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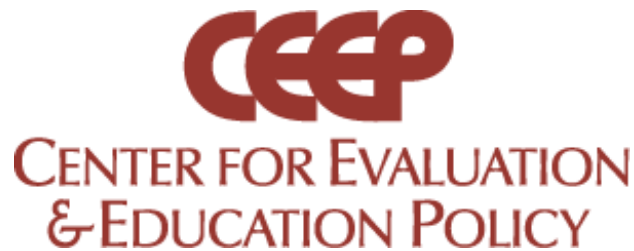
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# **Study of the Effectiveness and Efficiency of Charter Schools in Indiana**

## **Executive Summary**

**Prepared for the Indiana General Assembly**

**October 31, 2008**



**Jonathan Plucker, Ph.D.  
Director**

1900 East Tenth Street  
Bloomington, Indiana 47401

812-855-4438  
800-511-6575  
Fax: 812-856-5890  
ceep@indiana.edu

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# Study of the Effectiveness and Efficiency of Charter Schools in Indiana

## Executive Summary

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October 31, 2008

Terri Akey, Ph.D.  
Jonathan A. Plucker, Ph.D.  
John A. Hansen, Ph.D.  
Robert Michael, Ph.D.  
Suzanne Branon  
Rebecca Fagen  
Gary Zhou  
and Associates



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## Executive Summary

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The Indiana General Assembly passed charter school enabling legislation in 2001, and the first charter schools opened their doors for the 2002-03 school year. As of fall 2008, 49 charter schools are operating in Indiana. A total of 17 of these schools are sponsored by the City of Indianapolis, Office of the Mayor, 29 schools are sponsored by Ball State University, the Evansville-Vanderburgh School Corporation sponsors two schools, and the Lafayette School Corporation sponsors one school. These schools are spread throughout the state, with the largest concentration located around the Indianapolis area, where 21 charter schools are located. Over two-thirds of Indiana's charter schools are located in the metropolitan areas in and surrounding Indianapolis, Gary, and Fort Wayne.

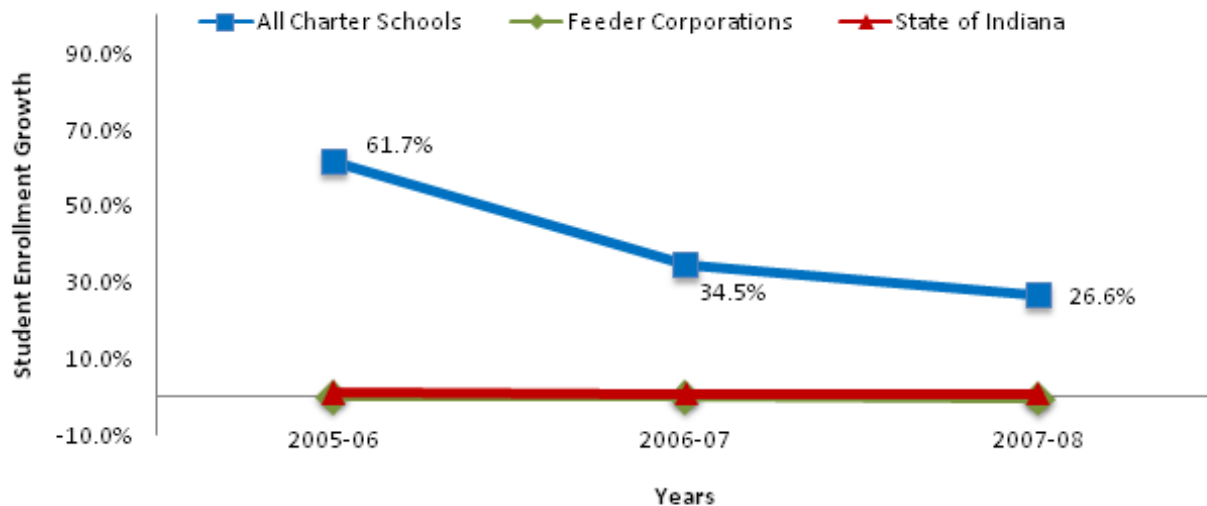
In July of 2007, the Center for Evaluation and Education Policy (CEEP) at Indiana University was contracted by the legislature to conduct an evaluation of the Indiana charter schools. The current study reports the results of an evaluation that has been designed to ensure that all objectives of the provisions of HEA 1001-2007 are fulfilled. In addition, the framework of the study is based on IC 20-24-2-1, Purposes of Charter Schools, and IC 20-24-2-2, Discrimination Prohibited. These two sections of the Indiana Code lay out the purposes for charter schools and emphasize that students cannot be discriminated against regarding disability, race, gender, etc.

