  
43 and the charter school entity applicant to supplement the  
44 record if the supplemental information was previously  
45 unavailable.  
46 (3) Not later than 30 days after the date of notice of  
47 acceptance of the appeal, the appeal board shall meet to  
48 officially review the certified record.  
49 (4) Not later than 60 days after the review conducted  
50 under paragraph (2), the appeal board shall issue a written  
51 decision affirming or denying the appeal. If the appeal board

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1 has affirmed the decision of the authorizer, notice shall be  
2 provided to both parties.  
3 (5) In the case of a review by the appeal board of an  
4 initial application denied by an authorizer, the decision of  
5 the appeal board to reverse the decision of the authorizer  
6 shall serve as a requirement for the authorizer to grant the  
7 application and sign the written charter of the charter  
8 school under section 1722-C. If the authorizer fails to grant  
9 the application and sign the charter within ten days of  
10 notice of the reversal of the decision of the authorizer, the  
11 charter shall be deemed to be approved and shall be signed by  
12 the chairman of the appeal board.

13 (6) In the case of a review by the appeal board of an  
14 amendment to a written charter denied by an authorizer, the  
15 decision of the appeal board to reverse the decision of the  
16 authorizer shall serve as a requirement for the authorizer to  
17 grant the amendment and sign the revised charter of the  
18 charter school entity under section 1722-C. If the authorizer  
19 fails to grant the amendment and sign the revised charter  
20 within ten days of notice of the reversal of the decision of  
21 the authorizer, the charter shall be deemed to be approved  
22 and shall be signed by the chairman of the appeal board.

23 (7) (i) In the case of a review by the appeal board of  
24 an application that is revoked or not renewed, the appeal  
25 board shall review the record and shall have the  
26 discretion to supplement the record if the supplemental  
27 information was previously unavailable.

28 (ii) The appeal board may consider the charter  
29 school entity plan, annual reports, student performance  
30 and employee and community support for the charter school  
31 entity in addition to the record.

32 (iii) The appeal board shall give due consideration  
33 to the findings of the authorizer and specifically  
34 articulate its reasons for agreeing or disagreeing with  
35 those findings in its written decision.

36 (iv) If the appeal board determines that the charter  
37 should not be revoked or should be renewed, the appeal  
38 board shall order the authorizer to rescind its  
39 revocation or nonrenewal decision.

40 (v) If the authorizer fails to rescind its  
41 revocation or nonrenewal decision and sign the notice  
42 within ten days of notice of the reversal of the decision  
43 of the authorizer, the renewed charter shall be deemed to  
44 be approved and shall be signed by the chairman of the  
45 appeal board.

46 (8) Decisions of the appeal board shall be subject to  
47 appellate review by Commonwealth Court.

48 (h) Effect of appeal.--The charter shall remain in effect  
49 until final disposition by the court.

50 Section 1725-C. Facilities.

1 existing public school building, in a part of an existing public  
2 school building, in space provided on a privately owned site, in  
3 a public building or in any other suitable location.

4 (b) Report.--The following shall apply:

5 (1) All school districts must submit an annual report of  
6 the unused facilities that are owned by the school district  
7 that may be suitable for the operation of a charter school  
8 entity to the department no later than July 1 of each year.

9 (2) The department, in conjunction with the Department  
10 of General Services, shall compile a list of unused  
11 facilities, including unused facilities owned by the  
12 Commonwealth, and publish it on its Internet website by  
13 September 1 of each year. The department shall make the list  
14 of unused facilities available to existing charter school  
15 entities and applicants. The list shall include the address  
16 of each building, the name of the owner of the building and  
17 short description of the building.

18 (3) Each school district shall make any unused facility  
19 available for lease or for sale to charter school entities  
20 operating within that school district. The terms of the use  
21 of the facility by the charter school entity shall be subject  
22 to negotiation between the school district and the school and  
23 shall be memorialized as a separate agreement between all  
24 parties. The agreement shall outline which party is  
25 responsible for actual costs related to the facility,  
26 including maintenance, insurance and other factors. No school  
27 district may charge a charter school entity greater than fair  
28 market value price for the sale, lease or rental of the  
29 existing facility or for property formerly used by the school  
30 district.

31 (4) A charter school entity allowed to use a facility  
32 under an agreement under this subsection may not sell or  
33 dispose of any interest in the property without written  
34 permission of the school district.

35 (5) A school district shall give a charter school entity  
36 using a school district's unused facility at least 180 days'

37 notice before selling, leasing or otherwise disposing of the  
38 unused facility to a third party. A school district which  
39 elects to sell an unused facility to a charter school entity  
40 shall be exempt from section 707(1), (2) and (3).  
41 (c) Exemption from regulations.--Except for public school  
42 facility regulations pertaining to health or safety of students,  
43 a charter school entity facility shall be exempt from public  
44 school facility regulations.  
45 (d) Multiple locations.--Notwithstanding any other provision  
46 of this article, an authorizer, in its discretion, may permit a  
47 charter school entity to operate at more than one location.  
48 (e) Exemption from taxation.--The following shall apply:  
49 (1) Notwithstanding section 204 of the act of May 22,  
50 1933 (P.L.853, No.155), known as The General County  
51 Assessment Law, all school property, real and personal, owned

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1 by a charter school entity, an associated nonprofit  
2 foundation or owned by a nonprofit corporation or associated  
3 nonprofit corporation or nonprofit foundation and leased to a  
4 charter school entity or associated nonprofit foundation or  
5 associated nonprofit corporation at or below fair market  
6 value, that is occupied and used by any charter school entity  
7 for public school, recreation or any other purposes provided  
8 for under this article shall be made exempt from every type  
9 of State, county, city, borough, township or other real  
10 estate tax, including payments in lieu of taxes established  
11 through agreement with the Commonwealth or any local taxing  
12 authority, as well as from all costs or expenses for paving,  
13 curbing, sidewalks, sewers or other municipal improvements,  
14 except that a charter school entity or owner of property  
15 leased to a charter school entity may make a municipal  
16 improvement in a street on which its school property abuts or  
17 may contribute a sum toward the cost of the improvement.  
18 (2) Any agreement entered into by a charter school  
19 entity or associated nonprofit foundation or associated  
20 nonprofit corporation with the Commonwealth or a local taxing  
21 authority for payments in lieu of taxes prior to December 31,  
22 2009, shall be null and void.



23 (3) This subsection shall apply retroactively to all  
24 charter school entities and associated nonprofit foundations  
25 and associated nonprofit corporations that filed an appeal  
26 from an assessment, as provided under Article V of The  
27 General County Assessment Law prior to the effective date of  
28 this subsection and until the time as a final order has been  
29 entered after due process of law.

30 (f) Alcoholic beverages.--The following shall apply:

31 (1) Alcoholic beverages shall not be available for  
32 consumption, purchase or sale in any charter school entity  
33 facility.

34 (2) If the authorizer reasonably believes that alcoholic  
35 beverages have been made available for consumption, purchase  
36 or sale in any charter school entity facility, the authorizer  
37 shall notify the department, which shall order the following  
38 forfeitures against the charter school entity:

39 (i) \$1,000 for the first violation.

40 (ii) \$5,000 for the second or subsequent violation.

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

44 Section 1726-C. Enrollment and notification.

45 (a) Enrollment.--The following shall apply:

46 (1) Enrollment of students in a charter school entity  
47 shall not be subject to a cap or otherwise limited by any  
48 past or future action of a local board of school directors, a  
49 special board of control, a School Reform Commission or any  
50 other governing authority of an authorizer.

51 (2) This subsection shall apply to a charter school

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1 entity regardless of whether the charter was approved prior  
2 to or is approved subsequent to the effective date of this  
3 section.

4 (3) (i) All resident children in this Commonwealth  
5 shall qualify for admission to a charter school entity  
6 under paragraph (4).

7 (ii) If more students apply to the charter school  
8 entity than the number of attendance slots available in

9 the school, students shall be selected on a random basis  
10 from a pool of qualified applicants meeting the  
11 established eligibility criteria and submitting an  
12 application by the deadline set by the school, except  
13 that the school may give preference in enrollment to a  
14 child of a parent who actively participated in  
15 development of the school, siblings of students presently  
16 enrolled in the school and siblings of students selected  
17 for enrollment during the lottery process. For charter  
18 schools and regional charter schools, first preference  
19 shall be given to students who reside in the district or  
20 districts where the school is located.  
21 (4) (i) A charter school entity shall not discriminate  
22 in its admission policies or practices on the basis of  
23 any of the following:  
24 (A) Except as provided under subparagraph (ii),  
25 intellectual ability.  
26 (B) Athletic ability.  
27 (C) Measures of achievement or aptitude.  
28 (D) Status as a person with a disability.  
29 (E) Proficiency in the English language.  
30 (F) Any other basis that would be illegal if  
31 utilized by a school district.  
32 (ii) A charter school entity may limit admission to  
33 a particular grade level, a targeted population group  
34 composed of at-risk students or one or more areas of  
35 concentration such as mathematics, language, science or  
36 the arts.  
37 (iii) A charter school entity may establish  
38 reasonable criteria to evaluate prospective students  
39 which shall be outlined in the school's charter.  
40 (5) If there is available classroom space, a charter  
41 school or regional charter school may enroll nonresident  
42 students on a space-available basis and the student's school  
43 district of residence shall permit the student to attend the  
44 charter school. Terms and conditions of enrollment shall be  
45 outlined in the school's charter.  
46 (6) The commission shall develop and issue a standard

47 enrollment form that shall be used by all charter school  
48 entities. A charter school entity may not impose additional  
49 terms or require additional information outside the standard  
50 enrollment form.

51 (b) Notification.--The following shall apply:

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1 (1) Within ten days of enrollment of a student to a  
2 charter school entity, the school shall notify the student's  
3 school district of residence of the enrollment through the  
4 use of a notification form developed by the commission. The  
5 notification shall include:

6 (i) The name, home address and mailing address of  
7 the student.

8 (ii) The grade in which the student is being  
9 enrolled.

10 (iii) The date the student will be enrolled.

11 (iv) The name and address of the charter school  
12 entity and the name and telephone number of a contact  
13 person able to provide information regarding the school.

14 (v) The signature of the parent or legal guardian of  
15 the student and an authorized representative of the  
16 charter school entity.

17 (2) If a school district which has received notice under  
18 paragraph (1) determines that it is not the school district  
19 of residence for the student, the following shall apply:

20 (i) Within ten days of receipt of the notice under  
21 paragraph (1), the school district shall notify the  
22 charter school entity and the department that the school  
23 district is not the school district of residence for the  
24 student. Notification of nonresidence shall include the  
25 basis for the determination.

