

**IN THE ILLINOIS STATE
CHARTER SCHOOL COMMISSION**

Lawndale Educational and)	
Regional Network Charter Schools)	
)	Appeal No. SCSC-FY2015-002
v.)	
)	
Waukegan Community Unit)	
School District No. 60)	

FINAL DECISION OF THE COMMISSION

On April 21, 2015, the Illinois State Charter School Commission (the “Commission”) voted to **grant** the charter school proposal that Lawndale Educational and Regional Network Charter Schools (“LEARN”) initially submitted to Waukegan Community Unit School District No. 60 (“Waukegan District 60”). LEARN seeks to establish the LEARN Charter School–Waukegan Campus (“LEARN Waukegan”) as part of LEARN’s existing network of eight charter schools in Illinois. The Commission finds that LEARN’s proposal to establish LEARN Waukegan complies with the provisions of the Charter Schools Law, 105 ILCS 5/27A, *et seq.*, and that establishment of LEARN Waukegan would be in the best interests of the students that LEARN Waukegan intends to serve. This Final Decision of the Commission is being issued pursuant to 23 Ill. Adm. Code 650.110(d)(3) within 30 days of the public hearing held March 31, 2015, and 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, *et seq.* The Local Educational Agency (“LEA”), Waukegan District 60, through its Board of Education, voted to deny LEARN’s charter school proposal on January 6, 2015. On February 5, 2015, LEARN filed an appeal with the Commission. The

appeal contained all of the required components and was timely submitted. Thus, the LEARN appeal is properly before the Commission, pursuant to 105 ILCS 5/27A-8(g).

II. Procedural Background

LEARN, an Illinois not-for-profit corporation with 501(c)(3) tax exempt status, which operates a network of eight charter schools in Chicago and North Chicago, submitted a charter school proposal to Waukegan District 60 for consideration on November 14, 2014. LEARN proposed to create a K-8 school for 600 students opening Fall, 2015, with 200 students in grades K-3, growing one grade a year, and seeking 100% of the per capita tuition charge (“PCTC”) for Waukegan District 60, which at the time of the appeal is \$10,132. Waukegan District 60 denied the proposal on January 6, 2015. LEARN timely appealed to the Commission on February 5, 2015.

Waukegan District 60 serves 16,800 students in one pre-kindergarten center, 15 elementary schools, 5 middle schools and one high school. Per the 2014 State Report Card, Waukegan District 60 serves 72% low-income, 77% Hispanic, 16% Black, 4% White, 12% special needs and 29% English Language Learner (“ELL”) students. Spanish is the language of preference in 45% of the homes of Waukegan District 60’s students.

At the outset of the appeal, on February 5, 2015, LEARN sought and was granted permission, with the agreement of Waukegan District 60, to submit supplemental materials including: (1) additional information regarding LEARN as an LEA; (2) a new LEARN Waukegan budget – on appeal as an LEA; (3) 2014 ISAT data – LEARN – Waukegan District 60 – State; and (4) new facilities information. On March 9, 2015, Waukegan District 60 submitted a memorandum outlining concerns, including Exhibit B, a document critiquing LEARN’s academic performance, to which LEARN replied.

On March 12, 2015, the Commission conducted an interview with representatives from LEARN and Waukegan District 60. During the interviews, which were observed by the other party, the Commission utilized a team of three independent evaluators plus two staff to conduct the interviews, which lasted a total of 4.5 hours. Both parties were asked and responded to questions about the proposal and Waukegan District 60's review.

Pursuant to section 27A-8(c) of the Charter Schools Law, the Commission held a public hearing on March 31, 2015 in Waukegan, chaired by Commissioners Greg Richmond, Rudy Valdez and DeRonda Williams. Representatives from LEARN and Waukegan District 60 made statements on behalf of the respective parties. Over 200 persons attended the hearing with fifty-seven (57) persons testifying. During the three-hour hearing, twenty-nine persons (out of 80 who had signed up) testified on behalf of Waukegan District 60 and twenty-eight (out of 105 who had signed up) testified on behalf of LEARN. The Commission also held a week-long email forum and received a total of 72 comments, 40 from LEARN supporters and 31 from persons opposed to the charter.

