

AN ACT concerning education.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The State Finance Act is amended by changing Section 5.796 as follows:

(30 ILCS 105/5.796)

Sec. 5.796. The State Charter School Commission Fund. This Section is repealed on October 1, 2020.

(Source: P.A. 97-152, eff. 7-20-11; 97-813, eff. 7-13-12.)

Section 10. The School Code is amended by changing Sections 27A-5, 27A-6.5, 27A-7.5, 27A-7.10, 27A-8, 27A-9, and 27A-11.5 as follows:

(105 ILCS 5/27A-5)

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

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

(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 April 16, 2003 (the effective date of Public Act 93-3), in all new applications 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 Public Act 93-3 do not apply to charter schools existing or approved on or before April 16, 2003 (the effective date of Public Act 93-3).

(b-5) In this subsection (b-5), "virtual-schooling" means a cyber school where students engage in online curriculum and instruction via the Internet and electronic communication with their teachers at remote locations and with students participating at different times.

From April 1, 2013 through December 31, 2016, there is a moratorium on the establishment of charter schools with virtual-schooling components in school districts other than a school district organized under Article 34 of this Code. This moratorium does not apply to a charter school with virtual-schooling components existing or approved prior to April 1, 2013 or to the renewal of the charter of a charter school with virtual-schooling components already approved prior to April 1, 2013.

~~On or before March 1, 2014, the Commission shall submit to the General Assembly a report on the effect of virtual-schooling, including without limitation the effect on student performance, the costs associated with~~

~~virtual schooling, and issues with oversight. The report shall include policy recommendations for virtual schooling.~~

(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 Meetings Act.

(d) For purposes of this subsection (d), "non-curricular health and safety requirement" means any health and safety requirement created by statute or rule to provide, maintain, preserve, or safeguard safe or healthful conditions for students and school personnel or to eliminate, reduce, or prevent threats to the health and safety of students and school personnel. "Non-curricular health and safety requirement" does not include any course of study or specialized instructional requirement for which the State Board has established goals and learning standards or which is designed primarily to impart knowledge and skills for students to master and apply as an outcome of their education.

A charter school shall comply with all non-curricular health and safety requirements applicable to public schools under the laws of the State of Illinois. On or before September 1, 2015, the State Board shall promulgate and post on its Internet website a list of non-curricular health and safety requirements that a charter school must meet. The list shall be updated annually no later than September 1. Any charter

contract between a charter school and its authorizer must contain a provision that requires the charter school to follow the list of all non-curricular health and safety requirements promulgated by the State Board and any non-curricular health and safety requirements added by the State Board to such list during the term of the charter. Nothing in this subsection (d) precludes an authorizer from including non-curricular health and safety requirements in a charter school contract that are not contained in the list promulgated by the State Board, including non-curricular health and safety requirements of the authorizing local school board.

(e) Except as otherwise provided in the School Code, a charter school shall not charge tuition; provided that a charter school may charge reasonable fees for textbooks, instructional materials, and student activities.

(f) A charter school shall be responsible for the management and operation of its fiscal affairs including, but not limited to, the preparation of its budget. An audit of each charter school's finances shall be conducted annually by an outside, independent contractor retained by the charter school. To ensure financial accountability for the use of public funds, on or before December 1 of every year of operation, each charter school shall submit to its authorizer and the State Board a copy of its audit and a copy of the Form 990 the charter school filed that year with the federal Internal Revenue Service. In addition, if deemed necessary for

proper financial oversight of the charter school, an authorizer may require quarterly financial statements from each charter school.

(g) A charter school shall comply with all provisions of this Article, the Illinois Educational Labor Relations Act, all federal and State laws and rules applicable to public schools that pertain to special education and the instruction of English learners, and its charter. A charter school is exempt from all other State laws and regulations in this Code governing public schools and local school board policies; however, a charter school is not exempt from the following:

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

(2) Sections 10-20.14, 10-22.6, 24-24, 34-19, and 34-84a of this Code 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;

(5.5) subsection (b) of Section 10-23.12 and subsection (b) of Section 34-18.6 of this Code;

- (6) the Illinois School Student Records Act;
- (7) Section 10-17a of this Code regarding school report cards;
- (8) the P-20 Longitudinal Education Data System Act;
- (9) Section 27-23.7 of this Code regarding bullying prevention;
- (10) Section 2-3.162 of this Code regarding student discipline reporting;
- (11) Sections 22-80 and 27-8.1 of this Code;
- (12) Sections 10-20.60 and 34-18.53 of this Code;
- (13) Sections 10-20.63 and 34-18.56 of this Code; ~~and~~
- (14) Section 26-18 of this Code; and
- (15) Section 22-30 of this Code.

