



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB4040

Introduced 2/6/2026, by Sen. Cristina Castro

#### SYNOPSIS AS INTRODUCED:

105 ILCS 5/27A-7.5  
105 ILCS 5/27A-9

Amends the Charter Schools Article of the School Code. Provides that on July 1, 2027, any charter school authorized by the State Board of Education and located outside of the geographical area of a district located in a city of over 500,000 inhabitants shall have its authorization transferred to the local board or boards for each district from which the charter school draws enrollment. Provides that all authorizer powers, duties, contracts, and pending business of the State Board as the school's authorizer must be transferred to the local board or boards. Provides that all charter contract terms shall remain in full force and effect unless amended by mutual agreement of the parties, except that the term of the contract shall be 7 years starting July 1, 2027. Provides that if a State-authorized charter school that is subject to transfer is authorized to enroll students from more than one district, the boards of all districts from which the charter school draws enrollment must establish a joint charter management team that consists of at minimum one administrator from each district. Provides that the joint charter management team must develop and execute a charter oversight plan that is submitted to the State Board as part of the charter certification process. Provides that final decisions of a local school board to deny, revoke, or not renew a charter are subject to judicial review under the Administrative Review Law. Removes language providing that: the State Board of Education may reverse a local board's decision to revoke or not renew a charter if the State Board finds that the charter school or charter school proposal (i) is in compliance with the Article and (ii) is in the best interests of the students it is designed to serve; the State Board may condition the 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; and the State Board must appoint and utilize a hearing officer for any appeals. Makes conforming changes. Effective immediately.

LRB104 20759 LNS 34263 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 School Code is amended by changing Sections  
5 27A-7.5 and 27A-9 as follows:

6 (105 ILCS 5/27A-7.5)

7 Sec. 27A-7.5. State Charter School Commission; abolition  
8 and transfer to State Board; fee.

9 (a) (Blank).

10 (a-5) (Blank).

11 (b) (Blank).

12 (c) (Blank).

13 (d) (Blank).

14 (e) (Blank).

15 (f) (Blank).

16 (g) (Blank).

17 (g-5) (Blank).

18 (h) (Blank).

19 (i) (Blank).

20 (j) The State Board may charge a charter school that it  
21 authorizes a fee not to exceed 3% of the revenue provided to  
22 the school to be used exclusively for covering the cost of  
23 authorizing activities. Authorizing activities may include,

1 but are not limited to: (i) soliciting, reviewing, and taking  
2 action on charter school proposals; (ii) hiring, training, and  
3 supervising staff engaged in authorizing activities; (iii)  
4 developing and conducting oversight, including regular  
5 monitoring, of authorized charter schools; (iv) reporting on  
6 best practices and performances of charter schools; (v)  
7 applying for, managing, and distributing grants and funds  
8 appropriated for charter schools and authorizing activities;  
9 (vi) training members of the State Board on their authorizing  
10 roles; and (vii) training other employees of the State Board  
11 on how to work with charter schools as their own local  
12 education agencies.

13 (k) On July 1, 2020, the State Charter School Commission  
14 or "Commission" (established by Public Act 97-152 as an  
15 independent State agency with statewide chartering  
16 jurisdiction and authority) is abolished and the terms of all  
17 members end. On that date, all of the powers, duties, assets,  
18 liabilities, contracts, property, records, and pending  
19 business of the Commission are transferred to the State Board.  
20 For purposes of the Successor Agency Act and Section 9b of the  
21 State Finance Act, the State Board is declared to be the  
22 successor agency of the Commission. Beginning on July 1, 2020,  
23 references in statutes, rules, forms, and other documents to  
24 the Commission shall, in appropriate contexts, be deemed to  
25 refer to the State Board. Standards and procedures of the  
26 Commission in effect on July 1, 2020 shall be deemed standards

1 and procedures of the State Board and shall remain in effect  
2 until amended or repealed by the State Board.

3 On July 1, 2020, any charter school authorized by the  
4 Commission prior to July 1, 2020 shall have its authorization  
5 transferred to the State Board, which shall then become the  
6 school's authorizer for all purposes under this Article. On  
7 July 1, 2020, all of the powers, duties, assets, liabilities,  
8 contracts, property, records, and pending business of the  
9 Commission as the school's authorizer must be transferred to  
10 the State Board. At the end of its charter term, a charter  
11 school may reapply to the board or boards for authorization.  
12 On July 1, 2027, any charter school authorized by the State  
13 Board and located outside of the geographical area of a school  
14 district organized under Article 34 of this Code shall have  
15 its authorization transferred to the local board or boards for  
16 each district from which the charter school draws enrollment,  
17 in accordance with subsection (a-5) of Section 27A-9.

