



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5609

Introduced 2/9/2024, by Rep. Kam Buckner

SYNOPSIS AS INTRODUCED:

105 ILCS 5/27A-6
105 ILCS 5/27A-9

Amends the Charter Schools Article of the School Code. In provisions concerning contract contents, provides that for a charter granted or renewed on or after the effective date of the amendatory Act by a local school board, administrative fees withheld from a charter school under the charter for the purpose of conducting administrative duties shall be capped at 3% or less of the total annual public dollars allocated to the charter school. Provides that the 3% total administrative fee collected from a charter school shall include a 2% or less administrative fee collected by a local school board for the purpose of conducting administrative duties related to the administration of charter school contracts, oversight, and authorizing services, and a 1% fee to be either (i) given to a statewide charter school membership association for the purpose of administering State-mandated board governance training, and compliance and technical assistance to charter schools for the purpose of meeting academic, financial, and operational reporting requirements, or (ii) sub-granted by a statewide charter school membership association to charter schools for the purpose of meeting academic, financial, and operational requirements as agreed upon with the authorizer in the charter school's contract. In provisions concerning the term of a charter, provides that an authorizer shall grant renewal for a term of no fewer than 5 years if the charter's average annual summative designation over the term of the charter is in the top 3 summative designations on the State report card prepared by the State Board of Education.

LRB103 37589 RJT 67715 b

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 Sections
5 27A-6 and 27A-9 as follows:

6 (105 ILCS 5/27A-6)

7 Sec. 27A-6. Contract contents; applicability of laws and
8 regulations.

9 (a) A certified charter shall constitute a binding
10 contract and agreement between the charter school and a local
11 school board under the terms of which the local school board
12 authorizes the governing body of the charter school to operate
13 the charter school on the terms specified in the contract.

14 (b) Notwithstanding any other provision of this Article,
15 the certified charter may not waive or release the charter
16 school from the State goals, standards, and assessments
17 established pursuant to Section 2-3.64a-5 of this Code. The
18 certified charter for a charter school operating in a city
19 having a population exceeding 500,000 shall require the
20 charter school to administer any other nationally recognized
21 standardized tests to its students that the chartering entity
22 administers to other students, and the results on such tests
23 shall be included in the chartering entity's assessment

1 reports.

2 (c) Subject to the provisions of subsection (e), a
3 material revision to a previously certified contract or a
4 renewal shall be made with the approval of both the local
5 school board and the governing body of the charter school.

6 (c-5) The proposed contract shall include a provision on
7 how both parties will address minor violations of the
8 contract.

9 (c-10) After August 4, 2023 (the effective date of Public
10 Act 103-416) ~~this amendatory Act of the 103rd General~~
11 ~~Assembly~~, any renewal of a certified charter must include a
12 union neutrality clause.

13 (d) The proposed contract between the governing body of a
14 proposed charter school and the local school board as
15 described in Section 27A-7 must be submitted to and certified
16 by the State Board before it can take effect. If the State
17 Board recommends that the proposed contract be modified for
18 consistency with this Article before it can be certified, the
19 modifications must be consented to by both the governing body
20 of the charter school and the local school board, and
21 resubmitted to the State Board for its certification. If the
22 proposed contract is resubmitted in a form that is not
23 consistent with this Article, the State Board may refuse to
24 certify the charter.

25 The State Board shall assign a number to each submission
26 or resubmission in chronological order of receipt, and shall

1 determine whether the proposed contract is consistent with the
2 provisions of this Article. If the proposed contract complies,
3 the State Board shall so certify.

4 (e) No renewal of a previously certified contract is
5 effective unless and until the State Board certifies that the
6 renewal is consistent with the provisions of this Article. A
7 material revision to a previously certified contract may go
8 into effect immediately upon approval of both the local school
9 board and the governing body of the charter school, unless
10 either party requests in writing that the State Board certify
11 that the material revision is consistent with the provisions
12 of this Article. If such a request is made, the proposed
13 material revision is not effective unless and until the State
14 Board so certifies.

15 (f) For a charter granted or renewed on or after the
16 effective date of this amendatory Act of the 103rd General
17 Assembly by a local school board, administrative fees withheld
18 from a charter school under the charter for the purpose of
19 conducting administrative duties shall be capped at 3% or less
20 of the total annual public dollars allocated to the charter
21 school. The 3% total administrative fee collected from a
22 charter school shall include a 2% or less administrative fee
23 collected by a local school board for the purpose of
24 conducting administrative duties related to the administration
25 of charter school contracts, oversight, and authorizing
26 services, and a 1% fee to be either (i) given to a statewide

1 charter school membership association for the purpose of
2 administering State-mandated board governance training under
3 Section 27A-5, and compliance and technical assistance to
4 charter schools for the purpose of meeting academic,
5 financial, and operational reporting requirements, or (ii)
6 sub-granted by a statewide charter school membership
7 association to charter schools for the purpose of meeting
8 academic, financial, and operational requirements as agreed
9 upon with the authorizer in the charter school's contract.

10 (Source: P.A. 103-175, eff. 6-30-23; 103-416, eff. 8-4-23;
11 revised 9-5-23.)

