

## 101ST GENERAL ASSEMBLY State of Illinois 2019 and 2020 HB2100

Introduced 2/6/2019, by Rep. Emanuel Chris Welch

## SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.796 105 ILCS 5/27A-3 105 ILCS 5/27A-5 105 ILCS 5/27A-6.5 105 ILCS 5/27A-7.5 105 ILCS 5/27A-7.10 105 ILCS 5/27A-8 105 ILCS 5/27A-9 105 ILCS 5/27A-10.10 105 ILCS 5/27A-11 105 ILCS 5/27A-11

Amends the State Finance Act and the Charter Schools Law of the School Code. Provides that on July 1, 2020, the State Charter School Commission is abolished and the terms of all members end. Provides that all of the powers, duties, assets, liabilities, contracts, property, records, and pending business of the Commission are transferred to the State Board of Education on that date. Provides for transfer of authorization to a local school board or boards. Makes related changes. Removes the appeal process, and provides that final decisions of a local school board are subject to judicial review under the Administrative Review Law.

LRB101 05964 AXK 50985 b

FISCAL NOTE ACT MAY APPLY

1 AN ACT concerning education.

## 2 Be it enacted by the People of the State of Illinois,

## **represented in the General Assembly:**

- 4 Section 5. The State Finance Act is amended by changing
- 5 Section 5.796 as follows:
- 6 (30 ILCS 105/5.796)
- 7 Sec. 5.796. The State Charter School Commission Fund. This
- 8 Section is repealed on July 31, 2020.
- 9 (Source: P.A. 97-152, eff. 7-20-11; 97-813, eff. 7-13-12.)
- 10 Section 10. The School Code is amended by changing Sections
- 11 27A-3, 27A-5, 27A-6.5, 27A-7.5, 27A-7.10, 27A-8, 27A-9,
- 12 27A-10.10, 27A-11, 27A-11.5, and 27A-12 as follows:
- 13 (105 ILCS 5/27A-3)
- 14 Sec. 27A-3. Definitions. For purposes of this Article:
- "At-risk pupil" means a pupil who, because of physical,
- 16 emotional, socioeconomic, or cultural factors, is less likely
- 17 to succeed in a conventional educational environment.
- 18 "Authorizer" means an entity authorized under this Article
- 19 to review applications, decide whether to approve or reject
- 20 applications, enter into charter contracts with applicants,
- 21 oversee charter schools, and decide whether to renew, not

1 renew, or revoke a charter.

2 "Commission" means the State Charter School Commission

- 3 established under Section 27A-7.5 of this Code.
- "Local school board" means the duly elected or appointed school board or board of education of a public school district, including special charter districts and school districts
- 7 located in cities having a population of more than 500,000,
- 8 organized under the laws of this State.
- 9 "State Board" means the State Board of Education.
- 10 (Source: P.A. 97-152, eff. 7-20-11.)
- 11 (105 ILCS 5/27A-5)
- 12 Sec. 27A-5. Charter school; legal entity; requirements.
- 13 (a) A charter school shall be a public, nonsectarian,
- 14 nonreligious, non-home based, and non-profit school. A charter
- 15 school shall be organized and operated as a nonprofit
- 16 corporation or other discrete, legal, nonprofit entity
- 17 authorized under the laws of the State of Illinois.
- 18 (b) A charter school may be established under this Article
- 19 by creating a new school or by converting an existing public
- 20 school or attendance center to charter school status. Beginning
- on April 16, 2003 (the effective date of Public Act 93-3), in
- 22 all new applications to establish a charter school in a city
- having a population exceeding 500,000, operation of the charter
- 24 school shall be limited to one campus. The changes made to this
- 25 Section by Public Act 93-3 do not apply to charter schools

existing or approved on or before April 16, 2003 (the effective date of Public Act 93-3).

(b-5) In this subsection (b-5), "virtual-schooling" means a cyber school where students engage in online curriculum and instruction via the Internet and electronic communication with their teachers at remote locations and with students participating at different times.

From April 1, 2013 through December 31, 2016, there is a moratorium on the establishment of charter schools with virtual-schooling components in school districts other than a school district organized under Article 34 of this Code. This moratorium does not apply to a charter school with virtual-schooling components existing or approved prior to April 1, 2013 or to the renewal of the charter of a charter school with virtual-schooling components already approved prior to April 1, 2013.

On or before March 1, 2014, the Commission shall submit to the General Assembly a report on the effect of virtual schooling, including without limitation the effect on student performance, the costs associated with virtual-schooling, and issues with oversight. The report shall include policy recommendations for virtual-schooling.

(c) A charter school shall be administered and governed by its board of directors or other governing body in the manner provided in its charter. The governing body of a charter school shall be subject to the Freedom of Information Act and the Open

1 Meetings Act.

(d) For purposes of this subsection (d), "non-curricular health and safety requirement" means any health and safety requirement created by statute or rule to provide, maintain, preserve, or safeguard safe or healthful conditions for students and school personnel or to eliminate, reduce, or prevent threats to the health and safety of students and school personnel. "Non-curricular health and safety requirement" does not include any course of study or specialized instructional requirement for which the State Board has established goals and learning standards or which is designed primarily to impart knowledge and skills for students to master and apply as an outcome of their education.

