

# LEGISLATIVE RESEARCH UNIT

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PATRICK D. O'GRADY, EXECUTIVE DIRECTOR

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## CHARTER SCHOOLS COMPARISON

asked  
for a comparison of Illinois' and surrounding states' charter school programs. On December 2, also asked for information on the differences among charter, magnet, contract, and public schools; how students enroll in charter schools; numbers of Illinois charter school students going on to college; and what percentage charter school students are of the state population. We describe below what we found.

### Charter School Program Comparison

Charter school programs in Illinois, Indiana, Iowa, Michigan, Missouri, and Wisconsin are described below, based on information from the Education Commission of the States Internet site<sup>1</sup> and applicable state statutes.

### Organization

All six states in this survey allow existing public schools to be converted into charter schools. Each of these states except Iowa also allows startup charter schools. Each of these states except Missouri regulates who can apply to open charter schools.

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Illinois, Iowa, Michigan, and Missouri limit how many charter schools can operate at a time.<sup>2</sup> Indiana does not limit charter schools statewide; but the mayor of Indianapolis can approve no more than five new charter schools per year.<sup>3</sup> Wisconsin similarly does not set a statewide limit, but the University of Wisconsin at Parkside<sup>4</sup> can sponsor only one charter school.

In Indiana, Michigan, and Missouri<sup>5</sup>, a charter school is always its own local education agency (LEA); in Iowa, a charter school is always part of the school district's LEA. (An LEA is a local public education agency that operates schools and contracts for educational services.<sup>6</sup> A charter school that is an LEA is eligible to apply for some federal grants.<sup>7</sup>) In Illinois, a charter school approved by a local school board becomes part of the school district's LEA, unless it wins an appeal to the State Board of Education to become its own LEA. In Wisconsin, a charter school that is authorized by Milwaukee; the University of Wisconsin at Milwaukee; the University of Wisconsin at Parkside; or the Milwaukee Area Technical College is its own LEA. A charter school that is sponsored by a local school board may be part of the school district's LEA or may be its own LEA.

### Funding

In Illinois, Iowa, and Missouri, charter schools get funding from the sponsoring school district. Those in Indiana are funded by the state. Michigan's charter schools are funded through the charter-authorizing body. Those in Wisconsin that are authorized by a school board get their funding from the school district; those authorized by a city, university, or technical college get funding from the state.

Charter schools in Illinois negotiate funding terms with the sponsoring school district, but must get between 75% and 125% of the district expense of educating one child for each student from the district whom they enroll.<sup>8</sup> Indiana and Michigan charter schools get as much funding per student as is provided to regular schools. Iowa considers charter schools part of their school district for funding purposes. Charter schools in Missouri get 100% of the state foundation formula entitlement per student, minus the school district's revenue bond debt service per student.

Wisconsin charter school funding depends on who sponsors the school. Funding of schools authorized by a local school board is decided in negotiations with that school board. Funding of charter schools authorized by a city, university, or technical college is determined by multiplying the number of students enrolled by the amount paid per student in the previous year, including any increase per student given to private schools.<sup>9</sup>

Of the states we checked, only Illinois offers startup grants to charter schools. The State Board of Education makes grants to charter schools for costs of acquiring educational materials, supplies, textbooks, furniture, and other equipment for the first term. A grant cannot exceed \$250 per enrolled student.<sup>10</sup>

Iowa,<sup>11</sup> Michigan, and Wisconsin do not provide facilities funds (funds for securing school buildings, equipment and services) or assistance to charter schools. Illinois charter schools can negotiate with school districts, colleges, universities, and community colleges for use of a school building, but do not receive facilities funds directly.<sup>12</sup> Illinois charter schools may receive loans for startup costs.<sup>13</sup> Indiana charter schools sponsored by the mayor of Indianapolis can get loans to obtain school buildings and equipment from the local public improvement bond bank. Missouri school districts can issue bonds to provide facilities for charter schools.<sup>14</sup>

#### Autonomy

All six states that we checked apply state educational standards and assessments to charter schools. Illinois charter schools are exempt from all state laws and regulations governing public schools, and from local school board policies, except the following: the state's charter school law; sections of the School Code on criminal background investigations of employment applicants; some sections of the School Code on student discipline; the Local Governmental and Governmental Employees Tort Immunity Act; a section of the General Not For Profit Corporation Act of 1986 on indemnifying staff; the Abused and Neglected Child Reporting Act; the Illinois School Student Records Act; and a section of the School Code on school report cards.<sup>15</sup>

Indiana exempts charter schools from some laws, but has a long list of laws from which they are not exempt.<sup>16</sup>

Iowa charter schools are exempt from laws and rules applicable to schools, school boards, or school districts except those relating to health and safety, civil rights, nondiscrimination, court-ordered desegregation, religious freedoms, tuition, special education, financial audits, student achievement, teacher quality, collective bargaining, transportation, and advisory council meetings.<sup>17</sup>

In Michigan, charter schools may ask the State Board of Education for waivers from state laws and regulations.