The current report addresses a set of specific evaluation questions provided by the Indiana General Assembly. Specifically, the evaluation addresses research questions with respect to charter school enrollment patterns and policies, funding patterns and sources, innovations in charter schools, impacts on neighboring corporations and the educational landscape in general, accountability and performance of charter schools on achievement measures, and the effectiveness of the support provided by charter school sponsors.

**Question 1: What are the charter school enrollment trends and projections compared to school corporations?**

*Charter school enrollments are increasing at a relatively constant rate compared to their local school corporations and the state of Indiana as a whole.* Charter school enrollments are increasing at an average of 2,300 students per year with an overall growth rate of nearly 175 percent over the last four years (see Figure E.1). In contrast, school corporations in the same communities (i.e., “feeder schools/corporations”) have remained relatively unchanged or have declined over the last four years, and state enrollments have increased at a much lower rate (about three percent per year). The area of greatest growth in charter schools has been in the secondary level, with many schools adding new grades as their elementary students reach middle and high school age.

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**FIGURE E.1. Percentage Growth in Total Student Enrollment for Charter Schools, Feeder Corporations, and the State of Indiana**

Note. Charter enrollment increased from 4,040 students in 2004-05 to 11,121 students in 2007-08 (173.3 percent). Feeder school enrollments decreased from 325,126 students in 2004-05 to 324,425 students in 2007-08, a net decline of -.2 percent. Total enrollment in the state of Indiana increased 2.5 percent during the same time (1,020,707 to 1,046,159).

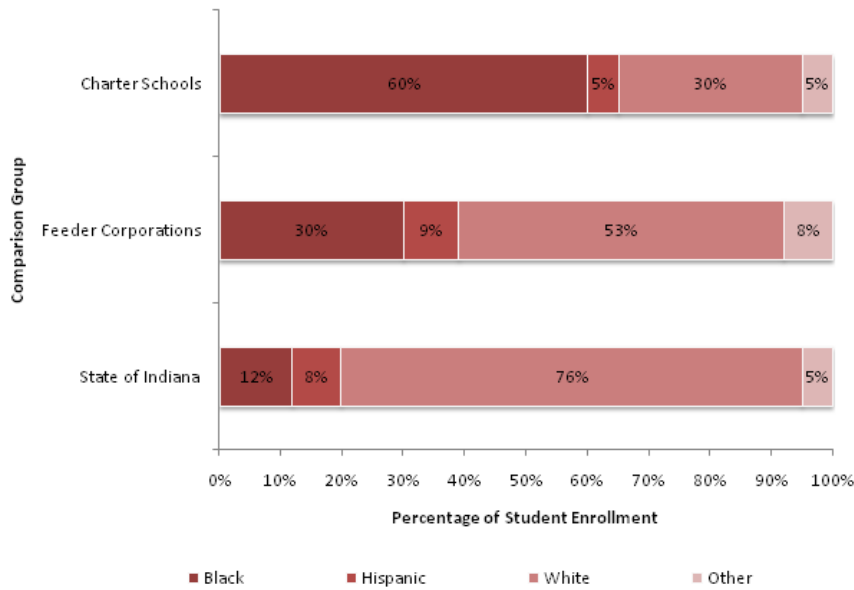
Source: Retrieved August 28, 2008, from school and corporation snapshots, Indiana Department of Education website, ASAP Search Engine, <http://mustang.doe.state.in.us/SEARCH/search.cfm>

