

Rep. Emanuel Chris Welch

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1	AMENDMENT TO HOUSE BILL 2100
2	AMENDMENT NO Amend House Bill 2100 by replacing
3	everything after the enacting clause with the following:
4	"Section 5. The State Finance Act is amended by changing
5	Section 5.796 as follows:
6	(30 ILCS 105/5.796)
7	Sec. 5.796. The State Charter School Commission Fund. This
8	Section is repealed on July 31, 2020.
9	(Source: P.A. 97-152, eff. 7-20-11; 97-813, eff. 7-13-12.)
10	Section 10. The School Code is amended by changing Sections
11	27A-3, 27A-5, 27A-6.5, 27A-7.5, 27A-7.10, 27A-8, 27A-9,
12	27A-10.10, 27A-11, 27A-11.5, and 27A-12 as follows:
13	(105 ILCS 5/27A-3)

14 Sec. 27A-3. Definitions. For purposes of this Article:

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1 "At-risk pupil" means a pupil who, because of physical, emotional, socioeconomic, or cultural factors, is less likely 2 to succeed in a conventional educational environment. 3 4 "Authorizer" means an entity authorized under this Article 5 to review applications, decide whether to approve or reject applications, enter into charter contracts with applicants, 6 oversee charter schools, and decide whether to renew, not 7 8 renew, or revoke a charter. 9 "Commission" means the State Charter School Commission 10 established under Section 27A-7.5 of this Code. 11 "Local school board" means the duly elected or appointed school board or board of education of a public school district, 12 including special charter districts and school districts 13 located in cities having a population of more than 500,000, 14 15 organized under the laws of this State.

16 "State Board" means the State Board of Education.
17 (Source: P.A. 97-152, eff. 7-20-11.)

18 (105 ILCS 5/27A-5)

19 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.

25 (b) A charter school may be established under this Article

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1 by creating a new school or by converting an existing public school or attendance center to charter school status. Beginning 2 3 on April 16, 2003 (the effective date of Public Act 93-3), in 4 all new applications to establish a charter school in a city 5 having a population exceeding 500,000, operation of the charter 6 school shall be limited to one campus. The changes made to this Section by Public Act 93-3 do not apply to charter schools 7 existing or approved on or before April 16, 2003 (the effective 8 9 date of Public Act 93-3).

10 (b-5) In this subsection (b-5), "virtual-schooling" means 11 a cyber school where students engage in online curriculum and 12 instruction via the Internet and electronic communication with 13 their teachers at remote locations and with students 14 participating at different times.

15 From April 1, 2013 through December 31, 2016, there is a 16 moratorium on the establishment of charter schools with virtual-schooling components in school districts other than a 17 school district organized under Article 34 of this Code. This 18 19 moratorium does not apply to а charter school with 20 virtual-schooling components existing or approved prior to April 1, 2013 or to the renewal of the charter of a charter 21 school with virtual-schooling components already approved 22 23 prior to April 1, 2013.

24 On or before March 1, 2014, the Commission shall submit to 25 the General Assembly a report on the effect of 26 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.

4 (c) A charter school shall be administered and governed by
5 its board of directors or other governing body in the manner
6 provided in its charter. The governing body of a charter school
7 shall be subject to the Freedom of Information Act and the Open
8 Meetings Act.

9 (d) For purposes of this subsection (d), "non-curricular 10 health and safety requirement" means any health and safety 11 requirement created by statute or rule to provide, maintain, preserve, or safequard safe or healthful conditions for 12 13 students and school personnel or to eliminate, reduce, or prevent threats to the health and safety of students and school 14 15 personnel. "Non-curricular health and safety requirement" does 16 not include any course of study or specialized instructional requirement for which the State Board has established goals and 17 learning standards or which is designed primarily to impart 18 knowledge and skills for students to master and apply as an 19 20 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 10100HB2100ham003 -5- LRB101 05964 AXK 58666 a

1 updated annually no later than September 1. Any charter contract between a charter school and its authorizer must 2 3 contain a provision that requires the charter school to follow 4 the list of all non-curricular health and safety requirements 5 promulgated by the State Board and any non-curricular health 6 and safety requirements added by the State Board to such list during the term of the charter. Nothing in this subsection (d) 7 8 precludes an authorizer from including non-curricular health 9 and safety requirements in a charter school contract that are 10 not contained in the list promulgated by the State Board, 11 including non-curricular health and safety requirements of the authorizing local school board. 12

(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.

A charter school shall be responsible for 17 (f) the 18 management and operation of its fiscal affairs including, but not limited to, the preparation of its budget. An audit of each 19 20 charter school's finances shall be conducted annually by an 21 outside, independent contractor retained by the charter 22 school. To ensure financial accountability for the use of 23 public funds, on or before December 1 of every year of 24 operation, each charter school shall submit to its authorizer 25 and the State Board a copy of its audit and a copy of the Form 26 990 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.

