



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3754

by Rep. Linda Chapa LaVia

SYNOPSIS AS INTRODUCED:

105 ILCS 5/27A-3
105 ILCS 5/27A-5
105 ILCS 5/27A-8
105 ILCS 5/27A-9
105 ILCS 5/27A-12
30 ILCS 105/5.796 rep.
105 ILCS 5/27A-7.5 rep.
105 ILCS 5/27A-7.10 rep.

Amends the Charter Schools Law of the School Code and the State Finance Act. Repeals provisions in the Charter Schools Law and the State Finance Act concerning the State Charter School Commission; makes related changes. Removes a provision allowing a school board to develop its own process for receiving charter school proposals. Requires the State Board of Education to compile annual evaluations of charter schools received from school boards and prepare an annual report on charter schools (instead of requiring school boards to submit to the State Board any information required by the State Board pursuant to rule). Makes changes concerning the report the State Board issues to the General Assembly and the Governor. Effective July 1, 2014.

LRB098 14418 NHT 49097 b

FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

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-3, 27A-5, 27A-8, 27A-9, and 27A-12 as follows:

6 (105 ILCS 5/27A-3)

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

8 "At-risk pupil" means a pupil who, because of physical,
9 emotional, socioeconomic, or cultural factors, is less likely
10 to succeed in a conventional educational environment.

11 ~~"Authorizer" means an entity authorized under this Article~~
12 ~~to review applications, decide whether to approve or reject~~
13 ~~applications, enter into charter contracts with applicants,~~
14 ~~oversee charter schools, and decide whether to renew, not~~
15 ~~renew, or revoke a charter.~~

16 ~~"Commission" means the State Charter School Commission~~
17 ~~established under Section 27A 7.5 of this Code.~~

18 "Local school board" means the duly elected or appointed
19 school board or board of education of a public school district,
20 including special charter districts and school districts
21 located in cities having a population of more than 500,000,
22 organized under the laws of this State.

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

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

2 (105 ILCS 5/27A-5)

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

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

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

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

1 virtual schools.

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

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

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

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

25 (e) Except as otherwise provided in the School Code, a
26 charter school shall not charge tuition; provided that a

1 charter school may charge reasonable fees for textbooks,
2 instructional materials, and student activities.

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

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

17 (1) Sections 10-21.9 and 34-18.5 of the School Code
18 regarding criminal history records checks and checks of the
19 Statewide Sex Offender Database and Statewide Murderer and
20 Violent Offender Against Youth Database of applicants for
21 employment;

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

24 (3) The Local Governmental and Governmental Employees
25 Tort Immunity Act;

26 (4) Section 108.75 of the General Not For Profit

1 Corporation Act of 1986 regarding indemnification of
2 officers, directors, employees, and agents;

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

4 (6) The Illinois School Student Records Act;

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

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

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

10 (h) A charter school may negotiate and contract with a
11 school district, the governing body of a State college or
12 university or public community college, or any other public or
13 for-profit or nonprofit private entity for: (i) the use of a
14 school building and grounds or any other real property or
15 facilities that the charter school desires to use or convert
16 for use as a charter school site, (ii) the operation and
17 maintenance thereof, and (iii) the provision of any service,
18 activity, or undertaking that the charter school is required to
19 perform in order to carry out the terms of its charter.
20 However, a charter school that is established on or after the
21 effective date of this amendatory Act of the 93rd General
22 Assembly and that operates in a city having a population
23 exceeding 500,000 may not contract with a for-profit entity to
24 manage or operate the school during the period that commences
25 on the effective date of this amendatory Act of the 93rd
26 General Assembly and concludes at the end of the 2004-2005

1 school year. Except as provided in subsection (i) of this
2 Section, a school district may charge a charter school
3 reasonable rent for the use of the district's buildings,
4 grounds, and facilities. Any services for which a charter
5 school contracts with a school district shall be provided by
6 the district at cost. Any services for which a charter school
7 contracts with a local school board or with the governing body
8 of a State college or university or public community college
9 shall be provided by the public entity at cost.

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

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

21 (k) (Blank). ~~If the charter school is approved by the~~
22 ~~Commission, then the Commission charter school is its own local~~
23 ~~education agency.~~

24 (Source: P.A. 97-152, eff. 7-20-11; 97-154, eff. 1-1-12;
25 97-813, eff. 7-13-12; 98-16, eff. 5-24-13.)

