

# STATE OF NEW YORK

7462

2025-2026 Regular Sessions

## IN SENATE

April 17, 2025

Introduced by Sens. HOYLMAN-SIGAL, BRISPORT, CLEARE, GONZALEZ, HARCKHAM, MAY, MAYER, RAMOS, SALAZAR -- read twice and ordered printed, and when printed to be committed to the Committee on Education

AN ACT to amend the education law and the state finance law, in relation to charter schools

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 1 of section 2851 of the education law, as  
2 amended by chapter 101 of the laws of 2010, is amended to read as  
3 follows:

4 1. An application to establish a charter school may be submitted by  
5 teachers, parents, school administrators, community residents or any  
6 combination thereof. Such application may be filed in conjunction with  
7 a college, university, museum, educational institution, not-for-profit  
8 corporation exempt from taxation under paragraph 3 of subsection (c) of  
9 section 501 of the internal revenue code or for-profit business or  
10 corporate entity authorized to do business in New York state. Provided  
11 however, for-profit business or corporate entities shall not be eligible  
12 to submit an application to establish a charter school pursuant to  
13 subdivision nine-a of section twenty-eight hundred fifty-two of this  
14 article, or operate or manage a charter school for a charter issued  
15 pursuant to subdivision nine-a of section twenty-eight hundred fifty-two  
16 of this article. For charter schools established in conjunction with a  
17 for-profit or not-for-profit business or corporate entity, the charter  
18 shall specify the extent of the entity's participation in the management  
19 and operation of the school.

20 § 2. Paragraph (h) of subdivision 2 of section 2851 of the education  
21 law, as added by chapter 4 of the laws of 1998, is amended to read as  
22 follows:

23 (h) The rules and procedures by which students may be disciplined[  
24 ~~including but not limited to expulsion or suspension from the school,~~

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

LBD07994-01-5

1 ~~which shall be consistent with the requirements of due process and with~~  
2 ~~federal laws and regulations governing the placement of students with~~  
3 ~~disabilities]~~ shall be in accordance with the provisions of subdivisions  
4 two-a, three and three-a of section thirty-two hundred fourteen of this  
5 chapter. The charters of all charter schools that were issued on or  
6 before July first, two thousand twenty-five shall be deemed amended to  
7 require compliance with the procedures set forth in subdivisions two-a,  
8 three and three-a of section thirty-two hundred fourteen of this  
9 chapter.

10 § 3. Paragraph (e) of subdivision 4 of section 2851 of the education  
11 law, as added by chapter 101 of the laws of 2010, is amended to read as  
12 follows:

13 (e) The means by which the charter school will meet or exceed the  
14 enrollment ~~[and retention targets as prescribed by the board of regents~~  
15 ~~or the board of trustees of the state university of New York, as appli-~~  
16 ~~cable, of students with disabilities, English language learners, and~~  
17 ~~students who are eligible applicants for the free and reduced price~~  
18 ~~lunch program which shall be considered by the charter entity prior to~~  
19 ~~approving such charter school's application for renewal. When developing~~  
20 ~~such targets, the board of regents and the board of trustees of the~~  
21 ~~state university of New York shall ensure (1) that such enrollment~~  
22 ~~targets are comparable to the enrollment figures of such categories of~~  
23 ~~students attending the public schools within the school district, or in~~  
24 ~~a city school district in a city having a population of one million or~~  
25 ~~more inhabitants, the community school district, in which the charter~~  
26 ~~school is located; and (2) that such retention targets are comparable to~~  
27 ~~the rate of retention of such categories of students attending the~~  
28 ~~public schools within the school district, or in a city school district~~  
29 ~~in a city having a population of one million or more inhabitants, the~~  
30 ~~community school district, in which the proposed charter school would be~~  
31 ~~located]~~ requirements of subparagraph (ii) of paragraph (b) of subdivi-  
32 sion two of section twenty-eight hundred fifty-four of this article.

33 § 4. Subdivision 2 of section 2852 of the education law, as amended by  
34 section 4-a of part A of chapter 56 of the laws of 2023, and the clos-  
35 ing paragraph as amended by section 2 of part D-2 of chapter 57 of the  
36 laws of 2007, is amended to read as follows:

37 2. An application for a charter school shall not be approved unless  
38 the charter entity finds in writing that:

39 (a) the charter school described in the application meets the require-  
40 ments set out in this article and all other applicable laws, rules and  
41 regulations;

42 (b) the applicant can demonstrate the ability to operate the school in  
43 an educationally and fiscally sound manner;

44 (c) granting the application is likely to improve student learning and  
45 achievement and materially further the purposes set out in subdivision  
46 two of section twenty-eight hundred fifty of this article;

47 (d) in a school district where the total enrollment of resident  
48 students attending charter schools in the base year is greater than five  
49 percent of the total public school enrollment of the school district in  
50 the base year (i) granting the application would have a significant  
51 educational benefit to the students expected to attend the proposed  
52 charter school [~~or~~] and (ii) the school district in which the charter  
53 school will be located consents to such application; and

54 (e) for applicants for an initial charter pursuant to paragraph (b-1)  
55 of subdivision nine of this section in a school district located in a  
56 city with a population of one million or more, the total enrollment of

1 students attending charter schools within the community district in  
2 which the charter school will be located in the base year is less than  
3 or equal to fifty-five percent of the total public school enrollment  
4 attending within such community district in the base year.

5 In reviewing applications, the charter entity is encouraged to give  
6 preference to applications that demonstrate the capability to provide  
7 comprehensive learning experiences to students identified by the appli-  
8 cants as at risk of academic failure. Upon making a determination of  
9 whether an application for a charter school shall be approved, the char-  
10 ter entity shall provide detailed written findings related to each of  
11 the requirements in this subdivision, which shall be made available to  
12 the charter school applicant, board of regents and the school district  
13 in which the proposed charter school would be located.

14 § 5. Subdivision 5 of section 2852 of the education law, as amended by  
15 chapter 101 of the laws of 2010, is amended to read as follows:

16 5. (a) Upon approval of an application by a charter entity, the appli-  
17 cant and charter entity shall enter into a proposed agreement allowing  
18 the applicants to organize and operate a charter school. Such written  
19 agreement, known as the charter, shall include ~~[(a)]~~ (i) the information  
20 required by subdivision two of section twenty-eight hundred fifty-one of  
21 this article, as modified or supplemented during the approval process,  
22 ~~[(b)]~~ (ii) in the case of charters to be issued pursuant to subdivision  
23 nine-a of this section, information required by such subdivision, ~~[(c)]~~  
24 (iii) a provision prohibiting the charter school from entering into,  
25 renewing or extending any agreement with a for-profit or not-for-profit  
26 corporate or other business entity for the administration, management or  
27 operation of the charter school unless the agreement requires such enti-  
28 ty to provide state and local officers having the power to audit the  
29 charter school pursuant to this article with access to the entity's  
30 records relating to the costs of, and fees for, providing such services  
31 to the school, (iv) any other terms or conditions required by applicable  
32 laws, rules and regulations, and ~~[(d)]~~ (v) any other terms or condi-  
33 tions, not inconsistent with law, agreed upon by the applicant and the  
34 charter entity. In addition, the charter shall include the specific  
35 commitments of the charter entity relating to its obligations to oversee  
36 and supervise the charter school. Within five days after entering into a  
37 proposed charter, the charter entity other than the board of regents  
38 shall submit to the board of regents a copy of the charter, the applica-  
39 tion and supporting documentation for final approval and issuance by the  
40 board of regents in accordance with subdivisions five-a and five-b of  
41 this section.

