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# ILLINOIS STATE CHARTER SCHOOL COMMISSION

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**In re Betty Shabazz International  
School Renewal Application**

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**No. 2018-001R**

## **FINAL DECISION OF THE COMMISSION**

Betty Shabazz International Charter Schools (“BSICS”) oversees and operates two charter school campuses in Chicago, Illinois. Originally chartered by the Chicago Public Schools (“CPS”) in 1998, BSICS is one of few charters with the replication authority. The Betty Shabazz International Academy (BSA), located at 7822 S. Dobson, and the Barbara A. Sizemore Academy (BASA), located at 6577 S. Stewart, serve elementary students in grades kindergarten through eight who reside in the geographic boundaries of District #299 Chicago Public Schools (“CPS”). The charter has an enrollment capacity of 600 students. In March 2016, the Illinois State Charter School Commission granted BSICS’ appeal based on a revocation decision rendered by CPS, and authorized BSICS for a term of two years.

On January 23, 2018, the Illinois State Charter School Commission (the “Commission”) voted unanimously to renew the BSICS chart for a term of three years at a funding level of 100% per capita tuition charge (PCTC) of CPS District #299. The Commission finds that BSICS’s application for charter renewal complies with the provisions of the Illinois Charter Schools Law, 105 ILCS 5/27A, et. seq., and that continued operation of BSICS is warranted under the Commission’s Accountability Plan.

### **I. JURISDICTION**

The Commission exercises jurisdiction in this matter pursuant to the Illinois Charter Schools Law, 105 ILCS 5/27A, et seq. Illinois Charter Law requires that a charter school file a renewal proposal with its authorizer. See 105 ILCS 27A-9(b). The law also requires that the proposal contain a “report on the progress of the charter school” and a “financial statement.” *Id.* The Commission serves the authorizer for BSICS and has adopted a specific framework for renewal which includes consideration of data evidencing the charter school’s progress and financial condition, including a financial statement. The Commission renewal framework was applied to BSICS.

The existing charter held by the BSICS governing board is set to expire on June 30, 2018. The Charter Law does not include explicit timelines for the consideration of a renewal application. However, the BSICS charter agreement with the Commission requires BSICS to submit an application for renewal between September 1, 2017 and January 1, 2018. In November 2017, the Commission issued Initial Renewal Findings and BSICS filed its renewal application seeking a five (5) year charter term and an enrollment increase to 650. BSICS’s renewal application and the Initial Renewal Findings, contain information relating to the progress of the charter school and a financial statement as required under the law.

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Accordingly, BSICS's renewal application is timely submitted and the Commission's exercise of jurisdiction to consider the renewal application is proper.

## II. PROCEDURAL BACKGROUND

The Commission adopted an Accountability System which contains the Commission's framework for renewal on June 11, 2013. It was amended in February 2014 and again in April 2017. Most recent amendments were precipitated by the change in the statewide assessment<sup>1</sup>. Pursuant to the Accountability System and resulting renewal framework, the Commission staff began conducting due diligence activities in the fall of 2017. The initial Renewal Findings were based on the application of the Commission's Accountability System to BSICS' performance over the past two years in the three key domains of the System: Academics, Financial and Organizational. After the issuance of initial Renewal Findings and BSICS' submission of its application in November 2017, the Commission staff: (1) held a Public Hearing to receive comments on BSICS's application from the public; (2) conducted a site visit utilizing an evaluation team with independent experts, and which included classroom observations, faculty interviews and teacher focus groups; (3) conducted a capacity interview with members of the Board, the Network and School Leadership teams; (4) collected additional information and data from BSICS, (5) retained an expert to conduct an analysis of BSICS's facilities and (6) engaged an expert to conduct an analysis of BSICS's finances and to perform an economic soundness assessment.

The Public Hearing was held on November 16, 2017 and was led by Commissioner William (Bill) Farmer as well as Commission staff. Representatives from BSICS and the as well as other members of the community, and 29 persons made comments during the meeting. Comments from the public were also accepted via electronic mail during an extended comment period after the Public Hearing.

At the conclusion of the due diligence process, Commission staff prepared a renewal recommendation and issued a final set of Renewal Findings ("Final Renewal Findings"). *See* Final Renewal Findings: January 2018, attached hereto as Exhibit A. Commission staff recommended that the Commission renew the BSICS charter for a three year term, at a payment level of 100% PCTC of host District 299. The recommendation was ultimately presented to the Commission for consideration at its January 23, 2018 meeting. *See* Exhibit B, Motion to Approve Renewal of Betty Shabazz International Charter School.