1 (105 ILCS 5/27A-8)

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

3 (a) This Section does not apply to a charter school
4 established by referendum under Section 27A-6.5. In evaluating
5 any charter school proposal submitted to it, the local school
6 board ~~and the Commission~~ shall give preference to proposals
7 that:

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

10 (2) set rigorous levels of expected pupil achievement
11 and demonstrate feasible plans for attaining those levels
12 of achievement; and

13 (3) are designed to enroll and serve a substantial
14 proportion of at-risk children; provided that nothing in
15 the Charter Schools Law shall be construed as intended to
16 limit the establishment of charter schools to those that
17 serve a substantial portion of at-risk children or to in
18 any manner restrict, limit, or discourage the
19 establishment of charter schools that enroll and serve
20 other pupil populations under a nonexclusive,
21 nondiscriminatory admissions policy.

22 (b) In the case of a proposal to establish a charter school
23 by converting an existing public school or attendance center to
24 charter school status, evidence that the proposed formation of
25 the charter school has received majority support from certified
26 teachers and from parents and guardians in the school or

1 attendance center affected by the proposed charter, and, if
2 applicable, from a local school council, shall be demonstrated
3 by a petition in support of the charter school signed by
4 certified teachers and a petition in support of the charter
5 school signed by parents and guardians and, if applicable, by a
6 vote of the local school council held at a public meeting. In
7 the case of all other proposals to establish a charter school,
8 evidence of sufficient support to fill the number of pupil
9 seats set forth in the proposal may be demonstrated by a
10 petition in support of the charter school signed by parents and
11 guardians of students eligible to attend the charter school. In
12 all cases, the individuals, organizations, or entities who
13 initiate the proposal to establish a charter school may elect,
14 in lieu of including any petition referred to in this
15 subsection as a part of the proposal submitted to the local
16 school board, to demonstrate that the charter school has
17 received the support referred to in this subsection by other
18 evidence and information presented at the public meeting that
19 the local school board is required to convene under this
20 Section.

21 (c) Within 45 days of receipt of a charter school proposal,
22 the local school board shall convene a public meeting to obtain
23 information to assist the board in its decision to grant or
24 deny the charter school proposal. ~~A local school board may~~
25 ~~develop its own process for receiving charter school proposals~~
26 ~~on an annual basis that follows the same timeframes as set~~

1 ~~forth in this Article. Only after the local school board~~
2 ~~process is followed may a charter school applicant appeal to~~
3 ~~the Commission.~~

4 (d) Notice of the public meeting required by this Section
5 shall be published in a community newspaper published in the
6 school district in which the proposed charter is located and,
7 if there is no such newspaper, then in a newspaper published in
8 the county and having circulation in the school district. The
9 notices shall be published not more than 10 days nor less than
10 5 days before the meeting and shall state that information
11 regarding a charter school proposal will be heard at the
12 meeting. Copies of the notice shall also be posted at
13 appropriate locations in the school or attendance center
14 proposed to be established as a charter school, the public
15 schools in the school district, and the local school board
16 office. ~~If 45 days pass without the local school board holding~~
17 ~~a public meeting, then the charter applicant may submit the~~
18 ~~proposal to the Commission, where it must be addressed in~~
19 ~~accordance with the provisions set forth in subsection (g) of~~
20 ~~this Section.~~

21 (e) Within 30 days of the public meeting, the local school
22 board shall vote, in a public meeting, to either grant or deny
23 the charter school proposal. ~~If the local school board has not~~
24 ~~voted in a public meeting within 30 days after the public~~
25 ~~meeting, then the charter applicant may submit the proposal to~~
26 ~~the Commission, where it must be addressed in accordance with~~

1 ~~the provisions set forth in subsection (g) of this Section.~~

2 (f) Within 7 days of the public meeting required under
3 subsection (e) of this Section, the local school board shall
4 file a report with the State Board granting or denying the
5 proposal. If the local school board has approved the proposal,
6 within 30 days of receipt of the local school board's report,
7 the State Board shall determine whether the approved charter
8 proposal is consistent with the provisions of this Article and,
9 if the approved proposal complies, certify the proposal
10 pursuant to Section 27A-6.

