

97TH GENERAL ASSEMBLY State of Illinois 2011 and 2012 SB0079

Introduced 1/27/2011, by Sen. Heather Steans

SYNOPSIS AS INTRODUCED:

105 ILCS 5/27A-3

105 ILCS 5/27A-5

105 ILCS 5/27A-7.5 new

105 ILCS 5/27A-7.10 new

105 ILCS 5/27A-8

105 ILCS 5/27A-9

105 ILCS 5/27A-12

Amends the Charter Schools Law of the School Code. Establishes a State Charter School Commission as an independent State agency with statewide chartering jurisdiction and authority, consisting of 9 members appointed by the State Board of Education on the recommendation of a slate of candidates proposed by the Governor. Provides that the Commission is responsible for authorizing high-quality charter schools throughout this State. Allows the Commission to charge a charter school that it authorizes a fee, not to exceed 3% of the revenue provided to the school, to cover the cost of undertaking the ongoing administrative responsibilities of the eligible chartering authority with respect to the school. Provides that any charter school authorized by the State Board prior to the amendatory Act shall have its authorization transferred immediately to the Commission, which shall then become the school's authorizer. Provides that any charter school authorized by a school board may seek approval from the Commission during its current term only with the approval of the school board, and provides that at the end of its charter term, a charter school authorized by a school board must reapply to that board before it may apply for authorization to the Commission. Makes additional changes concerning the Commission, and makes changes concerning authorizers, immunity, the submission of information, and reporting. Effective immediately.

LRB097 05361 NHT 45416 b

FISCAL NOTE ACT MAY APPLY

1 AN ACT concerning education.

Be it enacted by the People of the State of Illinois, 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 and by adding Sections
- 6 27A-7.5 and 27A-7.10 as follows:
- 7 (105 ILCS 5/27A-3)
- 8 Sec. 27A-3. Definitions. For purposes of this Article:
- 9 "At-risk pupil" means a pupil who, because of physical,
- 10 emotional, socioeconomic, or cultural factors, is less likely
- 11 to succeed in a conventional educational environment.
- "Authorizer" means an entity authorized under this Article
- 13 to review applications, decide whether to approve or reject
- 14 applications, enter into charter contracts with applicants,
- 15 oversee charter schools, and decide whether to renew, not
- 16 renew, or revoke a charter.
- 17 <u>"Commission" means the State Charter School Commission</u>
- established under Section 27A-7.5 of this Code.
- "Local school board" means the duly elected or appointed
- 20 school board or board of education of a public school district,
- 21 including special charter districts and school districts
- located in cities having a population of more than 500,000,
- organized under the laws of this State.

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- 1 "State Board" means the State Board of Education.
- 2 (Source: P.A. 89-450, eff. 4-10-96.)
- 3 (105 ILCS 5/27A-5)
- 4 Sec. 27A-5. Charter school; legal entity; requirements.

authorized under the laws of the State of Illinois.

- 5 (a) A charter school shall be a public, nonsectarian,
 6 nonreligious, non-home based, and non-profit school. A charter
 7 school shall be organized and operated as a nonprofit
 8 corporation or other discrete, legal, nonprofit entity
 - (b) A charter school may be established under this Article by creating a new school or by converting an existing public school or attendance center to charter school status. Beginning on the effective date of this amendatory Act of the 93rd General Assembly, in all new applications submitted to the State Board or a local school board to establish a charter school in a city having a population exceeding 500,000, operation of the charter school shall be limited to one campus. The changes made to this Section by this amendatory Act of the 93rd General Assembly do not apply to charter schools existing or approved on or before the effective date of this amendatory Act.
 - (c) A charter school shall be administered and governed by its board of directors or other governing body in the manner provided in its charter. The governing body of a charter school shall be subject to the Freedom of Information Act and the Open

