

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 1500** Session of
2025

INTRODUCED BY ISAACSON, SCHWEYER, CURRY, FRIEL, O'MARA, OTTEN,
PROBST, PROKOPIAK, SMITH-WADE-EL, BOROWSKI, BRENNAN,
T. DAVIS, DELLOSO, DONAHUE, FLEMING, GUENST, HADDOCK,
HANBIDGE, HILL-EVANS, HOHENSTEIN, INGLIS, KRUEGER, McNEILL,
PIELLI, RIVERA, SANCHEZ, SCHLOSSBERG, SHUSTERMAN, STEELE AND
VENKAT, MAY 30, 2025

REFERRED TO COMMITTEE ON EDUCATION, MAY 30, 2025

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," in preliminary provisions, providing
6 for Cyber Charter School Funding and Policy Council and
7 further providing for advertising and sponsorships; in pupils
8 and attendance, further providing for exceptional children
9 and education and training; in charter schools, further
10 providing for definitions, for funding for cyber charter
11 schools, for powers and duties of department and for
12 assessment and evaluation, providing for fund balance limits,
13 further providing for cyber charter school requirements and
14 prohibitions, providing for cyber charter school fund balance
15 accountability, further providing for establishment of cyber
16 charter school, for cyber charter school application, for
17 enrollment and notification, for enrollee wellness checks and
18 for applicability of other provisions of this act and of
19 other acts and regulations and providing for cyber charter
20 school moratorium; and, in reimbursements by Commonwealth and
21 between school districts, further providing for extraordinary
22 special education program expenses.

23 The General Assembly of the Commonwealth of Pennsylvania

24 hereby enacts as follows:

25 Section 1. The act of March 10, 1949 (P.L.30, No.14), known

1 as the Public School Code of 1949, is amended by adding a
2 section to read:

3 Section 123.2. Cyber Charter School Funding and Policy
4 Council.--(a) There is established a Cyber Charter School
5 Funding and Policy Council.

6 (b) The council shall have the following powers and duties:

7 (1) Develop recommendations related to how cyber charter
8 schools are funded, including process, amounts and restrictions.

9 (2) Develop recommendations for policies impacting cyber
10 charter schools, including:

11 (i) Establishment.

12 (ii) Application.

13 (iii) Terms and form of written charters.

14 (iv) Governance and management.

15 (v) Assessment and evaluation.

16 (vi) Enrollment and notification.

17 (vii) Student attendance and wellness, including the
18 delivery of services to a student with disabilities.

19 (viii) Renewal, revocation or denial of a charter.

20 (ix) Administering standardized testing.

21 (x) Offices and facilities.

22 (xi) Telework for employees.

23 (xii) Public transparency.

24 (xiii) Other policies related to cyber charter schools in
25 this Commonwealth.

26 (3) Recommend standards for truancy and attendance policies
27 for cyber charter schools.

28 (4) Hold public hearings and receive input from experts and
29 interested parties.

30 (5) No later than April 1, 2026, transmit the

1 recommendations to the Governor, the Secretary of Education and
2 the General Assembly.

3 (c) The goals of the council in developing its
4 recommendations shall be:

5 (1) Providing budget predictability for school districts,
6 cyber charter schools and the Commonwealth.

7 (2) Using a transparent, data-driven approach.

8 (3) Improving collaboration between public schools.

9 (4) Providing accountability for meeting measurable academic
10 standards.

11 (d) The council shall consist of the following members:

12 (1) One (1) legislator from each of the four (4) legislative
13 caucuses, to be appointed by the President pro tempore of the
14 Senate and the Speaker of the House of Representatives, in
15 consultation with the Majority Leader and Minority Leader of the
16 Senate and the Majority Leader and Minority Leader of the House
17 of Representatives.

18 (2) The Secretary of Education or a designee.

19 (3) The Deputy Secretary of Elementary and Secondary
20 Education or a designee.

21 (e) A majority vote of the members of the council shall be
22 required for all actions taken by the council.

23 (f) The council shall appoint a member to serve as
24 chairperson.

25 (g) The council shall hold meetings at the call of the
26 chair. The council shall hold its first meeting within forty-
27 five (45) days of the effective date of this section.

28 (h) The members may not receive compensation for their
29 services but shall be reimbursed for all necessary travel and
30 other reasonable expenses incurred in connection with the

1 performance of their duties as members of the council.

2 (i) The General Assembly shall provide administrative
3 support, meeting space and any other assistance required by the
4 council to carry out its duties under this section in
5 cooperation with the department. The department shall provide
6 the council with data, research and other information upon
7 request by the council.

8 (j) The cyber charter school funding and policy
9 recommendations developed by the council shall not go into
10 effect unless approved by an act of the General Assembly enacted
11 after the effective date of this subsection.