A charter school shall comply with all non-curricular health and safety requirements applicable to public schools under the laws of the State of Illinois. On or before September 1, 2015, the State Board shall promulgate and post on its Internet website a list of non-curricular health and safety requirements that a charter school must meet. The list shall be updated annually no later than September 1. Any charter contract between a charter school and its authorizer must contain a provision that requires the charter school to follow the list of all non-curricular health and safety requirements promulgated by the State Board and any non-curricular health and safety requirements added by the State Board to such list during the term of the charter. Nothing in this subsection (d)

- precludes an authorizer from including non-curricular health and safety requirements in a charter school contract that are not contained in the list promulgated by the State Board, including non-curricular health and safety requirements of the authorizing local school board.
  - (e) Except as otherwise provided in the School Code, a charter school shall not charge tuition; provided that a charter school may charge reasonable fees for textbooks, instructional materials, and student activities.
    - (f) A charter school shall be responsible for the management and operation of its fiscal affairs including, but not limited to, the preparation of its budget. An audit of each charter school's finances shall be conducted annually by an outside, independent contractor retained by the charter school. To ensure financial accountability for the use of public funds, on or before December 1 of every year of operation, each charter school shall submit to its authorizer and the State Board a copy of its audit and a copy of the Form 990 the charter school filed that year with the federal Internal Revenue Service. In addition, if deemed necessary for proper financial oversight of the charter school, an authorizer may require quarterly financial statements from each charter school.
  - (g) A charter school shall comply with all provisions of this Article, the Illinois Educational Labor Relations Act, all federal and State laws and rules applicable to public schools

- that pertain to special education and the instruction of English learners, and its charter. A charter school is exempt from all other State laws and regulations in this Code governing public schools and local school board policies; however, a charter school is not exempt from the following:
- (1) Sections 10-21.9 and 34-18.5 of this Code regarding
  criminal history records checks and checks of the Statewide
  Sex Offender Database and Statewide Murderer and Violent
  Offender Against Youth Database of applicants for
- 10 employment;

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- 11 (2) Sections 10-20.14, 10-22.6, 24-24, 34-19, and 12 34-84a of this Code regarding discipline of students;
- 13 (3) the Local Governmental and Governmental Employees
  14 Tort Immunity Act;
  - (4) Section 108.75 of the General Not For Profit Corporation Act of 1986 regarding indemnification of officers, directors, employees, and agents;
    - (5) the Abused and Neglected Child Reporting Act;
  - (5.5) subsection (b) of Section 10-23.12 and subsection (b) of Section 34-18.6 of this Code;
    - (6) the Illinois School Student Records Act;
- 22 (7) Section 10-17a of this Code regarding school report 23 cards;
  - (8) the P-20 Longitudinal Education Data System Act;
- 25 (9) Section 27-23.7 of this Code regarding bullying prevention;

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- 1 (10) Section 2-3.162 of this Code regarding student 2 discipline reporting;
  - (11) Sections 22-80 and 27-8.1 of this Code;
- 4 (12) Sections 10-20.60 and 34-18.53 of this Code;
  - (13) Sections 10-20.63 and 34-18.56 of this Code; and
- 6 (14) Section 26-18 of this Code; and
- 7 (15) Section 22-30 of this Code.

The change made by Public Act 96-104 to this subsection (g) is declaratory of existing law.

(h) A charter school may negotiate and contract with a school district, the governing body of a State college or university or public community college, or any other public or for-profit or nonprofit private entity for: (i) the use of a school building and grounds or any other real property or facilities that the charter school desires to use or convert for use as a charter school site, (ii) the operation and maintenance thereof, and (iii) the provision of any service, activity, or undertaking that the charter school is required to perform in order to carry out the terms of its charter. However, a charter school that is established on or after April 16, 2003 (the effective date of Public Act 93-3) and that operates in a city having a population exceeding 500,000 may not contract with a for-profit entity to manage or operate the school during the period that commences on April 16, 2003 (the effective date of Public Act 93-3) and concludes at the end of the 2004-2005 school year. Except as provided in subsection (i)

- of this Section, a school district may charge a charter school 1 2 reasonable rent for the use of the district's buildings, grounds, and facilities. Any services for which a charter 3 school contracts with a school district shall be provided by 4 5 the district at cost. Any services for which a charter school contracts with a local school board or with the governing body 6 7 of a State college or university or public community college 8 shall be provided by the public entity at cost.
- 9 (i) In no event shall a charter school that is established 10 by converting an existing school or attendance center to 11 charter school status be required to pay rent for space that is 12 deemed available, as negotiated and provided in the charter 13 agreement, in school district facilities. However, all other costs for the operation and maintenance of school district 14 15 facilities that are used by the charter school shall be subject 16 to negotiation between the charter school and the local school 17 board and shall be set forth in the charter.
  - (j) A charter school may limit student enrollment by age or grade level.
- 20 (k) If the charter school is approved by the <u>State Board</u>
  21 <u>Commission</u>, then the <u>State Board Commission</u> charter school is
  22 its own local education agency.
- 23 (Source: P.A. 99-30, eff. 7-10-15; 99-78, eff. 7-20-15; 99-245,
- 24 eff. 8-3-15; 99-325, eff. 8-10-15; 99-456, eff. 9-15-16;
- 25 99-642, eff. 7-28-16; 99-927, eff. 6-1-17; 100-29, eff. 1-1-18;
- 26 100-156, eff. 1-1-18; 100-163, eff. 1-1-18; 100-413, eff.

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- 1 1-1-18; 100-468, eff. 6-1-18; 100-726, eff. 1-1-19; 100-863,
- 2 eff. 8-14-18; revised 10-5-18.)

certified by the State Board.

