

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL**No. 1085** Session of 2013

The purpose of this marked up copy of Pennsylvania Senate Bill 1085 is to show on the same document where language is wrong, bad for chartering, or the cause of additional, punitive or damaging oversight. These comments are based on the premise that the State of Pennsylvania needs more quality options for students, and that without additional charters and seats to more quickly and positively address student achievement, little will improve across the state. Based on that supposition – that a new law can and should open a path for new and higher quality charter authorizing to create new and higher quality seats – this bill fails all measures of best practice.

This bill does not accomplish anything positive for students in need of vastly increased and better options because:

- 1) This bill prescribes HOW universities will conduct themselves in copious detail and is a deterrent to quality entities coming forth and participating as authorizers. It's costly and provides no autonomy and no fees for participating as previously recommended and vetted by other model institutions across the country.
- 2) This bill gives HUGE license and new powers to the State education department to oversee how chartering is done at every level and across all authorizers.
- 3) Those that participate will limit their chartering AND only the weak institutions will do so and put a black mark on so called "independent" authorizers.
- 4) There is nothing in this bill that follows the success seen in New York, Michigan, DC or Indiana to name four clear victors in chartering. Everything in this bill mirrors problems we see in states like Maine, New Mexico, Idaho and New Jersey, and as a result options in these states are limited and discouraged.

This bill is marked up with yellow highlights, some green for emphasis, and marked with notes in boxes below the text written in green. A companion outline of EXISTING accountability provisions in law was provided to the bill's advisors last year and is also included in a separate document.

INTRODUCED BY SMUCKER, WILLIAMS, BAKER, FOLMER, WAUGH, ALLOWAY,
PILEGGI AND VANCE, AUGUST 27, 2013

SENATOR FOLMER, EDUCATION, AS AMENDED, OCTOBER 16, 2013

AN ACT

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

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

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

12Section 1703-A. Definitions.--As used in this article,

13"Administrator" shall include an employe of a charter school
14or cyber charter school entity, including the chief
15administrator of a charter school or cyber charter school entity
16and any other employe, who by virtue of the employe's position
17is responsible for taking official action of a nonministerial
18nature with regard to contracting or procurement, administering
19or monitoring grants or subsidies, managing or regulating staff,
20student and school activities or any activity where the official

20130SB1085PN1488 -1-

1action has an economic impact of greater than a de minimis
2nature on the interests of any person.

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

5"Assessment" shall mean the Pennsylvania System of School
6Assessment test, the Keystone Exam or another test established
7by the State board to meet the requirements of section 2603-
8B(d)(10)(i) and required under the No Child Left Behind Act of
92001 (Public Law 107-110, 115 Stat. 1425) or its successor
10Federal statute.

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

15"Charter school" shall mean an independent public school
16established and operated under a charter from the local board of
17school directors or the governing body of an institution of
18higher education and in which students are enrolled or attend. A
19charter school must be organized as a public, nonprofit

20corporation. Charters may not be granted to any for-profit
21entity.

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

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

30"Chief administrator" shall mean an individual appointed by a

20130SB1085PN1488 -2-

1board of trustees to oversee and manage the operation of a
2charter school or cyber charter school entity. The term shall
3not include a professional staff member under this article.

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

8"Committee." The Charter School Funding Advisory Committee.

9"Cyber charter school" shall mean an independent public
10school established and operated under a charter from the
11Department of Education and in which the school uses technology,
12including electronic or digital books, in order to provide a
13significant portion of its curriculum and to deliver a
14significant portion of instruction to its students through the
15Internet or other electronic means. A cyber charter school must
16be organized as a public, nonprofit corporation. A charter may
17not be granted to a for-profit entity.

18"Department" shall mean the Department of Education of the
19Commonwealth.

20"Educational management service provider" shall mean a for-
21profit education management organization, nonprofit charter
22management organization, school design provider, business
23manager or any other partner entity with which a board of
24trustees of a charter school ~~or cyber charter school~~ entity
25contracts to provide educational design, business services,
26comprehensive management or personnel functions or to implement

27the charter. The term shall not include a charter school
28foundation.

29"Governing board of an institution of higher education" shall
30mean an institution of higher education subject to Article XX-C

20130SB1085PN1488 -3-

1which elects by affirmative vote of a majority of all members to
2become an authorizer of charter schools and regional charter
3schools shall assume the same powers and duties as a local board
4of school directors under this article. The term does not
5include a governing board of an institution of higher education
6that does not vote affirmatively to become an authorizer.

7"Immediate family member" shall mean a parent, spouse, child,
8brother or sister.

9"Local board of school directors" shall mean the board of
10directors of a school district in which a proposed or an
11approved charter school is located.

12"Nonrelated" shall mean an individual who is not an immediate
13family member.

14"Regional charter school" shall mean an independent public
15school established and operated under a charter from more than
16one local board of school directors or the governing board of an
17institution of higher education and in which students are
18enrolled or attend. A regional charter school must be organized
19as a public, nonprofit corporation. Charters may not be granted
20to any for-profit entity.

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

23"School district of residence" shall mean the school district
24in this Commonwealth in which [the parents or guardians of a
25child reside] a child resides as determined under section 1302.

26"School entity" shall mean a school district, intermediate
27unit, joint school or area vocational-technical school.

28"Secretary" shall mean the Secretary of Education of the
29Commonwealth.

30"State board" shall mean the State Board of Education of the

1Commonwealth.

2Section 1.1. The act is amended by adding a section to read:

3Section 1704-A. Charter School Funding Advisory Committee.--

4(a) The department shall immediately convene a Statewide
5advisory committee, to be known as the Charter School Funding
6Advisory Committee, to examine the financing of charter schools
7and cyber charter schools in the public education system. The
8committee shall examine how charter school and cyber charter
9school finances affect opportunities for teachers, parents,
10pupils and community members to establish and maintain schools
11that operate independently from the existing school district
12structure as a method to accomplish the requirements of section
131702-A. The department shall provide administrative support,
14meeting space and any other assistance required by the committee
15to carry out its duties under this section.

16(b) The committee shall consist of the following members:

17(1) The chairman and minority chairman of the Education
18Committee of the Senate and the chairman and the minority
19chairman of the Education Committee of the House of
20Representatives or their designees.

21(2) The secretary or a designee.

22(3) The chairman of the State board or a designee.

23(4) The following members, who shall be appointed by the
24secretary:

25(i) One member who shall represent charter schools.

26(ii) One member who shall represent regional charter
27schools.

28(iii) One member who shall represent cyber charter schools.

29(iv) One member who shall represent teachers and may be a
30public school teacher, a charter school teacher, a regional

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1charter school teacher, a cyber charter school teacher or a
2nonpublic school teacher.

3(v) One member who shall represent school administrators.

4(vi) One member who shall represent school board members.

5(vii) One member who shall represent a business manager of a
6school district.

7(viii) One member who shall represent a parent of a child
8attending a charter school or cyber charter school.

9(ix) One member who shall represent an institution of higher
10education.

11(c) Members of the committee shall be appointed within
12forty-five (45) days of the effective date of this section. Any
13vacancy on the committee shall be filled by the original
14appointing officer or agency. The committee shall select a
15chairman and vice chairman from among its membership at an
16organizational meeting. The organizational meeting shall take
17place no later than ninety (90) days following the effective
18date of this section.

19(d) The committee shall hold meetings at the call of the
20chairman. The committee may also hold public hearings on the
21matters to be considered by the committee at locations
22throughout this Commonwealth. All meetings and public hearings
23of the committee shall be deemed public meetings for the purpose
24of 65 Pa.C.S. Ch. 7 (relating to open meetings). Eight members
25of the committee shall constitute a quorum at any meeting. Each
26member of the committee may designate another person to
27represent that member at meetings of the committee.

28(e) Committee members shall receive no compensation for
29their services but shall be reimbursed for all necessary travel
30and other reasonable expenses incurred in connection with the

20130SB1085PN1488 -6-

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1performance of their duties as members. Whenever possible, the
2committee shall utilize the services and expertise of existing
3personnel and staff of State government.

4(f) The committee shall have the following powers and
5duties:

6(1) Meet with current charter school operators within this
7Commonwealth, including cyber charter schools with blended
8programs.

9(2) Review charter school financing laws in operation
10throughout the United States.

11(3) Evaluate and make recommendations on the following:

12(i) Powers and duties extended to charter schools and cyber
13charter schools as they relate to financing.

14(ii) Funding formulas for charter schools and cyber charter
15schools, including reimbursement procedures and funding under
16Title I of the Elementary and Secondary Education Act of 1965
17(Public Law 89-10, 20 U.S.C. § 6301 et seq.).

18(iii) The cost associated with establishing an institution
19of higher education as an authorizer of a charter school or
20regional charter school.

21(iv) The process by which charter schools and cyber charter
22schools are funded under section 1725-A.

23(v) Student residency as it relates to funding.

24(vi) Special education and other special program funding.

25(vii) Charter school transportation.

26(viii) Charter school eligibility to receive grants and
27funding.

28(ix) Appropriate assessment fees on charter schools and
29cyber charter schools.

30(x) Consideration of recognizing a charter school for

20130SB1085PN1488 -7-

1additional designations as a local education agency.

2(g) The committee shall, no later than August 31, 2014,
3issue a report of its findings and recommendations to the
4Governor, the President pro tempore of the Senate, the minority
5leader of the Senate, the chairman and minority chairman of the
6Education Committee of the Senate, the Speaker of the House of
7Representatives, the minority leader of the House of
8Representatives and the chairman and minority chairman of the
9Education Committee of the House of Representatives.

10Section 2. Section 1715-A of the act, amended or added June
1119, 1997 (P.L.225, No.22) and July 9, 2008 (P.L.846, No.61), is
12amended to read:

13Section 1715-A. Charter School Entity Requirements.--(a)
14Charter [schools] school entities shall be required to comply
15with the following provisions:

16(1) Except as otherwise provided in this article, a charter
17school entity is exempt from statutory requirements established
18in this act, from regulations of the State board and the
19standards of the secretary not specifically applicable to
20charter [schools] school entities. Charter [schools] school
21entities are not exempt from statutes applicable to public
22schools other than this act.

23(2) A charter school entity shall be accountable to the
24parents, the public and the Commonwealth, with the delineation
25of that accountability reflected in the charter. Strategies for
26meaningful parent and community involvement shall be developed
27and implemented by each school.

28(3) A charter school entity shall not unlawfully
29discriminate in admissions, hiring or operation.

30(4) A charter school entity shall be nonsectarian in all

20130SB1085PN1488 -8-

1operations.

2(5) (i) A charter school entity shall not provide any
3religious instruction, nor shall it display religious objects
4and symbols on the premises of the charter school. The charter
5school entity shall provide for discrete and separate entrances
6to buildings utilized for school purposes only.

7(ii) It shall not be a violation of this section for a
8charter school entity to utilize a sectarian facility:

9(A) if the religious objects and symbols within the portions
10of the facility utilized by the school are covered or removed to
11the extent reasonably feasible; or

12(B) in which the unused portion of the facility or its
13common areas contain religious symbols and objects.

1. No public school is allowed to educate students in a way that intends to indoctrinate them with religious beliefs; expressly dictating that edict to charter schools here is unnecessary and

not proper. Further, some are likely to interpret that the teaching of religion, including comparative religion and instruction on religious tolerance, is prohibited. This is a nuisance issue, yes, but an example of bad lawmaking nonetheless.

14(6) A charter school entity shall not advocate unlawful
15behavior.

16(7) A charter school or regional charter school shall only
17be subject to the laws and regulations as provided for in
18section 1732-A, or as otherwise provided for in this article.

19(8) ~~(i)~~ A charter school entity shall participate in [the
20Pennsylvania State Assessment System as provided for in 22 Pa.
21Code Ch. 5 (relating to curriculum), or subsequent regulations
22promulgated to replace 22 Pa. Code Ch. 5,] assessments in the
23manner in which the school district in which the charter school
24entity is located is scheduled to participate.

~~< 25(ii) A charter school shall be treated in the same manner as
26a school district for the purposes of measuring the charter
27school's adequate yearly progress under the No Child Left Behind
28Act of 2001 or any successor statute.~~

29(9) A charter school entity shall provide a minimum of one
30hundred eighty (180) days of instruction or nine hundred (900)

20130SB1085PN1488 -9-

1hours per year of instruction at the elementary level, or nine
2hundred ninety (990) hours per year of instruction at the
3secondary level. Nothing in this clause shall preclude the use
4of computer and satellite linkages for delivering instruction to
5students.

6(10) Boards of trustees and contractors of charter [schools]
7school entities shall be subject to the following statutory
8requirements governing construction projects and construction-
9related work:

10(i) The following provisions of this act:

11(A) Sections 751 and 751.1.

12(B) Sections 756 and 757 insofar as they are consistent with
13the act of December 20, 1967 (P.L.869, No.385), known as the
14"Public Works Contractors' Bond Law of 1967."

15(ii) Section 1 of the act of May 1, 1913 (P.L.155, No.104),
16entitled "An act regulating the letting of certain contracts for
17the erection, construction, and alteration of public buildings."

18(iii) The act of August 11, 1961 (P.L.987, No.442), known as
19the "Pennsylvania Prevailing Wage Act."

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

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

23(11) Trustees of a charter school entity shall be public
24officials[.] for the purposes of 65 Pa.C.S. Ch. 11 (relating to
25ethics standards and financial disclosure) and shall file a
26statement of financial interests for the preceding calendar year
27with the State Ethics Commission and the local board of school
28directors or the governing body of an institution of higher
29education <-in the case of a charter school or regional charter
30school or, in the case of a cyber charter school, the

20130SB1085PN1488 -10-

1department, not later than May 1 of each year that members hold
2the position and of the year after a member leaves the position.
3All members of the board of trustees of a charter school entity
4shall take the oath of office as required under section 321
5before entering upon the duties of their office.

6[(12) A person who serves as an administrator for a charter
7school shall not receive compensation from another charter
8school or from a company that provides management or other
9services to another charter school. The term "administrator"
10shall include the chief executive officer of a charter school
11and all other employes of a charter school who by virtue of
12their positions exercise management or operational oversight
13responsibilities. A person who serves as an administrator for a
14charter school shall be a public official under 65 Pa.C.S. Ch.
1511 (relating to ethics standards and financial disclosure). A
16violation of this clause shall constitute a violation of 65
17Pa.C.S. § 1103(a) (relating to restricted activities), and the
18violator shall be subject to the penalties imposed under the
19jurisdiction of the State Ethics Commission.]

20(b) An individual who serves as an administrator for a
21charter school entity shall be a public employe for the purposes
22of 65 Pa.C.S. Ch. 11 and shall file a statement of financial
23interests for the preceding calendar year with the board of
24trustees not later than May 1 of each year that the person holds

25the position and of the year after the person leaves the
26position.

27(c) (1) No individual who serves as an administrator for a
28charter school entity may receive compensation from another
29charter school, cyber charter school entity or from an
30educational management service provider, unless:

20130SB1085PN1488 -11-

1(i) The administrator has submitted a sworn statement to the
2charter school board of trustees of the charter school entity
3and the sworn statement details the work for the other entity
4and includes the projected number of hours, rate of compensation
5and projected duration.

6(ii) The board of trustees of the charter school entity has
7reviewed the sworn statement under subclause (i) and agreed by
8resolution to grant permission to the administrator.

9(2) A copy of the sworn statement under clause (1) (i) and
10the resolution by the board of trustees of the charter school
11entity granting the permission shall be kept on file with the
12charter school entity and the board of local school directors.