- 1 Meetings Act.
- 2 (d) A charter school shall comply with all applicable
- 3 health and safety requirements applicable to public schools
- 4 under the laws of the State of Illinois.
- 5 (e) Except as otherwise provided in the School Code, a
- 6 charter school shall not charge tuition; provided that a
- 7 charter school may charge reasonable fees for textbooks,
- 8 instructional materials, and student activities.
- 9 (f) A charter school shall be responsible for the
- 10 management and operation of its fiscal affairs including, but
- 11 not limited to, the preparation of its budget. An audit of each
- 12 charter school's finances shall be conducted annually by an
- 13 outside, independent contractor retained by the charter
- school. Annually, by December 1, every charter school must
- submit to the State Board a copy of its audit and a copy of the
- 16 Form 990 the charter school filed that year with the federal
- 17 Internal Revenue Service.
- 18 (g) A charter school shall comply with all provisions of
- 19 this Article, the Illinois Educational Labor Relations Act, and
- 20 its charter. A charter school is exempt from all other State
- 21 laws and regulations in the School Code governing public
- 22 schools and local school board policies, except the following:
- (1) Sections 10-21.9 and 34-18.5 of the School Code
- 24 regarding criminal history records checks and checks of the
- 25 Statewide Sex Offender Database and Statewide Child
- 26 Murderer and Violent Offender Against Youth Database of

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- 1 applicants for employment;
- 2 (2) Sections 24-24 and 34-84A of the School Code 3 regarding discipline of students;
 - (3) The Local Governmental and Governmental Employees
 Tort Immunity Act;
 - (4) Section 108.75 of the General Not For Profit Corporation Act of 1986 regarding indemnification of officers, directors, employees, and agents;
 - (5) The Abused and Neglected Child Reporting Act;
 - (6) The Illinois School Student Records Act;
- 11 (7) Section 10-17a of the School Code regarding school 12 report cards; and
- 13 (8) The P-20 Longitudinal Education Data System Act.
- The change made by Public Act 96-104 to this subsection (g) is declaratory of existing law.
- 16 (h) A charter school may negotiate and contract with a 17 school district, the governing body of a State college or university or public community college, or any other public or 18 for-profit or nonprofit private entity for: (i) the use of a 19 20 school building and grounds or any other real property or facilities that the charter school desires to use or convert 21 22 for use as a charter school site, (ii) the operation and 23 maintenance thereof, and (iii) the provision of any service, activity, or undertaking that the charter school is required to 24 25 perform in order to carry out the terms of its charter. 26 However, a charter school that is established on or after the

effective date of this amendatory Act of the 93rd General Assembly and that operates in a city having a population exceeding 500,000 may not contract with a for-profit entity to manage or operate the school during the period that commences on the effective date of this amendatory Act of the 93rd General Assembly and concludes at the end of the 2004-2005 school year. Except as provided in subsection (i) of this Section, a school district may charge a charter school reasonable rent for the use of the district's buildings, grounds, and facilities. Any services for which a charter school contracts with a school district shall be provided by the district at cost. Any services for which a charter school contracts with a local school board or with the governing body of a State college or university or public community college shall be provided by the public entity at cost.

- (i) In no event shall a charter school that is established by converting an existing school or attendance center to charter school status be required to pay rent for space that is deemed available, as negotiated and provided in the charter agreement, in school district facilities. However, all other costs for the operation and maintenance of school district facilities that are used by the charter school shall be subject to negotiation between the charter school and the local school board and shall be set forth in the charter.
- (j) A charter school may limit student enrollment by age or grade level.

