



Sen. Cristina Castro

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10400SB4040sam002

LRB104 20759 LNS 37792 a

1 AMENDMENT TO SENATE BILL 4040

2 AMENDMENT NO. _____. Amend Senate Bill 4040, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The School Code is amended by changing
6 Sections 27A-7.5 and 27A-9 as follows:

7 (105 ILCS 5/27A-7.5)

8 Sec. 27A-7.5. Fee; State Charter School Commission~~r~~
9 abolition and transfer to State Board; local charter
10 authorization pilot program; appeal hearing fee.

11 (a) (Blank).

12 (a-5) (Blank).

13 (b) (Blank).

14 (c) (Blank).

15 (d) (Blank).

16 (e) (Blank).

1 (f) (Blank).

2 (g) (Blank).

3 (g-5) (Blank).

4 (h) (Blank).

5 (i) (Blank).

6 (j) The State Board may charge a charter school that it
7 authorizes a fee not to exceed 3% of the revenue provided to
8 the school to be used exclusively for covering the cost of
9 authorizing activities. Authorizing activities may include,
10 but are not limited to: (i) soliciting, reviewing, and taking
11 action on charter school proposals; (ii) hiring, training, and
12 supervising staff engaged in authorizing activities; (iii)
13 developing and conducting oversight, including regular
14 monitoring, of authorized charter schools; (iv) reporting on
15 best practices and performances of charter schools; (v)
16 applying for, managing, and distributing grants and funds
17 appropriated for charter schools and authorizing activities;
18 (vi) training members of the State Board on their authorizing
19 roles; and (vii) training other employees of the State Board
20 on how to work with charter schools as their own local
21 education agencies.

22 (k) On July 1, 2020, the State Charter School Commission
23 or "Commission" (established by Public Act 97-152 as an
24 independent State agency with statewide chartering
25 jurisdiction and authority) is abolished and the terms of all
26 members end. On that date, all of the powers, duties, assets,

1 liabilities, contracts, property, records, and pending
2 business of the Commission are transferred to the State Board.
3 For purposes of the Successor Agency Act and Section 9b of the
4 State Finance Act, the State Board is declared to be the
5 successor agency of the Commission. Beginning on July 1, 2020,
6 references in statutes, rules, forms, and other documents to
7 the Commission shall, in appropriate contexts, be deemed to
8 refer to the State Board. Standards and procedures of the
9 Commission in effect on July 1, 2020 shall be deemed standards
10 and procedures of the State Board and shall remain in effect
11 until amended or repealed by the State Board.

12 On July 1, 2020, any charter school authorized by the
13 Commission prior to July 1, 2020 shall have its authorization
14 transferred to the State Board, which shall then become the
15 school's authorizer for all purposes under this Article. On
16 July 1, 2020, all of the powers, duties, assets, liabilities,
17 contracts, property, records, and pending business of the
18 Commission as the school's authorizer must be transferred to
19 the State Board. At the end of its charter term, a charter
20 school may reapply to the board or boards for authorization.

21 On July 1, 2020, all rules of the State Board applicable to
22 matters falling within the responsibility of the Commission
23 shall be applicable to the actions of the State Board.

24 (k-5) On July 1, 2027, there is established a local
25 charter authorization pilot program under which authorization
26 of some State-authorized charter schools shall be returned to

1 the local school board or boards, in accordance with
2 subsection (a-5) of Section 27A-9.

3 (1) In any appeal filed with the State Board under this
4 Article, both the applicant and the authorizing school
5 district of the charter school shall have the right to request
6 a hearing before the State Board. If more than one entity
7 requests a hearing, then the State Board may hold only one
8 hearing, wherein the applicant and the school district shall
9 have an equal opportunity to present their respective
10 positions.

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

12 (105 ILCS 5/27A-9)

13 Sec. 27A-9. Term of charter; transfer of authorization;
14 renewal.

15 (a) An initial charter shall be granted for a period of 5
16 school years. A charter may be renewed in incremental periods
17 not to exceed 10 school years. Authorizers shall ensure that
18 every charter granted on or after January 1, 2017 includes
19 standards and goals for academic, organizational, and
20 financial performance. A charter must meet all standards and
21 goals for academic, organizational, and financial performance
22 set forth by the authorizer in order to be renewed for a term
23 in excess of 5 years but not more than 10 years. If an
24 authorizer fails to establish standards and goals, a charter
25 shall not be renewed for a term in excess of 5 years. Nothing

1 contained in this Section shall require an authorizer to grant
2 a full 10-year renewal term to any particular charter school,
3 but an authorizer may award a full 10-year renewal term to
4 charter schools that have a demonstrated track record of
5 improving student performance.

6 (a-5) On July 1, 2027, any charter school (i) that is
7 authorized by the State Board, (ii) that is located outside of
8 the geographic area of a school district organized under
9 Article 34, and (iii) whose authorization allows for the
10 charter school to enroll students who reside within the
11 geographic boundaries of more than one school district or to
12 enroll students who reside within the geographic boundaries of
13 a school district that has a student enrollment of at least
14 29,000 students shall have the charter school's authorization
15 transferred to the local school board or boards of the
16 districts from which the charter school draws enrollment. On
17 July 1, 2027, all authorizer powers, duties, contracts, and
18 pending business of the State Board as the charter school's
19 authorizer must be transferred to the local school board or
20 boards. All charter contract terms shall remain in full force
21 and effect unless amended by mutual agreement of the parties,
22 except that the term of the contract shall be 7 years starting
23 July 1, 2027. All references in the charter contract to the
24 State Board shall, in the appropriate context, be deemed to
25 refer to the local school board or boards of the districts from
26 which the charter school draws enrollment. Renewal or

1 nonrenewal decisions of the local school board or boards at
2 the end of the initial 7-year term shall be determined as
3 provided in this Section.