12 (k) As used in this section, the following words and phrases
13 shall have the meanings given to them in this subsection unless
14 the context clearly indicates otherwise:

15 "Council." The Cyber Charter School Funding and Policy
16 Council established under this section.

17 "Department." The Department of Education of the
18 Commonwealth.

19 Section 2. Section 134(b) of the act, added July 11, 2024
20 (P.L.618, No.55), is amended to read:

21 Section 134. Advertising and Sponsorships.--* * *

22 (b) [No later than August 1, 2025, each] As part of the
23 annual financial reporting submitted under section 218, each
24 public school entity shall report to the Department of Education
25 the entity's total expenditures for paid media advertisements
26 and sponsorships of public events [for the 2024-2025 school
27 year]. The department shall compile the results of the reports
28 and make the results available on the Department of Education's
29 publicly accessible Internet website [by December 1, 2025].

30 * * *

1 Section 3. Section 1372(8) of the act is amended by adding a
2 subclause to read:

3 Section 1372. Exceptional Children; Education and
4 Training.--* * *

5 (8) Reporting of Expenditures Relating to Exceptional
6 Students.

7 * * *

8 (vi) For purposes of reporting expenditures under this
9 section and for calculating the costs for educating a special
10 education student, costs shall be in accordance with Department
11 of Education guidance and shall include the following:

12 (A) Eligible instruction costs per special education student
13 when specified in the student's individualized education plan
14 shall include:

15 (I) Prorated salary and benefits for a classroom special
16 education teacher.

17 (II) Prorated salary and benefits for a classroom aide, if
18 the aide is assigned to a group of students.

19 (III) Total cost of salary and benefits if a
20 paraprofessional or one-on-one aide is assigned to the student.

21 (B) Eligible related services costs per special education
22 student when specified in the student's individualized education
23 plan shall include:

24 (I) Prorated transportation cost if the vehicle is
25 transporting multiple students at one time.

26 (II) Total transportation cost if the vehicle is
27 transporting only the student receiving services.

28 (III) Prorated cost of speech and language services if
29 services are provided to a group of students.

30 (IV) Total cost of speech and language services if services

1 are provided to the student receiving services.

2 (V) Total cost of individual services, including
3 occupational therapy, physical therapy, vision services, hearing
4 services, orientation and mobility and related services.

5 (VI) Prorated cost of school nursing services if services
6 are provided to a group of students.

7 (VII) Total cost of a one-on-one nurse if the nurse is
8 assigned to a student receiving services.

9 (C) Eligible specialized equipment costs per special
10 education student when specified in the student's individualized
11 education plan shall include:

12 (I) Total cost of braille materials for the student
13 receiving services.

14 (II) Total cost of assistive technology for the student
15 receiving services.

16 (III) Total cost of other equipment for the student
17 receiving services.

18 (D) Ineligible costs that may not be used in the calculation
19 include:

20 (I) Administrative costs.

21 (II) Nonspecialized transportation costs.

22 (III) General education costs, which are not applicable to
23 special education services.

24 Section 4. Section 1703-A of the act is amended by adding
25 definitions to read:

26 Section 1703-A. Definitions.--The following words and
27 phrases when used in this article shall have the meanings given
28 to them in this section unless the context clearly indicates
29 otherwise:

30 * * *

1 "Comprehensive support and improvement" shall mean a
2 designation under 20 U.S.C. § 6311 (relating to State plans) for
3 schools that face the most significant challenges related to
4 academic achievement, student growth, graduation rate and other
5 areas.

6 * * *

7 "Low-achieving school" shall mean a public school that ranked
8 in the lowest fifteen per centum of the school's designation as
9 an elementary school or a secondary school based on combined
10 mathematics and reading scores from the annual assessment
11 administered in the previous school year.

12 * * *

13 "Statewide cyber charter school tuition rate" shall mean the
14 base amount as calculated under section 1725.1-A(e) and (f).

15 Section 5. Section 1725.1-A(c) introductory paragraph of the
16 act, added July 11, 2024 (P.L.618, No.55), is amended and the
17 section is amended by adding subsections to read:

18 Section 1725.1-A. Funding for Cyber Charter Schools.--* * *

19 (c) Effective January 1, 2025, [and the entirety of each
20 school year thereafter] through the 2024-2025 school year, for
21 special education students, a cyber charter school shall receive
22 for each student enrolled the lesser of:

23 * * *

24 (e) Notwithstanding section 1725-A(a)(2), for non-special
25 education students for the 2025-2026 school year, the cyber
26 charter school shall receive the Statewide cyber charter school
27 tuition rate of eight thousand dollars (\$8,000).

