



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB5918

by Rep. André M. Thapedi

SYNOPSIS AS INTRODUCED:

105 ILCS 5/27A-9
105 ILCS 5/27A-11.5

Amends the Charter Schools Law of the School Code. Provides that a charter shall be granted for a period of 5 school years (instead of may be granted for a period not less than 5 and not more than 10 school years) and may be renewed in incremental periods not to exceed 10 (instead of 5) school years. With respect to start-up grants and loans from the Charter Schools Revolving Loan Fund, makes changes concerning their use and the maximum amount that may be awarded. Provides that (i) an additional charter school campus of a replicating charter school is eligible to receive a loan; (ii) if a charter school is located in a building owned by its school district, the State Board of Education shall award 10% of the loan for that charter school to the district; (iii) the State Board may prioritize awarding loan funds to charter schools located in buildings owned by their school district; and (iv) a charter school is responsible for repaying only the loan amount that the charter school received. Effective immediately.

LRB099 15850 NHT 40160 b

FISCAL NOTE ACT
MAY APPLY

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-9 and 27A-11.5 as follows:

6 (105 ILCS 5/27A-9)

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

8 (a) For charters granted before the effective date of this
9 amendatory Act of the 99th General Assembly, a ~~A~~ charter may be
10 granted for a period not less than 5 and not more than 10
11 school years. For charters granted on or after the effective
12 date of this amendatory Act of the 99th General Assembly, a
13 charter shall be granted for a period of 5 school years. For
14 charters renewed before the effective date of this amendatory
15 Act of the 99th General Assembly, a ~~A~~ charter may be renewed in
16 incremental periods not to exceed 5 school years. For charters
17 renewed on or after the effective date of this amendatory Act
18 of the 99th General Assembly, a charter may be renewed in
19 incremental periods not to exceed 10 school years.

20 (b) A charter school renewal proposal submitted to the
21 local school board or the Commission, as the chartering entity,
22 shall contain:

23 (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 Commission, 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 Commission, as the chartering entity, shall notify the charter

1 school in writing of the reason why the charter is subject to
2 revocation. The charter school shall submit a written plan to
3 the local school board or the Commission, whichever is
4 applicable, to rectify the problem. The plan shall include a
5 timeline for implementation, which shall not exceed 2 years or
6 the date of the charter's expiration, whichever is earlier. If
7 the local school board or the Commission, as the chartering
8 entity, finds that the charter school has failed to implement
9 the plan of remediation and adhere to the timeline, then the
10 chartering entity shall revoke the charter. Except in
11 situations of an emergency where the health, safety, or
12 education of the charter school's students is at risk, the
13 revocation shall take place at the end of a school year.
14 Nothing in this amendatory Act of the 96th General Assembly
15 shall be construed to prohibit an implementation timetable that
16 is less than 2 years in duration.

17 (d) (Blank).

18 (e) Notice of a local school board's decision to deny,
19 revoke or not to renew a charter shall be provided to the
20 Commission and the State Board. The Commission may reverse a
21 local board's decision if the Commission finds that the charter
22 school or charter school proposal (i) is in compliance with
23 this Article, and (ii) is in the best interests of the students
24 it is designed to serve. The Commission may condition the
25 granting of an appeal on the acceptance by the charter school
26 of funding in an amount less than that requested in the

1 proposal submitted to the local school board. Final decisions
2 of the Commission shall be subject to judicial review under the
3 Administrative Review Law.

4 (f) Notwithstanding other provisions of this Article, if
5 the Commission on appeal reverses a local board's decision or
6 if a charter school is approved by referendum, the Commission
7 shall act as the authorized chartering entity for the charter
8 school. The Commission shall approve the charter and shall
9 perform all functions under this Article otherwise performed by
10 the local school board. The State Board shall determine whether
11 the charter proposal approved by the Commission is consistent
12 with the provisions of this Article and, if the approved
13 proposal complies, certify the proposal pursuant to this
14 Article. The State Board shall report the aggregate number of
15 charter school pupils resident in a school district to that
16 district and shall notify the district of the amount of funding
17 to be paid by the State Board to the charter school enrolling
18 such students. The Commission shall require the charter school
19 to maintain accurate records of daily attendance that shall be
20 deemed sufficient to file claims under Section 18-8.05
21 notwithstanding any other requirements of that Section
22 regarding hours of instruction and teacher certification. The
23 State Board shall withhold from funds otherwise due the
24 district the funds authorized by this Article to be paid to the
25 charter school and shall pay such amounts to the charter
26 school.

1 (g) For charter schools authorized by the Commission, the
2 Commission shall quarterly certify to the State Board the
3 student enrollment for each of its charter schools.