Based on an initial evaluation of the materials LEARN submitted on appeal, the responses LEARN gave to questions at the capacity interview, and comments made at the public hearing, the Commission staff determined that LEARN's proposal merited further investigation. On April 16, 2015, the Commission staff and an independent evaluator conducted a site visit of the LEARN North Chicago Campus, a charter school identified by LEARN as most similar demographically to the charter proposed in Waukegan. The Commission performed, with another independent evaluator, authorizer reference checks during the first week of April with LEARN's other authorizers. At the request of the Commission, two different independent

evaluators engaged in further analyses of the academic performance of the LEARN schools, as well as Waukegan District 60.

On April 13, 2015, Waukegan District 60 filed a brief in support of its denial of the LEARN proposal with exhibits. On April 16, 2015, LEARN filed a response to Waukegan District 60's brief.

Having reviewed all the materials submitted by the parties and concluding the due diligence conducted by staff and the evaluation team, Commission staff prepared its recommendation to the Commission. On April 17, 2015, Commission staff met with the parties to this appeal and informed them that Commission staff would recommend that the appeal be granted subject to certain requirements. On April 21, 2015, the Commission held a public meeting and voted on LEARN's appeal. All of the nine Commissioners attended the meeting, two participating by conference call pursuant to motion. After a thorough discussion of the appeal for more than 3 hours, which was transcribed and conducted in public, five Commissioners voted in favor of a motion to grant the Appeal of LEARN Charter Schools for the establishment of LEARN Waukegan, subject to the following requirements: (1) execution of a Performance Agreement; (2) execution of a lease by July 1, 2015; (3) approval by Commission staff by July 1, 2015 of a facility plan that enables the school to open by September 15, 2015; and (4) approval by Commission staff by July 1, 2015 of a revised 2015-16 budget that reflects all anticipated income and expenses, and with per pupil funding of 100% of Waukegan District 60 PCTC rate.¹ Four Commissioners voted against the motion.² Therefore, the motion to grant the LEARN appeal carried and the Commission granted LEARN's proposal to establish a Waukegan campus.

¹Commissioners Guzman, Richmond, Sykes (appearing telephonically) and Williams (appearing telephonically) voted in favor of the motion to grant the appeal.

²Commissioners Farmer, Jacoby, Robbins and Valdez voted against the motion to grant the appeal.

III. Findings of Fact

A. Overview of LEARN's Proposal

1. LEARN currently operates eight elementary and middle school charter schools in Chicago District 299 and North Chicago District 187. The Network, serves 3,600 students, of whom, in the 2012-13 school year, 89% were low-income, 89% were African American, 9% were Hispanic, and 12% were students with special needs. LEARN proposes to create a K-8 school, located in Waukegan District 60, for 600 students maximum, opening in Fall, 2015 with 200 students in grades K-3, and growing one grade a year. LEARN seeks 100% of the per capita tuition charge for Waukegan District 60.
2. According to its proposal, LEARN provided proficiency data that demonstrates the academic performance of LEARN's students exceeded the performance of Waukegan District 60 students overall and in pertinent sub-groups, i.e., Hispanic students, Black students, Low Income students, Limited English Proficiency students, per the Illinois State ISAT 2013 averages for both reading and mathematics.
3. Regarding academic growth, LEARN's proposal provided evidence that based on publically available data from across its campuses, students who remained enrolled and continued attendance at LEARN scored significantly higher on the ISAT than those students who were new to school. Further, on another measure, the Northwestern Evaluation Association ("NWEA") Measures of Academic Progress ("MAP"), LEARN provided data that showed that on average, from Fall 2013 to Spring 2014, LEARN student performance across all 8 campuses exceeded the national average for growth.
4. LEARN's proposal also indicated that the Network tracked the outcomes of its graduating 8th graders, and to date had found, according to the internal records of

LEARN, that “95% of LEARN alumni graduate from high school, and that 95% of LEARN alumni attend college, with 71% enrolling in 4-year colleges, and 24% enrolling in 2-year colleges.”