26 (ii) Within seven days of notification under  
27 subparagraph (i), the charter school entity shall review  
28 the notification of nonresidence, respond to the school  
29 district and provide a copy of the response to the  
30 department. If the charter school entity agrees that the  
31 school district is not the school district of residence  
32 for the student, it shall determine the proper school

33 district of residence for the student.  
34 (iii) Within seven days of receipt of a response  
35 under subparagraph (ii), the school district shall notify  
36 the charter school entity that it agrees or does not  
37 agree with the school's determination.  
38 (iv) A school district that has notified the charter  
39 school entity that it does not agree shall appeal to the  
40 department for a final determination.  
41 (v) Decisions of the department regarding the school  
42 district of residence of a student shall be subject to  
43 review by Commonwealth Court.  
44 (vi) The secretary shall continue to make payments  
45 to a charter school entity under section 1728-C during  
46 the time in which the school district of residence of a  
47 student is in dispute.  
48 (vii) If a final determination is made that a  
49 student is not a resident of an appealing school  
50 district, the charter school entity shall return all  
51 funds provided on behalf of that student to the school

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1 district of residence within 30 days.  
2 (3) (i) Within ten days of receipt of the notification  
3 form under paragraph (1), the school district of  
4 residence shall provide the charter school entity with  
5 all records relating to the student, including  
6 transcripts, test scores and a copy of any individualized  
7 educational program for that student.  
8 (ii) If a school district of residence fails to  
9 provide the student's record within 30 days after  
10 receiving the documentation from the charter school  
11 entity, the secretary shall deduct and pay to the charter  
12 school entity the estimated amount, as documented by the  
13 charter school entity, from all State payments made to  
14 the district or, if no payments have been made to the  
15 district, from all State payments reasonably expected to  
16 be made, after receipt of documentation from the charter  
17 school entity.  
18 (iii) The district from which the estimated payment

19 has been deducted under subparagraph (ii) may request a  
20 hearing from the department which the secretary shall  
21 hold within 30 days of the request. The secretary shall  
22 render a decision after the hearing and shall not  
23 delegate this duty unless there is a conflict from which  
24 the secretary must recuse himself after full disclosure.  
25 (iv) The district shall be liable for reasonable  
26 legal fees incurred by a charter school entity in  
27 attempting to obtain student records.  
28 (v) Supersedeas may not be granted to the department  
29 or the school district and, absent a court order, the  
30 department may not hold any payments to a charter school  
31 entity in escrow.  
32 (c) Withdrawal.--The charter school entity and parent or  
33 guardian of a student enrolled in the school shall provide  
34 written notification to the student's school district of  
35 residence within ten days after withdrawal of a student from the  
36 charter school entity.  
37 Section 1727-C. School staff.  
38 (a) Terms of employment.--  
39 (1) The board of trustees of a charter school entity  
40 shall determine the level of compensation and all terms and  
41 conditions of employment of the staff except as otherwise  
42 provided under this article.  
43 (2) At least 75% of the professional staff members of a  
44 charter school entity shall hold appropriate State  
45 certification.  
46 (3) Employees of a charter school entity may organize  
47 under the act of July 23, 1970 (P.L.563, No.195), known as  
48 the Public Employe Relations Act.  
49 (4) The board of trustees of a charter school entity  
50 shall be considered an employer for purposes of Article XI-A.  
51 Upon formation of one or more collective bargaining units at

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1 the school, the board of trustees shall bargain with the  
2 employees based on this article, Article XI-A and the Public  
3 Employe Relations Act.  
4 (5) Collective bargaining units at a charter school

5 entity shall be separate from any collective bargaining unit  
6 of the school district in which the school is located from  
7 any other collective bargaining unit.

8 (6) A charter school entity organized as a collective  
9 bargaining unit shall be considered a school entity as  
10 provided for under section 1161-A for the purpose of the  
11 secretary's seeking an injunction requiring the charter  
12 school entity to meet the minimum requirements for  
13 instruction as provided for under this article.

14 (b) Charter applications.--Each charter application shall  
15 list the general qualifications needed to staff any noncertified  
16 positions. Professional employees who do not hold appropriate  
17 State certification must present evidence that they:

18 (1) meet the qualifications under sections 1109 and  
19 1209; and

20 (2) have demonstrated satisfactorily a combination of  
21 experience, achievement and qualifications as defined in the  
22 charter school application in basic skills, general  
23 knowledge, professional knowledge and practice and subject  
24 matter knowledge in the subject area which an individual will  
25 teach.

26 (c) Employees.--

27 (1) All employees of a charter school entity shall be  
28 enrolled in the Public School Employees' Retirement System in  
29 the same manner as set forth under 24 Pa.C.S. § 8301(a)  
30 (relating to mandatory and optional membership) unless at the  
31 time of the application for the charter school entity the  
32 sponsoring district or the board of trustees of the charter  
33 school entity has a retirement program which covers the  
34 employees or the employee is currently enrolled in another  
35 retirement program.

36 (2) The Commonwealth shall make contributions on behalf  
37 of charter school entity employees enrolled in the Public  
38 School Employees' Retirement System. The charter school  
39 entity shall be considered a school district and shall make  
40 payments by employers to the Public School Employees'  
41 Retirement System and payments on account of Social Security  
42 as established under 24 Pa.C.S. Pt. IV (relating to

43 retirement for school employees).  
44 (3) The market value/income aid ratio used in  
45 calculating payments as prescribed under this subsection  
46 shall be the market value/income aid ratio for the school  
47 district in which the charter school is located or, in the  
48 case of a regional charter school or cyber charter school,  
49 shall be a composite market value/income aid ratio for the  
50 participating school districts as determined by the  
51 department.

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1 (4) Except as otherwise provided, employees of a charter  
2 school entity shall make regular member contributions as  
3 required for active members under 24 Pa.C.S. Pt. IV.

4 (5) If the employees of the charter school entity  
5 participate in another retirement plan, those employees shall  
6 have no concurrent claim on the benefits provided to public  
7 school employees under 24 Pa.C.S. Pt. IV.

8 (6) For purposes of this subsection, a charter school  
9 entity shall be deemed to be a "public school" as defined in  
10 24 Pa.C.S. § 8102 (relating to definitions).

11 (d) Benefits.--

12 (1) Every employee of a charter school shall be provided  
13 similar health care benefits as the employee would be  
14 provided if he or she were an employee of the local district.

15 (2) The local board of school directors may require the  
16 charter school to provide similar terms and conditions with  
17 regard to health insurance as the collective bargaining  
18 agreement of the school district to include employee  
19 contributions to the district's health benefits plan.

20 (3) The charter school shall make any required  
21 employer's contribution to the district's health plan to an  
22 insurer, an authorizer or a contractual representative of  
23 school employees, whichever is appropriate to provide the  
24 required coverage.

25 (e) Leave of absence.--A public school employee of a school  
26 entity may request a leave of absence for up to five years in  
27 order to work in a charter school located in the district of  
28 employment, in a cyber charter school or in a regional charter

29 school in which the employing school district is a participant.  
30 Approval for a leave shall not be unreasonably withheld.

31 (f) Temporary employees.--

32 (1) Temporary professional employees on leave from a  
33 school district may accrue tenure in the noncharter public  
34 school system at the discretion of the local board of school  
35 directors in the same manner as they would under Article XI  
36 if they had continued to be employed by that district.

37 (2) Professional employees on leave from a school  
38 district shall retain their tenure rights, as provided for in  
39 Article XI, in the school entity from which they came. No  
40 temporary professional employee or professional employee  
41 shall have tenure rights against a charter school entity.

42 (3) Both temporary professional employees and  
43 professional employees shall continue to accrue seniority in  
44 the school entity from which they came if they return to that  
45 school entity when the leave ends.

46 (g) Professional employees.--Professional employees who hold  
47 a first-level teaching or administrative certificate may, at  
48 their option, have the time completed in satisfactory service in  
49 a charter school entity applied to the length of service  
50 requirements for the next level of certification.

51 (h) Right to return.--The following shall apply:

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1 (1) (i) A temporary professional employee or  
2 professional employee who leaves employment at a charter  
3 school entity shall have the right to return to a  
4 comparable position for which the person is properly  
5 certified in the school entity which granted the leave of  
6 absence.

7 (ii) If a teacher has been dismissed by the charter  
8 school entity, the school entity that granted the leave  
9 of absence shall be provided by the charter school entity  
10 with the reasons for the dismissal at the time it occurs,  
11 a list of any witnesses who were relied on by the charter  
12 school entity in moving for dismissal, a description of  
13 and access to any physical evidence used by the charter  
14 school entity in moving for dismissal and a copy of any



15 record developed at any dismissal proceeding conducted by  
16 the charter school entity.

17 (iii) The record of the hearing may be admissible in  
18 a hearing before the school entity which granted the  
19 leave of absence.

20 (iv) Nothing under this section shall affect the  
21 authority of the board of school directors to initiate  
22 proceedings under Article XI if the board determines that  
23 occurrences at the charter school entity leading to  
24 dismissal of a teacher constitute adequate and  
25 independent grounds for discipline under section 1122.

26 (2) No temporary employee or professional employee who  
27 is leaving employment at a charter school entity shall be  
28 returned to a position in the public school district that  
29 granted his leave of absence until the public school district  
30 is in receipt of a current criminal history record under  
31 section 111 and the official clearance statement regarding  
32 child injury or abuse from the Department of Public Welfare  
33 as required under 23 Pa.C.S. Ch. 63 Subch. C.2 (relating to  
34 background checks for employment in schools).

35 (i) Criminal history.--All individuals who have direct  
36 contact with students shall be required to submit a report of  
37 criminal history record information required under section 111  
38 prior to accepting a position with the charter school entity.  
39 This subsection shall apply to all individuals who have direct  
40 contact with students, including volunteers who work on a full-  
41 time or part-time basis at the charter school entity.

42 (j) Official clearance statement.--All applicants for a  
43 position as a school employee and any individual who volunteers  
44 to work on a full-time or part-time basis at a charter school  
45 entity shall be required to submit the official clearance  
46 statement regarding child injury or abuse from the Department of  
47 Public Welfare as required under 23 Pa.C.S. Ch. 63 Subch. C.2.  
48 Section 1728-C. Funding.

49 (a) General rule.--Funding for a charter school entity shall  
50 be provided in the following manner:

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

1 nonresident student attending a charter school entity.  
2 (2) (i) For nonspecial education students, the charter  
3 school entity shall receive for each student enrolled no  
4 less than the budgeted total expenditure per average  
5 daily membership of the prior school year, as defined in  
6 section 2501(20), minus the budgeted expenditures of the  
7 district of residence for all of the following:

8 (A) Nonpublic school programs.

9 (B) Adult education programs.

10 (C) Community and junior college programs.

11 (D) Student transportation services.

12 (E) Special education programs.

13 (F) Facilities acquisition, construction and  
14 improvement services.

15 (G) Other financing uses, including debt service  
16 and fund transfers as provided in the Manual of  
17 Accounting and Related Financial Procedures for  
18 Pennsylvania School Systems established by the  
19 department.

20 (ii) (A) The amount under subparagraph (i) shall be  
21 paid by the school district of residence of each  
22 student by deduction and transfer from all State  
23 payments to the district as provided under paragraph  
24 (5).