4 If a State-authorized charter school that is subject to
5 transfer under this subsection is authorized to enroll
6 students from more than one school district, the local school
7 boards of the districts from which the charter school draws
8 enrollment must establish a joint charter management team that
9 consists of, at minimum, one administrator from each school
10 district. The joint charter management team must develop and
11 execute a charter oversight plan that is submitted to the
12 State Board as part of the charter certification process. The
13 plan must detail the respective roles and responsibilities of
14 each of the local school boards that is a party to the
15 agreement, including with respect to those authorizer powers
16 and duties under Section 27A-7.10. A multi-district charter
17 school may be held accountable only to one set of goals,
18 objectives, pupil performance standards, and content
19 standards.

20 Nothing in this subsection may be construed as making a
21 school district liable for any preexisting debt or obligation
22 that a charter school may have undertaken prior to the
23 transfer of authorization as described in this subsection.

24 The State Board may adopt any rules that may be necessary
25 to implement this subsection.

26 (b) A charter school renewal proposal submitted to the

1 local school board or the State Board, as the chartering
2 entity, shall contain:

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

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

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

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

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

24 (3) Failed to meet generally accepted standards of
25 fiscal management.

26 (4) Violated any provision of law from which the

1 charter school was not exempted.

2 In the case of revocation, the local school board or the
3 State Board, as the chartering entity, shall notify the
4 charter school in writing of the reason why the charter is
5 subject to revocation. The charter school shall submit a
6 written plan to the local school board or the State Board,
7 whichever is applicable, to rectify the problem. The plan
8 shall include a timeline for implementation, which shall not
9 exceed 2 years or the date of the charter's expiration,
10 whichever is earlier. If the local school board or the State
11 Board, as the chartering entity, finds that the charter school
12 has failed to implement the plan of remediation and adhere to
13 the timeline, then the chartering entity shall revoke the
14 charter. Except in situations of an emergency where the
15 health, safety, or education of the charter school's students
16 is at risk, the revocation shall take place at the end of a
17 school year. Nothing in this Section shall be construed to
18 prohibit an implementation timetable that is less than 2 years
19 in duration. No local school board may arbitrarily or
20 capriciously revoke or not renew a charter. Except for
21 extenuating circumstances outlined in this Section, if a local
22 school board revokes or does not renew a charter, it must
23 ensure that all students currently enrolled in the charter
24 school are placed in schools that are higher performing than
25 that charter school, as defined in the State's federal Every
26 Student Succeeds Act accountability plan. In determining

1 whether extenuating circumstances exist, a local school board
2 must detail, by clear and convincing evidence, that factors
3 unrelated to the charter school's accountability designation
4 outweigh the charter school's academic performance.

5 (d) (Blank).

6 (e) Notice of a local school board's decision to deny,
7 revoke, or not renew a charter shall be provided to the State
8 Board.

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

21 (f) Notwithstanding other provisions of this Article, if
22 the State Board on appeal reverses a local board's decision or
23 if a charter school is approved by referendum, the State Board
24 shall act as the authorized chartering entity for the charter
25 school and shall perform all functions under this Article
26 otherwise performed by the local school board. The State Board

1 shall report the aggregate number of charter school pupils
2 resident in a school district to that district and shall
3 notify the district of the amount of funding to be paid by the
4 State Board to the charter school enrolling such students. The
5 charter school shall maintain accurate records of daily
6 attendance and student enrollment and shall enter data on the
7 students served, their characteristics, their particular
8 needs, the programs in which they participate, and their
9 academic achievement into the statewide student information
10 system established by the State Board. The State Board shall
11 withhold from funds otherwise due the district the funds
12 authorized by this Article to be paid to the charter school and
13 shall pay such amounts to the charter school in quarterly
14 installments, calculated as follows:

15 (1) The amount of the first quarterly payment shall be
16 based on the projected number of students who will be
17 enrolled in the charter school in the upcoming school
18 year, multiplied by one-fourth of the resident district's
19 per capita tuition amount. Each charter school shall
20 submit its projected enrollment by no later than August 1
21 of each year on a form provided by the State Board for this
22 purpose.

23 (2) The amount of the second quarterly payment shall
24 be calculated such that the aggregate amount of the first
25 and second quarterly installments is equal to the number
26 of students reported as enrolled at the charter school on

1 October 1 in the State Board's student information system,
2 multiplied by one-half of the resident district's per
3 capita tuition amount.

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

11 (4) The amount of the fourth quarterly payment shall
12 be calculated such that the aggregate amount of the third
13 and fourth installments is equal to the number of students
14 reported as enrolled at the charter school on March 1 in
15 the State Board's student information system, multiplied
16 by one-half of the resident district's per capita tuition
17 amount.

18 (g) (Blank).

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

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