

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
CHANCERY DIVISION**

**BOARD OF EDUCATION OF WOODLAND
COMMUNITY CONSOLIDATED SCHOOL
DISTRICT 50,**

Plaintiff,

v.

**ILLINOIS STATE BOARD OF EDUCATION
and its Superintendent, DR. CARMEN AYALA
and BOARD OF DIRECTORS OF PRAIRIE
CROSSING CHARTER SCHOOL,**

Defendants.

COMPLAINT

Plaintiff, Board of Education of Woodland Community Consolidated School District 50 (“Woodland”), through its attorneys and complaining of the Defendants, the Illinois State Board of Education (“ISBE”) and the Board of Directors of Prairie Crossing Charter School (“Prairie Crossing”), alleges as follows:

THE PARTIES

1. Plaintiff Woodland is a body politic and corporate organized and existing under the laws of the State of Illinois, including Article 10 of the *Illinois School Code*, 105 ILCS 5/10-1, *et seq.* The School District’s administrative offices are located in Gurnee, Illinois, Lake County.
2. Woodland serves approximately 5,400 students in grades Kindergarten through 8th at four grade center-based buildings. Woodland educates students from the communities of Gages Lake, Wildwood, Gurnee, Grayslake, Park City, Third Lake, Old Mill Creek, Wadsworth, Lake Villa, Waukegan and Libertyville in Lake County, Illinois.

3. Defendant ISBE is an administrative agency organized and existing under the laws of the State of Illinois, including Article 1A of the Illinois *School Code*, 105 ILCS 5/1A-1, *et seq.*, and operating administrative offices in Springfield and Chicago, Illinois.

4. Created in 2011, the Illinois State Charter School Commission (“Commission”) was a nine-member public board organized and existing under the laws of the State of Illinois, including Article 27A of the *Illinois School Code*, 105 ILCS 5/27A-1, *et seq.* (the “*Charter Schools Law*”). The Commission was first created in 2011, but pursuant to Public Act 101-543 and 105 ILCS 5/27A-7.5, the Commission was eliminated effective July 1, 2020 and all of the duties, obligations, assets and liabilities of the Commission transferred to ISBE, including all charter authorizer duties.

5. Defendant Prairie Crossing is a charter school organized and existing under the laws of the State of Illinois, including the *Charter Schools Law*. Prairie Crossing exists and operates pursuant to a charter agreement with its authorizer.

6. Defendant Prairie Crossing educates approximately 444 students at a single school.

7. All material factual occurrences in this dispute, other than the continued financial harm to Woodland, happened on or before June 30, 2020.

Illinois *Charter Schools Law* Background

8. The Illinois *Charter Schools Law* allows for the creation of charter schools, which are defined as a “public, nonsectarian, nonreligious, non-home based, and non-profit school....organized and operated as a non-profit corporation...” 105 ILCS 5/27A-5.

9. The General Assembly created charter schools to increase learning opportunities for pupils, with a “special emphasis on expanded learning experiences for at-risk pupils.” 105 ILCS 5/27A-2.

10. Except as specifically limited by the *Charter Schools Law*, a charter school is exempt from all Illinois laws and regulations and local policies governing public schools. 105 ILCS 5/27A-5.

11. A charter school may be established by either public referendum or by contract between the charter operator and the local school district. Defendant ISBE is to be provided a copy of the charter contract for review and certification. 105 ILCS 5/27A-6.5; 27A-7.

12. A charter school may enroll students who reside within the geographic boundary of the local school district in which the charter school is authorized to operate or may enroll students from up to two school districts when the charter is jointly issued by both school districts. 105 ILCS 5/27A-4.

13. Until June 30, 2020, if a charter applicant submits a proposal to the local school board (or boards) and the proposal is rejected by the local school board, the applicant may appeal the decision to the Commission, who has the authority to reverse the local school board's decision. 105 ILCS 5/27A-7.5; 27A-8. If the Commission reversed the school board's decision, the Commission became the authorizer.

14. Prior to the Commission's creation in 2011, Defendant ISBE possessed the authority to accept appeals of the local school board's decision and to reverse that decision. If ISBE reversed the local school board's decision concerning the chart application, ISBE became the authorizer of the charter school and executed a contract with the charter school. 105 ILCS 5/27A-7.5; 27A-8; 27A-9.

15. When Commission was created in 2011, all ISBE-authorized charter schools were transferred to the Commission and the Commission assumed all authorizer duties for those charters ("State authorized charter schools"). 105 ILCS 5/27A-7.5.