28 (f) Notwithstanding section 1725-A(a)(2), for non-special
29 education students beginning in the 2026-2027 school year and
30 every school year thereafter, the cyber charter school shall

1 receive the Statewide cyber charter school tuition rate under
2 subsection (e) adjusted in accordance with the following:

3 (1) The lesser of:

4 (i) the average annual percentage change in real estate tax
5 collection for all school districts for the most recent year as
6 reported on the annual financial report submitted in accordance
7 with section 218 and fixed as of the first day of June preceding
8 the school year for which the calculation applies; or

9 (ii) the average of the most recent percentage increase in
10 the Statewide average weekly wage and the employment cost index
11 as defined in section 302 of the act of June 27, 2006 (1st ◀
12 Sp.Sess., P.L.1873, No.1), known as the "Taxpayer Relief Act."

13 (2) If the average change under clause (1) is less than zero
14 (0), there shall be no change in the Statewide cyber charter
15 school tuition rate.

16 (g) Beginning in the 2025-2026 school year and each school
17 year thereafter, for special education students, a cyber charter
18 school shall receive for each student with a current
19 individualized education plan enrolled in the cyber charter
20 school the same funding as each non-special education student as
21 provided under subsections (e) and (f), plus an additional
22 amount in accordance with the following:

23 (1) For each special education student enrolled in the cyber
24 charter school for which the annual expenditures for providing
25 special education specific services and programs as reported by
26 the cyber charter school under section 1372(8) fall within the
27 amounts for Category 1, 2 or 3 as specified in section 1372(8),
28 multiply the Statewide cyber charter school tuition rate by the
29 corresponding multiplier specified in section 2509.5(bbb)(2)
30 (i.1)(A), (B) or (C) or the most recently enacted statute

1 specifying the multiplier for Category 1, 2 or 3 students. For
2 purposes of this clause, Category 1 shall include students in
3 Categories 1A and 1B and Category 3 shall include students in
4 Categories 3A and 3B under section 1372(8).

5 (2) For each special education student enrolled in the cyber
6 charter school, the cyber charter school shall, for purposes of
7 calculating the charter school tuition rate under clause (1),
8 use the multiplier corresponding with the section 1372(8)
9 category under which the student was reported for the prior
10 school year. For each newly identified special education student
11 enrolled in the cyber charter school, the cyber charter school
12 shall, for purposes of calculating the charter school tuition
13 rate under clause (1), use the multiplier corresponding with
14 Category 1.

15 (3) At the end of each school year, a cyber charter school
16 shall analyze the cyber charter school's actual expenditures for
17 the provision of special education services and programs to each
18 student in the prior school year. If the analysis shows that a
19 student should have been placed in a different tuition rate
20 category than was used to invoice the resident school district
21 under clause (2), the cyber charter school shall place the
22 student in the appropriate tuition rate category as part of the
23 final documentation of payment to be made under section 1725-
24 a(a) (5).

25 (4) The department shall periodically review and monitor a
26 cyber charter school's tuition rate category determinations to
27 ensure compliance with this section and section 1372(8)(vi).

28 (5) Failure to comply with this subsection shall be grounds
29 for nonrenewal or revocation of a charter under section 1729-A.

30 (h) If a cyber charter school incurs extraordinary expenses

1 in providing a special education program or service to one or
2 more students with disabilities, the cyber charter school may
3 apply to the Secretary of Education for money in accordance with
4 section 2509.8.

5 Section 6. Section 1741-A(a)(1), (2) and (5) of the act are
6 amended and the subsection is amended by adding paragraphs to
7 read:

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

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

10 (1) Receive, review and act on applications for the
11 creation of a cyber charter school and have the power to
12 request further information from applicants, obtain input
13 from interested persons or entities and hold hearings
14 regarding applications. The department shall create and post
15 on its publicly accessible Internet website a standard
16 application form for the creation of a new cyber charter
17 school.

18 (2) Renew the charter of cyber charter school and renew
19 the charter of a charter school approved under section 1717-A
20 or 1718-A which provides instruction through the Internet or
21 other electronic means. Upon renewal of a charter of a
22 charter school approved under section 1717-A or 1718-A, the
23 charter school shall qualify as a cyber charter school under
24 this subdivision and shall be subject to the provisions of
25 this subdivision. The department shall create and post on its
26 publicly accessible Internet website a standard application
27 form for existing cyber charter schools seeking renewal of
28 the cyber charter school's charter.

29 * * *

30 (5) Develop forms, including the standard application

1 forms under paragraphs (1) and (2) and notification form
2 under paragraph (6)(ii) and section 1748-A(b), necessary to
3 carry out the provisions of this subdivision.