- 3 (105 ILCS 5/27A-6.5)
- 4 Sec. 27A-6.5. Charter school referendum.
- 5 (a) No charter shall go into effect under this Section that 6 would convert any existing private, parochial, or non-public 7 school to a charter school or whose proposal has not been
  - (b) A local school board shall, whenever petitioned to do so by 5% or more of the voters of a school district or districts identified in a charter school proposal, order submitted to the voters thereof at a regularly scheduled election the question of whether a new charter school shall be established, which proposal has been found by the <u>State Board Commission</u> to be in compliance with the provisions of this Article, and the secretary shall certify the proposition to the proper election authorities for submission in accordance with the general election law. The proposition shall be in substantially the following form:
- "FOR the establishment of (name of proposed charter school) under charter school proposal (charter school proposal number).
  - AGAINST the establishment of (name of proposed charter school) under charter school proposal (charter school proposal number)".

(c) Before circulating a petition to submit the question of whether to establish a charter school to the voters under subsection (b) of this Section, the governing body of a proposed charter school that desires to establish a new charter school by referendum shall submit the charter school proposal to the <a href="State Board Commission">State Board Commission</a> in the form of a proposed contract to be entered into between the <a href="State Board Commission">State Board Commission</a> and the governing body of the proposed charter school, together with written notice of the intent to have a new charter school established by referendum. The contract shall comply with the provisions of this Article.

If the <u>State Board Commission</u> finds that the proposed contract complies with the provisions of this Article, it shall immediately direct the local school board to notify the proper election authorities that the question of whether to establish a new charter school shall be submitted for referendum.

- (d) If the <u>State Board Commission</u> finds that the proposal fails to comply with the provisions of this Article, it shall provide written explanation, detailing its reasons for refusal, to the local school board and to the individuals or organizations submitting the proposal. The <u>State Board Commission</u> shall also notify the local school board and the individuals or organizations submitting the proposal that the proposal may be amended and resubmitted under the same provisions required for an original submission.
  - (e) If a majority of the votes cast upon the proposition in

- each school district designated in the charter school proposal 1 2 is in favor of establishing a charter school, the local school 3 board shall notify the State Board and the Commission of the passage of the proposition in favor of establishing a charter 4 5 school and the State Board Commission shall approve the charter within 7 days after the State Board of Elections has certified 6 7 that a majority of the votes cast upon the proposition is in 8 favor of establishing a charter school. The State Board 9 Commission shall be the chartering entity for charter schools 10 established by referendum under this Section.
- 11 (f) The State Board shall determine whether the charter 12 proposal approved by the Commission is consistent with the 13 provisions of this Article and, if the approved proposal 14 complies, certify the proposal pursuant to this Article.
- 15 (Source: P.A. 98-739, eff. 7-16-14.)
- 16 (105 ILCS 5/27A-7.5)
- Sec. 27A-7.5. State Charter School Commission <u>abolished;</u>
  transfer to State Board; appeals.
- is abolished and the terms of all members end. On that date,
  all of the powers, duties, assets, liabilities, contracts,
  property, records, and pending business of the Commission are
  transferred to the State Board. For purposes of the Successor
  Agency Act and Section 9b of the State Finance Act, the State
  Board is declared to be the successor agency of the Commission.

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Beginning on July 1, 2020, references in statutes, rules, forms, and other documents to the Commission shall, in appropriate contexts, be deemed to refer to the State Board. Standards and procedures of the Commission in effect on July 1, 2020 shall be deemed standards and procedures of the State Board and shall remain in effect until amended or repealed by the State Board. established as an independent commission with statewide chartering jurisdiction and authority. Commission shall be under the State Board for administrative purposes only.

(a-5) The State Board shall provide administrative support to the Commission as needed.

(b) The Commission is responsible for authorizing high-quality charter schools throughout this State, particularly schools designed to expand opportunities for at risk students, consistent with the purposes of this Article.

(c) The Commission shall consist of 9 members, appointed by the State Board. The State Board shall make these appointments from a slate of candidates proposed by the Governor, within 60 days after the effective date of this amendatory Act of the 97th General Assembly with respect to the initial Commission members. In making the appointments, the State Board shall statewide geographic diversity among Commission members. The Governor shall propose a slate of candidates to the State Board within 60 days after the effective date of this amendatory Act of the 97th General Assembly and 60 days prior

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to the expiration of the term of a member thereafter. If the Governor fails to timely propose a slate of candidates according to the provisions of this subsection (c), then the State Board may appoint the member or members of the Commission.

(d) Members appointed to the Commission shall collectively possess strong experience and expertise in public and nonprofit governance, management and finance, public school leadership, higher education, assessments, curriculum and instruction, and public education law. All members of the Commission shall have demonstrated understanding of and a commitment to public education, including without limitation charter schooling. At least 3 members must have past experience with urban charter schools.

(e) To establish staggered terms of office, the initial term of office for 3 Commission members shall be 4 years and thereafter shall be 4 years; the initial term of office for another 3 members shall be 3 years and thereafter shall be 4 years; and the initial term of office for the remaining 3 members shall be 2 years and thereafter shall be 4 years. The initial appointments must be made no later than October 1, <del>2011.</del>

(f) Whenever a vacancy on the Commission exists, the State Board shall appoint a member for the remaining portion of the term.

(g) Subject to the State Officials and Employees Ethics

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Act, the Commission is authorized to receive and expend gifts, grants, and donations of any kind from any public or private entity to carry out the purposes of this Article, subject to the terms and conditions under which they are given, provided that all such terms and conditions are permissible under law. Funds received under this subsection (q) must be deposited into the State Charter School Commission Fund.

(b) The State Charter School Commission Fund is created as a special fund in the State treasury. All money in the Fund shall be used, subject to appropriation, by the State Board, acting on behalf and with the consent of the Commission, for operational and administrative costs of the Commission. On July 1, 2020, the State Comptroller shall order transferred and the State Treasurer shall transfer all money in the State Charter School Commission Fund to the State Board of Education Special Purpose Trust Fund.

