



# Charter Accountability Update and 2012-2013 Renewal Recommendations Presentation to the Chicago Board of Education

February 27, 2013

# Continuous Cycle of Monitoring, Analysis, and Action

- Typical term of charter is 5 years with a comprehensive evaluation conducted at the end of that term to make a determination on renewal.
- While this process is thorough and rigorous, it does not allow for the level of ongoing monitoring that we believe is appropriate.
- We have taken several actions that will be discussed here today that allow for more consistent charter school monitoring and accountability:
  - Academic Warning List
  - Outcomes of current renewal evaluations
  - Revising charter contracts to reflect annual performance reviews

# CHARTER WARNING LIST

# Warning List

The Warning Lists allows CPS to take action with charter schools on an ongoing basis based on the following beliefs:

- Charter Schools trade increased autonomy for increased accountability
- Charter schools must meet their contractual accountability
- Historically, the sole mechanism CPS has used for charter accountability is the Charter Renewal Process, which by itself is insufficient

Schools on this list have a demonstrated a track record that indicates that they have not met their contractual obligations as outlined in their contracts.

CRITERIA	
# of Schools	8
<b>Warning</b> Criteria	Failing to Meet or Make Standards for 2 of the last 3 years AND not outperforming by 10% Comparison School on Composite Score for all of the last 3 years
Explanation of methodology	This requires the school to be failing for two years, which shows a trend in school performance rather than a one year aberration. However, additional emphasis is placed on the school's neighborhood context through the comparison school metric: the school needs to outperform its comparison school by 10% to be moved off of the Warning List.

## What Happens Next: Next Steps for Warning List Schools

1. Based on contractual performance, school is deemed to be on Warning List (September) and at that time the school also receives revocation notice and parents are notified
2. Per Illinois school code guidelines, school remediation plan is developed and approved by CPS (October-November)
3. School implements remediation plan (November through April)
4. CPS reviews performance data to determine whether goals in the plan were achieved (May)
5. Recommendation regarding school's status is made to Board (June)

**\*\*This process will take effect beginning with an updated warning list, based on current data, announced in September of 2013.**

# Warning List

Campus	ES/HS	2010	2011	2012
ACE TECH CHRTR HS	HS	Failing	Failing	Making
ASPIRA CHRTR HS EARLY COLLEGE	HS	Failing	Failing	Making
ASPIRA CHRTR HS RAMIREZ	HS	Failing	Failing	Making
CATALYST CHTR - HOWLAND	ES	Making	Failing	Failing
CICS-BASIL	ES	Failing	Failing	Making
GALAPAGOS CHTR CAMPUS	ES	Meeting	Failing	Failing
NORTH LAWNSDALE CHRTR HS COLLINS	HS	Failing	Failing	Making
SHABAZZ CHRTR HS DUSABLE LEADERSHIP	HS	Making	Failing	Failing

# CHARTER RENEWAL PROCESS

## Renewal process and timeline

- CPS conducts a thorough and rigorous evaluation process to determine whether or not to renew charter and contract schools.
- The 2012-2013 process commenced in May 2012, evaluation of applications and data from September-December, culminating with public hearings and final recommendations in February 2013.
- The renewal process considers all available evidence with recommendations based on the following key criteria:
  1. Academic Performance
  2. Financial Management
  3. Compliance
- When performance was in question, CPS conducted a site visit to collect further evidence

# Renewal Recommendations Overview

Charter	Total Campuses	Recommended Contract Length
Amandla	1	5 years
ACE Tech	1	3 years
ASPIRA (replicating)	3	5 years – Ramirez phase-out
Betty Shabazz (replicating)	3	5 years – DuSable phase-out
Community Services West (Contract)	1	3 years
KIPP Ascend	1	5 years
North Lawndale (replicating)	2	5 years
Passages	1	5 years
Plato (Contract)	1	5 years
U of Chicago (replicating)	4	5 years
UNO (replicating)	17	5 years
Young Women’s (replicating)	1	5 years
<b>Totals</b>	<b>36</b>	

## Criteria for Shortened Renewal and/or Campus Closure

**Criteria for shortened renewal and/or campus closure were communicated to all schools at the beginning of the renewal process and include the following:**

- One or more campuses failed to meet academic performance set forth in the charter contract
- Charter school or network failed to meet financial benchmarks set forth in fiscal performance policy
- Charter school or network had significant compliance issues (Special Education, financial reporting, statutory)
- Does not outperform comparison school group
- Renewal site visit failed to provide evidence that sufficient supports are in place to address identified deficiencies

**Utilization was not a criteria for charter school renewal for the following reasons:**

- Charter schools face enrollment caps set by CPS which could give a distorted picture when run through our utilization formula
- Charter schools have autonomy to use space as best fits their programs but must balance that with enrollment sufficient to ensure fiscal solvency

# REVISED CHARTER CONTRACTS

## Conditions for All Charter Contracts

In order to more consistently monitor the performance of charter schools during the term of their contract, all charters will have specific academic and fiscal performance targets. Failure to meet these targets may result in closure of campus or revocation of charter.