13(3) No administrator of a charter school entity or immediate
14family member may serve as a voting member of the board of
15trustees of that individual's charter school.

16(4) (i) No administrator of a charter school entity may
17participate in the selection, award or administration of a
18contract if the person has a conflict of interest as that term
19is defined in 65 Pa.C.S. § 1102 (relating to definitions).

20(ii) An administrator who knowingly violates this clause
21commits a violation of 65 Pa.C.S. § 1103(a) (relating to
22restricted activities) and shall be subject to the penalties
23imposed under the jurisdiction of the State Ethics Commission.

24(iii) Any contract made in violation of this clause shall be
25voidable by the board of trustees of the charter school entity.

26(5) An administrator shall be immediately dismissed upon
27conviction for an offense graded as a felony, an infamous crime,
28an offense pertaining to fraud, theft or mismanagement of public
29funds or any crime involving moral turpitude.

30(d) The board of trustees of a charter school entity shall

1supply the grantor of the charter school entity and the
2secretary a list of the amount of rental payments, which are
3guarantees for school building debt or bonds that become due
4during the fiscal year together with the amount paid on each
5item of indebtedness. Any charter school entity that elects to
6issue debt shall hold in escrow an amount sufficient to pay the
7annual amount of the sum of the principal maturing or subject to
8mandatory redemption and interest owing by the charter school
9entity or sinking fund deposit due by the charter school entity.

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

2. This section actually penalizes charters for raising and saving money. What happens to a group that wants to raise money for a new building or renovations? For new teacher training? For new innovations in the classroom? To open additional new schools? It has to have a new charter first, which is often not what it will do until it has the money! Charters that save money for larger goals to improve their schools should not be punished.

11(1) For the 2013-2014 school year and each school year

12thereafter, a charter school entity shall not accumulate an
13unassigned fund balance greater than the charter school entity
14fund balance limit, which will be determined as follows:

15

<u>16Charter School Entity</u>	<u>Maximum Unassigned Fund Balance as Percentage of Total Budgeted Expenditures</u>
<u>17Total Budgeted Expenditures</u>	
<u>18Less than or equal to \$11,999,999</u>	<u>12%</u>
<u>19Between \$12,000,000 and \$12,999,999</u>	<u>11.5%</u>
<u>20Between \$13,000,000 and \$13,999,999</u>	<u>11%</u>
<u>21Between \$14,000,000 and \$14,999,999</u>	<u>10.5%</u>
<u>22Between \$15,000,000 and \$15,999,999</u>	<u>10%</u>
<u>23Between \$16,000,000 and \$16,999,999</u>	<u>9.5%</u>
<u>24Between \$17,000,000 and \$17,999,999</u>	<u>9%</u>
<u>25Between \$18,000,000 and \$18,999,999</u>	<u>8.5%</u>
<u>26Greater Than or Equal to \$19,000,000</u>	<u>8%</u>

27(2) Any unassigned fund balance in place on June 30, 2014,
28that exceeds the charter school entity fund balance limit shall
29be refunded on a pro rata basis within 90 days to all school
30districts that paid tuition to the charter school entity on

1behalf of students enrolled in the 2012-2013 and 2013-2014
2school years. The funds may not be used to pay bonuses to any
3administrator, board of trustee member, employe, staff or
4contractor and may not be transferred to a charter school
5foundation.

6(3) For the 2014-2015 school year and each school year
7thereafter, any unassigned fund balance in excess of the charter
8school entity fund balance limit shall be **refunded on a pro rata**
9**basis to all school districts that paid tuition to the charter**
10**school entity in the prior school year.**

11(4) By August 15, 2014, and August 15 of each year
12thereafter, each charter school entity shall provide its grantor
13and the board with information certifying compliance with this
14section. The information shall be provided in a form and manner
15prescribed by the board and shall include information on the
16charter school entity's estimated ending unassigned fund balance
17expressed as a dollar amount and as a percentage of the charter
18school entity's total budgeted expenditures for that school
19year.

20Section 3. Section 1716-A(c) of the act, added June 19, 1997
21(P.L.225, No.22), is amended and the section is amended by
22adding subsections to read:

23Section 1716-A. Powers of Board of Trustees.--* * *

3. All new "ethics" language is excessive and designed to deter conflicts of interest. This language would disqualify a majority of charter boards around the country that start with families on their boards or that may consider hiring teachers from the same family even if a founder is a board member. A few bad apples are a result of bad authorizing not a lack of bureaucracy...this is where the story begins. Rather than focus on how to create truly independent entities that are already accountable to the public and have demonstrated their excellence in other states, this bill starts by imposing new requirements on charter boards and schools on how to conduct themselves. The ethics provisions throughout this bill invite regulators to go overboard targeting charter schools exclusively. Skip to Comment 17 if you want to see how it devolves and undermines good practice.

24(b.1) (1) For a charter school <-or regional charter school
25chartered after the effective date of this subsection, an
26individual shall be prohibited from serving as a voting member
27of the board of trustees of the charter school <-or regional
28charter school if the individual or an immediate family member
29receives compensation from or is employed by or is a board
30member of the local board of school directors or the governing

20130SB1085PN1488 -14-

1board of an institution of higher education who participated in
2the initial review, approval, oversight, evaluation or renewal
3process of the charter school or regional charter school
4chartered by that board.

5(2) An employe of the school district or the governing board
6of an institution of higher education that chartered the charter
7school or the regional charter school may serve as a member of
8the board of trustees of the charter school or regional charter
9school without voting privileges.

10(b.2) (1) No member of the board of trustees of a charter
11school entity may participate in the selection, award or
12administration of any contract if the member has a conflict of
13interest as that term is defined in 65 Pa.C.S. § 1102 (relating
14to definitions).

15(2) Any member of the board of trustees of a charter school
16entity who in the discharge of the person's official duties
17would be required to vote on a matter that would result in a
18conflict of interest shall abstain from voting and follow the
19procedures required under 65 Pa.C.S. § 1103(j) (relating to
20restricted activities).

21(3) A member of the board of trustees of a charter school
22entity who knowingly violates this subsection commits a
23violation of 65 Pa.C.S. § 1103(a) and shall be subject to the
24penalties imposed under the jurisdiction of the State Ethics
25Commission.

26(4) A contract made in violation of this subsection shall be
27voidable by a court of competent jurisdiction, if the suit is
28commenced within ninety (90) days of the making of the contract.

29(5) No member of the board of trustees of a charter school
30entity shall be compensated for duties on the board.

20130SB1085PN1488 -15-

1(b.3) A member of the board of trustees of a charter school
2entity shall be automatically disqualified and immediately
3removed from the board upon conviction for an offense graded as
4a felony, an infamous crime, an offense pertaining to fraud,
5theft or mismanagement of public funds, any offense pertaining
6to his official capacity as a board member or any crime
7involving moral turpitude.

8(c) The board of trustees shall comply with [the act of July 93, 1986 (P.L.388, No.84), known as the "Sunshine Act.,"] 65 10Pa.C.S. Ch. 7 (relating to open meetings).

11(d) (1) (i) The board of trustees of a charter school 12entity shall consist of a minimum of five (5) nonrelated voting 13members.

14(ii) If a charter school entity has fewer than five (5) 15nonrelated voting members serving on its board on the effective 16date of this subsection, the charter school entity shall, within 17sixty (60) days, appoint additional members to the board to meet 18the minimum requirements of this section.

19(2) Within one (1) year of the effective date of this 20subsection, at least one (1) member of the board of trustees of 21a charter school entity shall be a parent of a child currently 22attending the charter school entity. The board member shall be 23eligible to serve only so long as the child attends the charter 24school entity.

25(e) (1) A majority of the voting members of the board of 26trustees shall constitute a quorum. If less than a majority is 27present at any meeting, no business may be transacted at the 28meeting.

29(2) The affirmative vote of a majority of all the voting 30members of the board of trustees, duly recorded, shall be

20130SB1085PN1488 -16-

1required in order to take action on the subjects enumerated 2under subsection (a).

3(f) (1) In any case where the board of trustees of a 4charter school entity fails to pay or to provide for the 5payment of:

6(i) any indebtedness at date of maturity or date of 7mandatory redemption or on any sinking fund deposit date; or

8(ii) any interest due on such indebtedness on any interest 9payment date or on any sinking fund deposit date in accordance 10with the schedule under which the bonds were issued.

11The bank or trustee for the bonds shall notify the board of 12charter school trustees trustees of the charter school entity of 13its obligation and shall immediately notify the grantor of the 14charter school entity and the secretary.

15(2) The secretary shall withhold any appropriation due the
16charter school entity in any amount necessary to fully fund the
17amount held in escrow by the charter school entity which shall
18be equal to the sum of the principal amount maturing or subject
19to mandatory redemption and interest owing by the charter school
20entity or sinking fund deposit due by such charter school entity
21and shall require pay over of the amount withheld to the bank or
22trustee acting as the sinking fund depository for the bond issue
23from the escrow account.

24(3) Payments made pursuant to this article shall not be
25given priority over payments required pursuant to sections 633
26and 785 and 53 Pa.C.S. § 8125(b) (relating to security for tax
27anticipation notes and sinking fund), or an agreement pursuant
28to which the board is required to make payment to a holder of
29debt issued by or on behalf of a school entity.

30Section 4. Sections 1717-A(c), (d), (e), (f) and (i) and

20130SB1085PN1488 -17-

11719-A of the act, added June 19, 1997 (P.L.225, No.22), are
2amended to read:

3Section 1717-A. Establishment of Charter School.--* * *

4(c) An application to establish a charter school shall be
5submitted to the local board of school directors of the district
6where the charter school will be **located or the governing board**
7**of an institution of higher education by [November 15] October 1**
8**of the school year preceding the school year** in which the
9charter school will be established except that for a charter
10school beginning in the 1997-1998 school year, an application
11must be received by July 15, 1997. In the 1997-1998 school year
12only, applications shall be limited to recipients of fiscal year
131996-1997 Department of Education charter school planning
14grants.

15(d) **Within forty-five (45) days of receipt of an**
16**application, the local board of school directors in which the**
17**proposed charter school is to be located or the governing board**
18**of an institution of higher education** shall hold at least one
19public hearing on the provisions of the charter application,
20under [the act of July 3, 1986 (P.L.388, No.84), known as the
21"Sunshine Act."] 65 Pa.C.S. Ch. 7 (relating to open meetings).
22At least forty-five (45) days must transpire between the first
23public hearing and the final decision of the board on the
24charter application except that for a charter school beginning
25in the 1997-1998 school year, only thirty (30) days must

26transpire between the first public hearing and the final
27decision of the board.

4. This is exhibit one of how this bill works to treat DISTRICTS and UNIVERSITIES in the same manner as authorizers, when in actuality universities should be defined, and their authorities clearly delineated in a separate section. Districts report to the state education agency – the Department of Education – and are legally accountable to the Department. Universities are not. Districts were considered hostile authorizers when the law was first written, which is why certain time periods and application review guidelines were prescribed into law. One need not do that for non-LEA authorizers because they may choose – for good reason – to have longer or shorter review periods. They may choose to have rolling reviews – just like universities set their own enrollment periods and application review processes. The law can set maximums or ask that authorizers post their procedures, but to prescribe how they do what they do is the antithesis of good policy and the first disincentive to any institution of higher education.

28(e) (1) Not later than seventy-five (75) days after the
29first public hearing on the application, the local board of
30school directors or the governing board of an institution of

20130SB1085PN1488 -18-

1higher education shall grant or deny the application. For a
2charter school beginning in the 1997-1998 school year, the local
3board of school directors shall grant or deny the application no
4later than sixty (60) days after the first public hearing.

5. See previous comment. The experiences in DC, Michigan, and New York all demonstrate that law need not dictate such things, and independent and aspirational incentives, not regulatory frameworks drive great charter authorizing.

5(2) A charter school application submitted under this
6article shall be evaluated by the local board of school
7directors or the governing board of an institution of higher
8education based on criteria, including, but not limited to, the
9following:

10(i) The demonstrated, sustainable support for the charter
11school plan by teachers, parents, other community members and
12students, including comments received at the public hearing held
13under subsection (d).

14(ii) The capability of the charter school applicant, in
15terms of support and planning, to provide comprehensive learning
16experiences to students pursuant to the adopted charter.

17(iii) The extent to which the application considers the
18information requested in section 1719-A and conforms to the
19legislative intent outlined in section 1702-A.

20[(iv) The extent to which the charter school may serve as a
21model for other public schools.]

22(3) The local board of school directors, in the case of an
23existing school being converted to a charter school, shall
24establish the alternative arrangements for current students who
25choose not to attend the charter school.

26(4) A charter application shall be deemed approved by the
27local board of school directors of a school district or the
28governing board of an institution of higher education upon
29affirmative vote by a majority of all the directors. Formal
30action approving or denying the application shall be taken by

20130SB1085PN1488 -19-

1the local board of school directors or the governing board of an
2institution of higher education at a public meeting, with notice
3or consideration of the application given by the board, under
4[the "Sunshine Act."] 65 Pa.C.S. Ch. 7.

5(5) Written notice of the board's action shall be sent to
6the applicant, the department and the appeal board. If the
7application is denied, the reasons for the denial, including a
8description of deficiencies in the application, shall be clearly
9stated in the notice sent by the local board of school directors
10or the governing board of an institution of higher education to
11the charter school applicant.

12(f) At the option of the charter school applicant, a denied
13application may be revised and resubmitted to the local board of
14school directors or the governing board of an institution of
15higher education. Following the appointment and confirmation of
16the Charter School Appeal Board under section 1721-A, the
17decision of the local board of school **directors or the governing**
18**board of an institution of higher education may be appealed to**
19**the appeal board.** When an application is revised and resubmitted
20to the local board of school directors or the governing board of
21an institution of higher education, the board may schedule
22additional public hearings on the revised application. The board
23shall consider the revised and resubmitted application at the
24first board meeting occurring at least forty-five (45) days
25after receipt of the revised application by the board. For a
26revised application resubmitted for the 1997-1998 school year,
27the board shall consider the application at the first board
28meeting occurring at least thirty (30) days after its receipt.
29The board shall provide notice of consideration of the revised
30application under [the "Sunshine Act."] 65 Pa.C.S. Ch. 7. No

6. As we have stated many times over the years, when a state creates new, independent authorizers, it should not subject those authorizers to an appeals process by the department-based Appeals Board. When you have multiple authorizers you give charter applicants new paths to pursue. Districts have and should have appeals because they are legal entities of the state. One can choose to go there to apply, or one can choose a new independent entity. The decision of the latter should be binding, not subject to state oversight and appeal. This is another disincentive. No such appeal process exists in model states.

20130SB1085PN1488 -20-

1 appeal from a decision of a local school board may be taken
2 until July 1, 1999.

3 * * *

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

7. Please see comment six above for our recommendation to eliminate the appeals board.

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

23 (3) Each person signing a petition to appeal denial of a
24 charter under clause (2) shall declare that he or she is a
25 resident of the school district which denied the charter
26 application and shall include his or her printed name;
27 signature; address, including city, borough or township, with
28 street and number, if any; and the date of signing. All pages
29 shall be bound together. Additional pages of the petition shall
30 be numbered consecutively. There shall be appended to the

20130SB1085PN1488 -21-

1petition a statement that the local board of directors rejected
2the petition for a charter school, the names of all applicants
3for the charter, the date of denial by the board and the
4proposed location of the charter school. No resident may sign
5more than one petition relating to the charter school
6application within the sixty (60) days following denial of the
7application. The department shall develop a form to be used to
8petition for an appeal.