25 (B) If a charter school entity disputes the  
26 accuracy of a district's calculation under this  
27 paragraph, the charter school entity shall file a  
28 notice of the dispute with the secretary who shall  
29 hold a hearing to determine the accuracy of the  
30 district's calculation within 30 days of the notice.

31 (C) The secretary shall determine the accuracy  
32 of the district's calculation within 30 days of the  
33 hearing.

34 (D) The district shall bear the burden of  
35 production and proof with respect to its calculation  
36 under this paragraph.

37 (E) The district shall be liable for the  
38 reasonable legal fees incurred by a charter school

39 entity if the charter school entity is the  
40 substantially prevailing party after a hearing under  
41 this section. The charter school entity shall be  
42 liable for the reasonable legal fees incurred by the  
43 district if the district is the substantially  
44 prevailing party after a hearing under this section.  
45 (F) All decisions of the secretary under this  
46 paragraph shall be subject to appellate review by  
47 Commonwealth Court.  
48 (3) (i) For special education students, the charter  
49 school entity shall receive for each student enrolled the  
50 same funding as for each nonspecial education student as  
51 provided under paragraph (2), plus an additional amount

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1 determined by dividing the school district of residence's  
2 total special education expenditure by the product of  
3 multiplying the combined percentage of section 2509.5(k)  
4 applicable to the school year times the school district  
5 of residence's total average daily membership for the  
6 prior school year.  
7 (ii) The amount under subparagraph (i) shall be paid  
8 by the school district of residence of each student by  
9 deduction and transfer from all State payments to the  
10 district as provided under paragraph (5).  
11 (iii) If a charter school entity disputes the  
12 accuracy of a district's calculation under this  
13 paragraph, the charter school entity shall file a notice  
14 of the dispute with the secretary, who shall hold a  
15 hearing to determine the accuracy of the district's  
16 calculation within 30 days of the notice.  
17 (iv) The secretary shall determine the accuracy of  
18 the district's calculation within 30 days of the hearing.  
19 (v) The district shall bear the burden of production  
20 and proof with respect to its calculation under this  
21 paragraph.  
22 (vi) The district shall be liable for the reasonable  
23 legal fees incurred by a charter school entity if the  
24 charter school entity is the substantially prevailing

25 party after a hearing under this section. The charter  
26 school entity shall be liable for the reasonable legal  
27 fees incurred by the school district if the district is  
28 the substantially prevailing party after a hearing under  
29 this section.  
30 (vii) All decisions of the secretary under this  
31 section shall be subject to appellate review by  
32 Commonwealth Court.  
33 (4) A charter school entity may request the intermediate  
34 unit or school district in which the school is located to  
35 provide services to assist the school to address the specific  
36 needs of nonspecial education and exceptional students. The  
37 intermediate unit or school district shall assist the charter  
38 school entity and bill the school for the services. The  
39 intermediate unit may not charge the charter school entity  
40 more for any service than it charges the constituent  
41 districts of the intermediate unit. Nothing under this  
42 section shall preclude an intermediate unit or school  
43 district from contracting with a charter school entity to  
44 provide the intermediate unit or school district with  
45 services to assist the intermediate unit or school district  
46 to address specific needs of nonspecial education and special  
47 education students.  
48 (5) (i) Payments shall be made to the charter school  
49 entity in 12 equal monthly payments, by the fifth day of  
50 each month, within the operating school year.  
51 (ii) Payments shall be made by the secretary

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1 deducting and paying to the charter school entity the  
2 estimated amount, as documented by the charter school  
3 entity, from all State payments made to the district or  
4 if no payments have been made to the district, from all  
5 State payments reasonably expected to be made, after  
6 receipt of documentation from the charter school entity  
7 as to its enrollment.  
8 (iii) The secretary's obligation to make payments  
9 under this section shall be mandatory and ministerial. If  
10 there are insufficient State payments being made to a

11 district to cover all charter school entity deductions  
12 and transfers, the district shall be responsible for  
13 paying the unpaid balance directly to the charter school  
14 entity by the 15th day of each month.

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

20 (6) (i) Within 30 days after the secretary transfers  
21 the funds described under paragraph (5), a school  
22 district may notify the secretary that the deduction made  
23 from State payments to the district under this subsection  
24 is inaccurate.

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

32 (iii) The burden of proof and production at the  
33 hearing shall be on the school district. A hearing shall  
34 not be held before the secretary deducts and transfers to  
35 the charter school entity the amount estimated by the  
36 charter school entity.

37 (iv) The district shall be liable for the reasonable  
38 legal fees incurred by a charter school entity if the  
39 charter school entity is the substantially prevailing  
40 party after a hearing under this section. The charter  
41 school entity shall be liable for the reasonable legal  
42 fees incurred by the district if the district is the  
43 substantially prevailing party after a hearing under this  
44 section.

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

48 (vi) Supersedeas shall not be granted to the

49 secretary or any party to the proceeding on an appeal  
50 from the decision of the secretary under this section  
51 and, absent a court order, the secretary shall not hold

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1 any payments in escrow.

2 (b) Temporary financial assistance.--

3 (1) The Commonwealth shall provide temporary financial  
4 assistance to a school district due to the enrollment of  
5 students in a charter school entity who attended a nonpublic  
6 school in the prior school year in order to offset the  
7 additional costs directly related to the enrollment of those  
8 students in a public charter school entity.

9 (2) The Commonwealth shall pay the school district of  
10 residence of a student enrolled in a nonpublic school in the  
11 prior school year who is attending a charter school entity an  
12 amount equal to the school district of residence's basic  
13 education subsidy for the current school year divided by the  
14 district's average daily membership for the prior school  
15 year.

16 (3) The payment under paragraph (3) shall occur only for  
17 the first year of the attendance of the student in a charter  
18 school entity, starting with school year 1997-1998.

19 (4) Total payments of temporary financial assistance to  
20 school districts on behalf of a student enrolling in a  
21 charter school entity who attended a nonpublic school in the  
22 prior school year shall be limited to funds appropriated for  
23 this program in a fiscal year. If the total of the amount  
24 needed for all students enrolled in a nonpublic school in the  
25 prior school year who enroll in a charter school entity  
26 exceeds the appropriation for the temporary financial  
27 assistance program, the amount paid to a school district for  
28 each qualifying student shall be pro rata reduced.

29 (c) Gifts and donations.--It shall be lawful for any charter  
30 school entity to receive, hold, manage and use, absolutely or in  
31 trust, any devise, bequest, grant, endowment, gift or donation  
32 of any property, real or personal and mixed, which shall be made  
33 to the charter school entity for any purpose of this article.

34 (d) Requests or demands for gifts.--It shall be unlawful for

35 any trustee of a charter school entity or any board of trustees  
36 of a charter school entity or any other person affiliated in any  
37 way with a charter school entity to demand or request, directly  
38 or indirectly, any gift, donation or contribution of any kind  
39 from any parent, teacher, employee or any other person  
40 affiliated with the school as a condition for employment or  
41 enrollment and continued attendance of any pupil. Any donation,  
42 gift or contribution received by a charter school entity must be  
43 given freely and voluntarily.

44 (e) Discounts.--A cyber charter school shall not provide  
45 discounts to a school district or waive payments under this  
46 section for any student.

47 Section 1729-C. Transportation.

48 (a) General rules.--

49 (1) Except as provided under paragraph (2), students who  
50 attend any of the following shall be provided free  
51 transportation to the charter school or regional charter

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1 school by their school district of residence on the dates and  
2 periods that the charter school or regional charter school is  
3 in session whether or not transportation is provided on the  
4 dates and periods to students attending schools of the  
5 district:

6 (i) A charter school located in their school  
7 district of residence.

8 (ii) A regional charter school of which the school  
9 district is a part.

10 (iii) A charter school located outside district  
11 boundaries at a distance not exceeding ten miles by the  
12 nearest public highway.

13 (2) (i) Except as provided under subparagraph (ii),  
14 transportation shall not be required for elementary  
15 students, including kindergarten students, residing  
16 within one and one-half miles or for secondary students  
17 residing within two miles of the nearest public highway  
18 from the charter school or regional charter school in  
19 which the students are enrolled unless the road or  
20 traffic conditions are such that walking constitutes a

21 hazard to the safety of the students when certified by  
22 the Department of Transportation.  
23 (ii) If the school district provides transportation  
24 to the public schools of the school district for  
25 elementary students, including kindergarten students,  
26 residing within one and one-half miles or for secondary  
27 students residing within two miles of the nearest public  
28 highway under nonhazardous conditions, transportation  
29 shall be provided to charter schools and regional charter  
30 schools under the same conditions.  
31 (3) Districts providing transportation to a charter  
32 school or regional charter school outside the district and,  
33 for the 2007-2008 school year and each school year  
34 thereafter, districts providing transportation to a charter  
35 school or regional charter school within the district shall  
36 be eligible for payments under section 2509.3 for each public  
37 school student transported. A school district shall not be  
38 responsible for providing transportation to a charter school  
39 or regional charter school located outside the borders of  
40 this Commonwealth.  
41 (4) If a school district does not provide transportation  
42 to a charter school or regional charter school student  
43 because the student's placement is outside the district  
44 boundaries at a distance of more than ten miles by the  
45 nearest public highway, when determining the per pupil  
46 subsidy to be paid under section 1728-C by the school  
47 district to the charter school or regional charter school for  
48 that student, the district shall not be entitled to subtract  
49 its student transportation services expenses.  
50 (b) School districts of the first class.--In addition to any  
51 other requirements under this section, school districts of the

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1 first class shall provide transportation to students who attend  
2 a charter school or regional charter school if they are the same  
3 age or are enrolled in the same grade, grades or their grade  
4 equivalents as any of the students of the school district for  
5 whom transportation is provided under any program or policy to  
6 the schools of the school district.



7 (c) Students with disabilities.--

8 (1) In addition to any other requirements under this  
9 section, the school district of residence of a student who is  
10 eligible under the Individuals with Disabilities Education  
11 Act (Public Law 91-230, 20 U.S.C. § 1400 et seq.) or is a  
12 protected student with disabilities under section 504 of the  
13 Rehabilitation Act of 1973 (Public Law 93-112, 29 U.S.C. §  
14 701 et seq.) who is enrolled in a charter school entity shall  
15 be responsible for providing free transportation to the  
16 charter school entity student to any alternative location,  
17 school or building in which the charter school entity student  
18 has been alternatively placed, provided that the alternative  
19 locations, schools or buildings are located within the  
20 district boundaries or outside the district boundaries at a  
21 distance not exceeding ten miles by the nearest public  
22 highway.

23 (2) The transportation under paragraph (1) shall be  
24 provided on the dates and periods as required by the  
25 student's individualized educational program or section 504  
26 of the Rehabilitation Act of 1973 service agreement whether  
27 or not transportation is provided on the dates and periods to  
28 students attending schools of the district.