5. LEARN’s proposal stated that the LEARN Waukegan school would aim “to provide children with the academic foundation and ambition to earn a college degree” by engaging in four core subject areas: English language arts, math, science and social studies, as well as enrichment courses in technology, the arts, Spanish and physical education.
6. LEARN’s educational plan provides that the Common Core State Standards will be followed to provide a balanced literacy program with high quality literature and informational texts. These courses will be supplemented with curricular offerings that have been heavily researched and have shown strong positive growth for all student demographic groups, including educationally disadvantaged minority, low-income, and ELL populations.
7. LEARN’s ELL program will be based on the World Class Instructional Design Assessment (“WIDA”) English Language Development Standards, and will either offer Transitional Bilingual Education and/or Transitional Program of Instructions, with the possibility of Dual Language programs in future years.
8. LEARN’s proposal provided that it strives to place students requiring Individual Education Plans in the least restrictive environment, and will utilize an inclusion program to offer accommodations in the general classroom. However, if inclusion does not offer adequate support, self-contained/resource rooms with learning resource teachers will be provided. LEARN further employs a full range of specialists including occupational

therapists, physical therapists, speech and language therapists, social workers, counselors, psychologists and, if necessary, therapeutic day or private school placements.

9. The governing Board of LEARN will hold the charter and contract with the Commission for LEARN Waukegan. LEARN will manage the operations of LEARN Waukegan as an LEA. LEARN also proposed to establish a Parent Advisory Council, led by parent leaders in partnership with the school's principal, that will provide LEARN parents with additional ways to engage in their child's education. The Parent Advisory Council would also provide an official forum to give feedback to the principal, make suggestions and voice concerns.
10. LEARN provided two initial locations in its proposal: (1) 2634 Grand Avenue and (2) 2700 N. Belvidere Road. LEARN later amended its proposed facilities locations as mentioned in Section C, Paragraph 24 of this Final Decision. LEARN proposed two additional facilities during the appeal proceedings: (1) 800 S. Genesee Street (the "Shiloh Facility"), a former church school, and (2) 202 N. Genesee Street, a warehouse location which is available for complete renovation.
11. LEARN implements financial oversight and review at both campus and network levels for its 14 year old network of eight schools which exist in two separate districts. Financial reporting and monitoring systems are fully developed and the Board regularly reviews financial reports. LEARN financials show that LEARN'S assets are \$14.8 million and current liabilities are \$6.8 million. LEARN further projects a positive net income for each of the five years of the LEARN Waukegan charter. LEARN's financials provide that revenue for the first year of operation will be \$3,178,727 and expenses will be

\$3,047,072. Moreover, the LEARN Waukegan budget includes a 3% contingency of total expenses (\$95,000).

B. Waukegan District 60's Reasons for Denial

12. On January 6, 2015, the Board of Waukegan District 60 adopted a Resolution denying LEARN's charter proposal for LEARN Waukegan, based on its staff's recommendation. Five members of the Board of Waukegan District 60 voted to approve the Resolution (i.e., to deny the charter proposal) and two members voted against the Resolution (i.e., to approve the charter proposal). In its review of the proposal, Waukegan District 60's staff raised concerns with the proposed financials, educational plan, organizational plan, and local support and provided these matters to the Board of Waukegan District 60 in an Administrative Summary and Memorandum. The principal concerns raised in Waukegan District 60's Board Resolution denying the charter were as follows:

- a. The application would "cause grievous financial harm" to Waukegan District 60 and would "force a shift of scarce financial resources to the detriment of those students who are unable to attend the charter school."
- b. The "[a]nalysis of the educational program proposed by LEARN disclosed serious flaws and gaps" in the proposal and "fail[ed] to put forth an educational program and curriculum that was sufficiently deep, broad and aligned with the required standards."
- c. Waukegan District 60 noted specific concerns with the proposed shifting of "transportation and special education service obligations." Waukegan District 60 further noted, "the lack of thoughtful plans to address the needs of the District's bilingual and limited English proficient families and students, weaknesses in the

proposed technology curriculum, the lack of significant achievement at North Chicago in comparison to comparable District schools, and lingering questions about climate and culture in LEARN schools.”

