In the Matter of the Renewal Of the Charter for Thomas Jefferson Charter School

RECOMMENDATION OF THE STATE SUPERINTENDENT

I. Introduction:

In accordance with Section 27A-9 of the Illinois Charter Schools Law, Thomas Jefferson Charter School has submitted to the State Board, as the chartering entity, its renewal proposal for five more years. The staff at the Illinois State Board of Education have visited the charter school and reviewed the charter school renewal proposal. This Recommendation focuses on determining whether the statutory and original charter requirements have been followed during the initial charter term and whether the renewal proposal is complete and compliant with the provisions of Article 27A of the Illinois School Code.

II. Background information:

In February of 1998, the Thomas Jefferson Charter School Foundation (Foundation) submitted a charter school proposal to School District 59 (School District), seeking to establish the Thomas Jefferson Charter School (Thomas Jefferson) under the Illinois Charter Schools Law. This was the third charter school proposal submitted to the
school district by the Thomas Jefferson Charter School Foundation. It was this third charter school proposal that, upon the Foundation’s appeal to the Illinois State Board of Education (State Board), was granted in June 1998 and became the first charter school with the State Board as the chartering entity. The School District appealed the State Board’s decision in the circuit court of Cook County. The circuit court affirmed the decision of the State Board. When the School District appealed the circuit court’s decision, the Illinois Appellate Court affirmed the decision of the State Board.

Thomas Jefferson opened its doors to residents of the School District for the 1999-2000 school year. Ninety students applied and ninety students were accepted for that school year. Originally located at Steinmetz High School in Chicago, Thomas Jefferson now leases classroom space from the Archdiocese of Chicago at Our Lady of Destiny located at 795 Center Street in Des Plaines, Illinois. All the teachers at the school have teaching certificates. Enrollment in 2000-2001 was 62. Enrollment in 2001-2002 was 73. Currently, there are 77 students at Thomas Jefferson. Five of the eight staff members in 2002-2003 have taught at Thomas Jefferson since its inception. A transportation plan is in place and low-income families receive free bus transportation.

III. Thomas Jefferson Charter School Agreement and Amendments:

Thomas Jefferson and the State Board entered into an agreement for the charter school to begin its charter term in school year 1999-2000 and end in 2002-2003. Thomas Jefferson was required to serve students in kindergarten through eighth grade who reside in the School District. Thomas Jefferson was to serve a minimum of 96 students from the School District. The charter school was to provide the Core Knowledge curriculum, a
shared core curriculum that purports to present material in a sequential manner to establish a foundation of knowledge.

Amendments to the Agreement:

Although not labeled as an amendment, the letter of September 10, 1999 from the State Board to Thomas Jefferson allowed them to operate at Steinmetz and to open with fewer than 96 students, with the understanding that enrollment during the second semester would be at least 96 students. The first amendment to the agreement changed the minimum enrollment for the charter school from 96 to 45 students, provided the location of the charter school at 795 Center Street, stated that the Foundation would be responsible for all services formerly provided by Beacon Education Management, provided assistance with carpooling transportation or bus transportation for its students, provided a full day of kindergarten, and approved the ability to determine the beginning date of the school year annually. This amendment was signed by both parties on September 11, 2000.

The second amendment changed residency requirements for the members of the governing board of Thomas Jefferson to be residents of Illinois. Residency within the district boundaries of the School District is not a requirement of the Illinois Charter Schools Law. This amendment was signed by both parties on October 8, 2000.

The third amendment allowed for foreign language instruction addressing required Illinois Learning Standards to be integrated in the social studies curriculum in place of separate courses and provided for annual determinations and publication of the school calendar, including dates of attendance and holidays. This amendment was signed by both parties on January 29, 2003.
IV. Thomas Jefferson Charter School Renewal Proposal:

In February of 2003, the Board of Directors for Thomas Jefferson submitted the renewal proposal requesting approval for five additional years. The renewal application consisted of: the Charter of Thomas Jefferson Charter School; the Renewal of the Charter of Thomas Jefferson Charter School; letters of support; the original charter school agreement signed December 4, 1998, and subsequent amendments; the By-Laws of Thomas Jefferson Charter School; the tentative calendar for 2003-2004; a summary of insurance document; a test score summary sheet; and a chart of the charter school performance from the *Chicago Tribune*.

The renewal proposal states that the charter school has provided its students with a solid base of knowledge and skills. The charter school states that it has determined that a minimum of 45 students are needed to open the school and that it is expected that the school will grow by 15 students annually for the next 5 years so that in the year 2007-2008 there will be 150 students. The proposal presents a two tiered system of funding: (1) 100% of the per capita tuition reimbursement (PCTR) for regular education students in the full day kindergarten through 8th grade; and (2) 125% of the PCTR for children whose families qualify for free or reduced price lunches, non-English speaking children and children who need special education services.

