

Testimony for Steering and Rules dated 2-18-16 to be added to File #150804

Dear President Murphy and the S&R Committee:

I want to thank aldermen for listening to our concerns and the recent efforts by Council to improve the ways in which the CRSC conducts public business.

I know that the CRSC will be presenting a self-congratulatory assessment of itself and its accomplishments. However, this assessment is not quite accurate. It is even said that several schools and the CRSC itself have received awards of various sorts. Not knowing who these groups are or the criteria they use, the awards in several cases seem premature at best.

Here is the reality of CRSC that should make you skeptical about the CRSC's work.

1. The CRSC lost 20% of its schools this year. One (Kings' Academy) left to move to the voucher system. The second, North Point Lighthouse, left after spending several years of taking state money without making improvements and poorly serving students. Sadly, it was our little volunteer group and the aldermen that put pressure on the CRSC that helped both schools decide to leave the system. None of the movement to put schools on probation came from the CRSC

2. Much was made at the last CRSC about the progress for MCA. According to the assessment used by the CRSC they should receive a 5 year contract, despite four years of struggling and another 7 years as a struggling voucher school. We should especially be skeptical about its success on college enrollment, since the senior class is small and the **school has consistently weeded out their most difficult students**. In the 2011-2012 and 2012-2013 school years it expelled 11% of its students, in the 2013-2014 it expelled 16% of its students. This is way above other schools in the City charter system and ten times greater than MPS. In addition, it had a suspension rate 50% higher than MPS during those years.

3.The CRSC's ITL representative (Mr. Fields) was apparently asked by Jeanette Mitchell, former head of CRSC, to investigate allegations against Concept Schools' (parent company of MMSA) and found none after speaking to officials in Illinois. However, last December, the Chicago Sun Times said the FBI investigation is still ongoing.

<http://chicago.suntimes.com/news/7/71/1183551/watchdogs-charter-firm-suspected-cheating-federal-grant-program> T

The justification that the CRSC did not go farther is that MMSA has a local board and somehow is divorced from the national organization, Concept Schools. Well this is not quite accurate. According to the 2013 IRS 990, the national corporation received \$225,000 and hired the principal. (See SCU packet)

At the last CRSC meeting the committee was prepped to take MMSA off the probation status due to various improvements. We believe it is way too early. In fact, the CRC which does the assessment of schools told us the school already had 98 suspensions (nearly a third of its students), not the 154 like last year. Well, for the first semester that is well over half. It seems the opposite argument should be made, we have to watch this closely because there still are too many suspensions. In addition, in the first semester 41 students had in school suspensions but only 54 had them for the entire school year last year.

4.The CRC tends to use MPS averages to compare itself to. This is simply not statistically justifiable since it is apples and oranges. MPS has many more special more special education students too few schools with low poverty populations.

The CRSC report boasts about one school, its high performing, Downtown Montessori. It has 3.6% special education students and 25% were low income students. That school does no better than MPS's highest performing elementary, Fernwood Montessori School . Fernwood Montessori has 3 times the percentage of

special education students and the same percentage of low income students. Fernwood and Downtown Montessori have very similar

test scores. If the relevant comparison is Fernwood, there appears little to boast about. Both are good schools but Downtown Montessori has a relatively easier population.

5. The report notes that Rocketship is doing so well. It too is unlike most MPS students. Only 45% of its students are low-income. CRC staff claimed its progress is better than many of the other charter schools but they only receive a C in their performance and did not go up in letter grade from 2013-2014 to 2014-2015, despite its economically better off children.

6. The CRSC is now charged with reviewing how the City's chartering impacts MPS. I was dumbfounded to learn at the CRSC meeting that they intend on bringing two new schools on board. Given the precarious fiscal circumstance for the public school system, this would not be a good time to bring on more City schools. I would remind the committee that each child in the City system that comes from MPS cost it \$2000 and continued segregation by educational ability. This is a terrible idea to now bring on more schools. When the CRSC completes its required MPS impact statement, it should meet with MPS officials to determine its impact.

7. There continue to be other serious problems with the CRSC. The most glaring is that it allows a blatant conflict of interest between its contract with ITL and the head of ITL being the president of the Board of Directors of one of the schools in the charter system. It is completely inappropriate.

8. The CRSC still does not conduct fraud audits. Charters nationally are plagued with all kinds of fraud. We now have national chains and organizations operating schools in the City's charter systems. The City needs a much more comprehensive system of school evaluation to watch over the public's money than it currently offers.

9. The CRSC allows Board members to receive very high payments for very little work. Hine Academy, according to its 2013 IRS 990, paid the head of its Board \$86,000 for four hours work per week. The CRSC allows schools to pay its administrator \$207,000 per year in salary according to the school's 2013 990 (which means it is probably

higher today).

Some observers may say why worry why they pay board members extraordinary amounts of money since it is outcomes that they are interested in. I would respond that this is the public's money and excessive pay should be guarded against. Nearly all the money for these schools is public money and should be used wisely.

Thank you for considering our concerns.

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