

# **Illinois State Board of Education Independent Charter School Authorizer Task Force**

**November 17, 2009**

At 8:10 a.m. the fourth meeting of the Independent Charter School Authorizer Task Force was called to order by Darren Reisberg of the Illinois State Board of Education.

After welcoming the task force members, Mr. Reisberg requested a roll call. Two members were absent. A list of the task force members in attendance appears on the final page of this document. In addition to the appointed task force members, Bette Bergeron from Southern Illinois University Edwardsville was in attendance to represent Illinois institutions of higher education. Four guests also attended the meeting, none of whom spoke during the public participation section.

Dea Meyer made a motion to approve the minutes from the November 10<sup>th</sup> meeting which was seconded by Clarice Berry. The minutes were unanimously approved by the task force.

Co-chair Reisberg then reviewed the agenda for the meeting, which included presentations from three guest speakers, and introduced the first guest speaker - Cynthia Proctor, Director of Public Affairs for the Charter Schools Institute at the State University of New York. She opened her presentation with a review of the New York charter school legislation that was passed in 1998. According to that legislation, teachers, parents, school administrators, and community members can open charter schools in New York. She noted that universities in New York are not allowed to open schools, although universities and other organizations (e.g. for-profits, non-profits, museums, etc.) can partner with charter schools.

In New York, three types of organizations can authorize charter schools – the Board of Trustees of the State University of New York, the New York State Board of Regents (the state education agency) and local boards of education. Only two school districts in the state, New York City and Buffalo, currently authorize charters. Ms. Proctor also pointed out that the structure for institutions of higher education is different in New York than it is in Illinois. Although SUNY has 64 campuses, only the SUNY Board of Trustees serves as an authorizer. As there are multiple boards for public universities in Illinois, this is an important distinction. The New York state law includes a cap of 200 charter schools – 100 for SUNY authorized charters and 100 for charters authorized by the Regents. Both SUNY and the Regents can authorize schools statewide. In addition, multiple authorizers are allowed to authorize in the same school district. Those schools that are authorized by school districts count against the total number allowed for the Regents. Multiple campuses are not allowed in New York, so there is only one campus for each charter. Currently, there are 58 SUNY charters, 26 Regents charters, and 56 charters authorized by school districts. Each charter has a five year term, after which they can apply for renewal. Charter schools are accountable both to their board of directors and to their authorizer. As the entity responsible for public education throughout the state, the Regents have the same monitoring role for all charters in the state.

In New York, charter schools are funded by a combination of state and local dollars that are supplemented with some additional federal funding. State dollars follow the students to the local school district. The local education agency then makes a payment every two months to the charter school. This per-pupil aid does not flow through the authorizer. Charter schools receive, on average, 75 percent of the funding that traditional schools receive. The state legislature also provides some transition aid to help school districts fill the gap for three years. Traci Cobb-Evans asked for clarification about students who transfer mid-year. Ms. Proctor replied that because the billing occurs every two months, the state dollars will return to the school district if a student transfers from a charter school to a traditional school.

Ms. Proctor continued her discussion about funding, but shifted to talk about funding for the authorizer. No fees are collected from charter schools. In New York, SUNY receives funding through a line item in the state budget. As a result, the budget situation is tenuous from year to year. The state budget allocation for SUNY this year is \$2.1 million, with an additional \$898,000 provided by the SUNY system. The Charter Schools Institute employs 18 people whose work is divided by function (e.g. academic programs, fiscal compliance, legal compliance, administrative support, etc.).

Ms. Proctor then discussed accountability for authorizers in New York. The Regents can reject the school district's recommendation to the Regents about a charter school (related to application, renewal, or closure). In response to questions from the co-chairs about applications that were not recommended by the school district, Ms. Proctor responded that the charter school applicant could then reapply directly to the Regents or to SUNY during the next charter cycle. However, neither statewide authorizer has yet approved a charter that was not recommended by the local school district. SUNY authorizing decisions cannot be vetoed by the Regents, but they must consider comments from the Regents, the local school district, and the community. SUNY has never abandoned a recommendation, but has resubmitted the recommendation to the Regents without comments. All authorizers get feedback from the local school district through public hearings and these comments are considered in the authorization process.

