

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-4, 27A-11, and 27A-12 and by adding Sections 27A-10.5 and  
6 27A-11.10 as follows:

7 (105 ILCS 5/27A-4)

8 Sec. 27A-4. General Provisions.

9 (a) The General Assembly does not intend to alter or amend  
10 the provisions of any court-ordered desegregation plan in  
11 effect for any school district. A charter school shall be  
12 subject to all federal and State laws and constitutional  
13 provisions prohibiting discrimination on the basis of  
14 disability, race, creed, color, gender, national origin,  
15 religion, ancestry, marital status, or need for special  
16 education services.

17 (b) The total number of charter schools operating under  
18 this Article at any one time shall not exceed 120. Not more  
19 than 70 charter schools shall operate at any one time in any  
20 city having a population exceeding 500,000, with at least 5  
21 charter schools devoted exclusively to students from  
22 low-performing or overcrowded schools operating at any one time  
23 in that city; and not more than 45 charter schools shall

1 operate at any one time in the remainder of the State, with not  
2 more than one charter school that has been initiated by a board  
3 of education, or by an intergovernmental agreement between or  
4 among boards of education, operating at any one time in the  
5 school district where the charter school is located. In  
6 addition to these charter schools, up to but no more than 5  
7 charter schools devoted exclusively to re-enrolled high school  
8 dropouts and/or students 16 or 15 years old at risk of dropping  
9 out may operate at any one time in any city having a population  
10 exceeding 500,000. Notwithstanding any provision to the  
11 contrary in subsection (b) of Section 27A-5 of this Code, each  
12 such dropout charter may operate up to 15 campuses within the  
13 city. Any of these dropout charters may have a maximum of 1,875  
14 enrollment seats, any one of the campuses of the dropout  
15 charter may have a maximum of 165 enrollment seats, and each  
16 campus of the dropout charter must be operated, through a  
17 contract or payroll, by the same legal entity as that for which  
18 the charter is approved and certified.

19 For purposes of implementing this Section, the State Board  
20 shall assign a number to each charter submission it receives  
21 under Section 27A-6 for its review and certification, based on  
22 the chronological order in which the submission is received by  
23 it. The State Board shall promptly notify local school boards  
24 when the maximum numbers of certified charter schools  
25 authorized to operate have been reached.

26 (c) No charter shall be granted under this Article that

1 would convert any existing private, parochial, or non-public  
2 school to a charter school.

3 (d) Enrollment in a charter school shall be open to any  
4 pupil who resides within the geographic boundaries of the area  
5 served by the local school board, provided that the board of  
6 education in a city having a population exceeding 500,000 may  
7 designate attendance boundaries for no more than one-third of  
8 the charter schools permitted in the city if the board of  
9 education determines that attendance boundaries are needed to  
10 relieve overcrowding or to better serve low-income and at-risk  
11 students. Students residing within an attendance boundary may  
12 be given priority for enrollment, but must not be required to  
13 attend the charter school.

14 (e) Nothing in this Article shall prevent 2 or more local  
15 school boards from jointly issuing a charter to a single shared  
16 charter school, provided that all of the provisions of this  
17 Article are met as to those local school boards.

18 (f) No local school board shall require any employee of the  
19 school district to be employed in a charter school.

20 (g) No local school board shall require any pupil residing  
21 within the geographic boundary of its district to enroll in a  
22 charter school.

23 (h) If there are more eligible applicants for enrollment in  
24 a charter school than there are spaces available, successful  
25 applicants shall be selected by lottery, which lottery must be  
26 administered by the authorizer. However, priority shall be

1 given to siblings of pupils enrolled in the charter school and  
2 to pupils who were enrolled in the charter school the previous  
3 school year, unless expelled for cause, and priority may be  
4 given to pupils residing within the charter school's attendance  
5 boundary, if a boundary has been designated by the board of  
6 education in a city having a population exceeding 500,000. A  
7 charter school waiting list must be centrally administered by  
8 the authorizer. A charter school may not create any admissions  
9 process subsequent to a lottery. In the event that a student  
10 transfers from a charter school, the authorizer shall inform  
11 the next parent or guardian on the waiting list. Dual  
12 enrollment at both a charter school and a public school or  
13 non-public school shall not be allowed. A pupil who is  
14 suspended or expelled from a charter school shall be deemed to  
15 be suspended or expelled from the public schools of the school  
16 district in which the pupil resides. Notwithstanding anything  
17 to the contrary in this subsection (h):

18 (1) any charter school with a mission exclusive to  
19 educating high school dropouts may grant priority  
20 admission to students who are high school dropouts and/or  
21 students 16 or 15 years old at risk of dropping out and any  
22 charter school with a mission exclusive to educating  
23 students from low-performing or overcrowded schools may  
24 restrict admission to students who are from low-performing  
25 or overcrowded schools; "priority admission" for charter  
26 schools exclusively devoted to re-enrolled dropouts or