16. Regardless of the authorizing body, a charter may be granted for a period not less than five and not more than 10 school years. 105 ILCS 5/27A-9.

17. At the end of each charter period, the charter of a State-authorized charter school may be renewed by its authorizer in incremental periods not to exceed five school years. 105 ILCS 5/27A-9.

18. A charter may be not be renewed, and a charter may be revoked during its term, by the authorizer if the authorizer determines that the charter school materially violated the terms of the charter agreement under which the charter school operates. 105 ILCS 5/27A-9.

19. A charter may be not be renewed, and a charter may be revoked during its term, by the authorizer if the authorizer determines that the charter school failed to meet or make reasonable progress toward achievement of the content standards or pupil performance standards identified in the charter. 105 ILCS 5/27A-9.

20. A charter may be not be renewed, and a charter may be revoked during its term, by the authorizer if the authorizer determines that the charter school violated any provision of law from which the charter school is not exempt. 105 ILCS 5/27A-9.

21. State-authorized charter schools are funded by Defendant ISBE diverting to the charter school education funds from the State funds otherwise allocated for the local school district pursuant to Article 18 of the *School Code*. Specifically, an amount equal to no less than 97% and no more than 103%, as determined by the authorizer, of the local school district's per capita tuition amount multiplied by the number of students attending the charter school who reside in the local district is to be diverted from the local school district and paid to the charter school by Defendant ISBE. 105 ILCS 5/17A-11.

22. The *Charter Schools Law* specifically requires all charter schools to operate with a “plan for addressing the transportation needs of low-income and at risk pupils.” 105 ILCS 5/27A-7(a)(3).

23. The *Charter Schools Law* requires that the operation of all charter schools must be economically sound for the local school district. 105 ILCS 5/27A-7(a)(9).

Initial Authorization and First Two Renewals of Prairie Crossing

24. On July 2, 1999, Defendant ISBE authorized the creation of Defendant Prairie Crossing to operate in two bordering Lake County, Illinois school districts: Woodland and Fremont School District 79. In so authorizing, ISBE reversed the decisions of the Woodland and Fremont school boards, which had each rejected the Prairie Crossing charter application. ISBE authorized a five-year charter agreement beginning with the 1999-2000 school year and funded Prairie Crossing at a rate equal to 100% of the local per capita tuition amount.

25. Defendant Prairie Crossing’s charter was reauthorized by ISBE in 2004 and 2009, with each reauthorization granted for five years and at the same funding rate as the initial charter agreement.

26. During to the 2009 reauthorization of Defendant Prairie Crossing’s charter agreement and in a March 19, 2009 memorandum, Defendant ISBE criticized Defendant Prairie Crossing for its failure to enroll students reflecting or even approaching the at-risk student demographics of Woodland. Defendant ISBE expressed particular concern with Defendant Prairie Crossing’s deficient enrollment in the categories of low-income and Limited English Proficient students, and noted that it raised its concerns with Prairie Crossing as early as November 2007.

27. Defendant ISBE incorporated its March 19, 2009 memorandum into the 2009 charter renewal agreement (“2009 Renewal Agreement”) as though fully set forth therein.

28. In the March 19, 2009 memorandum, ISBE identified that only 2.2% of Prairie Crossing's student-body came from low-income households, compared to 18.2% for Woodland.

29. In the March 19, 2009 memorandum, ISBE identified that 0.0% of Defendant Prairie Crossing's student body was Limited English Proficient, compared to 7.7% for Woodland.

30. The 2009 charter renewal agreement ("2009 Renewal Agreement") between Defendant ISBE and Defendant Prairie Crossing mandated, *inter alia*, that Defendant Prairie Crossing:

- (a) Increase its outreach to low-income, at-risk and Limited English Proficient students;
- (b) Provide adequate transportation options that meet the transportation needs of low-income and at-risk students;
- (c) Comply with all applicable State and federal laws, including the provision of services to Limited English Proficient students; and
- (d) Submit annual reports to the charter authorizer detailing compliance with each of the above mandates.

31. In July 2011, Woodland petitioned Defendant ISBE to revoke Defendant Prairie Crossing's charter, citing a failure of Prairie Crossing to: (a) close the demographic disparity as required by the 2009 Charter Renewal Agreement and as required by the *Charter Schools Law*; (b) provide an adequate transportation plan in compliance with 105 ILCS 5/27A-7(a)(3); and a failure of Prairie Crossing to place special emphasis on learning experiences for at-risk pupils in compliance with 105 ILCS 5/27A-2(b)(2).

