



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB5364

by Rep. Daniel J. Burke

#### SYNOPSIS AS INTRODUCED:

40 ILCS 5/17-105.1  
105 ILCS 5/27A-11  
105 ILCS 5/27A-11.5  
105 ILCS 230/5-25

Amends the Illinois Pension Code, the Charter Schools Law of the School Code, and the School Construction Law. In the Chicago Teachers Article of the Illinois Pension Code, provides that the definition of employer includes charter schools only with respect to persons hired before the effective date of the amendatory Act. Makes changes concerning local financing for charter schools. Provides that the State Board of Education shall make direct payments to charter schools on a per capita basis for each categorical otherwise available to a school board for students enrolled in the charter school. Provides that the State Board shall make direct grants of up to 25% of the per capita grants to charter schools whose performance is superior. Provides that in determining the amount of school construction project grants and debt service grants, the State Board shall review an application from a charter school independently from the application of the authorizing school board and shall dedicate and direct a reasonable portion of these grants towards the needs of those students enrolled in applicant charter schools that are eligible for the grants. Effective immediately.

LRB095 14416 NHT 45840 b

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 Illinois Pension Code is amended by changing  
5 Section 17-105.1 as follows:

6 (40 ILCS 5/17-105.1)

7 Sec. 17-105.1. Employer. "Employer": The Board of  
8 Education and, with respect to persons hired before the  
9 effective date of this amendatory Act of the 95th General  
10 Assembly, a charter school as defined under the provisions of  
11 Section 27A-5 ~~27a-5~~ of the School Code.

12 (Source: P.A. 90-566, eff. 1-2-98.)

13 Section 10. The School Code is amended by changing Sections  
14 27A-11 and 27A-11.5 as follows:

15 (105 ILCS 5/27A-11)

16 Sec. 27A-11. Local financing.

17 (a) For purposes of the School Code, pupils enrolled in a  
18 charter school shall be included in the pupil enrollment of the  
19 school district within which the pupil resides. Each charter  
20 school (i) shall determine the school district in which each  
21 pupil who is enrolled in the charter school resides, (ii) shall

1 report the aggregate number of pupils resident of a school  
2 district who are enrolled in the charter school to the school  
3 district in which those pupils reside, and (iii) shall maintain  
4 accurate records of daily attendance that shall be deemed  
5 sufficient to file claims under Section 18-8 notwithstanding  
6 any other requirements of that Section regarding hours of  
7 instruction and teacher certification.

8 (b) Except for a charter school established by referendum  
9 under Section 27A-6.5, as part of a charter school contract,  
10 the charter school shall receive a combination of ~~and the local~~  
11 ~~school board shall agree on~~ funding and other ~~any~~ services to  
12 be provided by the school district to the charter school as  
13 provided in this Section. ~~Funding~~ ~~Agreed funding~~ that a charter  
14 school is to receive from the local school board for a school  
15 year shall be paid in equal quarterly installments with the  
16 payment of the installment for the first quarter being made not  
17 later than July 1, unless the charter establishes a different  
18 payment schedule.

19 All services centrally or otherwise provided by the school  
20 district including, but not limited to, rent, food services,  
21 custodial services, maintenance, curriculum, media services,  
22 libraries, transportation, and warehousing shall be subject to  
23 negotiation between a charter school and the local school board  
24 and paid for out of the revenues negotiated pursuant to this  
25 subsection (b); provided that the local school board shall not  
26 attempt, by negotiation or otherwise, to obligate a charter

1 school to provide pupil transportation for pupils for whom a  
2 district is not required to provide transportation under the  
3 criteria set forth in subsection (a) (13) of Section 27A-7.

4 ~~The~~ ~~In no event shall the~~ funding must be 100% ~~less than~~  
5 ~~75% or more than 125%~~ of the school district's operating  
6 expenses per pupil ~~per capita student tuition~~ multiplied by the  
7 number of students residing in the district who are enrolled in  
8 the charter school.

9 It is the intent of the General Assembly that funding and  
10 service agreements under this subsection (b) shall be neither a  
11 financial incentive nor a financial disincentive to the  
12 establishment of a charter school.

13 The charter school may set and collect reasonable fees.  
14 Fees collected from students enrolled at a charter school shall  
15 be retained by the charter school.

16 (c) Upon submission of the requisite documentation to the  
17 State Board, the per capita ~~Notwithstanding subsection (b) of~~  
18 ~~this Section, the proportionate~~ share of State and federal  
19 resources generated by students with disabilities or staff  
20 serving them shall be directed to charter schools enrolling  
21 those students by their school districts or administrative  
22 units. The proportionate share of moneys generated under other  
23 federal or State categorical aid programs shall likewise be  
24 directed to charter schools serving students eligible for that  
25 aid.

26 (d) The governing body of a charter school is authorized to

1 accept gifts, donations, or grants of any kind made to the  
2 charter school and to expend or use gifts, donations, or grants  
3 in accordance with the conditions prescribed by the donor;  
4 however, a gift, donation, or grant may not be accepted by the  
5 governing body if it is subject to any condition contrary to  
6 applicable law or contrary to the terms of the contract between  
7 the charter school and the local school board. Charter schools  
8 shall be encouraged to solicit and utilize community volunteer  
9 speakers and other instructional resources when providing  
10 instruction on the Holocaust and other historical events.

11 (e) (Blank).

12 (f) The State Board shall provide technical assistance to  
13 persons and groups preparing or revising charter applications.

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

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

20 (Source: P.A. 90-548, eff. 1-1-98; 90-757, eff. 8-14-98;  
21 91-407, eff. 8-3-99.)