5 (q) A charter school shall comply with all provisions of this Article, the Illinois Educational Labor Relations Act, all 6 federal and State laws and rules applicable to public schools 7 8 that pertain to special education and the instruction of 9 English learners, and its charter. A charter school is exempt 10 from all other State laws and regulations in this Code 11 governing public schools and local school board policies; however, a charter school is not exempt from the following: 12

(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;

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

20 (3) the Local Governmental and Governmental Employees
 21 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

1 subsection (b) of Section 34-18.6 of this Code; (6) the Illinois School Student Records Act; 2 3 (7) Section 10-17a of this Code regarding school report 4 cards; 5 (8) the P-20 Longitudinal Education Data System Act; (9) Section 27-23.7 of this Code regarding bullying 6 7 prevention; (10) Section 2-3.162 of this Code regarding student 8 9 discipline reporting; 10 (11) Sections 22-80 and 27-8.1 of this Code; (12) Sections 10-20.60 and 34-18.53 of this Code; 11 (13) Sections 10-20.63 and 34-18.56 of this Code; and 12 (14) Section 26-18 of this Code; and 13 (15) Section 22-30 of this Code. 14 15 The change made by Public Act 96-104 to this subsection (g) 16 is declaratory of existing law. (h) A charter school may negotiate and contract with a 17 18 school district, the governing body of a State college or 19 university or public community college, or any other public or 20 for-profit or nonprofit private entity for: (i) the use of a school building and grounds or any other real property or 21 facilities that the charter school desires to use or convert 22 for use as a charter school site, (ii) the operation and 23 24 maintenance thereof, and (iii) the provision of any service, 25 activity, or undertaking that the charter school is required to 26 perform in order to carry out the terms of its charter.

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1 However, a charter school that is established on or after April 2 16, 2003 (the effective date of Public Act 93-3) and that operates in a city having a population exceeding 500,000 may 3 4 not contract with a for-profit entity to manage or operate the 5 school during the period that commences on April 16, 2003 (the 6 effective date of Public Act 93-3) and concludes at the end of the 2004-2005 school year. Except as provided in subsection (i) 7 8 of this Section, a school district may charge a charter school 9 reasonable rent for the use of the district's buildings, 10 grounds, and facilities. Any services for which a charter 11 school contracts with a school district shall be provided by the district at cost. Any services for which a charter school 12 13 contracts with a local school board or with the governing body 14 of a State college or university or public community college 15 shall be provided by the public entity at cost.

16 (i) In no event shall a charter school that is established by converting an existing school or attendance center to 17 18 charter school status be required to pay rent for space that is deemed available, as negotiated and provided in the charter 19 20 agreement, in school district facilities. However, all other costs for the operation and maintenance of school district 21 22 facilities that are used by the charter school shall be subject 23 to negotiation between the charter school and the local school 24 board and shall be set forth in the charter.

25 (j) A charter school may limit student enrollment by age or 26 grade level. 10100HB2100ham003 -9- LRB101 05964 AXK 58666 a

1 (k) If the charter school is approved by the State Board Commission, then the State Board Commission charter school is 2 3 its own local education agency. 4 (Source: P.A. 99-30, eff. 7-10-15; 99-78, eff. 7-20-15; 99-245, 5 eff. 8-3-15; 99-325, eff. 8-10-15; 99-456, eff. 9-15-16; 6 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. 7 1-1-18; 100-468, eff. 6-1-18; 100-726, eff. 1-1-19; 100-863, 8 9 eff. 8-14-18; revised 10-5-18.)

10 (105 ILCS 5/27A-6.5)

11 Sec. 27A-6.5. Charter school referendum.

12 (a) No charter shall go into effect under this Section that 13 would convert any existing private, parochial, or non-public 14 school to a charter school or whose proposal has not been 15 certified by the State Board.

(b) A local school board shall, whenever petitioned to do 16 so by 5% or more of the voters of a school district or 17 18 districts identified in a charter school proposal, order 19 submitted to the voters thereof at a regularly scheduled election the question of whether a new charter school shall be 20 21 established, which proposal has been found by the State Board 22 Commission to be in compliance with the provisions of this Article, and the secretary shall certify the proposition to the 23 24 proper election authorities for submission in accordance with 25 the general election law. The proposition shall be in

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substantially the following form:

2 "FOR the establishment of (name of proposed charter 3 school) under charter school proposal (charter school 4 proposal number).

5 AGAINST the establishment of (name of proposed charter 6 school) under charter school proposal (charter school 7 proposal number)".

(c) Before circulating a petition to submit the question of 8 9 whether to establish a charter school to the voters under 10 subsection (b) of this Section, the governing body of a 11 proposed charter school that desires to establish a new charter school by referendum shall submit the charter school proposal 12 13 to the State Board Commission in the form of a proposed 14 contract to be entered into between the State Board Commission 15 and the governing body of the proposed charter school, together 16 with written notice of the intent to have a new charter school established by referendum. The contract shall comply with the 17 18 provisions of this Article.

19 If the <u>State Board</u> Commission finds that the proposed 20 contract complies with the provisions of this Article, it shall 21 immediately direct the local school board to notify the proper 22 election authorities that the question of whether to establish 23 a new charter school shall be submitted for referendum.

