

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-4 and 27A-5 and by adding Sections 27A-10.5 and 27A-10.10
6 as follows:

7 (105 ILCS 5/27A-4)

8 Sec. 27A-4. General Provisions.

9 (a) The General Assembly does not intend to alter or amend
10 the provisions of any court-ordered desegregation plan in
11 effect for any school district. A charter school shall be
12 subject to all federal and State laws and constitutional
13 provisions prohibiting discrimination on the basis of
14 disability, race, creed, color, gender, national origin,
15 religion, ancestry, marital status, or need for special
16 education services.

17 (b) The total number of charter schools operating under
18 this Article at any one time shall not exceed 120. Not more
19 than 70 charter schools shall operate at any one time in any
20 city having a population exceeding 500,000, with at least 5
21 charter schools devoted exclusively to students from
22 low-performing or overcrowded schools operating at any one time
23 in that city; and not more than 45 charter schools shall

1 operate at any one time in the remainder of the State, with not
2 more than one charter school that has been initiated by a board
3 of education, or by an intergovernmental agreement between or
4 among boards of education, operating at any one time in the
5 school district where the charter school is located. In
6 addition to these charter schools, up to but no more than 5
7 charter schools devoted exclusively to re-enrolled high school
8 dropouts and/or students 16 or 15 years old at risk of dropping
9 out may operate at any one time in any city having a population
10 exceeding 500,000. Notwithstanding any provision to the
11 contrary in subsection (b) of Section 27A-5 of this Code, each
12 such dropout charter may operate up to 15 campuses within the
13 city. Any of these dropout charters may have a maximum of 1,875
14 enrollment seats, any one of the campuses of the dropout
15 charter may have a maximum of 165 enrollment seats, and each
16 campus of the dropout charter must be operated, through a
17 contract or payroll, by the same legal entity as that for which
18 the charter is approved and certified.

19 For purposes of implementing this Section, the State Board
20 shall assign a number to each charter submission it receives
21 under Section 27A-6 for its review and certification, based on
22 the chronological order in which the submission is received by
23 it. The State Board shall promptly notify local school boards
24 when the maximum numbers of certified charter schools
25 authorized to operate have been reached.

26 (c) No charter shall be granted under this Article that

1 would convert any existing private, parochial, or non-public
2 school to a charter school.

3 (d) Enrollment in a charter school shall be open to any
4 pupil who resides within the geographic boundaries of the area
5 served by the local school board, provided that the board of
6 education in a city having a population exceeding 500,000 may
7 designate attendance boundaries for no more than one-third of
8 the charter schools permitted in the city if the board of
9 education determines that attendance boundaries are needed to
10 relieve overcrowding or to better serve low-income and at-risk
11 students. Students residing within an attendance boundary may
12 be given priority for enrollment, but must not be required to
13 attend the charter school.

14 (e) Nothing in this Article shall prevent 2 or more local
15 school boards from jointly issuing a charter to a single shared
16 charter school, provided that all of the provisions of this
17 Article are met as to those local school boards.

18 (f) No local school board shall require any employee of the
19 school district to be employed in a charter school.

20 (g) No local school board shall require any pupil residing
21 within the geographic boundary of its district to enroll in a
22 charter school.

23 (h) If there are more eligible applicants for enrollment in
24 a charter school than there are spaces available, successful
25 applicants shall be selected by lottery. However, priority
26 shall be given to siblings of pupils enrolled in the charter

1 school and to pupils who were enrolled in the charter school
2 the previous school year, unless expelled for cause, and
3 priority may be given to pupils residing within the charter
4 school's attendance boundary, if a boundary has been designated
5 by the board of education in a city having a population
6 exceeding 500,000.

7 Beginning with student enrollment for the 2015-2016 school
8 year, any lottery required under this subsection (h) must be
9 administered and videotaped by the charter school. The
10 authorizer or its designee must be allowed to be present or
11 view the lottery in real time. The charter school must maintain
12 a videotaped record of the lottery, including a time/date
13 stamp. The charter school shall transmit copies of the
14 videotape and all records relating to the lottery to the
15 authorizer on or before September 1 of each year.

16 Subject to the requirements for priority applicant groups
17 set forth in paragraph (1) of this subsection (h), any lottery
18 required under this subsection (h) must be administered in a
19 way that provides each student an equal chance at admission. If
20 an authorizer makes a determination that a charter school's
21 lottery is in violation of this subsection (h), it may
22 administer the lottery directly. After a lottery, each student
23 randomly selected for admission to the charter school must be
24 notified. Charter schools may not create an admissions process
25 subsequent to a lottery that may operate as a barrier to
26 registration or enrollment.

1 Charter schools may undertake additional intake
2 activities, including without limitation student essays,
3 school-parent compacts, or open houses, but in no event may a
4 charter school require participation in these activities as a
5 condition of enrollment. A charter school must submit an
6 updated waitlist to the authorizer on a quarterly basis. A
7 waitlist must be submitted to the authorizer at the same time
8 as quarterly financial statements, if quarterly financial
9 statements are required by the authorizer.