42 (b) No charter school having a charter that was issued and approved on  
43 or before the effective date of this paragraph shall enter into, renew  
44 or extend the duration of any agreement with a for-profit or not-for-  
45 profit corporate or other business entity for the administration,  
46 management or operation of the charter school unless the agreement  
47 requires such entity to provide state and local officers having the  
48 power to audit the charter school pursuant to this article with access  
49 to the entity's records relating to the costs of, and fees for, provid-  
50 ing such services to the school. Any agreement entered into, renewed or  
51 extended in violation of this section shall be null, void and wholly  
52 unenforceable, and a violation of this section shall be grounds for  
53 revocation or termination of a charter pursuant to section twenty-eight  
54 hundred fifty-five of this article.

1 § 6. Subparagraph (i) of paragraph (b) of subdivision 9-a of section  
2 2852 of the education law, as amended by section 2 of subpart A of part  
3 B of chapter 20 of the laws of 2015, is amended to read as follows:

4 (i) that the proposed charter school would meet or exceed the enroll-  
5 ment [~~and retention targets, as prescribed by the board of regents or~~  
6 ~~the board of trustees of the state university of New York, as applica-~~  
7 ~~ble, of students with disabilities, English language learners, and~~  
8 ~~students who are eligible applicants for the free and reduced price~~  
9 ~~lunch program. When developing such targets, the board of regents and~~  
10 ~~the board of trustees of the state university of New York, shall ensure~~  
11 ~~(1) that such enrollment targets are comparable to the enrollment~~  
12 ~~figures of such categories of students attending the public schools~~  
13 ~~within the school district, or in a city school district in a city~~  
14 ~~having a population of one million or more inhabitants, the community~~  
15 ~~school district, in which the proposed charter school would be located,~~  
16 ~~and (2) that such retention targets are comparable to the rate of~~  
17 ~~retention of such categories of students attending the public schools~~  
18 ~~within the school district, or in a city school district in a city~~  
19 ~~having a population of one million or more inhabitants, the community~~  
20 ~~school district, in which the proposed charter school would be located]~~

21 requirements of subparagraph (ii) of paragraph (b) of subdivision two of  
22 section twenty-eight hundred fifty-four of this article; and

23 § 7. Section 2853 of the education law is amended by adding a new  
24 subdivision 2-b to read as follows:

25 2-b. In any case where a charter school enters into, renews or extends  
26 any agreement with a for-profit or not-for-profit business or corporate  
27 entity for the administration, management or operation of a charter  
28 school, the charter school is required to have a formal contract with  
29 such entity. Any such contract shall be reviewed and approved by the  
30 charter entity.

31 § 8. Paragraph (a) of subdivision 3 of section 2853 of the education  
32 law, as amended by chapter 101 of the laws of 2010, is amended to read  
33 as follows:

34 (a) A charter school may be located in part of an existing public  
35 school building, in space provided on a private work site, in a public  
36 building or in any other suitable location. Provided, however, before a  
37 charter school may be located in part of an existing public school  
38 building, the charter entity shall provide notice to the parents or  
39 guardians of the students then enrolled in the existing school building  
40 and shall hold a public hearing for purposes of discussing the location  
41 of the charter school. All contracts entered into by such charter  
42 school, or any education corporation organized to operate a charter  
43 school, or any other public entity, including the state, a public bene-  
44 fit corporation, municipal corporation, or any private entity acting on  
45 behalf of any of these entities, involving the construction, recon-  
46 struction, demolition, excavation, rehabilitation, repair, renovation,  
47 or alteration of any charter school facility shall be subject to the  
48 requirements of section one hundred three of the general municipal law  
49 and articles eight and nine of the labor law. A charter school may own,  
50 lease or rent its space.

51 § 9. The opening paragraph and subparagraph 1 of paragraph (e) of  
52 subdivision 3 of section 2853 of the education law, as added by section  
53 5 of part BB of chapter 56 of the laws of 2014, are amended to read as  
54 follows:

55 [~~In~~] Except as provided in subparagraph seven of this paragraph, a  
56 city school district in a city having a population of one million or

1 more inhabitants, charter schools that first commence instruction or  
2 that require additional space due to an expansion of grade level, pursu-  
3 ant to this article, approved by their charter entity for the two thou-  
4 sand fourteen--two thousand fifteen school year or thereafter and  
5 request co-location in a public school building and demonstrates to the  
6 city school district that the charter school does not have the financial  
7 capacity to procure adequate facilities shall be provided access to  
8 facilities pursuant to this paragraph for such charter schools that  
9 first commence instruction or that require additional space due to an  
10 expansion of grade level, pursuant to this article, approved by their  
11 charter entity for those grades newly provided.

12 (1) Notwithstanding any other provision of law to the contrary, within  
13 the later of (i) five months after a charter school's written request  
14 for co-location and (ii) provided that a charter school demonstrates  
15 that it lacks the financial capacity to procure adequate facilities,  
16 thirty days after the charter school's charter is approved by its char-  
17 ter entity, the city school district shall either: (A) offer at no cost  
18 to the charter school a co-location site in a public school building  
19 approved by the board of education as provided by law, or (B) offer the  
20 charter school space in a privately owned or other publicly owned facil-  
21 ity at the expense of the city school district and at no cost to the  
22 charter school for three years. The space must be reasonable, appropri-  
23 ate and comparable and in the community school district to be served by  
24 the charter school and otherwise in reasonable proximity.

25 § 10. Paragraph (e) of subdivision 3 of section 2853 of the education  
26 law is amended by adding a new subparagraph 7 to read as follows:

27 (7)(A) No charter school that, either alone or in combination with any  
28 charter affiliate, has any direct or indirect interest in, or may be  
29 entitled to receive any beneficial interest from, any asset or assets of  
30 any kind or nature that alone or combined have a value exceeding one  
31 million dollars, shall be offered or entitled to receive: (i) a co-lo-  
32 cation site in a public school building at no cost; or (ii) a space in a  
33 privately or publicly owned facility at the expense of the city school  
34 district.

35 (B) Nothing in this subparagraph shall prohibit a charter school from  
36 receiving a co-location in a public building at fair market value unless  
37 doing so would negatively impact the size of classes in any other school  
38 in the building.

39 (C) As used in this subparagraph the term "charter affiliate" means:  
40 (i) any entity that is directly or indirectly controlled by, in control  
41 of, or under common control with, the charter school or (ii) any entity  
42 that provides management, fundraising or other administrative support  
43 services to the charter school.

44 § 11. Paragraph (c) of subdivision 4 of section 2853 of the education  
45 law, as amended by section 1 of part BB of chapter 56 of the laws of  
46 2014, is amended to read as follows:

47 (c) A charter school may contract with the governing body of a public  
48 college or university for the use of a school building and grounds, the  
49 operation and maintenance thereof. Any such contract shall provide such  
50 services or facilities at [~~cost~~] fair market value. [~~A school district~~  
51 ~~shall permit any charter school granted approval to co-locate, to use~~  
52 ~~such services and facilities without cost.~~]

53 § 12. Section 2853 of the education law is amended by adding three new  
54 subdivisions 5, 6 and 7 to read as follows:

55 5. Disclosure. (a) A charter school shall report:

1 (i) by the fifteenth day of February of each calendar year, the name,  
2 address and total compensation paid to each person serving as a charter  
3 executive in the previous calendar year; and

4 (ii) within thirty days of receipt, the name and address of any indi-  
5 vidual, corporation, association, or entity providing a contribution,  
6 gift, loan, advance or deposit of one thousand dollars or more to the  
7 charter school or charter affiliate and the amount of each such contrib-  
8 ution, gift, loan, advance or deposit.

