



1 agree on funding and any services to be provided by the  
2 school district to the charter school. Agreed funding that a  
3 charter school is to receive from the local school board for  
4 a school year shall be paid in equal quarterly installments  
5 with the payment of the installment for the first quarter  
6 being made not later than July 1, unless the charter  
7 establishes a different payment schedule.

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

20 In no event shall the funding be less than 75% or more  
21 than 125% of the school district's per capita student tuition  
22 multiplied by the number of students residing in the district  
23 who are enrolled in the charter school.

24 It is the intent of the General Assembly that funding and  
25 service agreements under this subsection (b) shall be neither  
26 a financial incentive nor a financial disincentive to the  
27 establishment of a charter school.

28 The charter school may set and collect reasonable fees.  
29 Fees collected from students enrolled at a charter school  
30 shall be retained by the charter school.

31 (c) Notwithstanding subsection (b) of this Section, the  
32 proportionate share of State and federal resources generated  
33 by students with disabilities or staff serving them shall be  
34 directed to charter schools enrolling those students by their

1 school districts or administrative units. The proportionate  
2 share of moneys generated under other federal or State  
3 categorical aid programs shall be directed to charter schools  
4 serving students eligible for that aid.

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

17 (e) (Blank).

18 (f) The State Board shall provide technical assistance,  
19 including information that clearly details the process,  
20 timelines, and criteria used to prepare and revise charter  
21 applications, to persons and groups preparing or revising  
22 charter applications. Other information, such as links to  
23 external resource organizations, may also be provided.

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

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

30 (i) A charter school may (i) borrow money for the  
31 acquisition, construction, renovation, redevelopment, and  
32 equipping of school and educational facilities and for such  
33 other needs as determined by the governing body of the  
34 charter school, at such rates of interest as the governing

1 body may determine, without regard to any referendum  
2 requirements, (ii) issue bonds, notes, and other obligations;  
3 and (iii) secure any of its obligations, including any  
4 obligation arising from the delivery of a guarantee described  
5 in subsection (k) of this Section, by pledge, mortgage, or  
6 deed on any or all of its property.

7 (j) The governing body of a charter school may pledge,  
8 as security for the payment of its obligations, grants or  
9 other revenues expected to be received from the local school  
10 board, the State, or the federal government or gifts,  
11 donations, or grants of any kind expected to be received by  
12 the charter school from any source.

13 Any such pledge is valid and binding from the time the  
14 pledge is made. The revenues, moneys, and other funds so  
15 pledged and thereafter received by the charter school shall  
16 immediately be subject to the lien of the pledge without any  
17 physical delivery thereof or further act; and, subject only  
18 to the provisions of prior agreements, the lien of the pledge  
19 shall be valid and binding against all parties having claims  
20 of any kind in tort, contract, or otherwise against the  
21 charter school irrespective of whether these parties have  
22 notice thereof. No ordinance, resolution, trust agreement,  
23 or other instrument by which the pledge is created needs to  
24 be filed or recorded except in the records of the charter  
25 school.

26 The State Treasurer, the State Comptroller, the  
27 Department of Revenue, the Department of Transportation, the  
28 State Superintendent of Education, any regional  
29 superintendent of schools, and the local school board shall  
30 deposit or cause to be deposited any amount of grants or  
31 other revenues expected to be received by a charter school  
32 from that official, entity, or local school board that have  
33 been pledged to the payment of obligations of the charter  
34 school, in accordance with the authorization of the charter

1 school, directly into a designated escrow account established  
2 by and at the direction of the charter school. The  
3 resolution authorizing that deposit shall, within 10 days  
4 after adoption by the governing body of the charter school,  
5 be filed with the official, entity, or local school board  
6 having custody of the pledged grants or other revenues.

7 (k) A local school board may guarantee the repayment or  
8 otherwise enhance the credit of all or any portion of the  
9 debt obligations of a charter school located in the school  
10 district, without regard to any referendum requirements and  
11 subject to the terms negotiated between the local school  
12 board and the governing body of the charter school, provided  
13 that the term of any such guarantee or credit enhancement  
14 does not exceed 30 years.

15 (Source: P.A. 90-548, eff. 1-1-98; 90-757, eff. 8-14-98;  
16 91-407, eff. 8-3-99.)

