

**ILLINOIS STATE
CHARTER SCHOOL
COMMISSION APPEAL
NO. SCSC 19-003**

Intrinsic Schools)
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v.) Appeal No. SCSC19-003
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Chicago Public Schools District #299)

FINAL DECISION OF THE COMMISSION

On March 19, 2019, the Illinois State Charter School Commission (“the Commission”) voted to **grant** the charter school appeal filed by the Intrinsic Schools (“Intrinsic Schools”) to establish the Intrinsic 2 Charter High School (“Intrinsic 2”). The appeal was based on a denial decision rendered by the Chicago Public Schools Board of Education. The Commission finds that the proposal is legally sufficient to meet the minimum requirements under the Charter Schools Law, 105 ILCS 5/27A-7(a), et seq., and that the establishment of the proposed new charter school would be in the best interests of the students that the Intrinsic 2 proposal intends to serve. The Final Decision of the Commission is being issued pursuant to 23 Ill. Admin. Code 650.110(d) (3) based on the Commission vote to grant the appeal on March 19, 2019 and is sent to each party by certified mail.

I. Jurisdiction

The Commission exercises jurisdiction in this matter pursuant to the Illinois Charter Schools Law, 105 ILCS 5/27A-7(a), et seq. The Local Education Agency (“LEA”), Chicago Public Schools (“CPS”), received the Intrinsic 2 charter proposal in accordance with the tiered-submission process it established. CPS held a public hearing regarding the proposal on November 14, 2018 and on December 5, 2018 denied Intrinsic 2’s charter school proposal. On January 4, 2019, Intrinsic filed an appeal with the Commission. The appeal contained all of the required components and was timely submitted. Thus, the Intrinsic 2 appeal is properly before the

Commission pursuant to 105 ILCS 27A-8(g).

II. Procedural Background

Intrinsic Schools, an Illinois not-for-profit corporation with 501 (c)(3) tax exempt status, was created for the purpose of governing and operating the Intrinsic Charter School. Intrinsic filed its original charter proposal on May 1, 2018 to open a new charter high school within Chicago Public Schools District #299 (“CPS”). Intrinsic proposed to replicate its existing high school model, and open a new school serving 1,080 students in grades nine through twelve. The proposal anticipated opening in fall 2019 with 180 students in ninth grade.

CPS is the largest school district in Illinois, and the third largest in the country, serving more than 361,000 students (including charter school students) in 644 schools. There are 175 high schools in the city - 92 district-run, 65 charter, 7 contract, 1 safe, and 10 alternative learning opportunity programs. Per the 2017-18 Illinois State Report Card, CPS is 83% low-income, 47% Hispanic, 10% White, 4% Asian, 37% Black, 19% English Learners, and 14% with IEPs.

On December 5, 2018, the Chicago Board of Education, voted to deny Intrinsic’s proposal, noting that the proposal does not serve the “needs” of the district, and further, will not serve a “high need area” of the city with its plan to locate the school the Central Region¹. ([See - https://cps.edu/SchoolData/Documents/ARA_CentralArea_1718.pdf](https://cps.edu/SchoolData/Documents/ARA_CentralArea_1718.pdf))

Pursuant to its policies and procedures, the Commission delegates the duty to perform due diligence and evaluation of appeals to staff and a panel of independent experts. Acknowledgment of the appeal and timeline setting forth key dates in the appeal process were published and provided to the parties on January 7, 2019. Throughout the 75-day evaluation period, Commission staff conducts multiple case management calls that involve both Intrinsic and CPS to guide the evaluation process, as well as obtain updates from the parties.

On February 7, 2019 pursuant to 105 ILCS 27A-8(c) of the Charter Schools Law, the

¹ Central Region is bounded by Division St on the north, Lake Michigan on the east, the Stevenson Expressway on the south, and by N Halsted St and the Kennedy / Dan Ryan Expressway on the west. The Central Region has 4,538 students, 10 schools, 11% Hispanic, 34% African American, 20% White, and 29% Asian. It is home to over 130, 000 residents and is served by 36 train stops.