In response to a question from co-chair Reisberg about the route that charter applicants might choose, Ms. Proctor noted that multiple authorizers have been a benefit in New York because they provide applicants with a choice of authorizer. The authorizers have some differences. For example, the Regents require all of their schools to teach all 28 New York learning standards, but SUNY might approve a school that did not teach all 28 standards, but instead focused heavily on math or science. Moreover, SUNY is known for building flexibility into the charter so charter schools have increased independence and autonomy. SUNY also differs from the other authorizing agencies because it is the only authorizer that has closed schools for reasons related to academic performance (7 to date). Overall, charters in New York have been high-performing, with students in SUNY charters outperforming students from all public schools in the state. In particular, SUNY schools have demonstrated a strong impact with low-income students and students of color.

Ms. Proctor then responded to an inquiry from Dea Meyer about conversion from a traditional school to a charter school. Ms. Proctor pointed out that the only authorizer that can oversee a conversion in New York is the Board of Regents. There have been approximately 11

conversions over the last decade, with a few of those schools electing to return to the traditional model.

Ms. Proctor noted that an authorizer from higher education is advantageous because it is one way to improve P-16 connections, increase interaction between higher education and K-12, and strengthen the P-16 pipeline. There are also opportunities for sharing best practices, partnering with teacher training programs, and increasing the availability of dual enrollment programs. She noted that they did not take advantage of all of the resources available through the university when the Charter Schools Institute was first created, but they are certainly working in that direction now. Bette Bergeron commented that this P-16 connection is also important in Illinois. Although the structures of the boards of public universities are different in Illinois and New York, Illinois might be able to create a conglomerate to apply the best practices from SUNY in Illinois.

Ms. Proctor concluded her presentation to leave time for Q&A. In response to a question from Clarice Berry, Ms. Proctor outlined the demographics of students served by SUNY charters – approximately 70% of the students receive free or reduced lunch and 68% are students of color. Students from the district in which the charter school is located receive a priority placement in the lottery. As a result, the demographics of SUNY’s charter schools reflect the demographics of the district. In response to a question from Traci Cobb-Evans, Ms. Proctor mentioned that although the majority of SUNY charters are college-prep, there are a few schools that serve special populations (e.g. students with autism, students with behavioral issues, etc.). To address Clarice Berry’s concern about a skimming effect associated with charter schools, Collin Hitt and Ms. Proctor highlighted a recently released study conducted by Dr. Hoxby in which she collected data on all students who entered charter school lotteries and then compared those students who attended charter schools with those who attended traditional schools. She found that those students who attended charter schools were higher-achieving than their peers in traditional schools. Thus, Ms. Proctor contended that SUNY is helping to close the achievement gap by providing a variety of high-quality educational options for students who have traditionally been underserved.

The second guest speaker was Gary Miron of Western Michigan University. He is an expert on charter schools and larger school reform issues. In his federal evaluation of charter schools, he found positive results for student outcomes in charter schools in some states, but not in others. He argued that the original legislative intent supporting charter schools was to empower local communities, but that goal has not been fulfilled because many charter schools are run by outside management companies. He also contended that charter schools were intended to be open for everyone and to increase diversity, but instead most charter schools are in urban areas and tend to serve student bodies that are relatively homogenous by race, socioeconomic status and ability.

In response to a question from co-chair Steans about the research related to charter school authorization, Dr. Miron mentioned that there is no correlation between the type of authorizer and high-quality schools. Instead, a rigorous approval process is critical. He mentioned that charter schools in Illinois have been relatively high-performing and have continued to close the achievement gap because of the rigorous selection process, particularly in Chicago Public Schools, and because authorizers in Illinois have been willing to close schools.

Co-chair Reisberg commented that there has been little replication of the rigorous authorization model outside of Chicago. Dr. Miron agreed and mentioned that in Pennsylvania, for example, many school districts are not able or not willing to authorize charter schools. Consequently, they may deny applications for a charter school. However, if that decision is appealed to the state, and the district decision is reversed, these districts must then authorize the charter school. The result of that situation is often a hostile relationship between the district and the charter school and poor-quality authorizing on the part of the local school district. After Jaime Guzman asked for a more detailed explanation, Dr. Miron elaborated that in addition to a rigorous authorization process, authorizing agencies also need the political will to authorize charters, adequate funding to support authorization, and the ability to collect and analyze student-level data – as the Consortium on Chicago School Research does for Chicago Public Schools. If an independent authorizing agency is created in Illinois, he recommended that charter advocates not be appointed to that body because it is essential for authorizers to be objective and critical of low-performing schools.

