

**RESOLUTION REGARDING
APPLICATION FOR THE NORTH CHAMPAIGN NCA CHARTER SCHOOL
SUBMITTED BY THE STEERING COMMITTEE OF NORTH CHAMPAIGN
ACADEMY AND ITS ADVISORY TEAM, ON BEHALF OF LIFE LINES CHAMPAIGN
DENYING THE CHARTER SCHOOL PROPOSAL**

WHEREAS, the State of Illinois enacted the Charter Schools Law [105 ILCS 5/27A-1 *et seq.*], effective April 10, 1996, as amended;

WHEREAS, the North Champaign NCA Charter School submitted by the Steering Committee of North Champaign Academy and its advisory team, on behalf of Life Lines Champaign (“NCA”), a Proposal for a Charter School to the Board of Education of Champaign Community Unit School District 4 (“Proposal”) on February 26, 2018; and

WHEREAS, the Board of Education convened a public hearing on April 9, 2018, to obtain information to assist the Board of Education in its decision to grant or deny the Proposal and published and posted appropriate notice of the meeting in compliance with Sections 27A-8(c) and (d) of the Charter Schools Law [105 ILCS 5/27A-8(c) and (d)]; and

WHEREAS, NCA and interested parties were given additional time to submit supplemental information to the Board of Education for their consideration by April 18, 2018 which has been received and reviewed as noted in detail herein; and

WHEREAS, Administrative Staff provided an administrative review report of the NCA Proposal to the Board of Education which was presented to the public and NCA, and amended in response to the supplemental material submitted on April 18, 2018 and will be made part of the record for this matter; and

WHEREAS, the transcript from that hearing is incorporated by reference and noted in specific detail below regarding critical, substantive issues reviewed by the Board of Education during the public hearing with NCA; and

WHEREAS, after reviewing and considering the provisions and requirements of the Charter Schools Law, the Proposal and all related submissions and supplements, and the information provided at the public meeting referred to above, the Board of Education stands ready to make a determination regarding the Proposal.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Community Unit School District 4, Champaign County, Illinois:

Section 1. Recitals. The Board of Education hereby finds and determines that all recitals in the preambles to this Resolution are full, true, and correct, and does hereby incorporate them into this resolution by reference.

Section 2. Denial of the Charter School Proposal. The Board of Education has considered the Proposal and hereby denies the Proposal.

Section 3. Rationale for Denial. The Proposal does not conform to the standards and requirements of the Charter Schools Law for granting a charter school proposal. The Board, as a charter school authorizer, is required to deny weak or inadequate charter applications. [105 ILCS 5/27A-7.10] *See also Comprehensive Community Solutions, Inc. v. Rockford Sch. Dist. No. 205*, 216 Ill.2d 455 (Ill. 2005) (Illinois Supreme Court agreed with Illinois State Board of Education that charter school proposal must meet all the requirements of the charter school statute). The specific reasons for the Board's denial, which are examined in detail below, include, but are not limited to, the following: (i) the Proposal does not comply with numerous statutory requirements for charter school proposals contained in Section 7 of the Charter Schools Law [105 ILCS 5/27A-7]; (ii) the proposal does not include a viable school site; (iii) the Charter Proposal does not satisfy the statutory educational program, pupil performance standards, curriculum and

school calendar requirements of the Charter School Act; (iv) the NCA Application fails to provide an adequate plan for evaluating pupil performance and identify corrective action procedures in the event that pupil performance at the charter school falls below proposed student achievement standards; and (v) there is no evidence demonstrating the economic soundness of the Proposal for both the NCA Charter School and Champaign Community Unit District 4. The Board of Education also concurs with the *Administrative Staff Review Report Regarding the NCA Charter School Proposal*, as amended, attached to this Resolution as Exhibit A.

The Proposal does not comply with the requirements of Section 27A-7 of the Charter Schools Law. The NCA Proposal does not comply with the following specific requirements of Section 27A-7 of the Charter Schools Law and, therefore, must be denied.

- 1. A charter school proposal may be initiated by individuals or organizations such as private citizens, school teachers, school administrators, local school councils, colleges or universities or their faculty members, public community colleges or their instructors, corporations, a board of education or an intergovernmental agreement formed by two or more boards of education, or other entities or their representatives. 105 ILCS 5/27A-7(b).**

As of this date, it is unclear who the full Board of Directors or other governing body of the NCA Charter School will be. Although a few individuals have been identified, and potential strategic partners noted, no not-for-profit has been established, no Board of Directors or other governing Board has been formalized and no officers have been selected.

- 2. Charter school proposals must provide the minimum and maximum number of students to be enrolled in the charter school. [105 ILCS 5/27A-7(a)(2)].**

The Proposal provides no minimum enrollment. It only provides the age and grade range in the school as well as the anticipated and maximum number of students in each classroom. Without a minimum number of students, the Board of Education has no ability to determine the number of students to ensure that the NCA Charter School is self-sustaining.