Commission held a public hearing at Humboldt Park Fieldhouse (1440 North Humboldt Blvd., Chicago, Illinois) which was chaired by Commissioners Dr. Catherine Burns and Carlos Perez. Representatives from Intrinsic and CPS provided statements and presented arguments of their respective positions on the appeal. Approximately 60 people attended the hearing and 26 people provided testimony (25 on behalf of the Intrinsic charter school and 1 in favor of the CPS decision). The Commission also held open, for seven days following the public hearing, an Email Forum to allow for additional public input and comment. One email was received.

On February 11, 2019, Commission staff and the expert evaluation team conducted a joint capacity interview with representatives from both parties. The interview was held at the JR Thompson Center, 100 W. Randolph, Chicago, Illinois. Both parties responded to questions about the proposal and CPS's review and decision.

Additionally, a school facilities expert conducted a site visit at the preferred school facility located at 79 W. Monroe Street, Chicago, Illinois.

The Commission staff prepared its recommendation to the Commission based on the review of all the materials submitted by the parties and the due diligence conducted by the Commission staff and the expert evaluation team.

On March 15, 2019, the Commission staff presented its recommendation to Intrinsic and CPS representatives. On March 19, 2019, the Commission held a public meeting and voted on Intrinsic's appeal. The Commission meeting was held at the Michael Bilandic Building, 160 N. LaSalle Street, Chicago, IL 60601. Seven of the nine Commissioners were physically present for the meeting and one Commissioner, pursuant to a motion, attended via teleconference.² Public comment was received by 16 individuals (16 in support of the Intrinsic appeal and 1 in opposition to the Intrinsic charter school).

Commissioner Williams presented the motion to grant the appeal of the Intrinsic 2 Charter school with a funding allocation of 100% of the Chicago Public Schools PCTC with an enrollment capacity of 996. The motion also includes conditions that approval is pending the execution of a contract, which contains accountability measures related to ensuring access to students in high need communities, and the following set of expressed conditions: (1) By July 1, 2019, Intrinsic provides necessary and sufficient documentation, including but not limited to special-use approval by the Zoning Board of Appeals, and an executed facility lease, to

² Commissioner Burns appeared telephonically, Commissioners Connelly and Van Evera were absent from the meeting.

demonstrate capacity to open in fall 2019. Monthly status updates on progress to be provided to Commission staff. (2) By July 25, 2019, Intrinsic submit pre-enrollment certification documentation for a minimum of 70 students eligible to enroll as ninth graders in fall 2019.

The motion was called and seconded. Following a discussion on the motion, which included a presentation by staff, both parties, questions from Commissioners to the parties and their respective responses, Commissioners, on a roll call, voted six to one, (6-1) in favor of granting the appeal with conditions.³ Thus, the Commission granted the Intrinsic appeal and reversed the decision by CPS to deny Intrinsic's the new charter school proposal.

III. Findings of Fact

A. Overview of Intrinsic's Proposal

1. Intrinsic proposed to replicate its existing high school model and open the Intrinsic 2 Charter High School in fall 2019, serving 180 students in grade nine (280 students per grade). (Appeal App., Five Year Enrollment Projection)

2. Intrinsic opened its first charter school in fall 2013. The school currently serves 1,010 students in grades seven through 12. In December 2017, the CPS Board approved Intrinsic's renewal for a five-year renewal term (July 1, 2018 – June 30, 2024).

3. The existing Intrinsic School has been rated a Rated as Level 1+ school, the highest school quality rating for the district, for three consecutive years. (CPS School Quality Rating Reports, 2016-17, 2017-18, 2018-19)

4. Intrinsic's mission is to “[p]repare all students for postsecondary success and world-changing endeavors by flexing time, space and people to increase student outcomes and improve students' life trajectories”. (Charter Proposal, Section II: Mission and Vision)

5. The foundation of Intrinsic's educational program is a blended learning model; teachers have autonomy to develop their own approaches to teaching and learning, unit planning, and creating assessment, utilizing technology where necessary and appropriate.