In response to the State Board’s request for additional information, Thomas Jefferson submitted further information on April 17, 2003. This information provides insight into the details of the school’s population and educational programs. For example, 77% of the school’s student population is non-English speaking. Thomas Jefferson provides English “immersion classrooms” where all instruction is provided in
English as an alternative to the School District’s bilingual education classes. All day kindergarten is offered.

Students at Thomas Jefferson are administered the following standardized tests: Riverside Publishing Company’s Cognitive Abilities Test, Iowa Test of Basic Skills and ISATs.

The charter school has provided assurances that it has not committed any material violations of the charter and has not violated any provision of law from which it was not exempted.

V. School District’s position:

The State Board sought the School District’s position on Thomas Jefferson. The School District’s position is that the charter should not be renewed for the following reasons:

1. Financial hardship placed upon the school district, past and future;
2. Educational programming and suitability of the curriculum for students attending Thomas Jefferson;
3. Governance and location of Thomas Jefferson;
4. Failure of Thomas Jefferson to comply with the Individuals with Disabilities Education Act (IDEA);
5. Failure to meet enrollment standards for Thomas Jefferson;
6. Failure to provide a charter renewal proposal that is economically sound; and
7. Failure to meet the pupil performance standards identified in the initial charter proposal.
These reasons are discussed more fully in Section VII of this recommendation.

VI. ISBE site visit:

On April 28, 2003, staff members at the State Board conducted an on-site visit at Thomas Jefferson. The staff members interviewed administrators, teachers and parents; toured the school and visited classrooms; and reviewed files and records. Out of the 77 students at Thomas Jefferson, 59 students speak or are learning English as a second language. Data from the 2002 Illinois School Report Card indicate that Japanese and other Asian students comprise more than 45.2% of the student population, 27.4% are White, 19.2% Black, and 8.2% Hispanic. Staff at the school indicated the proportion has shifted this year to approximately 77% Asian/Pacific Islander. Current class sizes range from 8 to 19 students. Enrollments for school year 2002-2003 by grade are: 19 in kindergarten, 8 in first grade, 13 in second grade, 10 in third grade, 9 in fourth grade, 7 in fifth grade, 3 in sixth grade, 4 in seventh grade, and 4 in eighth grade. Although a majority of Thomas Jefferson students speak English as a second language and the school provides immersion only, students have achieved results on the Illinois Standards Achievement Test that are comparable to statewide scores.

The school is housed within Our Lady of Destiny Catholic School. The classrooms are well maintained, clean and colorful. The Suburban Cook County Regional Office of Education visits the site annually and the latest report noted the school was making acceptable progress on five violations. Some of the rooms used by Thomas Jefferson students have religious symbols.

1 The full onsite visit report is provided as an attachment.
The accountability plan and curriculum are not yet fully developed as depicted by the original charter. The transportation plan was fully implemented and appears to be working successfully. Several concerns were noted regarding special education.²

A parent survey was provided by staff of the State Board to the school as a means of collecting parental opinions. Results represent 93% of the families at Thomas Jefferson. All responses expressed strong approval of and support for the school. Many parents expressed particular satisfaction with small class size, the working relationship between teachers and parents, the Core Knowledge curriculum, and the use of English immersion instead of separate bilingual/ESL classes. The vice-president of the governing board noted: “The opportunity of parental choice and involvement is indicative of the health of the greater public school system. Conceptually, a healthy system must have the opportunity of choice. Thomas Jefferson Charter School is one such choice. At this time, the continued operation of TJCS is a positive contribution to the overall health of the system of the public schools.”

VII. Analysis of the Charter School and Its Renewal Proposal:

The renewal proposal for Thomas Jefferson must meet the requirements set forth in Section 27A-9 of the Illinois Charter Schools Law. A charter school renewal proposal 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

² The full special education onsite report is provided as an attachment.
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.

Thomas Jefferson submitted the report and the financial statement and they are provided as attachments to this recommendation. Thus, these submission requirements have been met.

In accordance with Section 27A-9(c) of the Illinois Charter Schools Law, “a charter may be revoked or not renewed if the State Board, 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.

Each of these requirements is discussed in more detail below.

