High-Quality Charter Authorizing Policy Profiles: Indiana
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Indiana: Overview of State Law and Snapshot of Quality Authorizing Practices

Introduction and Methodology

The National Charter School Resource Center (NCSRC) created the Policy Framework for High-Quality Charter Authorizing Practices (Framework) as a tool for assessing a State policy environment’s support for high-quality authorizing practices. The Framework is based on a review of high-quality authorizing practices referenced in the Every Student Succeeds Act (ESSA) and literature by the National Association of Charter School Authorizers (NACSA) and the National Alliance of Public Charter Schools (Alliance). NCSRC staff used this review to identify common themes or categories of policies that are essential to State support for high-quality authorizing and incorporated them into the Framework.

NCSRC then created High-Quality Charter Authorizing Policy Profiles (State Authorizing Profiles) that describe states’ authorizing policy contexts based on the Framework. As of winter 2020, NCSRC staff created 19 profiles for the States that were awarded Charter School Programs (CSP) State Entities grants between FY2017 and FY2019, including:

- Alabama
- Arizona
- Arkansas
- Colorado
- Delaware
- Idaho
- Indiana
- Maryland
- Michigan
- Minnesota
- Mississippi
- New Mexico
- New York
- North Carolina
- Oklahoma
- Rhode Island
- Texas
- Washington
- Wisconsin

CSP State Entity (SE) Grants provide funding for State entities to support eligible applicants in planning and preparation for the opening of new charter schools and the replication and expansion of high-quality charter schools. Grant funds must also be used by the State entity to provide technical assistance to eligible applicants and to improve the quality of authorizing.

More State Authorizing Profiles may be added in the future. In addition, NCSRC may publish updated versions of State Authorizing Profiles to reflect changes in State policy.

The State Authorizing Profiles are intended to be used by state policymakers and practitioners to learn about their own authorizing policy environments and those of their peers. They may also be useful to charter school support organizations and charter management organizations that are looking to learn about different states’ policy contexts.

Each State profile includes a (i) Framework Snapshot, which is an assessment of a State’s authorizing practices using the Framework described in the first paragraph above and (ii) a more detailed description of the state context for each practice. The basis for the State Profiles was a review of the charter law and significant State policies for applicable states. Significant
state policies included those issued by the state education agency and/or state board of education. NCSRC used this review to identify whether the authorizing practices specified in the Framework were present in state law or policy. That is, boxes that were checked in the Framework Snapshot indicated that particular aspects of an authorizing practice(s) were included in state law or policy.

The State Authorizing Profiles provide a foundation for understanding authorizing practices in the State. The profiles are not an exhaustive review of the State’s authorizing policies and practices; it is intended to describe the key elements of the State’s policy context for supporting high-quality authorizing practices. Therefore, it is possible that certain State policies are not reflected in the profiles, and that individual authorizers within a state are implementing other practices as well. In addition, the review does not assess the quality of implementation of the policies; it is possible that state policy or statute articulates a quality practice that authorizers do not implement with fidelity.

Finally, state policy is one strategy for advancing high-quality authorizing practices and is the strategy we are focusing on in these profiles. However, there are other strategies and sources of support, including technical assistance and resources provided by state, regional, and local charter support associations. While this report does not address those other strategies, it provides a narrative of the policy context in which authorizers operate. We articulate this context to support authorizers and authorizer support organizations in understanding how to implement quality authorizing practices in their States.
Overview of State Law

Indiana’s charter school law was passed in 2001 and states, in part, that the purpose of charter schools is “to provide innovative and autonomous programs that (i) serve the different learning styles and needs of public school students; (ii) offer public school students appropriate and innovative choices ... and (iii) allow public schools freedom and flexibility in exchange for exceptional levels of accountability.”

Indiana law states an organizer can apply to establish a charter school, and defines organizer as “a group or an entity that: (i) has been determined by the Internal Revenue Service to be operating under nonprofit status or has applied for such determination; (ii) enters into a contract under this article to operate a charter school; and (iii) is an independent board of a charter school that is a party to the charter contract with the authorizer, whose members have been elected or selected under the school’s application.”

As initially passed, this law permitted governing bodies of a local education agency (LEA), state educational institutions that offer a four-year degree, and the mayor’s office to authorize charter schools, and capped charter growth at five schools per year. The cap on charter school growth sunsetting in 2005; also in 2005, additional changes were made to the law, such as increasing the time for authorizers to communicate application decisions from 60 to 75 days, and the State assuming the role of distributing local payments to charters schools (before this time, traditional public schools included the number of charter school students in its average daily membership, and redirected State tuition support revenues to charter schools based on those counts).

