AN ACT

Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An act relating to the public school system, including certain provisions applicable as well to private and parochial schools; amending, revising, consolidating and changing the laws relating thereto," in Preliminary Provisions, Providing for Advertising; in Pupils and Attendance, Providing for Transfer of Attendance Records to Another School Entity or Nonpublic School; in terms and courses of study, further providing for agreements with institutions of higher education; in opportunities for educational excellence, further providing for definitions, for responsibilities of school entities and for concurrent enrollment agreements; and, in charter schools, extensively revising and adding charter school provisions.

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

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

section 126. Advertising.--(A) A paid media advertisement

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

SECTION 126. ADVERTISING.--(A) A PAID MEDIA ADVERTISEMENT
BY A PUBLIC SCHOOL ENTITY THAT REFERS TO THE COST OF TUITION OR
TRANSPORTATION SHALL NOT ADVERTISE THOSE EXPENSES AS FREE AND
ANY REFERENCE TO TUITION OR TRANSPORTATION COSTS MUST STIPULATE
THAT THE COST IS COVERED BY TAXPAYER DOLLARS. A PAID MEDIA
ADVERTISEMENT SHALL INCLUDE A TELEVISION, RADIO OR MOVIE THEATER
ADVERTISEMENT, BILLBOARD, BUS POSTER, NEWSPAPER, MAGAZINE, A
PUBLICLY ACCESSIBLE INTERNET WEBSITE OR ANY OTHER COMMERCIAL
METHOD THAT MAY PROMOTE ENROLLMENT IN A PUBLIC SCHOOL ENTITY.

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

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

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

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

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

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

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SCHOOL, REGIONAL CHARTER SCHOOL, INTERMEDIATE UNIT OR AREA

VOCATIONAL-TECHNICAL SCHOOL.

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

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

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

Section 1602-B. 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:

"Concurrent student." A student who is enrolled in a school district, a charter school, a regional charter school, a cyber charter school, an area vocational-technical school, a nonpublic school, a private school or a home education program under 20170HB0097PN1503

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

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

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

Section 1611-B. Responsibilities of school entities.

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

Section 1613-B. Concurrent enrollment agreements.

(c) Charter schools, regional charter schools and cyber charter schools.--Charter schools, regional charter schools and cyber charter schools 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 4. Section 1703-A of the act, amended July 13, 2016 (P.L.716, No.86), is amended to read:

Section 1703-A. Definitions.--As used in this article, "Administrator" shall include an employe of a charter school entity, including the chief administrator of a charter school
entity and any other employe, who by virtue of the employe's position is responsible for taking 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.

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

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

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

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

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

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

"At-risk student" shall mean a student at risk of educational failure because of limited English proficiency, poverty, community factors, truancy, academic difficulties or economic
"Charter school" shall mean an independent public school established and operated under a charter from the local board of school directors and in which students are enrolled or attend. A charter school must be organized as a public, nonprofit corporation. Charters may not be granted to any for-profit entity.

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

"Charter school foundation" shall mean a nonprofit organization 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" shall mean an individual appointed by a board of trustees to oversee and manage the operation of a charter school entity. The term shall not include a professional staff member under this article.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Two members of the Senate from the majority party
appointed by the President pro tempore of the Senate, in consultation with the Majority Leader of the Senate, one of whom shall be the chairman of the Education Committee of the Senate.

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

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

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

(5) The secretary or a designee.

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

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

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

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

(8) To represent the interests of school districts, the following members, who shall be appointed by the secretary from...
a list provided by the Pennsylvania Association of School Business Officials:

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

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

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

(d) The commission shall hold meetings at the call of the chairmen. The commission may hold no more than six public hearings on the matters to be considered by the commission. All meetings and public hearings of the commission shall be deemed public meetings for the purpose of 65 Pa.C.S. Ch. 7 (relating to open meetings). Eight members of the commission shall constitute a quorum at any meeting. Each member of the commission may designate another person to represent that member at meetings of the commission.

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

(f) The commission shall have the following powers and
duties:

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

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

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

(4) Evaluate and make recommendations on the following:

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

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

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

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

   (v) Special education transportation.