9(4) Each petition shall have appended thereto the affidavit
10of some person, not necessarily a signer, setting forth all of
11the following:

12(i) That the affiant is a resident of the school district
13referred to in the petition.

14(ii) The affiant's residence, giving city, borough or
15township, with street and number, if any.

16(iii) That the signers signed with full knowledge of the
17purpose of the petition.

18(iv) That the signers' respective residences are correctly
19stated in the petition.

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

21(vi) That each signer signed on the date set forth opposite
22the signer's name.

23(vii) That to the best of the affiant's knowledge and
24belief, the signers are residents of the school district.

25(5) If the required number of signatures are obtained within
26sixty (60) days of the denial of the application, the applicant
27may present the petition to the court of common pleas of the
28county in which the charter school would be situated. The court
29shall hold a hearing only on the sufficiency of the petition.
30The applicant and local board of school directors shall be given

20130SB1085PN1488 -22-

1seven (7) days' notice of the hearing. The court shall issue a
2decree establishing the sufficiency or insufficiency of the
3petition. If the petition is sufficient, the decree shall be
4transmitted to the State Charter School Appeal Board for review
5in accordance with this section. Notification of the decree
6shall be given to the applicant and the local board of
7directors.]

8(6) In any appeal, the decision made by the local board of
9directors or the governing board of an institution of higher
10education shall be reviewed by the appeal board on the record as
11certified by the local board of directors or the governing board
12of an institution of higher education. The appeal board shall
13give due consideration to the findings of the local board of
14directors or the governing board of an institution of higher
15education and specifically articulate its reasons for agreeing
16or disagreeing with those findings in its written decision. The
17appeal board shall have the discretion to allow the local board
18of directors or the governing board of an institution of higher
19education and the charter school applicant to supplement the
20record if the supplemental information was previously
21unavailable.

22(7) Not later than thirty (30) days after the date of notice
23of the acceptance of the appeal, the appeal board shall meet to
24officially review the certified record.

25(8) Not later than sixty (60) days following the review
26conducted pursuant to clause (6), the appeal board shall issue a
27written decision affirming or denying the appeal. If the appeal
28board has affirmed the decision of the local board of directors
29or the governing board of an institution of higher education,
30notice shall be provided to both parties.

20130SB1085PN1488 -23-

1(9) A decision of the appeal board to reverse the decision
2of the local board of directors or the governing board of an
3institution of higher education shall serve as a requirement for
4the local board of directors of a school district or school
5districts, as appropriate, or the governing board of an
6institution of higher education, to grant the application and
7sign the written charter of the charter school as provided for
8in section 1720-A. Should the local board of directors or the
9governing board of an institution of higher education fail to
10grant the application and sign the charter within ten (10) days
11of notice of the reversal of the decision of the local board of
12directors or the governing board of an institution of higher
13education, the charter shall be deemed to be approved and shall
14be signed by the chairman of the appeal board.

15(10) All decisions of the appeal board shall be subject to
16appellate review by the Commonwealth Court.

17(j) Notwithstanding the provisions of section 696(i) or any
18other provision of law to the contrary, a school reform
19commission considering an application to establish a charter

20school in a school district of the first class shall comply with
21subsection (e) (5).

22(k) Notwithstanding the provisions of section 696(i) or any
23other provision of law to the contrary, a charter school
24applicant may appeal a decision of a school reform commission to
25deny an application to establish a charter school in a school
26district of the first class to the appeal board. Subsections
27(g), (h) and (i) shall apply to an appeal under this subsection.

28Section 1719-A. Contents of Application.--[An] **(a) The**
29department shall create a standard application for charter
30school applicants to establish a charter school entity and for

8. Standard content for applications is great but a Department of Education generated form is not. We have seen best practice stipulate certain minimum requirements but also define the entire application. In states with multiple authorizers, institutions of higher education often go above and beyond what a state requires in its application. Standardizing application content gives them no flexibility to tailor the process and to become distinct from their colleagues and competitors.

20130SB1085PN1488 -24-

1existing charter school entities seeking renewal of their
2charter. The form shall be published in the Pennsylvania
3Bulletin and posted on the department's publicly accessible
4Internet website. The form shall include all of the following
5information:

6(1) The identification of the charter school applicant.

7(2) The name of the proposed charter school entity.

8(3) The grade or age levels served by the school.

9(4) [The proposed governance structure of the charter
10school, including a description and method for the appointment
11or election of members of the board of trustees.] An
12organizational chart clearly presenting the proposed governance
13structure of the school, including lines of authority and
14reporting between the board of trustees, administrators, staff
15and any educational management service provider that will
16provide management services to the charter school <-entity.

17(4.1) A clear description of the roles and responsibilities
18for the board of trustees, administrators and any other
19entities, including a charter school foundation, shown in the
20organizational chart.

21(4.2) A clear description and method for the appointment or
22election of members of the board of trustees.

23(4.3) Standards for board performance, including compliance
24with all applicable laws, regulations and terms of the charter.

25(4.4) If the charter school <-entity intends to contract with
26an educational management service provider for services, all of
27the following:

28(i) Evidence of the educational management service
29provider's record in serving student populations, including
30demonstrated academic achievement and demonstrated management of

20130SB1085PN1488 -25-

1nonacademic school functions, including proficiency with public
2school-based accounting, if applicable.

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

4(A) The officers, chief administrator and administrators of
5the educational management service provider.

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

7(C) Roles and responsibilities of the governing board, the
8school staff and the educational management service provider.

9(D) The scope of services, personnel and resources to be
10provided by the educational management service provider.

11(E) Performance evaluation measures and timelines.

12(F) The compensation structure, including clear
13identification of all fees to be paid to the educational
14management service provider.

15(G) Methods of contract oversight and enforcement.

16(H) Investment disclosure or the advance of moneys by the
17educational management service provider on behalf of the charter
18school entity.

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

20(iii) Disclosure and explanation of any existing or
21potential conflicts of interest between the members of the board
22of trustees and the proposed educational management service

23provider or any affiliated business entities, including a
24charter school foundation qualified as a support organization
25under the Internal Revenue Code of 1986 (Public Law 99-514, 26
26U.S.C. § 1 et seq.).

27(5) The mission and education goals of the charter school,
28the curriculum to be offered and the methods of assessing
29whether students are meeting educational goals.

30(6) The admission policy [and criteria for evaluating the

20130SB1085PN1488 -26-

1admission of students] and enrollment which shall comply with
2the requirements of section 1723-A.

3(7) Procedures which will be used regarding the suspension
4or expulsion of pupils. Said procedures shall comply with
5section 1318.

6(8) Information on the manner in which community groups will
7be involved in the charter school entity planning process.

8(9) The financial plan for the charter school entity and the
9provisions which will be made for auditing the school under
10[section] sections 437 and 1728-A, including the role of any
11charter school foundation.

12(10) Procedures which shall be established to review
13complaints of parents regarding the operation of the charter
14school entity.

15(11) A description of and address of the physical facility
16in which the charter school entity will be located and the
17ownership thereof and any lease arrangements.

18(12) Information on the proposed school calendar for the
19charter school entity, including the length of the school day
20and school year consistent with the provisions of section 1502.

21(13) The proposed faculty, if already determined, and a
22professional development and continuing education plan for the
23faculty and professional staff of [a] the charter school entity.

24(14) Whether any agreements have been entered into or plans
25developed with the local school district regarding participation
26of the charter school entity's students in extracurricular
27activities within the school district. Notwithstanding any
28provision to the contrary, no school district of residence shall

29prohibit a student of a charter school entity from participating
30in any extracurricular activity of that school district of

20130SB1085PN1488 -27-

1residence: Provided, That the student is able to fulfill all of
2the requirements of participation in such activity and the
3charter school entity does not provide the same extracurricular
4activity.

5(15) A report of criminal history record, pursuant to
6section 111, for all individuals identified in the application
7who shall have direct contact with students and a plan for
8satisfying the proper criminal history record clearances
9required for all other staff.

10(16) An official clearance statement regarding child injury
11or abuse from the Department of Public Welfare as required by 23
12Pa.C.S. Ch. 63 Subch. C.2 (relating to background checks for
13employment in schools) for all individuals identified in the
14application who shall have direct contact with students and a
15plan for satisfying the proper official clearance statement
16regarding child injury or abuse required for all other staff.

17(17) How the charter school entity will provide adequate
18liability and other appropriate insurance for the charter school
19entity, its employees and the board of trustees of the charter
20school entity.

21(18) Policies regarding truancy, absences and withdrawal of
22students, including the manner in which the charter school
23entity will monitor attendance consistent with section 1715-A(a)
24(9).

25(19) How the charter school entity will meet the standards
26included in the performance matrix developed by the department
27under section 1732-A(c) (3).

28(20) Indicate whether or not the charter school entity will
29seek accreditation by a nationally recognized accreditation
30agency, including the Middle States Association of Colleges and

20130SB1085PN1488 -28-

1Schools or another regional institutional accrediting agency
2recognized by the United States Department of Education or an
3equivalent federally recognized body for charter school
4education.

5(b) A local board of school directors or the governing board
6of an institution of higher education may not impose additional
7terms, develop its own application or require additional
8information outside the standard application form required under
9subsection (a).

10Section 5. Section 1720-A of the act, amended July 9, 2008
11(P.L.846, No.61), is amended to read:

12Section 1720-A. Term and Form of Charter.--(a) Upon
13approval of a charter application under section 1717-A, a
14written charter shall be developed which shall contain the
15provisions of the standardized charter application under section
161719-A and which shall be signed by the local board of school
17directors of a school district, by the local boards of school
18directors of a school district in the case of a regional charter
19school, by the governing board of an institution of higher
20education or by the chairman of the appeal board pursuant to
21section [1717-A(i) (5)] 1717-A(i) and the board of trustees of
22the charter school ~~<-or regional charter school~~. This written
23charter, when duly signed by the local board of school directors
24of a school district, or by the local boards of school directors
25of a school district in the case of a regional charter school or
26the governing board of an institution of higher education, and
27the charter school's ~~<-or regional charter school's~~ board of
28trustees, shall act as legal authorization for the establishment
29of a charter school ~~<-or regional charter school~~. This written
30charter shall be legally binding on both the local board of

20130SB1085PN1488 -29-

1school directors of a school district or the governing board of
2an institution of higher education and the charter school's ~~or~~
~~3regional charter school's~~ board of trustees. [Except as
4otherwise provided in subsection (b), the] If the charter school
<-5or regional charter school contracts with an educational
6management service provider, an executed contract shall be
7signed once the charter is approved. The charter shall be for a
8period of [no less than [three (3) nor more than] five (5) years
9and]. **Upon the effective date of the regulations implementing**
10the performance matrix as required by section 1732-A, charter
11schools and regional charter schools that have satisfied the
12academic quality benchmark established by the department
13pursuant to section 1732-A may be renewed for [five (5)] ten
14(10) year periods upon reauthorization by the local board of
15school directors of a school district or the governing board of
16an institution of higher education or the appeal board. Charter
17schools and regional charter schools that have not satisfied the
18academic quality benchmark established by the department
19pursuant to section 1732-A, may be renewed for five (5) year

20periods upon reauthorization by the local board of school
21directors or the governing board of an institution of higher
22education or the appeal board. A charter will be granted only
23for a school organized as a public, nonprofit corporation.

9. See later comments on the performance matrix. This is damaging precedent.

24(b) [(1) Notwithstanding subsection (a), a governing board
25of a school district of the first class may renew a charter for
26a period of one (1) year if the board of school directors
27determines that there is insufficient data concerning the
28charter school's academic performance to adequately assess that
29performance and determines that an additional year of
30performance data would yield sufficient data to assist the

20130SB1085PN1488 -30-

1governing board in its decision whether to renew the charter for
2a period of five (5) years.

3(2) A one-year renewal pursuant to paragraph (1) shall not
4be considered an adjudication and may not be appealed to the
5State Charter School Appeal Board.

6(3) A governing board of a school district of the first
7class does not have the authority to renew a charter for
8successive one (1) year periods] (Reserved).

**9(c) (1) A charter school or regional charter school may
10request amendments to its approved written charter by filing a
11written document describing the requested amendment to the local
12board of school directors or the governing board of an
13institution of higher education.**

**10. Statements such as this require additional rules to be created. The Department will, by
definition have to craft further rules governing how and when and under what conditions to
hear and grant requests for charter amendments.**

14(2) Within twenty (20) days of its receipt of the request
15for an amendment, the local board of school directors or the
16governing board of an institution of higher education shall hold
17a public hearing on the requested amendment under 65 Pa.C.S. Ch.
187 (relating to open meetings).

19(3) Within twenty (20) days after the hearing, the local
20board of school directors or the governing board of an
21institution of higher education shall grant or deny the
22requested amendment. Failure by the local board of school
23directors or the governing board of an institution of higher

24education to hold a public hearing and to grant or deny the
25amendments within the time period specified shall be deemed a
26denial.

27(4) An applicant for an amendment shall have the right to
28appeal the denial of a requested amendment to the appeal board
29provided for under section 1721-A.

30Section 6. Section 1721-A(a) and (e) of the act, added June

20130SB1085PN1488 -31-

119, 1997 (P.L.225, No.22), are amended to read:

2Section 1721-A. State Charter School Appeal Board.--(a) The
3State Charter School Appeal Board shall consist of the Secretary
4of Education and [six (6)] the following members who shall be
5appointed by the Governor by and with the consent of a majority
6of all the members of the Senate. [Appointments by the Governor
7shall not occur prior to January 1, 1999.] The Governor shall
8select the chairman of the appeal board to serve at the pleasure
9of the Governor. The members shall include:

10(1) A parent of a school-aged child enrolled ~~←at a charter~~
11~~school, regional charter school or cyber charter school.~~ in a
12charter school entity.

13(2) A school board member.

14(3) A certified teacher actively employed in a public
15school.

16(4) A faculty member or administrative employe of an
17institution of higher education.

18(5) A member of the business community.

19(6) A member of the State Board of Education.

20(7) An administrator of a charter school, ~~regional charter~~
21~~school or cyber charter school~~ entity.

22(8) A member of the board of trustees of a charter school,
23~~regional charter school or cyber charter school~~ entity.

24The term of office of members of the appeal board, other than
25the secretary, shall be for a period of four (4) years or until
26a successor is appointed and qualified, except that, of the
27initial appointees, the Governor shall designate two (2) members

28to serve terms of two (2) years, two (2) members to serve terms
29of three (3) years and two (2) members to serve terms of four
30(4) years. A parent member appointed under paragraph (1) shall

20130SB1085PN1488 -32-

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

6* * *

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

14Section 7. Section 1722-A of the act, amended November 17,
152010 (P.L.996, No.104), is amended to read:

16Section 1722-A. Facilities.--(a) A charter school entity
17may be located in an existing public school building, in a part
18of an existing public school building, in space provided on a
19privately owned site, in a public building or in any other
20suitable location. A charter school has a right of first refusal
21to purchase or lease an existing public school building, a part
22of an existing public school building or space in a public
23building at or below fair market value.

24(b) The charter school entity facility shall be exempt from
25public school facility regulations except those pertaining to
26the health or safety of [the pupils] students.

27(d) Notwithstanding any other provision of this act, a
28school district [of the first class] may, in its discretion,
29permit a charter school or regional charter school to operate
30its school at more than one location.