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

(h) A charter school may negotiate and contract with a school district, the governing body of a State college or university or public community college, or any other public or for-profit or nonprofit private entity for: (i) the use of a school building and grounds or any other real property or facilities that the charter school desires to use or convert for use as a charter school site, (ii) the operation and maintenance thereof, and (iii) the provision of any service, activity, or undertaking that the charter school is required to perform in order to carry out the terms of its charter. However, a charter school that is established on or after April

16, 2003 (the effective date of Public Act 93-3) 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 April 16, 2003 (the effective date of Public Act 93-3) 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.

(k) If the charter school is approved by the State Board or

Commission, then the ~~Commission~~ charter school is its own local education agency.

(Source: P.A. 99-30, eff. 7-10-15; 99-78, eff. 7-20-15; 99-245, eff. 8-3-15; 99-325, eff. 8-10-15; 99-456, eff. 9-15-16; 99-642, eff. 7-28-16; 99-927, eff. 6-1-17; 100-29, eff. 1-1-18; 100-156, eff. 1-1-18; 100-163, eff. 1-1-18; 100-413, eff. 1-1-18; 100-468, eff. 6-1-18; 100-726, eff. 1-1-19; 100-863, eff. 8-14-18; revised 10-5-18.)

(105 ILCS 5/27A-6.5)

Sec. 27A-6.5. Charter school referendum.

(a) No charter shall go into effect under this Section that would convert any existing private, parochial, or non-public school to a charter school or whose proposal has not been certified by the State Board.

(b) A local school board shall, whenever petitioned to do so by 5% or more of the voters of a school district or districts identified in a charter school proposal, order submitted to the voters thereof at a regularly scheduled election the question of whether a new charter school shall be established, which proposal has been found by the State Board ~~Commission~~ to be in compliance with the provisions of this Article, and the secretary shall certify the proposition to the proper election authorities for submission in accordance with the general election law. The proposition shall be in substantially the following form:



"FOR the establishment of (name of proposed charter school) under charter school proposal (charter school proposal number).

AGAINST the establishment of (name of proposed charter school) under charter school proposal (charter school proposal number)".

(c) Before circulating a petition to submit the question of whether to establish a charter school to the voters under subsection (b) of this Section, the governing body of a proposed charter school that desires to establish a new charter school by referendum shall submit the charter school proposal to the State Board ~~Commission~~ in the form of a proposed contract to be entered into between the State Board ~~Commission~~ and the governing body of the proposed charter school, together with written notice of the intent to have a new charter school established by referendum. The contract shall comply with the provisions of this Article.

If the State Board ~~Commission~~ finds that the proposed contract complies with the provisions of this Article, it shall immediately direct the local school board to notify the proper election authorities that the question of whether to establish a new charter school shall be submitted for referendum.

(d) If the State Board ~~Commission~~ finds that the proposal fails to comply with the provisions of this Article, it shall provide written explanation, detailing its reasons for refusal, to the local school board and to the individuals or

organizations submitting the proposal. The State Board Commission shall also notify the local school board and the individuals or organizations submitting the proposal that the proposal may be amended and resubmitted under the same provisions required for an original submission.

(e) If a majority of the votes cast upon the proposition in each school district designated in the charter school proposal is in favor of establishing a charter school, the local school board shall notify the State Board ~~and the Commission~~ of the passage of the proposition in favor of establishing a charter school and the State Board Commission shall approve the charter within 7 days after the State Board of Elections has certified that a majority of the votes cast upon the proposition is in favor of establishing a charter school. The State Board Commission shall be the chartering entity for charter schools established by referendum under this Section.

(f) (Blank). ~~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 to this Article.~~

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

(105 ILCS 5/27A-7.5)

Sec. 27A-7.5. State Charter School Commission; abolition and transfer to State Board.