32. On August 22, 2011, Defendant ISBE denied Woodland's petition and permitted Defendant Prairie Crossing to continue operating.

33. At or about the time of ISBE's denial of Woodland's petition for revocation of the Prairie Crossing's charter in 2011, ISBE transferred all authorizing powers and duties concerning Defendant Prairie Crossing to the Commission.

2014 Renewal of Prairie Crossing Charter and Court Review

34. The 2009 Renewal Agreement expired at the conclusion of the 2013-2014 school year.

35. On November 12, 2013, Defendant Prairie Crossing applied with the Commission for a five-year renewal of its charter agreement (the "2014 Charter Renewal Application").

36. On January 10, 2014, Woodland submitted a written objection to Defendant Commission, incorporating its 2011 revocation request, and seeking that the 2014 Charter Renewal Application be denied.

37. During the 2014 renewal proceedings, Woodland protested that, *inter alia*: (1) the at-risk demographic disparity previously identified by Defendant ISBE in November 2007 and in March 2009 had not been adequately addressed and had in fact significantly worsened, thus constituting a material violation of the 2009 Charter Agreement and violation of the *Charter Schools Law*; (2) Prairie Crossing continued to be in violation of the obligation in the *Charter Schools Law* to provide a meaningful transportation plan to serve low-income and at-risk students; (3) given the at-risk enrollment disparities, the lack of a meaningful transportation plan and other related policy barriers, Prairie Crossing was violating its duty to place a special emphasis on providing educational opportunities for at-risk students as required by the *Charter Schools Law*; and (4) the Commission had not conducted a reasonable economic soundness evaluation as required by the *Charter Schools Law*, 105 ILCS 5/27A-7 and 27A-9.

38. On April 15, 2014, the Commission rejected Woodland's objection and voted 5-4 to reauthorize Defendant Prairie Crossing's charter agreement for five additional years through the

2018-2019 school year and at the same 100% funding rate as the initial charter agreement, with a maximum enrollment of 432 students.

39. On May 1, 2014, the Commission issued its final written decision for the 2014 Charter Renewal (“2014 Decision”).

40. The Commission conditioned renewal for the 2014-2019 term on Prairie Crossing implementing goals designed to increase the enrollment of educationally disadvantaged students.

41. Woodland challenged the Commission’s 2014 renewal of the Prairie Crossing charter via administrative review in the Circuit Court of Cook County.

42. On March 23, 2015, the Circuit Court of Cook County, Judge Thomas R. Allen presiding, issued a final and appealable order holding that the Commission’s decision to renew Prairie Crossing’s charter in 2014 was clearly erroneous.

43. The Circuit Court’s decision was thereafter reversed by the Appellate Court as reported in Board of Education of Woodland Community Consolidated School District 50 v. Illinois State Charter School Commission, 2016 IL App (1st) 151372.

44. In reversing, the Appellate Court did not rule on the substantive merits of the Circuit Court’s administrative review decision. The Appellate Court held that Woodland lacked standing to directly seek court review of the Commission’s renewal decision since Woodland was not a formal party to the renewal proceedings.

2019 Commission Renewal and Woodland’s Complaint to ISBE

45. As of the 2018-2019 school year, Defendant Prairie Crossing enrolled approximately 381 or 88% of its students from households within the Woodland district.

46. On October 5, 2018, Prairie Crossing submitted a charter renewal application to the Commission, seeking a five-year renewal term for the 2019-2020 through 2023-2024 school years (“2019 Renewal Application”).

47. At the time of its 2019 Renewal Application, Prairie Crossing’s transportation policy had been unchanged since 2003 and principally provided pupil transportation only upon a voluntary carpool system.

48. At the time of its 2019 Renewal Application, Prairie Crossing had not materially increased its enrollment of low-income and other at-risk students since its last renewal term, or materially at all in the last 15 years.

49. At the time of its 2019 Renewal Application, Prairie Crossing did not provide an all-day Kindergarten option or a subsidized foodservice option to its students, as is provided at Woodland.

50. At the time of its 2014 and 2019 Renewal Applications, Prairie Crossing’s enrollment demographics compared to Woodland’s were:

2018-2019 Percentage of Enrollment:

	White	Black	Hispanic	Asian	Low-Income	Limited Eng. Proficient
Woodland	41	8	33	11	35	22
Prairie Crossing	67	4	6	17	4	7

2012-2013 Percentage of Enrollment (Latest data at 2014 Renewal Decision):

	White	Black	Hispanic	Asian	Low-Income	Limited Eng. Proficient
Woodland	49	7	27	12	30	13
Prairie Crossing	79	3	1	16	2	<1

51. During the 2019 renewal proceedings, Woodland again expressed its objection to Prairie Crossing's renewal request and sought to be admitted as a party to the proceedings. The Commission denied that request.