(d) If the <u>State Board</u> Commission finds that the proposal
fails to comply with the provisions of this Article, it shall
provide written explanation, detailing its reasons for

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refusal, to the local school board and to the individuals or organizations submitting the proposal. The <u>State Board</u> <del>Commission</del> 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 7 8 each school district designated in the charter school proposal 9 is in favor of establishing a charter school, the local school 10 board shall notify the State Board and the Commission of the 11 passage of the proposition in favor of establishing a charter school and the State Board Commission shall approve the charter 12 13 within 7 days after the State Board of Elections has certified 14 that a majority of the votes cast upon the proposition is in 15 favor of establishing a charter school. The State Board 16 Commission shall be the chartering entity for charter schools established by referendum under this Section. 17

(f) <u>(Blank)</u>. 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.

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

23 (105 ILCS 5/27A-7.5)

Sec. 27A-7.5. State Charter School Commission <u>abolished;</u>
 <u>transfer to State Board</u>.

1	(a) <u>On July 1, 2020, the</u> <del>A</del> State Charter School Commission
2	is abolished and the terms of all members end. On that date,
3	all of the powers, duties, assets, liabilities, contracts,
4	property, records, and pending business of the Commission are
5	transferred to the State Board. For purposes of the Successor
6	Agency Act and Section 9b of the State Finance Act, the State
7	Board is declared to be the successor agency of the Commission.
8	Beginning on July 1, 2020, references in statutes, rules,
9	forms, and other documents to the Commission shall, in
10	appropriate contexts, be deemed to refer to the State Board.
11	Standards and procedures of the Commission in effect on July 1,
12	2020 shall be deemed standards and procedures of the State
13	Board and shall remain in effect until amended or repealed by
14	the State Board. established as an independent commission with
15	statewide chartering jurisdiction and authority. The
16	Commission shall be under the State Board for administrative
17	purposes only.
18	(a 5) The State Board shall provide administrative support
19	to the Commission as needed.
20	(b) The Commission is responsible for authorizing
21	high-quality charter schools throughout this State,
22	particularly schools designed to expand opportunities for
23	at-risk students, consistent with the purposes of this Article.
24	(c) The Commission shall consist of 9 members, appointed by

26 from a slate of candidates proposed by the Governor, within 60

25 the State Board. The State Board shall make these appointments

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days after the effective date of this amendatory Act of the 1 97th General Assembly with respect to the initial Commission 2 members. In making the appointments, the State Board shall 3 4 ensure statewide geographic diversity among Commission 5 members. The Governor shall propose a slate of candidates to the State Board within 60 days after the effective date of this 6 amendatory Act of the 97th General Assembly and 60 days prior 7 to the expiration of the term of a member thereafter. If the 8 9 Governor fails to timely propose a slate of candidates 10 according to the provisions of this subsection (c), then the State Board may appoint the member or members of the 11 Commission. 12

(d) Members appointed to the Commission shall collectively 13 possess strong experience and expertise in public and nonprofit 14 15 governance, management and finance, public school leadership, higher education, assessments, curriculum and instruction, and 16 public education law. All members of the Commission shall have 17 demonstrated understanding of and a commitment to public 18 education, including without limitation charter schooling. At 19 20 least 3 members must have past experience with urban charter 21 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 1 members shall be 2 years and thereafter shall be 4 years. The 2 initial appointments must be made no later than October 1, 3 2011.

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

7 (g) Subject to the State Officials and Employees Ethics 8 Act, the Commission is authorized to receive and expend gifts, grants, and donations of any kind from any public or private 9 10 entity to carry out the purposes of this Article, subject to 11 the terms and conditions under which they are given, provided that all such terms and conditions are permissible under law. 12 13 Funds received under this subsection (q) must be deposited into the State Charter School Commission Fund. 14

15 (b) The State Charter School Commission Fund is created as a special fund in the State treasury. All money in the Fund 16 shall be used, subject to appropriation, by the State Board, 17 acting on behalf and with the consent of the Commission, for 18 operational and administrative costs of the Commission. On July 19 20 1, 2020, the State Comptroller shall order transferred and the State Treasurer shall transfer all money in the State Charter 21 22 School Commission Fund to the State Board of Education Special 23 Purpose Trust Fund.

24 Subject to appropriation, any funds appropriated for use by 25 the State Board, acting on behalf and with the consent of the 26 Commission, may be used for the following purposes, without 1 limitation: personal services, contractual services, and other 2 operational and administrative costs. The State Board is 3 further authorized to make expenditures with respect to any 4 other amounts deposited in accordance with law into the State 5 Charter School Commission Fund.

6 (g 5) Funds or spending authority for the operation and 7 administrative costs of the Commission shall be appropriated to 8 the State Board in a separate line item. The State 9 Superintendent of Education may not reduce or modify the budget 10 of the Commission or use funds appropriated to the Commission 11 without the approval of the Commission.

(h) The Commission shall operate with dedicated resources 12 13 and staff qualified to execute the day-to-day responsibilities of charter school authorizing in accordance with this Article. 14 15 The Commission may employ and fix the compensation of such employees and technical assistants as it deems necessary to 16 carry out its powers and duties under this Article, without 17 regard to the requirements of any civil service or personnel 18 statute; and may establish and administer standards of 19 elassification of all such persons with respect to their 20 compensation, duties, performance, and tenure and enter into 21 22 contracts of employment with such persons for such periods and on such terms as the Commission deems desirable. 23

24 (i) Every 2 years, the Commission shall provide to the
 25 State Board and local school boards a report on best practices
 26 in charter school authorizing, including without limitation

## 1 evaluating applications, oversight of charters, and renewal of 2 charter schools.

3 (j) The Commission may charge a charter school that it 4 authorizes a fee, not to exceed 3% of the revenue provided to 5 the school, to cover the cost of undertaking the ongoing 6 administrative responsibilities of the eligible chartering 7 authority with respect to the school. This fee must be 8 deposited into the State Charter School Commission Fund.