6. Intrinsic established minimum performance goals of 60% of its students meeting or exceeding college readiness benchmarks in year one and 75% by year five. (Intrinsic Tier 1 Proposal, p.31)

7. Intrinsic established college enrollment goals for Intrinsic graduates of 65% to 74.9%. (Intrinsic Tier 1 Proposal, p.31)

³ Commissioners Williams, Burns (appearing telephonically), Ratliff, Feinberg, and Perez voted in favor of the motion to grant the appeal. Commissioners Farmer voted in opposition of the motion to grant the appeal

8. Intrinsic identified two potential facilities for the proposed school in its original proposal: (1) 79 W. Monroe, Chicago, IL 60603 and (2) 1357 N. Elston Ave, Chicago, IL 60642. (Intrinsic Tier 2 Proposal, p.3)

9. Intrinsic identified two potential facilities for the proposed school in its appeal: (1) 79 W. Monroe, Chicago, IL 60603 and (2) 2450 West Hubbard Avenue, Chicago, IL 60612 (Intrinsic 2 Charter School Memo, p.12)

10. The 79 West Monroe location was the preferred site for the school. The site is located in Chicago's Loop district, referred to as the Central Area⁴ throughout the appeal and this decision. (Intrinsic 2 Charter School Memo, p.12)

11. The site is a 14-story building; Intrinsic 2 proposed to occupy the second through fifth floor of the building (totaling approximately 162,000 sq.ft.). Intrinsic will petition the Zoning Board of Appeals for a Special-Use permit prior to executing a long-term lease. (IFF Report to SCSC, p. 3)

12. CPS currently authorizes another charter school within the Chicago Loop in a similar facility.

13. Intrinsic will pursue a mix of debt financing, as well as philanthropic and fundraising campaigns to fund construction, landscape and parking expenses in excess of \$17 million. In fiscal year 2017, Intrinsic had a net income of \$750,000.

14. On appeal, the budget presented by Intrinsic anticipated 100% of the PCTC, which was \$12,254.75, at the time of the appeal. Revenues were projected in year one at \$4,190,000⁵, growing to \$14,908.914 in year five. Expenditures in year one were \$4,349,682 growing to \$14,721.244 in year five.

15. During the appeal, Intrinsic modified its target enrollment cap from 1,080 to 996 students to accommodate its proposal to open with 180 students in year one.

B. CPS's Rationale for Denial

As required by 105 ILCS 5/27A-8(f), Chicago Public Schools provided its rationale for denying the Intrinsic 2 proposal. CPS alleged Intrinsic's proposal to replicate its high school did not comply with the charter law and was not in the best interest of students, based on the following the proposal's failure to: (1) Meet the needs of the District; (2) demonstrate sufficient community support; and (3) present viable facility options.

⁴ Central Region is bounded by Division Street on the north, Lake Michigan on the east, the Stevenson Expressway on the south, and by North Halsted Street and the Kennedy / Dan Ryan Expressway on the west. The Central Area has 4,538 students, 4 high schools, 6 elementary schools, 11% Hispanic, 34% African American, 20% White, and 29% Asian. It is home to over 130,000 residents and is served by 36 train stops. (2017 Annual Regional Report, p.3)

⁵ Based on 180 students in year one.

1. *Serving the Needs of the District.* CPS contends that Intrinsic’s school location is not in a community or neighborhood of “high need or overcrowding,” and thus does not satisfy compliance with the law.
2. *Insufficient Community Support.* CPS concluded that the community outreach conducted by Intrinsic was not targeted in the Central Area and therefore, the proposal did not have sufficient community support in the community where the school plans to locate.
3. *Viability of the Facility.* The school facility Intrinsic’s plans to operate requires issuance of a special use permit by the city’s Zoning Board of Appeals. CPS argues that Intrinsic will not be able to obtain the special use permit and therefore, the facility is not a viable option.

C. Commission’s Due Diligence Findings

1. Intrinsic’s Board of Directors is a strong, diverse group of professionals fully-equipped with the knowledge and acumen to appropriately govern the new school, as well as the existing Intrinsic middle/high school.
2. Intrinsic has a strong leadership team and a track record for hiring and retaining a talented staff. The current CEO previously served as the principal of Intrinsic 1 and is well-equipped to serve in this role as the team conducts a search for a new school leader.
3. Commission staff reviewed most recent renewal and conditions set forth by CPS and assessed the status of Intrinsic’s compliance with the conditions.
4. The existing school is rated as a Level 1+, which is the highest rating a school in the Chicago Public Schools can receive. (2017-18 Intrinsic SQRP Report)
5. In 2017-18, 11th graders averaged 979.2 on the SAT (483.1 (ELA) and 496.1 (Math)), which is just below the state average of 1010. (2017-18 Illinois Report Card)
6. Intrinsic has a 4-year graduation rate of 95% and 89% college enrollment; college persistence is not yet reported. (2017-18 Illinois Report Card and CPS SQRP 2018-2019)
7. 2017-18 academic outcomes were lower than the year prior; specifically, for students in the middle school grades.
8. Based on the site visit to the preferred location, the 79 W. Monroe site can sufficiently meet the needs of Intrinsic 2 high school during the five-year term of the charter.
9. Intrinsic strong track record of full-enrollment, fiscal management and philanthropic support demonstrates the capacity to finance the amount of debt required for the charter school.