29 (3) If a school district does not provide transportation  
30 to an alternatively placed student because the student's  
31 alternative placement is outside the district boundaries at a  
32 distance of more than ten miles by the nearest public  
33 highway, when determining the per pupil subsidy to be paid  
34 under section 1728-C by the school district to the charter  
35 school entity for that student, the district shall not be  
36 entitled to subtract its student transportation services  
37 expenses.

38 (d) Payment.--

39 (1) If the secretary determines that a school district  
40 is not providing the required transportation to students to  
41 the charter school entity the department shall pay directly  
42 to the charter school entity funds for costs incurred in the  
43 transportation of its students.

44 (2) For each eligible student transported, the charter

45 school entity shall receive a payment equal to the total  
46 expenditures for transportation of the school district  
47 divided by the total number of school students transported by  
48 the school district under any program or policy.

49 (3) Within 30 days after receipt of the documentation  
50 from the charter school entity, the secretary shall deduct  
51 and pay the charter school entity the estimated amount, as

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1 documented by the charter school entity from the State  
2 payment made to the district for transportation.

3 (4) The district from which the estimated transportation  
4 payment has been deducted may request a hearing from the  
5 department which the secretary shall hold within 30 days of  
6 the request.

7 (5) The secretary shall render a decision after the  
8 hearing and shall not delegate this duty unless there is a  
9 conflict from which he must recuse himself after full  
10 disclosure.

11 (6) The district shall be liable for the reasonable  
12 legal fees incurred by a charter school entity in attempting  
13 to obtain payment by the district.

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

18 (8) Supersedeas shall not be granted to the department  
19 or the school district and, absent a court order, the  
20 department shall not hold any payments in escrow.

21 (e) Current transportation policy.--A school district of the  
22 first class shall submit a copy of its current transportation  
23 policy to the department no later than August 1 of each year.

24 Section 1730-C. Tort liability.

25 For purposes of tort liability, employees of the charter  
26 school entity shall be considered public employees and the board  
27 of trustees shall be considered the public employer in the same  
28 manner as political subdivisions and local agencies. The board  
29 of trustees of a charter school entity and the charter school  
30 entity shall be solely liable for all damages of any kind

31 resulting from any legal challenge involving the operation of a  
32 charter school entity. Notwithstanding this section, the local  
33 board of directors of a school entity or an authorizer may not  
34 be held liable for any activity or operation related to the  
35 program of the charter school entity.

36 Section 1731-C. Annual reports and assessments.

37 (a) Duty.--

38 (1) The authorizer shall annually assess on a standard  
39 form developed by the commission whether each charter school  
40 entity is meeting the goals of its charter and shall conduct  
41 a comprehensive review prior to the renewal process as  
42 outlined in section 1723-C.

43 (2) The authorizer shall have ongoing reasonable access  
44 to the records and facilities of the charter school entity to  
45 ensure that the school is in compliance with its charter,  
46 this article and that the requirements for testing, civil  
47 rights and student health and safety are being met. Ongoing  
48 reasonable access to a charter school entity's records shall  
49 mean that the authorizer shall have access to records such as  
50 financial reports, financial audits, aggregate standardized  
51 test scores without student identifying information and

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1 teacher certification and personnel records.

2 (3) Schools and their authorizers shall comply fully  
3 with the requirements of the Family Educational Rights and  
4 Privacy Act of 1974 (Public Law 90-247, 20 U.S.C. § 1232g)  
5 and associated regulations.

6 (4) No personally identifiable information from  
7 education records shall be provided by the charter school  
8 entity to its authorizer except in compliance with the Family  
9 Educational Rights and Privacy Act of 1974.

10 (b) Annual report.--

11 (1) In order to facilitate the authorizer's review, each  
12 charter school entity shall submit an annual report on a  
13 standard form developed by the commission no later than  
14 September 1 of each year to the authorizer. Within ten days  
15 of receipt of the annual report, the authorizer shall certify  
16 to the charter school entity that the annual report has been

17 received with an indication of the date of receipt. Within 30  
18 days of the date of receipt, the authorizer shall certify to  
19 the charter school entity that the annual report has been  
20 reviewed and is complete or alternatively, has been reviewed  
21 and is missing specific information referenced in the  
22 certification.

23 (2) For fiscal year 2013-2014 and each fiscal year  
24 thereafter, all authorizers shall submit an annual financial  
25 report on a standard form developed by the commission to the  
26 Governor's Office of the Budget, the Appropriations Committee  
27 of the Senate, the Appropriation Committee of the House of  
28 Representatives, the Education Committee of the Senate and  
29 the Education Committee of the House of Representatives no  
30 later than October 1 of each year. The financial report shall  
31 list all oversight activities performed by the authorizer in  
32 the previous year, as well as a financial accounting of all  
33 staff and resources used for oversight activities for each  
34 charter school entity chartered by the authorizer. The annual  
35 financial report under this paragraph shall be a public  
36 document under the Right-to-Know Law and shall be made  
37 available on the authorizer's Internet website.

38 (c) Independent audit committee.--Every charter school  
39 entity shall form an independent audit committee of its board  
40 members that shall review at the close of each fiscal year a  
41 complete certified audit of the operations of the charter school  
42 entity. The audit shall be conducted by a qualified independent  
43 certified public accountant as selected from a list of approved  
44 providers established by the commission. The audit shall be  
45 conducted under generally accepted audit standards of the  
46 Governmental Accounting Standards Board (GASB) and shall include  
47 the following:

48 (1) An enrollment test to verify the accuracy of student  
49 enrollment and reporting to the Commonwealth.

50 (2) Full review of expense reimbursements for board  
51 members and administrators, including sampling of all

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1 reimbursements.

2 (3) Review of internal controls, including review of

3 receipts and disbursements.  
4 (4) Review of annual Federal and State tax filings,  
5 including the Internal Revenue Service Code Form 990, Return  
6 of Organization Exempt from Income Tax, and all related  
7 schedules and appendices for the charter school entity and  
8 charter school foundation, if applicable.  
9 (5) Review of the financial statements of any charter  
10 school foundation which shall be included in the independent  
11 audit.  
12 (6) Review of the selection and acceptance process of  
13 all contracts publicly bid under section 751.  
14 (7) Review of all board policies and procedures with  
15 regard to internal controls, code of ethics, conflicts of  
16 interest, whistle-blower protections, complaints from parents  
17 or the public, compliance with 65 Pa.C.S. Ch. 7 (relating to  
18 open meetings), compliance with the Right-to-Know Law,  
19 finances, budgeting, audits, public bidding and bonding.  
20 (8) Any other test the commission deems appropriate.  
21 (d) Public document.--The certified audit under subsection  
22 (c) and the annual budget under subsection (f) shall be public  
23 documents under the Right-to-Know Law and shall be made  
24 available on the authorizer's Internet website and the charter  
25 school entity's Internet website, if applicable.  
26 (e) Annual audit.--Charter school entities may be subject to  
27 an annual audit by the Auditor General, in addition to any other  
28 audits required by Federal law or this article.  
29 (f) Annual budget.--Charter school entities shall annually  
30 provide the authorizer and the department with a copy of the  
31 annual budget for the operation of the school that identifies  
32 the following:  
33 (1) The source of funding for all expenditures as part  
34 of its reporting under subsection (a).  
35 (2) If funding is provided by a charter school  
36 foundation, the amount of funds and a description of the use  
37 of the funds.  
38 (3) The salaries of all administrators of the charter  
39 school entity.  
40 (g) Tax filings.--Notwithstanding any other provision of

41 law, the charter school entity and any affiliated charter school  
42 foundations shall make copies of its annual Federal and State  
43 tax filings available upon request and on the foundation's or  
44 school's Internet website, if applicable, including Internal  
45 Revenue Service Code Form 990, Return of Organization Exempt  
46 from Income Tax, and all related schedules and appendices. The  
47 charter school foundation shall make copies of its annual budget  
48 available upon request and on the foundation's or the school's  
49 Internet website within 30 days of the close of the foundation's  
50 fiscal year. The annual budget shall include the salaries of all  
51 employees of the charter school foundation.

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1 Section 1732-C. Desegregation orders.  
2 If a school district is operating under a desegregation plan  
3 approved by the Pennsylvania Human Relations Commission or a  
4 desegregation order by a Federal or State court, an authorizer  
5 shall not approve a charter school entity application if the  
6 school would place the school district in noncompliance with its  
7 desegregation order.  
8 Section 1733-C. Applicable provisions.  
9 (a) Charter school entities.--Charter school entities shall  
10 be subject to the following:  
11 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431,  
12 436, 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741,  
13 752, 753, 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a),  
14 1205.1, 1205.2, 1205.3, 1205.5, 1301, 1302, 1310, 1317,  
15 1317.1, 1317.2, 1318, 1327, 1330, 1332, 1513, 1517, 1518,  
16 1521, 1523, 1531, 1547, 2014-A, Articles XIII-A and XIV.  
17 (2) The act of July 19, 1957 (P.L.1017, No.451), known  
18 as the State Adverse Interest Act.  
19 (3) The act of July 17, 1961 (P.L.776, No.341), known as  
20 the Pennsylvania Fair Educational Opportunities Act.  
21 (4) The act of July 19, 1965 (P.L.215, No.116), entitled  
22 "An act providing for the use of eye protective devices by  
23 persons engaged in hazardous activities or exposed to known  
24 dangers in schools, colleges and universities."  
25 (5) Section 4 of the act of January 25, 1966 (1965  
26 P.L.1546, No.541), entitled "An act providing scholarships

27 and providing funds to secure Federal funds for qualified  
28 students of the Commonwealth of Pennsylvania who need  
29 financial assistance to attend postsecondary institutions of  
30 higher learning, making an appropriation and providing for  
31 the administration of this act."

32 (6) The act of July 12, 1972 (P.L.765, No.181), entitled  
33 "An act relating to drugs and alcohol and their abuse,  
34 providing for projects and programs and grants to educational  
35 agencies, other public or private agencies, institutions or  
36 organizations."

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

39 (8) The Right-to-Know Law.

40 (9) 65 Pa.C.S. Ch. 7 (relating to open meetings).

41 (10) 65 Pa.C.S. Ch. 11 (relating to ethics standards and  
42 financial disclosure).

43 (b) Construction projects and related work.--Boards of  
44 trustees and contractors of charter school entities shall be  
45 subject to the following statutory requirements governing  
46 construction projects and construction-related work:

47 (1) Sections 751 and 751.1.

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

51 (c) Charter schools.--Charter schools and regional charter

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1 schools shall be subject to sections 1205.4, 1303 and 1317.3.

2 (d) Regulations.--Charter school entities shall be subject  
3 to the following provisions of 22 Pa. Code (relating to  
4 education):

5 (1) Chapter 4 (relating to academic standards and  
6 assessment).

7 (2) Chapter 11 (relating to student attendance).

8 (3) Chapter 12 (relating to students and student  
9 services).

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

11 (5) Section 121.3 (relating to discrimination  
12 prohibited).

