

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 670 Session of 2017

INTRODUCED BY BREWSTER, COSTA AND FONTANA, MAY 4, 2017

REFERRED TO EDUCATION, MAY 4, 2017

AN ACT

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

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

9 Section 1. Section 1702-A of the act of March 10, 1949
 10 (P.L.30, No.14), known as the Public School Code of 1949, is
 11 amended to read:

12 Section 1702-A. Legislative Intent.--It is the intent of the
 13 General Assembly, in enacting this article, to provide pupils
 14 and community members with the ability to establish and maintain
 15 schools that operate [independently from] under contract to,
 16 collaboratively with and only to the extent established by
 17 contract and by the provisions of this article, the existing
 18 school district structure as a method to accomplish all of the
 19 following:

- 20 (1) Improve pupil learning.

1 (2) Increase learning opportunities for all pupils.

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

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

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

10 (6) Hold the schools established under this act accountable
11 for meeting measurable academic standards and provide the school
12 with a method to establish accountability systems.

13 (7) Allow school districts to supplement their own and learn
14 from innovative charter school practices.

15 Section 2. Section 1703-A of the act, amended July 13, 2016
16 (P.L.716, No.86), is amended to read:

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

18 "Administrator" shall include the chief executive officer of
19 a charter school and all other employes of a charter school who,
20 by virtue of their positions, exercise management or operational
21 oversight responsibilities.

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

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

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

29 (3) for a cyber charter school, the aid ratio and market
30 value/income aid ratio shall be that of the school district in

1 which the administrative offices of the cyber charter school are
2 located.

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

5 "At-risk student" shall mean a student at risk of educational
6 failure because of limited English proficiency, poverty,
7 community factors, truancy, academic difficulties or economic
8 disadvantage.

9 "Auditor" shall mean an independent certified public
10 accounting firm or individual certified public accountant or a
11 Federal, State or local government agency or employe, including,
12 but not limited to, the department, the Department of the
13 Auditor General, the Philadelphia Office of the Controller or
14 the United States Department of Education and their employes.

15 "Charter" shall mean a contract formed between a local board
16 of school directors and a charter school or between the
17 department and a cyber charter school.

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

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

30 "Chief executive officer" shall mean an individual appointed

1 by the board of trustees to oversee and manage the operation of
2 the charter school, but who shall not be deemed a professional
3 staff member under this article.

4 "Contract" shall mean the total legal obligation that results
5 from the parties' agreement as determined by State contract law
6 as supplemented by this chapter and any other applicable laws.

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

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

17 "Educational management service provider" shall mean:

18 (1) an educational management organization, either for
19 profit or nonprofit;

20 (2) a school design provider; or

21 (3) the administrators and executives of the education
22 management organization, including its chief executive officer,
23 business manager, board member or founder or any other partner
24 entity with which a board of trustees of a charter school,
25 regional charter school or cyber charter school contracts to
26 provide educational design, business services, comprehensive
27 management or personnel functions or to implement the charter.

28 The term shall not include a charter school foundation.

29 "Family member" shall mean:

30 (1) a grandparent, parent, spouse, former spouse, child,

1 grandchild, brother, sister or cousin;

2 (2) a child of a spouse, former spouse, brother, sister or
3 cousin; or

4 (3) a spouse or former spouse of a grandparent, parent,
5 child, grandchild, brother, sister, cousin, nephew or niece.

6 Family members in these categories or relationships shall
7 include first degree, in-law, half, adopted and step relatives.

8 "Founder" shall mean an individual or entity that may
9 establish a charter school under section 1717-A, including an
10 individual, one or more teachers who will teach at the proposed
11 charter school, parents or guardians of students who will attend
12 the charter school and any nonsectarian corporation not-for-
13 profit as defined in 15 Pa.C.S. (relating to corporations and
14 unincorporated associations).

15 "Investigator" shall mean any Federal, State or local
16 government agency or employe, including, but not limited to, the
17 State Ethics Commission, the Office of Inspector General, the
18 United States Office of Inspector General and the Federal Bureau
19 of Investigation and their employes.

20 "Local board of school directors" shall mean the board of
21 directors of a school district in which a proposed or an
22 approved charter school is located.

23 "Local industrial development agency" shall mean an
24 industrial development agency as defined in the act of May 17,
25 1956 (1955 P.L.1609, No.537), known as the "Pennsylvania
26 Industrial Development Authority Act."

27 "Regional charter school" shall mean [an independent] a
28 public school established and operated under a charter from more
29 than one local board of school directors and in which students
30 are enrolled or attend. A regional charter school must be

1 organized as a public, nonprofit corporation. Charters may not
2 be granted to any for-profit entity.

3 "Related party" shall mean a party that:

4 (1) has an ownership interest in another party; or

5 (2) can significantly influence or control, directly or
6 indirectly, the management of another party,

7 and as a result of the ownership or significant influence or

8 control can give rise to a direct or potential conflict of

9 interest, as defined in 65 Pa.C.S. § 1102 (relating to

10 definitions). The term includes a relationship between the

11 charter school and a nonprofit organization, charter school

12 foundation or educational management service provider that meets

13 this definition and its administrators, executives, board

14 members or founders.

15 "School district of residence" shall mean the school district
16 in this Commonwealth in which the parents or guardians of a
17 child reside.

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

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

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

24 Section 3. Sections 1714-A, 1715-A, 1716-A, 1717-A and 1719-
25 A of the act are amended to read:

26 Section 1714-A. Powers of Charter Schools.--(a) A charter
27 school established under this act is a body corporate and,
28 subject to its charter and the provisions of this article, shall
29 have all powers necessary or desirable for carrying out its
30 charter, including, but not limited to, the power to:

1 (1) Adopt a name and corporate seal; however, any name
2 selected shall include the words "charter school."

3 (2) Sue and be sued, but only to the same extent and upon
4 the same condition that political subdivisions and local
5 agencies can be sued.

6 (3) Acquire real property from public or private sources by
7 purchase, lease, lease with an option to purchase or gift for
8 use as a charter school facility.

9 (4) Receive and disburse funds for charter school purposes
10 only.

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

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

15 (6.1) Incur debt for the construction of school facilities.

16 (7) Solicit and accept any gifts or grants for charter
17 school purposes.