Subject to appropriation, any funds appropriated for use by the State Board, acting on behalf and with the consent of the Commission, may be used for the following purposes, without limitation: personal services, contractual services, and other operational and administrative costs. The State Board is further authorized to make expenditures with respect to any other amounts deposited in accordance with law into the State Charter School Commission Fund.

(q-5) Funds or spending authority for the operation and administrative costs of the Commission shall be appropriated to

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the State Board in a separate line item. The State Superintendent of Education may not reduce or modify the budget of the Commission or use funds appropriated to the Commission without the approval of the Commission.

(h) The Commission shall operate with dedicated resources and staff qualified to execute the day to day responsibilities of charter school authorizing in accordance with this Article. The Commission may employ and fix the compensation of such employees and technical assistants as it deems necessary to carry out its powers and duties under this Article, without regard to the requirements of any civil service or personnel statute; and may establish and administer standards of classification of all such persons with respect to their compensation, duties, performance, and tenure and enter into contracts of employment with such persons for such periods and on such terms as the Commission deems desirable.

(i) Every 2 years, the Commission shall provide to the State Board and local school boards a report on best practices in charter school authorizing, including without limitation evaluating applications, oversight of charters, and renewal of charter schools.

(j) The Commission may charge a charter school that it authorizes a fee, not to exceed 3% of the revenue provided to the school, to cover the cost of undertaking the ongoing administrative responsibilities of the eligible chartering authority with respect to the school. This fee must be

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(c) On July 1, 2020, any (k) Any charter school authorized by the State Charter School Commission State Board prior to July 1, 2020 this amendatory Act of the 97th General Assembly shall have its authorization transferred to the Commission upon a vote of the State Board, which shall then become the school's authorizer for all purposes under this Article. On July 1, 2020 However, in no case shall such transfer take place later than July 1, 2012. At this time, all of the powers, duties, assets, liabilities, contracts, property, records, and pending business of the State Charter School Commission State Board as the school's authorizer must be transferred to the State Board Commission. The Any charter school must, as soon as practicable after July 1, 2020, authorized by a local school board or boards may seek transfer of authorization to a local school board or boards for the remainder of the charter school's the Commission during its current term only with the approval of the local school board or boards. If approved by the local school board or boards, the State Board shall transfer authorization to the local school board or boards. At the end of its charter term, the a charter school authorized by a local school board or boards must reapply to the board or boards before it may apply for authorization to the State Board as otherwise permitted Commission under the terms of this Article amendatory Act of the 97th General Assembly.

(d) On July 1, 2020 the effective date of this amendatory

Act of the 97th General Assembly, all rules of the State Board applicable to matters falling within the responsibility of the State Charter School Commission shall be applicable to the actions of the State Board Commission. The Commission shall thereafter have the authority to propose to the State Board modifications to all rules applicable to matters falling within the responsibility of the Commission. The State Board shall retain rulemaking authority for the Commission, but shall work jointly with the Commission on any proposed modifications. Upon recommendation of proposed rule modifications by the Commission and pursuant to the Illinois Administrative Procedure Act, the State Board shall consider such changes within the intent of this amendatory Act of the 97th General Assembly and grant any and all changes consistent with that intent.

(1) The Commission shall have the responsibility to consider appeals under this Article immediately upon appointment of the initial members of the Commission under subsection (c) of this Section. Appeals pending at the time of initial appointment shall be determined by the Commission; the Commission may extend the time for review as necessary for thorough review, but in no case shall the extension exceed the time that would have been available had the appeal been submitted to the Commission on the date of appointment of its initial members. In any appeal filed with the Commission under this Article, both the applicant and the school district in

- 1 which the charter school plans to locate shall have the right
- 2 to request a hearing before the Commission. If more than one
- 3 entity requests a hearing, then the Commission may hold only
- 4 one hearing, wherein the applicant and the school district
- 5 shall have an equal opportunity to present their respective
- 6 <del>positions.</del>
- 7 (Source: P.A. 97-152, eff. 7-20-11; 97-641, eff. 12-19-11;
- 8 97-1156, eff. 1-25-13.)
- 9 (105 ILCS 5/27A-7.10)
- 10 Sec. 27A-7.10. Authorizer powers and duties; immunity;
- 11 principles and standards.
- 12 (a) Authorizers are responsible for executing, in
- accordance with this Article, all of the following powers and
- 14 duties:
- 15 (1) Soliciting and evaluating charter applications.
- 16 (2) Approving quality charter applications that meet
- 17 identified educational needs and promote a diversity of
- 18 educational choices.
- 19 (3) Declining to approve weak or inadequate charter
- applications.
- 21 (4) Negotiating and executing sound charter contracts
- 22 with each approved charter school.
- 23 (5) Monitoring, in accordance with charter contract
- 24 terms, the performance and legal compliance of charter
- 25 schools.

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- 1 (6) Determining whether each charter contract merits 2 renewal, nonrenewal, or revocation.
  - (b) An authorizing entity may delegate its duties to officers, employees, and contractors.
    - (c) Regulation by authorizers is limited to the powers and duties set forth in subsection (a) of this Section and must be consistent with the spirit and intent of this Article.
    - (d) An authorizing entity, members of the local school board, and or the State Board Commission, in their official capacity, and employees of an authorizer are immune from civil and criminal liability with respect to all activities related to a charter school that they authorize, except for willful or wanton misconduct.
    - (e) The <u>State Board Commission</u> and all local school boards that have a charter school operating are required to develop and maintain chartering policies and practices consistent with recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including all of the following:
  - (1) Organizational capacity and infrastructure.
- 21 (2) Soliciting and evaluating charter applications.
- 22 (3) Performance contracting.
- 23 (4) Ongoing charter school oversight and evaluation.
- 24 (5) Charter renewal decision-making.
- 25 Authorizers shall carry out all their duties under this 26 Article in a manner consistent with nationally recognized

- 1 principles and standards and with the spirit and intent of this
- 2 Article.