- 3. A charter proposal must provide a description of and address for the physical plant in which the charter school will be located; provided that nothing in the Article shall be deemed to justify delaying or withholding favorable action on or approval of a charter school proposal because the building or buildings in which the charter school is to be located have not been acquired or rented at the time a charter school proposal is submitted or approved or a charter school contract is**

entered into or submitted for certification or certified, so long as the proposal or submission identifies and names at least 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).

Although the exterior of the proposed building site at 1400 West Anthony Drive seems to be ADA compliant, the proposed building site location poses safety concerns being in an industrial area. There are no sidewalks along West Anthony Drive and no green space for students to participate in recess or P.E. outside. The site does not have a designated bus loading and unloading area. There is no fire protection (hydrant) located outside the building.

An alternative proposed space is a religious facility.

Supplemental Materials Provided 4/18

Some additional detail has been provided about steps for preparation of the facility. No basis is provided for the identified budget and timelines for accomplishing what is needed. Some of the referenced attachments were not submitted for review.

The supplemental information changed much of the information from the proposal, but did not provide additional clarity. The primary address was changed to 1400 W. Anthony Dr., but the seller was still unidentified. Additionally, the buyer changed from “Lifelines” to “NAC” [sic] (should be “NCA”).

The status of the acquisition of the property was updated to “verbal agreement” with instructions to view attachment TK which was not attached. Information regarding the purchase price was added and ranges from \$475,000 to \$476,250. The supplemental answer states that the purchase will be financed through three methods: (1) seller financing in the amount of \$118,750 through a dissolved NFP; (2) a mortgage in the amount of \$332,500 of which proof of approval was not provided; and (3) a Sierra Mar Partners Low Interest Loan in the amount of \$25,000. The supplemental answer also estimates the property will require an additional \$150,000 in renovations, but does not provide the source of or supporting documentation for that estimate.

Finally, several safety concerns were identified regarding the proposed property. Notably, there are no sidewalks along Anthony Drive and no fire protection located outside the building. There is also no designated bus loading and unloading area. Finally, there is no green space adjacent to the facility for outdoor physical education or recess.

Public Hearing Testimony

During the public hearing, the School Board asked the representative from NCA questions regarding the physical location of the proposed site and how it would adequately serve as the site for an elementary school. (School Board Meeting Testimony 32:4-16; 51:1-52:3; 56:17-58:4). It was noted that NCA had failed to adequately plan for sidewalks, green outside space, and bus loading and unloading zones. *Id.* At that time, NCA failed to provide an adequate response to the Board's questions. Further, in its supplement to its proposal, NCA has again failed to address these issues.

NCA further failed to adequately respond during testimony to questions regarding an alternative facility site should enrollment surpass 200 students. (School Board Meeting Testimony 52:12-54:2). Although NCA acknowledged that it projects enrollment to surpass 200 within 3 years, NCA failed to address the facility issue in the supplement to its proposal by explaining how the suggested alternative site of Judah Christian School would be financed, including Health/Life safety work that would be necessary to comply with Health/Life Safety Code for Public Schools.

Finally, when asked by a Board Member about a loan agreement between Lifelines and Sierra Mar Partners, NCA responded that they could not provide the agreement. (School Board Meeting Testimony 116:20-23). When asked to provide a copy of the RFP referenced on page 29 of the proposal, NCA responded that they would respond to the request in their supplement. (School Board Meeting Testimony 116:24-117:3). However, neither of these issues were addressed in the supplement to NCA's proposal.

- 4. A charter proposal must set forth the goals, objectives and pupil performance standards to be achieved by the charter school. The goals, objectives, and pupil performance to be achieved by the charter school and the description of the charter school's educational program and curriculum are incomplete, are not in the best interests of students, and do not comply with the law. 105 ILCS 5/27A-7(a)(5) and (a)(7).**

The NCA charter proposal lists three goals and six objectives. Only the first of the 3 goals is measurable. Goal 2 does not name metrics or explain how the school will engage and prepare children to love education, nor is this specifically addressed subsequently in the proposal. Goal 3 addresses seamless engagement with community organizations, but the proposal does not describe significant plans to connect with many organizations in the community. Objectives do not contain any metrics nor do they address outcome measures.

Performance standards are not delineated for all grade levels across curricular areas in the NCA application. A series of end-of-year benchmarks are described for music, but all other curricular areas are addressed by stating that the school "fully embraces the Common Core learning standards adopted by the ISBE" and that students will perform on grade level in English Language Arts, Mathematics, Fine Arts, and Social

Science. Science is not mentioned, and performance standards do not describe what students should know and be able to do for each grade level. The Social Emotional Learning Standards are not mentioned nor are performance standards described for them.

Supplemental Materials Provided 4/18

The supplemental materials now list 4 goals instead of 3, but are still not measurable.

