



Sen. Iris Y. Martinez

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1 AMENDMENT TO SENATE BILL 586

2 AMENDMENT NO. _____. Amend Senate Bill 586 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Finance Act is amended by adding
5 Section 5.855 as follows:

6 (30 ILCS 105/5.855 new)

7 Sec. 5.855. The Charter School Facilities Fund.

8 Section 10. The School Code is amended by changing Sections
9 27A-3, 27A-5, 27A-6, 27A-7, 27A-7.5, 27A-7.10, 27A-8, 27A-9,
10 and 27A-11 and by adding Section 27A-5.5 as follows:

11 (105 ILCS 5/27A-3)

12 Sec. 27A-3. Definitions. For purposes of this Article:

13 "At-risk pupil" means a pupil who, because of physical,
14 emotional, socioeconomic, or cultural factors, is less likely

1 to succeed in a conventional educational environment.

2 "Authorizer" means an entity authorized under this Article
3 to review applications, decide whether to approve or reject
4 applications, enter into charter contracts with applicants,
5 oversee charter schools, and decide whether to renew, not
6 renew, or revoke a charter.

7 "Charter funding calculation" means a calculation that
8 represents an equal proportion of funds spent on pupils in the
9 kindergarten through grade 12 program for which there does not
10 exist a separate formula or claim by charter schools. The
11 charter funding calculation is determined by totaling all
12 expenses of a school district in its educational, operations
13 and maintenance, transportation, municipal retirement, and
14 rent funds for the current school year, less expenditures not
15 applicable to the regular kindergarten through grade 12 program
16 (such as early childhood programming or funding required for
17 specialty schools), less expenses on community services
18 available to all students in the district (such as libraries
19 and parks), less revenues collected from student fees from
20 parents or rentals, less revenues from State and federal
21 sources (such as federal Title I and categorical funds) set
22 forth in subsection (b-5) of Section 27A-11 of this Code, less
23 district expenses for special education set aside in a separate
24 fund and to which charter school pupils can make an equitable
25 claim, less district expenses for students with extraordinary
26 needs, and less capital expenses.

1 "Commission" means the State Charter School Commission
2 established under Section 27A-7.5 of this Code.

3 "Local school board" means the duly elected or appointed
4 school board or board of education of a public school district,
5 including special charter districts and school districts
6 located in cities having a population of more than 500,000,
7 organized under the laws of this State.

8 "State Board" means the State Board of Education.

9 "Student-based budgeting" means a calculation that uses a
10 funding allocation methodology that provides dollars to
11 schools on a per-pupil basis based on identified student needs
12 or characteristics. The student-based budgeting calculation is
13 determined by a portion of the annual school district budget
14 using a funding allocation methodology that provides money to
15 schools on a per-pupil basis based on identified student needs
16 or characteristics. The funding is based on pupil
17 characteristics and needs in the school and not on the
18 characteristic or type of school. Any funds not distributed
19 based on pupil characteristics and needs must be made available
20 to charter school pupils on an average cost per pupil. Any
21 operating funds excluded must be identified by the school
22 district, and an equitable distribution of State and federal
23 sources, such as federal Title I and categorical funds, must be
24 made as set forth in subsection (b-5) of Section 27A-11 of this
25 Code.

26 (Source: P.A. 97-152, eff. 7-20-11.)

1 (105 ILCS 5/27A-5)

2 Sec. 27A-5. Charter school; legal entity; requirements.

3 (a) A charter school shall be a public, nonsectarian,
4 nonreligious, non-home based, and non-profit school. A charter
5 school shall be organized and operated as a nonprofit
6 corporation or other discrete, legal, nonprofit entity
7 authorized under the laws of the State of Illinois.

8 (b) A charter school may be established under this Article
9 by creating a new school or by converting an existing public
10 school or attendance center to charter school status. Beginning
11 on the effective date of this amendatory Act of the 93rd
12 General Assembly, in all new applications submitted to the
13 State Board or a local school board to establish a charter
14 school in a city having a population exceeding 500,000,
15 operation of the charter school shall be limited to one campus.
16 The changes made to this Section by this amendatory Act of the
17 93rd General Assembly do not apply to charter schools existing
18 or approved on or before the effective date of this amendatory
19 Act.

20 (b-5) In this subsection (b-5), "virtual-schooling" means
21 the teaching of courses through online methods with online
22 instructors, rather than the instructor and student being at
23 the same physical location. "Virtual-schooling" includes
24 without limitation instruction provided by full-time, online
25 virtual schools.

1 From April 1, 2013 through April 1, 2014, there is a
2 moratorium on the establishment of charter schools with
3 virtual-schooling components in school districts other than a
4 school district organized under Article 34 of this Code. This
5 moratorium does not apply to a charter school with
6 virtual-schooling components existing or approved prior to
7 April 1, 2013 or to the renewal of the charter of a charter
8 school with virtual-schooling components already approved
9 prior to April 1, 2013.

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

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

21 (d) A charter school shall comply with all applicable
22 health and safety requirements applicable to public schools
23 under the laws of the State of Illinois.

24 (e) Except as otherwise provided in the School Code, a
25 charter school shall not charge tuition; provided that a
26 charter school may charge reasonable fees for textbooks,

1 instructional materials, and student activities.