**Question 2: Who are the students attending charter schools with respect to grade levels, minority status, socioeconomic status, and gender compared to school corporations in the same community?**

*Indiana charter schools appear to serve, for the most part, a similar or higher percentage of minority and low-income students compared to the school corporations.* The majority of the students served by charter schools across the state—approximately 70 percent—are members of an ethnic minority (Black, Hispanic, Asian, Multi-race, or other) (see Figure E.2). During the 2007-08 school year, the percent of students who received free or reduced lunch services in charter schools (61 percent) greatly exceeded the numbers in the state of Indiana (39 percent) and feeder corporations (49 percent; see Figure E.3).

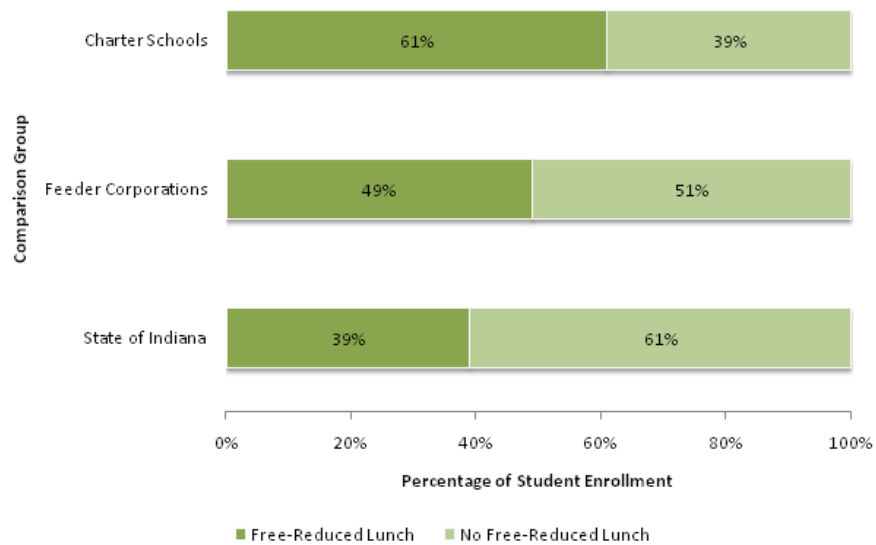
Charter schools serve all grade levels of students, though the largest groups of students served by charter schools are younger students—compared to the state and feeder districts who serve a higher percentage of high school students (Figure E.4). The proportion of male and female students in charter schools is evenly split and no different from state and feeder schools.

**FIGURE E.2. Ethnic/Racial Breakdown of 2007-08 Student Enrollment for Charter Schools, Feeder Corporations, and the State of Indiana**



Source: Retrieved August 28, 2008, from school snapshots, Indiana Department of Education website, ASAP Search Engine, <http://mustang.doe.state.in.us/SEARCH/search.cfm>

