Illinois Charter School Law Overview

Under its 1996 law, Illinois is limited to a total of 45 charters divided geographically: 15 in Chicago, 15 in the Chicago suburbs, and 15 across the rest of the state. The law also allows each local governing board throughout the state to initiate one charter school within its boundaries, over and above the cap. Additionally, it contains an unusual provision allowing for establishment of a charter school by referendum in addition to the more traditional avenue of applying to a governing body. (This has never been done.) The State Board of Education serves as an appeals body, either by authorizing the school itself, or by forcing a local district to do so.

As of Fall 2002, 26 charter school campuses existed under 20 charters issued by six local districts, and two more schools operated under charters issued by the State Board upon appeal. Most schools (14 charters, 20 campuses) are sponsored by the Chicago Public Schools, which has reached the statutory “cap” and uses multi-campus charters to ease this restriction. It is likely that statutory amendments will be agreed to in 2003 that, among other things, will increase the cap (and ban multi-campus charters).

State Policy Environment

Support for Charter Schools: Illinois received a D for charter support. Although the level of charter activity in Chicago is relatively high due to that city’s positive attitude toward education reform, in general, and charters, in particular, local boards elsewhere in the state have largely stonewalled charter efforts. In particular, respondents report difficulties with acceptance by local districts, weak political support, the absence of a “charter friendly” State Department of Education, limited parental understanding, and too few opportunities for quality charters (this last difficulty likely arising from the pinch that the “cap” has now produced in Chicago).

Besides difficulty establishing charters outside of Chicago, evidence of lack of support can be seen in the funding of charter schools, which is negotiated with the sponsoring district. On average, it is reported that charter schools receive only $0.82 cents of every education dollar that a district receives. At the same time, the state provides extra aid to help compensate authorizing districts: 90 percent of charter costs the first year, 65 percent the second year, and 35 percent the third year.

No public monies are given directly for charter school facilities, although the state does have a

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Overall Grade: B−
revolving loan fund available to charter schools, and conversion schools use their buildings from the district at no cost. One interesting note is that the Bill and Melinda Gates Foundation recently made a multi-million dollar grant to the Chicago Charter School Foundation for the development of four charter high schools in Chicago.

The state received high marks for creating fiscally and legally autonomous schools. In practice, however, some maintain close ties to their local districts.

Support and External Accountability for Authorizers: Illinois received a B in this category. Marks were high for authorizers’ reports to the legislature, reflective of the requirement that local boards submit annual evaluations of charter schools to the State Board of Education for inclusion in the latter’s annual report to the General Assembly and Governor. (Past reports are posted on the Illinois State Department of Education charter school website.)

Another highly rated criterion was the appeals process. Charter proposals denied by a local school board may be appealed to the State Board of Education. To date, two schools have been created via this appeals process.

Authorizer Practices

Application Processes: A C in this category is related to the lack of a structured application packet that details the process, and a lack of general outreach to applicants by most local districts. Except in Chicago, there are no application forms per se, although law specifies 14 elements of a proposal to establish a charter school, and these are posted on the State Department website.

Despite limited outreach by most districts, the State Board of Education provides general technical assistance, as does the Charter School Resource Center (based in a business-backed organization named Leadership for Quality Education). This latter group assists potential charter developers.

The state received high marks for having detailed application timelines.

Approval Processes: Illinois’s approval process also received a C. Respondents indicated that there is little time between approval and a school’s opening.

The state did receive high marks, however, for allowing applicants to provide additional information if questions arise. Once the local board has decided to approve or deny a charter application, it forwards that application, regardless of outcome, to the State Board. If the application was approved by the local board, the State Board determines whether the approved charter proposal is consistent with the provisions of the law. If denied locally, the applicant can appeal to the State Board.

Performance Contracts: The state’s B+ in this category reflects high marks for almost every aspect of performance contracts, probably because the application itself is submitted as a contract and scrutinized by both local district and State Board. Observers report that the Chicago contract has some real strengths in that it clearly lays out the authorizer’s expectations from the outset.

Oversight: Although Illinois received a B for oversight, its perfect score for audits and progress reports is exceptional. Charter schools must submit an annual financial and administrative audit (conducted by an independent outside auditor) to their authorizer, which is included in the State Department report to the General Assembly. Survey respondents also gave high marks for the use of these reports in identifying problems and notifying schools of areas they need to work on.

Renewal and Revocation Processes: Illinois received a B+ here, with particularly high scores for clearly written criteria, renewal decisions based on school progress toward student achievement goals, and independent analysis of student performance data. As of Fall 2002, three charters had been revoked or non-renewed.

Transparency and Internal Accountability: The state’s C+ in this category reflects mediocre scores in all areas but one: respondents report easily available application packets. Although actual applications are not available, other than in Chicago, the law requires that applications contain 14 points of information. These items are posted on the web. Illinois received low marks for having key authorizer policies and decisions readily available to the public.
**Overall Grade**

Based on scores for 56 criteria, Illinois earned a C for its policy environment and a B– for authorizer practices, resulting in an overall grade of B–. When observer and school operator survey respondents were asked to provide a single “holistic” grade, the average grade given was also a B–.

Illinois’ charter program is marked by huge differences between Chicago and the rest of the state. The former has been a charter-friendly environment; the latter generally quite hostile. High marks were also offered for the authorizer practices utilized by the Chicago Public Schools, with lower marks for other authorizers. Policymakers are advised to carefully review their state’s specific criterion-based scores, in Appendix A, and on the web at http://www.edexcellence.net/tbfinstitute/authorizers.html.

Note: The grades for Illinois are based upon survey data received from three authorizer respondents (representing two different authorizers—including the largest in the state—overseeing 79% of operating schools); five observer respondents; and nine charter operator respondents (of 28 total operating charter schools, or 32%).