

AN ACT concerning education.

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

Section 5. The School Code is amended by changing Sections 27A-9 and 27A-11.5 as follows:

(105 ILCS 5/27A-9)

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

(a) For charters granted before the effective date of this amendatory Act of the 99th General Assembly, a ~~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 the effective date of this amendatory Act of the 99th General Assembly, a charter shall be granted for a period of 5 school years. For charters renewed before the effective date of this amendatory Act of the 99th General Assembly, a ~~A~~ charter may be renewed in incremental periods not to exceed 5 school years. For charters renewed on or after the effective date of this amendatory Act of the 99th General Assembly, a charter may be renewed in incremental periods not to exceed 10 school years; however, the Commission may renew a charter only in incremental periods not to exceed 5 years. Authorizers shall ensure that every charter granted on or after the effective date of this amendatory Act of the 99th General Assembly 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 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 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 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 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 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 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 may reverse a local board's decision 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.

(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 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. 97-152, eff. 7-20-11; 98-739, eff. 7-16-14.)

(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 ~~\$250~~ 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

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for school districts.

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