Two additional authorizing entities were added in 2011: private universities and the Indiana Charter School Board. In addition, language was added to the law in 2011 to improve oversight of Indiana’s existing charter schools with the Indiana State Board of Education (ISBE) being granted the ability to oversee authorizers. The State legislature took additional steps to strengthen accountability for charter school performance in 2013 “to prevent underperforming schools from avoiding closure through a practice referred to as authorizer shopping,” whereby schools whose charter contracts are terminated by their authorizer seek to change their authorizer to avoid closure. To this end, “under the new law, any charter school that has had their charter terminated or has been informed that its charter will not be renewed by the organizer’s current authorizer must have the new application approved by the State Board of Education in addition to the new authorizer.” In 2014, the law was amended to limit the length of charter school contracts to seven years and require authorizers to close schools that fail to meet minimum standards. The law was further amended in 2016 to require the ISBE to provide a formal evaluation of the overall state of charter school outcomes in Indiana, at least once every five years.
State Authorizing Profile: Indiana

Framework Snapshot

Authorization
- Does not cap charter school growth
- Provides for more than one authorizing pathway

Application includes the following:
- Specific application criteria
- Timelines
- Evaluation review process
- Process for denied applications

Performance-based contract includes and provides for the following:
- Separate post-application agreement
- Rights and responsibilities of authorizer and school
- Academic, financial, and operational performance expectations for schools
- Initial term of not more than five years
- Fiscal, legal, and programmatic autonomy for schools
- Independent charter school governing boards

Performance Monitoring
- Provides for annual authorizer evaluation of schools based on the performance goals and expectations set forth in performance-based contract
- Establishes a comprehensive accountability/monitoring system that includes performance expectations and compliance requirements
- Minimizes schools’ administrative and reporting burden
- Articulates authorizer action for schools that fail to meet performance expectations (e.g., probation, sanction, or turnaround)

Renewal/Revocation
- Establishes a clear renewal process and decision-making criteria
- Requires that decisions to renew/revoke be based on student academic achievement
- Requires clear school closure procedures (e.g., parent notification, student enrollment, student record transfer, and disposition of assets)

Authorizer Accountability
- Provides for a registration process for eligible authorizing entities
- Requires the State entity to review authorizers’ performance
- Requires authorizers to adhere to standards for high-quality authorizing

Authorizer Leadership, Student Access, and Student Services
- Requires a mission or strategic vision for authorizing
- Promotes quality authorizing by requiring technical assistance or professional development for authorizers and/or charter school applicants
- Ensures equitable access to all students
- Requires appropriate services for educationally disadvantaged students (e.g., students with special needs, English learners, students in foster care, or unaccompanied homeless youth)

Authorizer Funding
- Provides a mechanism for guaranteed access to authorizer funding
- Includes a process for holding authorizers accountable for how funding is used


As noted in the Introduction and Methodology section, boxes checked in the framework snapshot indicate that aspects of an authorizing practice(s) were included in State law or policy. If individual authorizers create and follow a certain policy that is not in State statute or policy, then the box will not be checked for the entire State.
Authorization

- Does not cap charter school growth
- Provides for more than one authorizing pathway

No caps on charter school growth
State law does not cap charter school growth.

Provides for more than one authorizing pathway
Indiana law permits the governing body of a school corporation, a state educational institution that offers a four-year bachelor’s degree, the executive of a consolidated city (Indianapolis Mayor’s office), the charter board, and a governing board of a nonprofit college or university that provides a four-year educational program for which it awards a bachelor’s or more advanced degree to authorize charter schools in the State. xii

Application includes the following:
- Specific application criteria
- Timelines
- Evaluation review process
- Process for denied applications

Specific application criteria
Indiana law requires various elements to be included in charter school applications, such as, “(i) a description of the organizer’s organizational structure and governance plan; (ii) the school’s management structure; (iii) the school’s educational mission goals, curriculum, and instructional methods; and (iv) budget and financial plans.” xiii

Timelines
The law requires authorizers to notify applicants (also referred to as “organizers”) that their proposal has been accepted or denied no later than 75 days after the applicant submits its application. xiv

Evaluation review process
When reviewing and evaluating charter applications, an authorizer is required to “employ procedures, practices, and criteria consistent with nationally recognized principles and standards for quality charter authorizing,” xv and the application review process must include a “thorough evaluation of each written charter application and an in-person interview with the applicant group.” xvi