17 (105 ILCS 5/27A-11.5)

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

21 (1) From a separate appropriation made to the State  
22 Board for purposes of this subdivision (1), the State  
23 Board shall make transition impact aid available to  
24 school districts that approve a new charter school or  
25 that have funds withheld by the State Board to fund a new  
26 charter school that is chartered by the State Board. The  
27 amount of the aid shall equal 90% of the per capita  
28 funding paid to the charter school during the first year  
29 of its initial charter term, 65% of the per capita  
30 funding paid to the charter school during the second year  
31 of its initial term, and 35% of the per capita funding  
32 paid to the charter school during the third year of its  
33 initial term. This transition impact aid shall be paid

1 to the local school board in equal quarterly  
 2 installments, with the payment of the installment for the  
 3 first quarter being made by August 1st immediately  
 4 preceding the first, second, and third years of the  
 5 initial term. The district shall file an application for  
 6 this aid with the State Board in a format designated by  
 7 the State Board. If the appropriation is insufficient in  
 8 any year to pay all approved claims, the impact aid shall  
 9 be prorated. Transition impact aid shall be paid  
 10 beginning in the 1999-2000 school year for charter  
 11 schools that are in the first, second, or third year of  
 12 their initial term. ~~If--House--Bill--230--of--the--91st~~  
 13 ~~General-Assembly-becomes-law,~~ Transition impact aid shall  
 14 not be paid for any charter school that is proposed and  
 15 created by one or more boards of education, as authorized  
 16 under the provisions of Public Act 91-405 ~~House-Bill--230~~  
 17 ~~of-the-91st-General-Assembly.~~

18 (2) From a separate appropriation made to the State  
 19 Board for the purpose of this subdivision (2), the State  
 20 Board shall make grants to charter schools in the amount  
 21 of \$1,000 per student enrolled in the charter school to  
 22 pay the charter school's ~~their--start-up~~ costs of  
 23 acquiring educational materials and supplies, textbooks,  
 24 furniture, and other equipment, of acquiring, remodeling,  
 25 and maintaining a suitable physical plant, and of any  
 26 other needs as determined by the charter school needed  
 27 ~~during--their--initial--term.---The--State--Board---shall~~  
 28 ~~annually-establish-the-time-and-manner-of-application-for~~  
 29 ~~these--grants,--which--shall--not-exceed-\$250-per-student~~  
 30 ~~enrolled-in-the-charter-school.~~

31 (3) The Charter Schools Revolving Loan Fund is  
 32 created as a special fund in the State treasury. Federal  
 33 funds, such other funds as may be made available for  
 34 costs associated with the establishment of charter

1 schools in Illinois, and amounts repaid by charter  
2 schools that have received a loan from the Charter  
3 Schools Revolving Loan Fund shall be deposited into the  
4 Charter Schools Revolving Loan Fund, and the moneys in  
5 the Charter Schools Revolving Loan Fund shall be  
6 appropriated to the State Board and used to provide  
7 interest-free loans to charter schools. These funds  
8 shall be used to pay start-up costs of acquiring  
9 educational materials and supplies, textbooks, furniture,  
10 and other equipment needed in the initial term of the  
11 charter school and for acquiring and remodeling a  
12 suitable physical plant, within the initial term of the  
13 charter school. Loans shall be limited to one loan per  
14 charter school and shall not exceed \$500 ~~\$250~~ per student  
15 enrolled in the charter school. A loan shall be repaid  
16 by the end of the initial term of the charter school.  
17 The State Board may deduct amounts necessary to repay the  
18 loan from funds due to the charter school or may require  
19 that the local school board that authorized the charter  
20 school deduct such amounts from funds due the charter  
21 school and remit these amounts to the State Board,  
22 provided that the local school board shall not be  
23 responsible for repayment of the loan. The State Board  
24 may use up to 3% of the appropriation to contract with a  
25 non-profit entity to administer the loan program.

26 (4) A charter school may apply for and shall  
27 receive, subject to the same restrictions applicable to  
28 school districts, any grant and programmatic funds  
29 administered by the State Board that is available for  
30 school districts.

31 (Source: P.A. 91-407, eff. 8-3-99; revised 8-4-99.)

32 (105 ILCS 5/34-49) (from Ch. 122, par. 34-49)

33 Sec. 34-49. Contracts, expense and liabilities without

1 appropriation. No contract shall be made or expense or  
2 liability incurred by the board, or any member or committee  
3 thereof, or by any person for or in its behalf,  
4 notwithstanding the expenditure may have been ordered by the  
5 board, unless an appropriation therefor has been previously  
6 made. Neither the board, nor any member or committee,  
7 officer, head of any department or bureau, or employee  
8 thereof shall during a fiscal year expend or contract to be  
9 expended any money, or incur any liability, or enter into any  
10 contract which by its terms involves the expenditure of money  
11 for any of the purposes for which provision is made in the  
12 budget, in excess of the amounts appropriated in the budget.  
13 Any contract, verbal or written, made in violation of this  
14 Section is void as to the board, and no moneys belonging  
15 thereto shall be paid thereon. Provided, however, that the  
16 board may lease from any Public Building Commission created  
17 pursuant to the provisions of the Public Building Commission  
18 Act, approved July 5, 1955, as heretofore or hereafter  
19 amended, or from any individuals, partnerships or  
20 corporations, any real or personal property for the purpose  
21 of securing space for its school purposes or office or other  
22 space for its administrative functions for any period of time  
23 not exceeding 40 years, and such lease may be made and the  
24 obligation or expense thereunder incurred without making a  
25 previous appropriation therefor, except as otherwise provided  
26 in Section 34-21.1 of this Act. Provided that the board may  
27 enter into agreements, including lease and lease purchase  
28 agreements having a term not longer than 40 years from the  
29 date on which such agreements are entered into, with  
30 individuals, partnerships, or corporations for the  
31 construction of school buildings, school administrative  
32 offices, site development, and school support facilities.  
33 The board shall maintain exclusive possession of all such  
34 schools, school administrative offices, and school facilities