2 (f) A charter school shall be responsible for the
3 management and operation of its fiscal affairs including, but
4 not limited to, the preparation of its budget. An audit of each
5 charter school's finances shall be conducted annually by an
6 outside, independent contractor retained by the charter
7 school. Annually, by December 1, every charter school must
8 submit to the State Board a copy of its audit and a copy of the
9 Form 990 the charter school filed that year with the federal
10 Internal Revenue Service.

11 If applicable, a charter school shall submit to the State
12 Board, as part of the charter school's annual reporting, an
13 audited financial statement for any for-profit or non-profit
14 educational management organization the charter school
15 contracts with. If a charter school contracts with an
16 educational service provider after the charter school is in
17 operation, the authorizer may require that the charter school
18 submit a term sheet, pursuant to item (B) of subdivision (16)
19 of subsection (a) of Section 27A-7 of this Code, and include
20 additional information about the relationship as part of the
21 charter school's annual reporting requirements.

22 (g) A charter school shall comply with all provisions of
23 this Article, the Illinois Educational Labor Relations Act, and
24 its charter. A charter school is exempt from all other State
25 laws and regulations in the School Code governing public
26 schools and local school board policies, except the following:

1 (1) Sections 10-21.9 and 34-18.5 of the School Code
2 regarding criminal history records checks and checks of the
3 Statewide Sex Offender Database and Statewide Murderer and
4 Violent Offender Against Youth Database of applicants for
5 employment;

6 (2) Sections 24-24 and 34-84A of the School Code
7 regarding discipline of students;

8 (3) The Local Governmental and Governmental Employees
9 Tort Immunity Act;

10 (4) Section 108.75 of the General Not For Profit
11 Corporation Act of 1986 regarding indemnification of
12 officers, directors, employees, and agents;

13 (5) The Abused and Neglected Child Reporting Act;

14 (6) The Illinois School Student Records Act;

15 (7) Section 10-17a of the School Code regarding school
16 report cards; and

17 (8) The P-20 Longitudinal Education Data System Act.

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

20 (h) A charter school may negotiate and contract with a
21 school district, the governing body of a State college or
22 university or public community college, or any other public or
23 for-profit or nonprofit private entity for: (i) the use of a
24 school building and grounds or any other real property or
25 facilities that the charter school desires to use or convert
26 for use as a charter school site, (ii) the operation and

1 maintenance thereof, and (iii) the provision of any service,
2 activity, or undertaking that the charter school is required to
3 perform in order to carry out the terms of its charter.
4 However, a charter school that is established on or after the
5 effective date of this amendatory Act of the 93rd General
6 Assembly and that operates in a city having a population
7 exceeding 500,000 may not contract with a for-profit entity to
8 manage or operate the school during the period that commences
9 on the effective date of this amendatory Act of the 93rd
10 General Assembly and concludes at the end of the 2004-2005
11 school year. Except as provided in subsection (i) of this
12 Section, a school district may charge a charter school
13 reasonable rent for the use of the district's buildings,
14 grounds, and facilities. Any services for which a charter
15 school contracts with a school district shall be provided by
16 the district at cost. Any services for which a charter school
17 contracts with a local school board or with the governing body
18 of a State college or university or public community college
19 shall be provided by the public entity at cost.

20 (h-5) This State and authorizers shall seek to provide
21 equitable access to facilities for charter schools via access
22 to unused school district or State facilities. Each school
23 district or the State Board, by collecting information from
24 each district, shall annually compile, maintain, and publish a
25 database of all eligible, unused facilities and establish a
26 district process for charter schools to apply for the available

1 facilities. Charter schools shall have an opportunity to access
2 those facilities through lease or purchase. The process
3 established shall include input from the relevant community
4 before a final lease or sell decision is made.

5 (i) In no event shall a charter school that is established
6 by converting an existing school or attendance center to
7 charter school status be required to pay rent for space that is
8 deemed available, as negotiated and provided in the charter
9 agreement, in school district facilities. However, all other
10 costs for the operation and maintenance of school district
11 facilities that are used by the charter school shall be subject
12 to negotiation between the charter school and the local school
13 board and shall be set forth in the charter.

14 (j) A charter school may limit student enrollment by age or
15 grade level.

16 (k) If the charter school is approved by the Commission,
17 then the Commission charter school is its own local education
18 agency.

19 (Source: P.A. 97-152, eff. 7-20-11; 97-154, eff. 1-1-12;
20 97-813, eff. 7-13-12; 98-16, eff. 5-24-13.)

21 (105 ILCS 5/27A-5.5 new)

22 Sec. 27A-5.5. Charter School Facilities Fund.

23 (a) The Charter School Facilities Fund is created as a
24 special fund in the State treasury. All money in the Fund shall
25 be used, subject to appropriation, by the State Board for

1 credit enhancement for charter schools.

2 (b) Using the amounts appropriated from the Charter School
3 Facilities Fund, the State Board shall make and disburse grants
4 to eligible nonprofit corporations to carry out the purposes
5 set forth in subsection (c) of this Section.

6 (c) The recipient of a grant under subsection (b) of this
7 Section shall use the money provided under the grant to carry
8 out activities to assist charter schools in:

9 (1) obtaining financing to acquire interests in real
10 property (including by purchase, lease, or donation),
11 including financing to cover planning, development, and
12 other incidental costs;

13 (2) obtaining financing for construction of facilities
14 or the renovation, repair, or alteration of existing
15 property or facilities (including the purchase or
16 replacement of fixtures and equipment), including
17 financing to cover planning, development, and other
18 incidental costs;

19 (3) enhancing the availability of loans, including
20 mortgages, and bonds; and

21 (4) obtaining lease guarantees.