On January 23, 2018, the Commissioners met and heard presentations from Commission staff and BSICS representatives. The Commissioners voted, seven of the seven<sup>2</sup> Commissioners present participated in the discussion and vote and those seven Commissioners voted unanimously to approve BSICS's application. Therefore, the motion to accept the staff recommendation carried and the Commission granted BSICS's application for charter renewal.

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<sup>1</sup> Illinois transitioned from the Illinois Standards Achievement Test (ISAT) to the Partnership for Assessment of Readiness for College and Careers (PARCC) in the 2015-16 school year.

<sup>2</sup> Two Commissioners participated telephonically during the meeting, but were not present for the vote.

## **A. Background on Commission Accountability System, Renewal Process and Findings.**

Under its Accountability System, the Commission engages in a renewal process with each school it authorizes to evaluate the school's performance and arrive at a merit-based renewal decision. Renewal typically begins one year before the date a school's charter contract is set to expire. The process involves five, sometimes overlapping, phases: (1) analysis of data and information regarding the school by Commission Staff and a Renewal Evaluation Team; (2) development and publication of initial Renewal Findings; (3) application for renewal by the school; (4) post-application due diligence by Commission staff and (5) collection of public comment.

The centerpiece of the renewal process is the renewal framework and the Renewal Findings that result. The framework is designed to answer the following questions: (1) is the school's academic program a success? (2) Is the school financially sound and demonstrating responsible stewardship? (3) Is the school meeting its legal and ethical requirements? At the start of the process, Commission staff reviews accumulated information submitted by the school during the preceding four years, as well as other public data to answer these questions and prepare the Initial Renewal Findings.

The Renewal Findings offer a comprehensive picture of the school's performance during the preceding four years of the school's existence on the metrics set forth in the Accountability System across three separate domains: academic, financial and organizational. Within each domain, there are a number of different measures the Commission uses to assess the charter school's progress. Performance targets allow the Commission to rate schools separately on each measure. The targets in the academic framework result in four performance categories, while the financial and organizational frameworks use three categories. A school exceeds, meets, or falls below the standards required on a particular measure.<sup>1</sup>

## **III. FINDINGS OF FACT**

A review of two years of data collected reveals that BSICS has met the standard for renewal. Overall, BSICS has met or exceeded the standard on 60.3% of measures across all three domains. (*See Renewal Findings, attached as Exhibit A*).

### *Academic Domain*

1. The renewal framework contains measures intended to evaluate academic performance based on student proficiency, student growth<sup>3</sup> performance of students in subgroups and for high schools, college and career readiness.

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<sup>3</sup> Student growth was only measured in the first year (2013-14). A new growth model based on PARCC performance will be included in the Commission Accountability System when a model is adopted by ISBE.

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After a review of the data covering a two- year period, Commission staff found that BSICS met or exceeded fifty percent (50%) of the academic targets.

2. Over the last two years, BSICS has achieved a rating of exceeds on two standards and met the standards on eleven (11) measures,
3. In the 2016-17 school year, both BSA and BASA outperformed the Assigned School Composite (ASC), which includes the schools the students would be assigned to attend.

Based on the evidence presented throughout the renewal process, the evaluation team and Commission staff have significant concerns about the performance of both campuses.

## *Financial Domain*

4. The Financial Performance Framework evaluates schools' financial viability in the near and long-term. The measures are organized as Near Term or Sustainability indicators and enable the Commission to identify those schools that are currently in, or trend towards, financial difficulty. To that end, the Renewal Findings include 32 interconnected measures designed to assess a schools financial position from both a cash and an accrual basis. BSICS met standards established by the Commission on 94% of the financial measures over the past four years.
5. Sustainability measures depict a school's financial position and viability over time. Schools that meet the desire stands demonstrate a low risk of financial distress in the future. Schools that fail to meet the standards may be a high risk for financial hardship in the future. Sustainability measures include: total margin, debt to asset ratio, cash flow and debt service coverage ratio. BSICS met the standards on each of the Sustainability measures for all four years.

