

To: State Board of Education Members
From: Claire Fiddian-Green
Date: July 30, 2014
Re: Charter School Authorizers (IC 20-24-1, 20-24-9; 20-24-2.2-3, 20-24-4-1.5)

This memo is designed to provide factual information on the SBOE's responsibilities concerning charter organizers and charter school authorizers.

Overview

The State Board of Education ("SBOE") has new oversight responsibilities for charter school authorizers – the entities permitted under Indiana law to grant charters to organizers to operate charter schools – which went into effect in 2013. This briefing document provides background information to inform the SBOE as it hears presentations from Indiana authorizers at its August and September meetings.

The following authorizers will be presenting at the August Board meeting: Ball State University, Calumet College of St. Joseph, the Indianapolis Mayor's Office, and the Indiana Charter School Board. The remaining authorizers will be presenting at the September Board meeting.

Definitions - IC 20-24-1

A **charter school** is a public school that operates under a contract, or charter. Like traditional public schools, charter schools must have open enrollment policies, may not charge tuition, and cannot discriminate on the basis of disability, race, color, gender, national origin, religion or ancestry.

An **organizer** is a nonprofit corporation that enters into a contract (charter) with an authorizer to operate a charter school.

An **authorizer** is an entity that is permitted by law to grant charters to organizers to operate charter schools. The following entities may serve as authorizers in Indiana: (1) a governing body, (2) a state educational institution that offers a four-year baccalaureate degree, (3) the Indianapolis Mayor, (4) the Indiana Charter School Board, and (5) a nonprofit college or university that provides a four-year baccalaureate degree.

Currently, there are nine (9) Indiana authorizers: Ball State University, Calumet College of St. Joseph, Daleville Community Schools, Evansville Vanderburgh School Corporation, Grace College, Indiana Charter School Board, Indianapolis Mayor's Office, Lafayette School Corporation, and Trine University.

IC 20-24-9 – Annual Reports

IC 20-24-9 requires all authorizers to provide an annual report to the Indiana Department of Education and the SBOE, and to post the annual reports on the authorizers' websites. Pursuant to 20-24-9-2, the annual report must contain:

- results of all standardized testing, including ISTEP and ECA
- student growth and improvement data
- attendance rates for each school
- graduation rates, including Core 40 and academic honors
- student enrollment data, including the number of student enrolled and expelled
- status of authorized schools (e.g., approved but not open, open and operating, closed)*
- names of the authorizer’s board members or ultimate decision making body
- evidence that the authorizer has adopted standards of quality charter school authorizing
- summary of administrative fees collected and how fees were expended
- total other fees collected and how fees were expended*
- most recent audits*

*Added by SEA 205 (2014). These provisions do not apply to the 2012-2013 Annual Reports being presented to the SBOE at the August and September Board meetings.

IC 20-24-2.2-3 – Monitoring and Accountability

20-24-2.2-2 sets the minimum school performance standards that may be included in a charter agreement for renewal and to avoid charter revocation (though authorizers are free to hold schools accountable to higher standard). This minimum standard is that a school must not receive an F for four consecutive years.

20-24-2.2-3 gives the SBOE authority to require an authorizer to appear at a hearing, after at least 30-days notice, if the authorizer has renewed the charter of, or failed to close, a charter school that has been designated an “F” in its 4th straight year.

After the hearing, unless the SBOE finds sufficient justification for the charter school’s performance, the SBOE may implement one or more of the following:

- transfer the school to a different authorizer
- order the school to close at the end of the school year
- order the reduction of administrative fees collected by the authorizer from the charter school

In deciding whether to impose the above consequences; 20-24-2.2-3 states the SBOE must consider the following:

- the enrollment of students with special challenges, such as alcohol addiction; prior withdrawal from school; prior incarceration; or other special circumstances
- high mobility of the student population resulting from the specific purpose of the charter school
- annual improvement in the performance of the students enrolled in the charter school compared to the performance in the preceding year

IC 20-24-2.2 - Authorizer Suspension and Revocation

Pursuant to IC 20-24-2.2-4, if the SBOE has closed or ordered a change of at least 25% of the charter schools of a particular authorizer, the authorizer's ability to authorize new charter schools may be suspended by the SBOE until the SBOE lifts that suspension.

A determination under this section to suspend an authorizer's authority to authorize new charter schools must identify the deficiencies that, if corrected, will result in the approval of the authorizer to authorize new charter schools.

Further, 20-24-2.2-6 states that if an authorizer is suspended and has not corrected the deficiencies causing the suspension within two years, the SBOE, by a 2/3 vote, may revoke the authorizer's authority to function as an authorizer.

IC 20-24-4-1.5 - Organizer with Terminated or Non-Renewed Charter

20-24.4-1.5(a) - Before an authorizer may issue a charter to an organizer that has had its charter terminated or has been informed that its charter will not be renewed by the organizer's current authorizer, the authorizer must request to have the proposal reviewed by the SBOE at a hearing. The SBOE shall conduct a hearing in which the authorizer must present information indicating that the organizer's proposal is substantively different in the areas of deficiency identified by the current authorizer from the organizer's current proposal as set forth within the charter with its current authorizer.

20-24.4-1.5(b) - After the SBOE conducts a hearing under subsection (a), the SBOE shall either approve or deny the proposal. If the proposal is denied by the SBOE, the authorizer may not issue a charter to the organizer.