9 (b) If a charter school either alone or together with any charter  
10 affiliate has any direct or indirect interest in, or may be entitled to  
11 receive any beneficial interest in, any asset or assets of any kind or  
12 nature, alone or together, with a value in excess of one million  
13 dollars, the charter school shall:

14 (i) ensure that the financial statements of the charter school and  
15 each charter affiliate conform to and are reported according to general-  
16 ly accepted accounting principles; and

17 (ii) ensure that the financial statements of the charter school and  
18 any charter affiliate are audited in accordance with generally accepted  
19 auditing standards by an independent certified public accountant or an  
20 independent public accountant, that such audit receives an "unqualified"  
21 opinion as to, among other things, compliance with generally accepted  
22 accounting principles and that such audit is completed within nine  
23 months of the conclusion of the fiscal year.

24 (c) If a charter school either alone or together with any charter  
25 affiliate has any direct or indirect interest in, or may be entitled to  
26 receive any beneficial interest in, any asset or assets of any kind or  
27 nature, alone or together, with a value in excess of one million  
28 dollars, it shall also report by the fifteenth day of February of each  
29 ensuing calendar year the following:

30 (i) the most recent audited financial statements of the charter school  
31 and any charter affiliate which shall conform to and be reported accord-  
32 ing to generally accepted accounting principles;

33 (ii) the most recent auditor's report on the financial statements of  
34 the charter school and any charter affiliate;

35 (iii) the "unqualified" opinion received from the auditor of the most  
36 recent financial statements as to, among other things, compliance with  
37 generally accepted accounting principles; and

38 (iv) any compensation or remuneration, whether paid or given, includ-  
39 ing but not limited to salary, bonus, and deferred compensation and any  
40 benefit having monetary value, including but not limited to, perqui-  
41 sites, fringe benefits, employer contributions to defined contribution  
42 retirement plans and other retirement or severance benefits received by  
43 a charter executive from any source.

44 (d) (i) Each report required by this subdivision shall be accompanied  
45 by a statement, under oath, by the chairperson of the school's board of  
46 trustees or other appropriate member of the board of trustees, that,  
47 after the due inquiry, the reports are true and correct to the best of  
48 such person's knowledge and have been provided to each member of the  
49 school's board of trustees.

50 (ii) A charter school to which paragraphs (b) and (c) of this subdivi-  
51 sion do not apply shall, by the fifteenth day of February of each calen-  
52 dar year, submit a statement as part of its report pursuant to subpara-  
53 graph (ii) of paragraph (a) of this subdivision, under oath, by the  
54 chairperson of the school's board of trustees or other appropriate  
55 member of the board of trustees, that, after the due inquiry, the char-  
56 ter school either alone or together with any charter affiliate does not

1 have any direct or indirect interest in or may be entitled to receive  
2 any beneficial interest in any asset or assets of any kind or nature,  
3 alone or together, with a value in excess of one million dollars.

4 (e) Any report required pursuant to this subdivision shall be made to  
5 the board of regents, the school's charter entity, and the comptroller  
6 of the city of New York for charter schools located in New York city and  
7 the comptroller of the state of New York for charter schools located  
8 outside of the city of New York. The commissioner shall ensure that such  
9 report is made publicly available via the department's official internet  
10 website within five days of its receipt.

11 (f) A charter school's failure to comply with the provisions of this  
12 subdivision shall be a very significant factor in determining whether  
13 the charter entity or the board of regents terminates the school's char-  
14 ter.

15 (g) As used in this subdivision:

16 (i) "total compensation" shall include: (A) any compensation or remun-  
17 eration, whether paid or given, by or on behalf of the charter school or  
18 any charter affiliate, for services rendered to, on behalf of, or at the  
19 request of the charter school, including but not limited to salary,  
20 bonus, and deferred compensation and (B) any benefit having monetary  
21 value provided by or on behalf of the charter school or any charter  
22 affiliate, including but not limited to, perquisites, fringe benefits,  
23 employer contributions to defined contribution retirement plans and  
24 other retirement or severance benefits.

25 (ii) "charter affiliate" means: (A) any entity that is, directly or  
26 indirectly, controlled by, in control of, or under common control with  
27 the charter school or (B) any entity or affiliate thereof that provides  
28 management, fundraising, or other administrative support services to the  
29 charter school.

30 (iii) "charter executive" means: (A) an officer, director, trustee,  
31 consultant, supervisory employee of a charter school or charter affil-  
32 iate or (B) anyone who exerts operational or managerial influence or  
33 control over the school including, but not limited to, influence or  
34 control over the school through a charter management company.

35 6. Executive compensation. (a) No charter school shall provide any  
36 compensation to any individual who is also an officer, director, trus-  
37 tee, consultant, or employee of a charter affiliate or to any individual  
38 who exerts operational or managerial influence or control over the  
39 school through a charter affiliate.

40 (b)(i) No charter school or charter affiliate shall permit the total  
41 compensation received by a charter executive to be greater than one  
42 hundred ninety-nine thousand dollars per annum, including not only state  
43 funds and state-authorized payments but also any other sources of fund-  
44 ing, and greater than the seventy-fifth percentile of that compensation  
45 provided to charter executives of other charter schools and charter  
46 affiliates within the same or comparable geographic area as established  
47 by a compensation survey identified, provided, or recognized by the  
48 department and the director of the division of the budget.

49 (ii) If the department and the director of the division of the budget  
50 find good cause after considering the factors set forth in subparagraph  
51 (iv) of this paragraph, a waiver of the limit on total compensation that  
52 a charter executive may receive may be granted, provided, however, that  
53 in no event shall the total compensation exceed one hundred fifty  
54 percent of Level I of the federal government's Rates of Basic Pay for  
55 the Executive Schedule promulgated by the United States Office of  
56 Personnel Management.

1 (iii) The application for a waiver must be filed no later than the  
2 fifteenth day of February of the year for which the waiver is sought.  
3 The application shall be transmitted in the manner and form specified by  
4 the department and the director of the division of the budget. A waiver  
5 may be only for the single calendar year in which it is granted.

6 (iv) The following factors, in addition to any other deemed relevant  
7 by the department and the director of the division of the budget, shall  
8 be considered in the determination of whether good cause exists to grant  
9 a waiver:

10 (A) the extent to which the executive compensation that is the subject  
11 of the waiver request is comparable to that given to comparable charter  
12 executives of charter schools or charter affiliates of the same size and  
13 within the same or comparable geographic area;

14 (B) the extent to which the charter school would be unable to provide  
15 educational services at the same levels of quality and availability  
16 without a waiver of the limit on total compensation that a charter exec-  
17 utive may receive;

18 (C) the nature, size, and complexity of the charter school or charter  
19 affiliate's operations;

20 (D) the charter school or charter affiliate's review and approval  
21 process for the total compensation that is the subject of the waiver,  
22 including whether such process involved a review and approval by the  
23 board of trustees of the school, whether such review was conducted by at  
24 least two independent directors or independent members of the board of  
25 trustees, whether such review included an assessment of comparability  
26 data including a compensation survey, and a contemporaneous substanti-  
27 ation of the deliberation and decision to approve the total compen-  
28 sation;

29 (E) the qualifications and experience possessed by or required for the  
30 charter executive's position; and

31 (F) the charter school or charter affiliate's efforts, if any, to  
32 secure a charter executive with the same levels of experience, exper-  
33 tise, and skills for the position of the charter executive at lower  
34 levels of compensation.