4 (6) (i) By February 1 of each year, notify each cyber
5 charter school identified as a low-achieving school of
6 the following duties:

7 (A) Within 15 days of receipt of a notification
8 under this subparagraph, a cyber charter school shall
9 notify the parents of each enrolled student of the
10 cyber charter school's designation.

11 (B) Upon registration of a kindergarten student
12 and enrollment of a new student in any grade, a cyber
13 charter school shall notify the parents or guardians
14 of the student that the student will be assigned to a
15 low-achieving school during the school year of the
16 cyber charter school's designation.

17 (ii) Failure to provide the notice required under
18 subparagraph (i)(A) or (B) shall be grounds for
19 nonrenewal or revocation of a charter under section 1729-
20 A.

21 (iii) The notice under subparagraph (i) shall be in
22 a form provided by the department.

23 (7) Annually post the annual budget of the cyber charter
24 school provided under section 1716-A(i).

25 * * *

26 Section 7. Section 1742-A of the act is amended to read:

27 Section 1742-A. Assessment and evaluation.

28 (a) Duties of department.--The department shall:

29 (1) Annually assess whether each cyber charter school is
30 meeting the goals of its charter and is in compliance with

1 the provisions of the charter and conduct a comprehensive
2 review prior to granting a [five-year] renewal of the
3 charter.

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

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

15 (4) Annually publish the results of the assessment under
16 paragraph (1) and the evaluation performance standards under
17 paragraph (2) for each cyber charter school on the
18 department's publicly available Internet website.

19 (5) Upon completion for each cyber charter school,
20 publish the comprehensive review under paragraph (1).

21 (b) Penalty.--Failure to provide information requested by
22 the department under this section shall be grounds for
23 nonrenewal or revocation of a charter under section 1729-A.

24 Section 8. The act is amended by adding a section to read:
25 Section 1742.1-A. Fund balance limits.

26 (a) Limitation.--For the 2025-2026 school year and each
27 school year thereafter, a cyber charter school may not
28 accumulate an unassigned fund balance that exceeds 12% of the
29 cyber charter school's total expenditures.

30 (b) Refund.--Any unassigned fund balance in place on June

1 30, 2026, and on June 30 of each year thereafter, in excess of
2 the fund balance limit under subsection (a) shall be refunded on
3 a pro rata basis within 90 days to all school districts that
4 paid tuition to the cyber charter school in the prior school
5 year, based upon the cyber charter school's average daily
6 membership for each school district that paid tuition to the
7 cyber charter school. Failure to comply with this subsection
8 shall be grounds for nonrenewal or revocation of a charter under
9 section 1729-A.

10 (c) Information.--By October 31, 2026, and by October 31 of
11 each year thereafter, each cyber charter school shall provide
12 the department and all school districts that paid tuition to the
13 cyber charter school in the prior school year with information
14 certifying compliance with this section. The information shall
15 be provided in a form and manner prescribed by the department
16 and shall include information on the cyber charter school's
17 ending unassigned fund balance expressed as a dollar amount and
18 as a percentage of the cyber charter school's total budgeted
19 expenditures for that school year.

20 (d) Prohibition.--Unassigned money of the cyber charter
21 school in excess of the unassigned fund balance limit may not be
22 used to pay bonuses or provide employment incentives to an
23 administrator, board of trustees member, employee, staff member
24 or contractor and may not be transferred to a charter school
25 foundation. If a cyber charter school uses money in excess of
26 the unassigned fund balance limit to pay bonuses or provide
27 employment incentives to an administrator, board of trustees
28 member, employee, staff member or contractor or transfers the
29 money to a charter school foundation, the value of the bonus
30 payment, employment incentive or money transfer shall be

1 refunded on a pro rata basis to all school districts that paid
2 tuition to the cyber charter school in the prior school year,
3 based upon the number of students for whom each school district
4 paid tuition to the cyber charter school multiplied by the
5 Statewide cyber charter school tuition rate under section
6 1725.1-A.

7 (e) Definition.--As used in this section, the term
8 "unassigned fund balance" shall mean the portion of the fund
9 balance of a cyber charter school that is appropriable for
10 expenditure or not legally or otherwise obligated for a specific
11 or tentative future use as reported on the annual financial
12 report at the end of the school year.

13 Section 9. Section 1743-A(a)(2) and (3), (e)(1), (f) and (h)
14 of the act are amended, subsections (a), (c) and (d) are amended
15 by adding paragraphs and the section is amended by adding
16 subsections to read:

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

19 (a) Special financial requirements prohibited.--A cyber
20 charter school shall not:

21 * * *

22 (2) except as provided for in subsection (e), provide
23 payments to parents or guardians for the purchase of
24 instructional materials; [or]

25 (3) except as compensation for the provision of specific
26 services, enter into agreements to provide funds to a school
27 entity[.]; or

28 (4) provide payments, gifts, reimbursement or other
29 incentives to a parent or guardian of any student or
30 prospective student for enrolling, considering enrolling or

1 providing information to any parent or guardian enrolling or
2 considering enrolling a student in the charter school.