- d. The “organizational plan submitted by LEARN lacked sufficient attention to the challenge of equitably engaging the entire community and its students in a non-discriminatory fashion.” Waukegan District 60’s Resolution further provided that, “insufficient attention was given to the challenges and expenses associated with properly communicating with the significant LEP population and assuring that all students and families in the District could fully participate in the educational program being proposed.” The proposal did “not demonstrate its full appreciation for the challenges of the District’s diversity, that its program is designed to enroll and service a substantial proportion of at risk children or that it was prepared to execute a non-discriminatory admissions and communication program.”
- e. “LEARN’s application, supporting materials and the lack of community attendance at the public meeting fail[ed] to demonstrate a high or sufficient level of local support in accordance with 105ILCS 5/27A-8(1).” The Board did recognize that some parental support exists, but was “not at a high level.”
- f. Waukegan District 60’s Administrative Summary and Recommendations, referred to in the Board’s Resolution, further identifies the “apparent omissions and deviations from existing law in the Proposed Agreement form” and other legal concerns as to the “financial, reporting, and termination sections” of the proposal.

C. Findings From the Commission's Due Diligence

13. LEARN has a strong history of high academic, financial and operational performance during its 14 year history as a charter school operator in Chicago and North Chicago. In an effort to fully update the evidence concerning LEARN's academic performance, the Commission utilized independent experts to study the most recent academic data from the 2013-14 school year in the course of its due diligence investigations, in order to compare LEARN's performance to its two host districts, the State and district at issue, Waukegan District 60.
14. LEARN Network Proficiency Overall 2013-14 ISAT Scores. LEARN's Network schools substantially outperformed Waukegan District 60 schools for students meeting or exceeding standards in all subjects tested, (reading, math and science), on the 2013-14 ISAT. See Exhibit A. (Overall Proficiency Table.).
15. Subgroup Proficiency 2013-14 ISAT scores. Subgroup proficiency rates for the 2013-14 academic year for the LEARN Chicago Network, (7 schools), LEARN North Chicago, (1 school), Chicago School District 299, North Chicago District 187 and Waukegan Community Unit School District 60 were examined. Sub-groups examined included: Black, Hispanic, Low Income, English Language Learners, and Students with Disabilities. For all examined sub-groups but one, LEARN's Chicago campuses outperformed its host District 299, Waukegan District 60 and the State in both reading and math for 2014. For all examined sub-groups but one, LEARN's North Chicago campus outperformed its host District 187, Waukegan District 60 and the State in both reading and math on the ISAT. See Exhibit A, (Sub-group Proficiency Table).

16. ELL Students Proficiency 2013-14 ISAT scores. For the 2013-14 school year, ELL students attending a LEARN Campus greatly outperformed ELL students in Chicago District 299, North Chicago District 187, Waukegan District 60 and the State in both reading and math on the ISAT. See Exhibit A, (ELL Proficiency Table).
17. Academic Growth over Two Years, from 2012-13 to 2013-14. In order to study academic growth between two years, the Commission conducted an expert analysis of LEARN students' growth compared to student growth in the relevant districts and the State. On average, students attending LEARN campuses demonstrated more growth than students attending Waukegan District 60 schools, and growth on par with host districts Chicago District 299 and North Chicago District 187, and with the State, in both reading and math, based on publically available data. See Exhibit A, (Academic Growth Table).
18. LEARN's At-Risk Population. The LEARN Network's academic performance overall is worth special note given that LEARN serves a high-needs student population. During the 2013-14 School Year, based on State data, the seven LEARN Network schools in Chicago District 299 enrolled a higher percentage of low income and Black students, (at-risk sub-groups), compared to the District in which they were located and to Waukegan District 60, and, at LEARN 6 in North Chicago, a higher percentage of Black Students than its host District 187. See Exhibit A, (2013-14 Student Demographics.).
19. Waukegan District 60 submitted an independent study that analyzed fall enrollment rates for eight student cohorts attending LEARN charter schools in Chicago between 2008 and 2013. Waukegan District 60's study found that attrition, at least in part, can explain the success of student attending LEARN charter schools. In response to the study, the Commission staff conducted an independent study to review the enrollment data

presented by Waukegan District 60. The Commission’s independent evaluators found that the enrollment data did not track student cohorts because “a true sample would trace a specific group of students over a particular period of time, excluding any students who may later join the group.” The evaluators further noted that the enrollment change data that was relied upon by Waukegan District 60 is different from attrition data. The Commission’s independent evaluators found that the data “did not support Waukegan District 60’s claims that attrition can explain the success of student attending LEARN” but instead reaffirmed LEARN’s high quality performance on the vast majority of metrics.