35 (v) To be considered, an application for such a waiver shall comply  
36 with this paragraph in its entirety.

37 (vi) Unless additional information has been requested but not received  
38 from the charter school or charter affiliate, a decision on a timely  
39 submitted waiver application shall be provided no later than sixty  
40 calendar days after submission of the application.

41 (vii) If granted, a waiver to a charter executive shall remain in  
42 effect for the calendar year it is issued in, but shall be deemed  
43 revoked if:

44 (A) the total compensation that is the subject of the waiver  
45 increases; or

46 (B) notice of revocation is provided to the charter executive at the  
47 discretion of the department as a result of additional relevant circum-  
48 stances.

49 (viii) Information provided in connection with a waiver application  
50 shall be subject to public disclosure pursuant to article six of the  
51 public officers law.

52 (ix) Where a waiver is granted, the department shall make it publicly  
53 available via the department's official internet website within five  
54 days.

55 (c) No charter school shall use funds received pursuant to section  
56 twenty-eight hundred fifty-six of this article or allow a charter affil-

1 iate to use funds received from the charter school to provide a total  
2 compensation to a charter executive greater than one hundred ninety-nine  
3 thousand dollars per annum.

4 (d) Failure to comply with the provisions of this subdivision shall  
5 result in the assessment of a penalty against the payor in an amount  
6 equal to the amount of compensation paid or provided in violation of  
7 this subdivision.

8 (e) A charter school's failure to comply with the provisions of this  
9 subdivision shall be a very significant factor in determining whether  
10 the charter entity or the board of regents terminates the school's char-  
11 ter.

12 (f) As used in this subdivision:

13 (i) "total compensation" shall include: (A) any compensation or remun-  
14 eration, whether paid or given, by or on behalf of the charter school or  
15 any charter affiliate, for services rendered to, on behalf of, or at the  
16 request of the charter school, including but not limited to salary,  
17 bonus, and deferred compensation and (B) any benefit having monetary  
18 value provided by or on behalf of the charter school or any charter  
19 affiliate, including but not limited to, perquisites, fringe benefits,  
20 employer contributions to defined contribution retirement plans and  
21 other retirement or severance benefits.

22 (ii) "charter affiliate" means: (A) any entity that is, directly or  
23 indirectly, controlled by, in control of, or under common control with  
24 the charter school or (B) any entity or affiliate thereof that provides  
25 management, fundraising, or other administrative support services to the  
26 charter school.

27 (iii) "charter executive" means: (A) an officer, director, trustee,  
28 consultant, supervisory employee of a charter school or charter affil-  
29 iate or (B) anyone who exerts operational or managerial influence or  
30 control over the school including, but is not limited to, influence or  
31 control over the school through a charter management company.

32 7. Notification of disenrollment. Within five business days of a  
33 student who was enrolled by the charter school ceasing to be enrolled, a  
34 charter school shall notify the superintendent of the district in which  
35 the charter school is located or, for charter schools located within the  
36 geographic area served by the city school district of the city of New  
37 York, the chancellor of the city school district of the city of New  
38 York, of the name of such student.

39 § 13. Subparagraph 5 of paragraph (e) of subdivision 3 of section 2853  
40 of the education law, as amended by section 11 of part A of chapter 54  
41 of the laws of 2016, clause (B) as amended by section 5 of part YYY of  
42 chapter 59 of the laws of 2017, is amended to read as follows:

43 (5) For a new charter school whose charter is granted or for an exist-  
44 ing charter school whose expansion of grade level, pursuant to this  
45 article, is approved by their charter entity, if the appeal results in a  
46 determination in favor of the charter school, for six years the city  
47 school district shall pay the charter school (A) for the initial three  
48 years in which aid is payable, an amount attributable to the grade level  
49 expansion or the formation of the new charter school that is equal to  
50 the lesser of:

51 ~~[(A)]~~ (i) the actual rental cost of an alternative privately owned  
52 site selected by the charter school or

53 ~~[(B)]~~ (ii) thirty percent of the product of the charter school's basic  
54 tuition for the current school year and ~~[(i)]~~ (I) for a new charter  
55 school that first commences instruction on or after July first, two  
56 thousand fourteen, the charter school's current year enrollment; or

1 [~~(ii)~~] (II) for a charter school which expands its grade level, pursuant  
2 to this article, the positive difference of the charter school's enroll-  
3 ment in the current school year minus the charter school's enrollment in  
4 the school year prior to the first year of the expansion; and

5 (B) in the fourth year, the city school district shall pay ninety  
6 percent multiplied by the amount calculated pursuant to clause (A) of  
7 this subparagraph; and

8 (C) in the fifth year, the city school district shall pay sixty  
9 percent multiplied by the amount calculated pursuant to clause (A) of  
10 this subparagraph; and

11 (D) in the sixth year, the city school district shall pay thirty  
12 percent multiplied by the amount calculated pursuant to clause (A) of  
13 this subparagraph.

14 § 14. Paragraph (b) of subdivision 1 of section 2854 of the education  
15 law, as amended by section 10-b of part A of chapter 56 of the laws of  
16 2014, is amended to read as follows:

17 (b) A charter school shall meet the same health and safety, civil  
18 rights, and student assessment requirements applicable to other public  
19 schools, except as otherwise specifically provided in this article. A  
20 charter school shall be exempt from all other state and local laws,  
21 rules, regulations or policies governing public or private schools,  
22 boards of education, school districts and political subdivisions,  
23 including those relating to school personnel and students, except as  
24 specifically provided in the school's charter or in this article. Noth-  
25 ing in this subdivision shall affect the requirements of compulsory  
26 education of minors established by part one of article sixty-five of  
27 this chapter, nor shall anything in this subdivision affect the require-  
28 ments of the charter school to comply with section one hundred three of  
29 the general municipal law and articles eight and nine of the labor law  
30 with respect to the construction, reconstruction, demolition, exca-  
31 vation, rehabilitation, repair, renovation, or alteration of any charter  
32 school facility.

33 § 15. Subdivision 2 of section 2854 of the education law, as added by  
34 chapter 4 of the laws of 1998, paragraph (a) as amended by chapter 101  
35 of the laws of 2010, and paragraph (b) as amended by section 3 of  
36 subpart A of part B of chapter 20 of the laws of 2015, is amended to  
37 read as follows:

38 2. Admissions; enrollment; students. (a) A charter school shall be  
39 nonsectarian in its programs, admission policies, employment practices,  
40 and all other operations and shall not charge tuition or fees; provided  
41 that a charter school may require the payment of fees on the same basis  
42 and to the same extent as other public schools. A charter school shall  
43 not discriminate against any student, employee or any other person on  
44 the basis of ethnicity, national origin, gender, or disability or any  
45 other ground that would be unlawful if done by a school. Admission of  
46 students shall not be limited on the basis of intellectual ability,  
47 measures of achievement or aptitude, athletic ability, disability, race,  
48 creed, gender, national origin, religion, or ancestry; provided, howev-  
49 er, that nothing in this article shall be construed to prevent the  
50 establishment of a single-sex charter school or a charter school  
51 designed to provide expanded learning opportunities for students at-risk  
52 of academic failure or students with disabilities and English language  
53 learners; and provided, further, that the charter school shall demon-  
54 strate good faith efforts to attract and retain [~~a comparable~~] an equal  
55 or greater enrollment of students with disabilities, English language  
56 learners, and students who are eligible applicants for the free and

1 reduced price lunch program when compared to the enrollment figures for  
2 such students in the school district in which the charter school is  
3 located. A charter shall not be issued to any school that would be whol-  
4 ly or in part under the control or direction of any religious denomi-  
5 nation, or in which any denominational tenet or doctrine would be  
6 taught.