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- 3 (Source: P.A. 97-152, eff. 7-20-11.)
- 4 (105 ILCS 5/27A-8)
- 5 Sec. 27A-8. Evaluation of charter proposals.
- 6 (a) This Section does not apply to a charter school
  7 established by referendum under Section 27A-6.5. In evaluating
  8 any charter school proposal submitted to it, the local school
  9 board or and the State Board Commission shall give preference
  10 to proposals that:
- 11 (1) demonstrate a high level of local pupil, parental, 12 community, business, and school personnel support;
  - (2) set rigorous levels of expected pupil achievement and demonstrate feasible plans for attaining those levels of achievement; and
  - (3) are designed to enroll and serve a substantial proportion of at-risk children; provided that nothing in the Charter Schools Law shall be construed as intended to limit the establishment of charter schools to those that serve a substantial portion of at-risk children or to in restrict, limit, discourage anv manner or the establishment of charter schools that enroll and serve other pupil populations under nonexclusive, а nondiscriminatory admissions policy.
  - (b) In the case of a proposal to establish a charter school

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by converting an existing public school or attendance center to charter school status, evidence that the proposed formation of the charter school has received majority support from certified teachers and from parents and quardians in the school or attendance center affected by the proposed charter, and, if applicable, from a local school council, shall be demonstrated by a petition in support of the charter school signed by certified teachers and a petition in support of the charter school signed by parents and quardians and, if applicable, by a vote of the local school council held at a public meeting. In the case of all other proposals to establish a charter school, evidence of sufficient support to fill the number of pupil seats set forth in the proposal may be demonstrated by a petition in support of the charter school signed by parents and quardians of students eligible to attend the charter school. In all cases, the individuals, organizations, or entities who initiate the proposal to establish a charter school may elect, lieu of including any petition referred to in this subsection as a part of the proposal submitted to the local school board, to demonstrate that the charter school has received the support referred to in this subsection by other evidence and information presented at the public meeting that the local school board is required to convene under this Section.

(c) Within 45 days of receipt of a charter school proposal, the local school board shall convene a public meeting to obtain

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information to assist the board in its decision to grant or deny the charter school proposal. A local school board may develop its own process for receiving charter school proposals on an annual basis that follows the same timeframes as set forth in this Article. Final decisions of a local school board are subject to judicial review under the Administrative Review Law. Only after the local school board process is followed may a charter school applicant appeal to the Commission.

- (d) Notice of the public meeting required by this Section shall be published in a community newspaper published in the school district in which the proposed charter is located and, if there is no such newspaper, then in a newspaper published in the county and having circulation in the school district. The notices shall be published not more than 10 days nor less than 5 days before the meeting and shall state that information regarding a charter school proposal will be heard at the meeting. Copies of the notice shall also be posted at appropriate locations in the school or attendance center proposed to be established as a charter school, the public schools in the school district, and the local school board office. If 45 days pass without the local school board holding a public meeting, then the charter applicant may submit the proposal to the State Board Commission, where it must be addressed in accordance with the provisions set forth in subsection (g) of this Section.
  - (e) Within 30 days of the public meeting, the local school

- board shall vote, in a public meeting, to either grant or deny
  the charter school proposal. If the local school board has not
  voted in a public meeting within 30 days after the public
  meeting, then the charter applicant may submit the proposal to
  the <u>State Board Commission</u>, where it must be addressed in
  accordance with the provisions set forth in subsection (g) of
  this Section.
  - (f) Within 7 days of the public meeting required under subsection (e) of this Section, the local school board shall file a report with the State Board granting or denying the proposal. If the local school board has approved the proposal, within 30 days of receipt of the local school board's report, the State Board shall determine whether the approved charter proposal is consistent with the provisions of this Article and, if the approved proposal complies, certify the proposal pursuant to Section 27A-6.
  - (g) If the charter applicant submits the proposal to the State Board as authorized the local school board votes to deny the proposal, then the charter school applicant has 30 days from the date of that vote to submit an appeal to the Commission. In such instances or in those instances referenced in subsection subsections (d), and (e), or (i) of this Section, the State Board Commission shall follow the same process and be subject to the same timelines for review as the local school board.
    - (h) The State Board Commission may approve a charter school

- proposal submitted to it in accordance with subsection (d),

  (e), or (i) of this Section reverse a local school board's

  decision to deny a charter school proposal if the State Board

  Commission finds that the proposal (i) is in compliance with

  this Article and (ii) is in the best interests of the students

  the charter school is designed to serve. Final decisions of the

  State Board Commission are subject to judicial review under the
- 9 (i) In the case of a charter school proposed to be jointly 10 authorized by 2 or more school districts, the local school 11 boards may unanimously deny the charter school proposal with a 12 statement that the local school boards are not opposed to the 13 charter school, but that they yield to the State Board 14 Commission in light of the complexities of 15 administration, in which case the charter applicant may submit 16 the proposal to the State Board, where it must be addressed in 17 accordance with the provisions set forth in subsection (q) of 18 this Section.
- 19 (Source: P.A. 96-105, eff. 7-30-09; 96-734, eff. 8-25-09;
- 20 96-1000, eff. 7-2-10; 97-152, eff. 7-20-11.)