18 (8) Establish plans, policies and practices, consistent with
19 its charter, with this article and with Federal and State law
20 regarding mission, philosophy, long-term strategic planning,
21 governance, administration, parent engagement, staffing,
22 professional development for staff, performance evaluation for
23 staff, facilities, admissions, enrollment, student placement,
24 recordkeeping, school climate, student discipline, health and
25 safety, academic standards, curriculum, assessment, student
26 services, information resources, technology and extracurricular
27 activities.

28 (b) A charter school shall, subject to its charter and the
29 provisions of this article, have such other powers as are
30 necessary to fulfill its charter and which are not inconsistent

1 with its charter and the provisions of this article.

2 (c) Any indebtedness incurred by a charter school in the
3 exercise of the powers specified in this section shall not
4 impose any liability or legal obligation upon a school entity or
5 upon the Commonwealth.

6 (d) The powers may be limited by the initial contract
7 between a charter school and a school district that grants the
8 charter school's charter. An initial limitation of powers, with
9 the exception of the powers regarding mission, philosophy,
10 admissions, enrollment, academic standards and curriculum under
11 subsection (a) (8), shall not be included in the renewal of a
12 charter by a school district for a period of more than one (1)
13 year at the end of its initial term.

14 Section 1715-A. Charter School Requirements.--Charter
15 schools shall be required to comply with the following
16 provisions:

17 (1) Except as otherwise provided in this article or in its
18 charter, a charter school is exempt from statutory requirements
19 established in this act, from regulations of the State board and
20 the standards of the secretary not specifically applicable to
21 charter schools. Charter schools are not exempt from statutes
22 applicable to public schools other than this act.

23 (2) A charter school shall be accountable to the local board
24 of school directors that granted the charter, the local board of
25 school directors of each school district that has resident
26 students enrolled in the charter school, the parents, the public
27 and the Commonwealth, with the delineation of that
28 accountability reflected in the charter. Strategies for
29 meaningful parent and community involvement shall be developed
30 and implemented by each school.

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

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

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

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

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

12 (8) A charter school shall participate in the Pennsylvania
13 State Assessment System as provided for in 22 Pa. Code Ch. 5
14 (relating to curriculum), or subsequent regulations promulgated
15 to replace 22 Pa. Code Ch. 5, in the manner in which the school
16 district in which the charter school is located is scheduled to
17 participate.

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

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

27 (i) The following provisions of this act:

28 (A) Sections 751 and 751.1.

29 (B) Sections 756 and 757 insofar as they are consistent with
30 the act of December 20, 1967 (P.L.869, No.385), known as the

1 "Public Works Contractors' Bond Law of 1967."

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

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

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

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

10 (11) Trustees of a charter school shall be public officials.

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

25 (13) A person who serves as a founder, administrator or
26 executive of an educational management service provider or an
27 administrator, executive, board member or founder for a charter
28 school shall not receive any payments for approved reimbursable
29 annual rental for leases of buildings or portions of buildings
30 for charter school use under section 2574.3.

1 (14) The charter school record produced, obtained or
2 maintained by an educational management service provider for a
3 charter school under a contract or agreement with the charter
4 school shall be readily available to auditors and investigators
5 and shall be subject to disclosure under the act of February 14,
6 2008 (P.L.6, No.3), known as the "Right-to-Know Law."

7 Section 1716-A. Powers of Board of Trustees.--(a) The board
8 of trustees of a charter school shall have the authority to
9 decide matters related to the operation of the school,
10 including, but not limited to, budgeting, curriculum and
11 operating procedures, subject to the school's charter and the
12 provisions of this article. The board shall have the authority
13 to employ, discharge and contract with necessary professional
14 and nonprofessional employes subject to the school's charter and
15 the provisions of this article.

16 (b) No member of a local board of school directors of a
17 school entity nor a family member of a school director shall
18 serve on the board of trustees of a charter school that is
19 located in the member's district.

20 (c) The board of trustees shall comply with the act of July
21 3, 1986 (P.L.388, No.84), known as the "Sunshine [Act.] Act,"
22 and with the act of February 14, 2008 (P.L.6, No.3), known as
23 the "Right-to-Know Law."

24 (d) No public official nor public employee, as defined under
25 65 Pa.C.S. § 1102 (relating to definitions), shall serve on the
26 board of trustees of a charter school, including the immediate
27 staff, employees or family members of a public official or
28 public employee.

29 (e) No administrator of a charter school nor family member
30 of the administrator is permitted to serve as a member of the

1 board of trustees of the charter school where the administrator
2 is employed.

3 (f) No member of a board of trustees of a charter school
4 shall receive any payment for lease arrangements between the
5 charter school and a related party or any payment for approved
6 reimbursable annual rental for leases of buildings or portions
7 of buildings for use by the charter school under section 2574.3.

8 Section 1717-A. Establishment of Charter School.--(a) A
9 charter school may be established by an individual; one or more
10 teachers who will teach at the proposed charter school; parents
11 or guardians of students who will attend the charter school; any
12 nonsectarian college, university or museum located in this
13 Commonwealth; any nonsectarian corporation not-for-profit, as
14 defined in 15 Pa.C.S. (relating to corporations and
15 unincorporated associations); any corporation, association or
16 partnership; or any combination thereof. A charter school may be
17 established by creating a new school or by converting an
18 existing public school or a portion of an existing public
19 school. No charter school shall be established or funded by and
20 no charter shall be granted to any sectarian school, institution
21 or other entity. No funds allocated or disbursed under this
22 article shall be used to directly support instruction pursuant
23 to section 1327.1.

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

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

30 (i) More than fifty per centum of the teaching staff in the

1 public school have signed a petition in support of the public
2 school becoming a charter school; and

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

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

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

19 (2) Within ten (10) days of submission of an application
20 under paragraph (1), a copy of the application to establish a
21 charter school shall be provided by the applicant to the local
22 board of school directors of each district with resident
23 students who are expected to attend or have committed to attend
24 the proposed charter school. Within fifteen (15) days of the
25 receipt of the application, the local board of school directors
26 with resident students who are expected to attend or have
27 committed to attend the proposed charter school may submit
28 comments regarding the application to the local board of school
29 directors of the district where the charter school will be
30 located for consideration during the review and determination on

1 the charter application.