9 (c) On July 1, 2020, any (k) Any charter school authorized 10 by the State Charter School Commission State Board prior to July 1, 2020 this amendatory Act of the 97th General Assembly 11 shall have its authorization transferred to the Commission upon 12 13 a vote of the State Board, which shall then become the school's 14 authorizer for all purposes under this Article. On July 1, 2020 15 However, in no case shall such transfer take place later than July 1, 2012. At this time, all of the powers, duties, assets, 16 liabilities, contracts, property, records, and pending 17 business of the State Charter School Commission State Board as 18 the school's authorizer must be transferred to the State Board 19 20 Commission. Any charter school authorized by a local school 21 board or boards may seek transfer of authorization to the 22 Commission during its current term only with the approval of 23 the local school board or boards. At the end of its charter term, a charter school may authorized by a local school board 24 25 or boards must reapply to the board or boards for authorization 26 before it may apply for authorization to the Commission under

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the terms of this amendatory Act of the 97th General Assembly. 1 (d) On July 1, 2020 the effective date of this amendatory 2 Act of the 97th General Assembly, all rules of the State Board 3 4 applicable to matters falling within the responsibility of the 5 State Charter School Commission shall be applicable to the 6 actions of the State Board Commission. The Commission shall thereafter have the authority to propose to the State Board 7 modifications to all rules applicable to matters falling within 8 the responsibility of the Commission. The State Board shall 9 10 retain rulemaking authority for the Commission, but shall work jointly with the Commission on any proposed modifications. Upon 11 recommendation of proposed rule modifications by the 12 13 Commission and pursuant to the Illinois Administrative Procedure Act, the State Board shall consider such changes 14 15 within the intent of this amendatory Act of the 97th General 16 Assembly and grant any and all changes consistent with that 17 intent.

18 (1) The Commission shall have the responsibility to consider appeals under this Article immediately upon 19 20 appointment of the initial members of the Commission under 21 subsection (c) of this Section. Appeals pending at the time of initial appointment shall be determined by the Commission; the 22 23 Commission may extend the time for review as necessary for 24 thorough review, but in no case shall the extension exceed the 25 time that would have been available had the appeal been 26 submitted to the Commission on the date of appointment of its 10100HB2100ham003 -18- LRB101 05964 AXK 58666 a

1	initial members. In any appeal filed with the Commission under
2	this Article, both the applicant and the school district in
3	which the charter school plans to locate shall have the right
4	to request a hearing before the Commission. If more than one
5	entity requests a hearing, then the Commission may hold only
6	one hearing, wherein the applicant and the school district
7	shall have an equal opportunity to present their respective
8	positions.
9	(Source: P.A. 97-152, eff. 7-20-11; 97-641, eff. 12-19-11;
10	97-1156, eff. 1-25-13.)
11	(105 ILCS 5/27A-7.10)
12	Sec. 27A-7.10. Authorizer powers and duties; immunity;
13	principles and standards.
14	(a) Authorizers are responsible for executing, in
15	accordance with this Article, all of the following powers and
16	duties:
17	(1) Soliciting and evaluating charter applications.
18	(2) Approving quality charter applications that meet
19	identified educational needs and promote a diversity of
20	educational choices.
21	(3) Declining to approve weak or inadequate charter
22	applications.
23	(4) Negotiating and executing sound charter contracts
24	with each approved charter school.

25 (5) Monitoring, in accordance with charter contract

terms, the performance and legal compliance of charter schools.

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

5 (b) An authorizing entity may delegate its duties to 6 officers, employees, and contractors.

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

10 (d) An authorizing entity, members of the local school 11 board, <u>and <del>or</del> the <u>State Board</u> <del>Commission</del>, in their official 12 capacity, and employees of an authorizer are immune from civil 13 and criminal liability with respect to all activities related 14 to a charter school that they authorize, except for willful or 15 wanton misconduct.</u>

(e) The <u>State Board</u> 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.

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(2) Soliciting and evaluating charter applications.

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(3) Performance contracting.

25 (4) Ongoing charter school oversight and evaluation.

26 (5) Charter renewal decision-making.

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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.

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

6 (105 ILCS 5/27A-8)

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

8 (a) This Section does not apply to a charter school 9 established by referendum under Section 27A-6.5. In evaluating 10 any charter school proposal submitted to it, the local school 11 board and the Commission shall give preference to proposals 12 that:

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

15 (2) set rigorous levels of expected pupil achievement
and demonstrate feasible plans for attaining those levels
of achievement; and

18 (3) are designed to enroll and serve a substantial 19 proportion of at-risk children; provided that nothing in the Charter Schools Law shall be construed as intended to 20 limit the establishment of charter schools to those that 21 22 serve a substantial portion of at-risk children or to in 23 restrict, limit, or discourage any manner the 24 establishment of charter schools that enroll and serve 25 pupil populations under nonexclusive, other a

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nondiscriminatory admissions policy.