52. On February 1, 2019, the Commission voted 4-2 (with three Commissioners absent) to grant Prairie Crossing's charter renewal request for a period of five years through June 30, 2024, at a funding level of 100% of Woodland's per capita tuition amount, and increased the charter school's enrollment to 444 students.

53. In reaching its decision, the Commission found no violation of the 2014 charter contract or the *Charter Schools Law* by Prairie Crossing.

54. For the 2018-2019 school year, Defendant Prairie Crossing received from Defendant ISBE approximately \$4.75 million of State funds that would otherwise be distributed to Woodland to pay for the education of Woodland's students.

Woodland's 2019 Revocation Complaint to ISBE

55. The *Charter Schools Law* charges Defendant ISBE with oversight and ongoing monitoring of all charter school authorizers in the State of Illinois.

56. The *Charter Schools Law* empowers Defendant ISBE to "remove the power to authorize from any authorizer in this State if the authorizer does not demonstrate a commitment to high quality authorization practices..." 105 ILCS 5/27A-12.

57. The *Charter Schools Law* empowers Defendant ISBE to also revoke the charter of "chronically low-performing charters authorized by the authorizer at the time of removal." 105 ILCS 5/17A-12.

58. ISBE has adopted regulations to carry out its authorizer oversight and charter revocation powers, as set forth in 23 Ill.Admin.Code 650.65 (“Monitoring of Charter Authorizers by the State Board of Education; Corrective Action”).

59. Pursuant to those regulations, ISBE must consider a complaint from anyone alleging that an authorizer has violated a requirement of the *Charter Schools Law*.

60. Pursuant to those regulations, if ISBE finds the complaint to be of merit, it may remove chartering authorization from the authorizer and may terminate the existing charter agreement and close the charter school.

61. On May 7, 2019, Woodland filed a complaint (“Administrative Complaint”) with Defendant ISBE pursuant to 23 Ill.Admin.Code 650.65.

62. In the Administrative Complaint, Woodland complained that the 2019 Charter Renewal Application should not have been granted by the Commission and Prairie Crossing should not be permitted to operate beyond the 2019-2020 school year because:

- a. The Commission violated the *Charter Schools Law* when it erroneously determined that Defendant Prairie Crossing was compliant with the material conditions and terms of the 2014 Charter Renewal Agreement as required by the *Charter Schools Law*;
- b. The Commission violated the *Charter Schools Law* when it erroneously determined that Defendant Prairie Crossing was compliant with the obligations of charter schools as set forth in the *Charter Schools Law*;
- c. Through omissions and purposeful policy barriers, Prairie Crossing has chronically failed to place a special emphasis on educating at-risk students in violation of the *Charter Schools Law* and the conditions of the 2014 Charter Agreement;

- d. The Commission's evaluation of Defendant Prairie Crossing's compliance with the *Charter Schools Law* lacked a compliant review of the charter school's transportation policy or its efforts to place a special emphasis upon the education of at-risk students;
 - e. Defendant Prairie Crossing's failure to implement a meaningful and adequate transportation plan to address the needs of low-income and other at-risk pupils is a material and chronic violation of the *Charter Schools Law* and the 2014 Charter Renewal Agreement;
 - f. In considering Defendant Prairie Crossing's 2019 Renewal Application, the Commission conducted no meaningful analysis concerning whether the continued operation of Defendant Prairie Crossing is and would continue to be economically sound during the proposed charter term, as required by the *Charter Schools law*;
 - g. The annual diversion of millions of dollars of State funds to Defendant Prairie Crossing otherwise allotted to Woodland is not economically sound to Woodland and has resulted in harm to Woodland students through the loss of educational programming and services;
 - h. The Commission's renewal process of Prairie Crossing was not transparent; and
 - i. The Commission's 2019 Renewal of the Prairie Crossing Charter and Prairie Crossing's continued operation are violations of the *Charter Schools Law*.
63. In the Administrative Complaint, Woodland sought for relief:
- (a) That ISBE refuse to certify the 2019-2024 charter of Prairie Crossing approved by the Commission, thus denying charter authority to the Commission over Prairie Crossing;

(b) That ISBE terminate all Prairie Crossing's 2019-2024 charter; and,

(c) That Prairie Crossing be closed in accordance with Section 650.65 of ISBE regulations.