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

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

19 (2) A charter school application submitted under this
20 article shall be evaluated by the local board of school
21 directors based on criteria, including, but not limited to, the
22 following[:], and specific plans, resources, assigned
23 responsibilities, time lines and measurable objectives for
24 meeting the criteria initially and over time shall be included
25 as provisions in any application to establish or renew a charter
26 school and in any contract formed between the charter school and
27 the local board of school directors:

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

1 under subsection (d).

2 (ii) The capability of the charter school applicant, in
3 terms of support [and], planning[,] and implementation to
4 provide comprehensive learning experiences to students pursuant
5 to the adopted charter_[.], using research-based and evidence-
6 based programs and services, including instruction,
7 interventions and supports, to meet the academic and behavioral
8 needs of students.

9 (iii) The extent to which the application details the
10 charter school's plans for utilizing and implementing the powers
11 in section 1714-A, considers the information requested in
12 section 1719-A and conforms to the legislative intent outlined
13 in section 1702-A.

14 (iv) The extent to which the charter school may serve as a
15 model for other public schools_[.] regarding innovative practices
16 for improving student achievement, and the capability of the
17 charter school for sharing the practices with other public
18 schools in the school district in which the charter school is
19 located.

20 (v) The extent to which the charter school may complement
21 the educational options and opportunities to learn currently
22 provided by the local board of school directors and not
23 duplicate the options and opportunities.

24 (vi) The charter school enrollment projections and any cap
25 or limit on enrollment for each grade level and for each year of
26 the charter contract.

27 (vii) The projected fiscal impact of the charter school on
28 each school district with resident students enrolled in the
29 charter school over the term of the charter contract, including
30 the projected fiscal impact of the individual charter school

1 calculated by multiplying the projected charter school
2 enrollment by the per-student payment under section 1725-A for
3 the charter school and the projected aggregate impact caused by
4 addition of the charter school to the total number of charter
5 schools operating in the school district.

6 (viii) The financial sustainability of the charter school
7 financial plan.

8 (ix) The capability of the charter school to operate in
9 collaboration with the local board of school directors,
10 including collaboration on measuring and monitoring the
11 operations and performance of the charter school and on forming
12 and implementing corrective action plans to resolve deficiencies
13 over time.

14 (x) The sufficiency of measurements for public reporting and
15 monitoring the operations and performance of the charter school,
16 including student academic performance, student enrollment,
17 retention, discipline and withdrawal, fiscal performance,
18 student health and safety, teacher qualifications and
19 effectiveness and facilities. This shall include the method of
20 disaggregating the measurements for different student groups and
21 the various levels of each measurement to be used as annual
22 targets of accomplishment and to be considered as an indication
23 of deficiency.

24 (xi) The lawful preferences in student admissions for the
25 charter school, including whether the charter school will
26 provide an enrollment preference for students residing in an
27 attendance zone within the school district.

28 (xii) The capability of the charter school to ensure that
29 all children eligible for admission receive an equal opportunity
30 for admission and equal educational opportunities upon

1 enrollment, regardless of gender, disability, limited English
2 proficiency, poverty, community factors, truancy, academic or
3 behavioral difficulties or economic disadvantage, and the
4 capability of the charter school to perform outreach in the
5 community and to structure its policies, practices and
6 operations to accomplish the objectives. This shall include a
7 plan for reaching and maintaining measurable targets for
8 recruiting, enrolling and retaining a student body that reflects
9 the diversity in the local school district in which the charter
10 school is located, including the programs, supports and services
11 to be provided by the charter school to accomplish the
12 objectives.

13 (xiii) The membership of the board of trustees for the
14 charter school, including whether the membership of the board of
15 trustees reflects the diversity of the community in which the
16 charter school will be located, whether the members of the board
17 of trustees have expertise in the practices and operations
18 necessary for the charter school to accomplish its objectives
19 and whether the bylaws of the board of trustees provides for at
20 least two parents of students enrolled in the school to serve on
21 the board of trustees when the school is operational.

22 (xiv) The plans for all members of the board of trustees to
23 receive annual training to ensure that they are knowledgeable
24 regarding their duties.

25 (2.1) The length of an initial charter contract shall not be
26 less than three (3) years nor more than five (5) years.

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

1 (4) A charter application shall be deemed approved by the
2 local board of school directors of a school district upon
3 affirmative vote by a majority of all the directors. Formal
4 action approving or denying the application shall be taken by
5 the local board of school directors at a public meeting, with
6 notice or consideration of the application given by the board,
7 under the "Sunshine Act."

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

14 (f) At the option of the charter school applicant, a denied
15 application may be revised and resubmitted to the local board of
16 school directors. Following the appointment and confirmation of
17 the Charter School Appeal Board under section 1721-A, the
18 decision of the local board of school directors may be appealed
19 to the appeal board. When an application is revised and
20 resubmitted to the local board of school directors, the board
21 may schedule additional public hearings on the revised
22 application. The board shall consider the revised and
23 resubmitted application at the first board meeting occurring at
24 least forty-five (45) days after receipt of the revised
25 application by the board. For a revised application resubmitted
26 for the 1997-1998 school year, the board shall consider the
27 application at the first board meeting occurring at least thirty
28 (30) days after its receipt. The board shall provide notice of
29 consideration of the revised application under the "Sunshine
30 Act." No appeal from a decision of a local school board may be

1 taken until July 1, 1999.

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

13 (h) In the case of a review by the appeal board of an
14 application that is revoked or is not renewed, the appeal board
15 shall make its decision based on whether the decision of the
16 local board of school directors was arbitrary and capricious or
17 contrary to law, pursuant to the local board's evaluation of
18 the criteria established in subsection (e) (2). A [decision]
19 determination by the appeal board under this subsection [or]
20 that the local board of school directors acted arbitrarily and
21 capriciously or contrary to law or a decision by the appeal
22 board under subsection (g) to grant, to renew or not to revoke a
23 charter shall serve as a requirement for the local board of
24 directors of a school district or school districts, as
25 appropriate, to [sign] negotiate with the charter school
26 applicant to determine the written charter of the charter school
27 as provided for in section 1720-A. Should the local board of
28 directors fail to [grant the application and sign] negotiate and
29 determine the charter within [ten (10)] thirty (30) days of
30 notice of [reversal of] the decision of the [local board of

1 directors,] appeal board, the appeal board shall appoint a
2 neutral mediator to assist the local board of school directors
3 and the charter school applicant or the board of trustees of the
4 charter school in determining the contents of the charter. If
5 the local board of school directors and the applicant or board
6 of trustees of the charter school do not agree to the contents
7 of the charter within fifteen (15) days of the appointment of
8 the mediator, the mediator shall submit a recommendation for the
9 contents of the charter to the appeal board within thirty (30)
10 days of the appointment of the mediator. The mediator shall
11 provide a copy of the recommendation to the local board of
12 school directors and the applicant or the board of trustees of
13 the charter school, which may be provided electronically. The
14 appeal board shall consider the recommendation and, if the
15 recommendation receives approval by vote of the appeal board,
16 the charter shall be deemed to be approved and shall be signed
17 by the chairman of the appeal board.

