



Office of Innovation and Incubation
Education Options • Innovative Models • New Schools

**Illinois Charter Schools Law
105 ILCS 5/27A-1**

§ 27A-1. Short title and application. This Article may be cited as the Charter Schools Law. This Article applies in all school districts, including special charter districts and school districts located in cities having a population of more than 500,000.

§ 27A-2. Legislative declaration.

(a) The General Assembly finds and declares as follows:

- (1) Encouraging educational excellence is in the best interests of the people of this State.
- (2) There are educators, community members, and parents in Illinois who can offer flexible and innovative educational techniques and programs, but who lack an avenue through which to provide them within the public school system.
- (3) The enactment of legislation authorizing charter schools to operate in Illinois will promote new options within the public school system and will provide pupils, educators, community members, and parents with the stimulus to strive for educational excellence.

(b) The General Assembly further finds and declares that this Article is enacted for the following purposes:

- (1) To improve pupil learning by creating schools with high, rigorous standards for pupil performance.
- (2) To increase learning opportunities for all pupils, with special emphasis on expanded learning experiences for at-risk pupils, consistent, however, with an equal commitment to increase learning opportunities for all other groups of pupils in a manner that does not discriminate on the basis of disability, race, creed, color, gender, national origin, religion, ancestry, marital status, or need for special education services.
- (3) To encourage the use of teaching methods that may be different in some respects than others regularly used in the public school system.
- (4) To allow the development of new, different, or alternative forms of measuring pupil learning and achievement.
- (5) To create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.
- (6) To provide parents and pupils with expanded choices within the public school system.
- (7) To encourage parental and community involvement with public schools.
- (8) To hold charter schools accountable for meeting rigorous school content standards and to provide those schools with the opportunity to improve accountability.

(c) In authorizing charter schools, it is the intent of the General Assembly to create a legitimate avenue for parents, teachers, and community members to take responsible risks and create new, innovative, and more flexible ways of educating children within the public school system. The General Assembly seeks to create opportunities within the public school system of Illinois for development of innovative and accountable teaching techniques. The provisions of this Article

should be interpreted liberally to support the findings and goals of this Section and to advance a renewed commitment by the State of Illinois to the mission, goals, and diversity of public education.

§ 27A-3. Definitions. For purposes of this Article:

“At-risk pupil” means a pupil who, because of physical, emotional, socioeconomic, or cultural factors, is less likely to succeed in a conventional educational environment.

“Authorizer” means an entity authorized under this Article to review applications, decide whether to approve or reject applications, enter into charter contracts with applicants, oversee charter schools, and decide whether to renew, not renew, or revoke a charter.

“Commission” means the State Charter School Commission established under Section 27A-7.5 of this Code.

“Local school board” means the duly elected or appointed school board or board of education of a public school district, including special charter districts and school districts located in cities having a population of more than 500,000, organized under the laws of this State.

“State Board” means the State Board of Education.

§ 27A-4. General Provisions.

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

(b) The total number of charter schools operating under this Article at any one time shall not exceed 120. **Not more than 70 charter schools shall operate at any one time in any city having a population exceeding 500,000, with at least 5 charter schools devoted exclusively to students from low-performing or overcrowded schools operating at any one time in that city;** and not more than 45 charter schools shall operate at any one time in the remainder of the State, with not more than one charter school that has been initiated by a board of education, or by an intergovernmental agreement between or among boards of education, operating at any one time in the school district where the charter school is located. In addition to these charter schools, up to but no more than 5 charter schools devoted exclusively to re-enrolled high school dropouts

and/or students 16 or 15 years old at risk of dropping out may operate at any one time in any city having a population exceeding 500,000. Notwithstanding any provision to the contrary in subsection (b) of Section 27A-5 of this Code, each such dropout charter may operate up to 15 campuses within the city. Any of these dropout charters may have a maximum of 1,875 enrollment seats, any one of the campuses of the dropout charter may have a maximum of 165 enrollment seats, and each campus of the dropout charter must be operated, through a contract or payroll, by the same legal entity as that for which the charter is approved and certified.

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

(c) No charter shall be granted under this Article that would convert any existing private, parochial, or non-public school to a charter school.

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

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

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

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

(h) If there are more eligible applicants for enrollment in a charter school than there are spaces available, successful applicants shall be selected by lottery. However, priority shall be given to siblings of pupils enrolled in the charter school and to pupils who were enrolled in the charter school the previous school year, unless expelled for cause, and priority may be given to pupils

residing within the charter school's attendance boundary, if a boundary has been designated by the board of education in a city having a population exceeding 500,000.

Beginning with student enrollment for the 2015-2016 school year, any lottery required under this subsection (h) must be administered and videotaped by the charter school. The authorizer or its designee must be allowed to be present or view the lottery in real time. The charter school must maintain a videotaped record of the lottery, including a time/date stamp. The charter school shall transmit copies of the videotape and all records relating to the lottery to the authorizer on or before September 1 of each year.

Subject to the requirements for priority applicant groups set forth in paragraph (1) of this subsection (h), any lottery required under this subsection (h) must be administered in a way that provides each student an equal chance at admission. If an authorizer makes a determination that a charter school's lottery is in violation of this subsection (h), it may administer the lottery directly. After a lottery, each student randomly selected for admission to the charter school must be notified. Charter schools may not create an admissions process subsequent to a lottery that may operate as a barrier to registration or enrollment.

Charter schools may undertake additional intake activities, including without limitation student essays, school-parent compacts, or open houses, but in no event may a charter school require participation in these activities as a condition of enrollment. A charter school must submit an updated waitlist to the authorizer on a quarterly basis. A waitlist must be submitted to the authorizer at the same time as quarterly financial statements, if quarterly financial statements are required by the authorizer.