Administrative Review Law.

- 21 (105 ILCS 5/27A-9)
- Sec. 27A-9. Term of charter; renewal.
- 23 (a) For charters granted before January 1, 2017 (the 24 effective date of Public Act 99-840), a charter may be granted 25 for a period not less than 5 and not more than 10 school years.

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For charters granted on or after January 1, 2017 (the effective date of Public Act 99-840), a charter shall be granted for a period of 5 school years. For charters renewed before January 1, 2017 (the effective date of Public Act 99-840), a charter may be renewed in incremental periods not to exceed 5 school years. For charters renewed on or after January 1, 2017 (the effective date of Public Act 99-840), a charter may be renewed in incremental periods not to exceed 10 school years; however, the State Board Commission may renew a charter only in incremental periods not to exceed 5 years. Authorizers shall ensure that every charter granted on or after January 1, 2017 (the effective date of Public Act 99-840) includes standards goals for academic, organizational, and financial performance. A charter must meet all standards and goals for academic, organizational, and financial performance set forth by the authorizer in order to be renewed for a term in excess of 5 years but not more than 10 years. If an authorizer fails to establish standards and goals, a charter shall not be renewed for a term in excess of 5 years. Nothing contained in this Section shall require an authorizer to grant a full 10-year renewal term to any particular charter school, but an authorizer may award a full 10-year renewal term to charter schools that have a demonstrated track record of improving student performance.

(b) A charter school renewal proposal submitted to the local school board or the State Board Commission, as the

- 1 chartering entity, shall contain:
  - (1) A report on the progress of the charter school in achieving the goals, objectives, pupil performance standards, content standards, and other terms of the initial approved charter proposal; and
    - (2) A financial statement that discloses the costs of administration, instruction, and other spending categories for the charter school that is understandable to the general public and that will allow comparison of those costs to other schools or other comparable organizations, in a format required by the State Board.
  - (c) A charter may be revoked or not renewed if the local school board or the <u>State Board Commission</u>, as the chartering entity, clearly demonstrates that the charter school did any of the following, or otherwise failed to comply with the requirements of this law:
    - (1) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.
    - (2) Failed to meet or make reasonable progress toward achievement of the content standards or pupil performance standards identified in the charter.
    - (3) Failed to meet generally accepted standards of fiscal management.
    - (4) Violated any provision of law from which the charter school was not exempted.

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In the case of revocation, the local school board or the State Board Commission, as the chartering entity, shall notify the charter school in writing of the reason why the charter is subject to revocation. The charter school shall submit a written plan to the local school board or the State Board Commission, whichever is applicable, to rectify the problem. The plan shall include a timeline for implementation, which shall not exceed 2 years or the date of the charter's expiration, whichever is earlier. If the local school board or the State Board <del>Commission</del>, as the chartering entity, finds that the charter school has failed to implement the plan of remediation and adhere to the timeline, then the chartering entity shall revoke the charter. Except in situations of an emergency where the health, safety, or education of the charter school's students is at risk, the revocation shall take place at the end of a school year. Nothing in Public Act 96-105 shall be construed to prohibit an implementation timetable that is less than 2 years in duration.

- (d) (Blank).
- (e) Notice of a local school board's decision to deny, revoke, or not renew a charter shall be provided to the Commission and the State Board. The Commission may reverse a local board's decision if the Commission finds that the charter school or charter school proposal (i) is in compliance with this Article, and (ii) is in the best interests of the students it is designed to serve. The Commission may condition the

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granting of an appeal on the acceptance by the charter school of funding in an amount less than that requested in the proposal submitted to the local school board. Final decisions of the Commission shall be subject to judicial review under the Administrative Review Law.

(f) Notwithstanding other provisions of this Article, if the State Board approves an application for a charter school submitted to it in accordance with this Article or Commission on appeal reverses a local board's decision or if a charter school is approved by referendum, the State Board Commission shall act as the authorized chartering entity for the charter school. The State Board Commission shall approve the charter and shall perform all functions under this Article otherwise performed by the local school board. The State Board shall determine whether the charter proposal approved by the Commission is consistent with the provisions of this Article and, if the approved proposal complies, certify the proposal pursuant to this Article. The State Board shall report the aggregate number of charter school pupils resident in a school district to that district and shall notify the district of the amount of funding to be paid by the State Board to the charter school enrolling such students. The State Board Commission shall require the charter school to maintain accurate records of daily attendance that shall be deemed sufficient to file claims under Section 18-8.05 or 18-8.15 notwithstanding any other requirements of that Section regarding hours of

- 1 instruction and teacher certification. The State Board shall
- 2 withhold from funds otherwise due the district the funds
- 3 authorized by this Article to be paid to the charter school and
- 4 shall pay such amounts to the charter school.
- 5 (g) (Blank). For charter schools authorized by the
- 6 Commission, the Commission shall quarterly certify to the State
- 7 Board the student enrollment for each of its charter schools.
- 8 (h) For charter schools authorized by the State Board
- 9 Commission, the State Board shall pay directly to a charter
- 10 school any federal or State aid attributable to a student with
- 11 a disability attending the school.
- 12 (Source: P.A. 99-840, eff. 1-1-17; 100-201, eff. 8-18-17;
- 13 100-465, eff. 8-31-17.)
- 14 (105 ILCS 5/27A-10.10)
- Sec. 27A-10.10. Closure of charter school; unspent public
- funds; procedures for the disposition of property and assets.
- 17 (a) Upon the closing of a charter school authorized by one
- or more local school boards, the governing body of the charter
- 19 school or its designee shall refund to the chartering entity or
- 20 entities all unspent public funds. The charter school's other
- 21 property and assets shall be disposed of under the provisions
- of the charter application and contract. If the application and
- contract are silent or ambiguous as to the disposition of any
- of the school's property or assets, any property or assets of
- 25 the charter school purchased with public funds shall be

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returned to the school district or districts from which the charter school draws enrollment, at no cost to the receiving district or districts, subject to each district's acceptance of the property or asset. Any unspent public funds or other property or assets received by the charter school directly from any State or federal agency shall be refunded to or revert back to that State or federal agency, respectively.