18 (i) (1) The appeal board shall have the exclusive review of
19 an appeal by a charter school applicant, or by the board of
20 trustees of an existing charter school, of a decision made by a
21 local board of directors not to grant a charter as provided in
22 this section.

23 (2) In order for a charter school applicant to be eligible
24 to appeal the denial of a charter by the local board of
25 directors, the applicant must obtain the signatures of at least
26 two per centum of the residents of the school district or of one
27 thousand (1,000) residents, whichever is less, who are over
28 eighteen (18) years of age. For a regional charter school, the
29 applicant must obtain the signatures of at least two per centum
30 of the residents of each school district granting the charter or

1 of one thousand (1,000) residents from each of the school
2 districts granting the charter, whichever is less, who are over
3 eighteen (18) years of age. The signatures shall be obtained
4 within sixty (60) days of the denial of the application by the
5 local board of directors in accordance with clause (3).

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

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

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

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

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

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

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

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

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

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

21 (6) In any appeal, the decision made by the local board of
22 directors shall be reviewed by the appeal board on the record as
23 certified by the local board of directors. The appeal board
24 shall [give due consideration to] determine whether the findings
25 of the local board of directors are arbitrary or capricious and
26 specifically articulate its reasons for [agreeing or disagreeing
27 with those findings] the determination in its written decision.
28 The appeal board shall have the discretion to allow the local
29 board of directors and the charter school applicant to
30 supplement the record if the supplemental information was

1 previously unavailable, to submit written briefs, to make oral
2 argument in person or to provide other relevant information.

3 (7) Not later than thirty (30) days after the date of notice
4 of the acceptance of the appeal, the appeal board shall meet to
5 officially review the certified record and, if allowed by the
6 appeal board, to consider any written briefs, oral argument and
7 other relevant information.

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

13 (9) A decision of the appeal board to reverse the decision
14 of the local board of directors shall serve as a requirement for
15 the local board of directors of a school district or school
16 districts, as appropriate, to [grant the application and sign]
17 negotiate with the charter school applicant or board of trustees
18 of the charter school to determine the contents of the written
19 charter of the charter school as provided for in section 1720-A.
20 Should the local board of directors fail to [grant the
21 application and sign] negotiate with the charter school
22 applicant or board of trustees of the charter school to
23 determine the contents of the charter within [ten (10)] thirty
24 (30) days of notice of the reversal of the decision of the local
25 board of directors, the appeal board shall appoint a neutral
26 mediator to assist the local board of school directors and the
27 charter school applicant or the board of trustees of the charter
28 school in determining the contents of the charter. If the local
29 board of school directors and the charter school applicant or
30 the board of trustees of the charter school do not agree to the

1 contents of the charter within fifteen (15) days of the
2 appointment of the mediator, the mediator shall submit a
3 recommendation for the contents of the charter to the appeal
4 board within thirty (30) days of the appointment of the
5 mediator. The mediator shall provide a copy of the
6 recommendation to the local board of school directors and the
7 charter school applicant or the board of trustees of the charter
8 school, which may be provided electronically. The appeal board
9 shall consider the recommendation and, if the recommendation
10 receives approval by vote of the appeal board, the charter shall
11 be deemed to be approved and shall be signed by the chairman of
12 the appeal board.

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

15 Section 1719-A. Contents of Application.--An application to
16 establish a charter school shall include all of the following
17 information:

18 (1) The identification of the charter applicant.

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

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

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

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

27 (6) The admission policy and criteria for evaluating the
28 admission of students which shall comply with the requirements
29 of section 1723-A.

30 (7) Procedures which will be used regarding the suspension

1 or expulsion of pupils. Said procedures shall comply with
2 section 1318.

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

5 (9) The financial plan for the charter school and the
6 provisions which will be made for auditing the school under
7 section 437.

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

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

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

17 (13) The proposed faculty and a professional development
18 plan for the faculty of a charter school.

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

29 (15) A report of criminal history record, pursuant to
30 section 111, for all individuals who shall have direct contact

1 with students.

2 (16) An official clearance statement regarding child injury
3 or abuse from the Department of Public Welfare as required by 23
4 Pa.C.S. Ch. 63 Subch. C.2 (relating to background checks for
5 employment in schools) for all individuals who shall have direct
6 contact with students.

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

10 (18) A written statement on the projected fiscal impact of
11 the individual charter school on the school district which shall
12 be calculated by multiplying the projected charter school
13 enrollment by the applicable per-student payments under section
14 1725-A.

15 (19) The projected aggregate impact to the school district
16 resulting from the addition of the charter school to the total
17 number of charter schools operating within the school district.

18 (20) A report on the condition of any existing physical
19 plant to be conducted and prepared by a department employe
20 following the employe's inspection of the physical plant at the
21 location of the proposed charter school. A copy of the report
22 shall be provided to the charter applicant and a copy of the
23 report shall be posted on the department's publicly accessible
24 Internet website. The charter applicant shall provide the
25 department employe with necessary access to the proposed
26 physical plant for the inspection. The department may establish
27 regulations to implement this paragraph.

28 (21) The written approval from the local board of school
29 directors of each school district with one (1) or more students
30 who expressed interest in attending or committed to attend the

1 charter school.

2 (22) A detailed report of the financing for the operations
3 of the charter school, including the contracts and financial
4 arrangements between the charter school, charter school
5 foundation and all educational management service providers.

6 (23) The arrangements relating to compliance with section
7 1719.1-A.

8 (24) Any other information deemed necessary by the local
9 board of school directors to evaluate the criteria established
10 by section 1717-A(e) (2).