(b) In the case of a proposal to establish a charter school 2 3 by converting an existing public school or attendance center to 4 charter school status, evidence that the proposed formation of 5 the charter school has received majority support from certified teachers and from parents and guardians in the school or 6 attendance center affected by the proposed charter, and, if 7 applicable, from a local school council, shall be demonstrated 8 9 by a petition in support of the charter school signed by 10 certified teachers and a petition in support of the charter 11 school signed by parents and quardians and, if applicable, by a vote of the local school council held at a public meeting. In 12 13 the case of all other proposals to establish a charter school, 14 evidence of sufficient support to fill the number of pupil 15 seats set forth in the proposal may be demonstrated by a 16 petition in support of the charter school signed by parents and quardians of students eligible to attend the charter school. In 17 all cases, the individuals, organizations, or entities who 18 initiate the proposal to establish a charter school may elect, 19 20 in lieu of including any petition referred to in this 21 subsection as a part of the proposal submitted to the local 22 school board, to demonstrate that the charter school has 23 received the support referred to in this subsection by other 24 evidence and information presented at the public meeting that 25 the local school board is required to convene under this 26 Section.

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1 (c) Within 45 days of receipt of a charter school proposal, 2 the local school board shall convene a public meeting to obtain information to assist the board in its decision to grant or 3 deny the charter school proposal. A local school board may 4 5 develop its own process for receiving charter school proposals 6 on an annual basis that follows the same timeframes as set forth in this Article. Final decisions of a local school board 7 are subject to judicial review under the Administrative Review 8 9 Law. Only after the local school board process is followed may 10 a charter school applicant appeal to the Commission.

11 (d) Notice of the public meeting required by this Section shall be published in a community newspaper published in the 12 13 school district in which the proposed charter is located and, 14 if there is no such newspaper, then in a newspaper published in 15 the county and having circulation in the school district. The 16 notices shall be published not more than 10 days nor less than 5 days before the meeting and shall state that information 17 regarding a charter school proposal will be heard at the 18 meeting. Copies of the notice shall also be posted at 19 20 appropriate locations in the school or attendance center proposed to be established as a charter school, the public 21 schools in the school district, and the local school board 22 23 office. If 45 days pass without the local school board holding 24 a public meeting, then the charter applicant may submit the 25 proposal to the Commission, where it must be addressed 26 accordance with the provisions set forth in subsection (g) of

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1 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.

9 (f) Within 7 days of the public meeting required under 10 subsection (e) of this Section, the local school board shall 11 file a report with the State Board granting or denying the proposal. If the local school board has approved the proposal, 12 13 within 30 days of receipt of the local school board's report, the State Board shall determine whether the approved charter 14 15 proposal is consistent with the provisions of this Article and, 16 if the approved proposal complies, certify the proposal pursuant to Section 27A-6. 17

(g) <u>(Blank)</u>. 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.

6 (i) <u>(Blank)</u>. In the case of a charter school proposed to be 7 jointly authorized by 2 or more school districts, the local 8 school boards may unanimously deny the charter school proposal 9 with a statement that the local school boards are not opposed 10 to the charter school, but that they yield to the Commission in 11 light of the complexities of joint administration.

12 (Source: P.A. 96-105, eff. 7-30-09; 96-734, eff. 8-25-09;
13 96-1000, eff. 7-2-10; 97-152, eff. 7-20-11.)

14 (105 ILCS 5/27A-9)

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

(a) For charters granted before January 1, 2017 (the 16 effective date of Public Act 99-840), a charter may be granted 17 for a period not less than 5 and not more than 10 school years. 18 19 For charters granted on or after January 1, 2017 (the effective date of Public Act 99-840), a charter shall be granted for a 20 21 period of 5 school years. For charters renewed before January 22 1, 2017 (the effective date of Public Act 99-840), a charter may be renewed in incremental periods not to exceed 5 school 23 24 years. For charters renewed on or after January 1, 2017 (the 25 effective date of Public Act 99-840), a charter may be renewed 10100HB2100ham003 -25- LRB101 05964 AXK 58666 a

in incremental periods not to exceed 10 school years; however, 1 the State Board Commission may renew a charter only in 2 3 incremental periods not to exceed 5 years. Authorizers shall 4 ensure that every charter granted on or after January 1, 2017 5 (the effective date of Public Act 99-840) includes standards and goals for academic, organizational, and 6 financial performance. A charter must meet all standards and goals for 7 academic, organizational, and financial performance set forth 8 9 by the authorizer in order to be renewed for a term in excess 10 of 5 years but not more than 10 years. If an authorizer fails 11 to establish standards and goals, a charter shall not be renewed for a term in excess of 5 years. Nothing contained in 12 13 this Section shall require an authorizer to grant a full 14 10-year renewal term to any particular charter school, but an 15 authorizer may award a full 10-year renewal term to charter 16 schools that have a demonstrated track record of improving 17 student performance.