(1) Whether Thomas Jefferson has committed a material violation of any of the conditions, standards, or procedures set forth in the charter

After reviewing the documents submitted by Thomas Jefferson and the School District, ISBE staff have identified areas of concern with regard to Thomas Jefferson’s compliance with special education and accountability requirements. With regard to special education, all charter schools in Illinois must comply with the Individuals with Disabilities Education Act (IDEA). The original charter proposal from Thomas Jefferson included the assurance that the school would “[p]rovide all eligible students with services in accordance with the provisions of the IDEA.” The School District maintains that
Thomas Jefferson is not in compliance with the provisions set forth in IDEA. The School District states that Thomas Jefferson has not submitted a Three Year Special Education Plan as noted in the original charter, has not worked closely with the local special education cooperative, and that students with disabilities are not receiving special education and related services at Thomas Jefferson. The School District is correct as observed and documented in the attached special education compliance review report.

During its first three years, Thomas Jefferson claimed to have no students with Individual Education Plans (IEPs). This year, Thomas Jefferson had one student who transferred into the school with an IEP and the requirements for remediation and modification have been successfully provided by the classroom teacher. However, Thomas Jefferson does not have plans to provide the required annual IEP review, nor does it have a clear plan to provide for student evaluations or student services beyond modifications carried out by the classroom teacher.

Thomas Jefferson has asserted its attempt to improve its special education services by seeking assistance from the Illinois State Board of Education and by attempting to contract with the Northwest Suburban Special Education Organization (NSSEO), a special education cooperative. However, NSSEO has indicated they do not intend to serve Thomas Jefferson. State Board staff may provide technical assistance on processes and procedures, but cannot provide direct student services. It is this area for which the school does not appear to have any reasonable plan of action, although the original charter said that Thomas Jefferson would “[p]rovide all eligible students with services in accordance with the provisions of the IDEA.” The charter school’s
contingency plan is vague and includes references to obtaining special education services through a temporary employment agency.

It is the opinion of ISBE staff that Thomas Jefferson is not in compliance with the provisions of IDEA.

With regard to the Accountability Plan and Reports, the charter school agreement of December 4, 1998, stated that “Thomas Jefferson shall develop the accountability plan described in its proposal…and shall no later than July 1, 1999 submit the plan to the State Board for approval.” The purpose of this plan was to more clearly define and to measure achievement of the broad academic goals, objectives and standards as outlined in the charter proposal. Although a draft accountability plan dated October 13, 1999, was prepared for Thomas Jefferson, there is no documentation that this plan was ever finalized or adopted by the school, or approved by ISBE.

In response to a request from ISBE, on April 17, 2003, Thomas Jefferson provided a document entitled “Thomas Jefferson Charter School: Goals and Objectives (Working document, March 2003)” which has a format similar to the draft plan. Student Goals/Objectives #4 of this document addressed student achievement. The report states that good progress has been made toward meeting this objective but lacked specific details. Formal accountability reports have not been submitted to ISBE on an annual basis. In the absence of an approved Accountability Plan with specific outcomes, it is difficult to determine the level of success in achieving the goals, objectives, and pupil performance standards.
It is the opinion of ISBE staff that Thomas Jefferson is not in compliance with regards to the development and implementation of an Accountability Plan as outlined in the original charter agreement.

In addition to the concerns noted above, the School District raised several issues. These are: (a) financial hardship placed on the School District; (b) educational programming and suitability of the curriculum for students attending Thomas Jefferson; (c) enrollment at the charter school; and (d) governance and location of Thomas Jefferson.

(a) Financial hardship: With regards to financial hardship, the School District provided information regarding the impact of Thomas Jefferson on district revenues.

In accordance with Section 27A-11(b) of the Illinois Charter Schools Law, funding for a charter school must be no 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. The State Board currently redistributes the funding from the school district’s General State Aid (GSA) allotment to the charter school. The terms of the charter school proposal must be “economically sound for both the charter school and the school district….” (See 105 ILCS 5/27A-7(a)(9).)

A legal opinion from the State Board touched on the issue of economic soundness:

It is possible that over the term of a charter – which is now 5 to 10 years for an initial charter – the deteriorating financial condition of the chartering district could reveal the charter school not to be economically sound for the district. In such circumstances, after reviewing the overall financial condition of the district, along with the educational progress and comparable costs of the charter school as shown by the renewal proposal, a district could refuse to renew the charter upon determining that the financial condition of the district no longer indicates that the charter school is economically sound for the district.
It should also be noted, however, that the denial of a charter renewal proposal can be appealed to and reversed by the State Board. (Charter Schools Law, Section 27A-9(e).) Moreover, the burden would be on the district to “clearly demonstrate” that it can no longer financially support the charter school. The State Board would closely scrutinize any claim by a district that it can no longer afford to fund a charter school. A charter school that is performing well academically and is otherwise complying with its charter has a right to expect that its charter will be renewed in all but the most severe and intractable financial crisis for its chartering district. The elimination of a charter school should be a last resort rather than a standard option for a district to eliminate a budget shortfall. (Legal opinion to Jed Deets by Respicio Vazquez dated October 30, 2000.)