4 (h) For charter schools authorized by the Commission, the
5 State Board shall pay directly to a charter school any federal
6 or State aid attributable to a student with a disability
7 attending the school.

8 (Source: P.A. 97-152, eff. 7-20-11; 98-739, eff. 7-16-14.)

9 (105 ILCS 5/27A-11.5)

10 Sec. 27A-11.5. State financing. The State Board of
11 Education shall make the following funds available to school
12 districts and charter schools:

13 (1) From a separate appropriation made to the State
14 Board for purposes of this subdivision (1), the State Board
15 shall make transition impact aid available to school
16 districts that approve a new charter school or that have
17 funds withheld by the State Board to fund a new charter
18 school that is chartered by the Commission. The amount of
19 the aid shall equal 90% of the per capita funding paid to
20 the charter school during the first year of its initial
21 charter term, 65% of the per capita funding paid to the
22 charter school during the second year of its initial term,
23 and 35% of the per capita funding paid to the charter
24 school during the third year of its initial term. This
25 transition impact aid shall be paid to the local school

1 board in equal quarterly installments, with the payment of
2 the installment for the first quarter being made by August
3 1st immediately preceding the first, second, and third
4 years of the initial term. The district shall file an
5 application for this aid with the State Board in a format
6 designated by the State Board. If the appropriation is
7 insufficient in any year to pay all approved claims, the
8 impact aid shall be prorated. However, for fiscal year
9 2004, the State Board of Education shall pay approved
10 claims only for charter schools with a valid charter
11 granted prior to June 1, 2003. If any funds remain after
12 these claims have been paid, then the State Board of
13 Education may pay all other approved claims on a pro rata
14 basis. Transition impact aid shall be paid beginning in the
15 1999-2000 school year for charter schools that are in the
16 first, second, or third year of their initial term.
17 Transition impact aid shall not be paid for any charter
18 school that is proposed and created by one or more boards
19 of education, as authorized under the provisions of Public
20 Act 91-405.

21 (2) From a separate appropriation made for the purpose
22 of this subdivision (2), the State Board shall make grants
23 to charter schools to pay their start-up costs of acquiring
24 educational materials and supplies, textbooks, electronic
25 textbooks and the technological equipment necessary to
26 gain access to and use electronic textbooks, furniture, and

1 other equipment or materials needed during their initial
2 term. The State Board shall annually establish the time and
3 manner of application for these grants, which shall not
4 exceed \$750 ~~\$250~~ per student enrolled in the charter
5 school.

6 (3) The Charter Schools Revolving Loan Fund is created
7 as a special fund in the State treasury. Federal funds,
8 such other funds as may be made available for costs
9 associated with the establishment of charter schools in
10 Illinois, and amounts repaid by charter schools that have
11 received a loan from the Charter Schools Revolving Loan
12 Fund shall be deposited into the Charter Schools Revolving
13 Loan Fund, and the moneys in the Charter Schools Revolving
14 Loan Fund shall be appropriated to the State Board and used
15 to provide interest-free loans to charter schools. These
16 funds shall be used to pay start-up costs of acquiring
17 educational materials and supplies, textbooks, electronic
18 textbooks and the technological equipment necessary to
19 gain access to and use electronic textbooks, furniture, and
20 other equipment or materials needed in the initial term of
21 the charter school and for acquiring and remodeling a
22 suitable physical plant, within the initial term of the
23 charter school. Loans shall be limited to one loan per
24 charter school and shall not exceed \$750 ~~\$250~~ per student
25 enrolled in the charter school. For the purposes of this
26 subdivision (3), an additional charter school campus of a

1 replicating charter school is eligible to receive a loan.
2 If a charter school is located in a building owned by its
3 school district, the State Board shall award 10% of the
4 loan for that charter school to the district. The State
5 Board may prioritize awarding loan funds to charter schools
6 located in buildings owned by their school district. A loan
7 shall be repaid by the end of the initial term of the
8 charter school. The charter school is responsible for
9 repaying only the loan amount that the charter school
10 received. The State Board may deduct amounts necessary to
11 repay the loan from funds due to the charter school or may
12 require that the local school board that authorized the
13 charter school deduct such amounts from funds due the
14 charter school and remit these amounts to the State Board,
15 provided that the local school board shall not be
16 responsible for repayment of the loan except for that
17 portion of the loan, if any, the State Board awarded
18 directly to the school district. The State Board may use up
19 to 3% of the appropriation to contract with a non-profit
20 entity to administer the loan program.

21 (4) A charter school may apply for and receive, subject
22 to the same restrictions applicable to school districts,
23 any grant administered by the State Board that is available
24 for school districts.

25 (Source: P.A. 98-739, eff. 7-16-14.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.