## *Organizational Domain*

6. The Organizational Performance Framework consists of size major indicators (*educational program, financial oversight, governance and reporting, students and employees, school environment and additional obligations*) designed to analyze the extent to which a school is complying with its various legal and ethical responsibilities and to determine whether a school is respecting the rights of students, staff and families as well as the interests of the general public, by meeting its legal obligations. Expectations are derived from the state and federal law and operating terms outlined in the charter contract and charter application. **It should be noted that Organizational Domain measures were only assessed during the 2016-17 school year.** Overall, BSICS met the standards in 57% of the Organizational Domain measures established by the Commission.

## *BSICS Renewal Application*

7. BSICS submitted its renewal application to the Commission on November 13, 2017. In its application, BSICS indicated that it intended to continue its pursuit of the same academic program, with some plans to improve instruction and data analysis, and to use nearly the same organizational and financial systems during the next five years that it had used during the current charter term, with a few modifications based upon what it had learned through due diligence and renewal application process.

## *BSICS Public Hearing*

8. At the Community Forum held on November 16, 2017, to receive public comment on BSIC's renewal application. Commissioners and staff heard twenty-nine (29) speakers, which included parents, Board members, employees, and students. All twenty-nine speakers expressed support for renewal. Although there were other attendees at the hearing, no alternative or opposing views were presented at the public meeting.
9. Letters of support were received from elected officials: Donne Trotter (Assistant Majority Leader State Senator 17<sup>th</sup> District) and Sonya M. Harper (State Representative 6<sup>th</sup> District).
10. Three additional comments, in support for renewal, were received during the email forum offered by the Commission as an additional opportunity for public comment. The Commission did not receive any comment on the renewal application from host District 299.

## *Commission Staff Recommendation.*

11. On January 23, 2018, Commission staff issued a final recommendation to the Commission based on its analysis of the Renewal Findings and additional due diligence which staff conducted with the assistance of the Renewal Evaluation Team.
12. Specifically, Commission staff recommended that the Commission renew the Charter School Agreement with BSICS, for a term of three (3) years at the rate of 100% of the PCTC of the host District 299, with enrollment capacity of 600 students, pending negotiation of the charter agreement that incorporates (a) School-Specific Academic Goals, per the Commission's Accountability Plan and (b) a Strategic Plan that includes the following:
  - i. Regular analysis and promulgation of academic data to drive student growth and monitor progress towards annual goals at the network, school, grade level, classroom, and individual student levels;
  - ii. Implementation of instructional best practices utilizing that analysis (e.g. differentiation, horizontal and vertical planning, aligned professional

- development);
- iii. Student recruitment, enrollment, and year-over-year retention including specific time-bound goals, milestones, and calendar of activities; and
- iv. Plan for resource allocation and deployment.

## IV. DECISION

### A. Applicable Legal Standards.

The Law provides that a "charter may be ... not renewed if... the Commission, as the chartering entity, clearly demonstrates[s] 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."

105 ILCS 5/27A-9(c). The Commission's charter agreement with BSICS fully incorporates these standards in Sections 11 and 12. Section 11 states in part that "the Commission may refuse to renew the Amended Agreement upon a finding that any cause for revocation exists under Section 12 hereof." The following paragraph of the Amended Agreement, Section 12 quotes the language above from Section 27A-9(c) directly.

### B. The BSICS Application Meets Requirements For Renewal.

Through the implementation of its rigorous renewal application process, the Commission has concluded that none of its Findings "clearly demonstrate" any of violation of the charter contract, Charter Law or any other unlawful conduct. BSICS' greatest strength is its African-centered philosophy and the integration of cultural-relevance into the overall academic experience for students and families. The school's holistic approach to meeting students social and emotional, promotes a culture of self-confidence, self-motivation, and responsibility to the school community.

**No Material Violation of the Charter Agreement.** A review of the Findings, as well as additional due diligence conducted, substantiates the conclusion that BSICS is in compliance with its obligations under the Charter Agreement. During the renewal process, Commission staff determined that BSICS' performance on some measures were *below* the standard; however, these areas, largely in the *Organizational Performance Framework* can be cured and addressed in the strategic actions recommended by Commission staff.

**Reasonable Progress Made Towards Standards Identified In Charter.** The Renewal Findings, for the Academic Performance Framework, include twenty-six measures

intended to help the Commission assess whether BSICS made reasonable progress toward academic achievement standards. The measures examine the proficiency of BSICS students in English language arts and math as captured on the statewide assessment in comparison to students statewide, in comparison to the schools which BSIC's enrolled students would have been otherwise assigned to attend ("ASC" comparisons), and based on subgroups compared statewide and ASC comparisons.