Process for denied applications
Indiana law specifies that an authorizer must notify an organizer that submits a proposal of the acceptance or rejection of the proposal within 75 days after the proposal is submitted. xvii In addition, “the organizer may appeal the decision of the authorizer to the charter school review panel,” which includes “the governor or the governor’s designee, the State Superintendent, who shall chair the panel, a member of the State Board appointed by the State Superintendent, a person with financial management experience appointed by the governor, and a community
leader with knowledge of charter school issues appointed jointly by the governor and the
State Superintendent.”xviii The review panel is required to issue its finding within 45 days after
receiving the request for review.xix

Performance-based contract includes and provides for the following:

- Separate post-application agreement
- Rights and responsibilities of authorizer and school
- Academic, financial, and operational performance expectations for schools
- Initial term of not more than five years
- Fiscal, legal, and programmatic autonomy for schools
- Independent charter school governing boards

Separate post-application agreement

Indiana law defines a charter contract as a written instrument executed by an authorizer and
organizer that confirms the status of a charter school as a public school.xx

Rights and responsibilities of authorizer and school

The law requires that a charter school’s contract confer certain rights and obligations on the
school and confirms the status of a charter school as a public school.xxi

Academic, financial, and operational performance expectations

Under State law, the contract must also describe: (i) the methods by which the charter school
will be held accountable for achieving the educational mission and goals of the charter school,
including financial performance, stability, governing board performance and stewardship, and
compliance with applicable laws, rules and regulations, and charter terms; (ii) the method
to be used to monitor the charter school’s compliance with applicable law and performance
in meeting targeted educational performance; and (iii) the specific operating requirements,
including all the matters set forth in the application for the charter.xxxi

Initial term of not more than five years

The law states the initial term of a charter contract can be granted for no less than three years or
more than seven years.xxxii

Fiscal, legal, and programmatic autonomy

Indiana law provides charter schools with fiscal, legal, and programmatic autonomy. One of the
law’s stated purposes for establishing charter schools is to provide innovative and autonomous
programs that allow public schools freedom and flexibility in exchange for exceptional levels of
accountability.”xxxiv Charter schools have exclusive control over their financial matters and funds
received by the school; they can also acquire real and personal property or an interest in real and
personal property by purchase, gift, grant, devise, or bequest; and enter into contracts in their
own name.xxxv In addition, the law specifies that,

Except as specifically provided ... the following do not apply to a charter school: (i) an In-
diana statute applicable to a governing body or school corporation; (ii) a rule or guideline
adopted by the state board; (iii) a rule or guideline adopted by the state board concerning
teachers, except for those rules that assist a teacher in gaining or renewing a standard or
advanced license; and (iv) a local regulation or policy adopted by a school corporation unless specifically incorporated in the charter.\textsuperscript{xxvi}

\textbf{Independent charter school governing boards}

Indiana law defines an organizer as “an independent board of a charter school that is a party to the charter contract with the authorizer, whose members have been elected or selected under the school’s application.”\textsuperscript{xxvii}

\textbf{Performance Monitoring}

- \textbf{Provides for annual authorizer evaluation of schools based on performance goals and expectations set forth in performance-based contract}
- \textbf{Establishes a comprehensive accountability/monitoring system that includes performance expectations and compliance requirements}
- \textbf{Minimizes schools’ administrative and reporting burden}
- \textbf{Articulates authorizer action for schools that fail to meet performance expectations (e.g., probation, sanction, or turnaround)}

\textbf{Provides for annual authorizer evaluation of schools based on performance goals and expectations set forth in performance-based contract}

State law requires charter school proposals/applications to include “the manner in which the authorizer must conduct an annual audit of the program operations of the charter school.”\textsuperscript{xxviii} The law also mandates that a school’s charter include the annual performance targets established by the school and its authorizer that are designed to help the school meet applicable federal, State, and authorizer expectations.\textsuperscript{xxix}

\textbf{Establishes a comprehensive accountability/monitoring system that includes performance expectations and compliance requirements}

Under State law, charter schools are accountable to the authorizer for ensuring compliance with applicable federal and State laws and the school’s contract.\textsuperscript{xxx} Charter school applications must also “describe the method to be used to monitor the charter school’s compliance with applicable law and performance in meeting targeted educational performance.”\textsuperscript{xxxi}

\textbf{Minimizes schools’ administrative and reporting burden}

The law does not specify minimizing schools’ administrative and reporting burden. However, charter schools are exempt from certain requirements for which traditional public schools are responsible (e.g., accreditation\textsuperscript{xxxi}).

