

ILLINOIS STATE CHARTER SCHOOL COMMISSION

**In re Concept Schools: Horizon Science
Academy Charter School – Belmont
School Renewal Application**

)
)
)
)
)
)
)
)
)
)
)

No. 2018-002R

FINAL DECISION OF THE COMMISSION

The Concept Schools: Horizon Science Academy-Belmont (“Belmont”) charter was authorized by the Illinois State Charter School Commission (the “Commission”) in March of 2013 to serve 725 students in grades Kindergarten through twelve. Due to an issue with the original facility, Belmont’s enrollment cap was amended due to the size of the facility located at 5035 W. North Avenue in Chicago’s Austin community. Belmont opened its doors in fall 2013 serving 288 students in grades K through 5. The approved charter term was July 1, 2013 – June 30, 2018. The charter agreement is between the Commission and the governing board for Concept Schools, which is a national charter network with more than 30 schools across the country, four are located in Chicago. In 2015, Belmont’s charter was modified due to the move to its current facility located at 2456 N. Mango in Chicago’s Belmont-Cragin community. Belmont currently serves 530 students in grades kindergarten through eight.

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 Belmont 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 Belmont.

The existing charter held by the Concept Schools 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 Concept Schools charter agreement with the Commission requires Belmont to submit an application for renewal between September 1, 2017 and January 1, 2018. In November 2017, the Commission issued Initial Renewal Findings and Belmont filed its renewal application seeking a five (5) year charter term for elementary grades kindergarten through eight. Belmont’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. Accordingly, Belmont’s renewal application is timely submitted and the Commission’s exercise of jurisdiction to consider the renewal application is proper.

ILLINOIS STATE CHARTER SCHOOL COMMISSION

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 assessment¹. 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 Belmont's performance over the past four years in the three key domains of the System: Academics, Financial and Organizational. After the issuance of initial Renewal Findings and Belmont's submission of its application in November 2017, the Commission staff: (1) held a Public Hearing to receive comments on Belmont'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 Belmont, (5) retained an expert to conduct an analysis of Belmont's facilities and (6) engaged an expert to conduct an analysis of Belmont's finances and to perform an economic soundness assessment.

The Public Hearing was held on November 29, 2017 and was led by Commissioners David Feinberg and Lisa Schuchart as well as Commission staff. Representatives from Belmont and the as well as other members of the community, and 59 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 Belmont charter for a five 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 the Concept Schools: Horizon Science Academy Charter School – Belmont.

On January 23, 2018, the Commissioners met and heard presentations from Commission staff and Belmont representatives. The Commissioners voted, seven of the seven² Commissioners present participated in the discussion and vote and those seven Commissioners voted unanimously to approve Belmont's application. Therefore, the motion to accept the staff recommendation carried and the Commission granted Belmont's application for charter renewal.

¹ 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.

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

ILLINOIS STATE CHARTER SCHOOL COMMISSION

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.¹

III. FINDINGS OF FACT

A review of two years of data collected reveals that Belmont has met the standard for renewal. Overall, Belmont has met or exceeded the standard on 80% 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 growth³ performance of

³ 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.

ILLINOIS STATE CHARTER SCHOOL COMMISSION

students in subgroups and for high schools, college and career readiness.

Significantly improved scores on the PARCC in 2016-17 catapulted Belmont's overall point score to 76, which places it solidly at meeting the Commission's standard.

2. In the last two years of the term, Belmont has consistently outperformed the Assigned School Composite (ASC), which includes the schools Belmont students would be assigned to attend.
3. As of the 2016-17 school year, Belmont *exceeded* the standard for performance as compared to the ASC for both state proficiency and subgroup proficiency performance.
4. A review of composite performance on the PARCC exam indicates that the school's overall performance is trending upwards, with 13 percentage points of growth in three years, with nine percentage point gain from 2016 to 2017.

Financial Domain

5. 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. Belmont met standards established by the Commission on 93.7% of the financial measures over the past four years.
6. 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. Belmont met all but one of the standards on each of the Sustainability measures over the charter term.

Organizational Domain

7. 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. Overall, Belmont met the standards in 96% of the Organizational Domain measures established by the Commission.

ILLINOIS STATE CHARTER SCHOOL COMMISSION

8. Over the term of the charter Belmont received six below ratings and one far below rating on the Organizational Framework. For the 2016-17 school year, Belmont met 100% of the standards.