In its two letters from the School District to the State Board, the district superintendent has stated that the charter school has been a financial burden on its school district. The above-cited legal opinion suggests that with regard to a successful and compliant charter school, the standard for determining what is economically unsound for a school district should be that renewing the charter for TJCS would create a “most severe and intractable financial crisis” for the school district.

The charter school renewal proposal requests both a 100% and 125% per capita tuition rate. The following table illustrates the projected cost of funding the charter renewal at the proposed rate. This projection assumes 1) enrollment growth as projected by Thomas Jefferson; 2) a per capita tuition rate (PCTR) of $9,564 that increases each year by 10%³; 3) 77% of the enrollment will be students with disabilities, limited-English proficiency, or low-income status and will be reimbursed at 125%; and 4) GSA will remain constant.

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³ A ten percent increase was used because this is the approximate increase per year over the last three years for the School District.
Projections show that the payments to Thomas Jefferson could exceed the projected available GSA funds for all students in the School District by the third year of the renewal and would only serve the students attending Thomas Jefferson. However, ISBE has the flexibility to negotiate a lower PCTR percentage. Using assumptions 1, 2, and 4 from above and a PCTR of 80%, the impact on the School District would be altered significantly, as demonstrated by the table below.

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<th>FY</th>
<th>PCTR</th>
<th>Projected Enrollment</th>
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<th>77% Paid at 125% of the PCTR</th>
<th>Total Paid to TJCS</th>
<th>GSA Funds Available</th>
<th>Difference Between Payment to TJCS and Available</th>
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In response to a request from ISBE, Thomas Jefferson provided budget projections based on an 80% PCTR payment. The budgets were balanced and, thus, economically sound for the charter school.

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Currently, the funding for Thomas Jefferson is 80% 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.
In March 2003, the State Board recognized the School District with Financial Recognition, which is the best category of financial strength. The School District argues that Thomas Jefferson has had a devastating effect on the district’s financial position. However, the letter of March 21, 2003, from the School District enumerates several other issues that have affected the District’s finances: declining enrollment, a low tax rate, issuance of property tax refunds, and debt repayment requirements for building renovations.

When specific budget adjustments due to the existence of Thomas Jefferson were requested, the School District responded with an itemized list of budget reductions in 2002-2003 and those anticipated for 2003-2004. These reductions were significantly greater than the approximately $535,000 of GSA redirected to Thomas Jefferson in 2002-2003. In addition, no evidence was presented that indicated the reductions would not have been made in the absence of the existence of Thomas Jefferson.

It is apparent that there is a negative economic impact on a district when a school is chartered; however, the staff at ISBE do not believe that a renewal of the charter for Thomas Jefferson at a reduced 80% PCTR rate would cause in the near future a “most severe and intractable financial crisis” for the district. Therefore, it is the opinion of ISBE staff that renewing the charter for no more than four years at a reduced rate would still be economically sound for the school district and Thomas Jefferson.

(b) Educational programming: Please see the discussion below in the second requirement on whether Thomas Jefferson has failed to meet or make reasonable progress

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5 There are four categories of financial strength based on a complex rating system using a variety of weighted factors. The lowest two ratings trigger a review to determine whether a financial oversight panel should be established for the district, the next rating up earns monitoring for negative trends, and districts with the highest rating (Financial Recognition) will have little or no review from the State Board unless requested.
toward achievement of the content standards or pupil performance standards identified in the charter.

(c) Enrollment: In its initial charter, Thomas Jefferson proposed to have a minimum of 96 students. However, Thomas Jefferson sought and received an amendment to its charter that allowed it to have a minimum enrollment of 45 students. Currently, 77 students are in attendance at Thomas Jefferson. There is no requirement in the Charter Schools Law that a charter school’s enrollment meet a minimum standard. While the enrollment number may be considered disappointing, it is the opinion of ISBE staff that because of the amendment to the charter, there is no violation of Thomas Jefferson’s enrollment standards.

(d) Governance and location: All members of the Thomas Jefferson Charter School board currently reside within Illinois. While it is true that the charter school is located outside of the School District, there is no requirement in the Illinois Charter Schools Law that a charter school must be located in the school district it serves. Thomas Jefferson has sought to ensure that the school is open to residents of the School District by providing an adequate transportation plan. Staff at ISBE have not received any phone calls or correspondence indicating that the location of the school is a barrier to enrollment or attendance. Thomas Jefferson has also provided documentation of seeking new students within the School District. It is the opinion of ISBE staff that there is no violation of the charter terms for governance and location.