13 (6) Section 235.4 (relating to practices).  
14 (7) Section 235.8 (relating to civil rights).  
15 (8) Chapter 711 (relating to charter school and cyber  
16 charter school services and programs for children with  
17 disabilities).  
18 Section 1734-C. Effect on certain existing charter school  
19 entities.  
20 (a) General rule.--A charter school or regional charter  
21 school approved by a local board of school directors, a special  
22 board of control or a School Reform Commission prior to the  
23 effective date of this section shall continue to operate under  
24 the current charter. All charter schools or regional charter  
25 schools approved after the effective date of this section shall  
26 be in full compliance with this article.  
27 (b) Expiration of charters approved under this article.--  
28 Upon expiration of its charter, a charter school or regional  
29 charter school approved under section 1718-C or 1719-C shall  
30 seek renewal of its charter from the original authorizer. The  
31 charter shall be amended as needed to reflect the requirements  
32 of this article. Any renewal that takes effect after June 30,  
33 2012, shall be for the term specified under section 1723-C(b).  
34 (c) Transfer of charter.--  
35 (1) A charter school or regional charter school approved  
36 by a local board of school directors, a special board of  
37 control or a School Reform Commission prior to the effective  
38 date of this section may transfer its charter to the  
39 oversight of the commission at any time after June 30, 2012.  
40 (2) The board of trustees of the charter school or  
41 regional charter school shall submit the school's current  
42 charter and annual reports to the commission and request that  
43 the commission become the authorizer of the charter school or  
44 regional charter school.  
45 (3) Upon receipt of a transfer request and all necessary  
46 documentation as required by the commission, the request  
47 shall be deemed approved unless, within 30 days of that date,  
48 the commission schedules a public hearing concerning the  
49 transfer request.  
50 (4) The transfer under paragraph (3) shall be presumed



1 the charter school or regional charter school would otherwise  
2 be subject to revocation or nonrenewal pursuant to the  
3 criteria in section 1723-C(c).

4 (5) The commission shall conduct the hearing under  
5 section 1720-C, present evidence in support of the transfer  
6 denial stated in its notice and give the charter school or  
7 regional charter school reasonable opportunity to offer  
8 testimony before taking final action.

9 (6) If a hearing does occur relating to a school's  
10 transfer request, formal action approving or denying the  
11 transfer shall be taken by the commission at a public meeting  
12 under section 1720-C and 65 Pa.C.S. Ch. 7 (relating to open  
13 meetings) after the public has had 30 days to provide  
14 comments to the members of the commission.

15 (7) If the commission denies the transfer, the decision  
16 shall not act as revocation or nonrenewal of the current  
17 charter, nor shall the proceedings and commission decision  
18 related to the transfer be used as evidence in any revocation  
19 or nonrenewal proceedings conducted by an authorizer.

20 (8) If the commission approves the transfer, the  
21 commission shall provide notification by certified board  
22 resolution to the local board of school directors, the  
23 special board of control or the School Reform Commission  
24 which initially approved the charter.

25 (9) No later than 30 days after receipt of the certified  
26 board resolution under paragraph (8), the local board of  
27 school directors, the special board of control or the School  
28 Reform Commission which initially approved the charter shall  
29 transfer to the commission all records regarding oversight of  
30 the charter school or regional charter school.

31 (10) The school's charter term shall remain in effect  
32 until the time of expiration, at which time the commission  
33 shall undertake a comprehensive review under section 1731-  
34 C(a).

35 (11) The appeal board shall have exclusive review of an  
36 appeal by a charter school or regional charter school of a

37 decision made by the commission to deny a charter transfer.  
38 (d) Existing cyber charter schools.--A cyber charter school  
39 approved by the department prior to the effective date of this  
40 section shall continue to operate under the current charter,  
41 except that all oversight shall be transferred to the commission  
42 beginning July 1, 2012.  
43 (e) Expiration of existing charters.--Upon expiration of its  
44 charter, a cyber charter school approved prior to the effective  
45 date of this section shall seek renewal of its charter from the  
46 commission under this article. The charter shall be amended as  
47 needed to reflect the requirements of this article. All cyber  
48 charter schools approved or renewed after the effective date of  
49 this section shall be in full compliance with this article.  
50 (f) Merger.--  
51 (1) A charter school that was approved by a local board

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1 of school directors, a special board of control or a School  
2 Reform Commission prior to the effective date of this  
3 section, which chooses to merge into a multiple charter  
4 school organization under section 1735-C, may apply to the  
5 commission to consolidate all affiliated school charters into  
6 a single charter within one year after the publication of the  
7 performance matrix to be established by the commission under  
8 section 1704-C(h)(12).  
9 (2) The board of trustees of each charter school shall  
10 jointly submit their charter school's current charter and  
11 annual report to the commission and request that the  
12 commission become the authorizer of the multiple charter  
13 school organization.  
14 (3) Upon receipt of the consolidation and transfer  
15 request and all necessary documentation as required by the  
16 commission, the commission shall have 30 days to approve or  
17 deny the consolidation and transfer request by a majority  
18 vote. If the commission approves the consolidation and  
19 transfer, the commission shall provide notification by  
20 certified board resolution to the local board of school  
21 directors, the special board of control or the School Reform  
22 Commission which initially approved the charter.

23 (4) No later than 30 days after the receipt of the  
24 certified board resolution, the local board of school  
25 directors, the special board of control or the School Reform  
26 Commission which initially approved the charter shall  
27 transfer to the commission all records regarding oversight of  
28 the charter school.

29 (5) The school's charter term shall remain in effect  
30 until the time of expiration, at which time the commission  
31 will undertake a comprehensive review prior to granting a  
32 ten-year charter renewal.

33 Section 1735-C. Multiple charter school organization.

34 (a) Establishment.--

35 (1) Subject to the requirements of section 1734-C(f),  
36 two or more charter schools may merge or consolidate under 15  
37 Pa.C.S. Pt. II Subpt. C (relating to nonprofit corporations)  
38 into a multiple charter school organization. Nothing under  
39 this article shall preclude a single charter school with an  
40 existing charter and with a demonstrated rate of success in  
41 the areas of academics, operations, finances and governance  
42 from simultaneously filing an application with the commission  
43 to operate an additional charter school and an application to  
44 operate as a multiple charter school organization.

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

46 (i) granted a single charter to operate two or more  
47 individual charter schools under the oversight of a  
48 single board of trustees and a chief administrator who  
49 shall oversee and manage the operation of the individual  
50 charter schools under its organization;

51 (ii) considered a charter school; and

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

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

7 (b) Application.--The commission shall develop and issue a  
8 standard application form for multiple charter school

9 organization applicants, which shall contain the following  
10 information:  
11 (1) The identification of the multiple charter school  
12 organization.  
13 (2) The names of the charter schools seeking merger or  
14 consolidation under subsection (a).  
15 (3) A copy of the approved charters of each charter  
16 school agreeing to merge or consolidate administrative  
17 functions with the commission under subsection (a).  
18 (4) An organizational chart clearly presenting the  
19 proposed governance structure of the multiple charter school  
20 organization, including lines of authority and reporting  
21 between the board of trustees, chief administrator,  
22 administrators, staff and any educational management service  
23 provider that will play a role in providing management  
24 services to the charter schools under its jurisdiction.  
25 (5) A clear description of the roles and  
26 responsibilities for the board of trustees, chief  
27 administrator, administrators and any other entities,  
28 including a charter school foundation, shown in the  
29 organizational chart.  
30 (6) A clear description and method for the appointment  
31 or election of members of the board of trustees.  
32 (7) Standards for board performance, including  
33 compliance with all applicable laws, regulations and terms of  
34 the charter.  
35 (8) Enrollment procedures for each individual charter  
36 school included in its charter.  
37 (9) Any other information as deemed necessary by the  
38 commission.  
39 (c) Authorization.--The commission shall serve as the  
40 authorizer of a multiple charter school organization.  
41 (d) Special conditions.--A multiple charter school  
42 organization may:  
43 (1) Participate in the assessment systems in the same  
44 manner in which a school district participates and its  
45 individual charter schools shall participate in the  
46 assessment systems in the same manner as individual schools

47 in school districts. All data gathered for purposes of  
48 evaluation shall be gathered in a like manner.  
49 (2) Add new charter schools to its organization via the  
50 application process included under section 1721-C.  
51 (3) Add existing charter schools to its organization or

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1 amend the individual charters of each charter school under  
2 its organization via the amendment process included under  
3 section 1722-C.

4 (4) Allow students enrolled in an individual charter  
5 school to matriculate to another individual charter school  
6 under its oversight so as to complete a course of instruction  
7 in an educational institution from kindergarten through grade  
8 12.

9 (e) Annual reports.--The annual report required under  
10 section 1731-C shall be provided by the board of trustees and  
11 chief administrator of the multiple charter school organization  
12 and shall include all information required to provide a basis  
13 for evaluation for renewal of each individual charter school  
14 under the organization's oversight.

15 (f) Renewal.--A multiple charter school organization shall  
16 be regarded as the holder of the charter of each individual  
17 charter school under its oversight and each such previously or  
18 subsequently awarded charter shall be subject to nonrenewal or  
19 revocation in accordance with this act. The nonrenewal or  
20 revocation shall not affect the status of a charter awarded for  
21 any other individual charter school under its oversight.

22 Section 1736-C. Special cyber charter school requirements.

23 (a) Special financial requirements.--A cyber charter school  
24 may not:

25 (1) Except as provided for under subsection (b), provide  
26 payments to parents or guardians for the purchase of  
27 instructional materials.

28 (2) Except as compensation for the provision of specific  
29 services, enter into agreements to provide funds to a school  
30 entity.

31 (b) Materials.--For each student enrolled, a cyber charter  
32 school shall provide all instructional materials and equipment.

33 such as a computer, computer monitor and printer and shall  
34 provide or provide reimbursement for, technology and services  
35 necessary for online delivery of the curriculum and instruction.  
36 The Commonwealth shall not be liable for reimbursement owed to  
37 students, parents or guardians by a cyber charter school.

38 (c) Information to school districts.--Upon request, a cyber  
39 charter school shall make available in writing or electronically  
40 to each student's school district of residence the following:

41 (1) A copy of the charter.

42 (2) A copy of the cyber charter school application.

43 (3) A copy of all annual reports prepared by the cyber  
44 charter school.

45 (4) A list of all students from that school district  
46 enrolled in the cyber charter school.

47 (d) Information to parent or guardian.--Upon request and  
48 prior to the student's first day in a cyber charter school, the  
49 cyber charter school shall, either in writing or electronically,  
50 provide to the parent or guardian of a student the following:

51 (1) A list and brief description of the courses of

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1 instruction the student will receive. The list shall be  
2 updated annually for each grade level in which the student is  
3 enrolled.

4 (2) A description of the lessons and activities to be  
5 offered both online and offline.

6 (3) The manner in which attendance will be reported and  
7 work will be authenticated.