Belmont Public Hearing

9. At the Community Forum held on November 29, 2017, to receive public comment on Belmont's renewal application. Commissioners and staff heard fifty-nine (59) speakers, which included parents, Board members, employees, and students. All 59 speakers expressed support for renewal, including Alderman Emma Mitts. Although there were other attendees at the hearing, no alternative or opposing views were presented at the public meeting.
10. Two additional comments, in support for renewal and one (1) in opposition to the 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 Belmont, for a term of five (5) years at the rate of 100% of the PCTC of the host District 299, with enrollment capacity of 580 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:
 - a. Regular analysis and promulgation of academic data to drive student growth and monitor progress towards annual goals at the school, subgroup, grade level, classroom, and individual student levels.
 - b. An audit of school staff at all levels to clarify roles, ensure efficient use of human capital, and realign staffing structure and positions to ensure that all staff are clearly supporting student growth and improved teaching and learning;
 - c. Specific goals for the school leadership team and the instructional leadership team, expressed in SMART terms and monitored/evaluated by the board;
 - d. Leadership coaching and development plans for all school leadership and instructional leadership team members.

ILLINOIS STATE CHARTER SCHOOL COMMISSION

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 Concept Schools 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 Belmont 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.

No Material Violation of the Charter Agreement. A review of the Findings, as well as additional due diligence conducted, substantiates the conclusion that Belmont is in compliance with its obligations under the Charter Agreement. Commission staff however, found that the school's stated STEM-focused mission and the academic model can be better integrated throughout instructional practices and professional development. Current under-utilization of the many STEM resources such as classroom technology and laboratory facilities are opportunities for the school to better align its overall mission with the core content and improve teaching and learning.

Reasonable Progress Made Towards Standards Identified In Charter. The Renewal Findings, for the Academic Performance Framework, include forty-four measures intended to help the Commission assess whether Belmont made reasonable progress toward academic achievement standards. The measures examine the proficiency of Belmont students in English language arts and math as captured on the statewide assessment in comparison to students statewide, in comparison to the schools which Belmont's enrolled students would have been otherwise assigned to attend ("ASC" comparisons), and based on subgroups compared statewide and ASC comparisons. Accordingly, it is evident that Belmont made reasonable progress towards the standards identified in the Charter and the Commission's Accountability Plan.

ILLINOIS STATE CHARTER SCHOOL COMMISSION

In order for the school to truly be considered a superior option for its students, evaluators and Commission staff identified key areas in need of improvement. For instance, a targeted professional development plan will provide teachers with a full picture of student performance gaps, which will help them to identify and support specific strategies for building student agency and achievement. Currently professional development is by choice and can be more closely aligned to what the data reveals as areas of need for building instructional capacity. Thus, Commission staff recommends strategic actions that will support Belmont to effectively analyze and use the data to inform teaching and learning, professional development, and drive to increased student performance overall.

No Clear Demonstration That Belmont Has Not Met Generally Accepted Standards of Financial Management. As part of the renewal process, the Commission staff reviewed thirty-two (32) different measures, over a four year period aimed at understanding Belmont's financial health and determining whether Belmont's financial operations met generally accepted standards of management. Belmont met the standard 93% of the measures.

In addition, Belmont'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 Belmont Has Violated A Provision of Applicable Law.

There is no evidence that Belmont 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 Belmont complies with applicable laws, regulations and rules. Belmont met the standard on 13 of the 21 measures (57%).

V. CONCLUSION

On the basis of the information presented to the Commission, the Commission approves Belmont's application for renewal and agrees to renew the Concept Schools: Horizon Science Academy Charter School - Belmont contract for a period of five years with an enrollment cap of 580 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 school, subgroup, grade level,

ILLINOIS STATE CHARTER SCHOOL COMMISSION

classroom, and individual student levels.

- ii. An audit of school staff at all levels to clarify roles, ensure efficient use of human capital, and realign staffing structure and positions to ensure that all staff are clearly supporting student growth and improved teaching and learning;
- iii. Leadership coaching and development plans for all school leadership and instructional leadership team members;
- iv. Specific goals for the school leadership team and the instructional leadership team expressed in SMART terms and monitored/evaluated by the board.

Dated: January 30, 2018