Dual enrollment at both a charter school and a public school or non-public school shall not be allowed. A pupil who is suspended or expelled from a charter school shall be deemed to be suspended or expelled from the public schools of the school district in which the pupil resides. Notwithstanding anything to the contrary in this subsection (h):

(1) any charter school with a mission exclusive to educating high school dropouts may grant priority admission to students who are high school dropouts and/or students 16 or 15 years old at risk of dropping out and any charter school with a mission exclusive to educating students from low-performing or overcrowded schools may restrict admission to students who are from low-performing or overcrowded schools; “priority admission” for charter schools exclusively devoted to re-enrolled dropouts or students at risk of dropping out means a minimum of 90% of students enrolled shall be high school dropouts; and

(2) any charter school located in a school district that contains all or part of a federal military

base may set aside up to 33% of its current charter enrollment to students with parents assigned to the federal military base, with the remaining 67% subject to the general enrollment and lottery requirements of subsection (d) of this Section and this subsection (h); if a student with a parent assigned to the federal military base withdraws from the charter school during the course of a school year for reasons other than grade promotion, those students with parents assigned to the federal military base shall have preference in filling the vacancy.

(i) (Blank).

(j) Notwithstanding any other provision of law to the contrary, a school district in a city having a population exceeding 500,000 shall not have a duty to collectively bargain with an exclusive representative of its employees over decisions to grant or deny a charter school proposal under Section 27A-8 of this Code, decisions to renew or revoke a charter under Section 27A-9 of this Code, and the impact of these decisions, provided that nothing in this Section shall have the effect of negating, abrogating, replacing, reducing, diminishing, or limiting in any way employee rights, guarantees, or privileges granted in Sections 2, 3, 7, 8, 10, 14, and 15 of the Illinois Educational Labor Relations Act.

(k) In this Section:

“Low-performing school” means a public school in a school district organized under Article 34 of this Code that enrolls students in any of grades kindergarten through 8 and that is ranked within the lowest 10% of schools in that district in terms of the percentage of students meeting or exceeding standards on the assessments required under Section 2-3.64a-5 of this Code.

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

(l) For advertisements created after the effective date of this amendatory Act of the 98th General Assembly, any advertisement, including a radio, television, print, Internet, social

media, or billboard advertisement, purchased by a school district or public school, including a charter school, with public funds must include a disclaimer stating that the advertisement was paid for using public funds.

This disclaimer requirement does not extend to materials created by the charter school, including, but not limited to, a school website, informational pamphlets or leaflets, or clothing with affixed school logos.

§ 27A-5. Charter school; legal entity; requirements.

(a) A charter school shall be a public, nonsectarian, nonreligious, non-home based, and non-profit school. A charter school shall be organized and operated as a nonprofit corporation or other discrete, legal, nonprofit entity authorized under the laws of the State of Illinois.

(b) A charter school may be established under this Article by creating a new school or by converting an existing public school or attendance center to charter school status. **Beginning on the effective date of this amendatory Act of the 93rd General Assembly, in all new applications to establish a charter school in a city having a population exceeding 500,000, operation of the charter school shall be limited to one campus.** The changes made to this Section by this amendatory Act of the 93rd General Assembly do not apply to charter schools existing or approved on or before the effective date of this amendatory Act.

(b-5) In this subsection (b-5), “virtual-schooling” means a cyber school where students engage in online curriculum and instruction via the Internet and electronic communication with their teachers at remote locations and with students participating at different times.

From April 1, 2013 through December 31, 2016, there is a moratorium on the establishment of charter schools with virtual-schooling components in school districts other than a school district organized under Article 34 of this Code. This moratorium does not apply to a charter school with virtual-schooling components existing or approved prior to April 1, 2013 or to the renewal of the charter of a charter school with virtual-schooling components already approved prior to April 1, 2013.

On or before March 1, 2014, the Commission shall submit to the General Assembly a report on the effect of virtual-schooling, including without limitation the effect on student performance, the costs associated with virtual-schooling, and issues with oversight. The report shall include policy recommendations for virtual-schooling.

(c) A charter school shall be administered and governed by its board of directors or other

governing body in the manner provided in its charter. The governing body of a charter school shall be subject to the Freedom of Information Act and the Open Meetings Act.

(d) A charter school shall comply with all applicable health and safety requirements applicable to public schools under the laws of the State of Illinois.

(e) Except as otherwise provided in the School Code, a charter school shall not charge tuition; provided that a charter school may charge reasonable fees for textbooks, instructional materials, and student activities.

(f) A charter school shall be responsible for the management and operation of its fiscal affairs including, but not limited to, the preparation of its budget. An audit of each charter school's finances shall be conducted annually by an outside, independent contractor retained by the charter school. To ensure financial accountability for the use of public funds, on or before December 1 of every year of operation, each charter school shall submit to its authorizer and the State Board a copy of its audit and a copy of the Form 990 the charter school filed that year with the federal Internal Revenue Service. In addition, if deemed necessary for proper financial oversight of the charter school, an authorizer may require quarterly financial statements from each charter school.

(g) A charter school shall comply with all provisions of this Article; the Illinois Educational Labor Relations Act; all federal and State laws and rules applicable to public schools that pertain to special education and the instruction of English language learners, referred to in this Code as "children of limited English-speaking ability"; and its charter. A charter school is exempt from all other State laws and regulations in the School Code governing public schools and local school board policies, except the following:

(1) Sections 10-21.9 and 34-18.5 of the School Code regarding criminal history records checks and checks of the Statewide Sex Offender Database and Statewide Murderer and Violent Offender Against Youth Database of applicants for employment;

(2) Sections 24-24 and 34-84A of the School Code regarding discipline of students;

(3) The Local Governmental and Governmental Employees Tort Immunity Act;

(4) Section 108.75 of the General Not For Profit Corporation Act of 1986 regarding indemnification of officers, directors, employees, and agents;

(5) The Abused and Neglected Child Reporting Act;

- (6) The Illinois School Student Records Act;
- (7) Section 10-17a of the School Code regarding school report cards;
- (8) The P-20 Longitudinal Education Data System Act; and
- (9) Section 2-3.160 of the School Code regarding student discipline reporting.

The change made by Public Act 96-104 to this subsection (g) is declaratory of existing law.

(h) A charter school may negotiate and contract with a school district, the governing body of a State college or university or public community college, or any other public or for-profit or nonprofit private entity for: (i) the use of a school building and grounds or any other real property or facilities that the charter school desires to use or convert for use as a charter school site, (ii) the operation and maintenance thereof, and (iii) the provision of any service, activity, or undertaking that the charter school is required to perform in order to carry out the terms of its charter. However, a charter school that is established on or after the effective date of this amendatory Act of the 93rd General Assembly and that operates in a city having a population exceeding 500,000 may not contract with a for-profit entity to manage or operate the school during the period that commences on the effective date of this amendatory Act of the 93rd General Assembly and concludes at the end of the 2004-2005 school year. Except as provided in subsection (i) of this Section, a school district may charge a charter school reasonable rent for the use of the district's buildings, grounds, and facilities. Any services for which a charter school contracts with a school district shall be provided by the district at cost. Any services for which a charter school contracts with a local school board or with the governing body of a State college or university or public community college shall be provided by the public entity at cost.