8 (4) A list of all standardized tests the student will be  
9 required to take during the school year and the place where  
10 the test will be administered, if available.

11 (5) The meetings to be held during the school year  
12 between a parent or guardian and a teacher and among other  
13 school officials or parents or guardians and the manner in  
14 which the parent or guardian will be notified of the time and  
15 place for the meeting.

16 (6) The address of the cyber charter school and the  
17 name, telephone number and e-mail address of the chief school  
18 administrator and other school personnel.

19 (7) A list of any extracurricular activities provided by  
20 the cyber charter school.  
21 (8) The names of the student's teachers, if available,  
22 and the manner in which each teacher can be contacted by the  
23 student or the parent or guardian.  
24 (9) A list of all services that will be provided to the  
25 student by the cyber charter school.  
26 (10) Copies of policies relating to computer security  
27 and privacy, truancy, absences, discipline and withdrawal or  
28 expulsion of students.  
29 (11) Information concerning all of the following:  
30 (i) The cyber charter school's professional staff,  
31 including the number of staff personnel, their education  
32 level and experience.  
33 (ii) The cyber charter school's performance on the  
34 Pennsylvania System of School Assessment and other  
35 standardized test scores.  
36 (12) Information regarding the proper usage of equipment  
37 and materials and the process for returning equipment and  
38 materials supplied to the students by the cyber charter  
39 school. A parent or guardian shall acknowledge, either in  
40 writing or electronically, the receipt of this information.  
41 (13) A description of the school calendar, including,  
42 the time frame that will constitute a school year and a  
43 school week, holidays and term breaks.  
44 (e) Offices and facilities.--A cyber charter school shall  
45 maintain an administrative office within this Commonwealth where  
46 all student records shall be maintained at all times and shall  
47 provide the commission with the addresses and ownership of all  
48 offices and facilities of the cyber charter school and any lease  
49 arrangements. The administrative office of the cyber charter  
50 school shall be considered to be the principal place of business  
51 for service of process for any action brought against the cyber

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1 charter school or cyber charter school staff members. The cyber  
2 charter school shall notify the commission of any changes in  
3 this information within ten days of the change.

4 (f) Applicable law.--Any action taken against the cyber

5 charter school, its successors or assigns or its employees,  
6 including any cyber charter school staff member as defined in  
7 the act of December 12, 1973 (P.L.397, No.141), known as the  
8 Professional Educator Discipline Act, shall be governed by the  
9 laws of this Commonwealth. If the department initiates an  
10 investigation or pursues an action under the Professional  
11 Educator Discipline Act involving a current or former charter  
12 school staff member outside this Commonwealth, reasonable  
13 expenses incurred by the department in the investigation or  
14 action shall be paid by the cyber charter school which employed  
15 that staff member at the time of the alleged misconduct.

16 (g) School district and intermediate unit access for  
17 testing.--The intermediate unit or school district in which a  
18 student enrolled in a cyber charter school resides shall provide  
19 the cyber charter school with reasonable access to its  
20 facilities for administration of all required standardized  
21 tests.

## 22 ARTICLE XIX-G

### 23 STATE MILITARY COLLEGE LEGISLATIVE

#### 24 APPOINTMENT INITIATIVE PROGRAM

##### 25 Section 1901-G. Scope.

26 This article relates to the State Military College

27 Legislative Appointment Initiative Program.

##### 28 Section 1902-G. Definitions.

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

32 "Committee." A State military college selection committee.

33 "ECP." The Early Commissioning Program of the United States  
34 Army.

35 "ROTC." Reserve Officers' Training Corps.

36 "Scholarship program." The term shall have the same meaning  
37 as given to it in section 2501-B.

38 "State military college." A coeducational, postsecondary,  
39 two-year institution, a part of which is located in a county of  
40 the third class, whose mission is to educate students in both an  
41 academic and military environment.

##### 42 Section 1903-G. The State Military College Legislative



43 Appointment Initiative Program.  
44 (a) Establishment.--The State Military College Legislative  
45 Appointment Initiative Program is established within the General  
46 Assembly.  
47 (b) State military college selection committee.--Each member  
48 of the General Assembly may establish a State military college  
49 selection committee. The committee shall serve the legislative  
50 district of the member. The State Ethics Commission shall  
51 develop guidelines to govern the establishment and functions of  
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1 committees to help ensure that the committees and the  
2 legislative appointments do not create any conflicts of interest  
3 or otherwise violate 65 Pa.C.S. Ch. 11 (relating to ethics  
4 standards and financial disclosure) or the act of July 10, 1968  
5 (P.L.316, No.154), known as the Legislative Code of Ethics.  
6 (c) Appointments.--Each member of the General Assembly may  
7 annually appoint an eligible student who is a resident of the  
8 member's legislative district for guaranteed initial enrollment  
9 in a State military college. Appointments must be made at the  
10 sole recommendation of a State military college selection  
11 committee. A State military college shall offer initial  
12 enrollment to any eligible student appointed under this article.  
13 (d) Educational funding.--Nothing in this article shall be  
14 construed to establish a scholarship granted or funded by the  
15 Commonwealth.  
16 (e) Eligibility.--An individual may be recommended by a  
17 committee for appointment if the individual meets all of the  
18 following requirements:  
19 (1) Graduation from high school or earning a general  
20 educational development diploma or the equivalent thereof.  
21 (2) Maintenance of domicile within this Commonwealth  
22 during the term of the appointment.  
23 (3) Compliance with any conditions placed upon the  
24 appointee by a State military college, including all ECP  
25 admission requirements and requirements deemed necessary to  
26 successfully matriculate at a State military college.  
27 (f) Application.--A student shall apply to a committee for a  
28 recommendation for appointment in a manner prescribed by the

29 committee, to include the provision of all information and  
30 documentation required by the committee.  
31 (g) Review.--The committee shall review each application to  
32 determine which student is best qualified to receive a  
33 recommendation for appointment. In making its determination the  
34 committee may consider whether the student was an eligible  
35 student who received a scholarship under a scholarship program  
36 established under the Educational Improvement Tax Credit under  
37 Article XXV-B.  
38 (h) Termination.--If a student terminates enrollment in a  
39 State military college during an academic year or prior to  
40 completing the two-year program, the State military college  
41 shall notify the appointing legislator in writing.  
42 (i) Annual report.--Any member of the General Assembly who  
43 establishes a committee under subsection (b) shall file an  
44 annual report with the State Ethics Commission that shall  
45 include the name of each member of the selection committee for  
46 that year, the names and addresses of applicants for appointment  
47 and the name of the applicant who is appointed after final  
48 selection.  
49 Section 1904-G. Expiration.  
50 This article shall expire June 30, 2016.  
51 ARTICLE XXV-B

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1 EDUCATIONAL IMPROVEMENT TAX CREDIT  
2 Section 2501-B. Definitions.  
3 The following words and phrases when used in this article  
4 shall have the meanings given to them in this section unless the  
5 context clearly indicates otherwise:  
6 "Business firm." An entity authorized to do business in this  
7 Commonwealth and subject to taxes imposed under Article III, IV,  
8 VI, VII, VIII, IX or XV of the act of March 4, 1971 (P.L.6,  
9 No.2), known as the Tax Reform Code of 1971. The term includes a  
10 pass-through entity.  
11 "Contribution." A donation of cash, personal property or  
12 services, the value of which is the net cost of the donation to  
13 the donor or the pro rata hourly wage, including benefits, of  
14 the individual performing the services.

15 "Department." The Department of Community and Economic  
16 Development of the Commonwealth.

17 "Educational improvement organization." A nonprofit entity  
18 which:

19 (1) is exempt from Federal taxation under section 501(c)  
20 (3) of the Internal Revenue Code of 1986 (Public Law 99-514,  
21 26 U.S.C. § 1 et seq.); and

22 (2) contributes at least 80% of its annual receipts as  
23 grants to a public school, a chartered school as defined in  
24 section 1376.1 or a private school approved under section  
25 1376 for innovative educational programs.

26 For purposes of this definition, a nonprofit entity  
27 "contributes" its annual cash receipts when it expends or  
28 otherwise irrevocably encumbers those funds for expenditure  
29 during the then current fiscal year of the nonprofit entity or  
30 during the next succeeding fiscal year of the nonprofit entity.

31 A "nonprofit entity" includes a school district foundation,  
32 public school foundation, charter school foundation or cyber  
33 charter school foundation.

34 "Eligible prekindergarten student." A student, including an  
35 eligible student with a disability, who is enrolled in a  
36 prekindergarten program and is a member of a household with a  
37 maximum annual household income as increased by the applicable  
38 income allowance.

39 "Eligible student." A school-age student, including an  
40 eligible student with a disability, who is enrolled in a school  
41 and is a member of a household with a maximum annual household  
42 income as increased by the applicable income allowance.

43 "Eligible student with a disability." A prekindergarten  
44 student or a school-age student who meets all of the following:

45 (1) Is either enrolled in a special education school or  
46 has otherwise been identified, in accordance with 22 Pa. Code  
47 Ch. 14 (relating to special education services and programs),  
48 as a "child with a disability," as defined in 34 CFR § 300.8  
49 (relating to child with a disability).

50 (2) Needs special education and related services.

51 (3) Is enrolled in a prekindergarten program or in a

1 school.

2 (4) Is a member of a household with a household income  
3 of not more than the maximum annual household income.

4 "Household." An individual living alone or with the  
5 following: a spouse, parent and their unemancipated minor  
6 children, other unemancipated minor children who are related by  
7 blood or marriage or other adults or unemancipated minor  
8 children living in the household who are dependent upon the  
9 individual.

10 "Household income." All moneys or property received of  
11 whatever nature and from whatever source derived. The term does  
12 not include the following:

13 (1) Periodic payments for sickness and disability other  
14 than regular wages received during a period of sickness or  
15 disability.

16 (2) Disability, retirement or other payments arising  
17 under workers' compensation acts, occupational disease acts  
18 and similar legislation by any government.

19 (3) Payments commonly recognized as old-age or  
20 retirement benefits paid to persons retired from service  
21 after reaching a specific age or after a stated period of  
22 employment.

23 (4) Payments commonly known as public assistance or  
24 unemployment compensation payments by a governmental agency.

25 (5) Payments to reimburse actual expenses.

26 (6) Payments made by employers or labor unions for  
27 programs covering hospitalization, sickness, disability or  
28 death, supplemental unemployment benefits, strike benefits,  
29 Social Security and retirement.

30 (7) Compensation received by United States servicemen  
31 serving in a combat zone.

32 "Income allowance."

33 (1) Subject to paragraph (2), the amount of:

34 (i) Before July 1, 2011, \$10,000 for each eligible  
35 student, eligible prekindergarten student and dependent  
36 member of a household.

37 (ii) After June 30, 2011, through June 30, 2012,  
38 \$12,000 for each eligible student, eligible

39 prekindergarten student and dependent member of a  
40 household.

41 (iii) After June 30, 2012, through June 30, 2013,  
42 \$15,000 for each eligible student, eligible  
43 prekindergarten student and dependent member of a  
44 household.