- 1 (k) If the charter school is approved by the Commission,
- then the Commission charter school is its own local education
- 3 agency.
- 4 (Source: P.A. 96-104, eff. 1-1-10; 96-105, eff. 7-30-09;
- 5 96-107, eff. 7-30-09; 96-734, eff. 8-25-09; 96-1000, eff.
- 6 7-2-10.)
- 7 (105 ILCS 5/27A-7.5 new)
- 8 Sec. 27A-7.5. State Charter School Commission.
- 9 <u>(a) A State Charter School Commission is established as an</u>
- 10 <u>independent State agency with statewide chartering</u>
- 11 jurisdiction and authority.
- 12 (b) The Commission is responsible for authorizing
- 13 high-quality charter schools throughout this State,
- 14 particularly schools designed to expand opportunities for
- at-risk students, consistent with the purposes of this Article.
- 16 (c) The Commission shall consist of 9 members, appointed by
- 17 the State Board. The State Board shall make these appointments
- on the recommendation of a slate of candidates proposed by the
- 19 Governor. In making the appointments, the State Board shall
- 20 ensure statewide geographic diversity among Commission
- 21 members.
- 22 (d) Members appointed to the Commission shall collectively
- 23 possess strong experience and expertise in public and nonprofit
- 24 governance, management and finance, public school leadership,
- 25 higher education, assessments, curriculum and instruction, and

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public education law. All members of the Commission shall have

- 2 demonstrated understanding of and a commitment to charter
- 3 schooling as one strategy for strengthening public education.
- 4 (e) To establish staggered terms of office, the initial
- 5 term of office for 3 Commission members shall be 4 years and
- 6 thereafter shall be 4 years; the initial term of office for
- another 3 members shall be 3 years and thereafter shall be 4
- 8 years; and the initial term of office for the remaining 3
- 9 members shall be 2 years and thereafter shall be 4 years. The
- initial appointments must be made no later than October 1,
- 11 2011.
- 12 (f) Whenever a vacancy on the Commission exists, the State
- Board shall appoint a member for the remaining portion of the
- 14 term.
- 15 (g) The Commission is authorized to receive and expend
- 16 gifts, grants, and donations of any kind from any public or
- 17 private entity to carry out the purposes of this Article,
- subject to the terms and conditions under which they are given,
- 19 provided that all such terms and conditions are permissible
- 20 under law.
- 21 (h) The Commission shall operate with dedicated resources
- 22 and staff qualified to execute the day-to-day responsibilities
- of charter school authorizing in accordance with this Article.
- 24 (i) Every 2 years, the Commission shall provide to the
- 25 State Board and local school boards a report on best practices
- in charter school authorizing, including without limitation

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- evaluating applications, oversight of charters, and renewal of
 charter schools.
 - (j) The Commission may charge a charter school that it authorizes a fee, not to exceed 3% of the revenue provided to the school, to cover the cost of undertaking the ongoing administrative responsibilities of the eligible chartering authority with respect to the school.
- 8 (k) Any charter school authorized by the State Board prior 9 to this amendatory Act of the 97th General Assembly shall have 10 its authorization transferred immediately to the Commission, 11 which shall then become the school's authorizer for all 12 purposes under this Article. At this time, all of the powers, 13 duties, assets, liabilities, contracts, property, records, and 14 pending business of the State Board as the school's authorizer must be transferred to the Commission. Any charter school 15 16 authorized by a local school board may seek approval from the 17 Commission during its current term only with the approval of the local school board. At the end of its charter term, a 18 19 charter school authorized by a local school board must reapply 20 to that board before it may apply for authorization to the 21 Commission under the terms of this amendatory Act of the 97th 22 General Assembly.
- 23 (105 ILCS 5/27A-7.10 new)
- Sec. 27A-7.10. Authorizer powers and duties; immunity;
 principles and standards.

1	(a) Authorizers are responsible for executing, in
2	accordance with this Article, all of the following powers and
3	<pre>duties:</pre>
4	(1) Soliciting and evaluating charter applications.
5	(2) Approving quality charter applications that meet
6	identified educational needs and promote a diversity of
7	educational choices.
8	(3) Declining to approve weak or inadequate charter
9	applications.
10	(4) Negotiating and executing sound charter contracts
11	with each approved charter school.
12	(5) Monitoring, in accordance with charter contract
13	terms, the performance and legal compliance of charter
14	schools.
15	(6) Determining whether each charter contract merits
16	renewal, nonrenewal, or revocation.
17	(b) An authorizing entity may delegate its duties to
18	officers, employees, and contractors.
19	(c) Regulation by authorizers is limited to the powers and
20	duties set forth in subsection (a) of this Section and must be
21	consistent with the spirit and intent of this Article.
22	(d) An authorizing entity, members of the local school
23	board, or the Commission, in their official capacity, and
24	employees of an authorizer are immune from civil and criminal
25	liability with respect to all activities related to a charter
26	school that they authorize.