22 (105 ILCS 5/27A-6)

23 Sec. 27A-6. Contract contents; applicability of laws and
24 regulations.

25 (a) A certified charter shall constitute a binding contract

1 and agreement between the charter school and a local school
2 board under the terms of which the local school board
3 authorizes the governing body of the charter school to operate
4 the charter school on the terms specified in the contract.

5 (a-5) The charter school and the authorizer shall ensure
6 that all charter contracts will be executed within 120 days
7 after the charter's approval and at least 30 days before the
8 start of school, whichever comes first.

9 (b) Notwithstanding any other provision of this Article,
10 the certified charter may not waive or release the charter
11 school from the State goals, standards, and assessments
12 established pursuant to Section 2-3.64. Beginning with the
13 2003-2004 school year, the certified charter for a charter
14 school operating in a city having a population exceeding
15 500,000 shall require the charter school to administer any
16 other nationally recognized standardized tests to its students
17 that the chartering entity administers to other students, and
18 the results on such tests shall be included in the chartering
19 entity's assessment reports.

20 (c) Subject to the provisions of subsection (e), a material
21 revision to a previously certified contract or a renewal shall
22 be made with the approval of both the local school board and
23 the governing body of the charter school.

24 (c-5) The proposed contract shall include a provision on
25 how both parties will address minor violations of the contract.

26 (d) The proposed contract between the governing body of a

1 proposed charter school and the local school board as described
2 in Section 27A-7 must be submitted to and certified by the
3 State Board before it can take effect. If the State Board
4 recommends that the proposed contract be modified for
5 consistency with this Article before it can be certified, the
6 modifications must be consented to by both the governing body
7 of the charter school and the local school board, and
8 resubmitted to the State Board for its certification. If the
9 proposed contract is resubmitted in a form that is not
10 consistent with this Article, the State Board may refuse to
11 certify the charter.

12 The State Board shall assign a number to each submission or
13 resubmission in chronological order of receipt, and shall
14 determine whether the proposed contract is consistent with the
15 provisions of this Article. If the proposed contract complies,
16 the State Board shall so certify.

17 (e) No material revision to a previously certified contract
18 or a renewal shall be effective unless and until the State
19 Board certifies that the revision or renewal is consistent with
20 the provisions of this Article.

21 (Source: P.A. 93-3, eff. 4-16-03.)

22 (105 ILCS 5/27A-7)

23 Sec. 27A-7. Charter submission.

24 (a) A proposal to establish a charter school shall be
25 submitted to the State Board and the local school board in the

1 form of a proposed contract entered into between the local
2 school board and the governing body of a proposed charter
3 school. The charter school proposal as submitted to the State
4 Board shall include:

5 (1) The name of the proposed charter school, which must
6 include the words "Charter School".

7 (2) The age or grade range, areas of focus, minimum and
8 maximum numbers of pupils to be enrolled in the charter
9 school, and any other admission criteria that would be
10 legal if used by a school district.

11 (3) A description of and address for the physical plant
12 in which the charter school will be located; provided that
13 nothing in the Article shall be deemed to justify delaying
14 or withholding favorable action on or approval of a charter
15 school proposal because the building or buildings in which
16 the charter school is to be located have not been acquired
17 or rented at the time a charter school proposal is
18 submitted or approved or a charter school contract is
19 entered into or submitted for certification or certified,
20 so long as the proposal or submission identifies and names
21 at least 2 sites that are potentially available as a
22 charter school facility by the time the charter school is
23 to open.

24 (4) The mission statement of the charter school, which
25 must be consistent with the General Assembly's declared
26 purposes; provided that nothing in this Article shall be

1 construed to require that, in order to receive favorable
2 consideration and approval, a charter school proposal
3 demonstrate unequivocally that the charter school will be
4 able to meet each of those declared purposes, it being the
5 intention of the Charter Schools Law that those purposes be
6 recognized as goals that charter schools must aspire to
7 attain.

8 (5) The goals, objectives, and pupil performance
9 standards to be achieved by the charter school.

10 (6) In the case of a proposal to establish a charter
11 school by converting an existing public school or
12 attendance center to charter school status, evidence that
13 the proposed formation of the charter school has received
14 the approval of certified teachers, parents and guardians,
15 and, if applicable, a local school council as provided in
16 subsection (b) of Section 27A-8.

17 (7) A description of the charter school's educational
18 program, pupil performance standards, curriculum, school
19 year, school days, and hours of operation.

20 (8) A description of the charter school's plan for
21 evaluating pupil performance, the types of assessments
22 that will be used to measure pupil progress towards
23 achievement of the school's pupil performance standards,
24 the timeline for achievement of those standards, and the
25 procedures for taking corrective action in the event that
26 pupil performance at the charter school falls below those

1 standards.

2 (9) Evidence that the terms of the charter as proposed
3 are economically sound for both the charter school and the
4 school district, a proposed budget for the term of the
5 charter, a description of the manner in which an annual
6 audit of the financial and administrative operations of the
7 charter school, including any services provided by the
8 school district, are to be conducted, and a plan for the
9 displacement of pupils, teachers, and other employees who
10 will not attend or be employed in the charter school.

11 (10) A description of the governance and operation of
12 the charter school, including the nature and extent of
13 parental, professional educator, and community involvement
14 in the governance and operation of the charter school.