7 (b) (i) Any child who is qualified under the laws of this state for  
8 admission to a public school is qualified for admission to a charter  
9 school. Applications for admission to a charter school shall be submit-  
10 ted on a uniform application form created by the department and shall be  
11 made available by a charter school in languages predominately spoken in  
12 the community in which such charter school is located. [~~The~~]

13 (ii) A charter school shall enroll and continually keep enrolled the  
14 minimum number of students in each of the following categories: (A)  
15 students who are English language learners as defined in regulations of  
16 the commissioner, (B) students who receive or are mandated to receive  
17 any special education service, (C) students who have individual educa-  
18 tion plans that mandate they receive services for at least sixty percent  
19 of the school day outside the general education setting, (D) students  
20 who are eligible to receive free lunch in accordance with title I of the  
21 elementary and secondary education act, and (E) students who reside in  
22 temporary or transitional housing. The minimum number of students a  
23 charter school must enroll and continually keep enrolled in each such  
24 category shall be the number of students that, as a percentage of the  
25 students authorized to be served by the charter school in its charter,  
26 is equal to the percentage of students in each category that non-charter  
27 public schools in the district where the charter school is located  
28 enrolled in the preceding June in all of the grades combined which are  
29 served by the charter school. For purposes of this subparagraph, for the  
30 city school district of the city of New York, district shall mean the  
31 community school district and shall include all non-charter public  
32 schools, except those in district seventy-five, geographically located  
33 in the community school district.

34 (iii) Prior to a charter school selecting or enrolling students for  
35 the next school year, the commissioner shall provide the charter school  
36 with the minimum number of students it must enroll and continually keep  
37 enrolled in each category pursuant to subparagraph (ii) of this para-  
38 graph. The minimum number of students each charter school must enroll  
39 and continually keep enrolled in each category pursuant to subparagraph  
40 (ii) of this paragraph shall be made public by the commissioner no later  
41 than five business days after it has been provided to the charter  
42 school.

43 (iv) A charter school shall enroll each eligible student who submits a  
44 timely application by the first day of April each year[~~r~~] unless the  
45 number of applications exceeds the capacity of the grade level or build-  
46 ing or would cause the charter school to be below the minimum number of  
47 students it must enroll and continually keep enrolled in each category  
48 pursuant to subparagraph (ii) of this paragraph. In such cases, students  
49 shall be accepted from among applicants by a random selection process,  
50 provided[~~r, however, r~~] that separate random selection processes shall be  
51 conducted for students that are not in any category set forth in subpar-  
52 agraph (ii) of this paragraph and for students in each category set  
53 forth in subparagraph (ii) of this paragraph such that a charter school  
54 enrolls at least the minimum number of students required pursuant to  
55 subparagraph (ii) of this paragraph.

1 (v) Where a charter school does not enroll the minimum number of  
2 students it must enroll and continually keep enrolled in each category  
3 set forth in subparagraph (ii) of this paragraph, the charter school  
4 shall hold open a sufficient number of enrollment spaces such that it is  
5 possible for the charter school, consistent with its charter, to subse-  
6 quently enroll the number of students required by subparagraph (ii) of  
7 this paragraph.

8 (vi) A charter school may provide an enrollment preference [~~shall be~~  
9 ~~provided~~] to pupils returning to the charter school in the second or any  
10 subsequent year of operation and pupils residing in the school district  
11 in which the charter school is located, and siblings of pupils already  
12 enrolled in the charter school provided that the charter school enrolls  
13 and continually keeps enrolled the minimum number of students required  
14 in each category pursuant to subparagraph (ii) of this paragraph and  
15 holds open the number of enrollment spaces as required by subparagraph  
16 (v) of this paragraph. Preference may also be provided to children of  
17 employees of the charter school or charter management organization,  
18 provided that the charter school enrolls and continually keeps enrolled  
19 the minimum number of students required in each category pursuant to  
20 subparagraph (ii) of this paragraph and holds open the number of enroll-  
21 ment spaces as required by subparagraph (v) of this paragraph and  
22 provided further that such children of employees may constitute no more  
23 than fifteen percent of the charter school's total enrollment.

24 (vii) For purposes of this paragraph, if a student withdraws from a  
25 charter school as a result of a voluntary decision of the student's  
26 parent or guardian and, as a direct result, the charter school no longer  
27 has the minimum number of students in each category required pursuant to  
28 subparagraph (ii) of this paragraph, the charter school shall neverthe-  
29 less be considered to have continually kept enrolled the minimum number  
30 of students required by subparagraph (ii) of this paragraph if, within  
31 thirty days of the student being withdrawn, the charter school replaces  
32 the student that was withdrawn with a different student such that the  
33 charter school has the minimum number of students in each category  
34 required pursuant to subparagraph (ii) of this paragraph, provided  
35 however, that this subparagraph shall not apply (A) if the charter  
36 school was already in violation of the requirements of subparagraph (ii)  
37 of this paragraph at the time the student was withdrawn or (B) if the  
38 decision of the student's parent or guardian was substantially motivated  
39 by any action or inaction of the charter school, or any of its agents or  
40 employees, that was in violation of any law, rule, or regulation.

41 (viii) (A) A charter school shall report the names of any parents or  
42 guardians of students who are on a waitlist for enrollment in the char-  
43 ter school to the superintendent of the district in which the charter  
44 school is located or, for charter schools located within the geographic  
45 area served by the city school district of the city of New York, the  
46 chancellor of the city school district of the city of New York, whether  
47 each such student is in one of the categories set forth in subparagraph  
48 (ii) of this paragraph and, if so, which one.

49 (B) A charter school that, at any time, does not have enrolled the  
50 minimum number of students required in each category pursuant to subpar-  
51 agraph (ii) of this paragraph shall notify the superintendent of the  
52 district in which the charter school is located or, for charter schools  
53 located within the geographic area served by the city school district of  
54 the city of New York, the chancellor of the city school district of the  
55 city of New York, within five days of the date of the school being below  
56 the minimum number of students. A separate notification shall be

1 provided each time a charter school's enrollment falls below the minimum  
2 in any category pursuant to subparagraph (ii) of this paragraph.