The supplemental materials indicate that Science was included in the initial proposal but our review did not locate a Science curriculum. The supplemental proposal mentions Social Emotional Learning and notes that a curriculum will be chosen, but “(x)” is all that is listed.

Public Hearing Testimony

During testimony, NCA failed to answer questions regarding the school’s proposed Least Restrictive Environment, Most Restrictive Environment, and extended school year for students with IEPs or exhibiting regression. (School Board Meeting Testimony 115:22-116:15). NCA has further failed to address these areas in the supplement to its proposal.

- 5. The Charter Proposal does not provide a viable academic program for its students. A charter proposal must provide a description of the charter school’s educational program, pupil performance standards, curriculum, school year, school days, and hours of operation. 105 ILCS 5/27A-7(a)(7).**

Although academic standards are mentioned in the NCA proposal, there are no clear links among “Education Program,” “Education Plan,” and “Approach/Methodology.”

The curriculum outline appears to be copied word-for-word from the curriculum overview provided by Princeton Charter School. Outside of the reading curriculum, there is minimal to no identified curricular choices such as textbooks selected for subjects or curriculum maps which might outline learning targets by grade or competency level. There are no other identified products to be used for all proposed grade levels.

The reading curriculum information shared is directly from American Reading Curriculum (ARC), but there are no connections to how NCA will implement ARC’s achievement targets based on the daily schedule provided. Math minutes are broken-down, but no curriculum is designated or explained beyond the contract with a “Math Educational Partner”.

The NCA proposal appears to borrow much of its language, philosophy, and wording from both the Princeton Charter School approach, and EL Education. See <https://eleducation.org/who-we-are/our-approach> and <https://www.pcs.k12.nj.us/PCSCCharternode6.cfm>. On p. 18, there is a reference to a

“supplemental curriculum from the University of Illinois Black Studies program,” but no additional detail beyond this is provided.

A school calendar outlining the year and days of operation is not included in the NCA proposal. The proposal provided a range without a specific start date and end date for school. The school year is not clearly articulated other than to note that the first day of school will fall between August 15 and September 15.

Hours of operation are listed in a few locations, but are inconsistent in the NCA proposal. Page 9 lists the afterschool program as running until 5:00. On p. 23, it’s listed as running until 5:15. On p. 24 it’s listed as running until 5:30. There’s also mention of 6:00 as the end of “hours of operation.” It is unclear as to whether the school will operate Monday-Friday or use an alternate schedule. On p. 9, the Reading period is listed as running 30 minutes; on p. 23, it’s shown as being 45 minutes in length.

Supplemental Materials Provided 4/18

The supplemental materials provided reference Science and Social Studies, but continue to lack specificity. It appears a curriculum will be created. They identify two options for math, but will leave the decision to the building principal. They have clarified that the University of Illinois’ African American Studies Department will provide professional development, but not a curriculum.

It is unclear in the supplemental materials what NCA’s association is with the Princeton Charter School. The supplemental proposal clarifies that there is a “relationship” with the Princeton Charter School, but no additional details are provided.

The supplemental materials provided clarity on the hours of operation, but no specific calendar was provided.

Public Hearing Testimony

During the public hearing, NCA failed to adequately explain its association with the Princeton Charter School. (School Board Meeting Testimony 64:13-22; 154:17-156:23). Of note, concerns regarding the Princeton Charter School’s special education model were voiced *Id.* NCA has failed to address these concerns in the supplement to its proposal.

During the public hearing, NCA was asked how it would conduct student assessment, particularly regarding the use of MAP for either formative or summative assessment purposes. (School Board Meeting Testimony 33:15-34:6; 74:1-75:14). It was further noted that information was missing regarding assessments for science, social studies, math, the Access assessment, the DLM, the PE assessment, and the Illinois Science Assessment. *Id.* NCA has failed to address these questions in the supplement to its proposal.

6. **A charter application must have a description of the charter school’s plan for evaluating pupil performance, the types of assessments that will be used to measure pupil progress towards achievement of the school’s pupil performance standards, the timeline for achievement of those standards, and the procedures for taking corrective action in the event that pupil performance at the charter school falls below those standards. 105 ILCS 5/27A-7(a)(8).**

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Formative local assessment is mentioned, but is not explained beyond the use of the Independent Reading Level Assessment (IRLA) and a reference to MAP. There is no explanation of how IRLA data will be used for instructional purposes. There is no mention of how MAP will be used for either formative or summative assessment purposes or which MAP assessments will be administered. No assessments are listed for science, social studies, math, or elective subjects. PARCC is listed but other required state assessments (ACCESS, DLM, PE, ISA) are not. There is also no budget associated with the costs needed to subscribe or sustain NWEA/MAP.

Tutoring is mentioned, but criteria are not clear for participation. There is also no explanation for individual reading in the schedule.