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that:

Τ	(e) The Commission and all local school boards that have a
2	charter school operating are required to develop and maintain
3	chartering policies and practices consistent with recognized
4	principles and standards for quality charter authorizing in all
5	major areas of authorizing responsibility, including all of the
6	following:
7	(1) Organizational capacity and infrastructure.
8	(2) Soliciting and evaluating charter applications.
9	(3) Performance contracting.
10	(4) Ongoing charter school oversight and evaluation.
11	(5) Charter renewal decision-making.
12	Authorizers shall carry out all their duties under this
13	Article in a manner consistent with nationally recognized
14	principles and standards and with the spirit and intent of this
15	Article.
16	(105 ILCS 5/27A-8)
17	Sec. 27A-8. Evaluation of charter proposals.
18	(a) This Section does not apply to a charter school
19	established by referendum under Section 27A-6.5. In evaluating
20	any charter school proposal submitted to it, the local school
21	board and the Commission shall give preference to proposals

(1) demonstrate a high level of local pupil, parental,

(2) set rigorous levels of expected pupil achievement

community, business, and school personnel support;

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and demonstrate feasible plans for attaining those levels of achievement; and

- (3) are designed to enroll and serve a substantial proportion of at-risk children; provided that nothing in the Charter Schools Law shall be construed as intended to limit the establishment of charter schools to those that serve a substantial portion of at-risk children or to in restrict, limit, or discourage manner any establishment of charter schools that enroll and serve other pupil populations under nonexclusive, а nondiscriminatory admissions policy.
- (b) In the case of a proposal to establish a charter school by converting an existing public school or attendance center to charter school status, evidence that the proposed formation of the charter school has received majority support from certified teachers and from parents and guardians in the school or attendance center affected by the proposed charter, and, if applicable, from a local school council, shall be demonstrated by a petition in support of the charter school signed by certified teachers and a petition in support of the charter school signed by parents and guardians and, if applicable, by a vote of the local school council held at a public meeting. In the case of all other proposals to establish a charter school, evidence of sufficient support to fill the number of pupil seats set forth in the proposal may be demonstrated by a petition in support of the charter school signed by parents and

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quardians of students eligible to attend the charter school. In all cases, the individuals, organizations, or entities who initiate the proposal to establish a charter school may elect, in lieu of including any petition referred to in this subsection as a part of the proposal submitted to the local school board, to demonstrate that the charter school has received the support referred to in this subsection by other evidence and information presented at the public meeting that the local school board is required to convene under this Section.

- (c) Within 45 days of receipt of a charter school proposal, the local school board shall convene a public meeting to obtain information to assist the board in its decision to grant or deny the charter school proposal.
- (d) Notice of the public meeting required by this Section shall be published in a community newspaper published in the school district in which the proposed charter is located and, if there is no such newspaper, then in a newspaper published in the county and having circulation in the school district. The notices shall be published not more than 10 days nor less than 5 days before the meeting and shall state that information regarding a charter school proposal will be heard at the meeting. Copies of the notice shall also be posted at appropriate locations in the school or attendance center proposed to be established as a charter school, the public schools in the school district, and the local school board

