



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5997

by Rep. Emanuel Chris Welch

SYNOPSIS AS INTRODUCED:

105 ILCS 5/27A-10.5
105 ILCS 5/27A-11.10 new

Amends the Charter Schools Law of the School Code. Provides that a charter school established on or after the effective date of the amendatory Act may not enter into a contract with a for-profit charter management organization or educational management organization. Sets forth provisions concerning property purchased with public funds. Provides that no chief executive officer of a charter school may receive compensation greater than 80% of the compensation of the superintendent of schools of the school district where the charter school is located. Provides that no charter school principal may receive compensation greater than 10% more than the average compensation for principals in the school district where the charter school is located. Provides that a charter school authorized under the Code must expend a minimum of 84% of the total revenues due from the authorizer on incurred expenses for instruction, instructional materials, operations and maintenance, transportation, and support services that may have been applicable prior to July 1, 2018, as identified by the State Board of Education. Provides that the remaining 16% of the total revenues may, subject to limitations, be expended by the charter school, at its discretion, on administrative or program support costs.

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FISCAL NOTE ACT
MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning education.

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

4 Section 5. The School Code is amended by changing Section
5 27A-10.5 and by adding Section 27A-11.10 as follows:

6 (105 ILCS 5/27A-10.5)

7 Sec. 27A-10.5. Educational or charter management
8 organization.

9 (a) In this Section:

10 "CMO" means a charter management organization.

11 "EMO" means an educational management organization.

12 (b) All authorizers shall ensure that any charter school
13 established on or after January 1, 2015 (the effective date of
14 Public Act 98-783) ~~this amendatory Act of the 98th General~~
15 ~~Assembly~~ has a governing body that is separate and distinct
16 from the governing body of any CMO or EMO. In reviewing charter
17 applications and charter renewal applications, authorizers
18 shall review the governance model proposed by the applicant to
19 ensure that there are no conflicts of interest.

20 A charter school established on or after the effective date
21 of this amendatory Act of the 100th General Assembly may not
22 enter into a contract with a for-profit EMO or CMO.

23 (c) No charter school may employ a staff person who is

1 simultaneously employed by an EMO or CMO.

2 (d) All charter school equipment, furnishings, and
3 physical plants that are purchased with public funds are the
4 property of the charter school, not the EMO or CMO. In the
5 event a charter school is dissolved, such property must be
6 transferred to the authorizer.

7 (Source: P.A. 98-783, eff. 1-1-15.)

8 (105 ILCS 5/27A-11.10 new)

9 Sec. 27A-11.10. Proper use of funds.

10 (a) No chief executive officer of a charter school may
11 receive compensation greater than 80% of the compensation of
12 the superintendent of schools of the school district where the
13 charter school is located. No charter school principal may
14 receive compensation greater than 10% more than the average
15 compensation for principals in the school district where the
16 charter school is located. A charter school shall include these
17 prohibitions in any contract with an educational or charter
18 management organization.

19 (b) A charter school authorized under this Code must expend
20 a minimum of 84% of the total revenues due from the authorizer
21 on incurred expenses for instruction, instructional materials,
22 operations and maintenance, transportation, and support
23 services that may have been applicable prior to July 1, 2018,
24 as identified by the State Board of Education. Expenses under
25 this subsection (b) shall exclude charter school central

1 administration costs, any management fees charged by a charter
2 management organization or educational management
3 organization, debt service, or any advertising or other student
4 recruitment materials. Subject to these exclusions, the
5 remaining 16% of the total revenues may be expended by the
6 charter school, at its discretion, on administrative or program
7 support costs.