15 (11) An explanation of the relationship that will exist
16 between the charter school and its employees, including
17 evidence that the terms and conditions of employment have
18 been addressed with affected employees and their
19 recognized representative, if any. However, a bargaining
20 unit of charter school employees shall be separate and
21 distinct from any bargaining units formed from employees of
22 a school district in which the charter school is located.

23 (12) An agreement between the parties regarding their
24 respective legal liability and applicable insurance
25 coverage.

26 (13) A description of how the charter school plans to

1 meet the transportation needs of its pupils, and a plan for
2 addressing the transportation needs of low-income and
3 at-risk pupils.

4 (14) The proposed effective date and term of the
5 charter; provided that the first day of the first academic
6 year and the first day of the fiscal year shall be no
7 earlier than August 15 and no later than September 15 of a
8 calendar year.

9 (15) Any other information reasonably required by the
10 State Board of Education.

11 (16) If applicable, a description of any contract
12 between the charter applicant and either a for-profit or
13 non-profit educational service provider for substantial
14 educational services, management services, or both types
15 of services, including all of the following:

16 (A) If applicable, evidence of the educational
17 service provider's success in serving student
18 populations similar to the targeted population,
19 including demonstrated academic achievement as well as
20 successful management of non-academic school
21 functions.

22 (B) A term sheet setting forth the proposed
23 duration of the service contract; the roles and
24 responsibilities of the governing body, the school
25 staff, and the service provider; the scope of services
26 and resources to be provided by the service provider;

1 performance evaluation measures and timelines; the
2 compensation structure, including clear identification
3 of all fees to be paid to the service provider; the
4 methods of contract oversight and enforcement;
5 investment disclosure; and the conditions for renewal
6 and termination of the contract.

7 (C) Disclosure and explanation of any existing or
8 potential conflicts of interest between the charter
9 school's governing body and the proposed service
10 provider or any affiliated business entities.

11 (b) A proposal to establish a charter school may be
12 initiated by individuals or organizations that will have
13 majority representation on the board of directors or other
14 governing body of the corporation or other discrete legal
15 entity that is to be established to operate the proposed
16 charter school, by a board of education or an intergovernmental
17 agreement between or among boards of education, or by the board
18 of directors or other governing body of a discrete legal entity
19 already existing or established to operate the proposed charter
20 school. The individuals or organizations referred to in this
21 subsection may be school teachers, school administrators,
22 local school councils, colleges or universities or their
23 faculty members, public community colleges or their
24 instructors or other representatives, corporations, or other
25 entities or their representatives. The proposal shall be
26 submitted to the local school board for consideration and, if

1 appropriate, for development of a proposed contract to be
2 submitted to the State Board for certification under Section
3 27A-6.

4 (c) The local school board may not without the consent of
5 the governing body of the charter school condition its approval
6 of a charter school proposal on acceptance of an agreement to
7 operate under State laws and regulations and local school board
8 policies from which the charter school is otherwise exempted
9 under this Article.

10 (Source: P.A. 90-548, eff. 1-1-98; 91-405, eff. 8-3-99.)

11 (105 ILCS 5/27A-7.5)

12 Sec. 27A-7.5. State Charter School Commission.

13 (a) A State Charter School Commission is established as an
14 independent commission with statewide chartering jurisdiction
15 and authority. The Commission shall be under the State Board
16 for administrative purposes only.

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

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

23 (c) The Commission shall consist of 9 members, appointed by
24 the State Board. The State Board shall make these appointments
25 from a slate of candidates proposed by the Governor, within 60

1 days after the effective date of this amendatory Act of the
2 97th General Assembly with respect to the initial Commission
3 members. In making the appointments, the State Board shall
4 ensure statewide geographic diversity among Commission
5 members. The Governor shall propose a slate of candidates to
6 the State Board within 60 days after the effective date of this
7 amendatory Act of the 97th General Assembly and 60 days prior
8 to the expiration of the term of a member thereafter. If the
9 Governor fails to timely propose a slate of candidates
10 according to the provisions of this subsection (c), then the
11 State Board may appoint the member or members of the
12 Commission.

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

22 (e) To establish staggered terms of office, the initial
23 term of office for 3 Commission members shall be 4 years and
24 thereafter shall be 4 years; the initial term of office for
25 another 3 members shall be 3 years and thereafter shall be 4
26 years; and the initial term of office for the remaining 3

1 members shall be 2 years and thereafter shall be 4 years. The
2 initial appointments must be made no later than October 1,
3 2011.

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

7 (g) Subject to the State Officials and Employees Ethics
8 Act, the Commission is authorized to receive and expend gifts,
9 grants, and donations of any kind from any public or private
10 entity to carry out the purposes of this Article, subject to
11 the terms and conditions under which they are given, provided
12 that all such terms and conditions are permissible under law.
13 Funds received under this subsection (g) must be deposited into
14 the State Charter School Commission Fund.

15 The State Charter School Commission Fund is created as a
16 special fund in the State treasury. All money in the Fund shall
17 be used, subject to appropriation, by the State Board, acting
18 on behalf and with the consent of the Commission, for
19 operational and administrative costs of the Commission.

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

1 Charter School Commission Fund.

2 (g-5) Funds or spending authority for the operation and
3 administrative costs of the Commission shall be appropriated to
4 the State Board in a separate line item. The State
5 Superintendent of Education may not reduce or modify the budget
6 of the Commission or use funds appropriated to the Commission
7 without the approval of the Commission.