### Academic Conditions

1. If any campus is rated in the lowest level on the Board's School Performance, Remediation and Probation Policy ("PRPP"), as it may be amended, in three of the next five years, that campus may automatically be closed.
2. The Charter School must address the performance of any Attendance Center that currently holds a failing status. Attendance Centers that currently hold a Level 3 rating in accordance with the Board's School Performance, Remediation and Probation Policy ("PRPP"), as it may be amended, are considered "failing" or "in Probation". The Board shall continue to monitor the performance and progress of these Attendance Centers on an annual basis. If these Attendance Centers have not progressed beyond the lowest rating, under the contractual performance policy, by September 1, 2017, the Board shall have the unilateral right to invoke a material modification to close those Attendance Centers

### Fiscal Conditions

1. If the school commits three tier 1, two tier 2, or one tier 3 financial infraction in any year of their contract, the school may automatically receive a shortened renewal.
2. If the school is more than 15 days delinquent (from the payroll date) on their CTPF contributions, CPS will provide written notification to the school that the delinquent payments must be "cured" within 15 days. Otherwise, CPS reserves the right to withhold these contributions from the next quarterly payment.

# Betty Shabazz International Charter School– Recommended for Five Year Renewal with the phase-out of DuSable campus

Shabazz serves 940 students in K-12 across 3 campuses

## Summary of Recommendation

The Office of New Schools recommends five year renewal of the Betty Shabazz International Charter School (BSICS) with conditions and the phase-out of the DuSable.

### Academic Performance

*BSICS was held to its contractual accountability plan, which differs from the District’s accountability plan.*

Campus	2011 Contractual Performance Rating	2012 Contractual Performance Rating
Betty Shabazz Academy	Making Reasonable Progress	Making Reasonable Progress
Barbara A. Sizemore	Failing to Meet or Make Reasonable Progress	Making Reasonable Progress
DuSable Leadership Academy	Failing to Meet or Make Reasonable Progress	Failing to Meet or Make Reasonable Progress

### Renewal Site Visit Outcomes

- The BSICS network earned “Developing” ratings for Statements of Practice indicators during the CPS Renewal Site Visits (RSV): strategies and structures designed to improve academic performance were absent or only newly instituted, inconsistently implemented and were difficult to verify as effective.
- The RSVs found evidence that school and classroom management was inconsistent.
- Some parents and students had significant issues with the schools, including a lack of academic rigor, lack of engagement in student outcomes, and verbal and physical altercations with other students or parents.
- The renewal application lacked specific strategies for academic or financial improvement and provided improvement goals that were not well defined or measurable.

### Operational Considerations

- Shabazz’s preliminary financial performance scores for FYs 2011 and 2012: 1) Balanced budget (low); 2) Financial practices (high); and 3) Compliance (high).
- The network has a history of struggling with financial forecasting; the network has repeatedly over-projected student enrollments.
- The five-year budget contains unrealistic assumptions.
- BSICS has been cited repeatedly for noncompliance with ADA requirements at their Shabazz Academy facility; the existing Betty Shabazz Academy facility has documented ADA issues estimated at well over \$1,000,000 in the first year of a new contract; fixing these issues was a condition of their previous contract and was not met
- The five year budget allocates no money for facility improvements associated with the documented ADA issues

# Betty Shabazz Charter School Conditions

Campus	Metric	SY2013	SY2014
<b>DuSable Leadership Academy</b>	<b>Phase-out to begin SY 2013</b>		
<b>Shabazz &amp; Sizemore Campuses</b>	ISAT Value Add (Reading and Math)	>40 <sup>th</sup> Percentile	N/A
	Reduction in % of Students in “Below” or “Warning” status (Composite, Reading, and Math)	>10%	N/A
	NWEA growth percentile (math, reading, and composite)	N/A	>40%
	Percent of students making expected growth on NWEA (math, reading, and composite)	N/A	>55%

### Financial Conditions

1. A consolidated 5 year budget(CPS will provide a template) for all BSICS Campuses. The budget must be approved by BSICS's Board of Directors and submitted to CPS for approval by July 2, 2013
2. Provide quarterly forward looking cash projections for each quarter of the new contract.
3. No financial statement audits, for the length of the contract, indicating a “going concern” opinion in the audit opinion letter related to the future financial viability of Betty Shabazz Charter Schools.
4. BSICS to submit and have approved by CPS an ADA related Facilities improvements plan for the Shabazz Campus by July 2, 2013
5. BSICS to submit a corrective action plan by July 2, 2013 to address the ~\$1.5M facilities costs related to ADA compliance for the Shabazz Campus.

