(a) Funding for a charter school shall be provided in the following manner:

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

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

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

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

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

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

(b) The Commonwealth shall provide temporary financial assistance to a school district due
to the enrollment of students in a charter school who attended a nonpublic school in the prior
school year in order to offset the additional costs directly related to the enrollment of those
students in a public charter school. The Commonwealth shall pay the school district of
residence of a student enrolled in a nonpublic school in the prior school year who is attending
a charter school an amount equal to the school district of residence’s basic education subsidy
for the current school year divided by the district’s average daily membership for the prior
school year. This payment shall occur only for the first year of the attendance of the student
in a charter school, starting with school year 1997-1998. Total payments of temporary
financial assistance to school districts on behalf of a student enrolling in a charter school who
attended a nonpublic school in the prior school year shall be limited to funds appropriated for
this program in a fiscal year. If the total of the amount needed for all students enrolled in a
nonpublic school in the prior school year who enroll in a charter school exceeds the
appropriation for the temporary financial assistance program, the amount paid to a school
district for each qualifying student shall be pro rata reduced. Receipt of funds under this
subsection shall not preclude a school district from applying for a grant under subsection (c).

(c) The Commonwealth shall create a grant program to provide temporary transitional
funding to a school district due to the budgetary impact relating to any student’s first-year
attendance at a charter school. The department shall develop criteria which shall include, but
not be limited to, the overall fiscal impact on the budget of the school district resulting from
students of a school district attending a charter school. The criteria shall be published in the
Pennsylvania Bulletin. This subsection shall not apply to a public school converted to a
charter school under section 1717-A(b). Grants shall be limited to funds appropriated for this
purpose.

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

(e) It shall be unlawful for any trustee of a charter school or any board of trustees of a charter
school or any other person affiliate in any way with a charter school to demand or request,
directly or indirectly, any gift, donation or contribution of any kind from any parent, teacher,
employee or any other person affiliated with the charter school as a condition for employment
or enrollment and/or continued attendance of any pupil. Any donation, gift or contribution
received by a charter school shall be given freely and voluntarily.