3 * * *

4 (b.1) Enrollment parameters.--If a cyber charter school is
5 designated for comprehensive support and improvement, the cyber
6 charter school shall be subject to an enrollment parameter and
7 may not expand its enrollment beyond a 5% increase of its
8 highest reported enrollment of the previous three years from the
9 date of identification. Upon designation, the department shall
10 calculate the cyber charter school's enrollment parameter and
11 shall communicate the enrollment parameter to the cyber charter
12 school. The enrollment parameter may not be surpassed during any
13 period the cyber charter school retains the designation of
14 comprehensive support and improvement. Failure to comply with
15 this subsection shall be grounds for nonrenewal or revocation of
16 a charter under section 1729-A.

17 (c) School district.--A cyber charter school shall make
18 available upon request, either in writing or electronically, to
19 each student's school district of residence the following:

20 * * *

21 (5) Proof of residency for each student that the school
22 district is required to make payments for under sections
23 1725-A and 1725.1-A. The following shall apply:

24 (i) Proof of residency shall be a document with the
25 parent or guardian's name and address on it, including an
26 active residential lease agreement, a mortgage statement
27 no more than three months old, a bank statement no more
28 than three months old, a utility or Internet bill no more
29 than three months old, a tax bill no more than three
30 months old or an insurance document no more than three

1 months old.

2 (ii) A school district shall not request proof of
3 residency from a cyber charter school for a student
4 enrolled at a cyber charter school more than once per
5 month.

6 (d) Parent or guardian.--Upon request and prior to the
7 student's first day in a cyber charter school, the cyber charter
8 school shall, either in writing or electronically, provide to
9 the parent or guardian of a student the following:

10 * * *

11 (14) A notice of the requirement under subsection (c) (5)
12 to provide proof of residency upon request, not to exceed
13 monthly.

14 (d.1) Statements required.--Prior to the student's first day
15 at a cyber charter school, the cyber charter school shall obtain
16 a written statement from the child's parent or guardian
17 acknowledging receipt and acceptance of the cyber charter
18 school's information and policies under subsection (d).

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

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

23 * * *

24 (f) Annual report.--A cyber charter school shall submit an
25 annual report no later than August 1 of each year to the
26 department in the form prescribed by the department[.] to be
27 posted on the department's publicly accessible Internet website.
28 Beginning with the annual report for the 2025-2026 school year,
29 the department shall require the written report to include:

30 (1) A list of all entities providing financing for

1 capital projects of the cyber charter school.

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

4 (3) The annual budget of the cyber charter school under
5 section 1716-A(i).

6 (4) Data in a form prescribed by the department to
7 validate student wellness checks required under section
8 1748.1-A.

9 * * *

10 (h) Offices and facilities.--

11 (1) A cyber charter school shall [maintain]:

12 (i) Maintain an administrative office within this
13 Commonwealth where all student records shall be
14 maintained at all times and which shall [provide] be
15 considered as the principal place of business for service
16 of process for any action brought against the cyber
17 charter school or cyber charter school staff members.

18 (ii) Provide the department with the addresses of
19 all offices and facilities of the cyber charter school,
20 the ownership thereof and copies of any lease
21 arrangements[. The administrative office of the cyber
22 charter school shall be considered as the principal place
23 of business for service of process for any action brought
24 against the cyber charter school or cyber charter school
25 staff members.] entered by or on behalf of the cyber
26 charter school and a description of the purpose and use
27 of each facility. The cyber charter school shall notify
28 the department of any changes in this information within
29 ten days of the change. The department shall post the
30 information required under this paragraph on its publicly

1 accessible Internet website.

2 (iii) Provide the department with a list of all
3 entities providing financing for capital projects of the
4 cyber charter school.

5 (2) A cyber charter school shall be prohibited from
6 owning or having any financial interest in additional offices
7 and facilities beyond the administrative office under
8 paragraph (1) without seeking an amendment to its charter
9 under section 1747-A and receiving the approval from the
10 department.

11 (3) Revenue generated from the rent, lease or sale of
12 charter-owned property shall be paid annually by June 30 of
13 the next school year to resident school districts by
14 prorating the revenue based on each resident school
15 district's average daily membership in the cyber charter
16 school as reported to the department.

17 (4) A cyber charter school shall report payments made
18 under paragraph (3) on the cyber charter school's annual
19 financial report in a format determined by the department.

20 (5) Failure to comply with this subsection shall be
21 grounds for nonrenewal or revocation of a charter under
22 section 1729-A.