(b) A charter school renewal proposal submitted to the
local school board or the <u>State Board</u> <del>Commission</del>, 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

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1 for the charter school that is understandable to the 2 general public and that will allow comparison of those 3 costs to other schools or other comparable organizations, 4 in a format required by the State Board.

5 (c) A charter may be revoked or not renewed if the local 6 school board or the <u>State Board Commission</u>, as the chartering 7 entity, clearly demonstrates that the charter school did any of 8 the following, or otherwise failed to comply with the 9 requirements of this law:

10 (1) Committed a material violation of any of the 11 conditions, standards, or procedures set forth in the 12 charter.

13 (2) Failed to meet or make reasonable progress toward
14 achievement of the content standards or pupil performance
15 standards identified in the charter.

16 (3) Failed to meet generally accepted standards of 17 fiscal management.

18 (4) Violated any provision of law from which the19 charter school was not exempted.

In the case of revocation, the local school board or the <u>State Board Commission</u>, 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 <u>State Board</u> <u>Commission</u>, whichever is applicable, to rectify the problem. The plan shall include a timeline for implementation, which 10100HB2100ham003 -27- LRB101 05964 AXK 58666 a

1 shall not exceed 2 years or the date of the charter's expiration, whichever is earlier. If the local school board or 2 the State Board Commission, as the chartering entity, finds 3 4 that the charter school has failed to implement the plan of 5 remediation and adhere to the timeline, then the chartering 6 entity shall revoke the charter. Except in situations of an emergency where the health, safety, or education of the charter 7 school's students is at risk, the revocation shall take place 8 9 at the end of a school year. Nothing in Public Act 96-105 shall 10 be construed to prohibit an implementation timetable that is 11 less than 2 years in duration. No local school board may arbitrarily or capriciously revoke or not renew a charter. 12 Except for extenuating circumstances outlined in this Section, 13 14 if a local school board revokes or does not renew a charter, it 15 must ensure that all students currently enrolled in the charter 16 school are placed in schools that are higher performing than that charter school, as defined in the State's federal Every 17 Student Succeeds Act accountability plan. In determining 18 19 whether extenuating circumstances exist, a local school board 20 must detail, by clear and convincing evidence, that factors 21 unrelated to the charter school's accountability designation 22 outweigh the charter school's academic performance.

23 (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. The Commission may reverse a

1 local board's decision if the Commission finds that the charter school or charter school proposal (i) is in compliance with 2 this Article, and (ii) is in the best interests of the students 3 it is designed to serve. The Commission may condition the 4 5 granting of an appeal on the acceptance by the charter school of funding in an amount less than that requested in the 6 proposal submitted to the local school board. Final decisions 7 of the Commission shall be subject to judicial review under the 8 9 Administrative Review Law.

10 (f) Notwithstanding other provisions of this Article, if 11 the Commission on appeal reverses a local board's decision or if a charter school is approved by referendum, the State Board 12 13 Commission shall act as the authorized chartering entity for 14 the charter school. The State Board <del>Commission</del> shall approve 15 the charter and shall perform all functions under this Article 16 otherwise performed by the local school board. The State Board shall determine whether the charter proposal approved by the 17 Commission is consistent with the provisions of this Article 18 19 and, if the approved proposal complies, certify the proposal 20 pursuant to this Article. The State Board shall report the 21 aggregate number of charter school pupils resident in a school 22 district to that district and shall notify the district of the 23 amount of funding to be paid by the State Board to the charter 24 school enrolling such students. The State Board Commission 25 shall require the charter school to maintain accurate records 26 of daily attendance that shall be deemed sufficient to file

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claims under Section <del>18-8.05 or</del> 18-8.15 notwithstanding any other requirements of that Section <del>regarding hours of</del> <del>instruction and teacher certification</del>. 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.

7 (g) <u>(Blank)</u>. For charter schools authorized by the
8 Commission, the Commission shall quarterly certify to the State
9 Board the student enrollment for each of its charter schools.

10 (h) For charter schools authorized by the <u>State Board</u> 11 <del>Commission</del>, the State Board shall pay directly to a charter 12 school any federal or State aid attributable to a student with 13 a disability attending the school.

14 (Source: P.A. 99-840, eff. 1-1-17; 100-201, eff. 8-18-17; 15 100-465, eff. 8-31-17.)

16 (105 ILCS 5/27A-10.10)

Sec. 27A-10.10. Closure of charter school; unspent publicfunds; procedures for the disposition of property and assets.

(a) Upon the closing of a charter school authorized by one or more local school boards, the governing body of the charter school or its designee shall refund to the chartering entity or entities all unspent public funds. The charter school's other property and assets shall be disposed of under the provisions of the charter application and contract. If the application and contract are silent or ambiguous as to the disposition of any 10100HB2100ham003 -30- LRB101 05964 AXK 58666 a

1 of the school's property or assets, any property or assets of the charter school purchased with public funds shall be 2 returned to the school district or districts from which the 3 4 charter school draws enrollment, at no cost to the receiving 5 district or districts, subject to each district's acceptance of 6 the property or asset. Any unspent public funds or other property or assets received by the charter school directly from 7 8 any State or federal agency shall be refunded to or revert back 9 to that State or federal agency, respectively.