1 which it is occupying or acquiring pursuant to any such lease  
2 or lease purchase agreement, and in addition shall have and  
3 exercise complete control over the education program  
4 conducted at such schools, offices and facilities. The  
5 board's contribution under any such lease or lease purchase  
6 agreement shall be limited to the use of the real estate and  
7 existing improvements on a rental basis which shall be exempt  
8 from any form of leasehold tax or assessment, but the  
9 interests of the board may be subordinated to the interests  
10 of a mortgage holder or holders acquired as security for  
11 additional improvements made on the property; however, (1)-  
12 ~~Provided-that~~ the board may enter into agreements, including  
13 lease and lease purchase agreements, having a term not longer  
14 than 40 years from the date on which such agreements are  
15 entered into for the provision of school buildings and  
16 related property and facilities for an agricultural science  
17 school pursuant to subparagraphs (8) through (10) of Section  
18 34-21.1~~1~~; and such agreements may be made and the obligations  
19 thereunder incurred without making a previous appropriation  
20 therefor, and (2) the board may enter into agreements to  
21 guarantee the repayment or otherwise enhance the credit of  
22 the debt obligations of a charter school as provided in  
23 subsection (k) of Section 27A-11 of this Code for a term not  
24 to exceed 30 years. This Section does not prevent the making  
25 of lawful contracts for the construction of buildings, the  
26 purchase of insurance, the leasing of equipment, the purchase  
27 of personal property by a conditional sales agreement, or the  
28 leasing of personal property under an agreement that upon  
29 compliance with the terms of which the board shall become or  
30 has the option to become the owner of the property for no  
31 additional consideration or for a nominal consideration, the  
32 term of which may be for periods of more than 1 year, but, in  
33 no case, shall such conditional sales agreements or leases of  
34 personal property by which the board may or will become the

1 owner of the personal property, provide for the consideration  
2 to be paid during a period of time in excess of 10 years nor  
3 shall such contracts provide for the payment of interest in  
4 excess of the maximum rate authorized by the Bond  
5 Authorization Act, as amended at the time of the making of  
6 the contract, on the unpaid balance owing; nor shall this  
7 Section prevent the making of lawful contracts for the  
8 purchase of fuel and the removal of ashes for a period from  
9 July 1 of any year to June 30 of the year following, or the  
10 making of lawful contracts for the transportation of pupils  
11 to and from school, or the entering into of employment  
12 contracts with individuals or groups of employees for any  
13 period not to exceed 4 years, or the entering into contracts  
14 with third parties for services otherwise performed by  
15 employees for any period not to exceed 5 years provided that  
16 the contracts with third parties for services provided at  
17 attendance centers shall specify that the principal of an  
18 attendance center shall have authority, to the maximum extent  
19 possible, to direct persons assigned to the attendance center  
20 pursuant to that contract, or the making of requirement  
21 contracts for not to exceed one year the terms of which may  
22 extend into the succeeding fiscal year provided, however,  
23 that such contracts contain a limitation on the amount to be  
24 expended and that such contracts shall impose no obligation  
25 on the board except pursuant to written purchase order.

26 With respect to instruments for the payment of money  
27 issued under this Section either before, on, or after the  
28 effective date of this amendatory Act of 1989, it is and  
29 always has been the intention of the General Assembly (i)  
30 that the Omnibus Bond Acts are and always have been  
31 supplementary grants of power to issue instruments in  
32 accordance with the Omnibus Bond Acts, regardless of any  
33 provision of this Act that may appear to be or to have been  
34 more restrictive than those Acts, (ii) that the provisions of

1 this Section are not a limitation on the supplementary  
2 authority granted by the Omnibus Bond Acts, and (iii) that  
3 instruments issued under this Section within the  
4 supplementary authority granted by the Omnibus Bond Acts are  
5 not invalid because of any provision of this Act that may  
6 appear to be or to have been more restrictive than those  
7 Acts.  
8 (Source: P.A. 89-15, eff. 5-30-95.)".