Special Education: Child find and evaluation procedures are insufficiently explained in terms of the school’s affirmative duty to seek out and identify students with disabilities, informed parent consent, requirements for non-discriminatory evaluation, or consideration of domain areas for evaluation. A number of evaluators are listed who are not named as school personnel nor included in the budget; although, the proposal says that “NCA will complete the assessment.”

Assessments to be performed as part of a special education process are listed; however, these can only be determined by the team who conducts the domain meeting, not determined in advance by the school for all evaluations. For eligibility purposes, the disability categories are neither listed nor criteria explained for how students will be determined eligible for services under the IDEA.

Each disability should have a set of criteria for student eligibility. The proposal describes part of a continuum of services for students with IEPs, but there is no mention of what programming might look like for students who require an educational placement not on this continuum. There is no description of how the IEPs will provide for specialized instruction in areas related to student’s disabilities, and there is no mention of related services and how those will be incorporated into programming. Because charter schools are prohibited from discriminating in enrollment on the basis of disability, the needs which students bring may be intensive in the areas of staffing and materials. There are no budget considerations for

specialized curriculum or materials that may be required in order to provide FAPE to students with IEPs. Parental rights in the special education process, a key tenet of the IDEA, are not addressed in the special education section.

There is no mention of Section 504 of the Rehabilitation Act or how the school will ensure equal access and opportunity for students with disabilities under Section 504.

Supplemental Materials Provided 4/18

The supplemental materials indicate that MAP (or any other formative assessment) may or may not be used. It is stated that this decision will be made by the building principal.

NCA has now correctly clarified that if the proposal is approved by the Board, the District would be responsible for the implementation and oversight of special education services.

NCA indicates that they will provide TPI or TBE instruction for English Learners (EL), but no additional details are provided, including staffing for these services. No EL curriculum or specialized instruction is described.

- 7. A charter school proposal must contain evidence that the charter terms “are economically sound for both the charter school and the school district.” The Proposal fails to meet this requirement. The proposal lacks substantive evidence that the terms of the charter as proposed are economically sound for both the charter school and the school district, a proposed budget for the term of the charter, a description of the manner in which an annual audit of the financial and administrative operations of the charter school, including any services provided by the school district, are to be conducted, and a plan for the displacement of pupils, teachers, and other employees who will not attend or be employed in the charter school. 105 ILCS 5/27A-7(a)(9).**

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The initial budget submitted by NCA was based on an incorrect statutory funding formula. This also affected the NCA staffing plan. As a result, NCA submitted a revised budget and staffing plan. Nevertheless, the budget still fails to meet the statutory requirements.

Supplemental Materials Provided 4/18

No budget for any year beyond the incubation year is included. The year one budget that is included has been substantially revised from the initial proposal.

Public Hearing Testimony

During testimony, NCA was unable to answer questions regarding how the student population and staff ratio in the proposed budget would support the proposed class sizes. (School Board Meeting Testimony 115:10-21). NCA has further failed to address this in the supplement to its proposal.

During testimony, NCA was also unable to explain the funding plan for the positions of CEO, academic advisor, and Community Engagement Liaison. (School Board Meeting Testimony 98:6-99:20). NCA also failed to address the funding of these positions in the supplement to its proposal.

Supplemental Information from Memorandum

Financial Considerations (General)

	PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128⁽¹⁾(April 18, 2018)
Revenues	\$1,672,725	\$1,411,500 (-15.6%)	\$2,542,128 (+80.1%)
Expenditures	\$1,598,932	\$1,384,466 (-13.4%)	\$2,369,073 (+71.1%)
Carryover	\$73,793	\$27,034 (-63.4%)	\$173,055 (+540.1%)

(1) The Supplement indicates NCA’s intention to add “an additional grade level... in Year 2 and Year 3” presumably bringing the total student population to 160 students in Year 2 and 192 students in Year 3. Because the proposed Staffing Plan and Budget only covers Year 1, the impact of such increased enrollment on staffing and/or budget projections cannot be determined.

There are general areas where items included in the Proposal or Supplement narrative are not found within the budget or have been clarified in the Supplement to be privately sourced. For example, the cost of the \$50 savings accounts for Kindergarten students - as well as the cost of the undescribed matches and incentives adding to those accounts - does not appear as a budget expense. The Supplement states that these accounts will be privately funded so while there is not an expense line for that, there also is no commitment evident for a revenue source either.

There are also general procedural issues which are not entirely clear. Examples would include the timing of submitting applications for and receiving grant funds to support the Proposal or the process for issuing Revenue Anticipation Notes “as/if needed” as stated in the Proposal.

Financial Considerations (Public Revenue)

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of students: 128¹ (April 18, 2018)
\$1,484,725 (125% PCTC) ⁽²⁾	\$1,223,500 (103% PCTC) ⁽³⁾	\$1,520,128 (100% PCTC) ⁽⁴⁾

(2) The listed dollar amount is directly from the budget documents prepared by NCA but contains a typo. The correct calculation based on the District's Per Capita Tuition Charge (PCTC) - established at \$11,876.75 in the District's 2016-2017 Annual Financial Report - and the proposed percentage is \$1,484,593.75.