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

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

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

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

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

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

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

(g) The commission shall, no later than twelve (12) months from the effective date of this section, issue a report of its findings and recommendations to the Governor, the President pro tempore of the Senate, the Majority Leader of the Senate, the Minority Leader of the Senate, the chairman and minority chairman of the Appropriations Committee of the Senate, the chairman and minority chairman of the Education Committee of the Senate, the Speaker of the House of Representatives, the Majority Leader of the House of Representatives, the Minority...
Leader of the House of Representatives, the chairman and
minority chairman of the Appropriations Committee of the House
of Representatives and the chairman and minority chairman of the
Education Committee of the House of Representatives. The
recommendations of the commission shall not take effect unless
the recommendations are approved by an act of the General
Assembly enacted after the effective date of this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) The following provisions of this act:

(A) Sections 751 and 751.1.

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

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

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


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

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

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

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

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

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

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

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

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

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

(ii) An administrator who knowingly violates this clause
commits a violation of 65 Pa.C.S. § 1103(a) (relating to
(iii) Any contract made in violation of this clause shall be voidable by the board of trustees of the charter school entity.

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

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

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

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

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

(b.2) (1) No member of the board of trustees of a charter school entity may participate in the selection, award or administration of any contract if the member has a conflict of interest as that term is defined in 65 Pa.C.S. § 1102 (relating to definitions).
(2) Any member of the board of trustees of a charter school entity who in the discharge of the person's official duties would be required to vote on a matter that would result in a conflict of interest shall abstain from voting and follow the procedures required under 65 Pa.C.S. § 1103(j) (relating to restricted activities).

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

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

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

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

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

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

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

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

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

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

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

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

Any charter school entity that elects to issue new school
building debt or bonds shall hold in escrow an amount sufficient
to pay the annual amount of the sum of the principal maturing or
subject to mandatory redemption and interest owing by the
charter school entity or sinking fund deposit due by the charter
school entity.

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

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

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

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

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

Section 1717-A. Establishment of Charter School.--* * *
(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] October 1 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." 65 Pa.C.S. Ch. 7 (relating to open meetings)]. 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 final decision of the board.

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

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

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

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

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

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

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

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

(5) Written notice of the board's action shall be sent to the applicant, the department and the appeal board. If the application is denied, the reasons for the denial, including a description of deficiencies in the application, shall be clearly stated in the notice sent by the local board of school directors to the charter school applicant.
(f) At the option of the charter school applicant, a denied application may be revised and resubmitted to the local board of school directors. Following the appointment and confirmation of the Charter School Appeal Board under section 1721-A, the decision of the local board of school directors may be appealed to the appeal board. When an application is revised and resubmitted to the local board of school directors, the board may schedule additional public hearings on the revised application. The board shall consider the revised and resubmitted application at the first board meeting occurring at least forty-five (45) days after receipt of the revised application by the board. For a revised application resubmitted for the 1997-1998 school year, the board shall consider the application at the first board meeting occurring at least thirty (30) days after its receipt. The board shall provide notice of consideration of the revised application under [the "Sunshine Act."] 65 Pa.C.S. Ch. 7. No appeal from a decision of a local school board may be taken until July 1, 1999.

* * *

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

(1) The identification of the charter school applicant.

(2) The name of the proposed charter school entity.
The grade or age levels served by the school.

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

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

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

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

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

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

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

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

(B) The proposed duration of the service contract.
(C) Roles and responsibilities of the board of trustees, the school staff and the educational management service provider.

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

(E) Performance evaluation measures and timelines.

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

(G) Methods of contract oversight and enforcement.

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

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

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

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

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

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

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

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

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

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

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

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

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

(15) [A report] Reports of criminal history [record] records and employment history reviews, pursuant to [section 111]
sections 111 and 111.1, for all individuals identified in the
application who shall have direct contact with students[] and a
plan for satisfying the proper criminal history record
clearances and employment history reviews required for all other
staff.

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

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

(18) Policies regarding truancy, absences and withdrawal of
students, including the manner in which the charter school
entity will monitor attendance consistent with section 1715-A(a)
(9). The charter school entity's policy shall establish, to the
satisfaction of the local board of school directors or, in the
case of a cyber charter school, to the satisfaction of the
department, that the charter school entity will comply with the
provisions of sections 1326, 1327, 1327.2, 1329, 1330, 1332,
1333, 1333.1, 1333.2 and 1333.3, including the institution of
truancy proceedings when required under section 1333.1.

(19) How the charter school entity will meet the standards
included in the performance matrix developed by the State Board
(20) Indicate whether or not the charter school entity will seek accreditation by a nationally recognized accreditation agency, including the Middle States Association of Colleges and Schools or another regional institutional accrediting agency recognized by the United States Department of Education or an equivalent federally recognized body for charter school education.