18 On July 1, 2020, all rules of the State Board applicable to  
19 matters falling within the responsibility of the Commission  
20 shall be applicable to the actions of the State Board.

21 (1) In any appeal filed with the State Board under this  
22 Article, both the applicant and the authorizing school  
23 district of the charter school shall have the right to request  
24 a hearing before the State Board. If more than one entity  
25 requests a hearing, then the State Board may hold only one  
26 hearing, wherein the applicant and the school district shall

1 have an equal opportunity to present their respective  
2 positions.

3 (Source: P.A. 103-175, eff. 6-30-23.)

4 (105 ILCS 5/27A-9)

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

6 (a) An initial charter shall be granted for a period of 5  
7 school years. A charter may be renewed in incremental periods  
8 not to exceed 10 school years. Authorizers shall ensure that  
9 every charter granted on or after January 1, 2017 includes  
10 standards and goals for academic, organizational, and  
11 financial performance. A charter must meet all standards and  
12 goals for academic, organizational, and financial performance  
13 set forth by the authorizer in order to be renewed for a term  
14 in excess of 5 years but not more than 10 years. If an  
15 authorizer fails to establish standards and goals, a charter  
16 shall not be renewed for a term in excess of 5 years. Nothing  
17 contained in this Section shall require an authorizer to grant  
18 a full 10-year renewal term to any particular charter school,  
19 but an authorizer may award a full 10-year renewal term to  
20 charter schools that have a demonstrated track record of  
21 improving student performance.

22 (a-5) On July 1, 2027, any charter school authorized by  
23 the State Board and located outside of the geographical area  
24 of a district organized under Article 34 of this Code shall  
25 have its authorization transferred to the local board or

1 boards for each district from which the charter school draws  
2 enrollment. On that date, all authorizer powers, duties,  
3 contracts, and pending business of the State Board as the  
4 school's authorizer must be transferred to the local board or  
5 boards. All charter contract terms shall remain in full force  
6 and effect unless amended by mutual agreement of the parties,  
7 except that the term of the contract shall be 7 years starting  
8 July 1, 2027. All references in the charter contract to the  
9 State Board shall, in appropriate context, be deemed to refer  
10 to the local board or boards for each district from which the  
11 charter school draws enrollment. Renewal or nonrenewal  
12 decisions of the local school board at the end of the initial  
13 7-year term shall be determined as outlined in Section 27A-9  
14 of this Code.

15 If a State-authorized charter school that is subject to  
16 transfer pursuant to this subsection (a-5) is authorized to  
17 enroll students from more than one district, the boards of all  
18 districts from which the charter school draws enrollment must  
19 establish a joint charter management team that consists of at  
20 minimum one administrator from each district. The joint  
21 charter management team must develop and execute a charter  
22 oversight plan that is submitted to the State Board as part of  
23 the charter certification process. The plan must detail the  
24 respective roles and responsibilities of each of the local  
25 boards that is a party to the agreement, including with  
26 respect to those authorizer powers and duties outlined in

1 Section 27A-7.10. A multi-district charter school may only be  
2 held accountable to one set of goals, objectives, pupil  
3 performance standards, and content standards.

4 The State Board may adopt such rules as may be necessary to  
5 implement this subsection (a-5).

6 (b) A charter school renewal proposal submitted to the  
7 local school board or the State Board, as the chartering  
8 entity, shall contain:

9 (1) a report on the progress of the charter school in  
10 achieving the goals, objectives, pupil performance  
11 standards, content standards, and other terms of the  
12 initial approved charter proposal; and

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

19 (c) A charter may be revoked or not renewed if the local  
20 school board or the State Board, as the chartering entity,  
21 clearly demonstrates that the charter school did any of the  
22 following, or otherwise failed to comply with the requirements  
23 of this law:

24 (1) Committed a material violation of any of the  
25 conditions, standards, or procedures set forth in the  
26 charter.

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

4           (3) Failed to meet generally accepted standards of  
5 fiscal management.