(i) In no event shall a charter school that is established by converting an existing school or attendance center to charter school status be required to pay rent for space that is deemed available, as negotiated and provided in the charter agreement, in school district facilities. However, all other costs for the operation and maintenance of school district facilities that are used by the charter school shall be subject to negotiation between the charter school and the local school board and shall be set forth in the charter.

(j) A charter school may limit student enrollment by age or grade level.

(k) If the charter school is approved by the Commission, then the Commission charter school is its own local education agency.

§ 27A-5. Charter school; legal entity; requirements.

(a) A charter school shall be a public, nonsectarian, nonreligious, non-home based, and non-profit school. A charter school shall be organized and operated as a nonprofit corporation or other discrete, legal, nonprofit entity authorized under the laws of the State of Illinois.

(b) A charter school may be established under this Article by creating a new school or by converting an existing public school or attendance center to charter school status. Beginning on the effective date of this amendatory Act of the 93rd General Assembly, in all new applications to establish a charter school in a city having a population exceeding 500,000, operation of the charter school shall be limited to one campus. The changes made to this Section by this amendatory Act of the 93rd General Assembly do not apply to charter schools existing or approved on or before the effective date of this amendatory Act.

(b-5) In this subsection (b-5), “virtual-schooling” means a cyber school where students engage in online curriculum and instruction via the Internet and electronic communication with their teachers at remote locations and with students participating at different times.

From April 1, 2013 through December 31, 2016, there is a moratorium on the establishment of charter schools with virtual-schooling components in school districts other than a school district organized under Article 34 of this Code. This moratorium does not apply to a charter school with virtual-schooling components existing or approved prior to April 1, 2013 or to the renewal of the charter of a charter school with virtual-schooling components already approved prior to April 1, 2013.

On or before March 1, 2014, the Commission shall submit to the General Assembly a report on the effect of virtual-schooling, including without limitation the effect on student performance, the costs associated with virtual-schooling, and issues with oversight. The report shall include policy recommendations for virtual-schooling.

(c) A charter school shall be administered and governed by its board of directors or other governing body in the manner provided in its charter. The governing body of a charter school shall be subject to the Freedom of Information Act and the Open Meetings Act.

(d) A charter school shall comply with all applicable health and safety requirements applicable to public schools under the laws of the State of Illinois.

(e) Except as otherwise provided in the School Code, a charter school shall not charge tuition;

provided that a charter school may charge reasonable fees for textbooks, instructional materials, and student activities.

(f) A charter school shall be responsible for the management and operation of its fiscal affairs including, but not limited to, the preparation of its budget. An audit of each charter school's finances shall be conducted annually by an outside, independent contractor retained by the charter school. To ensure financial accountability for the use of public funds, on or before December 1 of every year of operation, each charter school shall submit to its authorizer and the State Board a copy of its audit and a copy of the Form 990 the charter school filed that year with the federal Internal Revenue Service. In addition, if deemed necessary for proper financial oversight of the charter school, an authorizer may require quarterly financial statements from each charter school.

(g) A charter school shall comply with all provisions of this Article; the Illinois Educational Labor Relations Act; all federal and State laws and rules applicable to public schools that pertain to special education and the instruction of English language learners, referred to in this Code as “children of limited English-speaking ability”; and its charter. A charter school is exempt from all other State laws and regulations in this Code governing public schools and local school board policies, except the following:

- (1) Sections 10-21.9 and 34-18.5 of this Code regarding criminal history records checks and checks of the Statewide Sex Offender Database and Statewide Murderer and Violent Offender Against Youth Database of applicants for employment;
- (2) Sections 24-24 and 34-84A of this Code regarding discipline of students;
- (3) the Local Governmental and Governmental Employees Tort Immunity Act;
- (4) Section 108.75 of the General Not For Profit Corporation Act of 1986 regarding indemnification of officers, directors, employees, and agents;
- (5) the Abused and Neglected Child Reporting Act;
- (6) the Illinois School Student Records Act;
- (7) Section 10-17a of this Code regarding school report cards;
- (8) the P-20 Longitudinal Education Data System Act; and

(9) Section 27-23.7 of this Code regarding bullying prevention.

The change made by Public Act 96-104 to this subsection (g) is declaratory of existing law.

(h) A charter school may negotiate and contract with a school district, the governing body of a State college or university or public community college, or any other public or for-profit or nonprofit private entity for: (i) the use of a school building and grounds or any other real property or facilities that the charter school desires to use or convert for use as a charter school site, (ii) the operation and maintenance thereof, and (iii) the provision of any service, activity, or undertaking that the charter school is required to perform in order to carry out the terms of its charter. However, a charter school that is established on or after the effective date of this amendatory Act of the 93rd General Assembly and that operates in a city having a population exceeding 500,000 may not contract with a for-profit entity to manage or operate the school during the period that commences on the effective date of this amendatory Act of the 93rd General Assembly and concludes at the end of the 2004-2005 school year. Except as provided in subsection (i) of this Section, a school district may charge a charter school reasonable rent for the use of the district's buildings, grounds, and facilities. Any services for which a charter school contracts with a school district shall be provided by the district at cost. Any services for which a charter school contracts with a local school board or with the governing body of a State college or university or public community college shall be provided by the public entity at cost.

(i) In no event shall a charter school that is established by converting an existing school or attendance center to charter school status be required to pay rent for space that is deemed available, as negotiated and provided in the charter agreement, in school district facilities. However, all other costs for the operation and maintenance of school district facilities that are used by the charter school shall be subject to negotiation between the charter school and the local school board and shall be set forth in the charter.

(j) A charter school may limit student enrollment by age or grade level.

(k) If the charter school is approved by the Commission, then the Commission charter school is its own local education agency.

§ 27A-6. Contract contents; applicability of laws and regulations.