(3) The listed dollar amount is directly from the budget documents prepared by NCA. The correct calculation based on the District's Per Capita Tuition Charge (PCTC)- established at \$11,876.75 in the District's 2016-2017 Annual Financial Report - and the proposed percentage is \$1,223,305.25.

(4) The listed dollar amount is directly from the budget documents prepared by NCA. The correct calculation based on the District's Per Capita Tuition Charge (PCTC) - established at \$11,876.75 in the District's 2016-2017 Annual Financial Report - and the proposed percentage is \$1,520,224.

The General State Aid heading itself is a misnomer. The number listed here would be more accurately described as reflecting the District's calculated Per Capita Tuition Charge (PCTC). The Proposal was built on an assumption that NCA would receive 125% of PCTC; however, the Evidence-Based Funding for Student Success Act (EBFSSA) revised Section 11 of the Charter Schools Law to provide that "[i]n no event shall the funding be less than 97% or more than 103% of the school district's per capita student tuition multiplied by the number of students residing in the district who are enrolled in the charter school." At the Public Hearing, NCA adjusted its PCTC calculation to 103%. In the Supplement, NCA has only requested 100% of PCTC per student but has added 28 students to the school's population.

Federal Special Education Funding

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
TBD	TBD	\$140,000

If the Board of Education were to approve the NCA Proposal, the District would serve as the Local Education Agency (LEA) and would be responsible for all evaluation of and services to students with IEPs. Because the District would be assuming this responsibility, NCA would not receive \$140,000 in Individuals with Disabilities Education Act (IDEA) funds, though they also would not expend

funds on Special Education staffing. NCA did not allocate \$140,000 to the services of students with Individualized Education Programs (IEPs).

If the Board of Education were to deny the NCA Proposal but the denial is appealed to - and ultimately approved by - the Illinois State Charter School Commission, the District would not serve as the LEA, and NCA would receive IDEA funds in an amount proportionate to the number of students with IEPs. Based on 2017-2018 School Year calculations, even assuming a higher than average estimate of students with IEPs (17%), NCA would receive approximately \$37,000, far less than the \$140,000 budgeted in the Supplement.

Other State Revenue

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
Nothing Listed	Nothing listed	\$550,000

It is unclear whether NCA intended to include this \$550,000 in revenue. The Supplement budget has included it as a revenue source while the Supplement narrative indicates that “in order to be conservative” this revenue was not included in the budget. It should be noted that if NCA did not intend to include this revenue in its budget, the \$173,055 surplus that is currently projected would turn into a \$376,945 deficit.

Even if NCA intends to include this revenue, the \$550,000 projection for this line is very optimistic as it is the maximum that any one school could receive in a given year under the terms of the Charter School Program Quality School Options grant. The first cohort for this grant included 13 applicants. Of those 13, only 4 were funded (one received \$400,000 per year while the other three received less than \$200,000 per year). In addition, this grant requires an appropriation from the Illinois General Assembly as well as a federal appropriation to ISBE.

Subcontracting is not allowed under this grant and the funds cannot be used for operating expenses. While the Proposal indicated that “Lifelines will be submitting an rfp [sic] on March 5,” a copy of this submission has not been provided to the District to date.

State Special Education Funding

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
\$18,000	\$18,000	\$27,000

These amounts presumably reflect amounts anticipated for Special Education Personnel reimbursement; however, this reimbursement was eliminated as a part of the EBFSSA. Accordingly, NCA would not receive any revenue on this line.

Other Federal Revenue

PROPOSAL Number of Students: 100 February 26, 2018	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
Nothing Listed	Nothing Listed	\$60,000

NCA has included \$60,000 in “E-Rate Funding for technology implementation.” E-Rate funding is currently capped at 80% of the costs associated with network equipment or infrastructure. It does not appear that NCA has \$75,000 (or perhaps any amount) in eligible expenses listed in its budget. E-Rate funding cannot be used for computers or mobile technology.

Financial Considerations (Other Revenue)

Fundraising and Grants

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
Nothing Listed	Nothing listed	Nothing Listed

The Supplement lists several potential fundraising and grant options; however, it does not identify any firm commitments. Rather, it mentions opportunities that NCA “will apply for” or “hope[s] to be considered for” as well as groups NCA “will also reach out to” and contributions NCA “anticipate[s] raising” from the Steering Committee.

Student Fees

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
\$5,000	\$5,000	\$5,000 ⁽⁵⁾

(5) The Supplement budget lists \$5,000 on this line, though the description in the adjacent cell indicates \$50 per student, which would amount to \$6,400.

The proposed budget provides for \$5,000 from student fees (\$50 per student). The assumptions indicate that discounts will be available for families with two or more children and that 50% of the families would qualify.