10. Intrinsic has committed to serving high-needs, at-risk student populations and enrolling students from varied neighborhoods and zip codes in the city.

11. In the 2017-18 academic year, Intrinsic merited a 4.3 score on the School Quality Rating Policy (SQRP) which satisfies the district's criteria for replication as codified in Charter School Quality Policy (CQSP).

12. CPS found the proposal was not in compliance based on Intrinsic's preference for opening a new school in an area that would attract a diverse student population, representative of the citywide demographic as opposed to that of one community or neighborhood. Intrinsic 1 is located in the Hermosa community (4540 W. Belmont).

13. The budget plan includes a 2% contingency, which appropriately anticipates unforeseen enrollment reductions or expenses.

14. The impact of Intrinsic 2 as a percentage of CPS's FY 19 budget is negligible based on enrollment of 996 students. The Chicago Public Schools did not allege any economic hardship or lack of economic soundness for this proposal.

IV. Analysis

A. Standard of Review

The Commission may reverse a local school board's decision to deny a proposal to establish a new charter school when the Commission finds that the proposal (i) complies with the Charter Schools Law and (ii) is in the best interests of the students the charter school is designed to serve. 105 ILCS 5/27A-8(h). *Comprehensive Cmty. Solutions, Inc. v. Rockford Sch. Dist. No. 205, 216 Ill. 2d 455, 471 (2005)*. To determine whether a new school proposal satisfies this standard, the Commission conducts a de novo review of the proposal and the school district's response. 23 Ill. Admin. Code 650.110 (d)(1). See also *Bd. of Educ. of Rich Twp. High Sch. Dist. No. 227 v. Ill. State Bd. of Educ.*, 965 N.E.2d 13 (Ill. App. Ct. 1st Dist. 2011).

As required under the Law, the Commission gives preference to proposals that: "(1) demonstrate a high level of local pupil, parental, community, business, and school personnel support; (2) set rigorous levels of expected pupil achievement and demonstrate feasible plans for attaining those levels of achievement; and (3) are designed to enroll and serve a substantial proportion of at-risk children; provided that nothing in the Charter Schools Law shall be construed as intended to limit the establishment of charter schools to those that serve a substantial portion of at-risk children or to in any manner restrict, limit, or discourage the establishment of charter schools that enroll and serve other pupil populations under a nonexclusive, nondiscriminatory admissions policy." 105 ILCS 5/27A-8(a).

B. Legal Compliance

Based upon its review and analysis of the proposal, public hearing comments, the information presented during the due diligence and following the Commission staff's recommendation, the Commission concludes that Intrinsic's proposal to establish Intrinsic 2 Charter High, complies with the Charter Schools Law. *See* 105 ILCS 5/27A-7.

The Commission is not required to base its decision exclusively on the merits of the proposal submitted to the Chicago Public Schools. The Illinois Supreme Court has specifically held that, review of a charter school appeal from a district's denial, the decision need not be limited to the evidence submitted to the district. *See Bd. Of Rich Twp. High Sch. Dist. No. 227*, 965 N.E.2d at 19 ("Once an appeal is filed, the ISBE may direct the parties to provide additional information.") The Charter Schools Law provides that the Commission is responsible for "authorizing high-quality charter schools throughout this State, particularly schools designed to expand opportunities for at risk-students, consistent with the purpose of the Charter Schools Law." 105 ILCS 5/27A-7.5. The Commission, like the State Board did, in the exercise of its responsibility to authorize high-quality charter schools on appeal, may receive additional information from an applicant after a district denies the applicant's charter proposal. The Court expressly stated that charter school proposals can be revised on appeal. *Bd. Of Rich Twp. High Sch. Dist. No. 227*, 965 N.E.2d at 37 (applying the Charter Schools Law to ISBE, the Court held that "[t]he authority granted ... makes clear that charter applications are subject to revision. " *Id.* *See also* 23 Ill. Admin. Code 650.60(b).