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

12 Section 1719.1-A. Surety Requirement.--(a) (1) For charter
13 school applications submitted to a school district after
14 December 31, 2017, a charter school applicant that receives
15 approval to operate a charter school shall comply with
16 subsection (b) within twenty (20) days of the charter school's
17 receipt of approval to operate.

18 (2) For charter schools that are operating on December 31,
19 2017, a charter school operator shall comply with subsection (b)
20 within twenty (20) days of the effective date of this section.

21 (b) A charter school shall submit one of the following forms
22 of surety to the school district where the charter school is
23 located and shall submit notice of the surety to each school
24 district that has resident students who are enrolled in the
25 charter school or who intend to enroll or are committed to
26 enroll in the newly approved charter school:

27 (1) An indemnity bond to cover the cost incurred by the
28 school district where the charter school is located and other
29 school districts with resident students enrolled in the charter
30 school for the costs to educate those students in the event of a

1 default and closure of the charter school as follows:

2 (i) The bond shall be payable to each school district with
3 resident students enrolled in the charter school in proportion
4 to the number of resident students enrolled in the charter
5 school.

6 (ii) The amount of the bond shall be agreed upon by the
7 local board of school directors of the district where the
8 charter school is located and the board of trustees of the
9 charter school.

10 (iii) The bond shall be executed by the charter school
11 applicant and a corporate surety licensed to do business in this
12 Commonwealth and approved by the school district where the
13 charter school is located.

14 (iv) The school district where the charter school is located
15 and the charter school shall agree upon the duration of the
16 bond, which may not exceed five (5) years.

17 (2) An escrow account established and maintained on a
18 current basis with a bank, trust company or other escrow agent
19 within this Commonwealth, for payment to the school district
20 where the charter school is located and to each school district
21 with students enrolled in the charter school for the costs
22 incurred in educating the students in the event of a default and
23 closure of the charter school as follows:

24 (i) A portion of all payments received by the charter school
25 from all sources in an amount not to exceed twenty per centum of
26 each amount received shall be paid into the escrow account. The
27 aggregate amount paid into the escrow account shall not exceed
28 the total of twenty-five per centum of all payments received by
29 the charter school from the Commonwealth and the school
30 districts with resident students enrolled in the charter school

1 over the next twelve (12) months during the operation of the
2 charter school.

3 (ii) Interest earned on the money in the escrow account
4 shall be credited to and become part of the escrow account.

5 (iii) The school district where the charter school is
6 located and the charter school shall agree upon the duration of
7 the escrow account, which may not exceed three (3) years.

8 (3) Other surety in an amount and duration that is agreed
9 upon by the school district where the charter school is located
10 and the charter school.

11 Section 5. Section 1720-A of the act is amended to read:

12 Section 1720-A. Term and Form of Charter.--(a) Upon
13 approval of a charter application under section 1717-A, a
14 written charter shall be developed which shall contain the
15 provisions of the charter application and other provisions
16 related to the operation of the charter school, as amended
17 through negotiation between the charter school and the local
18 board of school directors and which shall be signed by the local
19 board of school directors of a school district, by the local
20 boards of school directors of a school district in the case of a
21 regional charter school or by the chairman of the appeal board
22 pursuant to section 1717-A(i)(5) and the board of trustees of
23 the charter school. This written charter, when duly signed by
24 the local board of school directors of a school district, or by
25 the local boards of school directors of a school district in the
26 case of a regional charter school, and the charter school's
27 board of trustees, shall act as the contract providing legal
28 authorization for the establishment and operation of a charter
29 school. This written charter shall be legally binding on both
30 the local board of school directors of a school district and the

1 charter school's board of trustees. Except as otherwise provided
2 in subsection (b), the charter shall be for a period of no less
3 than three (3) nor more than five (5) years and may be renewed
4 for [five (5) year periods] no less than one (1) year nor more
5 than ten (10) years upon reauthorization by the local board of
6 school directors of a school district or the appeal board. A
7 charter will be granted only for a school organized as a public,
8 nonprofit corporation.

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

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

21 (3)] A [governing] local board of [a school district of the
22 first class does] school directors shall not have the authority
23 to renew a charter for successive one (1) year periods.

24 (c) The written charter shall include all provisions for the
25 establishment and operation of the charter school, including
26 collaboration with and oversight by the local board of school
27 directors.

28 (d) A written charter may include an enrollment preference
29 for students residing in an attendance zone within the school
30 district.

1 (e) The charter school shall collaborate with the local
2 board of school directors for the accurate measurement of its
3 performance and the sharing of this information in a form and in
4 a timely manner pursuant to the provisions of the charter,
5 including sharing information with the public.

6 (f) The charter shall include provisions for measuring the
7 operations and performance of the charter school and identifying
8 deficiencies, including:

9 (1) The criteria for evaluating the charter application
10 under section 1717-A(e)(2) and the contents of the charter
11 application under section 1719-A, as amended through negotiation
12 between the charter school and the local board of school
13 directors.

14 (2) The success of the charter school in performing outreach
15 in the community and providing an equal opportunity for
16 admission to all children eligible for admission, regardless of
17 disability, limited English proficiency, poverty, community
18 factors, truancy, academic or behavioral difficulties or
19 economic disadvantage.

20 (3) The success of the charter school in providing an equal
21 opportunity to learn for all children enrolled in the school,
22 regardless of disability, limited English proficiency, poverty,
23 community factors, truancy, academic or behavioral difficulties
24 or economic disadvantage, including how the charter school
25 provides supports and services to meet the needs of all children
26 enrolled in the charter school.

27 (4) The data on the academic performance of the students
28 enrolled in the charter school.

29 (5) The data on student discipline at the charter school,
30 including expulsions and suspensions.

1 (6) The data on students who withdraw from the charter
2 school, including the identity of the students and the reason
3 for the students' withdrawal if known.

4 (7) The data on the fiscal performance of the charter
5 school, including the annual audit required under section 437.

6 (8) The information on the charter school's health and
7 safety for the students and staff, including information on the
8 safety of the charter school facilities.

9 (g) The written charter shall include provisions for the
10 formation and implementation of corrective action plans to
11 resolve the charter school's operational and performance
12 deficiencies as identified by the local board of school
13 directors, and for the termination or nonrenewal of the charter
14 by the local board of school directors when the deficiencies are
15 substantial and remain unresolved within the time frame of the
16 corrective action plan.