In his discussion with the task force about accountability measures, Dr. Miron argued that market-based measures should be considered. If an authorizer fails to authorize high-quality schools, they should return any public funds that they received. However, in order to do the job, high quality authorizers need to have both human resources and adequate funding because there is evidence indicating that states that increased the number of charter schools quickly had lower-performing charters, on average, because the authorizers were overwhelmed and were not able to maintain strong authorization practices. Thus, he urged Illinois to focus on the quality of charter schools and the authorization process, rather than on the quantity of schools in the state. He pointed out that although universities do have an impressive range of resources, they do not necessarily have the appropriate infrastructure to authorize effectively just because they are a university. Sharon Teefey agreed and noted that other institutions, like the state education agency, also do not have the appropriate infrastructure currently in place.

Todd Ziebarth then led the task force through a draft document that outlined the following critical elements that the task force should consider when drafting their recommendations: definition of an authorizer, authorizer powers and duties, the application process, types of authorizers, authorizer funding and authorizer accountability. In response to a question from Nicole Gales about the qualifications for an authorizer, Mr. Ziebarth commented that the task force might describe in their recommendations what types of institutions are eligible to become authorizers or outline a process through which potential authorizers could apply to the state if they are interested in authorizing. Sharon Teefey urged the task force to ensure that their recommendations are based on exemplary models of authorizers so that high-quality authorizing is the goal from the beginning in Illinois and not a lesson learned after mistakes are made. Greg Richmond noted that we know what high-quality authorizers do and cited, as one example, the use of data to drive the decisions that authorizers make related to applications, monitoring, and renewal. Co-chair Steans asked the task force to review the document that Todd Ziebarth drafted and respond to him with recommendations for revisions.

The third guest speaker, Alex Medler, the chairman of the Board of the Colorado Charter Schools Institute, then joined the group. He represented the perspective of an independent state-

level authorizer for the task force. He opened his presentation with a review of the legislation that was passed in 2004 to create the Charter Schools Institute. The Institute is a mission-driven organization focused on three goals: (1) to provide a fair hearing for all charter school applicants; (2) run the organization based on best practices for authorizers; and (3) serve the educational needs of at-risk students (defined as all students who are not being educated to their full potential because they face challenging life circumstances, are dropouts, alienated, under-performing, low-income, and/or minority). Before the law was passed in Colorado in 2004, many districts were not interested in authorizing charter schools. As a result, they denied many applications, which were then appealed to the state education agency. If these denials were reversed, the responsibility for authorizing was returned to the local school district. In these cases, the charter schools typically had little leverage in negotiating their contract with the district. Consequently, both charter school leaders and district administrators were unhappy with this situation. In addition, there was not adequate capacity at the state education agency to review the appeals that were coming to the state. To address these issues, the legislature created the Colorado Charter Schools Institute.

Under the 2004 legislation, Colorado districts automatically have the power to exclusively authorize charters unless that exclusive power is revoked by the state board of education. The process to revoke exclusive authority must be initiated by a third party and it takes time to document poor-quality authorizing in a district. The Institute only has the power to authorize charter schools in districts where exclusive power was removed by the state Board or in districts in which the district leadership encourages applicants to apply directly to the Institute. According to the law, districts that exist in small communities can keep their exclusive authority as can districts with large numbers of students in charter schools at the time the legislation was passed. Authorizing decisions made by the Institute cannot be overturned by the state, but district decisions can be overturned.

The Institute serves three functions in Colorado - it is a state level agency, a local education agency, and a charter school authorizer. Nine volunteer board members lead the Institute: Two are appointed by the Chief State School Officer and seven are appointed by the Governor and approved by the Senate. Board members serve staggered 3-year terms, represent both major political parties, and bring a variety of skills and experiences to the Institute. Most of the Board members have full-time jobs outside of the Institute, but it is a significant time commitment. There are 16 full-time Institute employees who serve 16 schools and 7,000 students throughout the state. There is no cap on charters in Colorado, but some communities are approaching market saturation. The Institute is funded by 3% of per-pupil revenue from charter schools and some grant funding. Start-up funds totaled \$300,000 over two years, but Mr. Medler did not think that funding level was adequate. During the Institute's first year, two of the 13 applications it received were approved – evidence that they aim for quality rather than quantity. In fact, in Colorado, many of the highest-performing schools for at-risk students are charters.