While the amount of any discount is unclear, it would naturally reduce the assumed \$5,000, likely in a significant way if the assumption is that 50% of the families would qualify for that discount. Further, while it is difficult to determine how many students may receive this discount given the conflicting assumptions about the socioeconomic demographics of the student population throughout the Proposal, it should be noted that students attending District schools who qualify for free or reduced lunch receive a full or partial waiver respectively of student fees. For example, if 100% of the student population qualified for free lunch - as indicated in the Proposal's budget assumption for food service revenue - the District would not receive any revenue from student fees.

This leads to two possible conclusions. If NCA adopted the District's approach to the assessment of student fees, most - if not all - of these fees would be waived, drastically reducing or entirely eliminating the \$5,000 in assumed revenue. If NCA did not adopt the District's approach to the assessment of student fees to maintain this \$5,000 in assumed revenue, low-income families would be required to pay fees which they would not be required to pay if their students attended a District school.

Financial Considerations (Personnel Expenses)

Wages, Benefits and Payroll Taxes⁽⁶⁾

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
\$800,400 ⁽⁷⁾	N/A ⁽⁸⁾	\$1,038,205

(6) The costs listed here are those included in the Annual column of the Budget (which ties to the Total Compensation column of the Staffing Plan); however, they are in direct conflict with the description listed for those costs in the adjacent cell. For example, the Proposal Budget describes an assumption for average salaries and 35% benefits which would result in Total Compensation of \$931,500 (or \$131,100 more than what is listed). Similarly, the Supplement Budget describes an assumption for average salaries and 30% benefits which would result in Total Compensation of \$1,155,700 (or \$117,495 more than what is listed).

(7) Includes totals for Special Education Specialist and Administrative Staff to remain consistent with Supplement calculation.

(8) The revised budget delivered as part of NCA's presentation at the April 9th Public Hearing did not include pages for Personnel Expenses, Direct Student Expenses, or Office and Administrative Expenses.

The Proposal provides that “[t]he staffing plan in the Excel Workbook is not applicable to this proposal, but it shows the various benefits and other

information which will be part of the compensation package.” Accordingly, it provides no actual information for the District to consider in assessing the viability of the staffing plan which may ultimately be implemented. That said, there are several assumptions made in this document that are instructive when comparing this proposed plan with total compensation and staffing costs for similarly situated employees currently in the District.

The \$50,000 estimated salary for classroom teachers is similar to the current salary for a seventh-year teacher in the District with a Master's degree (\$50,562); however, when factoring in the complete respective salary and benefits packages, the net compensation for a classroom teacher under the NCA Proposal (\$55,248) would actually be less than the current net compensation for a second-year teacher in the District with a Bachelor’s degree (\$55,439). This results primarily from the District’s much larger pension contributions (11.8% of salary as opposed to 2.2%) and health insurance contributions (an NCA teacher would have to contribute more than \$225 per month from his or her salary to reach the minimum monthly contribution the District provides).

While it was unclear what was included in the “Other Insurance” column, this amount was included in the net compensation numbers above. The District did request information regarding the specific calculation of benefits for “SUI” and “Workers Comp” as listed on the staffing plan but a response was not provided.

Using these same calculations, the net compensation for a first-year elementary principal in the District is more than \$19,000 above that of the NCA Principal based on the included staffing plan.

The Supplement also clarified that the salaries and benefits proposed by NCA serve as compensation for a bell-to-bell school day of (7 hours and 45 minutes), which is 24% longer than the bell-to-bell school day for District elementary schools (6 hours and 15 minutes).

Bonuses or Stipends

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
Nothing Listed	N/A	\$20,000

The Supplement has included \$20,000 in “Performance Bonuses” for 20 staff members (though the Supplement Staffing Template only lists 18 staff members). There is no indication as to how Performance Bonuses would be awarded.

Financial Considerations (Direct Student Expenses)

Student Supplies and Educational Materials

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
\$12,000	<i>NIA</i>	\$40,000

The Proposal provided that “[i]nstructional materials, including textbooks, reading lists, and enrichment materials, are an essential element of the NCA curriculum”; however, the Proposal budget only allocated \$120 per student for this purpose. While the Supplement budget has increased that number to \$312.50 per student, even that number is still likely too low.

Student Computers and Technology

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
Nothing Listed	Nothing listed	\$1,600

Nothing was listed in the Proposal for this line. While the Supplement budget notes “3-year lease/purchase,” it is unclear to what that line refers given that “Chromebooks and other mobile technology” are included in Other Student Technology. It is also not clear whether charging carts, service, and licenses are included in the Supplement budget to support this technology.

Furniture

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
Nothing Listed	N/A	\$34,000

This line notes that it “includes all school furniture.” It is unclear what is meant by this as there is also a line for Furniture under Office and Administrative Expenses. Curiously, the line for Office and Administrative Furniture for 6 staff members (\$35,000) is more than the line for Student Furniture for 128 students (\$34,000).