10 Dual enrollment at both a charter school and a public
11 school or non-public school shall not be allowed. A pupil who
12 is suspended or expelled from a charter school shall be deemed
13 to be suspended or expelled from the public schools of the
14 school district in which the pupil resides. Notwithstanding
15 anything to the contrary in this subsection (h):

16 (1) any charter school with a mission exclusive to
17 educating high school dropouts may grant priority
18 admission to students who are high school dropouts and/or
19 students 16 or 15 years old at risk of dropping out and any
20 charter school with a mission exclusive to educating
21 students from low-performing or overcrowded schools may
22 restrict admission to students who are from low-performing
23 or overcrowded schools; "priority admission" for charter
24 schools exclusively devoted to re-enrolled dropouts or
25 students at risk of dropping out means a minimum of 90% of
26 students enrolled shall be high school dropouts; and

1 (2) any charter school located in a school district
2 that contains all or part of a federal military base may
3 set aside up to 33% of its current charter enrollment to
4 students with parents assigned to the federal military
5 base, with the remaining 67% subject to the general
6 enrollment and lottery requirements of subsection (d) of
7 this Section and this subsection (h); if a student with a
8 parent assigned to the federal military base withdraws from
9 the charter school during the course of a school year for
10 reasons other than grade promotion, those students with
11 parents assigned to the federal military base shall have
12 preference in filling the vacancy.

13 (i) (Blank).

14 (j) Notwithstanding any other provision of law to the
15 contrary, a school district in a city having a population
16 exceeding 500,000 shall not have a duty to collectively bargain
17 with an exclusive representative of its employees over
18 decisions to grant or deny a charter school proposal under
19 Section 27A-8 of this Code, decisions to renew or revoke a
20 charter under Section 27A-9 of this Code, and the impact of
21 these decisions, provided that nothing in this Section shall
22 have the effect of negating, abrogating, replacing, reducing,
23 diminishing, or limiting in any way employee rights,
24 guarantees, or privileges granted in Sections 2, 3, 7, 8, 10,
25 14, and 15 of the Illinois Educational Labor Relations Act.

26 (k) In this Section:

1 "Low-performing school" means a public school in a school
2 district organized under Article 34 of this Code that enrolls
3 students in any of grades kindergarten through 8 and that is
4 ranked within the lowest 10% of schools in that district in
5 terms of the percentage of students meeting or exceeding
6 standards on the Illinois Standards Achievement Test.

7 "Overcrowded school" means a public school in a school
8 district organized under Article 34 of this Code that (i)
9 enrolls students in any of grades kindergarten through 8, (ii)
10 has a percentage of low-income students of 70% or more, as
11 identified in the most recently available School Report Card
12 published by the State Board of Education, and (iii) is
13 determined by the Chicago Board of Education to be in the most
14 severely overcrowded 5% of schools in the district. On or
15 before November 1 of each year, the Chicago Board of Education
16 shall file a report with the State Board of Education on which
17 schools in the district meet the definition of "overcrowded
18 school". "Students at risk of dropping out" means students 16
19 or 15 years old in a public school in a district organized
20 under Article 34 of this Code that enrolls students in any
21 grades 9-12 who have been absent at least 90 school attendance
22 days of the previous 180 school attendance days.

23 (1) For advertisements created after the effective date of
24 this amendatory Act of the 98th General Assembly, any
25 advertisement, including a radio, television, print, Internet,
26 social media, or billboard advertisement, purchased by a school

1 district or public school, including a charter school, with
2 public funds must include a disclaimer stating that the
3 advertisement was paid for using public funds.

4 This disclaimer requirement does not extend to materials
5 created by the charter school, including, but not limited to, a
6 school website, informational pamphlets or leaflets, or
7 clothing with affixed school logos.

8 (Source: P.A. 97-151, eff. 1-1-12; 97-624, eff. 11-28-11;
9 97-813, eff. 7-13-12; 98-474, eff. 8-16-13.)

10 (105 ILCS 5/27A-5)

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

12 (a) A charter school shall be a public, nonsectarian,
13 nonreligious, non-home based, and non-profit school. A charter
14 school shall be organized and operated as a nonprofit
15 corporation or other discrete, legal, nonprofit entity
16 authorized under the laws of the State of Illinois.

17 (b) A charter school may be established under this Article
18 by creating a new school or by converting an existing public
19 school or attendance center to charter school status. Beginning
20 on the effective date of this amendatory Act of the 93rd
21 General Assembly, in all new applications submitted to the
22 State Board or a local school board to establish a charter
23 school in a city having a population exceeding 500,000,
24 operation of the charter school shall be limited to one campus.
25 The changes made to this Section by this amendatory Act of the

1 93rd General Assembly do not apply to charter schools existing
2 or approved on or before the effective date of this amendatory
3 Act.

4 (b-5) In this subsection (b-5), "virtual-schooling" means
5 the teaching of courses through online methods with online
6 instructors, rather than the instructor and student being at
7 the same physical location. "Virtual-schooling" includes
8 without limitation instruction provided by full-time, online
9 virtual schools.