23 * * *

24 (j) Definitions.--As used in this section, the following
25 words and phrases shall have the meanings given to them in this
26 subsection unless the context clearly indicates otherwise:

27 "Gift." Anything that is received without consideration of
28 equal or greater value, provided that the value of the gift is
29 greater than \$10.

30 Section 10. The act is amended by adding a section to read:

1 Section 1743.1-A. Cyber charter school fund balance

2 accountability.

3 (a) Information required.--No later than October 31, 2025,
4 each cyber charter school shall submit to the department, in a
5 form and manner prescribed by the department, a statement of
6 revenues, expenditures and changes in fund balances for
7 governmental funds for the fiscal year ending June 30, 2025,
8 including a narrative and documentation explaining the specific
9 purpose and related amounts for which any governmental fund
10 balance is designated as nonspendable, restricted, committed or
11 assigned as classified in the annual financial reports submitted
12 in accordance with section 218.

13 (b) Payment.--No later than December 31, 2025, based on the
14 information reported under subsection (a), each cyber charter
15 school shall pay to the Commonwealth an amount equal to the sum
16 of the amounts as follows:

17 (1) The unassigned fund balance payment calculated as
18 follows:

19 (i) Multiply the total expenditures of the cyber
20 charter school by 0.5.

21 (ii) Subtract the product calculated under
22 subparagraph (i) from the end-of-year unassigned fund
23 balance.

24 (iii) Determine the greater of \$0 or the difference
25 in subparagraph (ii).

26 (2) Capital project fund payment calculated as follows:

27 (i) Multiply the total expenditures of the cyber
28 charter school by 0.2.

29 (ii) Subtract the product calculated in subparagraph
30 (i) from the end-of-year fund balance for the capital

1 projects fund.

2 (iii) Determine the greater of \$0 or the difference
3 in subparagraph (ii).

4 (c) Use.--The money received under this section shall be
5 transferred to the Commonwealth Financing Authority for the
6 program established under section 1753.2-E of the act of April
7 9, 1929 (P.L. 343, No.176), known as The Fiscal Code. The
8 following shall apply:

9 (1) No less than 25% of the money available under this
10 section shall be used to fund projects recommended by the
11 Department of Community and Economic Development under
12 section 1753.2-E(b.1). The Department of Community and
13 Economic Development may, in its discretion, recommend
14 projects from applications received in a previous application
15 round.

16 (2) Notwithstanding section 1753.2-E(a) and (n) of The
17 Fiscal Code, a charter school and a regional charter school
18 shall be eligible to apply for and receive money available
19 under this section provided that if the charter school or
20 regional charter school facility where the awarded project is
21 located is sold, transferred or conveyed within five years
22 from the date of the award of the grant, the charter school
23 or regional charter school shall notify the Commonwealth
24 Financing Authority and the new owner of record shall
25 reimburse the Commonwealth Financing Authority in an amount
26 equal to 80% of the amount of the grant.

27 (d) Definitions.--As used in this section, the following
28 words and phrases shall have the meanings given to them in this
29 subsection unless the context clearly indicates otherwise:

30 "Capital project fund." The money accounting for financial

1 resources that are restricted, committed or assigned to be
2 obligated or expended for capital outlays by a cyber charter
3 school.

4 "Unassigned fund balance." That portion of the fund balance
5 of a cyber charter school that is appropriable for expenditures
6 or not legally or otherwise obligated for a specific or
7 tentative future use as reported on the annual financial report
8 at the end of the school year.

9 Section 11. Section 1745-A(f)(3) of the act is amended to
10 read:

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

12 * * *

13 (f) Evaluation criteria.--

14 * * *

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

26 * * *

27 Section 12. Section 1747-A heading and introductory
28 paragraph of the act are amended and the section is amended by
29 adding subsections to read:

30 Section 1747-A. Cyber charter school application, renewal and

1 amendment.

2 (a) Application.--In addition to the provisions of section
3 1719-A, an application to establish a cyber charter school shall
4 also include the following:

5 * * *

6 (b) Form.--The application to establish a cyber charter
7 school shall be made upon the standard application form in paper
8 and electronic formats as determined by the department.

9 (c) Renewal.--

10 (1) A cyber charter school shall submit a renewal
11 application as provided under section 1719-A with the
12 department by October 1 of the final year of the charter.

13 (2) A cyber charter school's charter may be renewed for
14 a period of no less than three years and no more than five
15 years by the department or appeal board.

16 (d) Charter amendments.--Amendments to charters shall be in
17 accordance with the following:

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

21 (2) Within 60 days of the department's receipt of the
22 request for an amendment, the department shall provide for
23 public comment on the requested amendment under 65 Pa.C.S.
24 Ch. 7 (relating to open meetings).