20. The LEARN Network has a 14-year track record of running a financially sound network of charter schools. LEARN’s assets are \$14.8 million and its current liabilities are \$6.8 million. LEARN has established appropriate internal financials and controls and reporting structures.
21. LEARN has been successful in fundraising and has consistently raised over \$3 million each year since FY2012. LEARN has already secured a commitment from its Board for \$1 million to underwrite the first year startup costs and has pledged to raise an additional \$2 million over the five-year charter contract to fund LEARN Waukegan operations.
22. The Charter Schools Law, pursuant to 105 ILCS 27A-11(b), provides for a PCTC range of 75% to 125%. While the Commission does not have a policy dictating its rate, it does have the precedent of awarding 100% of the PCTC to all of its four schools both on appeal and at the time of renewal.³ Waukegan District 60 put forth in its evidence a rate

³ The Commission followed precedent set by the Illinois State Board of Education, and its own past precedent, in renewing the Prairie Crossing Charter School and the Southland College Preparatory Charter High School at 100% of PCTC. See *Prairie Crossing Charter School*, No. 2014-01 (April 15, 2014) and *In re Southland College Prep School*, No. 2015-001R (February 24, 2015).

of 91% elementary PCTC rate, but Commission staff analysis showed that a 100% PCTC rate did not materially harm Waukegan District 60.

23. LEARN's impact as a percentage of Waukegan District 60's total budget, using the FY2013 revenue from ISBE's ILEARN website, ranges from less than 1% in FY2016 to slightly more than 2% in FY2020.
24. On appeal, LEARN provided two additional proposed facilities: (1) Shiloh Facility and (2) 202 N Genesee Street. Upon further due diligence of all four of the proposed locations, LEARN identified that the 2634 facility was no longer a viable option due to prohibitive costs. Of the three remaining proposed facilities, the Shiloh Facility was noted as the preferred location. It was also noted that 2700 N. Belvidere Road would require a longer process to convert to use as a charter school facility.
25. LEARN maintained that it has a dedicated Facilities Team that has experience negotiating contracts, obtaining zoning and permits and incentivizing contractors to timely complete projects. LEARN has built or remodeled four campuses for a total investment of over \$30 million dollars over the last decade. In this case, LEARN has budgeted \$750,000 for any required facility expenses.
26. LEARN's Board is well-established and has experience overseeing charter school operations since 2001. LEARN's plan for board governance is clear and board members take seriously their responsibilities of oversight and accountability. LEARN's proposal provided that it would establish a Parent Advisory Council, led by parent leaders in partnership with the school's principal, that would provide LEARN parents with additional ways to engage in their child's education, as well as an official forum to give feedback to the principal, make suggestions and voice concerns.

27. In response to questions raised about transportation and food services, LEARN provided an adequate LEA budget that provided appropriate transportation costs in a given year and a revised budget for food services.
28. In response to Section 27A-5(k) of the Charter Schools Law, requiring a Commission approved charter to operate as its own LEA, LEARN put forward a comprehensive plan, combined with its experience and track record of operating eight schools, to suggest that it has the operational capacity to meet these needs.
29. LEARN has provided community support through submission of petitions, intent to enroll forms, and letters and emails of support from parents and citizens. LEARN originally submitted 1,510 petition signatures and 145 intent to enroll forms from families with eligible students. Of these, Waukegan District 60's analysis concluded that 1,371 petition signature and 84 intent to enroll forms were valid. Furthermore, at the public hearing on March 31, 2015, 28 people testified (of the 105 people who had signed up) on behalf of LEARN. Many speakers in favor of LEARN were parents, whose primary interests were that they wanted their children to attend college. Some of these parents who spoke in favor of LEARN had personally visited the LEARN North Chicago campus. The Commission also held a week-long email forum and received a total of 72 comments, 40 from LEARN supporters. At the April 21, 2015 Commission meeting, approximately a half-dozen people, including parents and grandparents of potential students, traveled to Chicago from Waukegan and testified in support of LEARN Waukegan.
30. The Commission's site visit to LEARN North Chicago Campus by an independent evaluator and staff included direct observation of instruction, interviews with ELL

students and the ELL Coordinator, viewing artifacts of teaching and learning, and a tour led by the principal. From the site visit, the following conclusions were reached:

- a. School culture and climate was conducive to learning.
 - b. The academic performance and growth by ELL and special education students was proficient.
 - c. The ELL Coordinator was knowledgeable, experienced and had a vision for an ELL program across campuses.
 - d. There was a plan for the professional development of teachers.
31. Commission staff engaged an independent evaluator to conduct a reference check with two authorizers that oversee charter schools managed by LEARN. Both of the district authorizers reported that LEARN had established working relationships. The authorizer reference checks further reported that there were no issues regarding services to ELL students; in fact, one authorizer noted that LEARN invests more than the minimum for its students with special needs. LEARN's compliance with requirements and all reporting deadlines was highlighted by one of the authorizers.

IV. Analysis

A. Standard of Review

The Commission may reverse a local school board's decision to deny a proposal when the Commission finds that the proposal: (i) is in compliance 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 proposal satisfied 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).

Under section 27A-8(a), the Charter Schools Law directs the Commission to give 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. . . .” 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 due diligence and following the Commission staff’s recommendation, the Commission concludes that LEARN’s proposal to establish LEARN Waukegan, as revised during the appeal process, complies with the Charter Schools Law. *See* 105 ILCS 5/27A-7. The Commission’s decision to grant LEARN’s approval is subject to the requirement that LEARN submit supplement material in the following areas identified by the Commission: the execution of a facility lease by July 1, 2015, the approval by July 1, 2015 of a facility plan that enables the school to open by September 15, 2015, and the approval by the Commission of a revised budget that reflects all anticipated income and expenses by July 1, 2015.

The Commission is not required to base its decision exclusively on the merits of the proposal that LEARN submitted to Waukegan District 60. The Illinois Supreme Court has specifically held that, when reviewing appeals from a district’s denial of a charter school proposal, the decision need not be limited to the evidence that was submitted to the district. *See Bd. Of Educ. 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 school proposal. The Court has expressly stated that charter school proposals can be revised on appeal. *See Bd. of Educ. 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. A mandate that a charter application revised with the assistance of the ISBE must return to the local school board for consideration before the ISBE can rule upon it would be contrary to the clear import of the Charter Schools Law”) (internal citation omitted.). *See also* 23 Ill. Admin. Code 650.60(b).

On appeal, the Commission staff properly allowed LEARN to submit a revised budget and additional information concerning its proposed ELL and special needs programs, community engagement strategies and how LEARN would function as an LEA. Moreover, during the appeal process, LEARN addressed concerns raised by Waukegan District 60 regarding the legal compliance of LEARN’s proposal to the Commission’s satisfaction. Most notably, in response to Waukegan District 60’s concerns regarding LEARN’s proposed facilities, LEARN identified three viable facilities through the proposal and appeals process: (1) 800 S. Genesee, (2) 202 N. Genesee and (3) 2700 N. Belvidere. The Charter Schools Law only requires that the proposal identify and name “2 sites that are potentially available as a charter school facility by the time the charter school is to open.” 105 ILCS 5/27A-7(a)(3). LEARN further submitted responses to

each of Waukegan District 60's concerns, either proposing a solution or providing an explanation as to why the individual concern is not an issue. Moreover, the Commission's award of a charter is subject to the requirement that LEARN provide the Commission with final information regarding its facilities plans and budget modifications by July 1, 2015.

Additionally, Waukegan District 60 claimed that it could suffer "grievous financial harm" and would be forced to shift "scarce financial resources to the district of those students unable to attend the LEARN charter school." However, pursuant to the Charter Schools Law, the Commission conducted its own financial impact analysis and determined that the LEARN proposal to open a charter school could be funded at a per pupil amount equal to 100 percent of Waukegan District 60's per capita tuition rate without materially impacting the overall Waukegan District 60 budget or financial solvency of Waukegan District 60. LEARN's impact as a percentage of Waukegan District 60's total budget, using the FY2013 revenue from ISBE's ILEARN website, ranges from less than 1% in FY2016 to slightly more than 2% in FY2020. In any event, the Illinois Supreme Court has made clear that "'economic soundness' in Section 27A-7(a)(9) is not a bright-line standard, but rather a continuum." *Comprehensive Cmty. Solutions, Inc. v. Rockford Sch. Dist.*, 216 Ill. 2d 455, 481 (2005). The Court further has stated that "terms of some charter school proposals will be more economically sound for a school district than other proposals, depending upon their effects on the district's bottom line. We do not hold that any school district experiencing a budget deficit may deny a charter school proposal with impunity." *Id.*