20130SB1085PN1488 -33-

1(e) (1) Notwithstanding the provisions of section 204 of
2the act of May 22, 1933 (P.L.853, No.155), known as The General

3County Assessment Law, all school property, real and personal,
4owned by any charter school, cyber charter school or an
5associated nonprofit foundation, or owned by a nonprofit
6corporation, associated nonprofit corporation or nonprofit
7foundation and leased to a charter school, cyber charter school
8[or], associated nonprofit foundation or associated nonprofit
9corporation at or below fair market value, that is occupied and
10used by any charter school or cyber charter school for public
11school, recreation or any other purposes provided for by this
12act, shall be made exempt from every kind of State, county,
13city, borough, township or other real estate tax, including
14payments in lieu of taxes established through agreement with the
15Commonwealth or any local taxing authority, as well as from all
16costs or expenses for paving, curbing, sidewalks, sewers or
17other municipal improvements, Provided, That any charter school
18or cyber charter school or owner of property leased to a charter
19school or cyber charter school may make a municipal improvement
20in a street on which its school property abuts or may contribute
21a sum toward the cost of the improvement.

22(2) Any agreement entered into by a charter school, cyber
23charter school [or], associated nonprofit foundation or
24associated nonprofit corporation with the Commonwealth or a
25local taxing authority for payments in lieu of taxes prior to
26December 31, 2009, shall be null and void.

27(3) This subsection shall apply retroactively to all charter
28schools, cyber charter schools [and], associated nonprofit
29foundations and associated nonprofit corporations that filed an
30appeal from an assessment, as provided in Article V of The

20130SB1085PN1488 -34-

1General County Assessment Law, prior to the effective date of
2this subsection and until such time as a final order has been
3entered.

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

**7(f) (1) Alcoholic beverages shall not be available for
8consumption, purchase or sale in any charter school ~~or cyber~~
9~~charter school facility entity.~~**

11. The states alcohol sale laws, consumption regulations and provisions regarding alcoholic beverages in public places provide sufficient coverage of this issue. This appears as unnecessary overkill.

10(2) If, in the case of a charter school or regional charter
11school, the local board of school directors or the governing
12board of an institution of higher education reasonably believes
13that alcoholic beverages have been made available for
14consumption, purchase or sale in any charter school ~~or cyber~~
15~~charter school~~ entity facility, the local board of school
16directors or the governing board of an institution of higher
17education shall notify the department, and the secretary shall
18order the following forfeitures against the charter school or
19cyber charter school:

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

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

23(3) The charter school ~~or cyber charter school~~ entity may
24appeal the order of the secretary under 2 Pa.C.S. Chs. 5
25(relating to practice and procedure) and 7 (relating to judicial
26review).

27Section 8. Section 1723-A(a), (b) and (d) of the act,
28amended June 26, 1999 (P.L.394, No.36) and July 9, 2008
29(P.L.846, No.61), are amended and the section is amended by
30adding a subsection to read:

20130SB1085PN1488 -35-

1Section 1723-A. [Enrollment] Admission and Enrollment
2Requirements.--(a) (1) All resident children in this
3Commonwealth who submit a completed enrollment in accordance
4with clause (3) qualify for admission to a charter school ~~<-entity~~
5within the provisions of subsection (b). [If] In the case of a
6charter school, if more students apply to the charter school
7than the number of attendance slots available in the school,
8then students must be selected on a random basis from a pool of
9[qualified applicants meeting the established eligibility
10criteria and submitting] ~~resident children who have submitted an~~
11application] eligible applicants who have submitted an
12enrollment form in accordance with clauses (3) and (4) by the
13deadline established by the charter school, except that the
14charter school may give preference in enrollment to a child of a
15parent who has actively participated in the development of the
16charter school [and], to siblings of students presently enrolled
17in the charter school and to siblings of students selected for
18enrollment during the lottery process. First preference shall be
19given to students who reside in the district or districts in
20which the charter school is physically located.

~~21(2) Resident children not selected from the initial pool
22shall be placed on a waiting list in the order by which they
23were randomly selected. Resident children who apply after a
24waiting list has been created shall be placed on the waiting
25list in the order in which their applications were received. The
26charter school shall enroll additional resident children off the
27waiting list when space becomes available.~~

~~28(3) Applications for admission to a charter school shall be
29made on a form developed by the department and shall be made
30available at the charter school and on a charter school's~~

20130SB1085PN1488 -36-

~~1publicly accessible Internet website if the charter school has
2such a website.~~

~~3(4) Applications for admission to a charter school or
4entrance into a pool for random selection shall not require or
5include a request for any other information that goes beyond the
6contents of the application form developed by the department,
7unless delineated in the school's charter and approved by the
8department.~~

9(2) **If a charter school has a waiting list following its**
10initial selection of eligible applicants under clause (1), the
11charter school shall select eligible applicants from the waiting
12list as spaces become available. All children shall be assigned
13to the waiting list on a random basis. When selecting eligible
14applicants from the waiting list, a charter school shall give
15first preference to students as provided under clause (1) and to
16those who reside in the district or districts in which the
17charter school is physically located until the charter school
18again reaches its maximum capacity of students. If a charter
19school has a waiting list, once the charter school has exhausted
20the waiting list of resident children, it may then enroll
21children on the waiting list who reside outside of the district.
22Nonresident children shall also be selected on a random basis.
23If a charter school and the school district from which it is
24authorized have voluntarily capped enrollment or the district
25attempts to involuntarily cap enrollment of resident students
26and the charter school has enrolled the maximum number of
27resident students, it may enroll students residing outside of
28the district.

29(3) The department, in consultation with representatives of
30charter school entities, shall develop a standard enrollment

20130SB1085PN1488 -37-

1form that shall be used by all eligible applicants to apply to a
2charter school entity. The standard enrollment form shall only
3request information necessary to allow the charter school entity
4to identify the student, grade level and residency, including:

5(i) The student's name, physical address, telephone number,
6age, birth date and current grade level.

7(ii) The name, physical address, telephone number and e-mail
8address of the student's parent or guardian.

9(4) The standard enrollment form shall be made physically
10available at each charter school entity, in a form that complies
11with Federal and State law and posted on the publicly accessible
12Internet website of each charter school entity, if available. A
13charter school entity may accept the enrollment form via
14electronic means.

15(5) When a student applies to a charter school entity, a
16charter school entity shall not require or request information
17beyond the contents of the standard enrollment form developed by
18the department.

19~~(5)~~-(6) Nothing in this section shall prohibit a charter
20school entity from requesting the submission of additional
21records and information that public schools are entitled to
22after acceptance a student is accepted for admission to a
23charter school. entity.

24As used in this subsection:

25"Eligible applicant" shall mean a student who is seeking to
26enter a grade level offered by the charter school and meets the
27requirements of 22 Pa. Code §§ 11.12 (relating to school age),
2811.13 (relating to compulsory school age), 11.14 (relating to
29admission to kindergarten when provided), 11.15 (relating to
30admission of beginners), 11.16 (relating to early admission of

20130SB1085PN1488 -38-

1beginners) and 12.1 (relating to free education and attendance)
2and student residency requirements.

3(b) (1) A charter school entity shall not discriminate in
4its admission policies or practices on the basis of
5[intellectual ability, [except as provided in paragraph (2), or]
6athletic ability, measures of achievement or aptitude, status as
7a person with a disability, proficiency in the English language

8or any other basis that would be illegal if used by a school
9district.

10(2) A charter school entity may limit [admission] its
11academic focus to a particular grade level[,] or a targeted
12population group composed of at-risk students[,] or areas of
13concentration of the school such as mathematics, science or the
14arts. A charter school may establish reasonable criteria to
15evaluate prospective students which shall be outlined in the
16school's charter.] . ~~Only a charter school with a concentrated,~~
17~~specialized or accelerated program of study in science,~~
18~~technology, engineering and mathematics (STEM) or the performing~~
19~~arts for students in grades nine (9) through twelve (12)~~
20~~outlined in the school's charter, made publicly available on the~~
21~~charter school's Internet website, and in accordance with clause~~
22(1), ~~may establish reasonable criteria to evaluate prospective~~
23~~students for enrollment purposes. Each child who meets the~~
24~~admission criteria shall be eligible for admission and included~~
25~~in a pool for random selection should one be necessary. .]~~ or a
26specialized area or accelerated program of study, such as
27mathematics, science or the arts.

28* * *

29(d) (1) Enrollment of students in a charter school,
30regional charter school or cyber charter school, or expansion of

20130SB1085PN1488 -39-

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

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

13(e) A school district's obligation to make payment for
14students enrolled in a charter school shall be governed by
15section 1725-A or, in the case of students who are below a
16school district's age of enrollment, by the terms of any charter
17or service contract between a school district and a charter
18school.

19Section 9. Section 1724-A(c) and (d) of the act, amended or
20added June 19, 1997 (P.L.225, No.22) and June 30, 2011 (P.L.112,
21No.24), are amended to read:

22Section 1724-A. School Staff.--* * *

**23(c) All employes of a charter school shall be enrolled in
24the Public School Employees' Retirement System in the same
25manner as set forth in 24 Pa.C.S. § 8301(a)** (relating to
26mandatory and optional membership) unless at the time of the
27application for the charter school the sponsoring district or
28the board of trustees of the charter school has a retirement
29program which covers the employes or the employe is currently
30enrolled in another retirement program. [The Commonwealth shall

20130SB1085PN1488 -40-

1make contributions on behalf of charter school employes enrolled
2in the Public School Employees' Retirement System.] The charter
3school shall be considered a school district and shall make
4payments by employers to the Public School Employees' Retirement
5System and payments on account of Social Security as established
6under 24 Pa.C.S. Pt. IV (relating to retirement for school
7employees). [The market value/income aid ratio used in
8calculating payments as prescribed in this subsection shall be
9the market value/income aid ratio for the school district in
10which the charter school is located or, in the case of a
11regional charter school, shall be a composite market
12value/income aid ratio for the participating school districts as
13determined by the department.] Except as otherwise provided,
14employes of a charter school shall make regular member
15contributions as required for active members under 24 Pa.C.S.
16Pt. IV. If the employes of the charter school participate in
17another retirement plan, then those employes shall have no
18concurrent claim on the benefits provided to public school
19employes under 24 Pa.C.S. Pt. IV. For purposes of this
20subsection, a charter school shall be deemed to be a "public
21school" as defined in 24 Pa.C.S. § 8102 (relating to
22definitions). **Nothing in this article shall be construed to
23require the Commonwealth to make contributions, from
24appropriated funds, as provided in 24 Pa.C.S. § 8329(a)
25(relating to payments on account of social security deductions
26from appropriations) on account of Social Security payments made
27by a charter school.**

11. Requiring participation in a particular retirement system significantly impedes on a charter school's autonomy and the ability of its board to design employment incentives in a manner it sees fit to operate the school in the most effective manner. Efforts to address the so-called pension "double dip" ignore the fact that not all charter schools participate in the state pension

program (PSERS) for a number of reasons. These schools would suffer a significant financial blow (millions of dollars) under the proposed formula.

28(d) Every employe of a charter school shall be provided [the
29same] similar health care benefits as the employe would be
30provided if he or she were an employe of the local district. The

20130SB1085PN1488 -41-

1local board of school directors may require the charter school
2to provide [the same] similar terms and conditions with regard
3to health insurance as the collective bargaining agreement of
4the school district to include employe contributions to the
5district's health benefits plan. The charter school shall make
6any required employer's contribution to the district's health
7plan to an insurer, a local board of school directors or a
8contractual representative of school employes, whichever is
9appropriate to provide the required coverage.

10* * *

11Section 10. Section 1725-A of the act, amended or added June
1219, 1997 (P.L.225, No.22), June 22, 2001 (P.L.530, No.35) and
13June 29, 2002 (P.L.524, No.88), is amended to read:

14Section 1725-A. Funding for Charter Schools <-and Regional
15Charter Schools.--(a) [Funding for a charter school shall be
16provided in the following manner:

17(1) There shall be no tuition charge for a resident or
18nonresident student attending a charter school.

19(2) For non-special education students, the charter school
20shall receive for each student enrolled no less than the
21budgeted total expenditure per average daily membership of the
22prior school year, as defined in section 2501(20), minus the
23budgeted expenditures of the district of residence for nonpublic
24school programs; adult education programs; community/junior
25college programs; student transportation services; for special
26education programs; facilities acquisition, construction and
27improvement services; and other financing uses, including debt
28service and fund transfers as provided in the Manual of
29Accounting and Related Financial Procedures for Pennsylvania
30School Systems established by the department. This amount shall

20130SB1085PN1488 -42-

1be paid by the district of residence of each student.

2(3) For special education students, the charter school shall
3receive for each student enrolled the same funding as for each
4non-special education student as provided in clause (2), plus an
5additional amount determined by dividing the district of
6residence's total special education expenditure by the product
7of multiplying the combined percentage of section 2509.5(k)
8times the district of residence's total average daily membership
9for the prior school year. This amount shall be paid by the
10district of residence of each student.

11(4) A charter school may request the intermediate unit in
12which the charter school is located to provide services to
13assist the charter school to address the specific needs of
14exceptional students. The intermediate unit shall assist the
15charter school and bill the charter school for the services. The
16intermediate unit may not charge the charter school more for any
17service than it charges the constituent districts of the
18intermediate unit.

19(5) Payments shall be made to the charter school in twelve
20(12) equal monthly payments, by the fifth day of each month,
21within the operating school year. A student enrolled in a
22charter school shall be included in the average daily membership
23of the student's district of residence for the purpose of
24providing basic education funding payments and special education
25funding pursuant to Article XXV. If a school district fails to
26make a payment to a charter school as prescribed in this clause,
27the secretary shall deduct the estimated amount, as documented
28by the charter school, from any and all State payments made to
29the district after receipt of documentation from the charter
30school.

20130SB1085PN1488 -43-

1(6) Within thirty (30) days after the secretary makes the
2deduction described in clause (5), a school district may notify
3the secretary that the deduction made from State payments to the
4district under this subsection is inaccurate. The secretary
5shall provide the school district with an opportunity to be
6heard concerning whether the charter school documented that its
7students were enrolled in the charter school, the period of time
8during which each student was enrolled, the school district of
9residence of each student and whether the amounts deducted from
10the school district were accurate.

11(b) The Commonwealth shall provide temporary financial
12assistance to a school district due to the enrollment of
13students in a charter school who attended a nonpublic school in
14the prior school year in order to offset the additional costs
15directly related to the enrollment of those students in a public

16charter school. The Commonwealth shall pay the school district
17of residence of a student enrolled in a nonpublic school in the
18prior school year who is attending a charter school an amount
19equal to the school district of residence's basic education
20subsidy for the current school year divided by the district's
21average daily membership for the prior school year. This payment
22shall occur only for the first year of the attendance of the
23student in a charter school, starting with school year 1997-
241998. Total payments of temporary financial assistance to school
25districts on behalf of a student enrolling in a charter school
26who attended a nonpublic school in the prior school year shall
27be limited to funds appropriated for this program in a fiscal
28year. If the total of the amount needed for all students
29enrolled in a nonpublic school in the prior school year who
30enroll in a charter school exceeds the appropriation for the

20130SB1085PN1488 -44-

1temporary financial assistance program, the amount paid to a
2school district for each qualifying student shall be pro rata
3reduced. Receipt of funds under this subsection shall not
4preclude a school district from applying for a grant under
5subsection (c).