CPS contends that the Intrinsic proposal does not comply with Section 27A-7(a) of the Charter Schools Law on several grounds. The district asserts that the proposal did not: 1) meet the needs of the district; 2) demonstrate sufficient community support; or 3) present a viable facility option.

Section 27A-7(a) of the Charter Schools Law sets precise legal requirements for the contents of a charter school proposal, as it specifically articulates what a proposal "shall" include. *See* 105 ILCS 27A-7(a). CPS relies on Section 27A-8 which sets forth areas of *statutory preference* an authorizer shall give to a proposal if evidence of certain elements exists. *See* 105 ILCS 5/27A- 8(a). Section 27A-8(a) sets out factors to be considered, that if true, would weigh in favor of granting a new school proposal. However, those factors are not intended to be outcome determinative. Instead, consideration of whether the school is needed in the district or wanted in a specific neighborhood is best factored into an application of the 27A-8(a) preferences or as part of

the best interests analysis.

For the reasons set forth below, the Commission rejects the arguments presented by the district and concludes that the proposal to establish Intrinsic 2 meets the minimum technical, legal requirements of the Charter Law. *See* 105 ILCS 5/27A-7. Further, Intrinsic’s proposal warrants application of all three *preference elements* under Section 27A-7(a). Therefore, the district’s conclusion that Intrinsic’s proposal fails to comply with the statute is unfounded.

Compliance with Section 27A-7(a)(3). Although CPS characterizes the question of whether Intrinsic 2 meets the needs of the district and the level of community support as matters of legal compliance, as noted above, the fact of whether Intrinsic 2 is “needed” or wanted in a particular Chicago community does not bear upon technical compliance with the Law. However, the district asserts that Intrinsic’s proposal was not in compliance with the Law based on a failure to identify viable facility option as well. The statute requires a charter school proposal to “identif[y] and name at least 2 sites that are potentially available as a charter school facility by the time the charter school is to open.” *See* 105 ILCS 5/27A-7(a)(3). Intrinsic’s initial proposal to the district and its appeal to the Commission identified more than one potentially available facility. The district argues that because the school is required to pursue approval from a zoning board to occupy the building, the site was not “viable.” Moreover, the District alleged that because the proposal did not have the support of specific elected officials zoning would not be approved and was therefore not viable.

The language of the Charter Schools Law explicitly states “...that nothing in the Article shall be deemed to justify delaying or withholding a favorable action on or approval of a charter school proposal the building or building or buildings in which a charter school is to be located have not been acquired at the time a charter school proposal is submitted or approved...” *See* 105 ILCS 5/27A-7(a)(3). Further, the Charter Law does not permit a district to deny a charter proposal solely based upon the school’s preference to locate in a central part of the city and serve a diverse array of students from a variety of neighborhoods.

Intrinsic appropriately identified two facility options that were viable options to open a school. Intrinsic indicated its preference to locate at 79 W. Monroe, within the city’s central business district for multiple reasons. The appeal evaluation team conducted an assessment of the facility and concluded that while there would be an aggressive timeline, given the appeal process, the Intrinsic team possessed the experience and expertise to manage the preparation of the facility for a fall 2019 opening. Moreover, there is evidence of another charter school

operating in a similar facility that is also centrally located, which provides precedent that issuance of permits has been issued by the Zoning Board. Lastly, Intrinsic provided a letter of intent to execute the lease pending approval of the special use permit. The district inaccurately characterized the site as not available based on the special use approval process Intrinsic will pursue.⁶ For these reasons, the Commission concludes that CPS did not present evidence that the Intrinsic 2 proposal fails to comply with Charter Law facility requirements.

C. Best Interests

The Commission has also determined that establishment of Intrinsic 2 would be in the best interests of students the school is designed to serve. *See* 105 ILCS 5/27A-8(h)(ii). Commission staff and a team of expert evaluators reviewed the Intrinsic 2 appeal submission and related documentation, which included: (a) *an appeal memorandum, which provided a statement as to why the Commission should reverse the District's decision;* (b) *a statement of the school's capacity to operate as a local education agency (LEA);* (c) *five- year budget projections for the school;* (d) *the District's response to the appeal;* (e) *the Joint Capacity Interview of the school and the District;* and (f) *public comment from the Public Hearing and Email Forum.* Additionally, staff reviewed application of statutory preferences. *See* 105 ILCS 5/27A-8(a)(1)(2)(3).