Accordingly, the Commission concludes that LEARN's revised proposal complies with the Charter Schools Law. *See Bd. of Educ. of Cmty. Consol. Sch. Dist. No. 59 v. Ill. State Bd. of Educ.*, 317 Ill. App.3d 790 (1st Dist. 2000) ("[T]he Board is authorized to reverse the denial of a charter upon a finding that the proposal substantially complies with the Act and that the approval

of the charter would be in the best interests of the students if certain conditions are met within a specified time period.”)

C. Best Interests of the Students Analysis

The Commission also concludes that it is necessary to reverse Waukegan District 60’s decision in the present case because the proposal, as revised, is in the best interests of the students the charter school is designed to serve. 105 ILCS 5/7A-8(h)(ii). LEARN provided evidence during the appeal process to establish that it has provided high quality education at its other eight campuses and that it has the capacity to provide Waukegan public school students with a high quality education option that is not currently available to them. LEARN’s demonstrated success as a charter school operator of long-standing, compels the Commission to seriously consider reversing Waukegan District 60’s decision.

In order to assess whether authorization would be in the best interests of the students LEARN intends to serve, the Commission staff conducted an independent analysis of the following four aspects of the proposal: (1) the educational plan, (2) the organization plan, (3) the business plan and (4) the evidence of capacity. The Commission staff found that LEARN’s academic performance in its network of eight existing schools exceeded Waukegan District 60’s performance and that LEARN’s superior performance could be observed overall, and with respect to low income and at-risk students. The Commission staff recognized that LEARN’s ELL experience was limited, but found that LEARN’s ELL students in a school with the population most similar to Waukegan District 60 greatly outperformed both Waukegan District 60 and the State ELL reading average. Similarly, the Commission staff found that the overall organizational plan, business plan for LEARN Waukegan, and the capacity of LEARN to execute on the plans met or exceeded the standards required.

The Commission's findings, set forth above, provide the basis for the Commission's decision and conclusion that the establishment of LEARN Waukegan would be in the best interests of the students of Waukegan. Because of the timing of the Commission's decision and the remaining areas of the budget and the proposed facility to address in advance of the September 15, 2015 start date, however, the Commission finds that it would be in the best interests of the students if the specific requirements set forth in the motion approved on April 21, 2015 are met within a specified time period, *i.e.*, July 1, 2015. The authority to reverse a school district's denial of a charter proposal on the condition that the charter submit a viable facility plan and updated budget thirty days prior to the opening of the school, is a power that has been specifically inferred from the Charter School Law in the case *Board of Educ. of Cmty. Consol. School District No. 59 v. Ill. State Bd. of Educ.*, 317 Ill.App.3d 790, 796 (Ill. App. Ct. 1st Dist. 2000). In circumstances very similar to those presented by the LEARN proposal, the State Board of Education, exercising those powers under the Charter School Law later transferred to the Commission, reversed a district's denial and granted a charter subject to conditions nearly identical to the requirements set forth in the Commission's grant of the charter in this case. Moreover, in the one other decision in which the Commission granted two charters that were on appeal from denials by a district, the Commission conditioned the grant of the charters on the charter's ability to meet specific requirements relating to the charter's proposed facilities on or before July 1 of the proposed school year. *See, e.g., Concept Schools v. Chicago Public Schools District 299*, No. 2013-08 (Mar. 25, 2013). Relatedly, on a renewal decision, the Commission granted a renewal to Prairie Crossing Charter School subject to certain requirements. *See, e.g., Prairie Crossing Charter School*, No. 2014-01. The circumstances presented in the present

appeal warrant the Commission's grant of the appeal subject to the satisfactory completion of the requirements of the grant.

For these reasons, the Commission finds that establishment of LEARN Charter School – Waukegan Campus would be in the best interests of the students LEARN intends to serve. The Commission's grant of this charter to LEARN for a campus that would open at the start of the 2015-2016 academic year shall be subject to LEARN's ability to meet specific requirements by July 1, 2015.

