



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB5097

Introduced 2/10/2026, by Rep. Angelica Guerrero-Cuellar

#### SYNOPSIS AS INTRODUCED:

105 ILCS 5/27A-7.5  
105 ILCS 5/27A-11

Amends the Charter Schools Law of the School Code. Allows the State Board of Education to withhold from each charter school it authorizes up to an additional 3% of the revenue provided to the school as an administrative fee for the purpose of conducting administrative duties related to the administration of the charter school contract, oversight, or authorizing services. Provides that for a charter school authorized by a school board, any amount of agreed funding withheld by the school board as an administrative fee for the purpose of conducting administrative duties related to the administration of the charter school contract, oversight, or authorizing services may not exceed 3% of agreed funding and the amount withheld may not result in the charter school receiving less than the required minimum funding level. Sets forth allowable uses for the administrative fee. Provides that any portion of the administrative fee that is not expended on allowable uses during the fiscal year shall be returned to the charter school. Requires the school board to provide an annual public accounting to the charter school and to the State Board detailing the amount collected as an administrative fee, the allowable uses funded from the fee, and the amount returned from any unexpended fee funds.

LRB104 17494 LNS 30920 b

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-7.5 and 27A-11 as follows:

6 (105 ILCS 5/27A-7.5)

7 Sec. 27A-7.5. State Board fees; State Charter School  
8 Commission~~r~~ abolition and transfer to State Board; appeal  
9 hearing fee.

10 (a) (Blank).

11 (a-5) (Blank).

12 (b) (Blank).

13 (c) (Blank).

14 (d) (Blank).

15 (e) (Blank).

16 (f) (Blank).

17 (g) (Blank).

18 (g-5) (Blank).

19 (h) (Blank).

20 (i) (Blank).

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

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

14 In addition, the State Board may withhold from each  
15 charter school it authorizes up to 3% of the revenue provided  
16 to the school as an administrative fee for the purpose of  
17 conducting administrative duties related to the administration  
18 of the charter school contract, oversight, or authorizing  
19 services.

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

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

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

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

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

1 hearing, wherein the applicant and the school district shall  
2 have an equal opportunity to present their respective  
3 positions.

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

5 (105 ILCS 5/27A-11)

6 Sec. 27A-11. Local financing.

7 (a) For purposes of the School Code, pupils enrolled in a  
8 charter school shall be included in the pupil enrollment of  
9 the school district within which the pupil resides. Each  
10 charter school (i) shall determine the school district in  
11 which each pupil who is enrolled in the charter school  
12 resides, (ii) shall report the aggregate number of pupils  
13 resident of a school district who are enrolled in the charter  
14 school to the school district in which those pupils reside,  
15 and (iii) shall maintain accurate records of daily attendance  
16 that shall be deemed sufficient to file claims under Section  
17 18-8.15 notwithstanding any other requirements of that Section  
18 regarding hours of instruction and teacher licensure.

19 (b) Except for a charter school established by referendum  
20 under Section 27A-6.5, as part of a charter school contract,  
21 the charter school and the local school board shall agree on  
22 funding and any services to be provided by the school district  
23 to the charter school. Agreed funding that a charter school is  
24 to receive from the local school board for a school year shall  
25 be paid in equal quarterly installments with the payment of

1 the installment for the first quarter being made not later  
2 than July 1, unless the charter establishes a different  
3 payment schedule. However, if a charter school dismisses a  
4 pupil from the charter school after receiving a quarterly  
5 payment, the charter school shall return to the school  
6 district, on a quarterly basis, the prorated portion of public  
7 funding provided for the education of that pupil for the time  
8 the student is not enrolled at the charter school. Likewise,  
9 if a pupil transfers to a charter school between quarterly  
10 payments, the school district shall provide, on a quarterly  
11 basis, a prorated portion of the public funding to the charter  
12 school to provide for the education of that pupil.

13 For a charter school authorized by a local school board,  
14 any amount of the agreed funding withheld by the local school  
15 board as an administrative fee for the purpose of conducting  
16 administrative duties related to the administration of the  
17 charter school contract, oversight, or authorizing services  
18 may not exceed 3% of the agreed funding, and the amount  
19 withheld may not result in the charter school receiving less  
20 than the minimum funding level required under this subsection  
21 (b). Allowable uses for the administrative fee are limited to  
22 direct authorizing functions, including, charter application  
23 review, contract negotiation, performance monitoring,  
24 compliance oversight, site visits, financial and governance  
25 review, renewal determinations, and required reporting to the  
26 State Board. The administrative fee may not be used for

1 general district operations unrelated to charter authorizing.  
2 Any portion of the administrative fee that is not expended on  
3 allowable uses during the fiscal year shall be returned to the  
4 charter school. The local school board shall provide an annual  
5 public accounting to the charter school and to the State Board  
6 detailing the amount collected as an administrative fee, the  
7 allowable uses funded from the fee, and the amount returned  
8 from any unexpended fee funds.

9 All services centrally or otherwise provided by the school  
10 district including, but not limited to, rent, food services,  
11 custodial services, maintenance, curriculum, media services,  
12 libraries, transportation, and warehousing shall be subject to  
13 negotiation between a charter school and the local school  
14 board and paid for out of the revenues negotiated pursuant to  
15 this subsection (b); provided that the local school board  
16 shall not attempt, by negotiation or otherwise, to obligate a  
17 charter school to provide pupil transportation for pupils for  
18 whom a district is not required to provide transportation  
19 under the criteria set forth in subsection (a)(13) of Section  
20 27A-7.

21 In no event shall the funding be less than 97% or more than  
22 103% of the school district's per capita student tuition  
23 multiplied by the number of students residing in the district  
24 who are enrolled in the charter school.

25 It is the intent of the General Assembly that funding and  
26 service agreements under this subsection (b) shall be neither

1 a financial incentive nor a financial disincentive to the  
2 establishment of a charter school.

3 The charter school may set and collect reasonable fees.  
4 Fees collected from students enrolled at a charter school  
5 shall be retained by the charter school.

6 (c) Notwithstanding subsection (b) of this Section, the  
7 proportionate share of State and federal resources generated  
8 by students with disabilities or staff serving them shall be  
9 directed to charter schools enrolling those students by their  
10 school districts or administrative units. The proportionate  
11 share of moneys generated under other federal or State  
12 categorical aid programs shall be directed to charter schools  
13 serving students eligible for that aid.

14 (d) The governing body of a charter school is authorized  
15 to accept gifts, donations, or grants of any kind made to the  
16 charter school and to expend or use gifts, donations, or  
17 grants in accordance with the conditions prescribed by the  
18 donor; however, a gift, donation, or grant may not be accepted  
19 by the governing body if it is subject to any condition  
20 contrary to applicable law or contrary to the terms of the  
21 contract between the charter school and the local school  
22 board. Charter schools shall be encouraged to solicit and  
23 utilize community volunteer speakers and other instructional  
24 resources when providing instruction on the Holocaust and  
25 other historical events.

26 (e) (Blank).

1 (f) (Blank).

2 (g) At the non-renewal or revocation of its charter, each  
3 charter school shall refund to the local board of education  
4 all unspent funds.

5 (h) A charter school is authorized to incur temporary,  
6 short term debt to pay operating expenses in anticipation of  
7 receipt of funds from the local school board.

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