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

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

25 (i-5) In no event shall the funding for
26 Commission-authorized charter schools be less than 97% or more

1 than 103% of the school district's per capita student tuition
2 multiplied by the number of students residing in the district
3 who are enrolled in the charter school.

4 (j) The Commission may charge a charter school that it
5 authorizes a fee, not to exceed 3% of the revenue provided to
6 the school, to cover the cost of undertaking the ongoing
7 administrative responsibilities of the eligible chartering
8 authority with respect to the school. This fee must be
9 deposited into the State Charter School Commission Fund.

10 (k) Any charter school authorized by the State Board prior
11 to this amendatory Act of the 97th General Assembly shall have
12 its authorization transferred to the Commission upon a vote of
13 the State Board, which shall then become the school's
14 authorizer for all purposes under this Article. However, in no
15 case shall such transfer take place later than July 1, 2012. At
16 this time, all of the powers, duties, assets, liabilities,
17 contracts, property, records, and pending business of the State
18 Board as the school's authorizer must be transferred to the
19 Commission. Any charter school authorized by a local school
20 board or boards may seek transfer of authorization to the
21 Commission during its current term only with the approval of
22 the local school board or boards. At the end of its charter
23 term, a charter school authorized by a local school board or
24 boards must reapply to the board or boards before it may apply
25 for authorization to the Commission under the terms of this
26 amendatory Act of the 97th General Assembly.

1 On the effective date of this amendatory Act of the 97th
2 General Assembly, all rules of the State Board applicable to
3 matters falling within the responsibility of the Commission
4 shall be applicable to the actions of the Commission. The
5 Commission shall thereafter have the authority to propose to
6 the State Board modifications to all rules applicable to
7 matters falling within the responsibility of the Commission.
8 The State Board shall retain rulemaking authority for the
9 Commission, but shall work jointly with the Commission on any
10 proposed modifications. Upon recommendation of proposed rule
11 modifications by the Commission and pursuant to the Illinois
12 Administrative Procedure Act, the State Board shall consider
13 such changes within the intent of this amendatory Act of the
14 97th General Assembly and grant any and all changes consistent
15 with that intent.

16 (1) The Commission shall have the responsibility to
17 consider appeals under this Article immediately upon
18 appointment of the initial members of the Commission under
19 subsection (c) of this Section. Appeals pending at the time of
20 initial appointment shall be determined by the Commission; the
21 Commission may extend the time for review as necessary for
22 thorough review, but in no case shall the extension exceed the
23 time that would have been available had the appeal been
24 submitted to the Commission on the date of appointment of its
25 initial members. In any appeal filed with the Commission under
26 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 positions.

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
13 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
20 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.

1 (6) Determining whether each charter contract merits
2 renewal, nonrenewal, or revocation.

3 (b) An authorizing entity may delegate its duties to
4 officers, employees, and contractors.

5 (b-5) An authorizer may charge a charter school that it
6 authorizes a fee, not to exceed 3% of the revenue provided to
7 the charter school, to cover the cost of undertaking the
8 ongoing administrative responsibilities of the authorizer with
9 respect to the charter school.

10 (c) Regulation by authorizers is limited to the powers and
11 duties set forth in subsection (a) of this Section and must be
12 consistent with the spirit and intent of this Article.

13 (d) An authorizing entity, members of the local school
14 board, or the Commission, in their official capacity, and
15 employees of an authorizer are immune from civil and criminal
16 liability with respect to all activities related to a charter
17 school that they authorize, except for willful or wanton
18 misconduct.

19 (e) The Commission and all local school boards that have a
20 charter school operating are required to develop and maintain
21 chartering policies and practices consistent with recognized
22 principles and standards for quality charter authorizing in all
23 major areas of authorizing responsibility, including all of the
24 following:

25 (1) Organizational capacity and infrastructure.

26 (2) Soliciting and evaluating charter applications.

1 (3) Performance contracting.

2 (4) Ongoing charter school oversight and evaluation.

3 (5) Charter renewal decision-making.

4 Authorizers shall carry out all their duties under this
5 Article in a manner consistent with nationally recognized
6 principles and standards and with the spirit and intent of this
7 Article.

8 (Source: P.A. 97-152, eff. 7-20-11.)

9 (105 ILCS 5/27A-8)

10 Sec. 27A-8. Evaluation of charter proposals.

11 (a) This Section does not apply to a charter school
12 established by referendum under Section 27A-6.5. In evaluating
13 any charter school proposal submitted to it, the local school
14 board and the Commission shall give preference to proposals
15 that:

16 (1) demonstrate a high level of local pupil, parental,
17 community, business, and school personnel support;

18 (2) set rigorous levels of expected pupil achievement
19 and demonstrate feasible plans for attaining those levels
20 of achievement; and

21 (3) are designed to enroll and serve a substantial
22 proportion of at-risk children; provided that nothing in
23 the Charter Schools Law shall be construed as intended to
24 limit the establishment of charter schools to those that
25 serve a substantial portion of at-risk children or to in

1 any manner restrict, limit, or discourage the
2 establishment of charter schools that enroll and serve
3 other pupil populations under a nonexclusive,
4 nondiscriminatory admissions policy.