11 (g) (Blank). ~~If the local school board votes to deny the~~
12 ~~proposal, then the charter school applicant has 30 days from~~
13 ~~the date of that vote to submit an appeal to the Commission. In~~
14 ~~such instances or in those instances referenced in subsections~~
15 ~~(d) and (e) of this Section, the Commission shall follow the~~
16 ~~same process and be subject to the same timelines for review as~~
17 ~~the local school board.~~

18 (h) (Blank). ~~The Commission may reverse a local school~~
19 ~~board's decision to deny a charter school proposal if the~~
20 ~~Commission finds that the proposal (i) is in compliance with~~
21 ~~this Article and (ii) is in the best interests of the students~~
22 ~~the charter school is designed to serve. Final decisions of the~~
23 ~~Commission are subject to judicial review under the~~
24 ~~Administrative Review Law.~~

25 (i) (Blank). ~~In the case of a charter school proposed to be~~
26 ~~jointly authorized by 2 or more school districts, the local~~

1 ~~school boards may unanimously deny the charter school proposal~~
2 ~~with a statement that the local school boards are not opposed~~
3 ~~to the charter school, but that they yield to the Commission in~~
4 ~~light of the complexities of joint administration.~~

5 (Source: P.A. 96-105, eff. 7-30-09; 96-734, eff. 8-25-09;
6 96-1000, eff. 7-2-10; 97-152, eff. 7-20-11.)

7 (105 ILCS 5/27A-9)

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

9 (a) A charter may be granted for a period not less than 5
10 and not more than 10 school years. A charter may be renewed in
11 incremental periods not to exceed 5 school years.

12 (b) A charter school renewal proposal submitted to the
13 local school board or State Board ~~the Commission~~, as the
14 chartering entity, shall contain:

15 (1) A report on the progress of the charter school in
16 achieving the goals, objectives, pupil performance
17 standards, content standards, and other terms of the
18 initial approved charter proposal; and

19 (2) A financial statement that discloses the costs of
20 administration, instruction, and other spending categories
21 for the charter school that is understandable to the
22 general public and that will allow comparison of those
23 costs to other schools or other comparable organizations,
24 in a format required by the State Board.

25 (c) A charter may be revoked or not renewed if the local

1 school board or State Board ~~the Commission~~, as the chartering
2 entity, clearly demonstrates that the charter school did any of
3 the following, or otherwise failed to comply with the
4 requirements of this law:

5 (1) Committed a material violation of any of the
6 conditions, standards, or procedures set forth in the
7 charter.

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

11 (3) Failed to meet generally accepted standards of
12 fiscal management.

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

15 In the case of revocation, the local school board or State
16 Board ~~the Commission~~, as the chartering entity, shall notify
17 the charter school in writing of the reason why the charter is
18 subject to revocation. The charter school shall submit a
19 written plan to the local school board or State Board ~~the~~
20 ~~Commission~~, whichever is applicable, to rectify the problem.
21 The plan shall include a timeline for implementation, which
22 shall not exceed 2 years or the date of the charter's
23 expiration, whichever is earlier. If the local school board or
24 State Board ~~the Commission~~, as the chartering entity, finds
25 that the charter school has failed to implement the plan of
26 remediation and adhere to the timeline, then the chartering

1 entity shall revoke the charter. Except in situations of an
2 emergency where the health, safety, or education of the charter
3 school's students is at risk, the revocation shall take place
4 at the end of a school year. Nothing in this amendatory Act of
5 the 96th General Assembly shall be construed to prohibit an
6 implementation timetable that is less than 2 years in duration.

7 (d) (Blank).

8 (e) Notice of a local school board's decision to deny,
9 revoke or not to renew a charter shall be provided to the
10 ~~Commission and the~~ State Board. The State Board ~~Commission~~ may
11 reverse a local board's decision if the State Board ~~Commission~~
12 finds that the charter school or charter school proposal (i) is
13 in compliance with this Article, and (ii) is in the best
14 interests of the students it is designed to serve. The State
15 Board may condition the granting of an appeal on the acceptance
16 by the charter school of funding in an amount less than that
17 requested in the proposal submitted to the local school board.
18 Final decisions of the State Board ~~Commission~~ shall be subject
19 to judicial review under the Administrative Review Law.

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

1 board. ~~The State Board shall determine whether the charter~~
2 ~~proposal approved by the Commission is consistent with the~~
3 ~~provisions of this Article and, if the approved proposal~~
4 ~~complies, certify the proposal pursuant to this Article.~~ The
5 State Board shall report the aggregate number of charter school
6 pupils resident in a school district to that district and shall
7 notify the district of the amount of funding to be paid by the
8 State Board Commission to the charter school enrolling such
9 students. The State Board Commission shall require the charter
10 school to maintain accurate records of daily attendance that
11 shall be deemed sufficient to file claims under Section 18-8.05
12 notwithstanding any other requirements of that Section
13 regarding hours of instruction and teacher certification. The
14 State Board shall withhold from funds otherwise due the
15 district the funds authorized by this Article to be paid to the
16 charter school and shall pay such amounts to the charter
17 school.