17 (h) The written charter shall include duties of the school
18 district in which the charter school is located regarding the
19 charter school, including:

20 (1) Providing sufficient qualified staff to process in a
21 timely manner charter school inquiries, applications and
22 requests.

23 (2) Maintaining official rules and procedures and complying
24 with the official rules and procedures regarding charter school
25 operations in the school district.

26 (3) Providing technical assistance and support to the
27 charter school.

28 (4) Providing regular opportunities for feedback and
29 interaction with the administrators and the board of trustees of
30 the charter school regarding issues of mutual concern.

1 (5) Providing regular opportunities for sharing and learning
2 from successful innovative practices implemented in school
3 district schools and in charter schools.

4 (6) Providing regular opportunities for sharing and jointly
5 evaluating data regarding charter school operations and
6 performance, the formation and implementation of corrective
7 action plans and school district compliance with the provisions
8 of this act.

9 Section 6. The act is amended by adding a section to read:

10 Section 1721.1-A. Oversight.--(a) The board of trustees of
11 a charter school shall submit a quarterly financial report to
12 the local board of directors of the school district that grants
13 the charter school's charter and to the local board of school
14 directors of each school district with one (1) or more students
15 enrolled in the charter school. The quarterly financial report
16 shall be considered a public record.

17 (b) A local board of school directors that oversees the
18 operations of a charter school shall provide an annual written
19 report to the secretary, pursuant to guidelines issued by the
20 department, including measurements and an evaluation of the
21 operations and performance of each charter school in the school
22 district, a description of corrective action taken to resolve
23 charter school deficiencies, technical assistance provided by
24 the school district and the status regarding corrective action
25 plans and decisions by the local board of school directors
26 regarding the formation, renewal, nonrenewal or termination of
27 charters. The annual written report shall be posted in a timely
28 manner on the school district's publicly accessible Internet
29 website and shall be subject to the act of February 14, 2008
30 (P.L.6, No.3), known as the "Right-to-Know Law."

1 (c) The secretary shall review the annual written reports
2 regarding charter school operations and performance as provided
3 by the local board of school directors and may identify
4 operational and performance deficiencies based on these reports.
5 The secretary shall have the authority to order a local board of
6 school directors to collaborate with a charter school located in
7 its school district to form and implement a corrective action
8 plan to resolve the charter school's operational and performance
9 deficiencies as identified by the secretary. The secretary shall
10 have the authority to order the local board of school directors
11 to terminate or not renew a charter when the deficiencies are
12 substantial and remain unresolved within the time frame of a
13 corrective action plan ordered by the secretary. Pursuant to the
14 orders and when requested by the secretary, the department shall
15 provide technical assistance for forming, implementing and
16 monitoring corrective action plans.

17 (d) If the charter school and the local board of school
18 directors fail to form and successfully implement a corrective
19 action plan in a timely manner under section 1720-A(g), the
20 secretary shall have the authority to identify the charter
21 school's operational and performance deficiencies, to form and
22 implement a corrective action plan to resolve the deficiencies
23 and to terminate the charter school when the deficiencies are
24 substantial and remain unresolved within the time frame of the
25 corrective action plan.

26 (e) The secretary shall:

27 (1) Utilize the annual written reports and other sources to
28 establish and maintain a current database of best practices and
29 related resources for charter school operations and performance.

30 (2) Make the database and related resources available to the

1 public through the department's publicly accessible Internet
2 website.

3 (3) Offer technical assistance, training and support to
4 charter schools and school districts for utilization of the best
5 practices and resources.

6 (4) Feature examples of the effective use of the best
7 practices by charter schools and school districts within this
8 Commonwealth.

9 Section 7. Sections 1722-A, 1723-A and 1724-A(a) of the act
10 are amended to read:

11 Section 1722-A. Facilities.--(a) A charter school may be
12 located in an existing public school building, in a part of an
13 existing public school building, in space provided on a
14 privately owned site, in a public building or in any other
15 suitable location.

16 (a.1) Regardless of whether an approved reimbursable annual
17 rental is received under section 2574.3, a charter school may
18 not be located in a building owned by a related party, including
19 a charter school or a related nonprofit organization, charter
20 school foundation or educational management service provider or
21 its administrators, executives or founders.

22 (a.2) A project to construct a new charter school facility
23 that utilizes a financing arrangement with a local industrial
24 development agency or any other government entity that equals or
25 exceeds one million dollars (\$1,000,000) shall receive the
26 written approval of the board of directors of the school
27 district where the proposed facility is located.

28 (b) The charter school facility shall be exempt from public
29 school facility regulations except those pertaining to the
30 health or safety of the pupils.

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

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

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

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

1 foundations that filed an appeal from an assessment, as provided
2 in Article V of The General County Assessment Law, prior to the
3 effective date of this subsection.

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

7 (f) The facilities of a charter school shall be accessible
8 to students, parents, staff and other individuals with a
9 disability under Federal law.

10 Section 1723-A. Enrollment.--(a) All resident children in
11 this Commonwealth qualify for admission to a charter school
12 within the provisions of subsection (b). If more students apply
13 to the charter school than the number of attendance slots
14 available in the school, then students must be selected on a
15 random basis from a pool of qualified applicants meeting the
16 established eligibility criteria and submitting an application
17 by the deadline established by the charter school, except that
18 the charter school may give preference in enrollment to a child
19 of a parent who has actively participated in the development of
20 the charter school and to siblings of students presently
21 enrolled in the charter school. [First preference shall be
22 given] Preference shall be given first to students who reside in
23 any attendance zone established for the charter school within
24 the school district and second to students who reside in the
25 district or districts.

26 (b) (1) A charter school shall not discriminate in its
27 admission policies or practices on the basis of intellectual
28 ability, except as provided in paragraph (2), or athletic
29 ability, measures of achievement or aptitude, status as a person
30 with a disability, proficiency in the English language or any

1 other basis that would be illegal if used by a school district.

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

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

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

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

26 (e) A charter school shall enroll new students whenever an
27 attendance slot is available in the same manner as school
28 districts.

29 Section 1724-A. School Staff.--(a) (1) The board of
30 trustees shall determine the level of compensation and all terms

1 and conditions of employment of the staff except as may
2 otherwise be provided in this article. [At] Subject to the
3 provisions of this article, at least seventy-five per centum of
4 the professional staff members of a charter school shall hold
5 appropriate State certification.