45 (2) Beginning July 1, 2013, the Department of Community  
46 and Economic Development shall annually adjust the income  
47 allowance amounts under paragraph (1) to reflect any upward  
48 changes in the Consumer Price Index for All Urban Consumers  
49 for the Pennsylvania, New Jersey, Delaware and Maryland area  
50 in the preceding 12 months and shall immediately submit the  
51 adjusted amounts to the Legislative Reference Bureau for

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1 publication as a notice in the Pennsylvania Bulletin.  
2 "Innovative educational program." An advanced academic or  
3 similar program that is not part of the regular academic program  
4 of a public school but that enhances the curriculum or academic  
5 program of a public school, chartered school as defined in  
6 section 1376.1(a) or private school approved in accordance with  
7 section 1376, or provides prekindergarten programs to public  
8 school students, students of a chartered school as defined in  
9 section 1376.1(a) or students of a private school approved in  
10 accordance with section 1376.

11 "Maximum annual household income."

12 (1) Except as stated in paragraph (2) and subject to  
13 paragraph (3), the following:

14 (i) Before July 1, 2011, not more than \$50,000.

15 (ii) After June 30, 2011, through June 30, 2012, not  
16 more than \$60,000.

17 (iii) After June 30, 2012, not more than \$75,000.

18 (2) With respect to an eligible student with a  
19 disability, as calculated by multiplying:

20 (i) the sum of:

21 (A) the applicable amount under paragraph (1);

22 and

23 (B) the applicable income allowance; by

24 (ii) the applicable support level factor according

25 to the following table:

<u>Support Level</u>	<u>Support Level Factor</u>
<u>1</u>	<u>1.50</u>
<u>2</u>	<u>2.993</u>

29 (3) Beginning July 1, 2013, the Department of Community  
30 and Economic Development shall annually adjust the income  
31 amounts under paragraphs (1) and (2) to reflect any upward  
32 changes in the Consumer Price Index for All Urban Consumers  
33 for the Pennsylvania, New Jersey, Delaware and Maryland area  
34 in the preceding 12 months and shall immediately submit the  
35 adjusted amounts to the Legislative Reference Bureau for  
36 publication as a notice in the Pennsylvania Bulletin.

37 "Pass-through entity." A partnership as defined in section  
38 301(n.0) of the act of March 4, 1971 (P.L.6, No.2), known as the  
39 Tax Reform Code of 1971, a single-member limited liability  
40 company treated as a disregarded entity for Federal income tax  
41 purposes or a Pennsylvania S corporation as defined in section  
42 301(n.1) of the Tax Reform Code of 1971.

43 "Prekindergarten program." A program of instruction for  
44 three-year-old or four-year-old students that utilizes a  
45 curriculum aligned with the curriculum of the school with which  
46 it is affiliated and that provides:

47 (1) a minimum of two hours of instructional and  
48 developmental activities per day at least 60 days per school  
49 year; or

50 (2) a minimum of two hours of instructional and  
51 developmental activities per day at least 20 days over the

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1 summer recess.

2 "Prekindergarten scholarship organization." A nonprofit  
3 entity that:

4 (1) Either is exempt from Federal taxation under section  
5 501(c)(3) of the Internal Revenue Code of 1986 (Public Law  
6 99-514, 26 U.S.C. § 1 et seq.) or is operated as a separate  
7 segregated fund by a scholarship organization that has been  
8 qualified under section 2502-B.

9 (2) Contributes at least 80% of its annual cash receipts  
10 to a prekindergarten scholarship program by expending or

11 otherwise irrevocably encumbering those funds for  
12 distribution during the then current fiscal year of the  
13 organization or during the next succeeding fiscal year of the  
14 organization.  
15 "Prekindergarten scholarship program." A program to provide  
16 tuition to eligible prekindergarten students to attend a  
17 prekindergarten program operated by or in conjunction with a  
18 school located in this Commonwealth and that includes an  
19 application and review process for the purpose of making awards  
20 to eligible prekindergarten students and awards scholarships to  
21 eligible prekindergarten students without limiting availability  
22 to only students of one school.  
23 "Public school." A public prekindergarten where compulsory  
24 attendance requirements do not apply or a public kindergarten,  
25 elementary school or secondary school at which the compulsory  
26 attendance requirements of this Commonwealth may be met and that  
27 meets the applicable requirements of Title VI of the Civil  
28 Rights Act of 1964 (Public Law 88-352, 78 Stat. 241).  
29 "Scholarship." An award under a scholarship program.  
30 "Scholarship organization." A nonprofit entity that:  
31 (1) is exempt from Federal taxation under section 501(c)  
32 (3) of the Internal Revenue Code of 1986 (Public Law 99-514,  
33 26 U.S.C. § 1 et seq.); and  
34 (2) contributes at least 80% of its annual cash receipts  
35 to a scholarship program.  
36 For purposes of this definition, a nonprofit entity  
37 "contributes" its annual cash receipts to a scholarship program  
38 when it expends or otherwise irrevocably encumbers those funds  
39 for distribution during the then current fiscal year of the  
40 nonprofit entity or during the next succeeding fiscal year of  
41 the nonprofit entity.  
42 "Scholarship program." A program to provide tuition to  
43 eligible students to attend a school located in this  
44 Commonwealth. A scholarship program must include an application  
45 and review process for the purpose of making awards to eligible  
46 students. The award of scholarships to eligible students shall  
47 be made without limiting availability to only students of one  
48 school.

49 "School." A public or nonpublic prekindergarten,  
50 kindergarten, elementary school or secondary school at which the  
51 compulsory attendance requirements of the Commonwealth may be

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1 met and that meets the applicable requirements of Title VI of  
2 the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241).

3 "School age." From the earliest admission age to a school's  
4 prekindergarten or kindergarten program or, when no  
5 prekindergarten or kindergarten program is provided, the  
6 school's earliest admission age for beginners, until the end of  
7 the school year the student attains 21 years of age or  
8 graduation from high school, whichever occurs first.

9 "Special education school." A school or program within a  
10 school that is designated specifically and exclusively for  
11 students with any of the disabilities listed in 34 CFR § 300.8  
12 (relating to child with a disability) and meets one of the  
13 following:

14 (1) is licensed under the act of January 28, 1988  
15 (P.L.24, No.11), known as the Private Academic Schools Act;

16 (2) is accredited by an accrediting association approved  
17 by the State Board of Education;

18 (3) is a school for the blind or deaf receiving  
19 Commonwealth appropriations; or

20 (4) is operated by or under the authority of a bona fide  
21 religious institution or by the Commonwealth or any political  
22 subdivision thereof.

23 "Support level." The level of support needed by an eligible  
24 student with a disability, as stated in the following matrix:

25 (1) Support level 1. The student is not enrolled in a  
26 special education school.

27 (2) Support level 2. The student is enrolled in a  
28 special education school.

29 "Tax credit." The educational improvement tax credit  
30 established under this article.

31 Section 2502-B. Qualification and application.

32 (a) Establishment.--In accordance with section 14 of Article  
33 III of the Constitution of Pennsylvania, an educational  
34 improvement tax credit program is established to enhance the



35 educational opportunities available to all students in this  
36 Commonwealth.  
37 (b) Information.--In order to qualify under this article, a  
38 scholarship organization, a prekindergarten scholarship  
39 organization or an educational improvement organization must  
40 submit information to the department that enables the department  
41 to confirm that the organization is exempt from taxation under  
42 section 501(c)(3) of the Internal Revenue Code of 1986 (Public  
43 Law 99-514, 26 U.S.C. § 1 et seq.).  
44 (c) Scholarship organizations and prekindergarten  
45 scholarship organizations.--A scholarship organization or  
46 prekindergarten scholarship organization must certify to the  
47 department that the organization is eligible to participate in  
48 the program established under this article and must agree to  
49 annually report the following information to the department by  
50 September 1 of each year:

51 (1) (i) The number of scholarships awarded during the

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1 immediately preceding school year to eligible  
2 prekindergarten students.  
3 (ii) The total and average amounts of scholarships  
4 awarded during the immediately preceding school year to  
5 eligible prekindergarten students.  
6 (iii) The number of scholarships awarded during the  
7 immediately preceding school year to eligible students in  
8 grades kindergarten through eight.  
9 (iv) The total and average amounts of scholarships  
10 awarded during the immediately preceding school year to  
11 eligible students in grades kindergarten through eight.  
12 (v) The number of scholarships awarded during the  
13 immediately preceding school year to eligible students in  
14 grades 9 through 12.  
15 (vi) The total and average amounts of scholarships  
16 awarded during the immediately preceding school year to  
17 eligible students in grades 9 through 12.  
18 (vii) Where the scholarship organization or  
19 prekindergarten scholarship organization collects  
20 information on a county-by-county basis, the total number

21 and the total dollar amount of scholarships awarded  
22 during the immediately preceding school year to residents  
23 of each county in which the scholarship organization or  
24 prekindergarten scholarship organization awarded  
25 scholarships.

26 (2) The information required under paragraph (1) shall  
27 be submitted on a form provided by the department. No later  
28 than May 1 of each year, the department shall annually  
29 distribute such sample forms, together with the forms on  
30 which the reports are required to be made, to each listed  
31 scholarship organization and prekindergarten scholarship  
32 organization.

33 (3) The department may not require any other information  
34 to be provided by scholarship organizations or  
35 prekindergarten scholarship organizations, except as  
36 expressly authorized in this article.

37 (d) Educational improvement organization.--

38 (1) An application submitted by an educational  
39 improvement organization must describe its proposed  
40 innovative educational program or programs in a form  
41 prescribed by the department. In prescribing the form, the  
42 department shall consult with the Department of Education as  
43 necessary. The department shall review and approve or  
44 disapprove the application. In order to be eligible to  
45 participate in the program established under this article, an  
46 educational improvement organization must agree to annually  
47 report the following information to the department by  
48 September 1 of each year:

49 (i) The name of the innovative educational program  
50 or programs and the total amount of the grant or grants  
51 made to those programs during the immediately preceding

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1 school year.

2 (ii) A description of how each grant was utilized  
3 during the immediately preceding school year and a  
4 description of any demonstrated or expected innovative  
5 educational improvements.

6 (iii) The names of the public schools and school

7 districts where innovative educational programs that  
8 received grants during the immediately preceding school  
9 year were implemented.

10 (iv) Where the educational improvement organization  
11 collects information on a county-by-county basis, the  
12 total number and the total dollar amount of grants made  
13 during the immediately preceding school year for programs  
14 at public schools in each county in which the educational  
15 improvement organization made grants.

16 (2) The information required under paragraph (1) shall  
17 be submitted on a form provided by the department. No later  
18 than May 1 of each year, the department shall annually  
19 distribute such sample forms, together with the forms on  
20 which the reports are required to be made, to each listed  
21 educational improvement organization.

22 (3) The department may not require any other information  
23 to be provided by educational improvement organizations,  
24 except as expressly authorized in this article.