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

(b) Notwithstanding any other provision of this Article, the certified charter may not waive or release the charter school from the State goals, standards, and assessments established pursuant to Section 2-3.64a-5 of this Code. Beginning with the 2003-2004 school year, the certified charter for a charter school operating in a city having a population exceeding 500,000 shall require the charter school to administer any other nationally recognized standardized tests to its students that the chartering entity administers to other students, and the results on such tests shall be included in the chartering entity's assessment reports.

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

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

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

The State Board shall assign a number to each submission or resubmission in chronological order of receipt, and shall determine whether the proposed contract is consistent with the provisions of this Article. If the proposed contract complies, the State Board shall so certify.

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

§ 27A-6.5. Charter school referendum.

(a) No charter shall go into effect under this Section that would convert any existing private,

parochial, or non-public school to a charter school or whose proposal has not been certified by the State Board.

(b) A local school board shall, whenever petitioned to do so by 5% or more of the voters of a school district or districts identified in a charter school proposal, order submitted to the voters thereof at a regularly scheduled election the question of whether a new charter school shall be established, which proposal has been found by the Commission to be in compliance with the provisions of this Article, and the secretary shall certify the proposition to the proper election authorities for submission in accordance with the general election law. The proposition shall be in substantially the following form:

“FOR the establishment of (name of proposed charter school) under charter school proposal (charter school proposal number).

AGAINST the establishment of (name of proposed charter school) under charter school proposal (charter school proposal number)”.

(c) Before circulating a petition to submit the question of whether to establish a charter school to the voters under subsection (b) of this Section, the governing body of a proposed charter school that desires to establish a new charter school by referendum shall submit the charter school proposal to the Commission in the form of a proposed contract to be entered into between the Commission and the governing body of the proposed charter school, together with written notice of the intent to have a new charter school established by referendum. The contract shall comply with the provisions of this Article.

If the Commission finds that the proposed contract complies with the provisions of this Article, it shall immediately direct the local school board to notify the proper election authorities that the question of whether to establish a new charter school shall be submitted for referendum.

(d) If the Commission finds that the proposal fails to comply with the provisions of this Article, it shall provide written explanation, detailing its reasons for refusal, to the local school board and to the individuals or organizations submitting the proposal. The Commission shall also notify the local school board and the individuals or organizations submitting the proposal that the proposal may be amended and resubmitted under the same provisions required for an original submission.

(e) If a majority of the votes cast upon the proposition in each school district designated in the charter school proposal is in favor of establishing a charter school, the local school board shall notify the State Board and the Commission of the passage of the proposition in favor of

establishing a charter school and the Commission shall approve the charter within 7 days after the State Board of Elections has certified that a majority of the votes cast upon the proposition is in favor of establishing a charter school. The Commission shall be the chartering entity for charter schools established by referendum under this Section.

(f) The State Board shall determine whether the charter proposal approved by the Commission is consistent with the provisions of this Article and, if the approved proposal complies, certify the proposal pursuant to this Article.

§ 27A-7. Charter submission.

(a) A proposal to establish a charter school shall be submitted to the local school board and the State Board for certification under Section 27A-6 of this Code in the form of a proposed contract entered into between the local school board and the governing body of a proposed charter school. The charter school proposal shall include:

(1) The name of the proposed charter school, which must include the words "Charter School".

(2) The age or grade range, areas of focus, minimum and maximum numbers of pupils to be enrolled in the charter school, and any other admission criteria that would be legal if used by a school district.

(3) A description of and address for the physical plant in which the charter school will be located; provided that nothing in the Article shall be deemed to justify delaying or withholding favorable action on or approval of a charter school proposal because the building or buildings in which the charter school is to be located have not been acquired or rented at the time a charter school proposal is submitted or approved or a charter school contract is entered into or submitted for certification or certified, so long as the proposal or submission identifies and names at least 2 sites that are potentially available as a charter school facility by the time the charter school is to open.

(4) The mission statement of the charter school, which must be consistent with the General Assembly's declared purposes; provided that nothing in this Article shall be construed to require that, in order to receive favorable consideration and approval, a charter school proposal demonstrate unequivocally that the charter school will be able to meet each of those declared purposes, it being the intention of the Charter Schools Law that those purposes be recognized as goals that charter schools must aspire to attain.

(5) The goals, objectives, and pupil performance standards to be achieved by the charter school.

(6) In the case of a proposal to establish a charter school by converting an existing public school or attendance center to charter school status, evidence that the proposed formation of the charter school has received the approval of certified teachers, parents and guardians, and, if applicable, a local school council as provided in subsection (b) of Section 27A-8.

(7) A description of the charter school's educational program, pupil performance standards, curriculum, school year, school days, and hours of operation.

(8) A description of the charter school's plan for evaluating pupil performance, the types of assessments that will be used to measure pupil progress towards achievement of the school's pupil performance standards, the timeline for achievement of those standards, and the procedures for taking corrective action in the event that pupil performance at the charter school falls below those standards.

(9) Evidence that the terms of the charter as proposed are economically sound for both the charter school and the school district, a proposed budget for the term of the charter, a description of the manner in which an annual audit of the financial and administrative operations of the charter school, including any services provided by the school district, are to be conducted, and a plan for the displacement of pupils, teachers, and other employees who will not attend or be employed in the charter school.

(10) A description of the governance and operation of the charter school, including the nature and extent of parental, professional educator, and community involvement in the governance and operation of the charter school.

(11) An explanation of the relationship that will exist between the charter school and its employees, including evidence that the terms and conditions of employment have been addressed with affected employees and their recognized representative, if any. However, a bargaining unit of charter school employees shall be separate and distinct from any bargaining units formed from employees of a school district in which the charter school is located.

(12) An agreement between the parties regarding their respective legal liability and applicable insurance coverage.

(13) A description of how the charter school plans to meet the transportation needs of its pupils, and a plan for addressing the transportation needs of low-income and at-risk pupils.

(14) The proposed effective date and term of the charter; provided that the first day of the first

academic year shall be no earlier than August 15 and no later than September 15 of a calendar year, and the first day of the fiscal year shall be July 1.

(15) Any other information reasonably required by the State Board of Education.