12 (105 ILCS 5/27A-9)

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

14 (a) An initial charter shall be granted for a period of 5
15 school years. A charter may be renewed in incremental periods
16 not to exceed 10 school years. Authorizers shall ensure that
17 every charter granted on or after January 1, 2017 includes
18 standards and goals for academic, organizational, and
19 financial performance. A charter must meet all standards and
20 goals for academic, organizational, and financial performance
21 set forth by the authorizer in order to be renewed for a term
22 in excess of 5 years but not more than 10 years. If an
23 authorizer fails to establish standards and goals, a charter
24 shall not be renewed for a term in excess of 5 years. Nothing
25 contained in this Section shall require an authorizer to grant

1 a full 10-year renewal term to any particular charter school,
2 but an authorizer may award a full 10-year renewal term to
3 charter schools that have a demonstrated track record of
4 improving student performance. An authorizer shall grant
5 renewal for a term of no fewer than 5 years if the charter's
6 average annual summative designation over the term of the
7 charter is in the top 3 summative designations on the State
8 report card prepared by the State Board of Education for a
9 charter renewed on or after the effective date of this
10 amendatory Act of the 103rd General Assembly.

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

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

18 (2) a financial statement that discloses the costs of
19 administration, instruction, and other spending categories
20 for the charter school that is understandable to the
21 general public and that will allow comparison of those
22 costs to other schools or other comparable organizations,
23 in a format required by the State Board.

24 (c) A charter may be revoked or not renewed if the local
25 school board or the State Board, as the chartering entity,
26 clearly demonstrates that the charter school did any of the

1 following, or otherwise failed to comply with the requirements
2 of this law:

3 (1) Committed a material violation of any of the
4 conditions, standards, or procedures set forth in the
5 charter.

6 (2) Failed to meet or make reasonable progress toward
7 achievement of the content standards or pupil performance
8 standards identified in the charter.

9 (3) Failed to meet generally accepted standards of
10 fiscal management.

11 (4) Violated any provision of law from which the
12 charter school was not exempted.

13 In the case of revocation, the local school board or the
14 State Board, as the chartering entity, shall notify the
15 charter school in writing of the reason why the charter is
16 subject to revocation. The charter school shall submit a
17 written plan to the local school board or the State Board,
18 whichever is applicable, to rectify the problem. The plan
19 shall include a timeline for implementation, which shall not
20 exceed 2 years or the date of the charter's expiration,
21 whichever is earlier. If the local school board or the State
22 Board, as the chartering entity, finds that the charter school
23 has failed to implement the plan of remediation and adhere to
24 the timeline, then the chartering entity shall revoke the
25 charter. Except in situations of an emergency where the
26 health, safety, or education of the charter school's students

1 is at risk, the revocation shall take place at the end of a
2 school year. Nothing in this Section shall be construed to
3 prohibit an implementation timetable that is less than 2 years
4 in duration. No local school board may arbitrarily or
5 capriciously revoke or not renew a charter. Except for
6 extenuating circumstances outlined in this Section, if a local
7 school board revokes or does not renew a charter, it must
8 ensure that all students currently enrolled in the charter
9 school are placed in schools that are higher performing than
10 that charter school, as defined in the State's federal Every
11 Student Succeeds Act accountability plan. In determining
12 whether extenuating circumstances exist, a local school board
13 must detail, by clear and convincing evidence, that factors
14 unrelated to the charter school's accountability designation
15 outweigh the charter school's academic performance.

16 (d) (Blank).

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

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

1 requested in the proposal submitted to the local school board.
2 The State Board must appoint and utilize a hearing officer for
3 any appeals conducted under this subsection. Final decisions
4 of the State Board are subject to judicial review under the
5 Administrative Review Law.

6 (f) Notwithstanding other provisions of this Article, if
7 the State Board on appeal reverses a local board's decision or
8 if a charter school is approved by referendum, the State Board
9 shall act as the authorized chartering entity for the charter
10 school and shall perform all functions under this Article
11 otherwise performed by the local school board. The State Board
12 shall report the aggregate number of charter school pupils
13 resident in a school district to that district and shall
14 notify the district of the amount of funding to be paid by the
15 State Board to the charter school enrolling such students. The
16 charter school shall maintain accurate records of daily
17 attendance and student enrollment and shall enter data on the
18 students served, their characteristics, their particular
19 needs, the programs in which they participate, and their
20 academic achievement into the statewide student information
21 system established by the State Board. The State Board shall
22 withhold from funds otherwise due the district the funds
23 authorized by this Article to be paid to the charter school and
24 shall pay such amounts to the charter school in quarterly
25 installments, calculated as follows:

26 (1) The amount of the first quarterly payment shall be

1 based on the projected number of students who will be
2 enrolled in the charter school in the upcoming school
3 year, multiplied by one-fourth of the resident district's
4 per capita tuition amount. Each charter school shall
5 submit its projected enrollment by no later than August 1
6 of each year on a form provided by the State Board for this
7 purpose.

8 (2) The amount of the second quarterly payment shall
9 be calculated such that the aggregate amount of the first
10 and second quarterly installments is equal to the number
11 of students reported as enrolled at the charter school on
12 October 1 in the State Board's student information system,
13 multiplied by one-half of the resident district's per
14 capita tuition amount.

15 (3) The amount of the third quarterly payment shall be
16 based on the number of students enrolled in the charter
17 school on January 1, multiplied by one-fourth of the
18 resident district's per capita tuition amount. Each
19 charter school shall submit its January 1 enrollment by no
20 later than January 5 of each year on a form provided by the
21 State Board for this purpose.

22 (4) The amount of the fourth quarterly payment shall
23 be calculated such that the aggregate amount of the third
24 and fourth installments is equal to the number of students
25 reported as enrolled at the charter school on March 1 in
26 the State Board's student information system, multiplied

1 by one-half of the resident district's per capita tuition
2 amount.

3 (g) (Blank).

4 (h) The State Board shall pay directly to a charter school
5 it authorizes any federal or State funding attributable to a
6 student with a disability attending the school.

7 (Source: P.A. 103-175, eff. 6-30-23.)