1 students at risk of dropping out means a minimum of 90% of  
2 students enrolled shall be high school dropouts; and

3 (2) any charter school located in a school district  
4 that contains all or part of a federal military base may  
5 set aside up to 33% of its current charter enrollment to  
6 students with parents assigned to the federal military  
7 base, with the remaining 67% subject to the general  
8 enrollment and lottery requirements of subsection (d) of  
9 this Section and this subsection (h); if a student with a  
10 parent assigned to the federal military base withdraws from  
11 the charter school during the course of a school year for  
12 reasons other than grade promotion, those students with  
13 parents assigned to the federal military base shall have  
14 preference in filling the vacancy.

15 (i) (Blank).

16 (j) Notwithstanding any other provision of law to the  
17 contrary, a school district in a city having a population  
18 exceeding 500,000 shall not have a duty to collectively bargain  
19 with an exclusive representative of its employees over  
20 decisions to grant or deny a charter school proposal under  
21 Section 27A-8 of this Code, decisions to renew or revoke a  
22 charter under Section 27A-9 of this Code, and the impact of  
23 these decisions, provided that nothing in this Section shall  
24 have the effect of negating, abrogating, replacing, reducing,  
25 diminishing, or limiting in any way employee rights,  
26 guarantees, or privileges granted in Sections 2, 3, 7, 8, 10,

1 14, and 15 of the Illinois Educational Labor Relations Act.

2 (k) In this Section:

3 "Low-performing school" means a public school in a school  
4 district organized under Article 34 of this Code that enrolls  
5 students in any of grades kindergarten through 8 and that is  
6 ranked within the lowest 10% of schools in that district in  
7 terms of the percentage of students meeting or exceeding  
8 standards on the Illinois Standards Achievement Test.

9 "Overcrowded school" means a public school in a school  
10 district organized under Article 34 of this Code that (i)  
11 enrolls students in any of grades kindergarten through 8, (ii)  
12 has a percentage of low-income students of 70% or more, as  
13 identified in the most recently available School Report Card  
14 published by the State Board of Education, and (iii) is  
15 determined by the Chicago Board of Education to be in the most  
16 severely overcrowded 5% of schools in the district. On or  
17 before November 1 of each year, the Chicago Board of Education  
18 shall file a report with the State Board of Education on which  
19 schools in the district meet the definition of "overcrowded  
20 school". "Students at risk of dropping out" means students 16  
21 or 15 years old in a public school in a district organized  
22 under Article 34 of this Code that enrolls students in any  
23 grades 9-12 who have been absent at least 90 school attendance  
24 days of the previous 180 school attendance days.

25 (Source: P.A. 97-151, eff. 1-1-12; 97-624, eff. 11-28-11;  
26 97-813, eff. 7-13-12; 98-474, eff. 8-16-13.)

1 (105 ILCS 5/27A-10.5 new)

2 Sec. 27A-10.5. Educational or charter management  
3 organization.

4 (a) In this Section:

5 "CMO" means a charter management organization.

6 "EMO" means an educational management organization.

7 (b) A charter school established on or after the effective  
8 date of this amendatory Act of the 98th General Assembly may  
9 not enter into a contract with a for-profit EMO or CMO.

10 (c) All equipment, furnishings, and physical plants that  
11 are purchased with public funds are the property of the charter  
12 school, not the EMO or CMO. In the event a charter school is  
13 dissolved, such property must be transferred to the authorizer.

14 (d) No charter school may employ a staff person who is  
15 simultaneously employed by an EMO or CMO.

16 (105 ILCS 5/27A-11)

17 Sec. 27A-11. Local financing.

18 (a) For purposes of the School Code, pupils enrolled in a  
19 charter school shall be included in the pupil enrollment of the  
20 school district within which the pupil resides. Each charter  
21 school (i) shall determine the school district in which each  
22 pupil who is enrolled in the charter school resides, (ii) shall  
23 report the aggregate number of pupils resident of a school  
24 district who are enrolled in the charter school to the school

1 district in which those pupils reside, and (iii) shall maintain  
2 accurate records of daily attendance that shall be deemed  
3 sufficient to file claims under Section 18-8 notwithstanding  
4 any other requirements of that Section regarding hours of  
5 instruction and teacher certification.

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

16 All services centrally or otherwise provided by the school  
17 district including, but not limited to, rent, food services,  
18 custodial services, maintenance, curriculum, media services,  
19 libraries, transportation, and warehousing shall be subject to  
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.



1           In no event shall the funding be less than 75% or more than  
2           125% of the school district's per capita student tuition  
3           multiplied by the number of students residing in the district  
4           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.