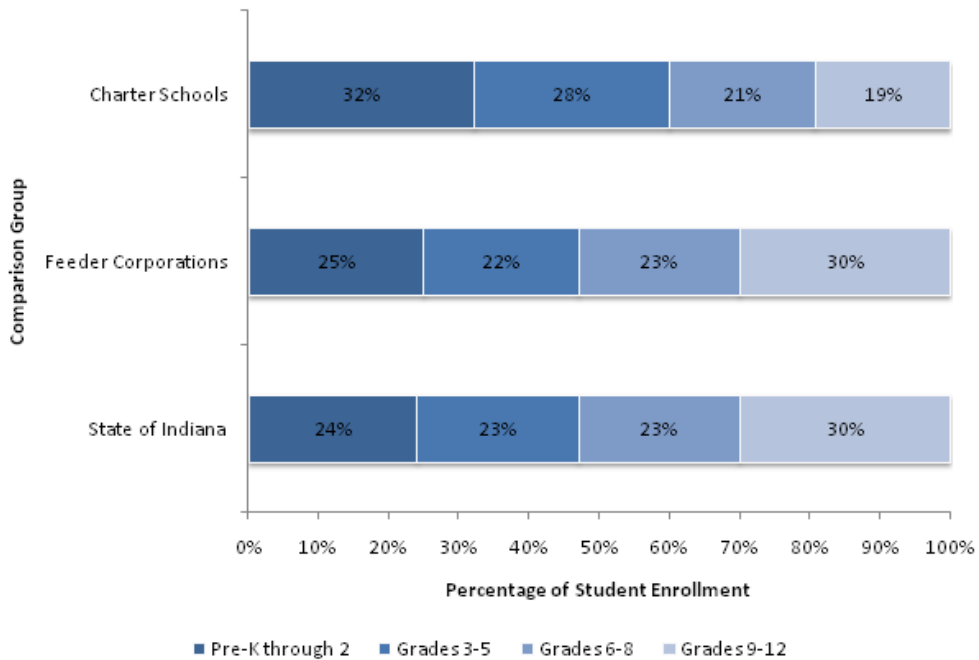
**FIGURE E.3. Free/Reduced Lunch Breakdown of 2007-08 Student Enrollment for Charter Schools, Feeder Corporations, and the State of Indiana**



Source: Retrieved August 28, 2008, from school snapshots, Indiana Department of Education website, ASAP Search Engine, <http://mustang.doe.state.in.us/SEARCH/search.cfm>



**FIGURE E.4. Percentage of Students Who Are Enrolled in Different Grade Levels in Charter Schools, Feeder Corporations, and the State of Indiana**



Source: Retrieved August 28, 2008, from school snapshots, Indiana Department of Education website, ASAP Search Engine, <http://mustang.doe.state.in.us/SEARCH/search.cfm>

**Question 3: Are charter schools complying with the open enrollment and lottery provisions of the charter school law?**

*Charter schools, according to established policies and charter contracts, appear to be implementing procedures that help ensure open and unbiased enrollment policies.* These procedures include public lotteries conducted by external organizations, blind applications, and attention to the information on application and marketing materials. Although the Indiana charter schools appear to follow the open enrollment policy as described in Indiana law, there are certainly “niche” schools in operation that target a certain demographic. For example, charter schools include a military academy, a school for students coping with drug addiction, a school for higher achieving students, and several schools that target students who are at-risk for educational failure in traditional public schools.

**Question 4: Do charter schools educate a proportionate number of special education and limited English proficient students as their associated school corporations?**

*Charter schools do not serve a proportionate number of special needs children.* Approximately 11 percent of the students in charter schools receive special education services, compared to approximately 17 percent in feeder schools and across the state (Table E.1). The provision of special education services was identified in most stakeholder interviews as a significant challenge facing Indiana charter schools.

Charter schools also served substantially fewer students who were classified as limited English proficient (LEP) than their respective feeder corporations and the state of Indiana (Figure E.5). Although a few of the charter schools identified a significant population of LEP students and some had full capacity to serve these students (e.g., an LEP teacher and/or coordinator), charter schools on average do not appear to enroll a comparable number of LEP students as traditional public schools.