- office. If 45 days pass without the local school board holding
 a public meeting, then the charter applicant may submit the
 proposal to the Commission, where it must be addressed in
 accordance with the provisions set forth in subsection (g) of
 this Section.
 - (e) Within 30 days of the public meeting, the local school board shall vote, in a public meeting, to either grant or deny the charter school proposal. If the local school board has not voted in a public meeting within 30 days after the public meeting, then the charter applicant may submit the proposal to the Commission, where it must be addressed in accordance with the provisions set forth in subsection (g) of this Section.
 - (f) Within 7 days of the public meeting required under subsection (e) of this Section, the local school board shall file a report with the State Board granting or denying the proposal. If the local school board has approved the proposal, within Within 30 days of receipt of the local school board's report, the State Board shall determine whether the approved charter proposal is consistent with the provisions of this Article and, if the approved proposal complies, certify the proposal pursuant to Section 27A-6; provided that for any charter proposal submitted to the State Board within one year after July 30, 2009 (the effective date of Public Act 96-105), the State Board shall have 60 days from receipt to determine such consistency and certify the proposal.
 - (q) If the local school board votes to deny the proposal,

- 1 then the charter school applicant has 30 days from the date of
- 2 that vote to submit an appeal to the Commission. In such
- 3 <u>instances or in those instances referenced in subsections (d)</u>
- 4 and (e) of this Section, the Commission shall follow the same
- 5 process and be subject to the same timelines for review as the
- 6 local school board.
- 7 (Source: P.A. 96-105, eff. 7-30-09; 96-734, eff. 8-25-09;
- 8 96-1000, eff. 7-2-10.)
- 9 (105 ILCS 5/27A-9)
- 10 Sec. 27A-9. Term of charter; renewal.
- 11 (a) A charter may be granted for a period not less than 5
- 12 and not more than 10 school years. A charter may be renewed in
- incremental periods not to exceed 5 school years.
- 14 (b) A charter school renewal proposal submitted to the
- 15 local school board or the Commission State Board, as the
- 16 chartering entity, shall contain:
- 17 (1) A report on the progress of the charter school in
- 18 achieving the goals, objectives, pupil performance
- 19 standards, content standards, and other terms of the
- initial approved charter proposal; and
- 21 (2) A financial statement that discloses the costs of
- 22 administration, instruction, and other spending categories
- for the charter school that is understandable to the
- general public and that will allow comparison of those
- costs to other schools or other comparable organizations,

- in a format required by the State Board.
 - (c) A charter may be revoked or not renewed if the local school board or the Commission State Board, as the chartering entity, clearly demonstrates that the charter school did any of the following, or otherwise failed to comply with the requirements of this law:
 - (1) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter.
 - (2) Failed to meet or make reasonable progress toward achievement of the content standards or pupil performance standards identified in the charter.
 - (3) Failed to meet generally accepted standards of fiscal management.
 - (4) Violated any provision of law from which the charter school was not exempted.

In the case of revocation, the local school board or the Commission State Board, as the chartering entity, shall notify the charter school in writing of the reason why the charter is subject to revocation. The charter school shall submit a written plan to the local school board or the Commission State Board, whichever is applicable, to rectify the problem. The plan shall include a timeline for implementation, which shall not exceed 2 years or the date of the charter's expiration, whichever is earlier. If the local school board or the Commission State Board, as the chartering entity, finds that

the charter school has failed to implement the plan of remediation and adhere to the timeline, then the chartering entity shall revoke the charter. Except in situations of an emergency where the health, safety, or education of the charter school's students is at risk, the revocation shall take place at the end of a school year. Nothing in this amendatory Act of the 96th General Assembly shall be construed to prohibit an implementation timetable that is less than 2 years in duration.

- (d) (Blank).
- (e) Notice of a local school board's decision to deny, revoke or not to renew a charter shall be provided to the Commission and the State Board. The Commission State Board may reverse a local board's decision if the Commission State Board finds that the charter school or charter school proposal (i) is in compliance with this Article, and (ii) is in the best interests of the students it is designed to serve. The State Board may condition the granting of an appeal on the acceptance by the charter school of funding in an amount less than that requested in the proposal submitted to the local school board. Final decisions of the Commission State Board shall be subject to judicial review under the Administrative Review Law.
- (f) Notwithstanding other provisions of this Article, if the <u>Commission</u> State Board on appeal reverses a local board's decision or if a charter school is approved by referendum, the <u>Commission</u> State Board shall act as the authorized chartering entity for the charter school. The <u>Commission</u> State Board shall