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

Section 1720-A. Term and Form of Charter.--(a) (1) Upon approval of a charter application under section 1717-A, a written charter shall be developed which shall contain the provisions of the standard charter application under section 1719-A and which shall be signed by the local board of school directors [of a school district], by the local boards of school directors [of a school district] in the case of a regional charter school or by the chairman of the appeal board pursuant to section [1717-A(i)(5)] 1717-A(i)(9) and the board of trustees of the charter school or regional charter school. This written charter, when duly signed by the local board of school directors [of a school district, or] by the local boards of school directors [of a school district].
directors [of a school district] in the case of a regional charter school or by the chairman of the appeal board, and the charter school or regional charter school's board of trustees, shall act as legal authorization for the establishment of a charter school or regional charter school. This written charter shall be legally binding on both the local board of school directors [of a school district] and the charter school or regional charter school's board of trustees. [Except as otherwise provided in subsection (b), the charter shall be for a period of no less than three (3) nor more than five (5) years and may be renewed for five (5) year periods upon reauthorization by the local board of school directors of a school district or the appeal board.] If the charter school or regional charter school contracts with an educational management service provider, a contract shall be executed once the charter is approved. A charter will be granted only for a school organized as a public, nonprofit corporation.

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

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

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

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

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

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

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

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

(3) A governing board of a school district of the first class does not have the authority to renew a charter for successive one (1) year periods.]
(c) (1) A charter school or regional charter school may request amendments to its approved written charter by filing a written document describing the requested amendment with the local board of school directors.

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

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

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

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

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

(2) A school board member.

(3) A certified teacher actively employed in a public school.
(4) A faculty member or administrative employe of an institution of higher education.

(5) A member of the business community.

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

(7) An administrator of a charter school entity.

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

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

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

* * *

(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."] 65 Pa.C.S. Ch. 7 (relating to open meetings). 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.] act of February 14, 2008 (P.L.6, No.3), known as the "Right-to-Know Law."

Section 10. Section 1722-A(a), (b) and (d) and 1723-A(a) and (b) of the act are amended and the sections are amended by
Section 1722-A. Facilities.--(a) A charter school entity 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 entity facility shall be exempt from public school facility regulations except those pertaining to the health or safety of [the pupils] students.

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

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

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

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

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

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

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

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

(ii) Where two (2) or more charter school entities make offers on the same building or part of a building that conform to the provisions of this subsection, the school entity shall:
(A) Accept the first offer, if the offers are equal in dollar amount.
(B) Accept the best offer, if the offers differ in dollar amount.

(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 location.] a charter school or regional charter school that does not have in its written charter any limits on student enrollment or caps is permitted to operate its school at more than one location.

* * *

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

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

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

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

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

(III) REVOCATION OF THE CHARTER FOR THE THIRD VIOLATION.

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

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

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

(3) The department, in consultation with representatives of charter school entities, shall develop a standard enrollment form in both paper and electronic formats that shall be used by
all eligible applicants to apply to a charter school entity. The standard enrollment form shall only request information necessary to allow the charter school entity to identify the student, grade level and residency, including:

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

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

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

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

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

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

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

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

* * *

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

Section 11. Section 1725-A of the act, amended July 13, 2016 (P.L.716, No.86), is amended to read:
Section 1725-A. Funding for Charter [Schools] School
Entities.--(a) Funding for a charter school entity shall be provided in the following manner:

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

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

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

(ii) Beginning in the 2017-2018 school year and continuing until the earlier of the end of the 2018-2019 school year or the enactment of a new formula, a cyber charter school shall receive for each student enrolled the budgeted total expenditures per average daily membership of the prior school year, as defined in section 2501(20), minus the actual total amount the district of residence paid to cyber charter schools under this section for the prior school year; and budgeted expenditures of the district of residence for nonpublic school programs; adult education programs; community/junior college programs; tax assessment and...
collection services; thirty per centum of operation and
maintenance of plant services; student transportation services;
for special education programs; facilities acquisition,
construction and improvement services; and other financing uses,
including debt service and fund transfers as provided in the
Manual of Accounting and Related Financial Procedures for
Pennsylvania School Systems established by the department. The
amount under this subclause shall be paid by the district of
residence of each student.