18 (g) (Blank). ~~For charter schools authorized by the~~
19 ~~Commission, the Commission shall quarterly certify to the State~~
20 ~~Board the student enrollment for each of its charter schools.~~

21 (h) (Blank). ~~For charter schools authorized by the~~
22 ~~Commission, the State Board shall pay directly to a charter~~
23 ~~school any federal or State aid attributable to a student with~~
24 ~~a disability attending the school.~~

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

1 (105 ILCS 5/27A-12)

2 Sec. 27A-12. Evaluation; report. The State Board shall
3 compile annual evaluations of charter schools received from
4 local school boards and shall prepare an annual report on
5 charter schools.

6 On or before the second Wednesday of every even-numbered
7 year, the State Board shall issue a report to the General
8 Assembly and the Governor on its findings for the previous 2
9 school years. ~~On or before September 30 of every odd numbered~~
10 ~~year, all local school boards with at least one charter school,~~
11 ~~as well as the Commission, shall submit to the State Board any~~
12 ~~information required by the State Board pursuant to applicable~~
13 ~~rule. On or before the second Wednesday in January of every~~
14 ~~even numbered year, the State Board shall issue a report to the~~
15 ~~General Assembly and the Governor on its findings for the~~
16 ~~previous 2 school years. The State Board's report shall~~
17 ~~summarize all of the following:~~

18 ~~(1) The authorizer's strategic vision for chartering~~
19 ~~and progress toward achieving that vision.~~

20 ~~(2) The academic and financial performance of all~~
21 ~~operating charter schools overseen by the authorizer,~~
22 ~~according to the performance expectations for charter~~
23 ~~schools set forth in this Article.~~

24 ~~(3) The status of the authorizer's charter school~~
25 ~~portfolio, identifying all charter schools in each of the~~
26 ~~following categories: approved (but not yet open),~~

1 ~~operating, renewed, transferred, revoked, not renewed,~~
2 ~~voluntarily closed, or never opened.~~

3 ~~(4) The authorizing functions provided by the~~
4 ~~authorizer to the charter schools under its purview,~~
5 ~~including the authorizer's operating costs and expenses~~
6 ~~detailed in annual audited financial statements, which~~
7 ~~must conform with generally accepted accounting~~
8 ~~principles.~~

9 In Further, in the report required by this Section, the
10 State Board (i) shall compare the performance of charter school
11 pupils with the performance of ethnically and economically
12 comparable groups of pupils in other public schools who are
13 enrolled in academically comparable courses, (ii) shall review
14 information regarding the regulations and policies from which
15 charter schools were released to determine if the exemptions
16 assisted or impeded the charter schools in meeting their stated
17 goals and objectives, and (iii) shall include suggested changes
18 in State law necessary to strengthen charter schools.

19 In addition, the State Board shall undertake and report on
20 periodic evaluations of charter schools that include
21 evaluations of student academic achievement, the extent to
22 which charter schools are accomplishing their missions and
23 goals, the sufficiency of funding for charter schools, and the
24 need for changes in the approval process for charter schools.

25 ~~Based on the information that the State Board receives from~~
26 ~~authorizers and the State Board's ongoing monitoring of both~~

1 ~~charter schools and authorizers, the State Board has the power~~
2 ~~to remove the power to authorize from any authorizer in this~~
3 ~~State if the authorizer does not demonstrate a commitment to~~
4 ~~high-quality authorization practices and, if necessary, revoke~~
5 ~~the chronically low performing charters authorized by the~~
6 ~~authorizer at the time of the removal. The State Board shall~~
7 ~~adopt rules as needed to carry out this power, including~~
8 ~~provisions to determine the status of schools authorized by an~~
9 ~~authorizer whose authorizing power is revoked.~~

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

11 (30 ILCS 105/5.796 rep.)

12 Section 10. The State Finance Act is amended by repealing
13 Section 5.796.

14 (105 ILCS 5/27A-7.5 rep.)

15 (105 ILCS 5/27A-7.10 rep.)

16 Section 15. The School Code is amended by repealing
17 Sections 27A-7.5 and 27A-7.10.

18 Section 99. Effective date. This Act takes effect July 1,
19 2014.