6(c) **The Commonwealth shall create a grant program to provide
7temporary transitional funding to a school district due**

12. Giving impact aid to school districts that are losing students to charter schools is still in this bill!

to the
8budgetary impact relating to any student's first-year attendance
9at a charter school. The department shall develop criteria which
10shall include, but not be limited to, the overall fiscal impact
11on the budget of the school district resulting from students of
12a school district attending a charter school. The criteria shall
13be published in the Pennsylvania Bulletin. This subsection shall
14not apply to a public school converted to a charter school under
15section 1717-A(b). Grants shall be limited to funds appropriated
16for this purpose.] **Funding for a charter school or regional
17charter school shall be provided in the following manner and
18shall not be in violation of any applicable Federal or State
19law, regulation or agreement:**

**20(1) There shall be no tuition charge for a resident or
21nonresident student attending a charter school or a regional
22charter school.**

23(2) The following apply:

24(i) For nonspecial education students, the charter school or
25regional charter school shall receive for each student enrolled
26no less than the budgeted total expenditure per average daily
27membership of the prior school year, as defined in section
282501(20), minus the budgeted expenditures of the district of
29residence for all of the following:

13. NEW FUNDING LANGUAGE = HUGE RED FLAG! This section does not really seem to be understood by any of the players and it's critical that they do. Making funding distributions to charters should be based on revenue not budgeted expenditures. One can manipulate expenditures and make them appear lower in numerous ways, therefore lowering the amount of money sent to charter schools. Revenues are clear. Lawyers say to always use revenues when calculating funding amounts.

30(A) Nonpublic school programs.

20130SB1085PN1488 -45-

1(B) Adult education programs.

2(C) Community and junior college programs.

3(D) Student transportation services.

4(E) Special education programs.

5(F) Facilities acquisition, construction and improvement
6services.

7(G) Programs and services to the extent they are funded from
8the proceeds of competitive grants from private or public
9resources or from contributions or donations from private
10sources.

11(H) Other financing uses, including debt service and fund
12transfers as provided in the Manual of Accounting and Related
13Financial Procedures for Pennsylvania School Systems established
14by the department.

15(i.1) The amount under subclause (i) **shall be calculated by**
16**each school district on a form prescribed by the secretary in**
17**accordance with this section. The secretary,** upon receipt of a
18district's calculation, shall review the district's calculation
19and may request supporting documentation from the district
20regarding its calculation. If the secretary finds an error or
21discrepancy in a district's calculation, the secretary shall
22require the district to correct the calculation and require the
23school district to notify affected charter schools and regional
24charter schools.

14. How is the Secretary going to affirm district funding for charter schools? This is where INDEPENDENT authorizers play a large role. In other states, strong authorizers act as advocates as well as regulators. All the law needs to do is specify clear and unambiguous funding language – e.g. this percent or this ratio of revenues goes to charter schools. Districts, as authorizers, will always find ways to skirt the law. Other authorizers always find ways to defend and intercede with authorities to ensure the funds reach their schools. That’s ONE of the many reasons higher education is so important to a good charter bill. They know how to secure and manage funds, and fight appropriators for equal access.

25(ii) The following apply:

26(A) The amount under subclause (i) shall be paid by the
27school district of residence of each student by deduction and
28transfer from all State payments due to the district as provided
29under clause (5).

30(B) If a charter school or regional charter school disputes

20130SB1085PN1488 -46-

1the accuracy of a district's calculation under this clause, the
2charter school or regional charter school shall file a notice of
3the dispute with the secretary, who shall hold a hearing to
4determine the accuracy of the district's calculation within
5thirty (30) days of the notice.

6(C) The secretary shall determine the accuracy of the
7district's calculation within thirty (30) days of the hearing.

8(D) The district shall bear the burden of production and
9proof with respect to its calculation under this clause.

10(E) The district shall be liable for the reasonable legal
11fees incurred by a charter school or regional charter school if
12the charter school or regional charter school is the
13substantially prevailing party after a hearing under this
14section. The charter school or regional charter school shall be
15liable for the reasonable legal fees incurred by the district if
16the district is the substantially prevailing party after a
17hearing under this section.

18(F) All decisions of the secretary under this clause shall
19be subject to appellate review by Commonwealth Court.

20(3) The following apply:

21(i) For special education students, the charter school or
22regional charter school shall receive for each student enrolled
23the same funding as for each nonspecial education student as

24 provided under clause (2), plus an additional amount determined
25 by dividing the total special education expenditure of the
26 school district of residence by the product of:

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

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

20130SB1085PN1488 -47-

1 (ii) The amount under subclause (i) shall be paid by the
2 school district of residence of each student by deduction and
3 transfer from all State payments due to the district as provided
4 under clause (5).

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

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

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

15 (vi) The district shall be liable for the reasonable legal
16 fees incurred by a charter school or regional charter school if
17 the charter school or regional charter school is the
18 substantially prevailing party after a hearing under this
19 section. The charter school or regional charter school shall be
20 liable for the reasonable legal fees incurred by the school
21 district if the district is the substantially prevailing party
22 after a hearing under this section.

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

25 (4) A charter school or regional charter school may request
26 the intermediate unit or school district in which the charter
27 school or regional charter school is located to provide services
28 to assist the charter school or regional charter school to
29 address the specific needs of nonspecial education and
30 exceptional students. The intermediate unit or school district

1shall provide the charter school or regional charter school with
2such services and bill the charter school or regional charter
3school for the services. The intermediate unit or school
4district may not charge the charter school or regional charter
5school more for any service than it charges the constituent
6districts of the intermediate unit. Nothing under this clause
7shall preclude an intermediate unit or school district from
8contracting with a charter school or regional charter school to
9provide the intermediate unit or school district with services
10to assist the intermediate unit or school district to address
11specific needs of nonspecial education and special education
12students.

13(5) Beginning in the 2014-2015 school year, the following
14apply:

15(i) Payments shall be made to the charter school or regional
16charter school in twelve (12) equal monthly payments, according
17to the established monthly unipay schedule within the operating
18school year or any subsequent school year.

19(ii) Except as provided for in subclause (vi), payments
20shall be made directly by the secretary deducting and paying to
21the charter school or regional charter school the estimated
22amount, as documented by the charter school or regional charter
23school, from:

24(A) all State payments due to the school district of
25residence; or

26(B) if no payments are due to the school district of
27residence, from all State payments reasonably expected to be due
28in the next established monthly unipay schedule, after receipt
29of documentation from the charter school or regional charter
30school as to its enrollment.

1(iii) At least thirty (30) days prior to the scheduled
2payment date each month, a charter school or regional charter
3school shall provide to the department and to the school
4district of residence of each student enrolled in the charter
5school or regional charter school, documentation of the charter
6school's or regional charter school's enrollment, on a form to
7be developed by the secretary within sixty (60) days of the
8effective date of this section. The form, which shall be
9developed in consultation with representatives of charter

10schools or regional charter schools and school districts, shall
11require the charter school or regional charter school to provide
12to the department and to the school district of residence of
13each student enrolled in the charter school or regional charter
14school, documentation of each student's current enrollment in
15the charter school or regional charter school and current
16residence in the school district, including the following
17information:

15. This is the job of the charter school authorizer. This is not the responsibility for a school to work with the Department, but for the authorizer on behalf of all its charters schools to work with the Department.

18(A) Student's name.

19(B) Student's home address.

20(C) Name and telephone number of student's parent or
21guardian.

22(D) Student's date of birth.

23(E) Student's grade level.

24(F) Type of school in which student was previously enrolled.

25(G) Student's date of enrollment.

26(H) Whether each student is being educated under an
27individualized education plan under the Individuals with
28Disabilities Education Act (Public Law 91-230, 20 U.S.C. § 1400
29et seq.).

30(I) The tuition amount due on account of each student.

20130SB1085PN1488 -50-

1(J) The total amount due from the school district for that
2month.

3(K) Copies of the actual documents used by the charter
4school or regional charter school to verify each student's
5residence in the school district.

6(iv) **The secretary shall not make payments under this**
7section until the charter school or regional charter school
8provides the department and the school district of residence
9with a completed form and accompanying documentation as required
10under this clause. A charter school or regional charter school

11may make only one (1) payment request per month under this
12clause. After a charter school or regional charter school makes
13a payment request under this clause, any necessary corrections
14or adjustments may be made in the next subsequent monthly
15payment request.

16. This section is yet another example of how the lawmakers are confusing what an authorizer does with the Department of Education's authority. Authorizers are supposed to collect data, which they use to monitor and manage their schools, to support and universally report on their schools, and to intercede when necessary, review or revoke their charter contract. Authorizers have to collect this data to be effective, but this section actually prescribes a role for the Department that conflicts with the role of the authorizer, making the role of authorizer unattractive and nearly useless in ensuring good data is collected, parsed and evaluated properly. See later comments.

16(v) The secretary's obligation to make payments under this
17section is mandatory and ministerial, except that payments made
18pursuant to this section shall not be given priority over
19payments required pursuant to sections 633 and 785 and 53
20Pa.C.S. § 8125(b) (relating to security for tax anticipation
21notes and sinking fund), or an agreement pursuant to which the
22Commonwealth is required to make payment to a holder of debt
23issued by or on behalf of a school entity. If payments required
24under sections 633 and 785 and 53 Pa.C.S. § 8125(b) preclude the
25timely payment of funds to a charter school or regional charter
26school under this section or will cause the board of school
27directors of a school district to fail to pay or provide for
28payment under this subsection, nothing shall preclude the
29secretary from withholding funds from any and all State payments
30made to the school district for the operating school year or for

20130SB1085PN1488 -51-

1any subsequent operating school year.

2(vi) If there are insufficient State payments due to a
3school district in the established monthly unipay schedule to
4cover all charter school or regional charter school deductions
5and transfers, the school district shall be responsible for
6paying the unpaid balance directly to the charter school or
7regional charter school not more than ten (10) days following
8the established monthly unipay schedule.

9(vii) A student enrolled in a charter school or regional
10charter school shall be included in the average daily membership
11of the student's school district of residence for the purpose of
12providing basic education funding payments and special education
13funding under Article XXV.

14(6) The following apply:

15(i) Within thirty (30) days after the payment is made to the
16charter school or regional charter school as described under
17clause (5), a school district may notify the secretary that the
18estimated amount, as documented by the charter school or
19regional charter school, is inaccurate.

20(ii) Within thirty (30) days of the notice by the school
21district under subclause (i), the secretary shall provide the
22school district with a hearing concerning whether the charter
23school or regional charter school documented that students were
24enrolled in the charter school or regional charter school, the
25period of time during which each student was enrolled in the
26charter school or regional charter school, the school district
27of residence of each student enrolled in the charter school or
28regional charter school and whether the amounts deducted from or
29paid by the school district were accurate.

30(iii) The burden of proof and production at the hearing

20130SB1085PN1488 -52-

1shall be on the school district. A hearing shall not be held
2before the secretary deducts and transfers to the charter school
3or regional charter school the amount estimated by the charter
4school or regional charter school.

5(iv) The secretary shall determine the accuracy of the
6amount documented by the charter school or regional charter
7school and make any necessary payment adjustment within thirty
8(30) days of the hearing.

9(v) The school district shall be liable for the reasonable
10legal fees incurred by a charter school or regional charter
11school if the charter school or regional charter school is the
12substantially prevailing party after a hearing under this
13section. The charter school or regional charter school shall be
14liable for the reasonable legal fees incurred by the school
15district if the school district is the substantially prevailing
16party after a hearing under this section.

17(vi) All decisions of the secretary under this section shall
18be subject to appellate review by Commonwealth Court.

19(vii) Supersedeas shall not be granted to the secretary or
20any party to the proceeding on an appeal from the decision of
21the secretary under this section; and, absent a court order, the
22secretary shall not hold any payments in escrow.

23(d) It shall be lawful for any charter school ~~<-or regional~~
24charter school to receive, hold, manage and use, absolutely or
25in trust, any devise, bequest, grant, endowment, gift or
26donation of any property, real or personal and/or mixed, which
27shall be made to the charter school ~~<-or regional charter school~~
28for any of the purposes of this article.

29(e) It shall be unlawful for any trustee of a charter school
30or regional charter school or any board of trustees of a charter

20130SB1085PN1488 -53-

1school ~~<-or regional charter school~~ or any other person affiliated
2in any way with a charter school ~~<-or regional charter school~~ to
3demand or request, directly or indirectly, any gift, donation or
4contribution of any kind from any parent, teacher, employe or
5any other person affiliated with the charter school ~~<-or regional~~
6charter school as a condition for employment or enrollment
7and/or continued attendance of any pupil. Any donation, gift or
8contribution received by a charter school ~~<-or regional charter~~
9school shall be given freely and voluntarily.~~<-] Funding for a~~
10~~charter school entity shall be provided in the following manner~~
11~~and shall not be in violation of any applicable Federal or State~~
12~~law, regulation or agreement:~~

13(1) ~~There shall be no tuition charge for a resident or~~
14~~nonresident student attending a charter school entity.~~

15(2) ~~The following apply:~~

16(i) ~~For nonspecial education students, the charter school~~
17~~entity shall receive for each student enrolled no less than the~~
18~~budgeted total expenditure per average daily membership of the~~
19~~prior school year, as defined in section 2501(20), minus the~~
20~~budgeted expenditures of the district of residence for all of~~
21~~the following:~~

22(A) ~~Nonpublic school programs.~~

23(B) ~~Adult education programs.~~

24(C) ~~Community and junior college programs.~~

25(D) ~~Student transportation services.~~

26(E) ~~Special education programs.~~

27(F) ~~Facilities acquisition, construction and improvement~~
28~~services.~~

~~29(C) Programs and services to the extent they are funded from
30the proceeds of competitive grants from private or public~~

20130SB1085PN1488 -54-

~~1resources or from contributions or donations from private
2sources.~~

~~3(H) Other financing uses, including debt service and fund
4transfers as provided in the Manual of Accounting and Related
5Financial Procedures for Pennsylvania School Systems established
6by the department.~~

~~7(i.1) The amount under subclause (i) shall be calculated by
8each school district on a form prescribed by the secretary in
9accordance with this section. The secretary, upon receipt of a
10district's calculation, shall review the district's calculation
11and may request supporting documentation from the district
12regarding its calculation. If the secretary finds an error or
13discrepancy in a district's calculation, the secretary shall
14require the district to correct the calculation and require the
15school district to notify affected charter school entities.~~

~~16(ii) The following apply:~~

~~17(A) The amount under subclause (i) shall be paid by the
18school district of residence of each student by deduction and
19transfer from all State payments due to the district as provided
20under clause (5).~~

~~21(B) If a charter school entity disputes the accuracy of a
22district's calculation under this clause, the charter school
23entity shall file a notice of the dispute with the secretary,
24who shall hold a hearing to determine the accuracy of the
25district's calculation within thirty (30) days of the notice.~~

~~26(C) The secretary shall determine the accuracy of the
27district's calculation within thirty (30) days of the hearing.~~

~~28(D) The district shall bear the burden of production and
29proof with respect to its calculation under this clause.~~

~~30(E) The district shall be liable for the reasonable legal~~

20130SB1085PN1488 -55-

~~1fees incurred by a charter school entity if the charter school
2entity is the substantially prevailing party after a hearing~~

~~3under this section. The charter school entity shall be liable
4for the reasonable legal fees incurred by the district if the
5district is the substantially prevailing party after a hearing
6under this section.~~

~~7(F) All decisions of the secretary under this clause shall
8be subject to appellate review by Commonwealth Court.~~

~~9(3) The following apply:~~

~~10(i) For special education students, the charter school
11entity shall receive for each student enrolled the same funding
12as for each nonspecial education student as provided under
13clause (2), plus an additional amount determined by dividing the
14total special education expenditure of the school district of
15residence by the product of:~~

~~16(A) the combined percentage of section 2509.5(k) applicable
17to the school year; and~~

~~18(B) the total average daily membership of the school
19district of residence for the prior school year.~~