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

(3) For special education students, [the] a charter school
entity shall receive for each student enrolled the same funding
as for each non-special education student as provided in clause
(2), plus an additional amount determined by dividing the
district of residence's total special education expenditure by
the product of multiplying the combined percentage of section
2509.5(k) times the district of residence's total average daily
membership for the prior school year. [This] The amount under this clause shall be paid by the district of residence of each student.

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

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

(B) Tutoring services.

(C) Educational enrichment programs.

(D) Reducing class size.

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

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

(G) Library services.

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

(4) [A charter school may request the intermediate unit in which the charter school is located to provide services to assist the charter school to address the specific needs of exceptional students. The intermediate unit shall assist the charter school and bill the charter school for the services. The intermediate unit may not charge the charter school more for any service than it charges the constituent districts of the intermediate unit.] A charter school entity may request the intermediate unit or school district in which the charter school
entity is located or another charter school entity to provide
services to assist the charter school entity to address the
specific needs of non-special education and special education
students. The intermediate unit or school district shall assist
the charter school entity and bill the charter school entity for
the services. The intermediate unit may not charge the charter
school entity more for any service than it charges the
constituent districts of the intermediate unit. Nothing under
this clause shall preclude an intermediate unit or school
district from contracting with a charter school entity to
provide the intermediate unit or school district with services
to assist the intermediate unit or school district to address
specific needs of non-special education and special education
students.

(5) Payments shall be made to the charter school entity in
twelve (12) equal monthly payments, by the fifth day of each
month, within the operating school year. A charter school
entity's initial request for payment each year from a school
district with respect to a student enrolled in the charter
school entity shall include a copy of the student's standard
enrollment form submitted to the charter school entity. A
student enrolled in a charter school entity shall be included in
the average daily membership of the student's district of
residence for the purpose of providing basic education funding
payments and special education funding pursuant to Article XXV.
If a school district fails to make a payment to a charter school
entity as prescribed in this clause, the secretary shall deduct
the estimated amount, as documented by the charter school
entity, from any and all State payments made to the district
after receipt of documentation from the charter school entity.
No later than October 1 of each year, a charter school entity shall submit to the school district of residence of each student final documentation of payment to be made based on the average daily membership for the students enrolled in the charter school entity from the school district for the previous school year. If a school district fails to make payment to the charter school entity, the secretary shall deduct and pay the amount as documented by the charter school entity from any and all State payments made to the district after receipt of documentation from the charter school entity from the appropriations for the fiscal year in which the final documentation of payment was submitted to the school district of residence.

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

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

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

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

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

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

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

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

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

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

(c) The Commonwealth shall create a grant program to provide temporary transitional funding to a school district due to the budgetary impact relating to any student's first-year attendance at a charter school. The department shall develop criteria which shall include, but not be limited to, the overall fiscal impact on the budget of the school district resulting from students of a school district attending a charter school. The criteria shall be published in the Pennsylvania Bulletin. This subsection shall not apply to a public school converted to a charter school under 20170HB0097PN1503
section 1717-A(b). Grants shall be limited to funds appropriated for this purpose.]

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

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

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

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

Section 1728-A. Annual Reports and Assessments.--(a) (1)
publicly report whether each charter school or regional charter school is meeting the goals of its charter and shall conduct a comprehensive review prior to [granting a five (5) year renewal of the charter] renewing the charter pursuant to section 1720-A(a)(2). The local board of school directors shall have ongoing access to the records and facilities of the charter school or regional charter school to ensure that the charter school or regional charter school is in compliance with its charter and this act and that requirements for testing, civil rights and student health and safety are being met.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) The source of funding for all expenditures.

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

(3) The salaries of all administrators of the charter school entity.
(4) All expenditures to an educational management service provider.

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

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

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

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

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

(2) Failure to meet the requirements for student performance [set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or subsequent regulations promulgated to replace 22 Pa. Code Ch. 5] on assessments and on the performance matrix established under section 1731.2-A or failure to meet any performance standard set
forth in the written charter signed pursuant to section [1716-A] 1720-A.

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

(4) Violation of provisions of this article.