3 (C) Where the superintendent of the district or the chancellor of the  
4 city school district of the city of New York receives notification  
5 pursuant to clause (B) of this subparagraph, the superintendent shall  
6 first offer the enrollment spaces to any parents or guardians of  
7 students who are in a category in which the charter school is below the  
8 minimum set forth in subparagraph (ii) of this paragraph who are on the  
9 school's waitlist, then to any parents or guardians of students who are  
10 in a category in which the charter school is below the minimum set forth  
11 in subparagraph (ii) of this paragraph who are on the waitlist of another  
12 charter school in the district in which the charter school is located  
13 or, for charter schools located within the geographic area served by the  
14 city school district of the city of New York geographically located in  
15 the community school district, and then to any other parents or guardi-  
16 ans of students who are in a category in which the charter school is  
17 below the minimum set forth in subparagraph (ii) of this paragraph who  
18 reside in the district; such process of enrollment offers shall continue  
19 until the charter school is no longer below such minimum in any category  
20 or such superintendent or chancellor certifies there are no such  
21 students seeking enrollment.

22 (D) Offers made pursuant to this subparagraph shall be made in writing  
23 in the parent or guardian's primary language. Where an offer is made  
24 pursuant to this subparagraph and the parent or guardian accepts, the  
25 charter school shall enroll the student within five calendar days of the  
26 offer being accepted.

27 (ix) (A) For each month during the school year, a charter school shall  
28 report the number of students then enrolled, as of the first day of the  
29 month, in each category set forth in subparagraph (ii) of this paragraph  
30 and the number of students then enrolled, as of the first day of the  
31 month, that are in none of the categories set forth in subparagraph (ii)  
32 of this paragraph.

33 (B) Reports pursuant to this subparagraph shall be made to the board  
34 of regents, the school's charter entity, the comptroller of the city of  
35 New York for charter schools located in New York city and the comp-  
36 troller of the state of New York for charter schools located outside of  
37 the city of New York, and the superintendent of the district in which  
38 the charter school is located or, for charter schools located within the  
39 geographic area served by the city school district of the city of New  
40 York, the chancellor of the city school district of the city of New  
41 York. The commissioner shall ensure that such report is made publicly  
42 available via such department's official internet website within five  
43 days of its receipt.

44 (C) Reports pursuant to this subparagraph shall be made on the fifth  
45 day of the ensuing month during the school year and shall be accompanied  
46 by a statement, under oath, by the chairperson of the school's board of  
47 trustees or other appropriate member of the board of trustees, that,  
48 after the due inquiry, the reports are true and correct and have been  
49 provided to each member of the school's board of trustees.

50 (x) The commissioner shall establish regulations to require that the  
51 random selection [~~process~~] ~~processes~~ conducted pursuant to this para-  
52 graph be performed in a transparent and equitable manner and to require  
53 that the time and place of the random selection process be publicized in  
54 a manner consistent with the requirements of section one hundred four of  
55 the public officers law and be open to the public. [~~For~~] ~~Except where~~  
56 another definition is provided, for the purposes of this paragraph and

1 paragraph (a) of this subdivision, the school district in which the  
2 charter school is located shall mean, for the city school district of  
3 the city of New York, the community district in which the charter school  
4 is located.

5 (xi) The commissioner may, by regulation, require the board of educa-  
6 tion of each school district or the chancellor of the city school  
7 district of the city of New York to provide such information as is  
8 necessary to calculate the minimum number of students a charter school  
9 must enroll and continually have enrolled pursuant to subparagraph (ii)  
10 of this paragraph. Such information shall be made public by the commis-  
11 sioner within five business days of receipt.

12 (xii)(A) If a charter school fails to enroll the number of students  
13 required by subparagraph (ii) of this paragraph the appropriate school  
14 district shall withhold from the charter school's funding an amount  
15 equal to the additional per pupil funding the charter school would have  
16 received had each student not enrolled as required by subparagraph (ii)  
17 of this paragraph been enrolled.

18 (B) Money withheld by the school district in accordance with this  
19 subparagraph shall be returned to the commissioner for distribution to  
20 each of the school districts, using an equitable formula determined by  
21 the commissioner, provided the charter school or schools from which the  
22 monies are withheld shall not be entitled to the return of any money  
23 withheld pursuant to this subparagraph or any additional monies as a  
24 result of the commissioner's distribution of funds pursuant to this  
25 subparagraph.

26 (xiii) (A) No charter school shall first commence instruction if it is  
27 operated by, managed by, affiliated with, in the same chain as, shares  
28 the same management company as, or has any common charter applicant as,  
29 a school that has been in violation, within the last two years, of the  
30 enrollment requirements of subparagraph (ii) of this paragraph.

31 (B) No charter school shall expand beyond the grades with enrolled  
32 students, even if such expansion is authorized by its charter, if it has  
33 been in violation, within the last two years, of the enrollment require-  
34 ments of subparagraph (ii) of this paragraph.

35 (C) A charter school that does not have enrolled the minimum number of  
36 students as required by subparagraph (ii) of this paragraph shall not be  
37 offered or entitled pursuant to paragraph (e) of subdivision three of  
38 section twenty-eight hundred fifty-three of this article (1) a co-locat-  
39 ion site in a public school building at no cost or (2) space in a  
40 privately owned or other publicly owned facility at the expense of the  
41 city school district. A charter school that has already been co-located  
42 in a public school building or given space in a privately owned or other  
43 publicly owned facility pursuant to this paragraph and then fails to  
44 continually have enrolled the required minimum number of students shall  
45 be required to pay the fair market value of such space for such period  
46 of time of non-compliance.

47 (xiv) The provisions of this paragraph shall be enforceable by the  
48 commissioner or by a court of competent jurisdiction. Any employee of  
49 the school district in which the charter school is located or the parent  
50 or guardian of a student attending the district in which the charter  
51 school is located shall have standing to enforce the provisions of this  
52 paragraph.

53 (xv) A charter school's failure to comply with the provisions of this  
54 paragraph shall be a very significant factor in determining whether the  
55 charter entity or the board of regents terminates the school's charter.

1 (b-1) Prior to submission of enrollment counts to a school district  
2 pursuant to subdivision one of section twenty-eight hundred fifty-six of  
3 this article, on or after October first of the two thousand twenty-five-  
4 -two thousand twenty-six school year and October first of each school  
5 year thereafter, a charter school shall determine whether that school  
6 district is the school district of residence of each student for whom  
7 enrollment is claimed. Such residency determination shall be made in  
8 accordance with the regulations of the commissioner and the residency  
9 policy of the school district in which the charter school is located,  
10 provided that the charter school may fulfill such requirement by requir-  
11 ing that the parents or other persons in parental relation register  
12 their child with the school district they have identified as their  
13 school district of residence. Notwithstanding any other provision of  
14 law to the contrary, the parents or other persons in parental relation  
15 shall not be required to annually prove their continued residency,  
16 provided that they either annually certify to the charter school and the  
17 school district of residence that their residency has not changed or  
18 notify the charter school and the school district that their residency  
19 has changed and that a new school district of residence should be iden-  
20 tified pursuant to this paragraph. Upon making a residency determi-  
21 nation, a charter school making its own residency determination shall  
22 promptly submit its proof of residence to the school district identified  
23 as the district of residence for purposes of enrollment of the student  
24 in such school district in accordance with subdivision one of section  
25 twenty-eight hundred fifty-six of this article, and the provision of  
26 services pursuant to subdivision four of section twenty-eight hundred  
27 fifty-three of this article. In the event of a dispute over the residen-  
28 cy of a student, the school district shall make its own residency deter-  
29 mination pursuant to the regulations of the commissioner after consider-  
30 ing the proof of residency submitted by the charter school, and such  
31 determination may be appealed to the commissioner by the charter school  
32 or by the parent or other person in parental relation or both pursuant  
33 to section three hundred ten of this chapter. During the pendency of  
34 such appeal, the student shall be deemed enrolled in the school  
35 district, shall be entitled to services pursuant to subdivision four of  
36 section twenty-eight hundred fifty-three of this article, and the school  
37 district shall be liable for charter school tuition, provided that upon  
38 a final determination in such appeal that the student is not a resident  
39 of the school district, the school district may deduct the cost of such  
40 tuition and services from future payments due the charter school. The  
41 provisions of this paragraph shall not apply to charter schools located  
42 in a city having a population of one million or more.