Overall, both BSIC campuses outperform the schools its students would otherwise attend, therefore, students who attend the Betty Shabazz International Academy (BSA) in the Greater Grand Crossing community or the Barbara A. Sizemore Academy (BASA), located in the Englewood community, likely have a stronger academic opportunity than they would in their assigned CPS school. It is clear that BSICS provides a school option that is valued by the communities it serves. The Commission, however, recognizes that BSICS has considerable opportunity for improvement on the Academic Performance Framework. The capacity to improve is evident; given that both campuses are meeting overall standards on the academic framework. As both campuses outperform its ASC comparison schools, each also are in striking distance of meeting the state averages in subgroup performance. Accordingly, it is evident that BSICS made reasonable progress towards the standards identified in the Charter and the Commission's Accountability Plan.

BSICS is collecting a significant amount of student data beyond annual PARCC results to determine student skill levels and aptitude. The use of NWEA MAP, ANet, and a variety of adaptive online skills practice services provides the schools with broad spectrum of diagnostic datasets. However, site visits at both campuses demonstrated an inability to ensure that every student meets individual goals. Concerns about the programming for diverse learners, training and support for differentiated instruction, along with inconsistent and ad hoc utilization of data impact the overall effectiveness of instruction. In order for BSICS to move beyond the current level of performance, it will be critical for the board, network staff, and school leadership to become far more strategic. An integral step toward improvement includes clearly stated performance expectations that can be measured and translated into goals, targets, and benchmarks for student achievement. Thus Commission staff's recommendation includes incorporation of agreed campus specific academic goals in the Accountability Plan.

**No Clear Demonstration That BSICS Has Not Met Generally Accepted Standards of Financial Management.** As part of the renewal process, the Commission staff reviewed sixteen (16) different measures, over a two year period aimed at understanding BSIC's financial health and determining whether BSICS's financial operations met generally accepted standards of management. BSICS met the standard on every financial measure, with the exception of one measure. The only below standard measure was in relation to its restricted days of cash on hand in 2015-16, its first year of operation under the Commission's authorization. This measure was addressed in 2016-17, in which BSICS met in standard on 100% of the measures.

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In addition, BSICS's charter has not caused its host school district, District 299, actual financial harm such that the school is not economically sound. Under Illinois Charter Schools law, a proposal to establish a charter school must include "[e]vidence that the terms of the charter as proposed are economically sound for both the charter school and the school district." 105 ILCS 5/27A-7(a)(9). "[E]vidence that the charter school proposal is economically sound ... must realistically require consideration of the school district's finances." *Comprehensive Community Solutions*, 216 Ill.2d at 477. Thus, the financial terms of the charter "must leave both the charter school and the school district financially secure and solvent." *Id.*

## **No Clear Demonstration That BSICS Has Violated A Provision of Applicable Law.**

There is no evidence that BSICS has engaged in conduct that amounts to a violation of any provision of applicable law. The Organizational measures included in the Renewal Findings evaluate the extent to which BSICS complies with applicable laws, regulations and rules. BSICS met the standard on 13 of the 21 measures (57%). It should be noted that the Organizational Performance Framework was only assessed for the 2016-17 school year. Yet, the limited effectiveness and overly-involved governing board further substantiated the Commission staff's recommendation to limit enrollment to the existing capacity. Areas of noncompliance or incomplete records of compliance may be remedied and qualify the school for renewal; however, ensuring adherence to best practices in charter school governance are imperative for BSICS to effectively govern, manage and operate successful schools.

## **V. CONCLUSION**

On the basis of the information presented to the Commission, the Commission approves BSICS's application for renewal and agrees to renew the Betty Shabazz International Charter School contract for a period of three years with an enrollment cap of 600 students, at a funding level of 100% of the per capita tuition charge of the host Chicago Public Schools District 299. The parties shall negotiate the Renewal Charter Agreement that incorporates (a) School-Specific Academic Goals, per the Commission's Accountability Plan and (b) a Strategic Plan that includes the following:

- i. Regular analysis and promulgation of academic data to drive student growth and monitor progress towards annual goals at the network, school, grade level, classroom, and individual student levels;
- ii. Implementation of instructional best practices utilizing that analysis (e.g. differentiation, horizontal and vertical planning, aligned professional development);
- iii. Student recruitment, enrollment, and year-over-year retention including specific time-bound goals, milestones, and calendar of activities; and
- iv. Plan for resource allocation and deployment.

Dated: January 30, 2018