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

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

* * * 

(b) [A member of the board of trustees who is convicted of a felony or any crime involving moral turpitude shall be immediately disqualified from serving on the board of trustees.] If, after a hearing under this section, a local board of school directors or, in the case of a cyber charter school, the department proves by a preponderance of the evidence that an administrator or board member of a charter school entity has violated this article, the terms and conditions of the charter or any other law, the local board of school directors or, in the case of a cyber charter school, the department may require the charter school entity to replace an administrator or board of trustees member in order to obtain renewal of the charter. The local board of school directors or, in the case of a cyber charter school, the department may refer its findings to the district attorney with jurisdiction or to the Office of Attorney General for prosecution if the local board of school directors or, in the case of a cyber charter school, the department discovers or receives information about possible violations of law by any person affiliated with or employed by a charter school entity. A member of the board of trustees who is
convicted of a felony or any crime involving moral turpitude shall be immediately disqualified from serving on the board of trustees.

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

* * *

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

Section 1729.1-A. Evaluation of Educators.--(a) All applications for a charter or for the renewal of a charter shall
include a system of evaluation for educators that includes:

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

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

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

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

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

(a) Establishment shall be as follows:

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

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

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

(2) The multiple charter school organization shall be:

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

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

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

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

(i) Requirements for student performance set forth in 22 Pa. Code Ch. 4 (relating to academic standards and assessment).
(ii) Accepted standards of fiscal management or audit requirements.

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

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

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

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

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

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

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

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

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

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

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

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

(d) A multiple charter school organization may:

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

(2) Add existing charter schools to its organization by
obtaining the approval of the department and of the local board
of school directors that granted the initial charter of each charter school proposed to be added under subsection (a)(1).

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

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

(f) Appeals shall be as follows:

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

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

(i) Review the decision made by either the department or the school district on the record as certified by the entity that made the decision being appealed, provided that the appeal board may allow the department, a school district or the applicant for consolidation to supplement the record if the supplemental information was previously unavailable.
(ii) Meet to officially review the certified record no later than thirty (30) days after the date of filing the appeal.

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Charter School Entity</th>
<th>Total Budgeted Expenditures</th>
<th>Maximum Unassigned Fund Balance as Percentage of Total Budgeted Expenditures</th>
</tr>
</thead>
</table>

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

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

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

(5) As used in this section, "unassigned fund balance" shall
mean that portion of the fund balance of a charter school entity
that provides funding that serves to support the charter school
entity that is:
(i) available for expenditure or not legally or otherwise
segregated for a specific or tentative future use; and
(ii) held in the General Fund accounts of the charter school
entity.

Section 1731.2-A. Performance Matrix.--The following shall
apply:
(1) Within twenty-four (24) months of the effective date of
this section, the State board shall develop a standard
performance matrix to evaluate charter school entity performance
and shall promulgate regulations pursuant to the act of June 25,
1982 (P.L.633, No.181), known as the "Regulatory Review Act," to
implement this section.
(2) The performance matrix shall assess performance by utilizing objective criteria, including, but not limited to:
student performance on assessments; annual growth as measured by the Pennsylvania Value-Added Assessment System; attendance; attrition rates; graduation rates; other standardized test scores; school safety; parent satisfaction; accreditation by a nationally recognized accreditation agency, including the Middle States Association of Colleges and Schools or another regional institutional accrediting agency recognized by the United States Department of Education or an equivalent federally recognized body for charter school education; and other measures of school quality, including measures for assessing teacher effectiveness.

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

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

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

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

(5) Neither the department nor any local board of school directors may develop a separate performance matrix for the evaluation of a charter school entity. The department shall review the performance matrix every three (3) years to ensure
the performance matrix properly measures school quality and
shall submit any recommendations in writing to the State board,
the Education Committee of the Senate and the Education
Committee of the House of Representatives. Such recommended
revisions shall not take effect unless the General Assembly
enacts the revisions or the State board promulgates regulations
to adopt the revisions pursuant to the "Regulatory Review Act."

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

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

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

(ii) The Statewide advisory committee required to be
convened under subparagraph (i) shall be convened not later than
ninety (90) days after the effective date of this section and
shall meet regularly to fulfill requirements of this paragraph.

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

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

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


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

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

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

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

relating to drugs and alcohol and their abuse, providing for
projects and programs and grants to educational agencies, other
public or private agencies, institutions or organizations."

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

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

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

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

[Section 5.216 (relating to ESOL).
Section 5.4 (relating to general policies).]

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

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

(3) Chapter 12 (relating to students).

(4) Section 32.3 (relating to assurances).

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

(6) Section 235.4 (relating to practices).