10 From April 1, 2013 through April 1, 2014, there is a
11 moratorium on the establishment of charter schools with
12 virtual-schooling components in school districts other than a
13 school district organized under Article 34 of this Code. This
14 moratorium does not apply to a charter school with
15 virtual-schooling components existing or approved prior to
16 April 1, 2013 or to the renewal of the charter of a charter
17 school with virtual-schooling components already approved
18 prior to April 1, 2013.

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

25 (c) A charter school shall be administered and governed by
26 its board of directors or other governing body in the manner

1 provided in its charter. The governing body of a charter school
2 shall be subject to the Freedom of Information Act and the Open
3 Meetings Act.

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

7 (e) Except as otherwise provided in the School Code, a
8 charter school shall not charge tuition; provided that a
9 charter school may charge reasonable fees for textbooks,
10 instructional materials, and student activities.

11 (f) A charter school shall be responsible for the
12 management and operation of its fiscal affairs including, but
13 not limited to, the preparation of its budget. An audit of each
14 charter school's finances shall be conducted annually by an
15 outside, independent contractor retained by the charter
16 school. To ensure financial accountability for the use of
17 public funds, on or before December 1 of every year of
18 operation, each charter school shall submit to its authorizer
19 and ~~Annually, by December 1, every charter school must submit~~
20 ~~to~~ the State Board a copy of its audit and a copy of the Form
21 990 the charter school filed that year with the federal
22 Internal Revenue Service. In addition, if deemed necessary for
23 proper financial oversight of the charter school, an authorizer
24 may require quarterly financial statements from each charter
25 school.

26 (g) A charter school shall comply with all provisions of

1 this Article, the Illinois Educational Labor Relations Act, and
2 its charter. A charter school is exempt from all other State
3 laws and regulations in the School Code governing public
4 schools and local school board policies, except the following:

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

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

12 (3) The Local Governmental and Governmental Employees
13 Tort Immunity Act;

14 (4) Section 108.75 of the General Not For Profit
15 Corporation Act of 1986 regarding indemnification of
16 officers, directors, employees, and agents;

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

18 (6) The Illinois School Student Records Act;

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

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

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

24 (h) A charter school may negotiate and contract with a
25 school district, the governing body of a State college or
26 university or public community college, or any other public or

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

24 (i) In no event shall a charter school that is established
25 by converting an existing school or attendance center to
26 charter school status be required to pay rent for space that is

1 deemed available, as negotiated and provided in the charter
2 agreement, in school district facilities. However, all other
3 costs for the operation and maintenance of school district
4 facilities that are used by the charter school shall be subject
5 to negotiation between the charter school and the local school
6 board and shall be set forth in the charter.

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

9 (k) If the charter school is approved by the Commission,
10 then the Commission charter school is its own local education
11 agency.

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

14 (105 ILCS 5/27A-10.5 new)

15 Sec. 27A-10.5. Educational or charter management
16 organization.

17 (a) In this Section:

18 "CMO" means a charter management organization.

19 "EMO" means an educational management organization.

20 (b) All authorizers shall ensure that any charter school
21 established on or after the effective date of this amendatory
22 Act of the 98th General Assembly has a governing body that is
23 separate and distinct from the governing body of any CMO or
24 EMO. In reviewing charter applications and charter renewal
25 applications, authorizers shall review the governance model

1 proposed by the applicant to ensure that there are no conflicts
2 of interest.

3 (c) No charter school may employ a staff person who is
4 simultaneously employed by an EMO or CMO.

5 (105 ILCS 5/27A-10.10 new)

6 Sec. 27A-10.10. Closure of charter school; unspent public
7 funds; procedures for the disposition of property and assets.

8 (a) Upon the closing of a charter school authorized by one
9 or more local school boards, the governing body of the charter
10 school or its designee shall refund to the chartering entity or
11 entities all unspent public funds. The charter school's other
12 property and assets shall be disposed of under the provisions
13 of the charter application and contract. If the application and
14 contract are silent or ambiguous as to the disposition of any
15 of the school's property or assets, any property or assets of
16 the charter school purchased with public funds shall be
17 returned to the school district or districts from which the
18 charter school draws enrollment, at no cost to the receiving
19 district or districts, subject to each district's acceptance of
20 the property or asset. Any unspent public funds or other
21 property or assets received by the charter school directly from
22 any State or federal agency shall be refunded to or revert back
23 to that State or federal agency, respectively.

24 (b) Upon the closing of a charter school authorized by the
25 Commission, the governing body of the charter school or its

1 designee shall refund all unspent public funds to the State
2 Board of Education. The charter school's other property and
3 assets shall be disposed of under the provisions of the charter
4 application and contract. If the application and contract are
5 silent or ambiguous as to the disposition of any of the
6 school's property or assets, any property or assets of the
7 charter school purchased with public funds shall be returned to
8 the school district or districts from which the charter school
9 draws its enrollment, at no cost to the receiving district or
10 districts, subject to each district's acceptance of the
11 property or asset. Any unspent public funds or other property
12 or assets provided by a State agency other than the State Board
13 of Education or by a federal agency shall be refunded to or
14 revert back to that State or federal agency, respectively.