(b) A proposal to establish a charter school may be initiated by individuals or organizations that will have majority representation on the board of directors or other governing body of the corporation or other discrete legal entity that is to be established to operate the proposed charter school, by a board of education or an intergovernmental agreement between or among boards of education, or by the board of directors or other governing body of a discrete legal entity already existing or established to operate the proposed charter school. The individuals or organizations referred to in this subsection may be school teachers, school administrators, local school councils, colleges or universities or their faculty members, public community colleges or their instructors or other representatives, corporations, or other entities or their representatives. The proposal shall be submitted to the local school board for consideration and, if appropriate, for development of a proposed contract to be submitted to the State Board for certification under Section 27A-6.

(c) The local school board may not without the consent of the governing body of the charter school condition its approval of a charter school proposal on acceptance of an agreement to operate under State laws and regulations and local school board policies from which the charter school is otherwise exempted under this Article.

§ 27A-7.5. State Charter School Commission.

(a) A State Charter School Commission is established as an independent commission with statewide chartering jurisdiction and authority. The Commission shall be under the State Board for administrative purposes only.

(a-5) The State Board shall provide administrative support to the Commission as needed.

(b) The Commission is responsible for authorizing high-quality charter schools throughout this State, particularly schools designed to expand opportunities for at-risk students, consistent with the purposes of this Article.

(c) The Commission shall consist of 9 members, appointed by the State Board. The State Board shall make these appointments from a slate of candidates proposed by the Governor, within 60 days after the effective date of this amendatory Act of the 97th General Assembly with respect to the initial Commission members. In making the appointments, the State Board shall ensure

statewide geographic diversity among Commission members. The Governor shall propose a slate of candidates to the State Board within 60 days after the effective date of this amendatory Act of the 97th General Assembly and 60 days prior to the expiration of the term of a member thereafter. If the Governor fails to timely propose a slate of candidates according to the provisions of this subsection (c), then the State Board may appoint the member or members of the Commission.

(d) Members appointed to the Commission shall collectively possess strong experience and expertise in public and nonprofit governance, management and finance, public school leadership, higher education, assessments, curriculum and instruction, and public education law. All members of the Commission shall have demonstrated understanding of and a commitment to public education, including without limitation charter schooling. At least 3 members must have past experience with urban charter schools.

(e) To establish staggered terms of office, the initial term of office for 3 Commission members shall be 4 years and thereafter shall be 4 years; the initial term of office for another 3 members shall be 3 years and thereafter shall be 4 years; and the initial term of office for the remaining 3 members shall be 2 years and thereafter shall be 4 years. The initial appointments must be made no later than October 1, 2011.

(f) Whenever a vacancy on the Commission exists, the State Board shall appoint a member for the remaining portion of the term.

(g) Subject to the State Officials and Employees Ethics Act, the Commission is authorized to receive and expend gifts, grants, and donations of any kind from any public or private entity to carry out the purposes of this Article, subject to the terms and conditions under which they are given, provided that all such terms and conditions are permissible under law. Funds received under this subsection (g) must be deposited into the State Charter School Commission Fund.

The State Charter School Commission Fund is created as a special fund in the State treasury. All money in the Fund shall be used, subject to appropriation, by the State Board, acting on behalf and with the consent of the Commission, for operational and administrative costs of the Commission.

Subject to appropriation, any funds appropriated for use by the State Board, acting on behalf and with the consent of the Commission, may be used for the following purposes, without limitation: personal services, contractual services, and other operational and administrative costs. The State Board is further authorized to make expenditures with respect to any other amounts deposited in accordance with law into the State Charter School Commission Fund.

(g-5) Funds or spending authority for the operation and administrative costs of the Commission shall be appropriated to the State Board in a separate line item. The State Superintendent of Education may not reduce or modify the budget of the Commission or use funds appropriated to the Commission without the approval of the Commission.

(h) The Commission shall operate with dedicated resources and staff qualified to execute the day-to-day responsibilities of charter school authorizing in accordance with this Article. The Commission may employ and fix the compensation of such employees and technical assistants as it deems necessary to carry out its powers and duties under this Article, without regard to the requirements of any civil service or personnel statute; and may establish and administer standards of classification of all such persons with respect to their compensation, duties, performance, and tenure and enter into contracts of employment with such persons for such periods and on such terms as the Commission deems desirable.

(i) Every 2 years, the Commission shall provide to the State Board and local school boards a report on best practices in charter school authorizing, including without limitation evaluating applications, oversight of charters, and renewal of charter schools.

(j) The Commission may charge a charter school that it authorizes a fee, not to exceed 3% of the revenue provided to the school, to cover the cost of undertaking the ongoing administrative responsibilities of the eligible chartering authority with respect to the school. This fee must be deposited into the State Charter School Commission Fund.

(k) Any charter school authorized by the State Board prior to this amendatory Act of the 97th General Assembly shall have its authorization transferred to the Commission upon a vote of the State Board, which shall then become the school's authorizer for all purposes under this Article. However, in no case shall such transfer take place later than July 1, 2012. At this time, all of the powers, duties, assets, liabilities, contracts, property, records, and pending business of the State Board as the school's authorizer must be transferred to the Commission. Any charter school authorized by a local school board or boards may seek transfer of authorization to the Commission during its current term only with the approval of the local school board or boards. At the end of its charter term, a charter school authorized by a local school board or boards must reapply to the board or boards before it may apply for authorization to the Commission under the terms of this amendatory Act of the 97th General Assembly.

On the effective date of this amendatory Act of the 97th General Assembly, all rules of the State Board applicable to matters falling within the responsibility of the Commission shall be applicable to the actions of the Commission. The Commission shall thereafter have the authority to propose to the State Board modifications to all rules applicable to matters falling within the

responsibility of the Commission. The State Board shall retain rulemaking authority for the Commission, but shall work jointly with the Commission on any proposed modifications. Upon recommendation of proposed rule modifications by the Commission and pursuant to the Illinois Administrative Procedure Act, the State Board shall consider such changes within the intent of this amendatory Act of the 97th General Assembly and grant any and all changes consistent with that intent.

(l) The Commission shall have the responsibility to consider appeals under this Article immediately upon appointment of the initial members of the Commission under subsection (c) of this Section. Appeals pending at the time of initial appointment shall be determined by the Commission; the Commission may extend the time for review as necessary for thorough review, but in no case shall the extension exceed the time that would have been available had the appeal been submitted to the Commission on the date of appointment of its initial members. In any appeal filed with the Commission under this Article, both the applicant and the school district in which the charter school plans to locate shall have the right to request a hearing before the Commission. If more than one entity requests a hearing, then the Commission may hold only one hearing, wherein the applicant and the school district shall have an equal opportunity to present their respective positions.