6 (2) (i) At least ninety per centum of the professional
7 staff members of a charter school who commence employment after
8 the effective date of this paragraph shall hold appropriate
9 State certification.

10 (ii) Professional staff members of a charter school who are
11 employed on the effective date of this paragraph and who do not
12 possess appropriate State certification as of the effective date
13 of this paragraph shall not be required to obtain appropriate
14 State certification.

15 (3) Employes of a charter school may organize under the act
16 of July 23, 1970 (P.L.563, No.195), known as the "Public Employe
17 Relations Act." The board of trustees of a charter school shall
18 be considered an employer for the purposes of Article XI-A. Upon
19 formation of one or more collective bargaining units at the
20 school, the board of trustees shall bargain with the employes
21 based on the provisions of this article, Article XI-A and the
22 "Public Employe Relations Act." Collective bargaining units at a
23 charter school shall be separate from any collective bargaining
24 unit of the school district in which the charter school is
25 located and shall be separate from any other collective
26 bargaining unit. A charter school shall be considered a school
27 entity as provided for in section 1161-A for the purpose of the
28 secretary seeking an injunction requiring the charter school to
29 meet the minimum requirements for instruction as provided for in
30 this article.

1 * * *

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

3 Section 1725.1-A. Taxpayer protections.--(a) A charter
4 school or a regional charter school shall not use taxpayer
5 dollars to advertise the services provided by the school, the
6 facilities that are available to prospective students or a
7 particular educational philosophy.

8 (b) A charter school or a regional charter school shall not
9 use taxpayer dollars to pay for membership in an organization or
10 association of charter schools or a Statewide association,
11 individual or firm that advocates on behalf of charter schools.

12 (c) Taxpayer dollars that are invested by a charter school
13 or a regional charter school and any interest accrued on
14 investments that are not used to pay the necessary expenses for
15 the operation of the charter school or regional charter school
16 shall be returned to the sponsoring school district.

17 (d) As used in this section, the term "taxpayer dollars"
18 shall mean any funds appropriated by the General Assembly or by
19 a political subdivision.

20 Section 9. Section 1729-A of the act is amended to read:

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

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

29 (2) Failure to meet the requirements for student performance
30 set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or

1 subsequent regulations promulgated to replace 22 Pa. Code Ch. 5
2 or failure to meet any performance standard set forth in the
3 written charter signed pursuant to section 1716-A.

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

6 (4) Violation of provisions of this article.

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

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

11 (7) The local board of school directors where the charter
12 school is located finds that the charter school has failed to
13 successfully implement a corrective action plan to resolve the
14 charter school's operational and performance deficiencies as
15 identified by the local board of school directors, resulting in
16 substantial deficiencies that remain unresolved within the time
17 frame for the corrective action plan or the secretary issues an
18 order based on the finding of deficiencies as determined by the
19 local board of school directors.

20 (a.1) When a charter school located in a school district of
21 the first class is in corrective action status and seeks renewal
22 of its charter, if the governing body of the school district of
23 the first class renews the charter, it may place specific
24 conditions in the charter that require the charter school to
25 meet specific student performance targets within stated periods
26 of time subject to the following:

27 (i) The performance targets and the periods of time in which
28 the performance targets must be met shall be reasonable.

29 (ii) The placement of conditions in a charter as specified
30 in this subsection shall not be considered an adjudication and

1 may not be appealed to the State Charter School Appeal Board.

2 (iii) If the charter school fails to meet the performance
3 targets within the stated period of time, such failure shall be
4 sufficient cause for revocation of the charter.

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

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

28 (d) Following the appointment and confirmation of the appeal
29 board, but not before July 1, 1999, the charter school may
30 appeal the decision of the local board of school directors to

1 revoke or not renew the charter to the appeal board. The appeal
2 board shall have the exclusive review of a decision not to renew
3 or revoke a charter. The appeal board shall review the record
4 and shall have the discretion to [supplement the record if the
5 supplemental information was previously unavailable.] allow the
6 local board of directors and the charter school to supplement
7 the record if the supplemental information was previously
8 unavailable, to submit written briefs, to make oral argument in
9 person or to provide other relevant information. The appeal
10 board may consider the charter school plan, annual reports,
11 student performance and employe and community support for the
12 charter school in addition to the record. The appeal board shall
13 [give due consideration to the] determine whether the nonrenewal
14 or revocation decision and findings of the local board of
15 directors are arbitrary or capricious and specifically
16 articulate its reasons for [agreeing or disagreeing with those
17 findings] the determination in its written decision.

18 (e) [If the appeal board determines that the charter should
19 not be revoked or should be renewed, the appeal board shall
20 order the local board of directors to rescind its revocation or
21 nonrenewal decision.] Not later than thirty (30) days after the
22 date of notice of the acceptance of the appeal, the appeal board
23 shall meet to officially review the certified record and, if
24 allowed by the appeal board, to consider any written briefs,
25 oral arguments and other relevant information.

26 (e.1) Not later than sixty (60) days following the review
27 conducted under subsection (d), the appeal board shall issue a
28 written decision affirming or denying the appeal or, only upon a
29 specific finding of arbitrariness or capriciousness by the local
30 board of school directors, affirming the appeal. The appeal

1 board shall provide a written notice explaining its decision to
2 both parties.

3 (e.2) A decision of the appeal board to reverse the
4 nonrenewal decision of the local board of school directors shall
5 serve as a requirement for the local board of school directors
6 to negotiate with the charter school and form and sign a charter
7 renewal for the charter school. Should the local board of school
8 directors fail to sign the charter renewal within thirty (30)
9 days of notice of the reversal of the decision of the local
10 board of school directors, the appeal board shall appoint a
11 neutral, unbiased master to recommend the content of the charter
12 renewal to the appeal board. The master shall submit a
13 recommendation for the contents of the charter to the appeal
14 board within thirty (30) days of the appointment of the master.
15 The master shall provide a copy of the recommendation to the
16 local board of school directors and the charter school applicant
17 or the board of trustees of the charter school, which may be
18 provided electronically. The appeal board shall consider the
19 recommendation and, if the recommendation receives approval by
20 vote of the appeal board, the charter shall be deemed to be
21 approved and shall be signed by the chairman of the appeal
22 board.