5 (b) In the case of a proposal to establish a charter school
6 by converting an existing public school or attendance center to
7 charter school status, evidence that the proposed formation of
8 the charter school has received majority support from certified
9 teachers and from parents and guardians in the school or
10 attendance center affected by the proposed charter, and, if
11 applicable, from a local school council, shall be demonstrated
12 by a petition in support of the charter school signed by
13 certified teachers and a petition in support of the charter
14 school signed by parents and guardians and, if applicable, by a
15 vote of the local school council held at a public meeting. In
16 the case of all other proposals to establish a charter school,
17 evidence of sufficient support to fill the number of pupil
18 seats set forth in the proposal may be demonstrated by a
19 petition in support of the charter school signed by parents and
20 guardians of students eligible to attend the charter school. In
21 all cases, the individuals, organizations, or entities who
22 initiate the proposal to establish a charter school may elect,
23 in lieu of including any petition referred to in this
24 subsection as a part of the proposal submitted to the local
25 school board, to demonstrate that the charter school has
26 received the support referred to in this subsection by other

1 evidence and information presented at the public meeting that
2 the local school board is required to convene under this
3 Section.

4 (c) Within 45 days of receipt of a charter school proposal,
5 the local school board shall convene a public meeting to obtain
6 information to assist the board in its decision to grant or
7 deny the charter school proposal. A local school board may
8 develop its own process for receiving charter school proposals
9 on an annual basis that follows the same timeframes as set
10 forth in this Article. Only after the local school board
11 process is followed may a charter school applicant appeal to
12 the Commission.

13 (d) Notice of the public meeting required by this Section
14 shall be published in a community newspaper published in the
15 school district in which the proposed charter is located and,
16 if there is no such newspaper, then in a newspaper published in
17 the county and having circulation in the school district. The
18 notices shall be published not more than 10 days nor less than
19 5 days before the meeting and shall state that information
20 regarding a charter school proposal will be heard at the
21 meeting. Copies of the notice shall also be posted at
22 appropriate locations in the school or attendance center
23 proposed to be established as a charter school, the public
24 schools in the school district, and the local school board
25 office. If 45 days pass without the local school board holding
26 a public meeting, then the charter applicant may submit the

1 proposal to the Commission, where it must be addressed in
2 accordance with the provisions set forth in subsection (g) of
3 this Section.

4 (e) Within 30 days of the public meeting, the local school
5 board shall vote, in a public meeting, to either grant or deny
6 the charter school proposal. If the local school board has not
7 voted in a public meeting within 30 days after the public
8 meeting, then the charter applicant may submit the proposal to
9 the Commission, where it must be addressed in accordance with
10 the provisions set forth in subsection (g) of this Section.

11 (f) Within 7 days of the public meeting required under
12 subsection (e) of this Section, the local school board shall
13 file a report with the State Board granting or denying the
14 proposal. If the local school board has approved the proposal,
15 within 30 days of receipt of the local school board's report,
16 the State Board shall determine whether the approved charter
17 proposal is consistent with the provisions of this Article and,
18 if the approved proposal complies, certify the proposal
19 pursuant to Section 27A-6.

20 (g) If the local school board votes to deny the proposal,
21 then the charter school applicant has 30 days from the date of
22 that vote to submit an appeal to the Commission. If the local
23 school board and the charter school applicant cannot agree on
24 the terms of the charter contract, then the charter school
25 applicant may appeal to the Commission. In such instances or in
26 those instances referenced in subsections (d) and (e) of this

1 Section, the Commission shall follow the same process and be
2 subject to the same timelines for review as the local school
3 board.

4 (h) The Commission may reverse a local school board's
5 decision to deny a charter school proposal if the Commission
6 finds that the proposal (i) is in compliance with this Article
7 and (ii) is in the best interests of the students the charter
8 school is designed to serve. Final decisions of the Commission
9 are subject to judicial review under the Administrative Review
10 Law.

11 (i) In the case of a charter school proposed to be jointly
12 authorized by 2 or more school districts, the local school
13 boards may unanimously deny the charter school proposal with a
14 statement that the local school boards are not opposed to the
15 charter school, but that they yield to the Commission in light
16 of the complexities of joint administration.

17 (Source: P.A. 96-105, eff. 7-30-09; 96-734, eff. 8-25-09;
18 96-1000, eff. 7-2-10; 97-152, eff. 7-20-11.)

19 (105 ILCS 5/27A-9)

20 Sec. 27A-9. Term of charter; renewal.

21 (a) A charter may be granted for a period not less than 5
22 and not more than 10 school years. A charter may be renewed in
23 incremental periods not to exceed 10 ~~5~~ school years. A charter
24 must meet standards for academic, organizational, and
25 financial performance set forth by the authorizer in order to

1 be renewed for a full term of 10 years.

2 (b) A charter school renewal proposal submitted to the
3 local school board or the Commission, as the chartering entity,
4 shall contain:

5 (1) A report on the progress of the charter school in
6 achieving the goals, objectives, pupil performance
7 standards, content standards, and other terms of the
8 initial approved charter proposal; and

9 (2) A financial statement that discloses the costs of
10 administration, instruction, and other spending categories
11 for the charter school that is understandable to the
12 general public and that will allow comparison of those
13 costs to other schools or other comparable organizations,
14 in a format required by the State Board.

15 (c) A charter may be revoked or not renewed if the local
16 school board or the Commission, as the chartering entity,
17 clearly demonstrates that the charter school did any of the
18 following, or otherwise failed to comply with the requirements
19 of this law:

20 (1) Committed a material violation of any of the
21 conditions, standards, or procedures set forth in the
22 charter.