§ 27A-7.10. Authorizer powers and duties; immunity; principles and standards.

(a) Authorizers are responsible for executing, in accordance with this Article, all of the following powers and duties:

(1) Soliciting and evaluating charter applications.

(2) Approving quality charter applications that meet identified educational needs and promote a diversity of educational choices.

(3) Declining to approve weak or inadequate charter applications.

(4) Negotiating and executing sound charter contracts with each approved charter school.

(5) Monitoring, in accordance with charter contract terms, the performance and legal compliance of charter schools.

(6) Determining whether each charter contract merits renewal, nonrenewal, or revocation.

(b) An authorizing entity may delegate its duties to officers, employees, and contractors.

(c) Regulation by authorizers is limited to the powers and duties set forth in subsection (a) of this Section and must be consistent with the spirit and intent of this Article.

(d) An authorizing entity, members of the local school board, or the Commission, in their official capacity, and employees of an authorizer are immune from civil and criminal liability with respect to all activities related to a charter school that they authorize, except for willful or wanton misconduct.

(e) The Commission and all local school boards that have a charter school operating are required to develop and maintain chartering policies and practices consistent with recognized principles and standards for quality charter authorizing in all major areas of authorizing responsibility, including all of the following:

- (1) Organizational capacity and infrastructure.
- (2) Soliciting and evaluating charter applications.
- (3) Performance contracting.
- (4) Ongoing charter school oversight and evaluation.
- (5) Charter renewal decision-making.

Authorizers shall carry out all their duties under this Article in a manner consistent with nationally recognized principles and standards and with the spirit and intent of this Article.

§ 27A-8. Evaluation of charter proposals.

(a) This Section does not apply to a charter school established by referendum under Section 27A-6.5. In evaluating any charter school proposal submitted to it, the local school board and the Commission shall give preference to proposals that:

(1) demonstrate a high level of local pupil, parental, community, business, and school personnel support;

(2) set rigorous levels of expected pupil achievement and demonstrate feasible plans for attaining those levels of achievement; and

(3) are designed to enroll and serve a substantial proportion of at-risk children; provided that nothing in the Charter Schools Law shall be construed as intended to limit the establishment of charter schools to those that serve a substantial portion of at-risk children or to in any manner restrict, limit, or discourage the establishment of charter schools that enroll and serve other pupil populations under a nonexclusive, nondiscriminatory admissions policy.

(b) In the case of a proposal to establish a charter school by converting an existing public school or attendance center to charter school status, evidence that the proposed formation of the charter school has received majority support from certified teachers and from parents and guardians in the school or attendance center affected by the proposed charter, and, if applicable, from a local school council, shall be demonstrated by a petition in support of the charter school signed by certified teachers and a petition in support of the charter school signed by parents and guardians and, if applicable, by a vote of the local school council held at a public meeting. In the case of all other proposals to establish a charter school, evidence of sufficient support to fill the number of pupil seats set forth in the proposal may be demonstrated by a petition in support of the charter school signed by parents and guardians of students eligible to attend the charter school. In all cases, the individuals, organizations, or entities who initiate the proposal to establish a charter school may elect, in lieu of including any petition referred to in this subsection as a part of the proposal submitted to the local school board, to demonstrate that the charter school has received the support referred to in this subsection by other evidence and information presented at the public meeting that the local school board is required to convene under this Section.

(c) Within 45 days of receipt of a charter school proposal, the local school board shall convene a public meeting to obtain information to assist the board in its decision to grant or deny the charter school proposal. A local school board may develop its own process for receiving charter school proposals on an annual basis that follows the same timeframes as set forth in this Article. Only after the local school board process is followed may a charter school applicant appeal to the Commission.

(d) Notice of the public meeting required by this Section shall be published in a community newspaper published in the school district in which the proposed charter is located and, if there is no such newspaper, then in a newspaper published in the county and having circulation in the school district. The notices shall be published not more than 10 days nor less than 5 days before the meeting and shall state that information regarding a charter school proposal will be heard at the meeting. Copies of the notice shall also be posted at appropriate locations in the school or attendance center proposed to be established as a charter school, the public schools in the school district, and the local school board office. If 45 days pass without the local school board holding a public meeting, then the charter applicant may submit the proposal to the Commission, where it must be addressed in accordance with the provisions set forth in subsection (g) of this Section.

(e) Within 30 days of the public meeting, the local school board shall vote, in a public meeting, to either grant or deny the charter school proposal. If the local school board has not voted in a public meeting within 30 days after the public meeting, then the charter applicant may submit the proposal to the Commission, where it must be addressed in accordance with the provisions set forth in subsection (g) of this Section.

(f) Within 7 days of the public meeting required under subsection (e) of this Section, the local school board shall file a report with the State Board granting or denying the proposal. If the local school board has approved the proposal, within 30 days of receipt of the local school board's report, the State Board shall determine whether the approved charter proposal is consistent with the provisions of this Article and, if the approved proposal complies, certify the proposal pursuant to Section 27A-6.

(g) If the local school board votes to deny the proposal, then the charter school applicant has 30 days from the date of that vote to submit an appeal to the Commission. In such instances or in those instances referenced in subsections (d) and (e) of this Section, the Commission shall follow the same process and be subject to the same timelines for review as the local school board.

(h) The Commission may reverse a local school board's decision to deny a charter school proposal if the Commission finds that the proposal (i) is in compliance with this Article and (ii) is in the best interests of the students the charter school is designed to serve. Final decisions of the Commission are subject to judicial review under the Administrative Review Law.

(i) In the case of a charter school proposed to be jointly authorized by 2 or more school districts, the local school boards may unanimously deny the charter school proposal with a statement that the local school boards are not opposed to the charter school, but that they yield to the Commission in light of the complexities of joint administration.

§ 27A-9. Term of charter; renewal.

(a) A charter may be granted for a period not less than 5 and not more than 10 school years. A charter may be renewed in incremental periods not to exceed 5 school years.