10 (b) Upon the closing of a charter school authorized by the 11 State Board Commission, the governing body of the charter school or its designee shall refund all unspent public funds to 12 13 the State Board of Education. The charter school's other 14 property and assets shall be disposed of under the provisions 15 of the charter application and contract. If the application and 16 contract are silent or ambiguous as to the disposition of any of the school's property or assets, any property or assets of 17 the charter school purchased with public funds shall be 18 returned to the school district or districts from which the 19 20 charter school draws its enrollment, at no cost to the receiving district or districts, subject to each district's 21 22 acceptance of the property or asset. Any unspent public funds 23 or other property or assets provided by a State agency other 24 than the State Board of Education or by a federal agency shall 25 be refunded to or revert back to that State or federal agency, 26 respectively.

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1 (c) If a determination is made to close a charter school 2 located within the boundaries of a school district organized 3 under Article 34 of this Code for at least one school year, the 4 charter school shall give at least 60 days' notice of the 5 closure to all affected students and parents or legal 6 guardians.

7 (Source: P.A. 100-179, eff. 8-18-17.)

8 (105 ILCS 5/27A-11)

9 Sec. 27A-11. Local financing.

10 (a) For purposes of this the School Code, pupils enrolled in a charter school shall be included in the pupil enrollment 11 12 of the school district within which the pupil resides. Each charter school (i) shall determine the school district in which 13 14 each pupil who is enrolled in the charter school resides, (ii) 15 shall report the aggregate number of pupils resident of a school district who are enrolled in the charter school to the 16 school district in which those pupils reside, and (iii) shall 17 maintain accurate records of daily attendance that shall be 18 19 deemed sufficient to file claims under Section <del>18-8 or</del> 18-8.15 notwithstanding any other requirements of that Section 20 21 regarding hours of instruction and teacher certification.

(b) Except for a charter school established by referendum under Section 27A-6.5, as part of a charter school contract, the charter school and the local school board shall agree on funding and any services to be provided by the school district 10100HB2100ham003 -32- LRB101 05964 AXK 58666 a

1 to the charter school. Agreed funding that a charter school is to receive from the local school board for a school year shall 2 3 be paid in equal quarterly installments with the payment of the installment for the first quarter being made not later than 4 5 July 1, unless the charter establishes a different payment schedule. However, if a charter school dismisses a pupil from 6 the charter school after receiving a quarterly payment, the 7 8 charter school shall return to the school district, on a quarterly basis, the prorated portion of public funding 9 10 provided for the education of that pupil for the time the 11 student is not enrolled at the charter school. Likewise, if a pupil transfers to a charter school between quarterly payments, 12 13 the school district shall provide, on a quarterly basis, a 14 prorated portion of the public funding to the charter school to 15 provide for the education of that pupil.

16 All services centrally or otherwise provided by the school district including, but not limited to, rent, food services, 17 custodial services, maintenance, curriculum, media services, 18 libraries, transportation, and warehousing shall be subject to 19 20 negotiation between a charter school and the local school board 21 and paid for out of the revenues negotiated pursuant to this 22 subsection (b); provided that the local school board shall not 23 attempt, by negotiation or otherwise, to obligate a charter 24 school to provide pupil transportation for pupils for whom a 25 district is not required to provide transportation under the 26 criteria set forth in subsection (a) (13) of Section 27A-7.

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In no event shall the funding be less than 97% or more than 103% of the school district's per capita student tuition multiplied by the number of students residing in the district who are enrolled in the charter school.

5 It is the intent of the General Assembly that funding and 6 service agreements under this subsection (b) shall be neither a 7 financial incentive nor a financial disincentive to the 8 establishment of a charter school.

9 The charter school may set and collect reasonable fees. 10 Fees collected from students enrolled at a charter school shall 11 be retained by the charter school.

(c) Notwithstanding subsection (b) of this Section, the 12 13 proportionate share of State and federal resources generated by students with disabilities or staff serving them shall be 14 15 directed to charter schools enrolling those students by their 16 school districts or administrative units. The proportionate share of moneys generated under other federal or State 17 18 categorical aid programs shall be directed to charter schools 19 serving students eligible for that aid.

(d) The governing body of a charter school is authorized to accept gifts, donations, or grants of any kind made to the charter school and to expend or use gifts, donations, or grants in accordance with the conditions prescribed by the donor; however, a gift, donation, or grant may not be accepted by the governing body if it is subject to any condition contrary to applicable law or contrary to the terms of the contract between 10100HB2100ham003 -34- LRB101 05964 AXK 58666 a

the charter school and the local school board. Charter schools shall be encouraged to solicit and utilize community volunteer speakers and other instructional resources when providing instruction on the Holocaust and other historical events.

(e) (Blank).

5

6 (f) The <u>State Board</u> Commission shall provide technical 7 assistance to persons and groups preparing or revising charter 8 applications.

9 (g) At the non-renewal or revocation of its charter, each 10 charter school shall refund to the local board of education all 11 unspent funds.

12 (h) A charter school is authorized to incur temporary, 13 short term debt to pay operating expenses in anticipation of 14 receipt of funds from the local school board.

15 (Source: P.A. 99-78, eff. 7-20-15; 100-465, eff. 8-31-17.)