Contracted Special Education Services/Contracted Specialized Services

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
Nothing Listed	N/A	\$10,000

While dollars have been added to the Supplement budget for the provision of these services, the scope is unclear. It does not appear that NCA has included the following staff, materials, and or services in the Supplement budget: (1) Library (staffing, materials, and support); (2) Media Services; (3) Instructional Coaches; (4) Social Work; (5) Counseling; (6) Psychological Services; (7) Mentoring; (8) Nursing; (9) Speech; (10) Recess/Playground/Lunchroom Supervision; (11) Performing Arts (stage, risers, costumes, and props); (12) Enrichment (staffing, curriculum, materials); (13) Special Education (curriculum and transportation); (14) English Learners (staff and support); (15) Instructional Materials for science, PE supplies, music supplies, instruments, and art supplies; and (16) playground equipment.

Transportation

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
\$100,000	N/A	\$100,000

The Supplement indicates that it included an estimate “from a local bus company.” This could not be confirmed as this estimate also was not provided as indicated.

In addition, while the student transportation expense did not change, the services to be provided were significantly reduced from the Proposal (door-to-door service for 94% of all students) to the Supplement (“several pickup locations” for 94 students with an assumption that “30% of students will walk”).

Because the estimate was not provided, it is unclear exactly what types of buses would be needed to provide this service for students as required or if buses would be staffed with monitors as District buses are.

Food Service

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
\$100,000	N/A	\$120,000

It is not clear how the Food Service expenditures line was determined.

Financial Considerations (Office and Administrative Expenses)

Telecommunications and Internet

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
Nothing Listed	N/A	\$10,000

The Proposal did not include expenditures for this line but they have been added along with additional student devices and technology capabilities.

Other Consultants

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
Nothing Listed	N/A	\$10,000

It is not clear how this line compares with the Contracted Special Education Services/Contracted Specialized Services line in Direct Student Expenses above.

Financial Considerations (Other Expenses)

CMO/EMO Fee

PROPOSAL Number of Students: 100 (February 26, 2018)	PUBLIC HEARING Number of Students: 100 (April 9, 2018)	SUPPLEMENT Number of Students: 128 (April 18, 2018)
\$166,773 (10%) ⁽⁹⁾	\$112,520 (8%)	\$215,656 (8.5%)

(9) The amount listed is determined by taking the identified percentage of Total Revenues (less Student Fees).

The percentage fee has shifted with each communication. A smaller percentage fee would be expected with a larger base revenue, but this is not consistent. It is unclear how this would be negotiated. No documentation has been provided.

- 8. A description of the governance and operation of the charter school must be part of a charter school application, including the nature and extent of parental, professional educator, and community involvement in the governance and operation of the charter school. 105 ILCS 5/27A-10.**

February 26, 2018 Proposal

Job descriptions of the principal and teacher are included. It is not clear from the proposal how the academic advisor will interact with staff. The job of the

administration manager is not described. It is not clear who will conduct the home visits described in the proposal. The distinction between the Schoolmates/Lifeline Management vendors and the Board is not delineated fully. Job descriptions for many of the positions are not included.

Due to a confusing narrative, it is unclear if the NCA intends to hire licensed teachers.

The teacher job description states that teachers report to the “principal and/or assistant principal,” yet no assistant principal is listed on the staffing template or anywhere else in the document.

The Academic Advisor is referenced in a few locations, but does not appear on the staffing plan. There are references to the “Head of School,” but it’s unclear which position this is on the staffing template. There appears to be 1 FTE allocated to Security, yet there is no salary or other compensation listed for this position.

On p. 29, it is noted that “[t]he staffing plan in the Excel Workbook is not applicable to this proposal but it shows the various benefits and other information which will be part of the compensation package.” This statement raises questions about whether the proposal includes actual plans or hypothetical ones. This makes it difficult to determine the true merits of the plan.

Little information is provided about “Life Line, Inc.” or “Lifelines” and its/their qualifications for this work. There is a reference to the “church office” on p. 34, which implies there might be a religious element incorporated into this school.

It is unclear how the afterschool program will be staffed. Additionally, there is little explanation of the afterschool program and its purpose. Page 22 notes that “Janette Ellerbe and Rochelle Johnson will write and complete,” but nothing is provided.

There is a line item in the Operating Budget for substitutes, yet there is no job description or qualifications listed in the proposal.

It is not clear from the proposal the relationship of the Board of Directors and the community.

On p. 24, the proposal states that “The NCA Founders have identified and contracted a range of local social service and health care providers, all of whom have indicated that their services would be available to the students and families of NCA.” No detail is provided about these “contracts,” including vendor names, roles or costs.

Supplemental Materials Provided 4/18

No additional job descriptions or resumes have been included. The supplemental materials mentioned that the afterschool program will operate independently from

NCA, but no additional information is listed. The independent nature of the afterschool program is contrary to previous indications that it would be integrated into the programming.

