**QUESTIONS AND CONCERNS:**
THE LEARN4LIFE CHARTER APPLICATION IN TRAVIS COUNTY
September 5, 2020

**Overview: Learn4Life - Austin**, a California-based charter chain, has submitted a charter application to TEA through its sponsoring nonprofit Texas First Education to open a new charter school in Travis County (Texas) with three campuses serving grades 9-12 and enrollment of 1,200 students at capacity. The districts most affected are Austin ISD (primary boundary), locating near six AISD B-rated high schools, as well as Del Valle, Manor, Pflugerville, and Round Rock ISDs. This is Learn4Life’s second try to open a Texas charter school. Learn4Life currently operates 100 schools and says it enrolls 40,000 students concentrated in California (85 schools), with locations in Michigan (5 schools) and Ohio (10 schools). It is exploring “charter opportunities” in New York, North Carolina, and South Carolina.
 **Revenue loss for public school districts:** At a minimum, Travis County public school districts will lose an estimate of up to **$9,167,040** in revenue annually once Rocketship is at maximum enrollment capacity. Over the first ten years, Travis County districts would lose an estimate of up to **$63,558,144** in revenue (*based on average estimated per student revenue loss*).
 **Fiscal cost to the state:** Because the charter funding advantage provides a $1,182 per-student higher entitlement than Austin ISD, Learn4Life will cost the state an additional **$2,193,792** in its first five years and **$7,867,392** in its first ten years over the cost of enrollment of the same students in Austin ISD. **State tax dollars sent to out-of-state CMO:** Learn4Life will pay Lifelong Learning Administration Corporation (LLAC) charter management organization (CMO) in California 15% of all state funds, a total of **$3,150,624** over the next five years. The CMO service agreement has general statements about providing training, services, curriculum, and data, without specific dollar amounts for these services.

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**Exorbitant executive salaries/nepotism.** In 2017, the CEO of Learn4Life’s California-based CMO was paid $702,008 and three family members $926,234, for a total of more than $1.6 million. While Learn4Life lists seven high-paid California CMO executives for “instructional leadership” in its Texas application (including a curriculum director who is a “Common Core specialist”), it lists only 4.3 teachers and 1 special education teacher in the Texas school its first year – for 200 students.

**A storefront education model with a history of poor results.** Learn4Life in California is a “web of resource centers sprinkled in of office buildings, strip malls and even former liquor stores,” according to one [report](https://networkforpubliceducation.org/wp-content/uploads/2017/11/NPE-Report-Charters-and-Consequences.pdf). With storefront schools that offer paper packets to pick up and complete and optional tutor appointments, the schools for years had dismal graduation and dropout rates and many “charter churn” students who left for the charter and returned to their public school. “It does not appear that long distance supervision of storefront schools is working out well for kids,” the report says.

**Learn4Life already wants to waive state law.** The application’s financial workbook projects only 80 percent attendance at Learn4Life schools. Learn4Life’s application says it will seek a Commissioner waiver from the “seat-based attendance requirements” that are used to fund schools.

**Lack of successful outcomes for English learners.** Although Learn4Life in Texas seeks a 40% English learner (EL) demographic, it has a poor track record with the population. Fifteen of 19 California schools have an EL population lower than the state average. Ten Learn4Life California schools had 0% of EL students meeting state standards, and none had more than 4% of EL students meeting state standards. The Texas application does not budget for any bilingual/ESL teachers and states Learn4Life “will apply to the TEA for an ESL waiver for teachers pending ESL authorizations.”

**A history of litigation and closures.** Learn4Life’s CMO and the California Learn4Life charter chain have a four-year history of litigation and noncompliance with school law, with judges ordering closures of multiple schools in 2019 in two separate lawsuits; Learn4Life is appealing. The Learn4Life sites were not legally operating within the boundaries of Grossmont Union and San Diego Unified school districts. <https://www.sandiegouniontribune.com/news/education/story/2019-06-11/judge-orders-shutdown-of-some-learn4life-charter-schools> and <https://www.sandiegouniontribune.com/news/education/story/2019-08-08/judge-orders-two-more-learn4life-charter-school-centers-to-close-in-san-diego>

Texas Educ. Code Sec. 12.101 prohibits the commissioner from granting a new charter to an applicant that is an affiliate of or related to an entity that has had action taken against its charter in another state.

**Starting with debt financing.** Learn4Life’s application states it will get a $625,000 start-up line of credit or debt financing from “banking relationships that LLAC has developed and maintained over the years,” and the debt will be repaid starting in its fourth year.

**Serious conflicts of interest.** In California, Learn4Life obtained loans and entered into leases from Charter School Capital – which was partly owned by a Learn4Life executive who benefited from the transactions. <https://www.voiceofsandiego.org/topics/education/a-classic-conflict-of-interest-entangled-business-deals-at-charter-school-chain-learn4life/>

**CMO agreement limits Texas board’s independence.** “To the extent that LEARN4LIFE-AUSTIN wishes to contract with a third party unrelated to LLAC for any administrative services not provided by LLAC or provided by LLAC that LEARN4LIFE-AUSTIN reasonably determines would be more efficiently or effectively provided by the third party, it shall consult with LLAC before entering into any agreement for such services to ensure compatibility with LLAC systems and to provide LLAC an opportunity to offer the same services to the satisfaction of LEARN4LIFE-AUSTIN.” (page 599)

**Charter/CMO duties in question.** Caprice Young, who lives in California, is listed as the “Chief Executive Officer of the Sponsoring Entity” (page 6 of application) and as listed as “National Superintendent and Interim Texas First Education CEO” (page 7). On the 2018 certificate of formation of the inaptly named Texas First Education, which is Learn4Life’s sponsoring entity, Young is listed as a director (page 102). Young is signed in at the applicant information session as “current board, future staff” (page 122). Her duties and compensation are unclear.

**Excluding students.**Despite its target population of students who may drop out, Learn4Life would exclude students who have a discipline history (page 534).

**Low Community Interest.** Learn4Life had only 8 people turn out at its one public meeting conducted as part of the application process; this included two people who attended to monitor the presentation. Also, Attachment 10 on “Evidence of Community Support” is blank.

**Application:** [**http://castro.tea.state.tx.us/charter\_apps/content/downloads/Nocdn/25-16.pdf**](http://castro.tea.state.tx.us/charter_apps/content/downloads/Nocdn/25-16.pdf)