(a) A State Charter School Commission is established as an

independent commission with statewide chartering jurisdiction and authority. The Commission shall be under the State Board for administrative purposes only.

(a-5) The State Board shall provide administrative support to the Commission as needed.

(b) The Commission is responsible for authorizing high-quality charter schools throughout this State, particularly schools designed to expand opportunities for at-risk students, consistent with the purposes of this Article.

(c) The Commission shall consist of 9 members, appointed by the State Board. The State Board shall make these appointments from a slate of candidates proposed by the Governor, within 60 days after the effective date of this amendatory Act of the 97th General Assembly with respect to the initial Commission members. In making the appointments, the State Board shall ensure statewide geographic diversity among Commission members. The Governor shall propose a slate of candidates to the State Board within 60 days after the effective date of this amendatory Act of the 97th General Assembly and 60 days prior to the expiration of the term of a member thereafter. If the Governor fails to timely propose a slate of candidates according to the provisions of this subsection (c), then the State Board may appoint the member or members of the Commission.

(d) Members appointed to the Commission shall collectively possess strong experience and expertise in public and nonprofit

governance, management and finance, public school leadership, higher education, assessments, curriculum and instruction, and public education law. All members of the Commission shall have demonstrated understanding of and a commitment to public education, including without limitation charter schooling. At least 3 members must have past experience with urban charter schools.

(e) To establish staggered terms of office, the initial term of office for 3 Commission members shall be 4 years and thereafter shall be 4 years; the initial term of office for another 3 members shall be 3 years and thereafter shall be 4 years; and the initial term of office for the remaining 3 members shall be 2 years and thereafter shall be 4 years. The initial appointments must be made no later than October 1, 2011.

(f) Whenever a vacancy on the Commission exists, the State Board shall appoint a member for the remaining portion of the term.

(g) Subject to the State Officials and Employees Ethics Act, the Commission is authorized to receive and expend gifts, grants, and donations of any kind from any public or private entity to carry out the purposes of this Article, subject to the terms and conditions under which they are given, provided that all such terms and conditions are permissible under law. Funds received under this subsection (g) must be deposited into the State Charter School Commission Fund.

The State Charter School Commission Fund is created as a special fund in the State treasury. Until July 1, 2020, all ~~All~~ money in the Fund shall be used, subject to appropriation, by the State Board, acting on behalf and with the consent of the Commission, for operational and administrative costs of the Commission. Beginning on July 1, 2020 through August 31, 2020, all money in the Fund shall be used, subject to appropriation, by the State Board for operational and administrative costs. On September 1, 2020, or as soon thereafter as practicable, in consultation with the State Board, the State Comptroller shall order transferred and the State Treasurer shall transfer all money in the State Charter School Commission Fund to the State Board of Education Special Purpose Trust Fund.

Subject to appropriation, any funds appropriated for use by the State Board, acting on behalf and with the consent of the Commission, may be used for the following purposes, without limitation: personal services, contractual services, and other operational and administrative costs. The State Board is further authorized to make expenditures with respect to any other amounts deposited in accordance with law into the State Charter School Commission Fund.

(g-5) Funds or spending authority for the operation and administrative costs of the Commission shall be appropriated to the State Board in a separate line item. The State Superintendent of Education may not reduce or modify the budget of the Commission or use funds appropriated to the Commission

without the approval of the Commission.

(h) The Commission shall operate with dedicated resources and staff qualified to execute the day-to-day responsibilities of charter school authorizing in accordance with this Article. The Commission may employ and fix the compensation of such employees and technical assistants as it deems necessary to carry out its powers and duties under this Article, without regard to the requirements of any civil service or personnel statute; and may establish and administer standards of classification of all such persons with respect to their compensation, duties, performance, and tenure and enter into contracts of employment with such persons for such periods and on such terms as the Commission deems desirable.

(i) (Blank). ~~Every 2 years, the Commission shall provide to the State Board and local school boards a report on best practices in charter school authorizing, including without limitation evaluating applications, oversight of charters, and renewal of charter schools.~~

(j) Until July 1, 2020, the ~~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. This fee must be deposited into the State Charter School Commission Fund.

