

1 AMENDMENT TO SENATE BILL 898

2 AMENDMENT NO. _____. Amend Senate Bill 898 on page 1,
3 line 5, after "34-43a", by inserting "and changing Sections
4 27A-11, 27A-11.5, and 34-49"; and

5 on page 1, immediately below line 13, by inserting the
6 following:

7 "(105 ILCS 5/27A-11)

8 Sec. 27A-11. Local financing.

9 (a) For purposes of the School Code, pupils enrolled in
10 a charter school shall be included in the pupil enrollment of
11 the school district within which the pupil resides. Each
12 charter school (i) shall determine the school district in
13 which each pupil who is enrolled in the charter school
14 resides, (ii) shall report the aggregate number of pupils
15 resident of a school district who are enrolled in the charter
16 school to the school district in which those pupils reside,
17 and (iii) shall maintain accurate records of daily attendance
18 that shall be deemed sufficient to file claims under Section
19 18-8 notwithstanding any other requirements of that Section
20 regarding hours of instruction and teacher certification.

21 (b) Except for a charter school established by
22 referendum under Section 27A-6.5, as part of a charter school

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

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

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

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

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

32 (c) Notwithstanding subsection (b) of this Section, the
33 proportionate share of State and federal resources generated
34 by students with disabilities or staff serving them shall be

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

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

18 (e) (Blank).

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

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

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

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

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

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

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

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

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

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

16 (Source: P.A. 90-548, eff. 1-1-98; 90-757, eff. 8-14-98;
17 91-407, eff. 8-3-99.)

18 (105 ILCS 5/27A-11.5)

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

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

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

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

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

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

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

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

33 on page 1, immediately below line 21, by inserting the
34 following:

1 "(105 ILCS 5/34-49) (from Ch. 122, par. 34-49)
2 Sec. 34-49. Contracts, expense and liabilities without
3 appropriation. No contract shall be made or expense or
4 liability incurred by the board, or any member or committee
5 thereof, or by any person for or in its behalf,
6 notwithstanding the expenditure may have been ordered by the
7 board, unless an appropriation therefor has been previously
8 made. Neither the board, nor any member or committee,
9 officer, head of any department or bureau, or employee
10 thereof shall during a fiscal year expend or contract to be
11 expended any money, or incur any liability, or enter into any
12 contract which by its terms involves the expenditure of money
13 for any of the purposes for which provision is made in the
14 budget, in excess of the amounts appropriated in the budget.
15 Any contract, verbal or written, made in violation of this
16 Section is void as to the board, and no moneys belonging
17 thereto shall be paid thereon. Provided, however, that the
18 board may lease from any Public Building Commission created
19 pursuant to the provisions of the Public Building Commission
20 Act, approved July 5, 1955, as heretofore or hereafter
21 amended, or from any individuals, partnerships or
22 corporations, any real or personal property for the purpose
23 of securing space for its school purposes or office or other
24 space for its administrative functions for any period of time
25 not exceeding 40 years, and such lease may be made and the
26 obligation or expense thereunder incurred without making a
27 previous appropriation therefor, except as otherwise provided
28 in Section 34-21.1 of this Act. Provided that the board may
29 enter into agreements, including lease and lease purchase
30 agreements having a term not longer than 40 years from the
31 date on which such agreements are entered into, with
32 individuals, partnerships, or corporations for the
33 construction of school buildings, school administrative
34 offices, site development, and school support facilities.

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

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

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

1 provision of this Act that may appear to be or to have been
2 more restrictive than those Acts, (ii) that the provisions of
3 this Section are not a limitation on the supplementary
4 authority granted by the Omnibus Bond Acts, and (iii) that
5 instruments issued under this Section within the
6 supplementary authority granted by the Omnibus Bond Acts are
7 not invalid because of any provision of this Act that may
8 appear to be or to have been more restrictive than those
9 Acts.

10 (Source: P.A. 89-15, eff. 5-30-95.)".