

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2237 Session of 2014

INTRODUCED BY ROEBUCK, SANTARSIERO, SCHREIBER, MUNDY, MILLARD, McCARTER, BISHOP, THOMAS, MULLERY, SWANGER, O'BRIEN, SCHLOSSBERG, CLAY, R. MILLER, PASHINSKI, KORTZ, D. COSTA, BROWNLEE, READSHAW, DeLUCA AND DONATUCCI, MAY 5, 2014

REFERRED TO COMMITTEE ON EDUCATION, MAY 5, 2014

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
 2 act relating to the public school system, including certain
 3 provisions applicable as well to private and parochial
 4 schools; amending, revising, consolidating and changing the
 5 laws relating thereto," in charter schools, further providing
 6 for definitions, for charter school requirements, for powers
 7 of board of trustees and for facilities; and, in
 8 reimbursements by Commonwealth and between school districts,
 9 further providing for approved reimbursable annual rental for
 10 leases of buildings or portions of buildings for charter
 11 school use.

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

14 Section 1. Section 1703-A of the act of March 10, 1949
 15 (P.L.30, No.14), known as the Public School Code of 1949, is
 16 amended by adding definitions to read:

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

18 * * *

19 "Charter school foundation" shall mean a nonprofit
 20 organization under section 501(c)(3) of the Internal Revenue
 21 Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)), that

1 provides funding, resources or services to support a charter
2 school, either directly or through an affiliated entity.

3 * * *

4 "Educational management service provider" shall mean:

5 (1) The following:

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

8 (ii) A school design provider.

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

15 (2) The term shall not include a charter school foundation.

16 "Founder" shall mean an individual or entity that has
17 established a charter school under section 1717-A, including one
18 or more teachers who will teach at the proposed charter school,
19 a parent or guardian of a student who will attend the charter
20 school and a nonsectarian corporation not-for-profit.

21 * * *

22 Section 2. Section 1715-A(12) of the act, added July 9, 2008
23 (P.L.846, No.61), is amended and the section is amended by
24 adding a clause to read:

25 Section 1715-A. Charter School Requirements.--Charter
26 schools shall be required to comply with the following
27 provisions:

28 * * *

29 (12) (i) A founder, a person who serves as an administrator
30 or executive of an educational management service provider or an

1 administrator for a charter school may not receive payment for
2 an approved reimbursable annual rental for a lease of a building
3 or a portion of a building for charter school use under section
4 2574.3.

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

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

25 Section 3. Section 1716-A of the act, added June 19, 1997
26 (P.L.225, No.22), is amended to read:

27 Section 1716-A. Powers of Board of Trustees.--(a) The board
28 of trustees of a charter school shall have the authority to
29 decide matters related to the operation of the school,
30 including, but not limited to, budgeting, curriculum and

1 operating procedures, subject to the school's charter. The board
2 shall have the authority to employ, discharge and contract with
3 necessary professional and nonprofessional employees subject to
4 the school's charter and the provisions of this article.

5 (b) No member of a local board of school directors of a
6 school entity shall serve on the board of trustees of a charter
7 school that is located in the member's district.

8 (c) The board of trustees shall comply with [the act of July
9 3, 1986 (P.L.388, No.84), known as the "Sunshine Act."] 65
10 Pa.C.S. Ch. 7 (relating to open meetings).

11 (d) A person who serves as a board of trustees member of a
12 charter school may not receive payment for an approved
13 reimbursable annual rental for a lease of a building or a
14 portion of a building for charter school use under section
15 2574.3.

16 Section 4. Section 1722-A of the act, amended November 17,
17 2010 (P.L.996, No.104), is amended to read:

18 Section 1722-A. Facilities.--(a) (1) A charter school may
19 be located in an existing public school building, in a part of
20 an existing public school building, in space provided on a
21 privately owned site, in a public building or in any other
22 suitable location.

23 (2) A charter school may not be located in a building owned
24 by the charter school or a related nonprofit organization,
25 charter school foundation or educational management service
26 provider, including the educational management service
27 provider's administrators or executives or family members of the
28 educational management service provider's administrators or
29 executives.

30 (b) The charter school facility shall be exempt from public

1 school facility regulations except those pertaining to the
2 health or safety of the pupils.

3 (d) Notwithstanding any other provision of this act, a
4 school district of the first class may, in its discretion,
5 permit a charter school to operate its school at more than one
6 location.

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

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

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

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

9 Section 5. Section 2574.3 of the act, added June 22, 2001
10 (P.L.530, No.35), is amended to read:

11 Section 2574.3. Approved Reimbursable Annual Rental for
12 Leases of Buildings or Portions of Buildings for Charter School
13 Use.--(a) For leases of buildings or portions of buildings for
14 charter school use which have been approved by the Secretary of
15 Education on or after July 1, 2001, the Department of Education
16 shall calculate an approved reimbursable annual rental charge.
17 Approved reimbursable annual rental for such approved leases of
18 buildings or portions of buildings for charter school use shall
19 be the lesser of (i) the annual rental payable under the
20 provisions of the approved lease agreement, or (ii) the product
21 of the enrollment, as determined by the Department of Education,
22 times one hundred sixty dollars (\$160) for elementary schools,
23 two hundred twenty dollars (\$220) for secondary schools or two
24 hundred seventy dollars (\$270) for area vocational-technical
25 schools. The Commonwealth shall pay annually for the school year
26 2001-2002 and each school year thereafter to each charter school
27 which leases with the approval of the Department of Education
28 buildings or portions of buildings for charter school use under
29 these provisions an amount determined by multiplying the aid
30 ratio of the charter school by the approved reimbursable annual

1 rental.

2 (b) Nothing in this section shall require a charter school
3 that has been converted from an existing public school under
4 Article XVII-A to make rental payments to a school district.

5 (c) A charter school shall provide all of the following
6 documentation in the charter school's application for funding
7 under this section:

8 (1) A copy of the signed lease agreement for the leased
9 building.

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

11 (3) The names of the board of trustees and administrators of
12 the charter school.

13 (4) If applicable, the names of the administrators or
14 executives of the educational management service provider.

15 (5) If the owner of the leased building is a nonprofit
16 organization or a charter school foundation, the names of the
17 board members of the nonprofit organization or a charter school
18 foundation.

19 (d) Charter schools may not apply for and the department may
20 not authorize a charter lease reimbursement if the reimbursement
21 is for a lease payment to any of the following:

22 (1) An administrator of the charter school or a member of
23 his immediate family or a business with which he or his
24 immediate family is associated.

25 (2) A trustee of the board of trustees of the charter school
26 or a member of his immediate family or a business with which he
27 or his immediate family is associated.

28 (3) A founder or a member of his immediate family or a
29 business with which he or his immediate family is associated.

30 (4) An administrator or executive of the educational

1 management service provider or a member of his immediate family
2 or a business with which he or his immediate family is
3 associated.

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

7 (e) The department shall seek reimbursement from a charter
8 school for each inappropriate lease reimbursement within 60 days
9 of the inappropriate lease reimbursement.

10 Section 6. This act shall take effect in 60 days.