43 (c) A charter school shall serve one or more of the grades one through  
44 twelve, and shall limit admission to pupils within the grade levels  
45 served. Nothing herein shall prohibit a charter school from establishing  
46 a kindergarten program.

47 (d) A student may withdraw from a charter school at any time and  
48 enroll in a public school. [~~A charter school may refuse admission to any~~  
49 ~~student who has been expelled or suspended from a public school until~~  
50 ~~the period of suspension or expulsion from the public school has~~  
51 ~~expired, consistent with the requirements of due process]~~

52 (i) A student may only be disciplined, suspended or expelled from a  
53 charter school in accordance with the applicable provisions of subdivi-  
54 sions two-a, three, and three-a of section thirty-two hundred fourteen  
55 of this chapter. Every charter school shall develop a code of conduct in

1 accordance with the provisions of section twenty-eight hundred one of  
2 this title.

3 (ii) Every charter school shall submit a detailed annual report  
4 regarding disciplinary measures imposed on students. The report shall be  
5 submitted to the charter entity and the board of regents as part of the  
6 annual report required pursuant to subdivision two of section twenty-  
7 eight hundred fifty-seven of this article. The report shall be in a form  
8 prescribed by the commissioner, and shall include, but not be limited  
9 to, number of classroom removals, number of in-school suspensions,  
10 number of out-of-school suspensions, number of expulsions, and the  
11 action the student took that led to each disciplinary measure imposed.  
12 Such data shall be disaggregated by race/ethnicity, status as a student  
13 with a disability and status as an English language learner. The report  
14 shall be posted on the department's website.

15 (iii) For the purposes of this subdivision:

16 (A) the term "superintendent," "superintendent of schools," "district  
17 superintendent of schools," or "community superintendent," as used in  
18 subdivision three of section thirty-two hundred fourteen of this chap-  
19 ter, as such terms relate to charter schools shall mean the chairperson  
20 of the board of trustees of the charter school or the chief school offi-  
21 cer of the charter school; and

22 (B) the term "board of education" or "board," as used in subdivision  
23 three of section thirty-two hundred fourteen of this chapter, as such  
24 terms relate to charter schools shall mean the board of trustees of the  
25 charter school.

26 § 16. Subdivision 1 of section 2855 of the education law, as amended  
27 by chapter 101 of the laws of 2010, is amended to read as follows:

28 1. The charter entity, or the board of regents, may terminate a char-  
29 ter upon any of the following grounds:

30 (a) When a charter school's outcome on student assessment measures  
31 adopted by the board of regents falls below the level that would allow  
32 the commissioner to revoke the registration of another public school,  
33 and student achievement on such measures has not shown improvement over  
34 the preceding three school years;

35 (b) [~~Serious violations~~] A violation of law;

36 (c) [~~Material and substantial~~] A violation of the charter[~~, including~~  
37 ~~fiscal mismanagement~~];

38 (d) When the public employment relations board makes a determination  
39 that the charter school [~~demonstrates a practice and pattern of egre-~~  
40 ~~gious and intentional violations of~~] has violated subdivision one of  
41 section two hundred nine-a of the civil service law involving interfer-  
42 ence with or discrimination against employee rights under article four-  
43 teen of the civil service law; or the national labor relations board  
44 created pursuant to subchapter II of chapter seven of title twenty-nine  
45 of the United States Code, or any person or entity to whom the national  
46 labor relations board has lawfully delegated its authority, makes a  
47 determination that the charter school has violated section 158(a) of  
48 title twenty-nine of the United States Code; or

49 (e) [~~Repeated failure to comply with the requirement to meet or exceed~~  
50 ~~enrollment and retention targets of students with disabilities, English~~  
51 ~~language learners, and students who are eligible applicants for the free~~  
52 ~~and reduced price lunch program pursuant to targets established by the~~  
53 ~~board of regents or the board of trustees of the state university of New~~  
54 ~~York, as applicable. Provided, however, if no grounds for terminating a~~  
55 ~~charter are established pursuant to this section other than pursuant to~~  
56 ~~this paragraph, and the charter school demonstrates that it has made~~

~~extensive efforts to recruit and retain such students, including outreach to parents and families in the surrounding communities, widely publicizing the lottery for such school, and efforts to academically support such students in such charter school, then the charter entity or board of regents may retain such charter.]~~ Failure to comply with the requirements of paragraph (b) of subdivision two of section twenty-eight hundred fifty-four of this article; or

(f) Failure to comply with the data reporting requirements prescribed in subdivisions two and two-a of section twenty-eight hundred fifty-seven of this article.

§ 17. Subdivision 3 of section 2855 of the education law, as added by chapter 4 of the laws of 1998, is amended to read as follows:

3. (a) In addition to the provisions of subdivision two of this section, the charter entity or the board of regents may place a charter school falling within the provisions of subdivision one of this section on probationary status to allow the implementation of a remedial action plan. The failure of a charter school to comply with the terms and conditions of a remedial action plan may result in summary revocation of the school's charter.

(b) A charter school that is placed on probationary status shall annually notify the parents or guardians of all students and applicants of the placement. The initial notice shall be distributed within two weeks of being placed on probationary status. Such notice shall be written and delivered via mail. The department shall identify all charter schools on probationary status on the department's website and shall also post the remedial action plan.

§ 18. Subdivision 4 of section 2855 of the education law, as added by chapter 4 of the laws of 1998, is amended to read as follows:

4. (a) Any individual or group may bring a complaint to the board of trustees of a charter school alleging a violation of the provisions of this article, the charter, or any other provision of law relating to the management or operation of the charter school. If, after presentation of the complaint to the board of trustees of a charter school, the individual or group determines that such board has not adequately addressed the complaint, they may present that complaint to the charter entity, which shall investigate and respond. If, after presentation of the complaint to the charter entity, the individual or group determines that the charter entity has not adequately addressed the complaint, they may present that complaint to the board of regents, which shall investigate and respond. The charter entity and the board of regents shall have the power and the duty to issue appropriate remedial orders to charter schools under their jurisdiction to effectuate the provisions of this section.

(b) At the beginning of each school year, a charter school shall provide the parent or guardian of each student enrolled in the charter school information detailing the process by which a complaint can be brought against the charter school pursuant to paragraph (a) of this subdivision. In addition to detailing the process by which a complaint can be brought, the information provided shall include, but not be limited to the contact information for the board of trustees of the charter school in which the student is enrolled, the contact information for the charter entity of the charter school, and the contact information for the board of regents, if the board of regents is not the charter entity. Such information shall also be posted and updated annually on the charter school's website.

1 § 19. Subdivisions 2 and 3 of section 2856 of the education law are  
2 renumbered subdivisions 3 and 4 and a new subdivision 2 is added to read  
3 as follows:

4 2. In the event that in any school year a charter school receives  
5 combined payments from any local, state, or federal source that exceed  
6 expenditures for such school year related to the operation of such char-  
7 ter school by seven percent, then any excess funds above such amount  
8 shall be returned proportionately to all school districts that have paid  
9 tuition to such charter school.