23 (2) Failed to meet or make reasonable progress toward
24 achievement of the content standards or pupil performance
25 standards identified in the charter.

26 (3) Failed to meet generally accepted standards of

1 fiscal management.

2 (4) Violated any provision of law from which the
3 charter school was not exempted.

4 In the case of revocation, the local school board or the
5 Commission, as the chartering entity, shall notify the charter
6 school in writing of the reason why the charter is subject to
7 revocation. The charter school shall submit a written plan to
8 the local school board or the Commission, whichever is
9 applicable, to rectify the problem. The plan shall include a
10 timeline for implementation, which shall not exceed 2 years or
11 the date of the charter's expiration, whichever is earlier. If
12 the local school board or the Commission, as the chartering
13 entity, finds that the charter school has failed to implement
14 the plan of remediation and adhere to the timeline, then the
15 chartering entity shall revoke the charter. Except in
16 situations of an emergency where the health, safety, or
17 education of the charter school's students is at risk, the
18 revocation shall take place at the end of a school year.
19 Nothing in this amendatory Act of the 96th General Assembly
20 shall be construed to prohibit an implementation timetable that
21 is less than 2 years in duration.

22 (d) (Blank).

23 (e) Notice of a local school board's decision to deny,
24 revoke or not to renew a charter shall be provided to the
25 Commission and the State Board. If the local school board and
26 the renewal charter school applicant cannot agree on the terms

1 of the charter contract, then the charter school applicant may
2 appeal to the Commission. The Commission may reverse a local
3 board's decision if the Commission finds that the charter
4 school or charter school proposal (i) is in compliance with
5 this Article, and (ii) is in the best interests of the students
6 it is designed to serve. The Commission ~~State Board~~ may
7 condition the granting of an appeal on the acceptance by the
8 charter school of funding in an amount less than that requested
9 in the proposal submitted to the local school board. Final
10 decisions of the Commission shall be subject to judicial review
11 under the Administrative Review Law.

12 (f) Notwithstanding other provisions of this Article, if
13 the Commission on appeal reverses a local board's decision or
14 if a charter school is approved by referendum, the Commission
15 shall act as the authorized chartering entity for the charter
16 school. The Commission shall approve the charter and shall
17 perform all functions under this Article otherwise performed by
18 the local school board. The State Board shall determine whether
19 the charter proposal approved by the Commission is consistent
20 with the provisions of this Article and, if the approved
21 proposal complies, certify the proposal pursuant to this
22 Article. The State Board shall report the aggregate number of
23 charter school pupils resident in a school district to that
24 district and shall notify the district of the amount of funding
25 to be paid by the Commission to the charter school enrolling
26 such students. The Commission shall require the charter school

1 to maintain accurate records of daily attendance that shall be
2 deemed sufficient to file claims under Section 18-8.05
3 notwithstanding any other requirements of that Section
4 regarding hours of instruction and teacher certification. The
5 State Board shall withhold from funds otherwise due the
6 district the funds authorized by this Article to be paid to the
7 charter school and shall pay such amounts to the charter
8 school.

9 (g) For charter schools authorized by the Commission, the
10 Commission shall quarterly certify to the State Board the
11 student enrollment for each of its charter schools.

12 (h) For charter schools authorized by the Commission, the
13 State Board shall pay directly to a charter school any federal
14 or State aid attributable to a student with a disability
15 attending the school.

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

17 (105 ILCS 5/27A-11)

18 Sec. 27A-11. Local financing.

19 (a) For purposes of the School Code, pupils enrolled in a
20 charter school shall be included in the pupil enrollment of the
21 school district within which the pupil resides. Each charter
22 school (i) shall determine the school district in which each
23 pupil who is enrolled in the charter school resides, (ii) shall
24 report the aggregate number of pupils resident of a school
25 district who are enrolled in the charter school to the school

1 district in which those pupils reside, and (iii) shall maintain
2 accurate records of daily attendance that shall be deemed
3 sufficient to file claims under Section 18-8 notwithstanding
4 any other requirements of that Section regarding hours of
5 instruction and teacher certification.

6 (b) Except for a charter school established by referendum
7 under Section 27A-6.5, as part of a charter school contract,
8 the charter school and the local school board shall agree on
9 funding and any services to be provided by the school district
10 to the charter school. Agreed funding that a charter school is
11 to receive from the local school board for a school year shall
12 be paid in equal quarterly installments with the payment of the
13 installment for the first quarter being made not later than
14 July 1, unless the charter establishes a different payment
15 schedule.

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

1 ~~In no event shall the funding be less than 75% or more than~~
2 ~~125% of the school district's per capita student tuition~~
3 ~~multiplied by the number of students residing in the district~~
4 ~~who are enrolled in the charter school.~~

5 (b-5) In no event shall the funding be less than 97% or
6 more than 103% of the charter funding calculation.

7 The charter funding calculation must be determined by
8 dividing the total funds by the average daily attendance for
9 the year. The authorizer must distribute the money in a manner
10 consistent with the chosen pupil-count methodology in the
11 charter funding calculation.

12 A school district shall submit documentation to the State
13 Board that provides a methodology for equitable access to and
14 distribution of capital funding. The documentation must be
15 determined by the following method:

16 (1) calculate the total debt service expenditures,
17 less debt service expenditures on principal;

18 (2) add total depreciation allowance; and

19 (3) divide by per pupil or by average daily attendance
20 for the year.