Missouri's charter schools are exempt from all laws and regulations relating to schools, governing boards, and school districts except the state charter school law.<sup>18</sup>

Wisconsin grants charter schools an automatic waiver from education laws, regulations, and policies of the state, but not from those of the school district.<sup>19</sup>

## Teachers

Iowa<sup>20</sup> and Michigan require charter school teachers to be certified. Illinois requires that at least 75% of instructors in Chicago charter schools that opened before the 2006-07 school year be certified. In schools established later, 50% must be certified.<sup>21</sup> In Indiana, teachers in charter schools must be certified or be working toward certification. Missouri allows up to 20% of the instructional staff in charter schools to be non-certified.<sup>22</sup> Wisconsin charter school teachers must be certified, except a teacher who has a waiver and is supervised by a certified teacher.

In Illinois, Michigan, and Wisconsin, each charter school sets teacher salaries. In Missouri, a teacher has the option of remaining an employee of the school district while teaching at a charter school; in that case, the charter school pays the district for the teacher's salary and benefits.<sup>23</sup> Iowa requires salaries to be set by collective bargaining. In Indiana, if a charter school was authorized by the school board, its teacher salaries are set by collective bargaining. Teachers in any other kind of charter school may work independently or negotiate with the charter school as a separate unit.

Illinois, Indiana, Iowa, and Missouri<sup>24</sup> make charter school teachers members of their public school teachers' retirement systems. In Michigan, teachers hired by charter school boards are members, but those hired by for-profit corporations that contract with charter schools are not. In Wisconsin, charter school teachers have access to the pension system only if the charter school is a part of the school district.

Charter schools in Illinois and Missouri are not bound by school districts' union agreements. Iowa charter schools are bound by such agreements. Indiana, Michigan, and Wisconsin charter schools are bound by union agreements only if the schools are part of the school district.

## Accountability

Charter schools in each state in this comparison are required to file annual financial reports. Four of those states (Illinois,<sup>25</sup> Iowa,<sup>26</sup> Michigan,<sup>27</sup> and Missouri<sup>28</sup>) also require their

state education agencies to report annually on the effectiveness of charter schools. The Indiana Department of Education must report annually to the state charter school review panel on charter school proposals and their acceptance or rejection.<sup>29</sup>

Each state has a list of grounds for terminating a school's charter. Illinois and Iowa provide for appeals in the charter school renewal process; Indiana, Michigan, and Wisconsin do not. Charter renewals or revocations in Missouri are subject to judicial review.<sup>30</sup>

### **Differences Among Types of Schools**

There are several differences among charter schools, contract schools, and magnet schools. Contract schools are independent public schools that can be operated only in Chicago and only under contract with the Chicago public school system. Such a school's contract is different from a charter accountability agreement; contract schools have less freedom than charter schools in curricula and educational design.<sup>31</sup>

Magnet schools specialize in a specific subject area. Many have highly selective academic standards and require students to take entrance exams. Magnet schools in the Chicago area have a goal of reaching a racial or ethnic minority enrollment of 65% to 85%. Magnet schools can also use auditions or other methods for students to show specialized talents,<sup>32</sup> unlike charter schools. Charter schools do not require entrance tests; but both charter schools and magnet schools must require students to meet state and district academic standards, and to take state and district tests.<sup>33</sup>

### **Number of Illinois Charter Schools and Enrollment**

The Illinois Network of Charter Schools reports that Illinois has 39 charter schools on 76 campuses.<sup>34</sup> State law limits the charter schools to a total of 60 statewide: 30 in Chicago, 15 in suburban Cook County and the collar counties, and 15 in the rest of the state. Only one charter school initiated by a school board can operate in a single school district.