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approve and certify the charter and shall perform all functions under this Article otherwise performed by the local school board. The State Board shall determine whether the charter proposal approved by the Commission is consistent with the provisions of this Article and, if the approved proposal complies, certify the proposal pursuant this Article. The State Board shall report the aggregate number of charter school pupils resident in a school district to that district and shall notify the district of the amount of funding to be paid by the Commission State Board to the charter school enrolling such students. The Commission State Board shall require the charter school to maintain accurate records of daily attendance that shall be deemed sufficient to file claims under Section 18-8.05 notwithstanding any other requirements of that Section regarding hours of instruction and teacher certification. The State Board shall withhold from funds otherwise due the district the funds authorized by this Article to be paid to the charter school and shall pay such amounts school.

- (g) For charter schools authorized by the Commission, the Commission shall quarterly certify to the State Board the student enrollment for each of its charter schools.
- (h) For charter schools authorized by the Commission, based on the quarterly attendance totals, the State Board shall withhold from the State payments for each school district with students residing in the school district and attending the

- 1 charter school an amount equal to 100% of the local school
- 2 board's operating expenses per pupil for each student in the
- 3 resident school district multiplied by the number of students
- 4 enrolled in the charter school from the resident school
- 5 district. The State Board shall send the sum of these
- 6 withholdings to each charter school in equal quarterly
- 7 payments, subject to the oversight fee reductions pursuant to
- 8 Section 27A-7.5 of this Code.
- 9 (i) Subject to the oversight fee pursuant to Section
- 10 27A-7.5 of this Code, the intent of this Section is to provide
- 11 funding for Commission charter schools based on these schools'
- most recent quarterly attendance total.
- (j) For charter schools authorized by the Commission, the
- 14 State Board shall pay directly to a charter school any federal
- or State aid attributable to a student with a disability
- 16 attending the school.
- 17 (Source: P.A. 96-105, eff. 7-30-09.)
- 18 (105 ILCS 5/27A-12)
- 19 Sec. 27A-12. Evaluation; report. On or before September 30
- of every odd-numbered year, all local school boards with at
- least one charter school, as well as the Commission, shall
- 22 submit to the State Board any information required by the State
- 23 Board pursuant to applicable rule. On or before the second
- 24 Wednesday in January of every even-numbered year, the State
- 25 Board shall issue a report to the General Assembly and the

Governor on its findings for the previous 2 school years. The
State Board's report shall summarize all of the following:
(1) The authorizer's strategic vision for chartering
and progress toward achieving that vision.
(2) The academic and financial performance of all
operating charter schools overseen by the authorizer,
according to the performance expectations for charter
schools set forth in this Article.
(3) The status of the authorizer's charter school
portfolio, identifying all charter schools in each of the
following categories: approved (but not yet open),
operating, renewed, transferred, revoked, not renewed,
voluntarily closed, or never opened.
(4) The authorizing functions provided by the
authorizer to the charter schools under its purview,
including the authorizer's operating costs and expenses
detailed in annual audited financial statements, which
must conform with generally accepted accounting
principles. Board shall compile annual evaluations of
charter schools received from local school boards and shall
prepare an annual report on charter schools.
On or before the second Wednesday of every even-numbered
year, the State Board shall issue a report to the General
Assembly and the Governor on its findings for the previous 2

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

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

Based on the information that the State Board receives from authorizers and the State Board's ongoing monitoring of both charter schools and authorizers, the State Board has the power to remove the power to authorize from any authorizer in this State if the authorizer does not demonstrate a commitment to high-quality authorization practices and, if necessary, revoke the chronically low-performing charters authorized by the authorizer at the time of the removal. The State Board shall adopt rules as needed to carry out this power, including provisions to determine the status of schools authorized by an

- 1 <u>authorizer whose authorizing power is revoked.</u>
- 2 (Source: P.A. 96-105, eff. 7-30-09.)
- 3 Section 99. Effective date. This Act takes effect upon
- 4 becoming law.