22 (105 ILCS 5/27A-11.5)

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

1           (1) From a separate appropriation made to the State  
2 Board for purposes of this subdivision (1), the State Board  
3 shall make transition impact aid available to school  
4 districts that approve a new charter school or that have  
5 funds withheld by the State Board to fund a new charter  
6 school that is chartered by the State Board. The amount of  
7 the aid shall equal 90% of the per capita funding paid to  
8 the charter school during the first year of its initial  
9 charter term, 65% of the per capita funding paid to the  
10 charter school during the second year of its initial term,  
11 and 35% of the per capita funding paid to the charter  
12 school during the third year of its initial term. This  
13 transition impact aid shall be paid to the local school  
14 board in equal quarterly installments, with the payment of  
15 the installment for the first quarter being made by August  
16 1st immediately preceding the first, second, and third  
17 years of the initial term. The district shall file an  
18 application for this aid with the State Board in a format  
19 designated by the State Board. If the appropriation is  
20 insufficient in any year to pay all approved claims, the  
21 impact aid shall be prorated. However, for fiscal year  
22 2004, the State Board of Education shall pay approved  
23 claims only for charter schools with a valid charter  
24 granted prior to June 1, 2003. If any funds remain after  
25 these claims have been paid, then the State Board of  
26 Education may pay all other approved claims on a pro rata

1 basis. Transition impact aid shall be paid beginning in the  
2 1999-2000 school year for charter schools that are in the  
3 first, second, or third year of their initial term.  
4 Transition impact aid shall not be paid for any charter  
5 school that is proposed and created by one or more boards  
6 of education, as authorized under the provisions of Public  
7 Act 91-405.

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

16 (3) The Charter Schools Revolving Loan Fund is created  
17 as a special fund in the State treasury. Federal funds,  
18 such other funds as may be made available for costs  
19 associated with the establishment of charter schools in  
20 Illinois, and amounts repaid by charter schools that have  
21 received a loan from the Charter Schools Revolving Loan  
22 Fund shall be deposited into the Charter Schools Revolving  
23 Loan Fund, and the moneys in the Charter Schools Revolving  
24 Loan Fund shall be appropriated to the State Board and used  
25 to provide interest-free loans to charter schools. These  
26 funds shall be used to pay start-up costs of acquiring

1 educational materials and supplies, textbooks, furniture,  
2 and other equipment needed in the initial term of the  
3 charter school and for acquiring and remodeling a suitable  
4 physical plant, within the initial term of the charter  
5 school. Loans shall be limited to one loan per charter  
6 school and shall not exceed \$250 per student enrolled in  
7 the charter school. A loan shall be repaid by the end of  
8 the initial term of the charter school. The State Board may  
9 deduct amounts necessary to repay the loan from funds due  
10 to the charter school or may require that the local school  
11 board that authorized the charter school deduct such  
12 amounts from funds due the charter school and remit these  
13 amounts to the State Board, provided that the local school  
14 board shall not be responsible for repayment of the loan.  
15 The State Board may use up to 3% of the appropriation to  
16 contract with a non-profit entity to administer the loan  
17 program.

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

22 (5) From a separate appropriation made for the purpose  
23 of this subdivision (5), the State Board shall make direct  
24 payments to charter schools on a per capita basis for each  
25 categorical otherwise available to a local school board for  
26 students enrolled in the charter school. The State Board



1 shall make these payments to the local school board as  
2 otherwise provided in this Article. These payments may be  
3 offset by a corresponding reduction in the amount of  
4 categorical grants to the local school board of the  
5 district where the eligible student resides.

6 (6) For the purpose of recognizing educational  
7 excellence and expanding the benefits of charter schools,  
8 the State Board, from a separate appropriation made for the  
9 purpose of this subdivision (6), shall make direct grants  
10 of up to 25% of the per capita grants to charter schools  
11 whose performance is superior.

12 The State Board shall annually establish the time and  
13 manner of application for these grants.

14 (Source: P.A. 92-16, eff. 6-28-01; 93-21, eff. 7-1-03.)

15 Section 15. The School Construction Law is amended by  
16 changing Section 5-25 as follows:

17 (105 ILCS 230/5-25)

18 Sec. 5-25. Eligibility and project standards.

19 (a) The State Board of Education shall establish  
20 eligibility standards for school construction project grants  
21 and debt service grants. These standards shall include minimum  
22 enrollment requirements for eligibility for school  
23 construction project grants of 200 students for elementary  
24 districts, 200 students for high school districts, and 400

1 students for unit districts. The State Board of Education shall  
2 approve a district's eligibility for a school construction  
3 project grant or a debt service grant pursuant to the  
4 established standards.

5 (a-5) In determining the amount of school construction  
6 project grants and debt service grants, the State Board of  
7 Education shall review an application from a charter school  
8 under Article 27A of the School Code independently from the  
9 application of the authorizing school board and shall dedicate  
10 and direct a reasonable portion of these grants towards the  
11 needs of those students enrolled in applicant charter schools  
12 that are eligible for the grants.

13 (b) The Capital Development Board shall establish project  
14 standards for all school construction project grants provided  
15 pursuant to this Article. These standards shall include space  
16 and capacity standards as well as the determination of  
17 recognized project costs that shall be eligible for State  
18 financial assistance and enrichment costs that shall not be  
19 eligible for State financial assistance.

20 (c) The State Board of Education and the Capital  
21 Development Board shall not establish standards that  
22 disapprove or otherwise establish limitations that restrict  
23 the eligibility of a school district with a population  
24 exceeding 500,000 for a school construction project grant based  
25 on the fact that any or all of the school construction project  
26 grant will be used to pay debt service or to make lease

1 payments, as authorized by subsection (b) of Section 5-35 of  
2 this Law.

3 (Source: P.A. 90-548, eff. 1-1-98; 91-38, eff. 6-15-99.)

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