Beginning on July 1, 2020, the State Board of Education may

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

(k) On July 1, 2020, the State Charter School Commission is abolished and the terms of all members end. On that date, all of the powers, duties, assets, liabilities, contracts, property, records, and pending business of the Commission are transferred to the State Board. For purposes of the Successor Agency Act and Section 9b of the State Finance Act, the State Board is declared to be the successor agency of the Commission. Beginning on July 1, 2020, references in statutes, rules, forms, and other documents to the Commission shall, in appropriate contexts, be deemed to refer to the State Board. Standards and procedures of the Commission in effect on July 1,

2020 shall be deemed standards and procedures of the State Board and shall remain in effect until amended or repealed by the State Board.

Beginning on the effective date of this amendatory Act of the 101st General Assembly, the Commission may not enter into or renew a contract, other than a charter renewal, that expires after July 1, 2020.

On July 1, 2020, any ~~(k) Any~~ charter school authorized by the State Charter School Commission ~~State Board~~ prior to July 1, 2020 ~~this amendatory Act of the 97th General Assembly~~ shall have its authorization transferred to ~~the Commission upon a vote of~~ the State Board, which shall then become the school's authorizer for all purposes under this Article. On July 1, 2020 ~~However, in no case shall such transfer take place later than July 1, 2012. At this time,~~ all of the powers, duties, assets, liabilities, contracts, property, records, and pending business of the State Charter School Commission ~~State Board~~ as the school's authorizer must be transferred to the State Board ~~Commission~~. ~~Any charter school authorized by a local school board or boards may seek transfer of authorization to the Commission during its current term only with the approval of the local school board or boards.~~ At the end of its charter term, a charter school may ~~authorized by a local school board or boards must~~ reapply to the board or boards for authorization ~~before it may apply for authorization to the Commission under the terms of this amendatory Act of the 97th General Assembly.~~



On July 1, 2020 ~~the effective date of this amendatory Act of the 97th General Assembly,~~ all rules of the State Board applicable to matters falling within the responsibility of the State Charter School Commission shall be applicable to the actions of the State Board Commission. ~~The Commission shall thereafter have the authority to propose to the State Board modifications to all rules applicable to matters falling within the responsibility of the Commission. The State Board shall retain rulemaking authority for the Commission, but shall work jointly with the Commission on any proposed modifications. Upon recommendation of proposed rule modifications by the Commission and pursuant to the Illinois Administrative Procedure Act, the State Board shall consider such changes within the intent of this amendatory Act of the 97th General Assembly and grant any and all changes consistent with that intent.~~

(1) ~~The Commission shall have the responsibility to consider appeals under this Article immediately upon appointment of the initial members of the Commission under subsection (c) of this Section. Appeals pending at the time of initial appointment shall be determined by the Commission; the Commission may extend the time for review as necessary for thorough review, but in no case shall the extension exceed the time that would have been available had the appeal been submitted to the Commission on the date of appointment of its initial members.~~ In any appeal filed with the Commission under

this Article, both the applicant and the school district in which the charter school plans to locate shall have the right to request a hearing before the Commission. If more than one entity requests a hearing, then the Commission may hold only one hearing, wherein the applicant and the school district shall have an equal opportunity to present their respective positions.

(Source: P.A. 97-152, eff. 7-20-11; 97-641, eff. 12-19-11; 97-1156, eff. 1-25-13.)

(105 ILCS 5/27A-7.10)

Sec. 27A-7.10. Authorizer powers and duties; immunity; principles and standards.

(a) Authorizers are responsible for executing, in accordance with this Article, all of the following powers and duties:

- (1) Soliciting and evaluating charter applications.
- (2) Approving quality charter applications that meet identified educational needs and promote a diversity of educational choices.
- (3) Declining to approve weak or inadequate charter applications.
- (4) Negotiating and executing sound charter contracts with each approved charter school.
- (5) Monitoring, in accordance with charter contract terms, the performance and legal compliance of charter

schools.

(6) Determining whether each charter contract merits renewal, nonrenewal, or revocation.

(b) An authorizing entity may delegate its duties to officers, employees, and contractors.

(c) Regulation by authorizers is limited to the powers and duties set forth in subsection (a) of this Section and must be consistent with the spirit and intent of this Article.