16 (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 <u>State Board Commission</u>. The

amount of the aid shall equal 90% of the per capita funding 1 paid to the charter school during the first year of its 2 3 initial charter term, 65% of the per capita funding paid to the charter school during the second year of its initial 4 5 term, and 35% of the per capita funding paid to the charter school during the third year of its initial term. This 6 7 transition impact aid shall be paid to the local school 8 board in equal quarterly installments, with the payment of 9 the installment for the first quarter being made by August 10 1st immediately preceding the first, second, and third years of the initial term. The district shall file an 11 application for this aid with the State Board in a format 12 13 designated by the State Board. If the appropriation is 14 insufficient in any year to pay all approved claims, the 15 impact aid shall be prorated. However, for fiscal year 16 2004, the State Board of Education shall pay approved 17 claims only for charter schools with a valid charter granted prior to June 1, 2003. If any funds remain after 18 19 these claims have been paid, then the State Board of 20 Education may pay all other approved claims on a pro rata 21 basis. Transition impact aid shall be paid beginning in the 22 1999-2000 school year for charter schools that are in the 23 first, second, or third year of their initial term. 24 Transition impact aid shall not be paid for any charter 25 school that is proposed and created by one or more boards 26 of education, as authorized under the provisions of Public

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2 (2) From a separate appropriation made for the purpose 3 of this subdivision (2), the State Board shall make grants to charter schools to pay their start-up costs of acquiring 4 educational materials and supplies, textbooks, electronic 5 textbooks and the technological equipment necessary to 6 7 gain access to and use electronic textbooks, furniture, and 8 other equipment or materials needed during their initial 9 term. The State Board shall annually establish the time and 10 manner of application for these grants, which shall not exceed \$250 per student enrolled in the charter school. 11

12 (3) The Charter Schools Revolving Loan Fund is created as a special fund in the State treasury. Federal funds, 13 14 such other funds as may be made available for costs 15 associated with the establishment of charter schools in Illinois, and amounts repaid by charter schools that have 16 17 received a loan from the Charter Schools Revolving Loan Fund shall be deposited into the Charter Schools Revolving 18 19 Loan Fund, and the moneys in the Charter Schools Revolving 20 Loan Fund shall be appropriated to the State Board and used 21 to provide interest-free loans to charter schools. These 22 funds shall be used to pay start-up costs of acquiring 23 educational materials and supplies, textbooks, electronic 24 textbooks and the technological equipment necessary to 25 gain access to and use electronic textbooks, furniture, and other equipment or materials needed in the initial term of 26

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the charter school and for acquiring and remodeling a 1 suitable physical plant, within the initial term of the 2 3 charter school. Loans shall be limited to one loan per charter school and shall not exceed \$750 per student 4 5 enrolled in the charter school. A loan shall be repaid by the end of the initial term of the charter school. The 6 7 State Board may deduct amounts necessary to repay the loan 8 from funds due to the charter school or may require that 9 the local school board that authorized the charter school 10 deduct such amounts from funds due the charter school and remit these amounts to the State Board, provided that the 11 12 local school board shall not be responsible for repayment 13 of the loan. The State Board may use up to 3% of the 14 appropriation to contract with a non-profit entity to 15 administer the loan program.

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

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

21 (105 ILCS 5/27A-12)

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 submit to the State Board any information required by the State 10100HB2100ham003 -38- LRB101 05964 AXK 58666 a

Board pursuant to applicable rule. On or before the second Wednesday in January 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 school years. The State Board's report shall summarize all of the following:

6 (1) The authorizer's strategic vision for chartering 7 and progress toward achieving that vision.

8 (2) The academic and financial performance of all 9 operating charter schools overseen by the authorizer, 10 according to the performance expectations for charter 11 schools set forth in this Article.

12 (3) The status of the authorizer's charter school 13 portfolio, identifying all charter schools in each of the 14 following categories: approved (but not yet open), 15 operating, renewed, transferred, revoked, not renewed, 16 voluntarily closed, or never opened.

The authorizing functions provided 17 (4) by the 18 authorizer to the charter schools under its purview, including the authorizer's operating costs and expenses 19 20 detailed in annual audited financial statements, which generally accepted accounting 21 must conform with 22 principles.

Further, 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 10100HB2100ham003 -39- LRB101 05964 AXK 58666 a

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 7 8 periodic evaluations of charter schools that include 9 evaluations of student academic achievement, the extent to 10 which charter schools are accomplishing their missions and 11 goals, the sufficiency of funding for charter schools, and the need for changes in the approval process for charter schools. 12

Based on the information that the State Board receives from 13 authorizers and the State Board's ongoing monitoring of both 14 15 charter schools and authorizers, the State Board has the power 16 to remove the power to authorize from any authorizer in this State if the authorizer does not demonstrate a commitment to 17 high-quality authorization practices and, if necessary, revoke 18 the chronically low-performing charters authorized by the 19 20 authorizer at the time of the removal. The State Board shall 21 adopt rules as needed to carry out this power, including 22 provisions to determine the status of schools authorized by an 23 authorizer whose authorizing power is revoked.

24 (Source: P.A. 96-105, eff. 7-30-09; 97-152, eff. 7-20-11.)".