V. Conclusion

On the basis of the information presented to the Commission on appeal, the Commission concludes that reversal of Waukegan District 60's decision to deny LEARN's proposal to establish a Waukegan campus is warranted. The appeal is GRANTED.

Dated: April 30, 2015

EXHIBIT A

2014 Data for LEARN Overall and Low Income/At Risk Students

<u>Overall</u>	<u>Reading</u>	<u>Math</u>	<u>Science</u>	<u>#Tested</u>
Waukegan	34	44	55	7388
LEARN N. Chicago	48	48	90	206
LEARN Chicago Network	43	54	66	1254
<u>Low Income</u>				
Waukegan	30	39	51	5127
LEARN N. Chicago	45*	49*	Null	150*
LEARN Chicago Network	41	52	64	1202

Student Subgroup Proficiency ISAT Rates, 2013-14										
	English Learners (ELL)		Students with Disabilities (IEP)		Low Income		Black		Hispanic	
	Reading	Math	Reading	Math	Reading	Math	Reading	Math	Reading	Math
<i>Waukegan CUSD 60</i>	10%	21%	4%	10%	30%	39%	28%	30%	33%	45%
LEARN Chicago (all campuses in SD 299)	49%	74%	9%	20%	41%	52%	43%	53%	49%	66%
<i>Chicago SD 299</i>	11%	25%	9%	16%	41%	48%	37%	42%	44%	52%
LEARN 6 North Chicago	42%	38%	0%	0%	45%*	45%*	44%	40%	49%	54%
<i>North Chicago District 187</i>	12%	15%	3%	4%	26%	24%	26%	23%	30%	30%
<i>State of Illinois</i>	13%	24%	18%	23%	41%	45%	36%	38%	43%	49%

Source: ISBE Illinois Report Card. Available at: <http://www.illinoisreportcard.com/>

*LEARN 6 North Chicago has appealed to ISBE to correct the figure it reports for the campuses ISAT proficiency rate for low income students from 21 percent to 45 percent in reading and from 17 percent to 45 percent in math.

Percentage of ELL students meeting or exceeding the state standard, 2013-14 ISAT

	Reading	Math
LEARN Chicago (all campuses in SD 299)	49%	74%
<i>Chicago SD 299</i>	11%	25%
LEARN 6 North Chicago	42%	38%
<i>North Chicago District 187</i>	12%	15%
<i>Waukegan District</i>	10%	21%
<i>State of Illinois</i>	13%	24%

Source: ISBE Illinois Report Card. Available at: <http://www.illinoisreportcard.com/>

Illinois Growth Model Average Growth Values

	2012-2013		2013-2014	
	Reading	Math	Reading	Math
<i>Waukegan District</i>	97	97	94	98
LEARN Chicago (all campuses in SD 299)	99	103	96	102
<i>Chicago SD 299</i>	102	103	98	103
LEARN 6 North Chicago	111	111	98	103
<i>North Chicago District 187</i>	94	92	96	97
<i>State of Illinois</i>	102	101	99	103

Source: ISBE Illinois Report Card. Available at: <http://www.illinoisreportcard.com/>

Student Demographics, 2013-14

	ELL	Special Education	Low Income	Black	Hispanic
Waukegan District	29%	12%	72%	16%	77%
LEARN Chicago (all campuses in SD 299)	2%	10%	96%	95%	4%
• LEARN Butler	0%	6%	94%	95%	1%
• LEARN Excel	0%	9%	92%	92%	2%
• LEARN Campbell	0%	9%	98%	99%	1%
• LEARN South Chicago	7%	10%	96%	78%	8%
• LEARN Hunter Perkins	0%	9%	94%	77%	1%
• Learn 7 Elementary	1%	5%	87%	85%	3%
• Learn Middle School	0%	16%	100%	96%	2%
Chicago SD 299	17%	14%	86%	40%	46%
LEARN 6 North Chicago	14%	10%	46%/73%*	50%	31%
North Chicago District 187	25%	15%	83%	40%	50%
State of Illinois	10%	14%	52%	18%	25%

Source: ISBE Illinois Report Card. Available at: <http://www.illinoisreportcard.com/>

*LEARN 6 North Chicago has appealed to ISBE to correct the figure it reports for low income enrollment from 46 percent to 73 percent.