Some partners (Grandmothers Group, CUC2C, CU Neighborhood Champions) have been mentioned in the supplemental materials. There is also a reference to the Illinois Network of Charter Schools (INCS) offering to “support” the NCA team. Little additional information is provided.

For the District to most completely and confidently review the Proposal and the Supplement to determine a course of action, NCA must identify the roles and responsibilities of the entities and individuals referenced. There remains significant uncertainty as to precisely who has governance responsibility, which makes that clarity challenging to achieve.

Life Line Champaign. The Proposal and the Supplement refer specifically to the following entities: “Lifelines,” “Lifelines Inc.,” and “Life Line Inc.” A search of these entities through the Illinois Secretary of State’s Office does not produce any results. According to a public search, there is an entity named “Life Line Champaign”; however, the Illinois Secretary of State’s Office identifies its status as “Not Good Standing.”

The roles and identities of the “NCA Steering Committee” and “Life Line board” are not clearly discernible. In the presentation at the April 9 hearing, the applicant indicated that NCA Steering Committee has executed an MOU with “LifeLines” to manage the creation of NCA and obtain the funding for NCA. There is no evidence of a contract with “Life Lines.”

SchoolMates

A Secretary of State’s Office search suggests two possible entities for what is referred to in the NCA documents as “SchoolMates”: SchoolMates NFP and SchoolMates Consulting NFP.

During the hearing presentation, the applicant indicated that SchoolMates would oversee all business functions of NCA which will include budgeted financial disbursements, procurement, state reporting requirements, and implementation and administration of the educational program.

NCA Steering Committee

While the individuals serving as the NCA Steering Committee are identified, their role and connection with Life Line Champaign has changed between submissions.

Under 105 ILCS 5/27A-7, a charter school needs to disclose in its application whether there are any active civil or criminal investigations into any member of a charter school’s governing body. Although structures and responsibilities of the entities involved are unclear, Craig Walker has served in a leadership role throughout the

application process and as the primary representative for NCA. A search on FINRA’s brokercheck website reveals that there is an active SEC investigation under Section 15B(c)(1) of the Exchange Act involving Mr. Craig Walker. To the extent that FINRA’s brokercheck feature is accurate in reporting that the SEC investigation is still active, it should have been disclosed in the application.

Public Hearing Testimony

During the public hearing, NCA was unable to adequately respond to questions regarding the composition of the Board of Directors or the name of the CEO. (School Board Meeting Testimony 115:3-21). NCA was also unable to adequately respond to questions regarding the role of SchoolMates. (School Board Meeting Testimony 107:21-108:8; 117:4-23) NCA further failed to address these questions in the supplement to its proposal.

9. **A charter application must provide a description of how the charter school plans to meet the transportation needs of its pupils, and a plan for addressing the transportation needs of low income and at risk pupils. 105 ILCS 27A-7(a)(13).**

February 26, 2018 Proposal

According to the NCA, student population will likely be 100% at risk students and plan to have door-to-door service. Champaign Unit 4 Transportation provides curb-to-curb services for IEP students who qualify for special transportation. NCA references utilizing a third-party carrier (First Student) to transport students to and from school and local monthly field trips. The limited information does not support the money that has been allocated for Transportation. A designated bus loading and unloading area does not exist, which presents a safety concern for students.

Supplemental Materials Provided 4/18

The supplemental materials indicate that NCA plans to transport three quarters of the students. However, it now notes that students will be transported from “several pickup locations” instead of door to door. The estimate from a local bus company referenced in the supplemental materials was not included as state.

10. **A charter application must provide evidence of how the Charter School will comply with Non-Curricular Health and Safety Requirements Applicable to Charter Schools promulgated by ISBE. Examples:**

- **School Building Code;**
- **School Records;**
- **Food allergy Guidelines;**
- **Bus driver permits;**
- **Criminal background checks;**

- **Administration of Medication; and**
- **CPR training.**

105 ILCS 27A-5(d).

Supplemental Materials Provided 4/18

NCA mentions using the District’s criminal background process “if possible.” No additional information was provided in the supplemental materials regarding any of the other items.

Section 4. The Board of Education’s officers and attorneys are hereby authorized and directed to perform such actions and to prepare and execute necessary documents to effectuate under law the denial of the Proposal, including, but not limited to, the report of denial required by Section 27A-8(f) of the Charter Schools Law [105 ILCS 5/27A-8(f)] and Section 650.30(c) of the State Board of Education’s Rules on Charter Schools [23 Ill. Admin. Code § 650.30(c)].

Section 5. This Resolution shall be in full force and effect immediately upon its passage.

The Resolution was moved by Member _____ and seconded by Member _____ and, upon roll call, was adopted by a majority of the members of the Board of Education voting as follows:

AYES:

NAYS:

ABSENT:

Adopted: May 2, 2018.

President, Board of Education

ATTEST:

Secretary, Board of Education