64. Woodland's Complaint was accepted by Defendant ISBE. Defendant ISBE investigated the matter and submitted the Administrative Complaint and a demand for a response to the Commission and Prairie Crossing.

65. ISBE accepted arguments and evidentiary materials from Woodland, the Commission and Prairie Crossing.

66. On November 4, 2019, Defendant ISBE certified the 2019-2024 Charter Renewal Agreement between the Commission and Defendant Prairie Crossing.

67. On June 19, 2020, Defendant ISBE, through its State Superintendent of Education – Dr. Carmen Ayala, issued a final decision (“Final Decision”) in response to Woodland's Administrative Complaint, a copy of which is attached hereto as Exhibit A.

68. Defendant ISBE found the Commission's 2019 Renewal of Prairie Crossing's charter to be lawful and dismissed Woodland's Administrative Complaint.

COUNT I: Administrative Review by Common Law Writ of Certiorari

69. Paragraphs 1 through 68 above are incorporated as set forth herein.

70. Venue is proper in this Court because Defendant ISBE has administrative offices in Cook County, Illinois.

71. The Final Decision adversely affects the legal rights of Woodland in that it will deprive Woodland and its students of the majority of Woodland's allotted State education funding to which Woodland holds a clear right and is entitled to receive from Defendant ISBE.

72. For the 2019-2020 school year, the first of five school years of the 2019 Charter Renewal Agreement, approximately \$5.15 million of State education funding owed to Woodland was diverted to Prairie Crossing.

73. Judicial review of the Final Decision and the proceedings that culminated therein is sought because the Final Decision is a violation of ISBE oversight and monitoring obligations of the *Charter Schools Law* for one or more of the following reasons:

- a. The Commission violated the *Charter Schools Law* when it erroneously determined that Defendant Prairie Crossing was compliant with the material conditions and terms of the 2014 Charter Renewal Agreement as required by the *Charter Schools Law*;
- b. The Commission violated the *Charter Schools Law* when it erroneously determined that Defendant Prairie Crossing was compliant with the obligations of charter schools as set forth in the *Charter Schools Law*;
- c. Through omissions and purposeful policy barriers, Prairie Crossing has chronically failed to place a special emphasis on educating at-risk students in violation of the *Charter Schools Law* and the conditions of the 2014 Charter Agreement;
- d. The Commission's evaluation of Defendant Prairie Crossing's compliance with the *Charter Schools Law* lacked a compliant review of the charter school's transportation policy or its efforts to place a special emphasis upon the education of at-risk students.
- e. Defendant Prairie Crossing's failure to implement a meaningful and adequate transportation plan to address the needs of low-income and at-risk pupils is a

material and chronic violation of the *Charter Schools Law* and the 2014 Charter Renewal Agreement;

- f. In considering Defendant Prairie Crossing's 2019 Renewal Application, the Commission conducted no meaningful analysis concerning whether the continued operation of Defendant Prairie Crossing is and would continue to be economically sound during the proposed charter term, as required by the *Charter Schools law*;
- g. The annual diversion of millions of dollars of State funds to Defendant Prairie Crossing otherwise allotted to Woodland is not economically sound to Woodland and has resulted in harm to Woodland students through the loss of educational programming and services;
- h. The Commission's renewal process of Prairie Crossing was not transparent; and
- i. The Commission's 2019 Renewal of the Prairie Crossing Charter and Prairie Crossing's continued operation are violations of the *Charter Schools Law*.

74. Woodland specifies, as part of the record to be furnished with the Commission's

Answer, the following documents:

- a. []

WHEREFORE, Woodland respectfully prays that:

- (1) The Final Decision and record of the proceedings that culminated therein be reviewed by the Court;
- (2) The Final Decision be reversed and that the 2019 Charter Renewal Agreement be revoked, *nunc pro tunc* to July 1, 2019;
- (3) That Woodland be reimbursed by Defendant ISBE all funds diverted to Prairie Crossing since July 1, 2019;

- (4) That Woodland's legal fees and costs be awarded against Defendant ISBE; and
- (5) For such other and further or different relief herein as the Court shall determine just and proper.

Respectfully submitted on behalf of Plaintiff Board
of Education of Woodland Community
Consolidated School District 50,

One of Plaintiff's Attorneys

JAMES A. PETRUNGARO
jpetrungaro@edlawyer.com
ADAM DAUKSAS
adauksas@edlawyer.com
HIMES, PETRARCA & FESTER, CHTD.
Two Prudential Plaza
180 N. Stetson, Suite 3100
Chicago, Illinois 60601
(312) 565-3100
No. 39554