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

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

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

30 (i) When a charter is revoked, not renewed, forfeited,

1 surrendered or otherwise ceases to operate, the charter school
2 shall be dissolved. After the disposition of any liabilities and
3 obligations of the charter school, any remaining assets of the
4 charter school, both real and personal, shall be distributed on
5 a proportional basis to the school entities with students
6 enrolled in the charter school for the last full or partial
7 school year of the charter school. In no event shall such school
8 entities or the Commonwealth be liable for any outstanding
9 liabilities or obligations of the charter school.

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

17 Section 10. The act is amended by adding a section to read:
18 Section 1745.1-A. Review and moratorium.

19 (a) Legislative Budget and Finance Committee study.--The
20 Legislative Budget and Finance Committee shall conduct a study
21 of all aspects of the funding, operation and performance of all
22 cyber charter schools in this Commonwealth, including the
23 potential impact of the approval of new cyber charter schools
24 and an expansion of existing cyber charter school enrollments on
25 students attending those cyber charter schools and on students
26 attending school districts with students enrolled in the new or
27 expanded cyber charter schools.

28 (b) Time period for completion of study and dissemination.--
29 The study under subsection (a) shall be completed by December
30 31, 2017, and shall be posted by the Legislative Budget and

1 Finance Committee on its publicly accessible Internet website
2 and by the department on its publicly accessible Internet
3 website. The Legislative Budget and Finance Committee shall
4 provide a copy, which may be in an electronic format, to the
5 Governor, the chairperson and minority chairperson of the
6 Education Committee of the Senate and the chairperson and
7 minority chairperson of the Education Committee of the House of
8 Representatives.

9 (c) Period and effect of moratorium.--Notwithstanding any
10 provision of law to the contrary, beginning on the effective
11 date of this section and until June 30, 2019, a moratorium is
12 established on the formation and approval of new cyber charter
13 schools and the expansion of existing cyber charter schools in
14 order to provide the General Assembly with sufficient time to
15 review the completed study under subsection (a) and to take
16 appropriate action. During the period of the moratorium, no new
17 cyber charter school shall be formed or approved and no existing
18 cyber charter school shall have its enrollment expanded.

19 Section 11. Section 1749-A(a) of the act, amended November
20 3, 2016 (P.L.1061, No.138), is amended to read:

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

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

25 (1) Sections 108, 110, 111, 321, 325, 326, 327, 431,
26 436, 443, 510, 518, 527, 708, 752, 753, 755, 771, 776, 777,
27 808, 809, 810, 1109, 1111, 1112(a), 1205.1, 1205.2, 1301,
28 1302, 1310, 1317.2, 1318, 1326, 1327, 1327.2, 1329, 1330,
29 1332, 1333, 1333.1, 1333.2, 1333.3, 1303-A, 1518, 1521, 1523,
30 1531, 1547, 1702-A, 1703-A, 1714-A, 1715-A, 1716-A, 1719-A,

1 1721-A, 1722-A, 1723-A(a) and (b), 1724-A, 1725-A, 1725.1-A,
2 1727-A, 1729-A, 1730-A, 1731-A(a) (1) and (b) and 2014-A and
3 Articles XII-A, XIII-A and XIV.

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

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

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

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

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

24 * * *

25 Section 12. Section 2574.3 of the act is amended by adding
26 subsections to read:

27 Section 2574.3. Approved Reimbursable Annual Rental for
28 Leases of Buildings or Portions of Buildings for Charter School
29 Use.--* * *

30 (c) In its application for funding under this section, the

1 charter school shall provide the following documentation:

2 (1) A copy of the signed lease agreement for the leased
3 building.

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

5 (3) The names of the board of trustees and administrators of
6 the charter school.

7 (4) The names of the administrators or executives of the
8 educational management service provider.

9 (5) If the owner of the leased building is a nonprofit
10 organization or a charter school foundation, the names of the
11 members of its governing board.

12 (d) A charter school may not apply for, nor may the
13 department authorize, any charter lease reimbursement if the
14 reimbursement is for lease payments to the following exclusions
15 which incorporate terms as defined in 65 Pa.C.S. § 1102
16 (relating to definitions):

17 (1) an administrator of the charter school or a member of
18 the administrator's immediate family, or a business with which
19 the administrator or a member of the administrator's immediate
20 family is associated;

21 (2) a member of the board of trustees of the charter school
22 or a member of the member's immediate family, or a business with
23 which the member or a member of the member's immediate family is
24 associated;

25 (3) a founder of the charter school or a member of the
26 founder's immediate family, or a business with which the founder
27 or a member of the founder's immediate family is associated;

28 (4) an administrator or executive of the educational
29 management service provider or a member of the administrator's
30 or executive's immediate family, or a business with which the

1 administrator or executive or a member of the administrator's or
2 executive's immediate family is associated; or

3 (5) any other entity or individual that has a substantial
4 financial interest with the charter school, outside of the lease
5 agreement.

6 (e) (1) An approved reimbursable annual rental
7 reimbursement that does not meet the criteria provided for in
8 this section shall require the department to promptly order the
9 charter school to refund the reimbursement to the Commonwealth.
10 Any charter school staff, including those charter school staff
11 who are subject to the act of December 12, 1973 (P.L.397,
12 No.141), known as the Educator Discipline Act, who intentionally
13 fail to comply with an enforcement order of the department for
14 any prior or current calendar year shall be subject to the
15 following civil penalties:

16 (i) one thousand dollars (\$1,000) for a first violation;
17 (ii) five thousand dollars (\$5,000) for a second violation;
18 and
19 (iii) ten thousand dollars (\$10,000) for a third or
20 subsequent violation.

21 (2) All penalties and any interest imposed under this
22 subsection shall be payable to the Commonwealth and credited to
23 the department for the implementation and enforcement of this
24 section.

25 (f) Within six months of the effective date of this section,
26 the State Board of Education shall promulgate final-omitted
27 regulations that are necessary to implement and enforce the
28 provisions of this section.

29 (g) The department shall regularly post on its publicly
30 accessible Internet website a list of:

1 (1) All annual lease reimbursements paid to charter schools.

2 (2) Any paid reimbursements that required a refund to the
3 Commonwealth because it did not meet the criteria under this
4 section.

5 (h) For the purposes of this section, the term "charter
6 school" shall mean a charter school or a regional charter
7 school.

8 Section 13. This act shall take effect in 60 days.