(d) An authorizing entity, members of the local school board, ~~or~~ the State Board, and the Commission, in their official capacity, and employees of an authorizer are immune from civil and criminal liability with respect to all activities related to a charter school that they authorize, except for willful or wanton misconduct.

(e) The State Board, the Commission, and all local school boards that have a charter school operating are required to develop and maintain chartering policies and practices consistent with recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including all of the following:

(1) Organizational capacity and infrastructure.

(2) Soliciting and evaluating charter applications if applicable.

(3) Performance contracting.

(4) Ongoing charter school oversight and evaluation.

(5) Charter renewal decision-making.

Authorizers shall carry out all their duties under this Article in a manner consistent with nationally recognized principles and standards and with the spirit and intent of this Article.

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

(105 ILCS 5/27A-8)

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

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

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

(2) set rigorous levels of expected pupil achievement 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 any manner restrict, limit, or discourage the establishment of charter schools that enroll and serve other pupil populations under a nonexclusive,

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 guardians 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. A local school board may develop its own process for receiving charter school proposals on an annual basis that follows the same timeframes as set forth in this Article. Final decisions of a local school board are subject to judicial review under the Administrative Review Law. ~~Only after the local school board process is followed may a charter school applicant appeal to the Commission.~~

(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 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.

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

(h) (Blank). ~~The Commission may reverse a local school board's decision to deny a charter school proposal if the~~

~~Commission finds that the proposal (i) is in compliance with this Article and (ii) is in the best interests of the students the charter school is designed to serve. Final decisions of the Commission are subject to judicial review under the Administrative Review Law.~~

~~(i) (Blank). In the case of a charter school proposed to be jointly authorized by 2 or more school districts, the local school boards may unanimously deny the charter school proposal with a statement that the local school boards are not opposed to the charter school, but that they yield to the Commission in light of the complexities of joint administration.~~

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

(105 ILCS 5/27A-9)

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

(a) For charters granted before January 1, 2017 (the effective date of Public Act 99-840), a charter may be granted for a period not less than 5 and not more than 10 school years. For charters granted on or after January 1, 2017 (the effective date of Public Act 99-840), a charter shall be granted for a period of 5 school years. For charters renewed before January 1, 2017 (the effective date of Public Act 99-840), a charter may be renewed in incremental periods not to exceed 5 school years. For charters renewed on or after January 1, 2017 (the effective date of Public Act 99-840), a charter may be renewed



in incremental periods not to exceed 10 school years; however, the State Board or Commission may renew a charter only in incremental periods not to exceed 5 years. Authorizers shall ensure that every charter granted on or after January 1, 2017 (the effective date of Public Act 99-840) includes standards and goals for academic, organizational, and financial performance. A charter must meet all standards and goals for academic, organizational, and financial performance set forth by the authorizer in order to be renewed for a term in excess of 5 years but not more than 10 years. If an authorizer fails to establish standards and goals, a charter shall not be renewed for a term in excess of 5 years. Nothing contained in this Section shall require an authorizer to grant a full 10-year renewal term to any particular charter school, but an authorizer may award a full 10-year renewal term to charter schools that have a demonstrated track record of improving student performance.

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

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

(2) A financial statement that discloses the costs of 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 State Board or Commission, 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 State Board or Commission, 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, the State Board, or the Commission, 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 State Board or Commission, 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 Public Act 96-105 shall be construed to prohibit an implementation timetable that is less than 2 years in duration. No local school board may arbitrarily or capriciously revoke or not renew a charter. Except for extenuating circumstances outlined in this Section, if a local school board revokes or does not renew a charter, it must ensure that all students currently enrolled in the charter school are placed in schools that are higher performing than that charter school, as defined in the State's federal Every Student Succeeds Act accountability plan. In determining whether extenuating circumstances exist, a local school board must detail, by clear and convincing evidence, that factors unrelated to the charter school's accountability designation outweigh the charter school's academic performance.

(d) (Blank).

(e) Notice of a local school board's decision to deny, revoke, or not renew a charter shall be provided to the

Commission and the State Board. Until July 1, 2020, the ~~The~~ Commission may reverse a local board's decision to not renew a charter if the Commission 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 Commission 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 shall be subject to judicial review under the Administrative Review Law.