(b) A charter school renewal proposal submitted to the local school board or the Commission, as the chartering entity, shall contain:

(1) A report on the progress of the charter school in achieving the goals, objectives, pupil performance standards, content standards, and other terms of the initial approved charter

proposal; and

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

(c) A charter may be revoked or not renewed if the local school board or the Commission, as the chartering entity, clearly demonstrates that the charter school did any of the following, or otherwise failed to comply with the requirements of this law:

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

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

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

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

In the case of revocation, the local school board or the Commission, as the chartering entity, shall notify the charter school in writing of the reason why the charter is subject to revocation. The charter school shall submit a written plan to the local school board or the Commission, whichever is applicable, to rectify the problem. The plan shall include a timeline for implementation, which shall not exceed 2 years or the date of the charter's expiration, whichever is earlier. If the local school board or the Commission, as the chartering entity, finds that the charter school has failed to implement the plan of remediation and adhere to the timeline, then the chartering entity shall revoke the charter. Except in situations of an emergency where the health, safety, or education of the charter school's students is at risk, the revocation shall take place at the end of a school year. Nothing in this amendatory Act of the 96th General Assembly shall be construed to prohibit an implementation timetable that is less than 2 years in duration.

(d) (Blank).

(e) Notice of a local school board's decision to deny, revoke or not to renew a charter shall be provided to the Commission and the State Board. The Commission may reverse a local board's decision if the Commission finds that the charter school or charter school proposal (i) is in compliance with this Article, and (ii) is in the best interests of the students it is designed to serve.

The Commission may condition the granting of an appeal on the acceptance by the charter school of funding in an amount less than that requested in the proposal submitted to the local school board. Final decisions of the Commission shall be subject to judicial review under the Administrative Review Law.

(f) Notwithstanding other provisions of this Article, if the Commission on appeal reverses a local board's decision or if a charter school is approved by referendum, the Commission shall act as the authorized chartering entity for the charter school. The Commission shall approve the charter and shall perform all functions under this Article otherwise performed by the local school board. The State Board shall determine whether the charter proposal approved by the Commission is consistent with the provisions of this Article and, if the approved proposal complies, certify the proposal pursuant to this Article. The State Board shall report the aggregate number of charter school pupils resident in a school district to that district and shall notify the district of the amount of funding to be paid by the State Board to the charter school enrolling such students. The Commission shall require the charter school to maintain accurate records of daily attendance that shall be deemed sufficient to file claims under Section 18-8.05 notwithstanding any other requirements of that Section regarding hours of instruction and teacher certification. The State Board shall withhold from funds otherwise due the district the funds authorized by this Article to be paid to the charter school and shall pay such amounts to the charter school.

(g) For charter schools authorized by the Commission, the Commission shall quarterly certify to the State Board the student enrollment for each of its charter schools.

(h) For charter schools authorized by the Commission, the State Board shall pay directly to a charter school any federal or State aid attributable to a student with a disability attending the school.

§ 27A-10. Employees.

(a) A person shall be deemed to be employed by a charter school unless a collective bargaining agreement or the charter school contract otherwise provides.

(b) In all school districts, including special charter districts and districts located in cities having a population exceeding 500,000, the local school board shall determine by policy or by negotiated agreement, if one exists, the employment status of any school district employees who are employed by a charter school and who seek to return to employment in the public schools of the district. Each local school board shall grant, for a period of up to 5 years, a leave of absence to those of its teachers who accept employment with a charter school. At the end of the authorized leave of absence, the teacher must return to the school district or resign; provided, however, that

if the teacher chooses to return to the school district, the teacher must be assigned to a position which requires the teacher's certification and legal qualifications. The contractual continued service status and retirement benefits of a teacher of the district who is granted a leave of absence to accept employment with a charter school shall not be affected by that leave of absence.

(c) Charter schools shall employ in instructional positions, as defined in the charter, individuals who are certificated under Article 21 of this Code or who possess the following qualifications:

(i) graduated with a bachelor's degree from an accredited institution of higher learning;

(ii) been employed for a period of at least 5 years in an area requiring application of the individual's education;

(iii) passed the tests of basic skills and subject matter knowledge required by Section 21-1a of the School Code; and

(iv) demonstrate continuing evidence of professional growth which shall include, but not be limited to, successful teaching experience, attendance at professional meetings, membership in professional organizations, additional credits earned at institutions of higher learning, travel specifically for educational purposes, and reading of professional books and periodicals.

(c-5) Charter schools employing individuals without certification in instructional positions shall provide such mentoring, training, and staff development for those individuals as the charter schools determine necessary for satisfactory performance in the classroom.

At least 50% of the individuals employed in instructional positions by a charter school that is operating in a city having a population exceeding 500,000 and that is established on or after April 16, 2003 shall hold teaching certificates issued under Article 21 of this Code.

At least 75% of the individuals employed in instructional positions by a charter school that is operating in a city having a population exceeding 500,000 and that was established before April 16, 2003 shall hold teaching certificates issued under Article 21 of this Code.

(c-10) Notwithstanding any provision in subsection (c-5) to the contrary, in any charter school established before the effective date of this amendatory Act of the 96th General Assembly, at least 75% of the individuals employed in instructional positions by the charter school shall hold teaching certificates issued under Article 21 of this Code beginning with the 2012-2013 school year. **In any charter school established after the effective date of this amendatory Act of the 96th General Assembly, at least 75% of the individuals employed in instructional positions by a**

charter school shall hold teaching certificates issued under Article 21 of this Code by the beginning of the fourth school year during which a student is enrolled in the charter school. Charter schools may employ non-certificated staff in all other positions.

(c-15) Charter schools are exempt from any annual cap on new participants in an alternative certification program. The second and third phases of the alternative certification program may be conducted and completed at the charter school, and the alternative teaching certificate is valid for 4 years or the length of the charter (or any extension of the charter), whichever is longer.

(d) A teacher at a charter school may resign his or her position only if the teacher gives notice of resignation to the charter school's governing body at least 60 days before the end of the school term, and the resignation must take effect immediately upon the end of the school term.

§ 27A-10.5. Educational or charter management organization.

(a) In this Section:

“CMO” means a charter management organization.

“EMO” means an educational management organization.