Thomas Jefferson is not in compliance with either the terms of the original charter for meeting the provisions of IDEA or the development and implementation of an approved Accountability Plan. It is the opinion of ISBE staff that Thomas Jefferson has
committed a material violation of the conditions, standards, and procedures set forth in the charter.

(2) **Whether Thomas Jefferson has failed to meet or make reasonable progress toward achievement of the content standards or pupil performance standards identified in the charter**

Thomas Jefferson has implemented the Core Knowledge curriculum as well as provided English immersion classes to its students. The School District claims that the students at Thomas Jefferson do not have the same opportunity to receive a quality education program as offered by the School District. It is clear that Thomas Jefferson and the School District have different educational programs; however, both educational programs appear to encompass the Illinois Learning Standards.

With regard to student achievement, the School District correctly argues that Thomas Jefferson failed to provide documentation indicating that the school had been completely successful in meeting the broad goals and objectives related student performance as stated in the charter. In the absence of an approved accountability plan with specific performance expectations, staff reviewed the results from state assessments and compared the school’s performance with that of the School District and the state as a whole to determine whether or not reasonable progress had been made in achieving pupil performance standards. The small class size and the high proportion of limited English proficient students at Thomas Jefferson complicated this review because there is not a sufficient sample size to be statistically reliable. Thomas Jefferson students, despite the majority of students speaking English as a second language, have achieved results on the Illinois Standards Achievement Test that are comparable to statewide scores, although the scores are lower than those for the School District.
It is the opinion of the ISBE staff that while Thomas Jefferson has made progress toward achieving the Illinois Learning Standards, it is less clear as to whether Thomas Jefferson has made reasonable progress toward achieving the content standards or pupil performance standards identified in the charter as there is no accountability plan.

**3. Whether Thomas Jefferson has failed to meet generally accepted standards of fiscal management**

A review of financial statements and audits, as well as an onsite review of fiscal procedures and controls, revealed no failure to meet generally accepted standards of fiscal management. (See the attached full onsite visit report.)

It is the opinion of the ISBE staff that Thomas Jefferson has met generally accepted standards of fiscal management.

**4. Whether Thomas Jefferson has violated any provision of law from which the charter school was not exempt**

As documented earlier, Thomas Jefferson is not exempt from following the provisions of the Individuals with Disabilities Education Act. Therefore, it is the opinion of the ISBE staff that Thomas Jefferson has violated a provision of the law from which the charter school was not exempted.

**VIII. Conclusion:**

The review of Thomas Jefferson and the progress report in its renewal proposal indicates that the charter school is not operating in compliance with the original proposal or the Illinois Charter Schools Law. Thomas Jefferson does not appear to be in compliance with IDEA, nor has it implemented an approved accountability plan.

During the past four years, the State Board has allowed Thomas Jefferson the flexibility of being in substantial compliance with the Illinois Charter Schools Law. The
State Board allowed Thomas Jefferson to submit a new budget and find a location for its school during the beginning of the charter term. The State Board allowed Thomas Jefferson to change its minimum enrollment number from 96 to 45 students. The State Board allowed Thomas Jefferson to change the location of its school from Chicago to Des Plaines. While it is acknowledged that Thomas Jefferson expends much diligent time and effort to comply with the Illinois Charter Schools Law and its charter, it is also acknowledged that Thomas Jefferson falls short of these requirements. The State Board should no longer allow Thomas Jefferson more time to meet the Illinois Charter Schools Law.

Therefore, because Thomas Jefferson is not in compliance with all the terms of the original charter or with IDEA, the renewal proposal is not in compliance with Section 27-9(c) of the Illinois Charter Schools Law.

IX. Recommendation:

For the foregoing reasons, the Recommendation to the State Board is that the Thomas Jefferson charter not be renewed.

Respectfully submitted,

Robert E. Schiller
State Superintendent

Date: ____________________________
Attachments to the Recommendation of the State Superintendent
In the Matter of the Renewal of the Charter for Thomas Jefferson Charter School

1. Original charter and amendments
2. Renewal proposal and attachments
3. ISBE request for more information from Thomas Jefferson Charter School
4. Thomas Jefferson Response
5. ISBE request for more information from Community Consolidated School District 59
6. Responses from School District 59
7. Onsite visit report
8. Legal opinion to Jed Deets
9. District report card for School District 59
10. Financial status page for School District 59
11. Special education onsite report
12. Charter Schools Law
13. Rules governing charter schools