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

~~24(iii) If a charter school entity disputes the accuracy of a
25district's calculation under this clause, the charter school
26entity shall file a notice of the dispute with the secretary,
27who shall hold a hearing to determine the accuracy of the
28district's calculation within thirty (30) days of the notice.~~

~~29(iv) The secretary shall determine the accuracy of the
30district's calculation within thirty (30) days of the hearing.~~

20130SB1085PN1488 -56-

~~1(v) The district shall bear the burden of production and
2proof with respect to its calculation under this clause.~~

~~3(vi) The district shall be liable for the reasonable legal
4fees incurred by a charter school entity if the charter school
5entity is the substantially prevailing party after a hearing
6under this section. The charter school entity shall be liable
7for the reasonable legal fees incurred by the school district if
8the district is the substantially prevailing party after a
9hearing under this section.~~

~~10(vii) All decisions of the secretary under this section
11shall be subject to appellate review by Commonwealth Court.~~

~~12(4) A charter school entity may request the intermediate
13unit or school district in which the charter school entity is
14located to provide services to assist the charter school entity
15to address the specific needs of nonspecial education and
16exceptional students. The intermediate unit or school district
17shall provide the charter school entity with such services and
18bill the charter school entity for the services. The
19intermediate unit or school district may not charge the charter
20school entity more for any service than it charges the
21constituent districts of the intermediate unit. Nothing under
22this clause shall preclude an intermediate unit or school
23district from contracting with a charter school entity to
24provide the intermediate unit or school district with services
25to assist the intermediate unit or school district to address
26specific needs of nonspecial education and special education
27students.~~

~~28(5) The following apply:~~

~~29(i) Payments shall be made to the charter school entity in
30twelve (12) equal monthly payments, according to the established~~

20130SB1085PN1488 -57-

~~1monthly unipay schedule within the operating school year.~~

~~2(ii) Except as provided for in subclause (v), payments shall
3be made directly by the secretary deducting and paying to the
4charter school entity the estimated amount, as documented by the
5charter school entity, from all State payments due to the
6district or, if no payments are due to the district from all
7State payments reasonably expected to be due in the next
8established monthly unipay schedule, after receipt of
9documentation from the charter school entity as to its
10enrollment.~~

~~11(iii) The secretary's obligation to make payments under this
12section is mandatory and ministerial.~~

~~13(iv) If there are insufficient State payments due to a
14district in the established monthly unipay schedule to cover all
15charter school entity deductions and transfers, the district
16shall be responsible for paying the unpaid balance directly to
17the charter school entity not more than seven (7) days following
18the established monthly unipay schedule.~~

~~19(v) The board of trustees of a charter school entity may
20elect on an annual basis to be paid directly from the school
21district of residence. Any board of trustees of a charter school
22entity that elects to be paid directly by the school district of
23residence shall notify the department in accordance with the
24timelines established in the department guidelines. The school
25district of residence shall provide for payment to the charter
26school entity as follows:~~

~~27(A) Payments shall be made to the charter school entity in
28twelve (12) equal monthly payments, according to the established
29monthly unipay schedule, within the operating school year.~~

~~30(B) Payments shall be made directly by the school district~~

20130SB1085PN1488 -58-

~~1of residence paying to the charter school entity the estimated
2amount, as documented by the charter school entity, after
3receipt of documentation from the charter school entity as to
4its enrollment.~~

~~5(vi) A student enrolled in a charter school entity shall be
6included in the average daily membership of the student's school
7district of residence for the purpose of providing basic
8education funding payments and special education funding under
9Article XXV.~~

~~10(6) The following apply:~~

~~11(i) Within thirty (30) days after the payment is made to the
12charter school entity as described under clause (5), a school
13district may notify the secretary that the estimated amount, as
14documented by the charter school entity, is inaccurate.~~

~~15(ii) The secretary shall provide the school district with an
16opportunity to be heard concerning whether the charter school
17entity documented that its students were enrolled in the charter
18school entity, the period of time during which each student was
19enrolled, the school district of residence of each student and
20whether the amounts deducted from or paid by the school district
21were accurate.~~

~~22(iii) The burden of proof and production at the hearing
23shall be on the school district. A hearing shall not be held
24before the secretary deducts and transfers to the charter school
25entity the amount estimated by the charter school entity.~~

~~26(iv) The district shall be liable for the reasonable legal
27fees incurred by a charter school entity if the charter school
28entity is the substantially prevailing party after a hearing
29under this section. The charter school entity shall be liable
30for the reasonable legal fees incurred by the district if the~~

20130SB1085PN1488 -59-

~~1district is the substantially prevailing party after a hearing
2under this section.~~

~~3(v) All decisions of the secretary under this section shall
4be subject to appellate review by Commonwealth Court.~~

~~5(vi) Supersedeas shall not be granted to the secretary or
6any party to the proceeding on an appeal from the decision of
7the secretary under this section; and, absent a court order, the
8secretary shall not hold any payments in escrow.~~

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

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

~~23(d) A cyber charter school may not provide discounts to a
24school district or waive payments under this section for any
25student.~~

~~26(f) A charter school or regional charter school may not
27provide discounts to a school district or waive payments under
28this section for any student.~~

~~29(e) (g) The department shall develop a transition procedure
30to be able to recoup in subsequent fiscal years any payments~~

20130SB1085PN1488 -60-

1made in error to a charter school entity <-or regional charter
2school as a result of direct payment by the department to the
3charter school entity <-or regional charter school.

4Section 11. Section 1728-A(a) and (b) of the act, added June
519, 1997 (P.L.225, No.22), ~~←is~~ are amended and the section is
6amended by adding subsections to read:

7Section 1728-A. Annual Reports and Assessments.--(a) (1)
8The local board of school directors or the governing board of an
9institution of higher education shall annually assess whether
10each charter school <-or regional charter school is meeting the
11goals of its charter and shall conduct a comprehensive review
12prior to granting a [five (5)] ~~ten (10) year~~ renewal of the
13charter. The local board of school directors or the governing
14board of an institution of higher education shall have ongoing
15access to the records and facilities of the charter school <-or
16regional charter school to ensure that the charter school <-or
17regional charter school is in compliance with its charter and
18this act and that requirements for testing, civil rights and
19student health and safety are being met.

20(2) Ongoing access to a charter school's <-or regional charter
21school's records shall mean that the local board of school
22directors or the governing board of an institution of higher
23education shall have access to records such as financial
24reports, financial audits, aggregate standardized test scores
25without student-identifying information and teacher
26certification and personnel records.

27(3) ~~←Schools and school entities~~ Charter schools and regional
28charter schools shall comply fully with the requirements of the
29Family Educational Rights and Privacy Act of 1974 (Public Law
3090-247, 20 U.S.C. § 1232g) and associated regulations. No

20130SB1085PN1488 -61-

1personally identifiable information from education records shall
2be provided by the charter school to the school district except
3in compliance with the Family Educational Rights and Privacy Act
4of 1974.

5(b) In order to facilitate the local board's review and
6secretary's report, each charter school or regional charter
7school shall submit an annual report no later than August 1 of
8each year to the local board of school directors and the
9secretary in the form prescribed by the secretary.

10* * *

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

17. Charters are required to have audits performed as required by law for all charter schools. This new language adds additional layers of accounting and requires the Department of Education to be the overseer of all financial records, not just the standard audit. The law need not, and should not, micromanage and require the establishment of a board committee or the content of audits. See additional yellow highlights for language, which supersedes any laws regarding other public schools in the state and supersedes other model laws in the nation.

19(1) An enrollment test to verify the accuracy of student
20enrollment and reporting to the State.

21(2) Full review of **expense reimbursements for board members**
22**and administrators, including sampling of all reimbursements.**

18. This is the job of the authorizer, to mandate whatever controls and oversight it deems appropriate. The job of the state then, is to hold the authorizer accountable for the work it does, not constrict them through layers of additional controls before they even start.

23(3) Review of internal controls, including review of
24receipts and disbursements.

25(4) Review of annual Federal and State tax filings,
26including the Internal Revenue Service Code Form 990, Return of
27Organization Exempt from Income Tax and **all related schedules**
28and appendices for the charter school and charter school
29foundation, if applicable.

19. If you've ever been through an audit you know how costly time and money-wise it is. But using the phrase "all related schedules and appendices" means that an accounting firm can turn over anything it believes could be necessitated by law in the event of a challenge. There is no proof that doing so either prevents problems or encourages sound practice. What problems is this trying to resolve? A few bad apples?? That is best addressed when you create strong authorizers, which districts heretofore have not been.

30(5) Review of the financial statements of any charter school

20130SB1085PN1488 -62-

1foundation.

2(6) Review of the selection and acceptance process of all
3contracts publicly bid pursuant to section 751.

4(7) Review of all board policies and procedures with regard
5to internal controls, code of ethics, conflicts of interest,
6whistle-blower protections, complaints from parents or the
7public, compliance with 65 Pa.C.S. Ch. 7 (relating to open
8meetings), compliance with the "Right-to-Know Law," finances,
9budgeting, audits, public bidding and bonding.

10(e) The certified audit under subsection (d) and the annual
11budget under subsection (g) are public documents and shall be
12made available on the school district's publicly accessible
13Internet website and the charter <-school's school entity's
14publicly accessible Internet website, if applicable.

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

18(g) A charter school shall annually provide the school
19**district and the department with a copy of the annual budget for**
20**the operation of the school that identifies the following:**

20. Notice the above language that was stricken and replaced with the previous page of mandates as well as the following two pages!

21(g) **A charter school entity shall annually provide the**
22**department and,** in the case of a charter school or regional
23charter school, shall annually provide the school district, with
24a copy of the annual budget for the operation of the charter
25school entity that identifies the following:

21. In this paragraph, the new law would dictate that the charter entity – e.g. the school or school network – bypass its boss the authorizer, and instead give the Department of Education its budget directly. While this may seem harmless on the surface, it is not because the Department is obligated by the regulatory rules of the state to CREATE PROCESSES TO COLLECT SUCH DOCUMENTS. This kind of seemingly nebulous language results in situations such as:

- Required attendance by charter school financial people at information meetings held by the department, not the authorizer, to review requirements of law;
- New forms and paperwork clarifying budgets;
- Endless inquiries into what specific budget lines mean; and
- Additional oversight over spending and requests for proof that such spending was approved EVEN IF THE ABOVE AUDIT WAS ALSO DONE.

This is what Department regulators do! They create processes to follow what they perceive is their mandate. What university would voluntarily want to beg its charter authorizing processes when the Department can bypass its authority completely?!

26(1) The source of funding for all expenditures as part of
27its reporting under subsection (a).

28(2) Where funding is provided by a charter school
29foundation, the amount of funds and a description of the use of
30the funds.

20130SB1085PN1488 -63-

1(3) The salaries of all administrators of the charter school
2entity.

3(4) All expenditures to an educational management service
4provider.

5(h) (1) Notwithstanding any other provision of law, a
6charter school entity and any affiliated charter school
7foundation shall make copies of its annual Federal and State tax
8filings available upon request and on the foundation's or
9school's charter school entity's publicly accessible Internet
10website, if applicable, including Internal Revenue Service Code
11Form 990, Return of Organization Exempt from Income Tax and all
12related schedules and appendices.

13(2) The charter school foundation shall also make copies of
14its annual budget available upon request and on the foundation's
15or the school's charter school entity's publicly accessible
16Internet website within thirty (30) days of the close of the
17foundation's fiscal year.

18(3) The annual budget shall include the salaries of all
19employees of the charter school foundation.

20Section 12. The act is amended by adding a section to read:

**21Section 1728.1-A. Charter Authorizer Accountability.-- (a)
22Each local board of school directors of a district and the
23governing board of an institution of higher education shall be
24required to submit to the department an annual report
25summarizing:**

22. Who defines the annual report? Who sets the criteria for how to submit it? Who reviews it? Who gets to say if it's appropriate or not? It's vague, and only bad laws are vague. Who determines if progress is progress?

26(1) The strategic vision for chartering and progress toward
27achieving that vision.

**28(2) The academic and financial performance of all operating
29public charter schools overseen by the local board or the
30governing board of an institution of higher education, according**

23. Remember the Philadelphia Performance Index? Instead of measuring gains from year to year, the school district decided it would evaluate charters based on the average scores over two years. So rather than Boys' Latin of Philadelphia Charter School getting credit for a 20-point gain in two years, the average of the two consecutive math scores in grade 10 resulted in an average of less than 50 percent achievement. That caused then Education Secretary Ron Tomalis to express disappointment in Boys' Latin. Imagine that these above performance measures by the district or by the state were additionally in place – and reported to the public. What would an Education Secretary do once he is endowed with authority to also review annual reports?

Authorizer accountability is much more complex and much more important than this and requires more than government-level mandates which can result in information taken out of context. It requires real, well-developed performance metrics that authorizers develop, own and share to show progress. If it works, it's beautiful – as it does in Michigan and DC, for example. If it doesn't, then the regulators and regulations are welcome. But to put such an incredible burden on authorizers before they've even had an opportunity to show how they can approve and support great schools and innovations, you're damning them before the schools open and disincentivizing their involvement.

20130SB1085PN1488 -64-

1to the performance expectations for public charter schools set
2forth in this act.

3(3) The status of the local board of school directors' or
4the governing board of an institution of higher education's
5public charter school portfolio, identifying all public charter
6schools in each of the following categories: (i) approved, but
7not open; (ii) open and operating; and (iii) closed, including
8the year closed and the reason for closure.

9(4) The authorizing functions provided by the local board of
10school directors or the governing board of an institution of
11higher education to the public charter schools under its
12purview, including the authorizer's operating costs and expenses
13detailed in annual audited financial statements that conform to
14generally accepted accounting principles.

24. Currently the Bureau of Postsecondary Education at the Department of Education collects and reviews reports, financials, budgets etc. as required by law, and depending on the nature of the organization – e.g. private, public, PASSHE, or community college. This bill as written states that the same institution also has to provide the department with all of its operating costs and expenses – notice it does not say just the office that handles authorizing, but the AUTHORIZER which is defined as the whole institution. This will create additional paperwork and staff burdens, not to mention is irrelevant to whether or not a charter school is successful. There is no study, no precedent, nothing that says a great school is a result of monitoring how an authorizer spends its money. This is pure bureaucracy.

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

16(1) Oversight of the performance of each established local
17board of school directors of a district and the governing board
18of an institution of higher education.

19(2) Formal evaluation of the overall State charter school
20program and outcomes every five years.

21(3) For each local board of school directors of a district
22and the governing board of an institution of higher education,
23an annual review, based on objective data, to determine how well
24the authorizer is exercising its duties and maintaining a
25portfolio of high-performing charter schools.

26 (4) In reviewing or evaluating the performance of each local
27board of school directors of a district and the governing board
28of an institution of higher education, the department shall
29apply nationally recognized principles and standards of quality
30charter school authorizing as determined by the National

20130SB1085PN1488 -65-

1Association of Charter School Authorizers.

25. Why would anyone's sole source of research be one organization, which is

1) Currently undergoing a huge amount of criticism from existing higher education authorizers (State University of New York, and Central Michigan University to name the best two);

2) Has a history of advising states on authorizing and then securing contracts while employing traditional educators who don't like charters to do the reviews (Maine, Louisiana recent cases); and

3) Secures their place in Pennsylvania law and regulation until amended, without accounting for future problems - like their principles becoming sub-standard or duplicative or even bad for charters! This has become a standard practice for NACSA and is a huge conflict of interest.

2(c) The department shall publish the annual reviews on its
3publicly accessible Internet website and submit a summary report
4regarding authorizer performance to the Governor and the General
5Assembly.