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

8           In the case of revocation, the local school board or the  
9 State Board, as the chartering entity, shall notify the  
10 charter school in writing of the reason why the charter is  
11 subject to revocation. The charter school shall submit a  
12 written plan to the local school board or the State Board,  
13 whichever is applicable, to rectify the problem. The plan  
14 shall include a timeline for implementation, which shall not  
15 exceed 2 years or the date of the charter's expiration,  
16 whichever is earlier. If the local school board or the State  
17 Board, as the chartering entity, finds that the charter school  
18 has failed to implement the plan of remediation and adhere to  
19 the timeline, then the chartering entity shall revoke the  
20 charter. Except in situations of an emergency where the  
21 health, safety, or education of the charter school's students  
22 is at risk, the revocation shall take place at the end of a  
23 school year. Nothing in this Section shall be construed to  
24 prohibit an implementation timetable that is less than 2 years  
25 in duration. No local school board may arbitrarily or  
26 capriciously revoke or not renew a charter. Except for

1 extenuating circumstances outlined in this Section, if a local  
2 school board revokes or does not renew a charter, it must  
3 ensure that all students currently enrolled in the charter  
4 school are placed in schools that are higher performing than  
5 that charter school, as defined in the State's federal Every  
6 Student Succeeds Act accountability plan. In determining  
7 whether extenuating circumstances exist, a local school board  
8 must detail, by clear and convincing evidence, that factors  
9 unrelated to the charter school's accountability designation  
10 outweigh the charter school's academic performance.

11 (d) (Blank).

12 (e) Notice of a local school board's decision to deny,  
13 revoke, or not renew a charter shall be provided to the State  
14 Board. Final decisions of a local school board are subject to  
15 judicial review under the Administrative Review Law.

16 ~~The State Board may reverse a local board's decision to~~  
17 ~~revoke or not renew a charter if the State Board finds that the~~  
18 ~~charter school or charter school proposal (i) is in compliance~~  
19 ~~with this Article and (ii) is in the best interests of the~~  
20 ~~students it is designed to serve. The State Board may~~  
21 ~~condition the granting of an appeal on the acceptance by the~~  
22 ~~charter school of funding in an amount less than that~~  
23 ~~requested in the proposal submitted to the local school board.~~  
24 ~~The State Board must appoint and utilize a hearing officer for~~  
25 ~~any appeals conducted under this subsection. Final decisions~~  
26 ~~of the State Board are subject to judicial review under the~~

1 ~~Administrative Review Law.~~

2 (f) Notwithstanding other provisions of this Article, ~~if~~  
3 ~~the State Board on appeal reverses a local board's decision or~~  
4 ~~if a charter school is approved by referendum,~~ the State Board  
5 shall act as the authorized chartering entity for any charter  
6 school under its authority as of the effective date of this  
7 amendatory Act of the 104th General Assembly ~~the charter~~  
8 ~~school~~ and shall perform all functions under this Article  
9 otherwise performed by the local school board. The State Board  
10 shall report the aggregate number of charter school pupils  
11 resident in a school district to that district and shall  
12 notify the district of the amount of funding to be paid by the  
13 State Board to the charter school enrolling such students. The  
14 charter school shall maintain accurate records of daily  
15 attendance and student enrollment and shall enter data on the  
16 students served, their characteristics, their particular  
17 needs, the programs in which they participate, and their  
18 academic achievement into the statewide student information  
19 system established by the State Board. The State Board shall  
20 withhold from funds otherwise due the district the funds  
21 authorized by this Article to be paid to the charter school and  
22 shall pay such amounts to the charter school in quarterly  
23 installments, calculated as follows:

- 24 (1) The amount of the first quarterly payment shall be  
25 based on the projected number of students who will be  
26 enrolled in the charter school in the upcoming school

1 year, multiplied by one-fourth of the resident district's  
2 per capita tuition amount. Each charter school shall  
3 submit its projected enrollment by no later than August 1  
4 of each year on a form provided by the State Board for this  
5 purpose.

6 (2) The amount of the second quarterly payment shall  
7 be calculated such that the aggregate amount of the first  
8 and second quarterly installments is equal to the number  
9 of students reported as enrolled at the charter school on  
10 October 1 in the State Board's student information system,  
11 multiplied by one-half of the resident district's per  
12 capita tuition amount.

13 (3) The amount of the third quarterly payment shall be  
14 based on the number of students enrolled in the charter  
15 school on January 1, multiplied by one-fourth of the  
16 resident district's per capita tuition amount. Each  
17 charter school shall submit its January 1 enrollment by no  
18 later than January 5 of each year on a form provided by the  
19 State Board for this purpose.

20 (4) The amount of the fourth quarterly payment shall  
21 be calculated such that the aggregate amount of the third  
22 and fourth installments is equal to the number of students  
23 reported as enrolled at the charter school on March 1 in  
24 the State Board's student information system, multiplied  
25 by one-half of the resident district's per capita tuition  
26 amount.

1 (g) (Blank).

2 (h) The State Board shall pay directly to a charter school  
3 it authorizes any federal or State funding attributable to a  
4 student with a disability attending the school.

5 (Source: P.A. 103-175, eff. 6-30-23.)

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.