ILLINOIS STATE BOARD OF EDUCATION
December 12 - 13, 2001


Materials: Full Draft Report

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Purpose of Agenda Item

The purpose of the agenda item is a discussion of and action on the State Board of Education’s required annual report to the General Assembly and the Governor regarding Illinois charter schools in 2000-2001. The last report submitted was in January 2001 for the school year 1999-2000.

Expected Outcome(s) of Agenda Item

The expected outcome is approval of the report, with necessary technical changes, so that it may be submitted in a timely fashion and serve to inform the Governor and the General Assembly regarding charter schools in Illinois, including recommendations for necessary legislative changes.

Background Information

The report has been an annual requirement since the charter school law was enacted in April 1996. This will be the fifth report and covers the 2000-2001 school year. The report provides information on the performance of charter school pupils, reviews charter school reactions to being released from many regulations and policies, and includes suggestions for changes in state law to strengthen charter schools. It is premature to determine the effectiveness of charter schools. Currently, they are being held accountable for student achievement in a fashion similar to traditional public schools – students take the state assessments at the applicable grade levels and issue report cards similar to traditional public schools. This report covers the 19 schools that were in operation during the 2000-2001 school year. Four additional schools opened in the fall of 2001.

Charter schools are public schools of choice. Parents choose to enroll students in a charter school. If the school is oversubscribed, a lottery is instituted. This selection process means that a school’s demographics may not match that of the host district. Student selection cannot discriminate on the basis of disability, race, creed, color,
gender, national origin, religion, ancestry, marital status, or need for special education services.

There is a cap on the number of charter schools allowed in Illinois: 15 in Chicago Public School District 299, 15 in the remainder of Cook County and the collar counties, and 15 in the remainder of the state. With the approval and certification of Global Village and LEARN Charter Schools in September 2001, the cap in Chicago was reached.

**Analysis and Implications for Policy, Budget, Legislative Action and Communications**

There are two specific issues for the State Board to consider regarding possible legislative changes:

- Raising the cap on charter schools in Chicago since the cap of 15 has been met.
- Finding a mechanism specific to state-authorized charter schools for financing special education as enrollments increase in state-authorized charter schools.

**Pros and Cons of Various Actions**

Chicago has reached the legislative cap for charter schools. As demonstrated by the number of applications for available seats, interest in charter schools in the Chicago district remains high.

Special education funding needs for state-authorized charter schools continue to be an issue. As enrollments in charter schools increase, so do enrollments of special education students. The schools rely primarily upon the per capita tuition transfer from the host districts for financing and have few other fund sources to fall back on to deal with extraordinary costs. State and federal special education funding can provide some relief but cover only a small percentage of the actual costs associated with providing services.

**Superintendent’s Recommendation**

Approve the report for transmittal to the General Assembly and the Governor.

**Next Steps**

Transmit the Illinois Charter School Annual Report to the General Assembly and the Governor upon Board approval. Support necessary legislative changes throughout 2002 or thereafter.