



## ***PARSS Legislative Update***

### ***July 31, 2024***

#### ***Unpacking the School Code (Part 2)***

The new School Code amendments, now [Act 55 of 2024](#), extensively expands the existing law on school partnerships. the intent of the new language is “to help school entities save money and operate more efficiently....”

More specifically, the new language in the School Code is designed to encourage administrative partnerships, develop opportunities for shared educational programs, and explore school district consolidations or mergers through feasibility studies.

The language expands the opportunities to pursue cooperative arrangements on administrative partnerships and shared educational programs by including authorization for intermediate units and career/technical centers to participate in these efforts. The language also provides for the creation of the Administrative, Instructional Programming Partnership and Feasibility Studies Grant Program. There is new funding in the state budget for this initiative, but the PA Department of Education is authorized to utilize funds not spent in other areas to provide funding. [Section 18]

Act 55 also makes extensive changes for governance of charter schools. Trustees of charter schools will now be required to file statements of financial interest, take a formal oath of office, and be residents of Pennsylvania. Charter school administrators cannot vote, receive compensation from another charter school entity and must adhere to conflict-of-interest standards when participating in the awarding of contracts.

New audit requirements for charters are also detailed in Act 55. Charters are subject to an annual independent audit by a certified public accountant and shall contain the following components:

- (1) An enrollment test to verify the accuracy of student enrollment and reporting to the Commonwealth.
- (2) Full review of expense reimbursements for board of trustees members and administrators, including sampling of all reimbursements.
- (3) Review of internal controls, including review of receipts and disbursements
- (4) Review of annual Federal and State tax filings, including the Internal Revenue Service Form 990, Return of Organization Exempt from Income Tax and all related schedules and appendices for the charter school entity and charter school foundation, if applicable.
- (5) Review of the financial statements of any charter school foundation.
- (6) Review of the selection and acceptance process of all contracts publicly bid pursuant to section 751.
- (7) Review of all board policies and procedures with regard to internal controls, code of ethics, conflicts of interest, whistle-blower protections, complaints from parents or the public, compliance with 65 Pa.C.S. Ch. 7 (relating to open meetings), finances, budgeting, audits, public bidding, and bonding. [Section 21]

A school district or an intermediate unit shall provide a cyber charter school with reasonable access to facilities for the administration of standardized testing.... The cyber charter is required to notify a district or IU 60 days in advance of the need for testing space. Within thirty days of the cyber school notification, the district or IU shall indicate the testing site location. Rental fees may be assessed by the district or IU that comply with the district's or IU's facilities use policy. [Section 22]

Districts are required to submit the charter school tuition calculations to PDE beginning on November 1 and each year thereafter. The filing with the department must also include the related financial data to calculate the tuition rates. [Section 23]

Districts will now be authorized to use the actual special education student enrollment percentage when calculating the special education tuition rate. Under current law, all districts must use a presumed 16% special education enrollment percentage. The statewide average is almost 20%, so most districts will have a charter tuition expense savings. (The higher the special education enrollment percentage, the lower the special education tuition calculation.) [Section 24]

For additional information and details on Act 55, [you can click here](#).