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

20          (d) The governing body of a charter school is authorized to  
21          accept gifts, donations, or grants of any kind made to the  
22          charter school and to expend or use gifts, donations, or grants  
23          in accordance with the conditions prescribed by the donor;  
24          however, a gift, donation, or grant may not be accepted by the  
25          governing body if it is subject to any condition contrary to  
26          applicable law or contrary to the terms of the contract between

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

5 (e) (Blank).

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

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

11 If a charter school student transfers from the charter  
12 school to another school in the same school district or to a  
13 school in a different school district, the charter school shall  
14 pay to the school district where the charter school is located  
15 the prorated portion of public funding provided for the  
16 education of that student. The charter school shall make this  
17 payment on or before June 30.

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

21 (Source: P.A. 90-548, eff. 1-1-98; 90-757, eff. 8-14-98;  
22 91-407, eff. 8-3-99.)

23 (105 ILCS 5/27A-11.10 new)

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

25 (a) Any and all marketing and advertising to the public for

1 charter school enrollment and recruitment made by a charter  
2 school or school district is prohibited. Any third party  
3 conducting such advertising may not use funds from any public  
4 entity of this State, including a charter school, to do so.

5 (b) No school district may promote one set of schools over  
6 other sets of schools, and information about public school  
7 choice options provided by the school district shall include  
8 information on all public schools.

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

18 (d) Charters schools that have a one-fifth greater share of  
19 their spending on administration than the share that the school  
20 district where the charter school is located devotes to central  
21 and school administration are subject to audit by the Auditor  
22 General. Such an audit shall examine without limitation  
23 contracts with educational or charter management  
24 organizations, vendor contracts, and the use of shared  
25 administration with school districts. The audit report shall  
26 make recommendations lowering the share of spending going

1 toward administration.

2 (105 ILCS 5/27A-12)

3 Sec. 27A-12. Evaluation and assessment; reporting ~~report~~.

4 (a) On or before September 30 of every odd-numbered year,  
5 all local school boards with at least one charter school, as  
6 well as the Commission, shall submit to the State Board any  
7 information required by the State Board pursuant to applicable  
8 rule. On or before the second Wednesday in January of every  
9 even-numbered year, the State Board shall issue a report to the  
10 General Assembly and the Governor on its findings for the  
11 previous 2 school years. The State Board's report shall  
12 summarize all of the following:

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

15 (2) The academic and financial performance of all  
16 operating charter schools overseen by the authorizer,  
17 according to the performance expectations for charter  
18 schools set forth in this Article.

19 (3) The status of the authorizer's charter school  
20 portfolio, identifying all charter schools in each of the  
21 following categories: approved (but not yet open),  
22 operating, renewed, transferred, revoked, not renewed,  
23 voluntarily closed, or never opened.

24 (4) The authorizing functions provided by the  
25 authorizer to the charter schools under its purview,

1 including the authorizer's operating costs and expenses  
2 detailed in annual audited financial statements, which  
3 must conform with generally accepted accounting  
4 principles.

5 Further, in the report required by this Section, the State  
6 Board (i) shall compare the performance of charter school  
7 pupils with the performance of ethnically and economically  
8 comparable groups of pupils in other public schools who are  
9 enrolled in academically comparable courses, (ii) shall review  
10 information regarding the regulations and policies from which  
11 charter schools were released to determine if the exemptions  
12 assisted or impeded the charter schools in meeting their stated  
13 goals and objectives, and (iii) shall include suggested changes  
14 in State law necessary to strengthen charter schools.

15 (b) In addition, the State Board shall undertake and report  
16 on periodic evaluations of charter schools that include  
17 evaluations of student academic achievement, the extent to  
18 which charter schools are accomplishing their missions and  
19 goals, the sufficiency of funding for charter schools, and the  
20 need for changes in the approval process for charter schools.

21 The State Board, at 5-year intervals, shall complete an  
22 assessment of the impact of charter schools on the school  
23 system, including the flow of funding between sectors, student  
24 enrollment impacts, charter graduation rates, and student  
25 attrition rates, and an assessment of whether different  
26 categories of students are being equitably and fully served.

1        (c) Based on the information that the State Board receives  
2 from authorizers and the State Board's ongoing monitoring of  
3 both charter schools and authorizers, the State Board has the  
4 power to remove the power to authorize from any authorizer in  
5 this State if the authorizer does not demonstrate a commitment  
6 to high-quality authorization practices and, if necessary,  
7 revoke the chronically low-performing charters authorized by  
8 the authorizer at the time of the removal. The State Board  
9 shall adopt rules as needed to carry out this power, including  
10 provisions to determine the status of schools authorized by an  
11 authorizer whose authorizing power is revoked.

12        (d) Charter schools found out of compliance with any  
13 reporting required under this Article shall have their share of  
14 general State aid under Section 18-8.05 of this Code withheld  
15 and prorated until the reporting is completed.

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