# Aspira Charter School– Recommended for Five Year Renewal with phase-out of Mirta

**Ramirez campus** Currently serves 1,462 students at two high schools and one middle school.

## Summary of Recommendation

The Office of New Schools recommends a five year renewal for Aspira Charter school with conditions including the phase-out of the Mirta Ramirez campus.

### Academic Performance

*Aspira was held to its contractual accountability plan, which differs from the District’s accountability plan.*

Campus	Contractual Performance Rating
Mirta Ramirez Computer Science HS	Making Reasonable Progress
Early College High School	Making Reasonable Progress
Haugan Middle School	Making Reasonable Progress

### Evaluation Outcomes

- The three campuses earned ratings of ‘Developing’ and ‘Ineffective’ for Statements of Practice indicators during the CPS Renewal Site Visits.
- Reports note school leaders with short tenures, campus-wide ambiguity regarding goals and strategies for academic improvement, inconsistencies in the implementation of current academic strategies, and specific instances of disengaged students and teachers with low expectations.
- The application contained aspirations for school improvement but included few goals or strategies to support those plans.
- Despite recent school leader changes, the application contained insufficient plans for oversight of school operations.
- Additionally, Aspira’s campuses performed as follows on the District Performance policy:

Campus	SY 2012	SY 2011
Mirta Ramirez Computer Science HS	25.6% (Lvl 3)	13.9% (Lvl 3)
Early College High School	47.8% (Lvl 2)	48.1% (Lvl 2)
Haugan Middle School	40.5% (Lvl 3)	52.4% (Lvl 2)

### Renewal Site Visit Outcomes

- All campuses had experienced substantial leadership turnover, with school leaders at Early College and Ramirez hired for the SY2013 year only.
- Many new policies and procedures were being developed and implemented. It was unclear as to their effectiveness, particularly at Haugan and Early College.
- Goal setting at the student, teacher, and campus level was inconsistent across all campuses. Data was rarely used to inform decision making.
- Teachers at Ramirez had not received any professional development support or observations, and there were inconsistencies observed in rigor and student engagement

### Other Considerations

- Aspira scored low on the following Financial Accountability metrics: Budget (poor), CPS/Federal/State Compliance (poor), Annual audit (below average), Change in Net Assets (below average), and Quarterly Statement (below average).
- Aspira’s financial forecasting, as seen through its five year budget, is questionable due to projection of significantly higher than historical enrollment numbers.
- The Aspira network’s governance and operations provide poor oversight; the network reports that a strategic plan does not exist.
- Aspira applied for expansion- Aspira has received a \$12M state grant and has already purchased the land. The submitted budget does not reflect this plan.
- Aspira has ~\$8.3M in loans that mature in September 2014

# Aspira Conditions

Campus	Metric	SY2013	SY2014
<b>Haugan</b>	NWEA growth percentile (math, reading, and composite)	>40%	>40%
	Percent of students making expected growth on NWEA (math, reading, and composite)	>50%	>55%
<b>Early College</b>	EPAS growth percentile (math, reading, and composite)	>40%	>40%
	ACT Score (math, reading, and composite)		17.6
<b>Ramirez</b>			
	<b>Phase-out beginning in SY13</b>		

1. Consolidated five year budget (CPS will provide a template) for all ASPIRA Campuses. The budget must be approved by Aspira's Board of Directors and submitted to CPS for approval by July 2, 2013.
2. A corrective action plan to address the three significant deficiencies noted in the Report on Internal Control over Financial Reporting from Callero and Callero LLP dated October 26, 2012. The plan should outline when and how the School's Board will resolve the deficiencies and should seek to establish checkpoints, if possible. This plan will be submitted to ONS by July 2, 2013.
3. Provide quarterly forward looking cash projections for each quarter of the new contract.
4. No financial statement audits, for the length of the contract, indicating a "going concern" opinion in the audit opinion letter related to the future financial viability of ASPIRA.
5. ASPIRA to submit a corrective action plan by January 1, 2014 to address the ~\$8.7M debt obligation that matures in FY2015. Moreover, Aspira will submit quarterly updates on their implementation of the corrective action plan.