- (b) Upon the closing of a charter school authorized by the State Board Commission, the governing body of the charter school or its designee shall refund all unspent public funds to the State Board of Education. The charter school's other property and assets shall be disposed of under the provisions of the charter application and contract. If the application and contract are silent or ambiguous as to the disposition of any of the school's property or assets, any property or assets of the charter school purchased with public funds shall be returned to the school district or districts from which the charter school draws its enrollment, at no cost to the receiving district or districts, subject to each district's acceptance of the property or asset. Any unspent public funds or other property or assets provided by a State agency other than the State Board of Education or by a federal agency shall be refunded to or revert back to that State or federal agency, respectively.
- (c) If a determination is made to close a charter school located within the boundaries of a school district organized

- 1 under Article 34 of this Code for at least one school year, the
- 2 charter school shall give at least 60 days' notice of the
- 3 closure to all affected students and parents or legal
- 4 quardians.

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- 5 (Source: P.A. 100-179, eff. 8-18-17.)
- 6 (105 ILCS 5/27A-11)
- 7 Sec. 27A-11. Local financing.
- 8 (a) For purposes of the School Code, pupils enrolled in a 9 charter school shall be included in the pupil enrollment of the 10 school district within which the pupil resides. Each charter 11 school (i) shall determine the school district in which each 12 pupil who is enrolled in the charter school resides, (ii) shall report the aggregate number of pupils resident of a school 1.3 14 district who are enrolled in the charter school to the school district in which those pupils reside, and (iii) shall maintain 15 16 accurate records of daily attendance that shall be deemed 17 sufficient to file claims under Section 18-8 or 18-8.15 18 notwithstanding any other requirements of that regarding hours of instruction and teacher certification. 19
  - (b) Except for a charter school established by referendum under Section 27A-6.5, as part of a charter school contract, the charter school and the local school board shall agree on funding and any services to be provided by the school district to the charter school. Agreed funding that a charter school is to receive from the local school board for a school year shall

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be paid in equal quarterly installments with the payment of the installment for the first quarter being made not later than July 1, unless the charter establishes a different payment schedule. However, if a charter school dismisses a pupil from the charter school after receiving a quarterly payment, the charter school shall return to the school district, on a quarterly basis, the prorated portion of public funding provided for the education of that pupil for the time the student is not enrolled at the charter school. Likewise, if a pupil transfers to a charter school between quarterly payments, the school district shall provide, on a quarterly basis, a prorated portion of the public funding to the charter school to provide for the education of that pupil.

All services centrally or otherwise provided by the school district including, but not limited to, rent, food services, custodial services, maintenance, curriculum, media services, libraries, transportation, and warehousing shall be subject to negotiation between a charter school and the local school board and paid for out of the revenues negotiated pursuant to this subsection (b); provided that the local school board shall not attempt, by negotiation or otherwise, to obligate a charter school to provide pupil transportation for pupils for whom a district is not required to provide transportation under the criteria set forth in subsection (a) (13) of Section 27A-7.

In no event shall the funding be less than 97% or more than 103% of the school district's per capita student tuition

1 multiplied by the number of students residing in the district 2 who are enrolled in the charter school.

It is the intent of the General Assembly that funding and service agreements under this subsection (b) shall be neither a financial incentive nor a financial disincentive to the establishment of a charter school.

The charter school may set and collect reasonable fees.

Fees collected from students enrolled at a charter school shall
be retained by the charter school.

- (c) Notwithstanding subsection (b) of this Section, the proportionate share of State and federal resources generated by students with disabilities or staff serving them shall be directed to charter schools enrolling those students by their school districts or administrative units. The proportionate share of moneys generated under other federal or State categorical aid programs shall be directed to charter schools serving students eligible for that aid.
- (d) The governing body of a charter school is authorized to accept gifts, donations, or grants of any kind made to the charter school and to expend or use gifts, donations, or grants in accordance with the conditions prescribed by the donor; however, a gift, donation, or grant may not be accepted by the governing body if it is subject to any condition contrary to applicable law or contrary to the terms of the contract between the charter school and the local school board. Charter schools shall be encouraged to solicit and utilize community volunteer

- 1 speakers and other instructional resources when providing
- instruction on the Holocaust and other historical events.
- 3 (e) (Blank).
- 4 (f) The State Board Commission shall provide technical
- 5 assistance to persons and groups preparing or revising charter
- 6 applications.
- 7 (g) At the non-renewal or revocation of its charter, each
- 8 charter school shall refund to the local board of education all
- 9 unspent funds.
- 10 (h) A charter school is authorized to incur temporary,
- 11 short term debt to pay operating expenses in anticipation of
- 12 receipt of funds from the local school board.
- 13 (Source: P.A. 99-78, eff. 7-20-15; 100-465, eff. 8-31-17.)
- 14 (105 ILCS 5/27A-11.5)
- 15 Sec. 27A-11.5. State financing. The State Board of
- 16 Education shall make the following funds available to school
- 17 districts and charter schools:
- 18 (1) From a separate appropriation made to the State
- 19 Board for purposes of this subdivision (1), the State Board
- 20 shall make transition impact aid available to school
- 21 districts that approve a new charter school or that have
- funds withheld by the State Board to fund a new charter
- 23 school that is chartered by the State Board <del>Commission</del>. The
- amount of the aid shall equal 90% of the per capita funding
- 25 paid to the charter school during the first year of its