(b) All authorizers shall ensure that any charter school established on or after the effective date of this amendatory Act of the 98th General Assembly has a governing body that is separate and distinct from the governing body of any CMO or EMO. In reviewing charter applications and charter renewal applications, authorizers shall review the governance model proposed by the applicant to ensure that there are no conflicts of interest.

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

§ 27A-10.10. Closure of charter school; unspent public funds; procedures for the disposition of property and assets.

(a) Upon the closing of a charter school authorized by one or more local school boards, the governing body of the charter school or its designee shall refund to the chartering entity or entities all unspent public funds. The charter school's other property and assets shall be disposed of under the provisions of the charter application and contract. If the application and contract are silent or ambiguous as to the disposition of any of the school's property or assets, any property or assets of the charter school purchased with public funds shall be returned to the school district

or districts from which the charter school draws enrollment, at no cost to the receiving district or districts, subject to each district's acceptance of the property or asset. Any unspent public funds or other property or assets received by the charter school directly from any State or federal agency shall be refunded to or revert back to that State or federal agency, respectively.

(b) Upon the closing of a charter school authorized by the Commission, the governing body of the charter school or its designee shall refund all unspent public funds to the State Board of Education. The charter school's other property and assets shall be disposed of under the provisions of the charter application and contract. If the application and contract are silent or ambiguous as to the disposition of any of the school's property or assets, any property or assets of the charter school purchased with public funds shall be returned to the school district or districts from which the charter school draws its enrollment, at no cost to the receiving district or districts, subject to each district's acceptance of the property or asset. Any unspent public funds or other property or assets provided by a State agency other than the State Board of Education or by a federal agency shall be refunded to or revert back to that State or federal agency, respectively.

§ 27A-11. Local financing.

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

(b) Except for a charter school established by referendum under Section 27A-6.5, as part of a charter school contract, the charter school and the local school board shall agree on funding and any services to be provided by the school district to the charter school. Agreed funding that a charter school is to receive from the local school board for a school year shall be paid in equal quarterly installments with the payment of the installment for the first quarter being made not later than July 1, unless the charter establishes a different payment schedule. However, if a charter school dismisses a pupil from the charter school after receiving a quarterly payment, the charter school shall return to the school district, on a quarterly basis, the prorated portion of public funding provided for the education of that pupil for the time the student is not enrolled at the charter school. Likewise, if a pupil transfers to a charter school between quarterly payments, the school district shall provide, on a quarterly basis, a prorated portion of the public funding to

the charter school to provide for the education of that pupil.

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

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

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

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

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

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

(e) (Blank).

(f) The Commission shall provide technical assistance to persons and groups preparing or

revising charter applications.

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

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

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

(1) From a separate appropriation made to the State Board for purposes of this subdivision (1), the State Board shall make transition impact aid available to school districts that approve a new charter school or that have funds withheld by the State Board to fund a new charter school that is chartered by the Commission. The amount of the aid shall equal 90% of the per capita funding paid to the charter school during the first year of its initial charter term, 65% of the per capita funding paid to the charter school during the second year of its initial term, and 35% of the per capita funding paid to the charter school during the third year of its initial term. This transition impact aid shall be paid to the local school board in equal quarterly installments, with the payment of the installment for the first quarter being made by August 1st immediately preceding the first, second, and third years of the initial term. The district shall file an application for this aid with the State Board in a format designated by the State Board. If the appropriation is insufficient in any year to pay all approved claims, the impact aid shall be prorated. However, for fiscal year 2004, the State Board of Education shall pay approved claims only for charter schools with a valid charter granted prior to June 1, 2003. If any funds remain after these claims have been paid, then the State Board of Education may pay all other approved claims on a pro rata basis. Transition impact aid shall be paid beginning in the 1999-2000 school year for charter schools that are in the first, second, or third year of their initial term. Transition impact aid shall not be paid for any charter school that is proposed and created by one or more boards of education, as authorized under the provisions of Public Act 91-405.

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

(3) The Charter Schools Revolving Loan Fund is created as a special fund in the State treasury.

Federal funds, such other funds as may be made available for costs associated with the establishment of charter schools in Illinois, and amounts repaid by charter schools that have received a loan from the Charter Schools Revolving Loan Fund shall be deposited into the Charter Schools Revolving Loan Fund, and the moneys in the Charter Schools Revolving Loan Fund shall be appropriated to the State Board and used to provide interest-free loans to charter schools. These funds shall be used to pay start-up costs of acquiring educational materials and supplies, textbooks, electronic textbooks and the technological equipment necessary to gain access to and use electronic textbooks, furniture, and other equipment needed in the initial term of the charter school and for acquiring and remodeling a suitable physical plant, within the initial term of the charter school. Loans shall be limited to one loan per charter school and shall not exceed \$250 per student enrolled in the charter school. A loan shall be repaid by the end of the initial term of the charter school. The State Board may deduct amounts necessary to repay the loan from funds due to the charter school or may require that the local school board that authorized the charter school deduct such amounts from funds due the charter school and remit these amounts to the State Board, provided that the local school board shall not be responsible for repayment of the loan. The State Board may use up to 3% of the appropriation to contract with a non-profit entity to administer the loan program.

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

§ 27A-12. Evaluation; report. On or before September 30 of every odd-numbered year, all local school boards with at least one charter school, as well as the Commission, shall submit to the State Board any information required by the State Board pursuant to applicable rule. On or before the second Wednesday in January of every even-numbered year, the State Board shall issue a report to the General Assembly and the Governor on its findings for the previous 2 school years. The State Board's report shall summarize all of the following:

- (1) The authorizer's strategic vision for chartering and progress toward achieving that vision.
- (2) The academic and financial performance of all operating charter schools overseen by the authorizer, according to the performance expectations for charter schools set forth in this Article.
- (3) The status of the authorizer's charter school portfolio, identifying all charter schools in each of the following categories: approved (but not yet open), operating, renewed, transferred, revoked, not renewed, voluntarily closed, or never opened.
- (4) The authorizing functions provided by the authorizer to the charter schools under its purview, including the authorizer's operating costs and expenses detailed in annual audited financial

statements, which must conform with generally accepted accounting principles.

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

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

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

§ 27A-13. Rules. The State Board of Education is authorized to adopt any rules not inconsistent with this Article that it deems necessary to implement and accomplish the purposes and provisions of this Article.