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

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

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

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

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

Section 1733-A. Effect on Existing Charter School
Entities.--(a) Within one (1) year of the effective date of
this section, a charter school entity established under section
1717-A, 1718-A or 1745-A prior to the effective date of this
section shall amend its current charter through the amendment
process under section 1720-A(c) or 1745-A(f)(5) as needed to
reflect the requirements of this article. Any renewal that takes
effect after June 30, 2017, shall be for the term specified
under section 1720-A(a)(2) or 1745-A(f)(3).

(b) A charter school entity approved after June 30, 2017,
shall be in full compliance with this article.

(c) By the beginning of the 2017-2018 school year, each
charter school entity shall demonstrate, to the satisfaction of
the local board of school directors or, in the case of a cyber
charter school, to the satisfaction of the department that the
charter school entity is in compliance with the compulsory
attendance provisions of sections 1326, 1327, 1327.2, 1329,
1330, 1332, 1333, 1333.1, 1333.2 and 1333.3, including the
institution of truancy proceedings when required under section
1333.1.

Section 16. Sections 1741-A(c), 1742-A, 1743-A(e), 1744-A
and 1745-A of the act are amended to read:

Section 1741-A. Powers and duties of department.

* * *

(c) Documents.--Documents of the appeal board shall be
subject to the act of [June 21, 1957 (P.L.390, No.212), referred
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Section 1742-A. Assessment and evaluation.

(a) Assessment.--The department shall:

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

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

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

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

1. A cyber charter school shall provide an intermediate unit, school district, community college or State system institution with at least 60 days' notice of the need for facilities to be used for the administration of standardized tests.
(2) Within 30 days of the cyber charter school’s request, the intermediate unit, school district, community college or State system institution shall notify the cyber charter school of the location of the facilities that will be provided, which shall be a quiet, separate location in which cyber charter school students will not be commingled with students of the intermediate unit, school district, community college or State system institution.

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

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

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

* * *

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

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

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

* * *

Section 1744-A. School district and intermediate unit

responsibilities.

An intermediate unit or a school district in which a student

enrolled in a cyber charter school resides shall do all of the

following:

(1) Provide the cyber charter school within ten days of

receipt of the notice of the admission of the student under

section 1748-A(a) with all records relating to the student,

including transcripts, test scores and a copy of any

individualized education program for that student.

[(2) Provide the cyber charter school with reasonable

access to its facilities for the administration of

standardized tests required under this subdivision.]

(3) Upon request, provide assistance to the cyber

charter school in the delivery of services to a student with
disabilities. The school district or intermediate unit shall

not charge the cyber charter school more for a service than

it charges a school district.

(4) Make payments to the cyber charter school under
Section 1745-A. Establishment of cyber charter school.

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

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

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

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

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

(c) Attendance.--Attendance at a cyber charter school shall satisfy requirements for compulsory attendance[.], subject to interventions and penalties for violation of compulsory
attendance requirements under sections 1326, 1327.2, 1329, 1333, 1333.1, 1333.2 and 1333.3.

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

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

(f) Evaluation criteria.--

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

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

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

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

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

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

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

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

   (i) An initial charter granted under this section shall be for a period of five years.
   
   (ii) Prior to the effective date of the regulations implementing the performance matrix as required under section 1731.2-A, a charter may be renewed for five-year periods upon reauthorization by the department.
   
   (iii) Upon the effective date of the regulations
implementing the performance matrix as required pursuant
to section 1731.2-A, the following shall apply:

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

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

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

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

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

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

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

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

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

Section 17. Section 1749-A(a) and (c) of the act, amended November 3, 2016 (P.L.1061, No.138), are amended to read:

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

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

(1) Sections 108, 110, 111, 321, 325, 326, 327, 431,
436, 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741,
752, 753, [755,] 771, 776, 777, 808, 809, 810, 1109, 1111,
1112(a), 1205.1, 1205.2, 1205.3, 1205.5, 1301, 1302, 1303,
1310, 1317, 1317.2, 1318, 1326, 1327, 1327.2, 1329, 1330,
1332, 1333, 1333.1, 1333.2, 1333.3, 1303-A, 1513, 1517, 1518,
1521, 1523, 1525, 1531, 1547, 1602-B, 1613-B, 1702-A, 1703-A,
(1.1) The act of July 19, 1957 (P.L.1017, No.451), known as the State Adverse Interest Act.

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

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

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

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


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

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

* * *
(c) Existing charter schools.--

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

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

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

(ii) Section 1744-A.

(iii) Section 1748-A.

Section 18. This act shall take effect as follows:

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

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

(3) The remainder of this act shall take effect immediately.