The State Board may reverse a local board's decision to revoke or, beginning on July 1, 2020, not renew a charter if the 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. The State Board must appoint and utilize a hearing officer for any appeals conducted under this subsection. Final decisions of the State Board are subject to judicial review under the Administrative Review Law.

(f) Notwithstanding other provisions of this Article, if the Commission on appeal reverses a local board's decision or if a charter school is approved by referendum, the Commission

shall act as the authorized chartering entity for the charter school. The Commission shall approve 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 to 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 State Board to the charter school enrolling such students. The Commission 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~~ or 18-8.15 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 to the charter 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, the State Board shall pay directly to a charter school any federal or State aid attributable to a student with a disability

attending the school.

(Source: P.A. 99-840, eff. 1-1-17; 100-201, eff. 8-18-17; 100-465, eff. 8-31-17.)

(105 ILCS 5/27A-11.5)

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

(1) From a separate appropriation made to the State Board for purposes of this subdivision (1), the State Board shall make transition impact aid available to school districts that approve a new charter school or that have funds withheld by the State Board to fund a new charter school that is chartered by the Commission. The amount of the aid shall equal 90% of the per capita funding paid to the charter school during the first year of its initial charter term, 65% of the per capita funding paid to the charter school during the second year of its initial term, and 35% of the per capita funding paid to the charter school during the third year of its initial term. This transition impact aid shall be paid to the local school board in equal quarterly installments, with the payment of the installment for the first quarter being made by August 1st immediately preceding the first, second, and third years of the initial term. The district shall file an application for this aid with the State Board in a format

designated by the State Board. If the appropriation is insufficient in any year to pay all approved claims, the impact aid shall be prorated. However, for fiscal year 2004, the State Board of Education shall pay approved claims only for charter schools with a valid charter granted prior to June 1, 2003. If any funds remain after these claims have been paid, then the State Board of Education may pay all other approved claims on a pro rata basis. Transition impact aid shall be paid beginning in the 1999-2000 school year for charter schools that are in the first, second, or third year of their initial term. Transition impact aid shall not be paid for any charter school that is proposed and created by one or more boards of education, as authorized under the provisions of Public Act 91-405.

(2) From a separate appropriation made for the purpose of this subdivision (2), the State Board shall make grants to charter schools to pay their start-up costs of acquiring educational materials and supplies, textbooks, electronic textbooks and the technological equipment necessary to gain access to and use electronic textbooks, furniture, and other equipment or materials needed during their initial term. The State Board shall annually establish the time and manner of application for these grants, which shall not exceed \$250 per student enrolled in the charter school.

(3) The Charter Schools Revolving Loan Fund is created

as a special fund in the State treasury. Federal funds, such other funds as may be made available for costs associated with the establishment of charter schools in Illinois, and amounts repaid by charter schools that have received a loan from the Charter Schools Revolving Loan Fund shall be deposited into the Charter Schools Revolving Loan Fund, and the moneys in the Charter Schools Revolving Loan Fund shall be appropriated to the State Board and used to provide interest-free loans to charter schools. These funds shall be used to pay start-up costs of acquiring educational materials and supplies, textbooks, electronic textbooks and the technological equipment necessary to gain access to and use electronic textbooks, furniture, and other equipment or materials needed in the initial term of the charter school and for acquiring and remodeling a suitable physical plant, within the initial term of the charter school. Loans shall be limited to one loan per charter school and shall not exceed \$750 per student enrolled in the charter school. A loan shall be repaid by the end of the initial term of the charter school. The State Board may deduct amounts necessary to repay the loan from funds due to the charter school or may require that the local school board that authorized the charter school deduct such amounts from funds due the charter school and remit these amounts to the State Board, provided that the local school board shall not be responsible for repayment



of the loan. The State Board may use up to 3% of the appropriation to contract with a non-profit entity to administer the loan program.

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

If a charter school fails to make payments toward administrative costs, the State Board may withhold State funds from that school until it has made all payments for those costs.

(Source: P.A. 98-739, eff. 7-16-14; 99-840, eff. 1-1-17.)

Section 99. Effective date. This Act takes effect upon becoming law.