# Architecture, Construction and Engineering Technical Charter School (ACE Tech)–

## *Recommended for Three Year Renewal*

ACE Tech serves 484 students in grades 9-12 on a single campus in Washington Park.

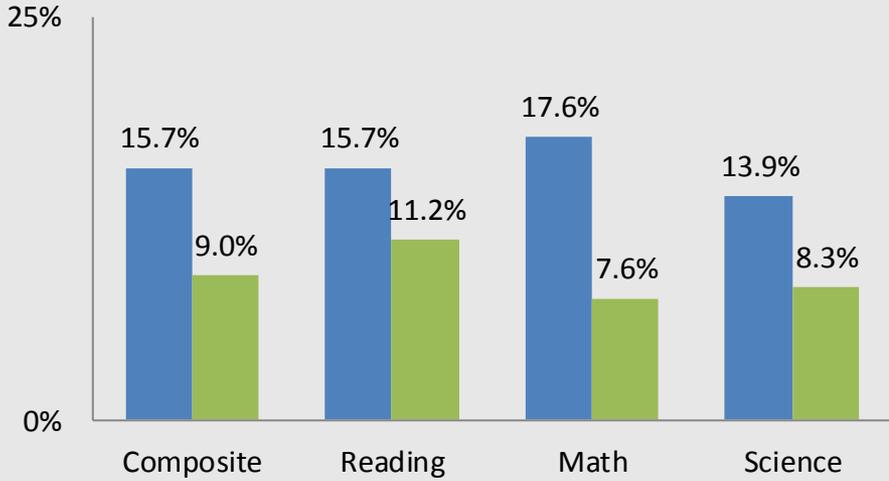
### Summary of Recommendation

The Office of New Schools recommends a three year renewal for ACE Tech with conditions.

#### Academic Performance

- ACE Tech raised its Academic Status to Level 2 (Academic Progress Category: “Making Reasonable Progress”) in 2012, per the conditions set forth in its previous charter agreement.
- ACE Tech has consistently outperformed comparison schools on measures of PSAE Meets/Exceeds performance in the following areas in SY2012:

■ ACE TECH CHRTR HS    ■ COMPARISON SCHOOL



#### Evaluation Outcomes

- The Renewal Site Visit rated the chosen Statement of Practice Indicators as “Developing” based upon the initial design and implementation of the following changes:
- A new instructional leadership team
- Focus on coaching teachers
- A new observation and feedback cycle
- The addition of NWEA assessments.

#### Conditions

- The School must maintain a rating above the lowest for the first two years of its contract and outperform its comparison school on more than 75% of applicable academic performance and growth metrics per the performance policy. Failure to do so may result in an automatic non-renewal.
- By September 1, 2013, the school must achieve required certification levels (75% of teachers must be IL certified, 100% of teachers must be NCLB certified, and 100% of teachers must be in compliance with the Charter Schools Law).

# Community Services West (CSW) Charter School– *Recommended for a Three Year Renewal*

CSW serves 421 students in grades PK-8 on a single campus in North Lawndale.

## Summary of Recommendation

The Office of New Schools Recommends a three year renewal for CSW with conditions.

### Academic Performance

***CSW has not met the academic targets per its contract. However, the targets set forth insufficiently reflect that CSW is an alternative school, not a traditional high school.***

- CSW was Level 3 in SY2011 and SY 2012 on the district’s performance policy, which aligns with their contractual performance policy
- The CET does not believe that the appropriate measurements are included in the school’s contract. The PSAE provides a snapshot rather than a view of students’ performance over time, which does not align with the mission of alternative schools.

### Evaluation Outcomes

- The school’s renewal site visit indicated a strong sense of community and support network for students at CSW, as well as their families.
- CSW’s application contained a clearly articulated mission and vision for the school and indicated how future supports for their students would be provided. The future goals stated in the application are ambitious- reaching for greater than nationally normed growth.
- CSW has significant special education violations.
- There does not appear to be appropriate oversight of compliance issues, including a lack of a Board handbook and strategic plan.

### Operational Considerations

- CSW is part of a larger neighborhood organization. For that organization, the current liabilities exceed the current assets. This may cause the school to fail if this parent organization becomes insolvent. The school itself is fiscally viable and has not had an issue to this point.

### Conditions

- Prior to the signing of the contract with CSW, the school must become a separate legal entity from the neighborhood organization.
- By June 30, 2014, the school must secure additional space that will be used to provide the full continuum of special education services. The school must also submit a plan demonstrating their ability to provide a full continuum of special education services by September 1 in each year of the contract.