6(d) The department shall develop a plan for sanctioning
7local boards of school directors of a district or governing
8boards of an institution of higher education that maintain
9portfolios with persistently low-performing charter schools and
10fail to provide adequate authorizer oversight or intervention

11that may include a corrective action plan for the authorizer and
12other sanctions deemed necessary by the department.

26. How will the Department sanction authorizers with low-performing schools? Most charters start out with low performing students, which is why they start as a charter school in the first place. Who defines persistently? Is that after one year? Two years? If it's according to the performance matrix that is later defined and added to law under this bill, it could be entirely unreasonable or it could be very reasonable. Regardless, it's not logical to have the Department, which supports districts over charters to define sanctions. It's the job of the lawmakers to define authorizer accountability. The Center has recommended clear ways to do this that do not appear anywhere in the bills being considered. Authorizers are held accountable for a fixed time period through submission of their annual reports and put their chartering on hold if they have a majority of low-performing schools after their contract period is up. There is more specific, proven language we have that most certainly does not leave the defining of sanctions to the Department of Education.

13Section 13. Section 1729-A(a), (b) and (c) of the act, added
14June 19, 1997 (P.L.225, No.22), are amended to read:

15Section 1729-A. Causes for Nonrenewal or Termination.--(a)
16During the term of the charter or at the end of the term of the
17charter, the local board of school directors or the governing
18board of an institution of higher education may choose to revoke
19or not to renew the charter based on any of the following:

20(1) One or more material violations of any of the
21conditions, standards or procedures contained in the written
22charter signed pursuant to section 1720-A.

23(2) Failure to meet the requirements for student performance
24[set forth in 22 Pa. Code Ch. 5 (relating to curriculum) or
25subsequent regulations promulgated to replace 22 Pa. Code Ch. 5]
26assessments or failure to meet any performance standard set
27forth in the written charter signed pursuant to section [1716-A<-]
281720-A.

29(3) Failure to meet generally accepted standards of fiscal
30management or audit requirements.

20130SB1085PN1488 -66-

1(4) Violation of provisions of this article.

2(5) Violation of any provision of law from which the charter
3school has not been exempted, including Federal laws and
4regulations governing children with disabilities.

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

6* * *

7(b) [A member of the board of trustees who is convicted of a
8felony or any crime involving moral turpitude shall be
9immediately disqualified from serving on the board of trustees.]
10If, after a hearing under this section, a local board of school
11directors or the governing board of an institution of higher
12education <-or, in the case of a cyber charter school, the
13department proves by a preponderance of the evidence that an
14administrator or board member of a charter school entity has
15violated this article, the terms and conditions of the charter
16or any other violation of law, the local board of school
17directors or the governing board of an institution of higher
18education may require the charter school entity to replace the
19administrator or board member in order to obtain renewal of the
20charter. The local board of school directors or the governing
21board of an institution of higher education may refer its
22findings to the district attorney with jurisdiction or to the
23office of Attorney General for prosecution if the local board of
24school directors or the governing board of an institution of
25higher education discovers or receives information about
26possible violations of law by any person affiliated with or
27employed by a charter school entity.

27. This could be interpreted in many ways. If the Department is holding hearings and determining violations of ethics or laws it leaves a lot of room for personal preferences, opinions and politics to rule the day. For example, if the Pennsylvania State Education Association was a friend of the education secretary, and they believe that for-profit companies are immoral, that companies, which contract with charters, are bad, how might that influence judgment? This is not about legal or civil law; it's about regulations that make the Department a school's jury and judgment.

28(c) Any notice of revocation or nonrenewal of a charter
29given by the local board of school directors of a school
30district or the governing board of an institution of higher

20130SB1085PN1488 -67-

1education shall state the grounds for such action with
2reasonable specificity and give reasonable notice to the
3governing board of the charter school or regional charter school
4of the date on which a public hearing concerning the revocation
5or nonrenewal will be held. The local board of school directors
6or the governing board of an institution of higher education
7shall conduct such hearing, present evidence in support of the
8grounds for revocation or nonrenewal stated in its notice and
9give the charter school <-or regional charter school reasonable
10opportunity to offer testimony before taking final action.
11Formal action revoking or not renewing a charter shall be taken

12by the local board of school directors or the governing board of
13an institution of higher education at a public meeting pursuant
14to [the act of July 3, 1986 (P.L.388, No.84), known as the
15"Sunshine Act,"] 65 Pa.C.S. Ch. 7 (relating to open meetings)
16after the public has had thirty (30) days to provide comments to
17the board. All proceedings of the local board pursuant to this
18subsection shall be subject to 2 Pa.C.S. Ch. 5 Subch. B
19(relating to practice and procedure of local agencies). Except
20as provided in subsection (d), the decision of the local board
21shall not be subject to 2 Pa.C.S. Ch. 7 Subch. B (relating to
22judicial review of local agency action).

23* * *

24Section 14. The act is amended by adding sections to read:

25Section 1729.1-A. Evaluation of Educators.--(a) All
26applications by a charter school entity for a charter or for the
27renewal of a charter shall include a system of evaluation for
28educators that includes both of the following:

29(1) At least four (4) rating categories of educator
30performance.

20130SB1085PN1488 -68-

1(2) Multiple measures of student performance which shall
2include, but may not be limited to, value-added assessment
3system data made available by the department under section 221
4and student performance on the most recent assessments for which
5results have been released by the department and may include
6goals specific to the mission of the charter school entity's
7charter.

8(b) Nothing in this section shall preempt the powers of a
9board of trustees under section 1716-A(a) nor affect the intent
10of the General Assembly provided in section 1702-A(3) and (4).

<-11(c) For purposes of this section, the term "educator" shall
12include all professional employes who are certified as teachers
13and noncertified staff members who teach in a charter school
14entity.

28. This section is by far the biggest insult to charter school leaders. The Department of Education and the state of Pennsylvania is going to require charter applicants or renewal applications to have an evaluation system for teachers prescribed by the state, that includes four levels with various degrees of complexity. Maybe it's a great idea – maybe it's not – and maybe what KIPP or Boys' Latin or Mastery Schools or whomever has is working great right now. But, to prescribe a system in law is a violation of basic charter school principles, and again, bypasses

the authorizer’s authority, and their prerogative to vet and manage their portfolio in the ways that they believe makes sense and might actually lead to thousands more quality seats for kids. Who in the Department of Education is going to “approve” or regulate this section? Who decides what measures work and what don’t? The Department of Education in New Jersey last year rejected an applicant that didn’t have class sizes that the reviewers thought were appropriate. They had no specific rules in law that permitted or disallowed this other than the simple fact that they were given LICENSE to create a process and manage performance outcomes. The New Jersey regulators UNDER A REFORM-MINDED COMMISSIONER decided that class size was a performance outcome. That’s why you don’t give the Department of Education this much power and the reason we have charters to begin with. If state education agencies were capable of managing performance, why would there even be a charter sector? Would you join it? Would Teach for America? Would KIPP? The reality is no as the rules would be the same as those that they originally ran from.

15Section 1729.2-A. Multiple Charter School Organizations.--

16(a) Establishment shall be as follows:

17(1) Subject to the requirements of subsection (b), two or
18more charter schools may consolidate under 15 Pa.C.S. Pt. II
19Subpt. C (relating to nonprofit corporations) into a multiple
20charter school organization.

21(2) The multiple charter school organization shall be:

22(i) granted a single charter to operate two or more
23individual charter schools under the oversight of a single board
24of trustees and a chief administrator who shall oversee and
25manage the operation of the individual charter schools under its
26organization;

27(ii) considered a charter school entity; and

28(iii) subject to all of the requirements of this article
29unless otherwise provided for under this section.

30(3) Nothing under this subsection shall be construed to

20130SB1085PN1488 -69-

1affect or change the terms or conditions of any individual
2charter previously granted that is consolidated under this
3section.

4(b) <-The Including, but not limited to, any obligation of a
5school district for transportation, the following apply to
6consolidation of two or more individual charter schools into a
7multiple charter school organization:

8(1) **A charter school that, prior to the effective date of**
9this section, was approved by a local board of school directors,
10a special board of control, a School Reform Commission or
11another governing authority and that chooses to consolidate into
12a multiple charter school organization under this section may
13apply to the department to consolidate all affiliated school
14charters into a single charter within ninety (90) days after the
15department publishes the standard application form required
16under subsection (c). Beginning ninety-one (91) days after the
17department publishes the standard application form required
18under subsection (c), no charter school that was approved prior
19to the effective date of this section shall be eligible to
20consolidate with another charter school.

29. Why would the state create new authorizers and then not give them the ability to determine whether or not they should sanction a multiple charter application? This clause empowers the Department, not the authorizer with approval authority over schools consolidating, and then takes on the task of managing them like an authorizer? Why would the Department of Education be suited to monitor and manage school groups when all the best practices show that it is the independent authorizers – e.g. independent from existing legal education entities – that do the best job. Also, remember that the Department of Education is by law the districts’ boss and legal supervisor. How’s that working for them in terms of performance?

21(2) Consolidation is restricted as follows:

22(i) Except as set forth in subparagraph (ii), a charter
23school shall not be eligible to consolidate with another charter
24school that:

25(A) within either of the most recent two (2) school years,
26has failed to meet the requirements for student performance set
27forth in 22 Pa. Code Ch. 4 (relating to academic standards and
28assessment);

29(B) does not meet accepted standards of fiscal management or
30audit requirements; or

20130SB1085PN1488 -70-

1(C) does not meet the standards set forth by the matrix
2established under section 1732-A(c) (3).

3(ii) Subparagraph (i) shall not apply if the consolidation
4includes a charter school which is not in violation of
5subparagraph (i) over the most recent two (2) school years.

6(iii) Clause (i) (C) shall not apply until the matrix
7required under section 1732-A(c) (3) has been developed.

8(3) The board of trustees of each charter school shall
9jointly submit their charter school's current charter and annual
10report to the department and request that oversight over the
11multiple charter school organization, including the authority to
12consider applications for renewal, be transferred to the
13department.

14(4) (i) Upon receipt of a consolidation and transfer
15application and all necessary documentation as required by the
16department, the department shall have thirty (30) days to
17approve or deny the consolidation and transfer application.

18(ii) Written notice of the department's action shall be sent
19to the applicants. If the application is denied, the reasons for
20the denial, including a description of deficiencies in the
21application, shall be clearly stated in the notice sent by the
22department to the applicants.

23(iii) If the department approves the consolidation and
24transfer, the department shall provide notification to the local
25boards of school directors, the special boards of control, the
26School Reform Commission or other governing authorities which
27initially approved the charters.

28(iv) A decision by the department to deny the consolidation
29and transfer application under subparagraph (i) may be appealed
30to the appeal board. The following shall apply to an appeal

20130SB1085PN1488 -71-

1under this paragraph:

2(A) In the case of an appeal under this clause, the appeal
3board shall review the application and make a decision to
4approve or deny the consolidation and transfer application based
5on whether the application includes the information required
6under subsection (c).

7(B) Within thirty (30) days following receipt of an appeal
8under this clause, the appeal board shall meet to officially
9review the certified record of the department.

10(C) Within sixty (60) days following the review conducted
11pursuant to clause (B), the appeal board shall issue a written
12decision affirming or reversing the decision of the department.
13Written notice of the decision of the appeal board shall be
14provided to the parties.

15(D) A decision by the appeal board under this clause to
16approve the consolidation and transfer application shall serve
17as a requirement for the department to approve the application
18and provide notification of the approval to the local boards of
19school directors, the special boards of control, the School
20Reform Commission or other governing authorities which initially
21approved the charters within ten (10) days of the reversal of
22the decision of the department. If the department fails to
23provide notification within ten (10) days of the reversal of the
24decision of the department, the application shall be deemed to
25be approved, and the appeal board shall provide notification of
26the approval to the local boards of school directors, the
27special boards of control, the School Reform Commission or other
28governing authorities which initially approved the charters.

29(E) All decisions of the appeal board shall be subject to
30appellate review by the Commonwealth Court.

20130SB1085PN1488 -72-

1(5) No later than thirty (30) days after the receipt of the
2notification of approval required under paragraph (4), the local
3boards of school directors, the special boards of control, the
4School Reform Commission or other governing authorities which
5initially approved the charters shall transfer to the department
6all records regarding oversight of the charter schools.

7(6) A charter school's charter term shall remain in effect
8until the time of expiration, at which time the department will
9undertake a comprehensive review prior to granting a ten-year
10charter renewal.

11(c) Within thirty (30) days of the effective date of this
12section, the department shall develop and issue a standard
13application form for multiple charter school organization
14applicants and shall publish the application form in the
15Pennsylvania Bulletin and on the department's publicly
16accessible Internet website. The application form shall contain
17the following information:

18(1) The name of the multiple charter school organization.

19(2) The names of the charter schools seeking consolidation
20and transfer under this section.

21(3) A copy of the approved charter of each charter school
22seeking to consolidate and transfer oversight functions to the
23department.

24(4) An organizational chart clearly presenting the proposed
25governance structure of the multiple charter school
26organization, including lines of authority and reporting between
27the board of trustees, chief administrator, administrators,
28staff and any educational management service provider that will
29play a role in providing management services to the charter
30schools under its jurisdiction.

20130SB1085PN1488 -73-

1(5) A clear description of the roles and responsibilities
2for the board of trustees, chief administrator, administrators
3and any other entities, including a charter school foundation,
4shown in the organizational chart.

5(6) A clear description and method for the appointment or
6election of members of the board of trustees.

7(7) Standards for board of trustees performance, including
8compliance with all applicable laws, regulations and terms of
9the charter.

10(8) Enrollment procedures for each individual charter school
11included in its charter.

12(9) Any other information as deemed necessary by the
13department.

14(d) A multiple charter school organization may:

15(1) Participate in the assessment system in the same manner
16in which a school district participates, with its individual
17charter schools participating in the assessment system in the
18same manner as individual schools in school districts. All data
19gathered gathered for purposes of evaluation shall be gathered
20in the same manner in which data is gathered in the case of
21school districts and individual schools in school districts.

22(2) Beginning ninety-one (91) days after the department
23publishes the standard application form required under
24subsection (c), add newly established charter schools to its
25organization through both of the following:

26(i) Establish a new charter school by applying for a charter
27through the local school board under section 1717-A; and

28(ii) Apply to the department to consolidate and transfer
29under this section.

30(3) Amend the individual charters of each charter school

20130SB1085PN1488 -74-

1under its organization by seeking approval from the department
2under the amendment process included under section 1720-A.

3(4) Allow students enrolled in an individual charter school
4to matriculate to another individual charter school under its
5oversight so as to complete a course of instruction in an
6educational institution from kindergarten through grade twelve.

7(e) The annual report required under section 1728-A shall be
8provided by the board of trustees and chief administrator of the
9multiple charter school organization and shall include all
10information required to provide a basis for evaluation for
11renewal of each individual charter school under the oversight of
12the multiple charter school organization.

13(f) A multiple charter school organization shall be regarded
14as the holder of the charter of each individual charter school
15under its oversight and each previously or subsequently awarded
16charter shall be subject to nonrenewal or revocation in
17accordance with this act. The nonrenewal or revocation shall not
18affect the status of a charter awarded for any other individual
19charter school under the oversight of the multiple charter
20school organization.

21(g) The department shall:

22(1) Receive, review and act on multiple charter school
23organization consolidation and transfer applications under this
24section.

25(2) Exercise oversight over multiple charter school
26organizations approved under this section.

30. How will the Department of Education be able to review and manage these types of charter applications and consolidations? With what people? With what skills? With what basis or foundation that shows they know how to approve and manage schools?