Illinois requires that enrollment in a charter school be open to any student living in the area served by the local school board. Students living in that area may also be given priority for enrollment in the charter school.<sup>35</sup> Each charter school has its own admission policies and makes its own admissions decisions. Charter schools usually take applications from January until early spring for the next school year. Most charter schools hold lotteries to choose among applicants. Assignment is random except that preference is given to students with siblings already attending the school. Some

schools in Chicago give preference to students living in the surrounding neighborhood.<sup>36</sup>

### **Percentage of Students Enrolling in Colleges or Universities**

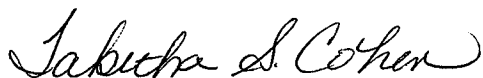
The Illinois Network of Charter Schools reports that 83% of graduates of charter high schools enroll in post-secondary education.<sup>37</sup> We could not find a corresponding number for graduates of public high schools.

### **Charter Students as Percentage of State Population**

The U.S. Census Bureau estimated Illinois' population at about 12.8 million in 2006.<sup>38</sup> The State Board of Education reported that about 2.4 million persons were enrolled in grades K-12 in the fall of 2006<sup>39</sup>—about 19% of the state's population. The Illinois Network of Charter Schools reported that 23,703 students were enrolled in Illinois charter schools in 2007<sup>40</sup>—just under 1% of Illinois students.

We hope this information is helpful. Please let us know if we can be of further assistance.

Sincerely,



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#### Notes

1. "State Comparisons—State Policies for Charter Schools" (Oct. 27, 2008, downloaded from Education Commission of the States Internet site).
2. 105 ILCS 5/27A-4(b).; Iowa Code, sec. 256F.3, subd. 6; Mo. Stat., sec. 160.400, subd. 2.
3. Ind. Code, subsec. 20-24-3-15.
4. Wis. Stat., subsec. 118.40(2r)(cm).
5. Mo. Stat., sec. 160.405, subd. 6.
6. 23 Ill. Adm. Code, sec. 130.10.
7. See, for example, 40 Code of Fed. Regs. sec. 47.110 (National Environmental Education Act grants).
8. 105 ILCS 5/27A-11, subd. B.

9. Wis. Stat., subsec. 118.40(2r)(e), subd. 1.
10. 105 ILCS 5/27A-11.5(2).
11. Iowa Code, sec. 256F.3.
12. 105 ILCS 5/27A-5(f).
13. 105 ILCS 5/27A-11.5.
14. Mo. Stat., sec. 160.415, subd. 11.
15. 105 ILCS 5/27A-5(g).
16. Ind. Code, sec. 20-24-8-4 and Ind. Code, sec. 20-24-8-5.
17. Iowa Code, sec. 256F.4, subdiv. 2.
18. Mo. Stat., sec. 160.405, subd. 5(3).
19. Wis. Stat., subsec. 118.40(7).
20. Iowa Code, sec. 256F.7.
21. 105 ILCS 5/27A-4(c).
22. Ind. Code, subsec. 20-24-6-5.
23. Mo. Stat., sec. 160.420, subd. 1.
24. Mo. Stat., sec. 160.420, subd. 3.
25. 105 ILCS 5/27A-12.
26. Iowa Code, sec. 256F-10.
27. Mich. Comp. Laws, sec. 380.501a.
28. Mo. Stat., sec. 160.405, subd. 5(6)(b).
29. Ind. Code, subsec. 20-24-9-1.
30. Mo. Stat., sec. 160.405, subd. 4.
31. "Frequently Asked Questions" (Dec. 3, 2008, downloaded from Illinois Network of Charter Schools Internet site).
32. "Our Schools" (Dec. 5, 2008, downloaded from Chicago Public Schools Office of Academic Enhancement Options for Knowledge Internet site).
33. "Frequently Asked Questions" (Dec. 3, 2008, downloaded from Illinois Network of Charter Schools Internet site).
34. "Find A Charter School" (Dec. 3, 2008, downloaded from Illinois Network of Charter Schools Internet site) and telephone conversation with Amy Pulley, Information Manager, Illinois Network of Charter Schools, Dec. 12, 2008.
35. 105 ILCS 5/27A-4(d).
36. "How to Enroll" (Dec. 3, 2008, downloaded from Illinois Network of Charter Schools Internet site).
37. "What Are Charter Schools" (Dec. 3, 2008, downloaded from Illinois Network of Charter Schools Internet site).
38. "Illinois" (Dec. 3, 2008, downloaded from U.S. Census Bureau Internet site).
39. State Board of Education, 2007 Annual Report (Dec. 3, 2008, p. 32 downloaded from State Board of Education Internet site).
40. Illinois Network of Charter Schools, "Innovation Celebration '07" (Dec. 29, 2008 downloaded from Illinois Charter School Network Internet site).