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

28 Section 13. Sections 1748-A and 1748.1-A of the act, amended
29 or added July 11, 2024 (P.L.618, No.55), are amended to read:
30 Section 1748-A. Enrollment and notification.

1 (a) Notice to school district.--

2 (1) Within 10 days of the enrollment of a student to a
3 cyber charter school, the parent or guardian and the cyber
4 charter school shall notify the student's school district of
5 residence of the enrollment through the use of the
6 notification form under subsection (b).

7 (2) If a school district [which has received notice
8 under paragraph (1)] determines that a student is not a
9 resident of the school district, the following apply:

10 (i) [Within seven days of receipt of the notice
11 under paragraph (1), the] The school district shall
12 notify the cyber charter school and the department that
13 the student is not a resident of the school district.
14 Notification of nonresidence shall include the basis for
15 the determination.

16 (ii) [Within seven days of] Following the
17 notification under subparagraph (i), the [cyber charter
18 school] department shall review the notification of
19 nonresidence[, respond to the school district and provide
20 a copy of the response to the department]. If the [cyber
21 charter school] department agrees that a student is not a
22 resident of the school district, it shall determine and
23 notify the cyber charter school of the proper district of
24 residence of the student. [before requesting funds from
25 another school district.

26 (iii) Within seven days of receipt of the response
27 under subparagraph (ii), the school district shall notify
28 the cyber charter school that it agrees with the cyber
29 charter school's determination or does not agree with the
30 cyber charter school's determination.

1 (iv) A school district that has notified the cyber
2 charter school that it does not agree with the cyber
3 charter school's determination under subparagraph (iii)
4 shall appeal to the department for a final
5 determination.]

6 (v) All decisions of the department regarding the
7 school district of residence of a student shall be
8 subject to review by the Commonwealth Court.

9 (vi) A school district shall continue to make
10 payments to a cyber charter school under section 1725-A
11 during the time in which the school district of residence
12 of a student is in dispute.

13 (vii) If a final determination is made that a
14 student is not a resident of an appealing school
15 district, the cyber charter school shall return all funds
16 provided on behalf of that student during the period for
17 which the student was not a resident of the school
18 district to the school district within 30 days.

19 (viii) If a final determination is made by the
20 department or Commonwealth Court that a student is not a
21 resident of an appealing school district, the secretary
22 shall assess an administrative fine equal to the
23 Statewide cyber charter school tuition rate under section
24 1725.1-A on the cyber charter school. Any sum collected
25 as a penalty under this subparagraph may be used by the
26 department for the payment of costs of administration of
27 this article.

28 (ix) The department shall revoke or deny renewal of
29 a cyber charter school's charter if, in any school year
30 other than a cyber charter school's first year of

1 operation, the number of administrative fines assessed on
2 the cyber charter school exceeds 1% of the cyber charter
3 school's average daily membership in the previous school
4 year.

5 (b) Notification form.--The department shall develop a
6 notification form for use under subsection (a). The notification
7 shall include:

8 (1) The name, home address and mailing address of the
9 student.

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

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

12 (4) The name and address of the cyber charter school and
13 the name and telephone number of a contact person able to
14 provide information regarding the cyber charter school.

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

17 (6) Proof of residency, which shall be a document with
18 the parent or guardian's name and address on it, including an
19 active residential lease agreement, a mortgage statement no
20 more than three months old, a bank statement no more than
21 three months old, a utility or Internet bill no more than
22 three months old, a tax bill no more than three months old or
23 an insurance document no more than three months old.

24 (c) Withdrawal.--

25 (1) The cyber charter school and the parent or guardian
26 of a student enrolled in a cyber charter school shall provide
27 written notification to the student's school district of
28 residence within 10 days following the withdrawal of a
29 student from the cyber charter school.

30 (2) If the written notification required under paragraph

1 (1) is dated after a notification by the school district
2 under subsection (a)(2)(i), the administrative fine provided
3 under subsection (a)(2)(viii) applies.

4 Section 1748.1-A. Enrollee wellness checks.

5 (a) Requirements.--A cyber charter school shall, at least
6 once during any week consisting of at least three full or
7 partial days of academic instruction, ensure that each enrolled
8 student is [able to be] visibly seen and communicated with in
9 real time by a teacher, administrator or other representative of
10 the cyber charter school, either in person or via electronic
11 means, in order to ensure the well-being of the student and
12 verify participation in the educational program. The requirement
13 under this subsection may be satisfied by students turning on a
14 webcam during synchronous online instruction.

15 (a.1) Failure to comply.--Failure to comply with subsection
16 (a) shall be grounds for nonrenewal or revocation of a charter
17 under section 1729-A.