27(3) Develop and issue a standard application form for
28multiple charter school organization applicants and publish the
29application form in the Pennsylvania Bulletin and on the
30department's publicly accessible Internet website under

20130SB1085PN1488 -75-

1subsection (c).

2(h) For purposes of this section, the term "charter school"
3shall include a regional charter school.

4Section 15. Section 1732-A of the act, amended June 29, 2002
5(P.L.524, No.88), is amended to read:

6Section 1732-A. Provisions Applicable to Charter Schools <-and
7Regional Charter Schools.--(a) Charter schools <-and regional
8charter schools shall be subject to the following:

9Sections 108, 110, 111, 321, 325, 326, 327, 431, 436, 443,
10510, 518, 527, 708, 736, 737, 738, 739, 740, 741, 752, 753,
11[755,] 771, 776, 777, 808, 809, 810, 1109, 1111, 1112(a),
121205.1, 1205.2, 1205.3, 1205.4, 1205.5, 1301, 1302, 1303, 1310,
131317, 1317.1, 1317.2, 1317.3, 1318, 1327, 1330, 1332, 1333,
141303-A, 1513, 1517, 1518, 1521, 1523, 1531, 1547, 2014-A,
15Article XIII-A and Article XIV.

16Act of July 19, 1957 (P.L.1017, No.451), known as the "State
17Adverse Interest Act."

18Act of July 17, 1961 (P.L.776, No.341), known as the
19"Pennsylvania Fair Educational Opportunities Act."

20Act of July 19, 1965 (P.L.215, No.116), entitled "An act
21providing for the use of eye protective devices by persons
22engaged in hazardous activities or exposed to known dangers in
23schools, colleges and universities."

24Section 4 of the act of January 25, 1966 (1965 P.L.1546,
25No.541), entitled "An act providing scholarships and providing
26funds to secure Federal funds for qualified students of the
27Commonwealth of Pennsylvania who need financial assistance to
28attend postsecondary institutions of higher learning, making an
29appropriation, and providing for the administration of this
30act."

20130SB1085PN1488 -76-

1Act of July 12, 1972 (P.L.765, No.181), entitled "An act
2relating to drugs and alcohol and their abuse, providing for
3projects and programs and grants to educational agencies, other
4public or private agencies, institutions or organizations."

5Act of December 15, 1986 (P.L.1595, No.175), known as the
6"Antihazing Law."

7The "Right-to-Know Law."

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

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

11(b) Charter schools shall be subject to the following
12provisions of 22 Pa. Code:

13[Section 5.216 (relating to ESOL).

14Section 5.4 (relating to general policies).]

15Chapter 4 (relating to academic standards and assessments).

16Chapter 11 (relating to pupil attendance).

17Chapter 12 (relating to students).

18Section 32.3 (relating to assurances).

19Section 121.3 (relating to discrimination prohibited).

20Section 235.4 (relating to practices).

21Section 235.8 (relating to civil rights).

22Chapter 711 (relating to charter school services and programs
23for children with disabilities).

24(c) (1) The secretary may promulgate additional regulations
25relating to charter schools.

26(2) The secretary shall have the authority and the
27responsibility to ensure that charter schools comply with
28Federal laws and regulations governing children with
29disabilities. The secretary shall promulgate regulations to
30implement this provision.

20130SB1085PN1488 -77-

1(3) (i) Within one (1) year of the effective date of this
2clause, the department shall develop **a standard performance
3matrix to evaluate charter school performance and shall
4promulgate regulations** pursuant to the act of June 25, 1982
5(P.L.633, No.181), known as the "Regulatory Review Act," to
6implement this section.

31. The regulatory review act invites public comment and directly empowers the Department to have the final word on anything it deems appropriate. As in my previous comments, the Department shouldn't be setting performance matrices for charter schools alone without account for ALL public schools. In addition, Pennsylvania's law already sets standards, requires data reporting and assessments, and by law must report on measurements, which are outlined throughout the accountability documents we have shared. The next several paragraphs once again put the Department – not the authorizer – in charge of defining success. See additional highlighted language below.

7(ii) The performance matrix <-may shall assess performance by
8utilizing objective criteria, including, but not limited to:
9student performance on the Pennsylvania System of School
10Assessment test, the Keystone Exam or another test established
11by the State board to meet the requirements of section 2603-B(d)
12(10)(i) and required under the No Child Left Behind Act of 2001
13(Public Law 107-110, 115 Stat. 1425) or its successor Federal
14statute; annual growth as measured by the Pennsylvania Value-
15Added Assessment System; attendance; attrition rates; graduation
16rates; other standardized test scores; school safety; parent
17satisfaction; accreditation by a nationally recognized
18accreditation agency, including the Middle States Association of
19Colleges and Schools or another regional institutional
20accrediting agency recognized by the United States Department of
21Education or an equivalent federally recognized body for charter
22school education; and other measures of school quality,
23including measures for assessing teacher effectiveness.

24(iii) In developing the performance matrix, **the department**
25**shall determine an academic quality benchmark the satisfaction**
26**of which shall qualify a charter school, regional charter school**
27**or cyber charter school for a ten (10) year renewal term**
28**pursuant to sections 1720-A and 1745-A(f).** The academic quality
29benchmark shall be included in the regulations required under
30subclause (i).

20130SB1085PN1488 -78-

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

32. NACSA is in the bill at least twice - earlier by name and here by description.

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

33. Here is why no solid university will ever be part of this process. SUNY, CMU, DCPBCSB (Public Charter School Board), Ball State University, University of Toledo, Ohio – all of these entities created, without being required by law, their own performance matrices that are responsible for the many of the nation’s leading charter environments and accountability, have increased seats for kids and made the issue of charters highly bi-partisan because of the great job they’ve done. Pennsylvania wants to ignore best practices and success because the legislature can’t conceive of any entity knowing what to do. Perhaps had they studied these cases, which the Center has provided them, they might not have gone this route. Or perhaps they really believe the Department of Education knows best. Whatever it is, know that bureaucracy is only embraced by the mediocre, and only mediocre educational institutions will become authorizers precisely because of language like this and as noted throughout this bill.

10~~(v)~~ (vi) A local board of school directors or the governing
11board of an institution of higher education shall utilize the
12standard performance matrix as a primary factor in evaluating
13new charter school <-and regional charter school applicants and
14applicants for charter school <-and regional charter school
15renewal and in annual monitoring and evaluation of charter
16schools.

17~~(vi)~~ (vii) The department shall distribute the performance
18matrix to all local boards of school directors or the governing
19board of an institution of higher education and shall publish
20the matrix on the department's publicly accessible Internet
21website.

22Section 16. The act is amended by adding a section to read:

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

34. This is where existing charters are forced to comply with the new performance matrix being created. Who gets veto power under this section of the bill or can challenge the standards set? No one. This becomes part of the code. What legislator, when they see what bad they wrought will be able to stop it anymore than they’ve been able to stop bad education from happening?

20130SB1085PN1488 -79-

1(b) A charter school <-or regional charter school entity
2approved after the effective date of this section shall be in
3full compliance with this article.

4Section 17. Sections 1741-A(c) and 1742-A of the act, added
5June 29, 2002 (P.L.524, No.88), are amended to read:

6Section 1741-A. Powers and duties of department.

7* * *

8(c) Documents.--Documents of the appeal board shall be
9subject to [the act of June 21, 1957 (P.L.390, No.212), referred
10to as] the Right-to-Know Law.

11Section 1742-A. Assessment and evaluation.

12The department shall:

**13(1) Annually assess whether each cyber charter school is
14meeting the goals of its charter and is in compliance with
15the provisions of the charter and conduct a comprehensive
16review prior to granting a [five-year] ten-year renewal of
17the charter.**

35. The rest of this section is about cyber schools and is punitive on many levels, but they are fighting that battle well on their own.

18(2) Annually review each cyber charter school's
19performance on the Pennsylvania System of School Assessment
20test, standardized tests and other performance indicators to
21ensure compliance with 22 Pa. Code Ch. 4 (relating to
22academic standards and assessment) or subsequent regulations
23promulgated to replace 22 Pa. Code Ch. 4.

24(3) Have ongoing access to all records, instructional
25materials and student and staff records of each cyber charter
26school and to every cyber charter school facility to ensure
27the cyber charter school is in compliance with its charter
28and this subdivision.

<-29Section 17.1. Section 1743-A(e) of the act, added June 29,
302002 (P.L.524, No.88), is amended to read:

20130SB1085PN1488 -80-

1Section 1743-A. Cyber charter school requirements and
2prohibitions.

3* * *

4(e) Students.--For each student enrolled, a cyber charter
5school shall:

6(1) provide all instructional materials, which may
7include electronic or digital books in place of textbooks;

8(2) provide all equipment, including, but not limited
9to, a computer, computer monitor and printer; and

10(3) provide or reimburse for all technology and services
11necessary for the on-line delivery of the curriculum and
12instruction.

13The Commonwealth shall not be liable for any reimbursement owed
14to students, parents or guardians by a cyber charter school
15under paragraph (3).

16* * *

17Section 18. Section 1745-A(f) of the act, added June 29,
182002 (P.L.524, No.88), is amended and the section is amended by
19adding a subsection to read:

20Section 1745-A. Establishment of cyber charter school.

21* * *

22(b.1) Local board of school directors or intermediate
23unit.--

24(1) A cyber charter school may be established by a local
25board of school directors or an intermediate unit if the
26procedures and requirements of this article are satisfied.

27(2) Nothing in this article shall be construed to
28preclude a school district or an intermediate unit from
29offering instruction via the Internet or other electronic
30means, except that the instruction shall not be recognized as

20130SB1085PN1488 -81-

1a cyber charter school under this article.

2* * *

3(f) Evaluation criteria.--

4(1) A cyber charter school application submitted under
5this subdivision shall be evaluated by the department based
6on the following criteria:

7(i) The demonstrated, sustainable support for the
8cyber charter school plan by teachers, parents or
9guardians and students.

10(ii) The capability of the cyber charter school
11applicant, in terms of support and planning, to provide
12comprehensive learning experiences to students under the
13charter.

14(iii) The extent to which the programs outlined in
15the application will enable students to meet the academic
16standards under 22 Pa. Code Ch. 4 (relating to academic
17standards and assessment) or subsequent regulations
18promulgated to replace 22 Pa. Code Ch. 4.

19(iv) The extent to which the application meets the
20requirements of section 1747-A.

21[(v) The extent to which the cyber charter school
22may serve as a model for other public schools.]

23(2) Written notice of the action of the department shall
24be sent by certified mail to the applicant and published on
25the department's [World Wide Web site] publicly accessible
26Internet website. If the application is denied, the reasons
27for denial, including a description of deficiencies in the
28application, shall be clearly stated in the notice.

29(3) Upon approval of a cyber charter school application,
30a written charter shall be developed which shall contain the

20130SB1085PN1488 -82-

1provisions of the charter application and be signed by the
2secretary and each member of the board of trustees of the
3cyber charter school. The charter, when duly signed, shall
4act as legal authorization of the establishment of a cyber
5charter school. The charter shall be legally binding on the
6department, the cyber charter school and its board of
7trustees. The charter shall be for a period of [no less than
8three years nor more than] five years and may be renewed for
9a period of [five] ten years by the department.

10(4) The decision of the department to deny an
11application may be appealed to the appeal board.

12(5) (i) A cyber charter school may request amendments
13to its approved written charter by filing a written document
14describing the requested amendment to the department.

15(ii) Within 20 days of its receipt of the request for an
16amendment, the department shall hold a public hearing on the
17requested amendment under 65 Pa.C.S. Ch. 7 (relating to open
18meetings).

19(iii) Within 20 days after the hearing, the department
20shall grant or deny the requested amendment. Failure by the
21department to hold a public hearing and to grant or deny the
22amendments within the time period specified shall be deemed a
23denial.

24(iv) An applicant for an amendment shall have the right
25to appeal the denial of a requested amendment to the appeal
26board provided for under section 1721-A.

27* * *

28Section 19. Section 1749-A(a) of the act, added June 29,
292002 (P.L.524, No.88), is amended to read:

30Section 1749-A. Applicability of other provisions of this act

20130SB1085PN1488 -83-

land of other acts and regulations.

2(a) General requirements.--Cyber charter schools shall be
3subject to the following:

4(1) Sections 108, 110, 111, 321, 325, 326, 327, 431,
5436, 443, 510, 518, 527, 708, 736, 737, 738, 739, 740, 741,
6752, 753, [755,] 771, 776, 777, 808, 809, 810, 1109, 1111,
71112(a), 1205.1, 1205.2, ~~1301, 1302~~, 1205.3, 1205.5, 1301,
81302, 1303, 1310, 1317, 1317.2, 1318, 1327, 1330, 1332, <-1333,
91303-A, 1513, 1517, 1518, 1521, 1523, 1531, 1547, 1702-A,
101703-A, ~~<-1704-A~~, 1714-A, 1715-A, 1716-A, 1719-A, 1721-A, 1722-
11A, [1723-A(a) and (b)<-] 1723-A (a), (b) and (d), 1724-A,
12[1725-A,] 1727-A, 1728-A(d), (e), (f), (g) and (h), 1729-A,
131729.1-A, 1730-A, 1731-A(a)(1) and (b)<-, 1733-A and 2014-A and
14Articles [XII-A,] XIII-A and XIV.

15(1.1) Act of July 19, 1957 (P.L.1017, No.451), known as
16the State Adverse Interest Act.

17(2) The act of July 17, 1961 (P.L.776, No.341), known as
18the Pennsylvania Fair Educational Opportunities Act.

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

21persons engaged in hazardous activities or exposed to known
22dangers in schools, colleges and universities."

23(4) Section 4 of the act of January 25, 1966 (1965
24P.L.1546, No.541), entitled "An act providing scholarships
25and providing funds to secure Federal funds for qualified
26students of the Commonwealth of Pennsylvania who need
27financial assistance to attend postsecondary institutions of
28higher learning, making an appropriation, and providing for
29the administration of this act."

30(5) The act of July 12, 1972 (P.L.765, No.181) entitled

20130SB1085PN1488 -84-

1"An act relating to drugs and alcohol and their abuse,
2providing for projects and programs and grants to educational
3agencies, other public or private agencies, institutions or
4organizations."

5(6) The act of December 15, 1986 (P.L.1595, No.175),
6known as the Antihazing Law.

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

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

9(9) 65 Pa.C.S. Ch. 11 (relating to ethics standards and
10financial disclosure).

11* * *

12Section 20. The act is amended by adding a section to read:

13Section 1752-A. Funding for cyber charter schools.

14Funding for a cyber charter school shall be provided under
15section 1725-A(a)(1), (4), (5) and (6) and as follows:

16(1) For non-special education students, the cyber
17charter school shall receive for each student enrolled, ~~the~~
18lesser of the median of the amounts calculated to be paid by
19all districts of residence under section 1725-A(a)(2), or 90%
20of the amount calculated to be paid by the district of
21residence under section 1725-A(a)(2). This amount shall be
22paid by the school district of residence of each student.

23(2) For special education students, the cyber charter
24school shall receive for each student enrolled, ~~the lesser of~~

~~25the median of the amounts calculated to be paid by all
26districts of residence under section 1725-A(a)(3), or 90% 95%
27of the amount calculated to be paid by the district of
28residence under section 1725-A(a)(3). This amount shall be
29paid by the school district of residence of each student.~~

30Section 21. This act shall take effect as follows:

20130SB1085PN1488 -85-

1(1) The following provisions shall take effect
2immediately:

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

4(ii) This section.

5(2) The remainder of this act shall take effect in 60
6days.

20130SB1085PN1488 -86-

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