25 (e) Notification.--The department shall notify the  
26 scholarship organization, prekindergarten scholarship  
27 organization or educational improvement organization that the  
28 organization meets the requirements of this article for that  
29 fiscal year no later than 60 days after the organization has  
30 submitted the information required under this section.

31 (f) Publication.--The department shall annually publish a  
32 list of each scholarship organization, prekindergarten  
33 scholarship organization or educational improvement organization  
34 qualified under this section in the Pennsylvania Bulletin. The  
35 list shall also be posted and updated as necessary on the  
36 publicly accessible Internet website of the department.

37 Section 2503-B. Application.

38 (a) Scholarship organization or prekindergarten scholarship  
39 organization.--A business firm shall apply to the department for  
40 a tax credit. A business firm shall receive a tax credit if the  
41 scholarship organization or prekindergarten scholarship  
42 organization that receives the contribution appears on the list  
43 established under section 2502-B(f).

44 (b) Educational improvement organization.--A business firm

45 must apply to the department for a tax credit. A business firm  
46 shall receive a tax credit if the department has approved the  
47 program provided by the educational improvement organization  
48 that receives the contribution.

49 (c) Availability of tax credits.--Tax credits shall be made  
50 available by the department on a first-come-first-served basis  
51 within the limitations established under section 2505-B(a).

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1 (d) Contributions.--A contribution by a business firm to a  
2 scholarship organization, prekindergarten scholarship  
3 organization or educational improvement organization shall be  
4 made no later than 60 days following the approval of an  
5 application under subsection (a) or (b).

6 Section 2504-B. Tax credit.

7 (a) Scholarship or educational improvement organizations.--  
8 In accordance with section 2505-B(a), the Department of Revenue  
9 shall grant a tax credit against any tax due under Article III,  
10 IV, VI, VII, VIII, IX or XV of the act of March 4, 1971 (P.L.6,  
11 No.2), known as the Tax Reform Code of 1971, to a business firm  
12 providing proof of a contribution to a scholarship organization  
13 or educational improvement organization in the taxable year in  
14 which the contribution is made which shall not exceed 75% of the  
15 total amount contributed during the taxable year by the business  
16 firm. For the fiscal year 2011-2012, the tax credit shall not  
17 exceed \$400,000 annually per business firm for contributions  
18 made to scholarship organizations and educational improvement  
19 organizations. For the fiscal year 2012-2013, the tax credit  
20 shall not exceed \$750,000 annually per business firm for  
21 contributions made to scholarship organizations or educational  
22 improvement organizations.

23 (b) Additional amount.--The Department of Revenue shall  
24 grant a tax credit of up to 90% of the total amount contributed  
25 during the taxable year if the business firm provides a written  
26 commitment to provide the scholarship organization or  
27 educational improvement organization with the same amount of  
28 contribution for two consecutive tax years. The business firm  
29 must provide the written commitment under this subsection to the  
30 department at the time of application.

31 (c) Prekindergarten scholarship organizations.--In  
32 accordance with section 2505-B(a), the Department of Revenue  
33 shall grant a tax credit against any tax due under Article III,  
34 IV, VI, VII, VIII, IX or XV of the Tax Reform Code of 1971 to a  
35 business firm providing proof of a contribution to a  
36 prekindergarten scholarship organization in the taxable year in  
37 which the contribution is made which shall be equal to 100% of  
38 the first \$10,000 contributed during the taxable year by the  
39 business firm, and which shall not exceed 90% of the remaining  
40 amount contributed during the taxable year by the business firm.  
41 For the fiscal year 2011-2012, the tax credit shall not exceed  
42 \$200,000 annually per business firm for contributions made to  
43 prekindergarten scholarship organizations. For the fiscal year  
44 2012-2013, the tax credit shall not exceed \$250,000 annually per  
45 business firm for contributions made to prekindergarten  
46 scholarship organizations.  
47 (d) Combination of tax credits.--A business firm may receive  
48 tax credits from the Department of Revenue in any tax year for  
49 any combination of contributions under subsection (a), (b) or  
50 (c). In no case may a business firm receive tax credits in any  
51 tax year in excess of \$750,000 for contributions under

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1 subsections (a) and (b). In no case shall a business firm  
2 receive tax credits in any tax year in excess of \$250,000 for  
3 contributions under subsection (c).  
4 (e) Pass-through entity.--  
5 (1) If a pass-through entity does not intend to use all  
6 approved tax credits under this section, it may elect in  
7 writing to transfer all or a portion of the tax credit to  
8 shareholders, members or partners in proportion to the share  
9 of the entity's distributive income to which the shareholder,  
10 member or partner is entitled for use in the taxable year in  
11 which the contribution is made or in the taxable year  
12 immediately following the year in which the contribution is  
13 made. The election shall designate the year in which the  
14 transferred tax credits are to be used and shall be made  
15 according to procedures established by the Department of  
16 Revenue.

17 (2) A pass-through entity and a shareholder, member or  
18 partner of a pass-through entity shall not claim the tax  
19 credit under this section for the same contribution.  
20 (3) The shareholder, member or partner may not carry  
21 forward, carry back, obtain a refund of or sell or assign the  
22 tax credit.  
23 (4) The shareholder, member or partner may claim the  
24 credit on a joint return, but the tax credit may not exceed  
25 the separate income of that shareholder, member or partner.  
26 (f) Restriction on applicability of credits.--No tax credits  
27 shall be applied against any tax withheld by an employer from an  
28 employee under Article III of the Tax Reform Code of 1971.  
29 (g) Time of application for credits.--  
30 (1) Except as provided in paragraph (2), the department  
31 may accept applications for tax credits available during a  
32 fiscal year no earlier than July 1 of each fiscal year.  
33 (2) The application of any business firm for tax credits  
34 available during a fiscal year as part of the second year of  
35 a two-year commitment or as a renewal of a two-year  
36 commitment that was fulfilled in the previous fiscal year may  
37 be accepted no earlier than May 15 preceding the fiscal year.  
38 Section 2505-B. Limitations.  
39 (a) Amount.--  
40 (1) (i) For the fiscal year 2011-2012, the total  
41 aggregate amount of all tax credits approved shall not  
42 exceed \$100,000,000.  
43 (ii) Not more than \$67,000,000 of the total  
44 aggregate amount of all tax credits approved shall be  
45 used to provide tax credits for contributions from  
46 business firms to scholarship organizations.  
47 (iii) Not more than \$25,000,000 of the total  
48 aggregate amount of all tax credits approved shall be  
49 used to provide tax credits for contributions from  
50 business firms to educational improvement organizations.  
51 (iv) Not more than \$8,000,000 of the total aggregate

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1 amount of all tax credits approved shall be used to  
2 provide tax credits for contributions from business firms

3 to prekindergarten scholarship organizations.

4 (2) (i) In the fiscal year 2012-2013 and each fiscal  
5 year thereafter, the total aggregate amount of all tax  
6 credits approved shall not exceed \$200,000,000.

7 (ii) Not more than \$120,000,000 of the total  
8 aggregate amount of all tax credits approved shall be  
9 used to provide tax credits for contributions from  
10 business firms to scholarship organizations.

11 (iii) Not more than \$60,000,000 of the total  
12 aggregate amount of all tax credits approved shall be  
13 used to provide tax credits for contributions from  
14 business firms to educational improvement organizations.

15 (iv) Not more than \$20,000,000 of the total  
16 aggregate amount of all tax credits approved shall be  
17 used to provide tax credits for contributions from  
18 business firms to prekindergarten scholarship  
19 organizations.

20 (b) Activities.--No tax credit shall be approved for  
21 activities that are a part of a business firm's normal course of  
22 business.

23 (c) Tax liability.--

24 (1) Except as provided in paragraph (2), a tax credit  
25 granted for any one taxable year may not exceed the tax  
26 liability of a business firm.

27 (2) In the case of a credit granted to a pass-through  
28 entity which elects to transfer the credit according to  
29 section 2504-B(e), a tax credit granted for any one taxable  
30 year and transferred to a shareholder, member or partner may  
31 not exceed the tax liability of the shareholder, member or  
32 partner.

33 (d) Use.--A tax credit not used by the applicant in the  
34 taxable year the contribution was made or in the year designated  
35 by the shareholder, member or partner to whom the credit was  
36 transferred under section 2504-B(e) may not be carried forward  
37 or carried back and is not refundable or transferable.

38 (e) Nontaxable income.--A scholarship received by an  
39 eligible student or eligible prekindergarten student shall not  
40 be considered to be taxable income for the purposes of Article

41 III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax  
42 Reform Code of 1971.  
43 Section 2506-B. Lists.  
44 The Department of Revenue shall provide to the General  
45 Assembly, by June 30 of each year, a list of all scholarship  
46 organizations, prekindergarten scholarship organizations and  
47 educational improvement organizations that receive contributions  
48 from business firms granted a tax credit.  
49 Section 2507-B. Guidelines.  
50 The department, in consultation with the Department of  
51 Education, shall develop guidelines to determine the eligibility  
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1 of an innovative educational program.  
2 Section 7. The provisions of Article XXV-B of the act are  
3 severable. If any provision of that article or its application  
4 to any person or circumstance is held invalid, the invalidity  
5 shall not affect other provisions or applications of that  
6 article which can be given effect without the invalid provision  
7 or application.  
8 Section 8. Repeals are as follows:  
9 (1) The General Assembly declares that the repeal under  
10 paragraph (2) is necessary to effectuate the addition of  
11 Article XXV-B of the act.  
12 (2) Article XVII-F and section 2902-E(b) of the act of  
13 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of  
14 1971, are repealed.  
15 Section 9. The following provisions of the act shall apply  
16 to charter school entities applying for or renewing a charter on  
17 or after the effective date of this section:  
18 (1) The amendment of the definitions of "concurrent  
19 student" and "school entity" in section 1602-B of the act.  
20 (2) The addition of the definition of "charter school  
21 entity" in section 1602-B of the act.  
22 (3) The addition of section 1613-B(c) of the act.  
23 (4) The addition of Article XVII-C of the act.  
24 Section 10. This act shall take effect as follows:  
25 (1) The following provisions shall take effect  
26 immediately:



27 (i) The amendment of Article X heading and section  
28 1001 of the act.  
29 (ii) Section 1706-C of the act.  
30 (iii) The addition of Article XIX-G of the act.  
31 (iv) This section.  
32 (2) The following provisions shall take effect in 60  
33 days:  
34 (i) Section 1704-C of the act.  
35 (ii) Section 1705-C of the act.  
36 (iii) The addition of Article XXV-B of the act.  
37 (iv) Section 7 of this act.  
38 (v) Section 8 of this act.  
39 (3) The following provisions shall take effect October  
40 1, 2012:  
41 (i) The repeal of section 1725-A of the act.  
42 (ii) Section 1728-C of the act.  
43 (iii) Section 9 of this act.  
44 (4) The remainder of this act shall take effect in 90  
45 days.