Mr. Medler described the process in which the Institute is currently engaged to develop model practices for all authorizers. This includes a model application process and a model contract. These models will be used by most districts in the state because if they do not perform as authorizers, they will lose their exclusive authority to authorize. Districts in Colorado can also contract with the Institute or a third party to run the charter school application process and then

the district can authorize after the charter schools are selected. Mr. Medler further mentioned that the creation of the Institute was a positive development because districts that feared losing their exclusive authority changed their behavior and began to follow the Institute's model of high-quality authorizing. In addition, because of its statewide mission, the Institute is also able to assist districts by running a RFP process to identify exemplary operators and then that talent pool can be made available statewide. In response to a question from Dea Meyer about revoking charters, Mr. Medler noted that the Institute has not revoked any charters, but there have been examples of both mutual decisions to close and of dramatic turnarounds in schools when significant pressure to improve had been applied.

Mr. Medler recommended that Illinois not follow the Colorado model in creating a state-level authorizing agency that also serves as a LEA because the responsibilities of authorizer and district administrator are not mutually exclusive. The information that Institute staff need as district administrators for reporting purposes might also prevent them from being objective as authorizers. In addition, because the Institute authorizes schools across the state, questions about providing choice (under NCLB) and student expulsion are challenging. Instead, he suggested that each charter school should become its own LEA if they are authorized by a non-district organization.

Co-chair Reisberg delivered a brief presentation at the end of the meeting. He distributed the Race to the Top criteria related to charter schools and pointed out how Illinois might be able to earn as many points as possible in the competition. Illinois will be applying in the first round. The overall application is currently strong in the areas of longitudinal data systems and standards and assessments and the state education agency is working hard to strengthen the teacher quality and struggling schools sections of the application. The state will argue that there is no charter cap in Illinois outside of Chicago. The existing legislative language about the funding range for charter schools should also place the state in a good position, but ISBE staff will be analyzing the data more closely. Dr. Koch will attend the next meeting of the task force as the members begin to develop recommendations.

Before concluding the meeting, co-chair Steans reviewed the agenda for the next meeting which will occur on December 14, 2009 and will be held in Chicago at 50 E. Washington Street. That meeting will include a presentation from task force members who will discuss district capacity to authorize charters in the state of Illinois. Co-chair Reisberg will work with Michael Bartlett, Paul Swanstrom, and Diane Rutledge of LUDA to develop this presentation about district capacity. Task force members were also asked to put a hold on 12/22 in case an additional meeting is needed. Co-chairs Steans and Reisberg asked Dr. Bergeron to develop a position paper describing the interest and ability of institutions of higher education in Illinois to authorize charter schools.

The meeting was adjourned by co-chair Reisberg at 11:04 a.m.

**Illinois State Board of Education  
Independent Charter School Authorizer Task Force**

<b>Name</b>	<b>Organization</b>	<b>11/17</b>
Michael Bartlett	Illinois Association of School Boards	Present
Clarice Berry	Chicago Principals and Administrators Association	Present
Representative William Burns	Illinois General Assembly	Absent
Traci Cobb-Evans	Chicago Teachers Union	Present
Sean Denney	Illinois Education Association	Present
Nicole Gales	Springfield Ball Charter School	Present
Jaime Guzman	Office of New Schools - Chicago Public Schools	Present
Collin Hitt	Illinois Policy Institute	Present
Dea Meyer	Civic Committee of the Commercial Club of Chicago	Present
Laurie Preece	Rockford Charter Schools Initiative	Present
<i>Co-Chair</i> Darren Reisberg	Illinois State Board of Education	Present
Greg Richmond	National Association of Charter School Authorizers	Present
<i>Co-Chair</i> Senator Heather Steans	Illinois General Assembly	Present
Paul Swanstrom	Superintendent, Joliet Township High School District 204	Absent
Sharon Teefey	Illinois Federation of Teachers	Present
Todd Ziebarth	National Alliance for Public Charter Schools	Present