



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5160

Introduced 2/10/2026, by Rep. Joyce Mason

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.1038 new
105 ILCS 5/27A-11.5

Amends the Charter Schools Law of the School Code. Creates the State-Authorized Charter School Fund. Provides that funds appropriated from the General Revenue Fund, the Education Assistance Fund, or the Common School Fund and all moneys received by the State Board of Education from a private source for the purposes of the State-Authorized Charter School Fund shall be deposited into the State-Authorized Charter School Fund and the moneys in the State-Authorized Charter School Fund shall be used, subject to appropriation, by the State Board for equal distribution among State Board-authorized charter schools for school expenses. Provides that a school district with a State-authorized charter school may not use any funds from its evidence-based funding for that charter school's expenses and a school district with a State Board-authorized charter school must use funds from the State-Authorized Charter School Fund for that charter school's expenses instead. Makes a conforming change in the State Finance Act. Effective July 1, 2026.

LRB104 17627 LNS 31058 b

1 AN ACT concerning education.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Finance Act is amended by adding
5 Section 5.1038 as follows:

6 (30 ILCS 105/5.1038 new)

7 Sec. 5.1038. The State Authorized Charter School Fund.

8 Section 10. The School Code is amended by changing Section
9 27A-11.5 as follows:

10 (105 ILCS 5/27A-11.5)

11 Sec. 27A-11.5. State financing. The State Board shall make
12 the following funds available to school districts and charter
13 schools:

14 (1) From a separate appropriation made to the State
15 Board for purposes of this subdivision (1), the State
16 Board shall make transition impact aid available to school
17 districts that approve a new charter school. The amount of
18 the aid shall equal 90% of the per capita funding paid to
19 the charter school during the first year of its initial
20 charter term, 65% of the per capita funding paid to the
21 charter school during the second year of its initial term,

1 and 35% of the per capita funding paid to the charter
2 school during the third year of its initial term. This
3 transition impact aid shall be paid to the local school
4 board in equal quarterly installments, with the payment of
5 the installment for the first quarter being made by August
6 1st immediately preceding the first, second, and third
7 years of the initial term. The district shall file an
8 application for this aid with the State Board in a format
9 designated by the State Board. If the appropriation is
10 insufficient in any year to pay all approved claims, the
11 impact aid shall be prorated. If any funds remain after
12 these claims have been paid, then the State Board may pay
13 all other approved claims on a pro rata basis. Transition
14 impact aid shall be paid for charter schools that are in
15 the first, second, or third year of their initial term.
16 Transition impact aid shall not be paid for any charter
17 school that is proposed and created by one or more boards
18 of education, as authorized under subsection (b) of
19 Section 27A-7.

20 (2) From a separate appropriation made for the purpose
21 of this subdivision (2), the State Board shall make grants
22 to charter schools to pay their start-up costs of
23 acquiring educational materials and supplies, textbooks,
24 electronic textbooks and the technological equipment
25 necessary to gain access to and use electronic textbooks,
26 furniture, and other equipment or materials needed during

1 their initial term. The State Board shall annually
2 establish the time and manner of application for these
3 grants, which shall not exceed \$250 per student enrolled
4 in the charter school.

5 (3) The Charter Schools Revolving Loan Fund is created
6 as a special fund in the State treasury. Federal funds,
7 such other funds as may be made available for costs
8 associated with the establishment of charter schools in
9 Illinois, and amounts repaid by charter schools that have
10 received a loan from the Charter Schools Revolving Loan
11 Fund shall be deposited into the Charter Schools Revolving
12 Loan Fund, and the moneys in the Charter Schools Revolving
13 Loan Fund shall be appropriated to the State Board and
14 used to provide interest-free loans to charter schools.
15 These funds shall be used to pay start-up costs of
16 acquiring educational materials and supplies, textbooks,
17 electronic textbooks and the technological equipment
18 necessary to gain access to and use electronic textbooks,
19 furniture, and other equipment or materials needed in the
20 initial term of the charter school and for acquiring and
21 remodeling a suitable physical plant, within the initial
22 term of the charter school. Loans shall be limited to one
23 loan per charter school and shall not exceed \$750 per
24 student enrolled in the charter school. A loan shall be
25 repaid by the end of the initial term of the charter
26 school. The State Board may deduct amounts necessary to

1 repay the loan from funds due to the charter school or may
2 require that the local school board that authorized the
3 charter school deduct such amounts from funds due the
4 charter school and remit these amounts to the State Board,
5 provided that the local school board shall not be
6 responsible for repayment of the loan. The State Board may
7 use up to 3% of the appropriation to contract with a
8 non-profit entity to administer the loan program.

9 (3.5) The State-Authorized Charter School Fund is
10 created as a special fund in the State treasury. Funds
11 appropriated from the General Revenue Fund, the Education
12 Assistance Fund, or the Common School Fund and all moneys
13 received by the State Board from a private source for the
14 purposes of the State-Authorized Charter School Fund shall
15 be deposited into the State-Authorized Charter School
16 Fund, and the moneys in the State-Authorized Charter
17 School Fund shall be used, subject to appropriation, by
18 the State Board for equal distribution among charter
19 schools authorized by the State Board for school expenses.
20 However, moneys from the State-Authorized Charter School
21 Fund may, if needed, be transferred to the General Revenue
22 Fund, the Education Assistance Fund, or the Common School
23 Fund. A school district with a State Board-authorized
24 charter school may not use any funds from its
25 evidence-based funding under Section 18-8.15 for that
26 charter school's expenses. Instead, a school district with

1 a State Board-authorized charter school must use funds
2 from the State-Authorized Charter School Fund for that
3 charter school's expenses.

4 (4) A charter school may apply for and receive,
5 subject to the same restrictions applicable to school
6 districts, any grant administered by the State Board that
7 is available for school districts.

8 If a charter school fails to make payments toward
9 administrative costs, the State Board may withhold State funds
10 from that school until it has made all payments for those
11 costs.

12 (Source: P.A. 103-175, eff. 6-30-23; 103-605, eff. 7-1-24.)

13 Section 99. Effective date. This Act takes effect July 1,
14 2026.