\textbf{Articulates authorizer action for schools that fail to meet performance expectations (e.g., probation, sanction, or turnaround)}

The law does not specify authorizer intervention for schools that fail to meet performance expectations.
Renewal/Revocation

- Establishes a clear renewal process and decision-making criteria
- Requires that decisions to renew/revoke be based on student academic achievement
- Requires clear school closure procedures (e.g., parent notification, student enrollment, student record transfer, and disposition of assets)

Clear renewal and decision-making criteria

State law requires the contract to incorporate the authorizer’s renewal guidance, including the renewal application process, performance criteria that will guide the authorizer’s renewal decisions. The minimum standards for renewal and the standards to avoid closure imposed by authorizers on the charter school in the charter school agreement must include a requirement that the charter school not remain in the lowest category or designation of school improvement, including any alternative accountability category or designation, in the third year after initial placement in the lowest category or designation.

The law also requires authorizers to,

- Develop revocation and nonrenewal processes that: (i) provide the organizer with a timely notification of revocation or nonrenewal and the reasons for the possible revocation or nonrenewal; (ii) allow the organizer a reasonable amount of time in which to prepare a response; (iii) provide the organizer with an opportunity to submit documents and give testimony in support of the continuation of the charter school at a proceeding held for that purpose; (iv) allow the organizer access to representation by counsel; and (v) after a reasonable period for deliberation, require that a final determination be made and conveyed in writing to the organizer.

The authorizer is required to issue a final ruling on a renewal application by March 1 after the application is filed. If an authorizer revokes or does not renew a charter, the authorizer must clearly state the reasons for doing so in writing. After the final ruling is issued, the charter school may request “further review by the authorizer of the authorizer’s final ruling in accordance with the terms of the charter school’s charter and the protocols of the authorizer.”

Decisions to renew/revoke be based on student academic achievement

When making charter school renewal decisions, the law also mandates that authorizers “(i) make decisions based upon evidence of the school’s performance over the term of the charter contract in accordance with the performance framework set forth in the charter contract; (ii) ensure the data used in making renewal decisions are available to the school and the public; and (iii) provide a public report summarizing the evidence basis for each decision.”

Clear school closure procedures (e.g., parent notification, student enrollment, student record transfer, and disposition of assets)

Before any charter school closure decision, “an authorizer shall develop a charter school closure protocol to ensure timely notification to parents, orderly transition of students and student records to new schools, and proper disposition of school funds, property, and assets.”
addition, “if a charter school closes for any reason, the authorizer shall oversee and work with the closing charter school to ensure a smooth and orderly closure and transition for students and parents, as guided by the closure protocol.”

**Authorizer Accountability**

- Provides for a registration process for eligible authorizing entities
- Requires the State entity to review authorizers’ performance
- Requires authorizers to adhere to standards for high-quality authorizing

**Registration process for eligible authorizing entities**

The law requires the State Board to publicize to all governing bodies the opportunity to register for chartering authority within their school corporation no later than May 1 each year. The application to register must include:

(i) A written notification of intent to serve as a charter authorizer in accordance with this article.

(ii) An explanation of the governing body’s strategic vision for chartering.

(iii) An explanation of the governing body’s budget and personnel capacity and commitment to execute the duties of quality charter authorizing in accordance with this article.

(iv) An explanation of how the governing body will solicit charter school applicants in accordance with IC 20-24-3.

(v) A description or outline of the performance framework the governing body will use to guide the establishment of a charter contract and for the oversight and evaluation of charter schools, consistent with this article.

(vi) A draft of the governing body’s renewal, revocation, and nonrenewal processes, consistent with this article.

(vii) A statement of assurance that the governing body commits to serving as a charter authorizer in fulfillment of the expectations, spirit, and intent of this article, and that the governing body will fully adopt standards of quality charter school authorizing in accordance with section 1.5 of this chapter.

Within 60 days of receipt, the State Board must register a governing body as a charter authorizer within the attendance area of the school corporation and provide a letter confirming registration.

The law also requires the State Board to annually establish an application and approval process for the governing boards of a nonprofit college or university that provides a four-year educational program for which it awards a bachelor’s degree or more advanced degree to apply for authorizing authority. The application must include the same elements listed above. By July 1 of each year, the State Board must grant or deny chartering authority as well.

**Requires the State entity to review authorizers’ performance**

Indiana law requires authorizers to submit an annual report to the department and the State Board which is posted on the authorizer’s website. An annual report under this chapter must contain the following information:

(i) Results of statewide standardized tests and end of course assessments.
(ii) Student growth and improvement data for each authorized school.

(iii) Attendance rates for each authorized school.

(iv) Graduation rates (if appropriate), including attainment of Core 40 and academic honors diplomas for each authorized school.

(v) Student enrollment data for each authorized school, including the following: (A) the number of students enrolled; and (B) the number of students expelled.

