



Sen. Cristina Castro

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10400SB4040sam001

LRB104 20759 LNS 36611 a

1 AMENDMENT TO SENATE BILL 4040

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

4 "Section 5. The School Code is amended by changing
5 Sections 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).

1 (g-5) (Blank).

2 (h) (Blank).

3 (i) (Blank).

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

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, 2027, any charter school that is authorized by
20 the State Board, is located outside of the geographical area
21 of a school district organized under Article 34 of this Code,
22 and serves students in any of grades kindergarten through 8
23 shall have its authorization transferred to the local school
24 board or boards for each school district from which the
25 charter school draws enrollment, in accordance with subsection
26 (a-5) of Section 27A-9.

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

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

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

13 (105 ILCS 5/27A-9)

14 Sec. 27A-9. Term of charter; 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 that is
7 authorized by the State Board, is located outside of the
8 geographical area of a school district organized under Article
9 34, and serves students in any of grades kindergarten through
10 8 shall have the charter school's authorization transferred to
11 the local school board or boards for each school district from
12 which the charter school draws enrollment. On that date: (i)
13 all authorizer powers, duties, contracts, and pending business
14 of the State Board as the charter school's authorizer must be
15 transferred to the local school board or boards; (ii) all
16 charter contract terms shall remain in full force and effect
17 unless amended by mutual agreement of the parties, except that
18 the term of the contract shall be 7 years starting on July 1,
19 2027; and (iii) all references in the charter contract to the
20 State Board shall, in the appropriate context, be deemed to
21 refer to the local school board or boards for each school
22 district from which the charter school draws enrollment.
23 Renewal or nonrenewal decisions of the local school board at
24 the end of the initial 7-year term of the contract shall be
25 determined as provided in this Section.

26 If a State-authorized charter school that is subject to

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

17 Nothing in this subsection may be construed as making a
18 school district liable for any preexisting debt or obligation
19 that a charter school may have undertaken prior to the
20 transfer of authorization as set forth in this subsection.

21 The State Board may adopt such rules as may be necessary to
22 implement this subsection.

23 (b) A charter school renewal proposal submitted to the
24 local school board or the State Board, as the chartering
25 entity, shall contain:

26 (1) a report on the progress of the charter school in

1 achieving the goals, objectives, pupil performance
2 standards, content standards, and other terms of the
3 initial approved charter proposal; and

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

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

15 (1) Committed a material violation of any of the
16 conditions, standards, or procedures set forth in the
17 charter.

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

21 (3) Failed to meet generally accepted standards of
22 fiscal management.

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

25 In the case of revocation, the local school board or the
26 State Board, as the chartering entity, shall notify the

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

1 outweigh the charter school's academic performance.

2 (d) (Blank).

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

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

19 (f) Notwithstanding other provisions of this Article, ~~if~~
20 ~~the State Board on appeal reverses a local board's decision or~~
21 ~~if a charter school is approved by referendum,~~ the State Board
22 shall act as the authorized chartering entity for any charter
23 school under the State Board's authority on the effective date
24 of this amendatory Act of the 104th General Assembly ~~the~~
25 ~~charter school~~ and shall perform all functions under this
26 Article otherwise performed by the local school board. The

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