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initial charter term, 65% of the per capita funding paid to the charter school during the second year of its initial term, and 35% of the per capita funding paid to the charter school during the third year of its initial term. This transition impact aid shall be paid to the local school board in equal quarterly installments, with the payment of the installment for the first quarter being made by August 1st immediately preceding the first, second, and third years of the initial term. The district shall file an application for this aid with the State Board in a format designated by the State Board. If the appropriation is insufficient in any year to pay all approved claims, the impact aid shall be prorated. However, for fiscal year 2004, the State Board of Education shall pay approved claims only for charter schools with a valid charter granted prior to June 1, 2003. If any funds remain after these claims have been paid, then the State Board of Education may pay all other approved claims on a pro rata basis. Transition impact aid shall be paid beginning in the 1999-2000 school year for charter schools that are in the first, second, or third year of their initial term. Transition impact aid shall not be paid for any charter school that is proposed and created by one or more boards of education, as authorized under the provisions of Public Act 91-405.

(2) From a separate appropriation made for the purpose

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of this subdivision (2), the State Board shall make grants to charter schools to pay their start-up costs of acquiring educational materials and supplies, textbooks, electronic textbooks and the technological equipment necessary to gain access to and use electronic textbooks, furniture, and other equipment or materials needed during their initial term. The State Board shall annually establish the time and manner of application for these grants, which shall not exceed \$250 per student enrolled in the charter school.

(3) The Charter Schools Revolving Loan Fund is created as a special fund in the State treasury. Federal funds, such other funds as may be made available for costs associated with the establishment of charter schools in Illinois, and amounts repaid by charter schools that have received a loan from the Charter Schools Revolving Loan Fund shall be deposited into the Charter Schools Revolving Loan Fund, and the moneys in the Charter Schools Revolving Loan Fund shall be appropriated to the State Board and used to provide interest-free loans to charter schools. These funds shall be used to pay start-up costs of acquiring educational materials and supplies, textbooks, electronic textbooks and the technological equipment necessary to gain access to and use electronic textbooks, furniture, and other equipment or materials needed in the initial term of the charter school and for acquiring and remodeling a suitable physical plant, within the initial term of the

charter school. Loans shall be limited to one loan per charter school and shall not exceed \$750 per student enrolled in the charter school. A loan shall be repaid by the end of the initial term of the charter school. The State Board may deduct amounts necessary to repay the loan from funds due to the charter school or may require that the local school board that authorized the charter school deduct such amounts from funds due the charter school and remit these amounts to the State Board, provided that the local school board shall not be responsible for repayment of the loan. The State Board may use up to 3% of the appropriation to contract with a non-profit entity to administer the loan program.

- (4) A charter school may apply for and receive, subject to the same restrictions applicable to school districts, any grant administered by the State Board that is available for school districts.
- 18 (Source: P.A. 98-739, eff. 7-16-14; 99-840, eff. 1-1-17.)
- 19 (105 ILCS 5/27A-12)

Sec. 27A-12. Evaluation; report. On or before September 30 of every odd-numbered year, all local school boards with at least one charter school, as well as the Commission, shall submit to the State Board any information required by the State Board pursuant to applicable rule. On or before the second Wednesday in January of every even-numbered year, the State

- Board shall issue a report to the General Assembly and the Governor on its findings for the previous 2 school years. The State Board's report shall summarize all of the following:
  - (1) The authorizer's strategic vision for chartering and progress toward achieving that vision.
  - (2) The academic and financial performance of all operating charter schools overseen by the authorizer, according to the performance expectations for charter schools set forth in this Article.
  - (3) The status of the authorizer's charter school portfolio, identifying all charter schools in each of the following categories: approved (but not yet open), operating, renewed, transferred, revoked, not renewed, voluntarily closed, or never opened.
  - (4) The authorizing functions provided by the authorizer to the charter schools under its purview, including the authorizer's operating costs and expenses detailed in annual audited financial statements, which must conform with generally accepted accounting principles.

Further, in the report required by this Section, the State Board (i) shall compare the performance of charter school pupils with the performance of ethnically and economically comparable groups of pupils in other public schools who are enrolled in academically comparable courses, (ii) shall review information regarding the regulations and policies from which

1 charter schools were released to determine if the exemptions

2 assisted or impeded the charter schools in meeting their stated

goals and objectives, and (iii) shall include suggested changes

4 in State law necessary to strengthen charter schools.

In addition, the State Board shall undertake and report on periodic evaluations of charter schools that include evaluations of student academic achievement, the extent to which charter schools are accomplishing their missions and goals, the sufficiency of funding for charter schools, and the need for changes in the approval process for charter schools.

Based on the information that the State Board receives from authorizers and the State Board's ongoing monitoring of both charter schools and authorizers, the State Board has the power to remove the power to authorize from any authorizer in this State if the authorizer does not demonstrate a commitment to high-quality authorization practices and, if necessary, revoke the chronically low-performing charters authorized by the authorizer at the time of the removal. The State Board shall adopt rules as needed to carry out this power, including provisions to determine the status of schools authorized by an authorizer whose authorizing power is revoked.

22 (Source: P.A. 96-105, eff. 7-30-09; 97-152, eff. 7-20-11.)