18 (b) Report.--If any indication of abuse, neglect or harm to
19 a child is observed, the cyber charter school administrator,
20 employee or representative shall report the concerns in
21 accordance with 23 Pa.C.S. Ch. 63 (relating to child protective
22 services).

23 (c) Well-being.--The department may require proof of
24 compliance with this section by a cyber charter school to ensure
25 the well-being of the enrolled student in a cyber charter school
26 and verify participation in the educational program.

27 Section 14. Section 1749-A(a)(1) of the act is amended by
28 adding subparagraphs and the section is amended by adding a
29 subsection to read:

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

1 and of other acts and regulations.

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

4 (1) The following:

5 * * *

6 (xiv.1) Section 751.

7 * * *

8 (xx.1) Section 807.1

9 * * *

10 (d) Penalty.--Failure to comply with this section shall be
11 grounds for nonrenewal or revocation of a charter under section
12 1729-A.

13 Section 15. The act is amended by adding a section to read:
14 Section 1752-A. Cyber charter school moratorium.

15 Beginning with the 2025-2026 school year through the 2029-
16 2030 school year, the department may not review or act on any
17 application for the establishment of a new cyber charter school
18 regardless of the date on which the application was or is
19 received by the department.

20 Section 16. Section 2509.8(f)(i) of the act is amended and
21 the section is amended by adding a subsection to read:

22 Section 2509.8. Extraordinary Special Education Program
23 Expenses.--* * *

24 (f) (i) For the 2016-2017 school year [and each school year
25 thereafter] through the 2024-2025 school year, an amount equal
26 to one percent (1%) of the special education appropriation shall
27 be distributed to school districts and charter schools for
28 extraordinary expenses incurred in providing a special education
29 program or service to one or more students with disabilities as
30 approved by the Secretary of Education. Such special education

1 program or service shall include, but not be limited to, the
2 transportation of students with disabilities; services related
3 to occupational therapy, physical therapy, speech and language,
4 hearing impairments or visual impairments; or training in
5 orientation and mobility for children who are visually impaired
6 or blind.

7 * * *

8 (g) For the 2025-2026 school year and each school year
9 thereafter, an amount equal to two percent (2%) of the special
10 education appropriation shall be distributed to school districts
11 and charter schools for extraordinary expenses incurred in
12 providing a special education program or service to one or more
13 students with disabilities as approved by the Secretary of
14 Education. The special education program or service shall
15 include, but not be limited to, the transportation of students
16 with disabilities, services related to occupational therapy,
17 physical therapy, speech and language, hearing impairments or
18 visual impairments or training in orientation and mobility for
19 children who are visually impaired or blind. The following shall
20 apply:

21 (i) No less than one percent (1%) of the special education
22 appropriation may be distributed to school districts and charter
23 schools as follows:

24 (A) Funds distributed under this subparagraph shall be
25 allocated for students for which all the following criteria are
26 met:

27 (I) Expenses are incurred on an annual basis that are equal
28 to or greater than seventy-five thousand dollars (\$75,000).

29 (II) The expenses associated with the application represent
30 at least one percent (1%) of the school district's or charter

1 school's total special education expenditures as reported in the
2 most recent annual financial reports submitted in accordance
3 with section 218.

4 (III) The student must not have been enrolled in the school
5 district or charter school for more than two (2) consecutive
6 school years.

7 (B) The department shall prioritize applications with the
8 highest rates in clause (A) (II).

9 (ii) No less than one percent (1%) of the special education
10 appropriation may be distributed to school districts and charter
11 schools as follows:

12 (A) Money distributed under this subparagraph shall be
13 allocated for students for which all the following criteria are
14 met:

15 (I) Expenses are incurred on an annual basis that are equal
16 to or greater than seventy-five thousand dollars (\$75,000).

17 (II) The student must not have been enrolled in the school
18 district or charter school for more than two (2) consecutive
19 school years.

20 (B) The department shall prioritize applications with the
21 highest expenses in clause (A) (I).

22 (iii) The following shall apply to money distributed to a
23 school district or a charter school under this subsection:

24 (A) Subtract the State subsidies paid on behalf of the
25 student to the school district or, for a student enrolled in a
26 charter school, the charter school payment received by the
27 charter school where the child is enrolled from the expense
28 incurred for the student.

29 (B) No school district or charter school shall in any school
30 year receive an aggregate amount under this subsection which

1 exceeds the total amount of funding available multiplied by the
2 percentage equal to the greatest percentage of the State's
3 special education students enrolled in a school district or
4 charter school.

5 (h) (1) Except as provided under paragraph (2), a school
6 district or charter school may not in any school year receive
7 more than one hundred fifty thousand dollars (\$150,000).

8 (2) A school district of the first class may not in any
9 school year receive more than three hundred thousand dollars
10 (\$300,000).

11 Section 17. This act shall take effect immediately.