Commission staff rated the proposal in three performance areas, academic, operational and financial, and in each area rated whether the proposal exceeds the standard, meets the standard, or does not meet the standard. The Intrinsic 2 proposal met the standard in the academic, operational, financial domains and warranted application of all three statutory preferences: high level of support, established rigorous pupil achievement, and service to at-risk students. The district does not dispute that Intrinsic has established a solid record of charter school performance and does not base its denial on any concern that Intrinsic would not serve as a quality educational option for students. Instead, CPS focuses its determination that while the district may need more high-quality high schools, it does not need one that is located in the part of the City Intrinsic 2 proposes to open. Upon review of all the facts and circumstances of the Intrinsic 2 proposal and application of the Section 27A-8 preferences, the Commission concludes otherwise.

Mandated Preferences - Section 27A-8. Section 27A-8 of the Charter Schools Law mandates that local school boards and the Commission “give preference” to proposals that (1)

⁶ CPS alleged the facility requires a zoning change, however, the facility located at 79 W. Monroe does not require a zoning change, but permission via issuance of a special use permit.

demonstrate a high level of support; (2) set rigorous levels of expected pupil achievement and demonstrates feasible plans for attainment and (3) are designed to enroll and serve a substantial proportion of at-risk students⁷. See 105 ILCS 27A-8(a)(1)(2)(3). The statute directs consideration of these elements to the local board, not the charter school.

The Commission finds that Intrinsic has demonstrated a high level of support for Intrinsic 2, has proven that it can achieve rigorous levels of student academic achievement and is designed to serve a significant proportion of at-risk students.

High Level of Support. Intrinsic plans to open Intrinsic 2 within the Chicago central business district. The Commission finds that the traditional community outreach conducted in a residential neighborhood may not be directly applicable to a proposal to open a high school downtown, but it was not immaterial. Intrinsic cited to anticipated benefits of partnerships with local businesses and community organizations and the ability to draw students from various neighborhoods across the city to the central location in support of its facility location. Intrinsic presented more than 3,000 letters support from more than a dozen zip codes across the city, which supports Intrinsic’s intention to recruit students citywide. Further, the school received more than 350 intent to enroll forms from prospective students. This far exceeds the projected enrollment for the first year. Accordingly, the Commission finds that there is a high level of support for Intrinsic 2 as proposed and applies the preference under Section 27A-8.

Rigorous Levels of Expected Student Achievement. CPS does not dispute that Intrinsic 2’s proposal sets forth a reasonable plan for high levels of student achievement. Intrinsic has a solid track record of success and its current campus meets both CPS and Commission academic standards. For this reason, the Commission applies the preference for rigorous levels of expected academic achievement.

Serving Students with High Needs. The District insists that students in certain communities, specifically those that reside in communities with low numbers of quality high school seats (2+ or higher) will not have access to Intrinsic 2. On that basis, CPS denied the charter proposal and concluded that it is not needed as part of the district’s high school portfolio. The Commission finds otherwise.

⁷ The Charter Schools Law defines “at-risk students” as “a pupil who, because of physical, emotional, socioeconomic, or cultural factors, is less likely to succeed in a conventional educational environment.”

As part of its charter application process, CPS issued an RFP.⁸ The RFP appears to memorialize the Section 27A-8 preference for serving at risk students. Specifically, the CPS RFP states that the Board will “prioritize proposals seeking to serve communities in high need of improving educational outcomes and communities experiencing school overcrowding.” (CPS 2018 RFP, p. 1) The RFP appropriately states that the district will prioritize proposals from charters seeking to address these communities of high need and overcrowded neighborhoods but will not limit its consideration to those proposals or otherwise exclude proposals that serve other communities.

