



Highlights from House Cyber Charter Reform Bill Printer's Number 1795

Please note that in this document "department" refers to the Pennsylvania Department of Education.

Section 1.

Section 123.2. Establishes a Cyber Charter School Funding and Policy Council

Establishes a Cyber Charter School Funding and Policy Council that will develop recommendations for how cyber charters are funded, and for policies that impact cybers, including standards for truancy and attendance. This Council will hold public meetings and gather input from experts and interested parties. It will be made up of one legislator from each of the four legislative caucuses, the secretary of education or a designee, the deputy secretary of elementary and secondary education or a designee.

No later than April 1, 2026, transmit the recommendations to the Governor, secretary of education and the General Assembly.

The recommendations shall not go into effect unless approved by an act of the General Assembly.

Section 2.

Section 134 Advertising and Sponsorships

Requires all public schools to report their expenditures for paid media advertisements and sponsorships as part of their annual financial reporting. This information will be available on the department's website.

Section 3.

Section 1372(8) Reporting expenditures relating to exceptional students

This section details how to calculate and report costs for special education students

Section 4

Section 1725.1-A Funding for Cyber Charter Schools

Establishes a statewide cyber charter school tuition rate of \$8,000 for non-special education students for the 2025-2026 school year. Special education tuition for students with disabilities

will be calculated using multipliers in the tiered system that the state uses to calculate funding allocations for students with disabilities in school districts.

At the end of each year, cyber charter schools will analyze their actual expenditures for the provision of special education services and programs for each student. If the analysis shows that a student should have been placed in a different tuition rate category than was used to invoice the resident school district, the cyber charter shall place the student in the appropriate tuition rate category as part of the final documentation of payment.

Failure to comply with this shall be grounds for nonrenewal or revocation of a charter under section 1929-A.

If a cyber charter incurs extraordinary expenses in providing a special education program or service to one or more students with disabilities, the cyber charter may apply to the Secretary of Education for funds in accordance with current law.

Section 6

Section 1741-A Powers of the Department of Education

Clarifies that the department shall review and act on applications for new cyber charters and renew existing cyber charters whose renewals are approved and post standard applications for both on its website.

The department shall also notify cyber charters identified as low-achieving schools of the following duties by February 1 of each year:

- Within 15 days of receipt of a notification under this paragraph the cyber charter will notify the parents of each enrolled student of the cyber charter school's designations.
- Upon registration of a kindergarten student and enrollment of a new student in any other grade, a cyber charter school shall notify the parents or guardians of the student that the student will be assigned to a low-achieving school during the school year of the cyber charter school's designation.

Failure to provide the notice shall be grounds for nonrenewal or revocation of a charter.

The department will post the annual budget of cyber charter schools.

Section 7

Section 1742-A Assessment and evaluation

The department shall annually assess whether each cyber charter is meeting the goals of its charter and is in compliance with the provisions of the charter and conduct a comprehensive review prior to granting a renewal of the charter.

It will annually review each cyber charter's performance on standardized tests and have ongoing access to all records, instructional materials and student and staff records of each and every cyber charter school.

It will annually publish the results of the assessment and the evaluation performance standards for each cyber charter on their website and upon completion, the department will publish the comprehensive review.

Failure to provide information requested by the department to carry out the duties in this section shall be grounds for nonrenewal or revocation of a charter.

Section 8

1742.1-A Fund Balance Limits

For the 2025-2026 school year and each year thereafter, a cyber charter school shall not accumulate an unassigned fund balance that exceeds 12% of the cyber charter's total expenditures. Any unassigned fund balance in place on June 30, 2026 and on June 30 of each year thereafter in excess of this limit shall be refunded on a pro rata basis to districts based on tuition they have paid to the cyber charter.

Failure to comply with this section shall be grounds for nonrenewal or revocation of a charter.

Unassigned funds in excess of the fund balance limit may not be used to pay bonuses or provide employment incentive to an administrator, a board of trustees member, an employee, a staff member or a contractor and may not be transferred to a charter school foundation.

Section 9

Section 1743-A Cyber charter school requirements and prohibitions.

Cyber charters are prohibited from providing payments, gifts, reimbursements or other incentives to a parent or guardian of any student or prospective student for enrolling, considering enrolling or providing information to any parent or guardian enrolling or considering enrolling a student in the charter school.

Enrollment parameters.

Any time a cyber charter school is designated for comprehensive support and improvement the cyber charter may not expand its enrollment beyond a 5% increase of its highest reported enrollment of the previous three years from the date of identification. (OUR NOTE: Schools that receive the comprehensive support and improvement designation face the most significant challenges related to academic, achievement, student growth, graduation rate, and other areas.)

Failure to comply with this subsection shall be grounds for nonrenewal or revocation of a charter.

Residency

A cyber charter school shall make available upon request, either in writing or electronically, to each student's school district of residence the following:

Proof of residency that the school district is required to make payments. A school district may not request proof of residency for a cyber chart school for a student enrolled at a cyber charter school more than once per month.

Annual report

Cyber charters shall submit a written report to PDE that will be posted on the public website that includes:

- A list of entities providing financing for capital projects,
- All expenditures to an educational management service provider,
- The annual budget of the cyber charter, and
- Data in a form prescribed by the Department to validate student wellness checks required in the law.

Offices and facilities

A cyber shall:

- maintain an administrative office that keeps student records and is considered the principal place of business.
- Provide the department with the addresses of all offices and facilities of the school and of any lease arrangements along with a description of the purpose and use of each facility. The department shall post this information publicly. The cyber shall notify the department of any changes in this information within ten days of the change. The department shall post this information online.

A cyber charter school shall be prohibited from owning or having any financial interest in additional offices and facilities beyond the administrative office without seeking an amendment to its charter and receiving the approval of the department.

Revenue generated from the rent, lease or sale of charter-owned property shall be paid annually by June 30 to resident school districts on a prorated basis.

Failure to comply with this subsection shall be grounds for nonrenewal or revocation of a charter.

Section 12

Section 1747-A Cyber Charter school application, renewal, and amendments

Clarifies the process for cyber charter applications, renewals and amendments.

Section 13

1748-A Enrollment and notification

Details a process and for the verification of student residency.

The department shall develop a notification form for use in this subsection.

1748.1-A Enrollee wellness checks

At least once during any week consisting of three full or partial days of academic instruction each enrolled student **must be visibly seen** and communicated with by a teacher, administrator or other representative of the cyber charter school to ensure the well-being of the student and verify participation in the educational program.

Failure to comply with this shall be grounds for nonrenewal of revocation of a charter.

The department may require proof of compliance with this section by a cyber charter school to ensure the well-being of the enrolled student in a cyber charter school and verify participation in the educational program.

Section 14.

1752-A Cyber charter moratorium

Beginning with the 2025-2026 school year through the 2029-2030 school year the department may not review or act on any application for the establishment of a new cyber charter school.

Section 16

Section 2509.8 Extraordinary special education program expenses

This section lays out details for distribution of funding for students who have extraordinary special education costs. For the 2025-2026 school year and each year thereafter, an amount equal to 2% of the special education appropriation shall be distributed to school districts and charter schools through this program.