(vi) Status of the authorizer’s charter schools, identifying each of the authorizer’s charter schools that are in the following categories: (A) approved but not yet open; (B) open and operating; and (C) closed or having a charter that was not renewed.

(vii) Names of the authorizer’s board members or ultimate decision-making body.

(viii) Evidence that the authorizer is in compliance with IC 20-24-2.2-1.5.

(ix) A report summarizing the total amount of administrative fees collected by the authorizer and how the fees were expended, if applicable.

(x) Total amount of other fees or funds not included in the report under subdivision (ix) received by the authorizer from a charter school and how the fees or funds were expended.

(xi) The most recent audits for each authorized school submitted to the authorizer under IC 5-11-1-9.

**Requires authorizers to adhere to standards for high-quality authorizing**

Indiana law requires that “all authorizers adopt standards of quality charter school authorizing, as defined by a nationally recognized organization with expertise in charter school authorizing.”

**Authorizer Leadership, Student Access, and Student Services**

- Requires a mission or strategic vision for authorizing
- Promotes quality authorizing by requiring technical assistance or professional development for authorizers and/or charter school applicants
- Ensures equitable access to all students
- Requires appropriate services for educationally disadvantaged students (e.g., students with special needs, English learners, students in foster care, or unaccompanied homeless youth)

**Requires a mission or strategic vision for authorizing**

As stated above, the law requires a governing body applying to authorize charter schools to include the body’s strategic vision for authorizing in its application.

**Promotes quality authorizing by requiring technical assistance or professional development for authorizers and/or charter school applicants**

The law does not promote quality authorizing by requiring technical assistance or professional development.
Ensures equitable access to all students
Indiana law requires charter schools to have open enrollment policies and prohibits limiting student admissions in any manner in which a public school is not permitted to establish admission policies or limit student admissions.\textsuperscript{xlviii}

Requires appropriate services for educationally disadvantaged students (e.g., students with special needs, English learners, students in foster care, or unaccompanied homeless youth)
State law states that school corporations and charter schools have “a duty to educate student[s] with disabilit[ies].”\textsuperscript{xlix} In addition, all charter schools are required to (i) provide transportation to foster and homeless youth as required by law, and (ii) comply with the law regarding students in foster care and homeless students per the McKinney–Vento Homeless Assistance Act of 1987.\textsuperscript{l}

**Authorizer Funding**

- Provides a mechanism for guaranteed access to authorizer funding
- Includes a process for holding authorizers accountable for how funding is used

Provides a mechanism for guaranteed access to authorizer funding
The authorizer may collect an administrative fee equal to not more than three percent of the total amount the charter school operator receives during the State fiscal year for basic tuition support.\textsuperscript{li}

State has processes to hold authorizers accountable for how funding is used
Indiana law requires authorizers to submit a report summarizing the total amount of administrative fees collected by the authorizer and how the fees were expended, if applicable.\textsuperscript{lii}
Endnotes


ii IC § 20-24-2-1.

iii IC § 20-24-1-7.


v Id.


vii Id.


ix Id.


xi IC § 20-24-2.2-8.

xii IC § 20-24-1-2.5.

xiii IC § 20-24-3.4.

xiv IC § 20-24-3-9.

xv IC § 20-24-3-4.5.

xvi Id.

xvii IC § 20-24-3-9.

xviii IC § 20-24-3-12.

xix Id.

xx IC § 20-24-4-1(a).
IC § 20-24-4-1.

Id.

IC § IC 20-24-4-1(a)(5).

IC § 20-24-2-1.

IC § 20-24-7-1(b).

IC § 20-24-8-4.

IC § 20-24-1-7.

IC § 20-24-3-4.

IC § 20-24-4-1(b).

IC § 20-24-8-3.

IC § 20-24-4-1(a)(9).

IC § 20-31-4-1.1

IC § 20-24-4-1(6)(C).

IC § 20-24-2.2-2.

IC § 20-24-4-1.

IC § IC 20-24-4-3(c).

IC § 20-24-4-1(a)(6)(E).

IC § 20-24-4-3.

IC § 20-24-9-4.5.

IC § 20-24-9-4.5(b).

IC § 20-24-2.2-1.2.

Id.

IC § 20-24-9-4.5.

IC § 20-24-2.2-1.2(e).

IC § 20-24-2.2-1.2(f).

IC § 20-24-2.2-1.2(g).

IC § 20-24-9-2.

IC § 20-24-2.2-1.5.

IC § 20-24-5.

IC § 20-35-4-1.5(a).


IC § 20-24-7-4.

IC § 20-24-9-2(9).