Notwithstanding the RFP language, CPS denied Intrinsic 2 in large part because the school intends to open in an area of the city that currently offers some high-quality high school seats. (District Response, p.5) In contrast to the RFP, CPS takes the position that because Intrinsic 2 will not be located in an area that the district has identified as “in high need of improving educational outcomes” or as “overcrowded”, Intrinsic’s proposal for a high-quality high school option warranted denial. This not only contradicts the CPS RFP, the assumption that Intrinsic 2 would only serve students from a specific neighborhood is inconsistent with the Charter Law as well. With few exceptions, the Charter Schools Law mandates that charter schools be open to any student residing within the boundaries established for students served by the District. *See* 105 ILCS 5/27A-4(d). There is nothing in the record to support the district’s contention that Intrinsic cannot serve students that reside in communities that have lower percentages of high-quality seats or otherwise need a high-quality high school option.

Moreover, more high-quality high schools are needed in the City. CPS has more than 35 high schools rated as a Level 2 or 3. (SQRP Ratings and Accountability Status 2018-2019) According to the district’s School Quality Rating Policy (SQRP) and the Charter School Quality Policy (CSQP), these schools which are rated below a 2+ are either on the Academic Warning List and not in Good Standing. (Charter School Quality Policy, p.2) According to the ARA, the City has only 46, 967 high school seats in Level 1+ schools like Intrinsic. Only 18%, or 8454, of those seats are open enrollment and not selective enrollment schools. The CPS argument that a

⁸ The Illinois Charter Schools Law states that “a local board may develop its own process for receiving charter school proposal on an annual basis ...” *See* 105 ILCS 5/27A-8(c) The directive of the section prescribes the number of days within which a district should host a public hearing and a public meeting to announce its decision is described in this section of the statute. *Id.* Pursuant to section 27A-8(c) charter school applicants are required to follow the “local school board’s process” before any appeal is submitted to the Commission. The CPS RFP governs its proposal process.

second Intrinsic campus would not serve a need for students in the district is simply not supported by the facts. Based on these findings and the level of support demonstrated in testimony at the public hearing, letters of support and intent to enroll forms submitted by Intrinsic, the Commission finds there is a need in the city for more high-quality seats at the high school level.

The Central Region where Intrinsic 2 proposes to locate currently has four high school options offered by the district. Two of the schools are selective enrollment schools which require students to meet a specific threshold of academic performance for admission. The selective enrollment schools were identified to have 255 seats open at the time of the appeal. The other two schools are charter schools⁹ with citywide enrollment, but with few seats available and admission typically provided by lottery.

Intrinsic's decision to open a school in a central area of the city has the potential of addressing both CPS priorities and to serve the best interest of high school students in the City. Intrinsic's plan will afford students from various neighborhoods to attend the school. Intrinsic's proposal included transportation plans to accommodate students with access to public transportation, which is typical for students at the high school level.

Meeting the goal of increased access high quality schools may occur in various ways. By opening a high school in a central part of the city, students from near and far corners of the city will be afforded an opportunity to access a high-quality school that is uniquely positioned to expose students to the world-outside of their neighborhood. The district has strategically created similar opportunities for students in other centrally located high schools but most of those schools have selective enrollment and limit admission to those students with certain academic credentials.

For all of these reasons, the Commission rejects the notion that the Intrinsic proposal will not meet the needs of the district. Given Intrinsic's mission, the demographics of students served at the existing school, and as expressed by leadership in the capacity interview, the Commission finds that this Section 27A-8 preference is established as Intrinsic 2 has shown it intends to serve a student population that will include a substantial portion of at-risk students.

The strong and diverse members of the Intrinsic Board and leadership team are well-respected and experienced professionals with capacity to replicate the model, as well as make necessary improvements to accommodate student needs. Thus, the Commission concludes that the replication of Intrinsic High School is in the best interests of the students it is designed to

⁹ One of the charter schools, Perspectives, is not located within the central business district, but is within ## miles of the proposed Intrinsic location.

serve. *See* 105 ILCS 5/27A7-8(h)(ii).

V. Conclusion

On the basis of the information presented to the Commission on appeal, and as reflected by the vote taken on March 19, 2019, the Commission concludes that Intrinsic has met the requirements of the Illinois Charter Schools Law and is in the best interest of students it intends to serve. Thus, the Chicago Public Schools decision to deny the Intrinsic proposal to establish Intrinsic 2 Charter School is reversed.

Appeal SCSC19-003 is GRANTED.

Dated: April 3, 2019