10 § 20. Subdivision 3 of section 2856 of the education law, as added by  
11 chapter 4 of the laws of 1998 and as renumbered by section nineteen of  
12 this act, is amended to read as follows:

13 3. (a) In the event of the failure of the school district to make  
14 payments required by this section, the state comptroller shall deduct  
15 from any state funds which become due to such school district an amount  
16 equal to the unpaid obligation. The comptroller shall pay over such sum  
17 to the charter school upon certification of the commissioner. The  
18 commissioner shall promulgate regulations to implement the provisions of  
19 this subdivision.

20 (b) At least thirty days prior to submission of a request for an  
21 intercept of state funds pursuant to paragraph (a) of this subdivision,  
22 the charter school shall provide the school district of residence with a  
23 list of students whose tuition is proposed to be included in the inter-  
24 cept and documentation of any special education services provided by the  
25 charter school, the cost of which would be included in the intercept.  
26 If the school district objects to inclusion of the tuition or cost of  
27 services in the intercept, the school district shall provide the charter  
28 school with a written statement of its reasons for objecting to the  
29 intercept that identifies the students whose costs are in dispute and  
30 the charter school shall schedule a resolution session for the purpose  
31 of resolving the dispute, which shall be held within five business days  
32 of receipt of the school district's objection. Each party shall ensure  
33 that their representatives who attend the resolution are fully author-  
34 ized to bind the school district or charter school, and any agreement  
35 reached at the resolution session shall be final and binding upon both  
36 parties. In the event the school district does not notify the charter  
37 school of its objections within ten days of its receipt of the list of  
38 students or fails to participate in a resolution session, the school  
39 district shall be deemed to have waived its objections to the intercept  
40 and the charter school shall not be required to offer a resolution  
41 session. If the parties are unable to reach agreement at a resolution  
42 session, they may agree to schedule additional resolution sessions or,  
43 if one of the parties informs the other that agreement is not possible,  
44 the dispute may be raised by the district as a charter school complaint  
45 pursuant to subdivision four of section twenty-eight hundred fifty-five  
46 of this article, or, if the dispute concerns the residency of a student,  
47 an appeal may be brought pursuant to paragraph (c) of this subdivision.  
48 The department shall not process an intercept for tuition or the cost of  
49 services of a student whose costs are in dispute until the charter  
50 school notifies the department that a resolution session has been held  
51 and no agreement has been reached, or that no resolution session is  
52 required because the school district failed to provide timely notice or  
53 failed to participate in a scheduled resolution session.

54 (c) In the event of a dispute over the residency of a student, the  
55 school district shall make its own residency determination pursuant to  
56 the regulations of the commissioner after considering the proof of resi-

dency submitted by the charter school, and such determination may be appealed to the commissioner by the charter school or by the parent or other person in parental relation or both pursuant to section three hundred ten of this chapter. During the pendency of such appeal, the student shall be deemed enrolled in the school district, shall be entitled to services pursuant to subdivision four of section twenty-eight hundred fifty-three of this article, and the school district shall be liable for charter school tuition, provided that upon a final determination in such appeal that the student is not a resident of the school district, the school district may deduct the cost of such tuition and services from future payments due the charter school.

§ 21. Subdivision 2 of section 2857 of the education law, as amended by chapter 101 of the laws of 2010, is amended and a new subdivision 2-a is added to read as follows:

2. Each charter school shall submit to the charter entity and to the board of regents an annual report. Such report shall be issued no later than the first day of August of each year for the preceding school year and shall be made publicly available by such date and shall be posted on both the charter school's ~~[website]~~ and the department's websites. The annual report shall be in such form as shall be prescribed by the commissioner and shall include at least the following components:

(a) a charter school report card, which shall include measures of the comparative academic and fiscal performance of the school, as prescribed by the commissioner in regulations adopted for such purpose. Such measures shall include, but not be limited to, graduation rates, dropout rates, performance of students on standardized tests, college entry rates, total spending per pupil and administrative spending per pupil. Such measures shall be presented in a format that is easily comparable to similar public schools. In addition, the charter school shall ensure that such information is easily accessible to the community including making it publicly available by transmitting it to local newspapers of general circulation and making it available for distribution at board of trustee meetings~~[ ]~~;

(b) discussion of the progress made towards achievement of the goals set forth in the charter~~[ ]~~;

(c) a certified financial statement setting forth, by appropriate categories, the revenues and expenditures for the preceding school year, including a copy of the most recent independent fiscal audit of the school and any audit conducted by the comptroller of the state of New York~~[ ]~~;

(d) efforts taken by the charter school in the existing school year, and a plan for efforts to be taken in the succeeding school year, to meet or exceed the enrollment ~~[and retention targets set by the board of regents or the board of trustees of the state university of New York, as applicable, of students with disabilities, English language learners, and students who are eligible applicants for the free and reduced price lunch program established pursuant to paragraph (e) of subdivision four of section twenty-eight hundred fifty-one of this article.]~~ requirements of subparagraph (ii) of paragraph (b) of subdivision two of section twenty-eight hundred fifty-four of this article;

(e) for any charter school that contracts with a management company or any other entity that provides services to the charter school, a detailed statement of services provided to the charter school by the management company and/or any other entity and the amount the charter school pays for such services. The department shall post the annual reports submitted by charter schools on the department's website; and

1 (f) a notice of any relationship that may exist between any member of  
2 a charter school's board of trustees or charter school staff and any  
3 for-profit or not-for-profit corporate or other business entity that is  
4 responsible for the administration, management or operation of such  
5 charter school or related vendor.

6 2-a. Each charter school shall post contact information for the  
7 school's board of trustees as well as the name and contact information  
8 of the school's charter entity on the website of the charter school.

9 § 22. Subdivision 7 of section 179-q of the state finance law, as  
10 added by chapter 166 of the laws of 1991, is amended to read as follows:

11 7. "Not-for-profit organization" or "organization" means a domestic  
12 corporation incorporated pursuant to or otherwise subject to the not-  
13 for-profit corporation law, a charitable organization registered with  
14 the secretary of state, a special act corporation created pursuant to  
15 chapter four hundred sixty-eight of the laws of eighteen hundred nine-  
16 ty-nine, as amended, a special act corporation formed pursuant to chap-  
17 ter two hundred fifty-six of the laws of nineteen hundred seventeen, as  
18 amended, a corporation authorized pursuant to an act of congress  
19 approved January fifth, nineteen hundred five, (33 stat. 599), as  
20 amended, a corporation established by merger of charitable organizations  
21 pursuant to an order of the supreme court, New York county dated July  
22 twenty-first, nineteen hundred eighty-six and filed in the department of  
23 state on July twenty-ninth, nineteen hundred eighty-six, or a corpo-  
24 ration having tax exempt status under section 501(c)(3) of the United  
25 States Internal revenue code, and shall further be deemed to mean and  
26 include any federation of charitable organizations. Provided, however,  
27 that a public educational entity within the meaning of section seventy-  
28 one of part C of chapter fifty-seven of the laws of two thousand four  
29 shall not be deemed a "not-for-profit organization" or "organization"  
30 for purposes of this article.

31 § 23. This act shall take effect immediately.