21 The State Board shall annually certify all charter funding
22 calculation methodologies.

23 (b-10) A school district may elect to opt out of the
24 charter funding calculation and may instead fund any charter
25 schools on a per pupil basis using 100% of student-based
26 budgeting.

1 A school district must be certified by the State Board as a
2 requirement to implement student-based budgeting.

3 (1) A district seeking initial certification as a
4 student-based budgeting district shall submit
5 documentation to the State Board no later than May 1 of the
6 year it intends to implement student-based budgeting.

7 (2) The documentation shall include the district's
8 calculation methodology and sufficient evidence that such
9 calculations constitute student-based budgeting.

10 (3) The State Board may provide for an amendment
11 process to receive additional information after the
12 deadline.

13 (4) If a district was certified as a student-based
14 budgeting district the previous school year, then the
15 district shall submit documentation to the State Board no
16 later than June 30.

17 (5) Any district seeking certification as a
18 student-based budgeting district shall also submit
19 documentation to the State Board that provides a
20 methodology for equitable access to and distribution of
21 capital funding. Such distribution must be made as follows:

22 (A) calculate total debt service expenditures,
23 less debt service expenditures on principal;

24 (B) add total depreciation allowance; and

25 (C) divide by the average daily attendance.

26 (6) All documentation submitted to the State Board must

1 be publicly available and posted on the State Board's
2 Internet website and the district's Internet website;

3 (7) The State Board shall review submitted
4 documentation within 30 business days after submission and
5 shall notify and provide certification for all compliant
6 districts.

7 (8) The State Board shall notify all non-compliant
8 districts within 30 business day after submission.

9 (9) Upon notification from the State Board, all
10 non-compliant districts shall have 20 business days to
11 amend their submissions.

12 (10) The State Board shall notify the non-compliant
13 district within 15 business days if the amended submission
14 qualifies for certification.

15 (11) Upon certification from the State Board, a
16 district shall make any adjustments, if needed, to the
17 charter payments prior to the end of the current fiscal
18 year.

19 (12) A district that is unable to qualify for
20 certification from the State Board shall use the charter
21 funding calculation for charter school payments.

22 (b-15) All authorizers are required to include the funding
23 percentage provided to the charter school in the charter
24 contract. The annual funding percentage, if applicable, must be
25 outlined for the entire term of the charter contract. In the
26 case of a Commission-authorized charter school, the contract

1 shall specify a percentage of the relevant per capita tuition
2 charge. If a district uses student-based budgeting or the
3 charter funding calculation, the charter must set forth the
4 guidelines to determine funding based on the chosen methodology
5 (including, but not limited to, the categories of funding that
6 comprise the funding calculation) and, in the case of the
7 charter funding calculation, the percentage of funding to be
8 used to determine payments to the charter school. If an
9 authorizer does not include the required elements, including,
10 but not limited to, the funding amounts that are in compliance
11 with the charter school funding range, in the charter contracts
12 between the authorizer and the charter school that are
13 submitted to the State Board for certification, then the State
14 Board shall impose sanctions, such as not certifying those
15 contracts until such assurances of compliance are received, or
16 shall take other action as authorized by law.

17 (b-20) The Governor shall appoint a task force to execute a
18 study to ensure that the charter funding calculation and
19 student-based budgeting charter school funding formulas are
20 sound and have resulted in equitable funding for all students.
21 Task force members shall serve without compensation but shall
22 be reimbursed for their reasonable and necessary expenses from
23 funds appropriated for that purpose. The State Board of
24 Education shall provide administrative and other support to the
25 task force. The task force shall meet at the call of the
26 Governor and shall annually report its findings and

1 recommendations to the Governor and the General Assembly.

2 (b-25) It is the intent of the General Assembly that
3 funding and service agreements under this Section ~~subsection~~
4 ~~(b)~~ shall be neither a financial incentive nor a financial
5 disincentive to the establishment of a charter school.

6 The charter school may set and collect reasonable fees.
7 Fees collected from students enrolled at a charter school shall
8 be retained by the charter school.

9 (c) Notwithstanding any other provision ~~subsection (b)~~ of
10 this Section, the proportionate share of State and federal
11 resources generated by students with disabilities or staff
12 serving them shall be directed to charter schools enrolling
13 those students by their school districts or administrative
14 units. The proportionate share of moneys generated under other
15 federal or State categorical aid programs shall be directed to
16 charter schools serving students eligible for that aid.

17 (d) The governing body of a charter school is authorized to
18 accept gifts, donations, or grants of any kind made to the
19 charter school and to expend or use gifts, donations, or grants
20 in accordance with the conditions prescribed by the donor;
21 however, a gift, donation, or grant may not be accepted by the
22 governing body if it is subject to any condition contrary to
23 applicable law or contrary to the terms of the contract between
24 the charter school and the local school board. Charter schools
25 shall be encouraged to solicit and utilize community volunteer
26 speakers and other instructional resources when providing

1 instruction on the Holocaust and other historical events.

2 (e) (Blank).

3 (f) The State Board shall provide technical assistance to
4 persons and groups preparing or revising charter applications.

5 (g) At the non-renewal or revocation of its charter, each
6 charter school shall refund to the local board of education all
7 unspent funds.

8 (h) A charter school is authorized to incur temporary,
9 short term debt to pay operating expenses in anticipation of
10 receipt of funds from the local school board.

11 (Source: P.A. 90-548, eff. 1-1-98; 90-757, eff. 8-14-98;
12 91-407, eff. 8-3-99.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law."