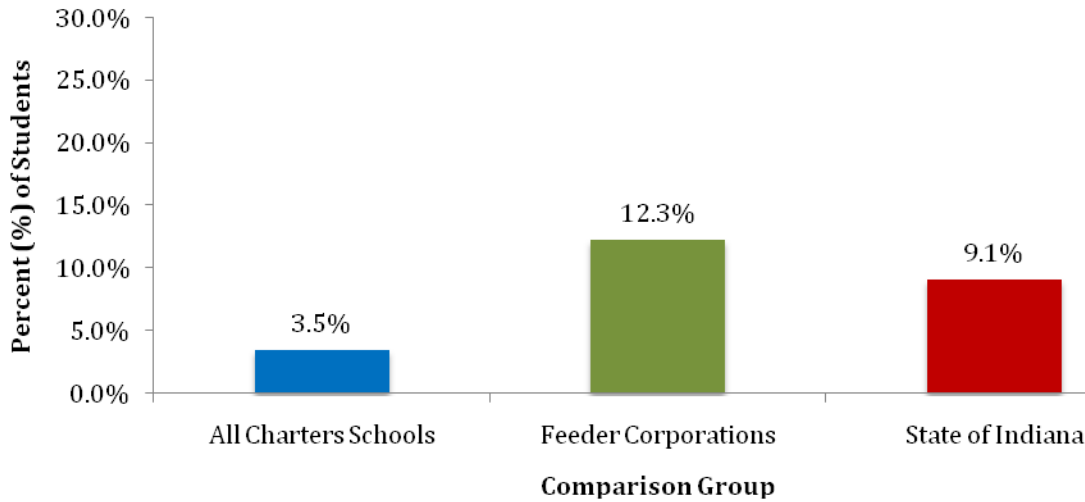
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**TABLE E.1. Percentage of Students Who Receive Special Education Services Attending Charter Schools, Feeder Corporations, and the State of Indiana**

	2004-05	2005-06	2006-07	2007-08
All Charter Schools	11.0%	10.7%	11.6%	10.9%
Feeder Corporations	16.8%	17.1%	17.0%	17.0%
State of Indiana	18.1%	18.1%	17.6%	17.4%

Source: Retrieved September 19, 2008, charter and feeder corporations snapshots from Indiana Department of Education website, Indiana Department of Education, ASAP Search Engine, <http://mustang.doe.state.in.us/SEARCH/search.cfm> and Annual Performance Reports, <http://www.doe.state.in.us/htmls/performance.html>

**FIGURE E.5. Percentage of Students Who Receive LEP Services Attending Charter Schools, Feeder Corporations, and the State of Indiana in 2007-08**



Source: Retrieved September 19, 2008, charter and feeder corporation snapshots from Indiana Department of Education website, <http://www.doe.state.in.us/asap/> and Annual Performance Reports, <http://www.doe.state.in.us/htmls/performance.html>

**Question 5: What is the demand for charter schools? Are there waiting lists?**

*There appears to be a relatively high demand for charter schools, particularly in the urban areas at the elementary level. Many of the charter schools in the state are oversubscribed. For example, analysis of the Indianapolis Mayor’s Office charter schools suggests that there are more than 1,000 students on waiting lists for openings at specific grade levels. Elementary level grades tend to be more oversubscribed than middle and high school grades. Secondary enrollment at charter schools may still be adversely affected by the lack of extracurricular opportunities for students but continues to grow as the elementary students in the charter schools reach middle and high school age.*

**Question 6: Are students leaving charter schools after the start of the school year? How long are students attending charter schools?**

*Children who attend charter schools, for the most part, attend for at least two or more years and for a significant amount of time that they are eligible to attend a particular charter school given their age and the*

grade levels served by the school. However, in areas with significantly mobile populations, charter schools are afflicted with the same high mobility issues as traditional public schools. Stability rates were initially higher than, and are now about the same level of traditional public schools in the same communities (Table E.2). In looking at how long charter school students stay in their schools, nearly four out of five students have longevity at their schools—that is, they have been enrolled at least three-fourths of the time they are eligible to have been enrolled at the school. For example, this translates into at least three years of attendance at the same school for a high school senior.

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**TABLE E.2. Stability of Charter School Enrollments, Feeder Corporations and the State of Indiana**

	2004-05	2005-06	2006-07
All Charter Schools	90.1%	86.2%	84.1%
Feeder Corporations	85.5%	84.5%	85.2%
State of Indiana	88.0%	88.5%	88.9%

Source: Retrieved September 1, 2008, from school and corporation snapshots, Indiana Department of Education website, ASAP Search Engine, <http://mustang.doe.state.in.us/SEARCH/search.cfm>

### **Question 7: What are the funding trends for charter schools and conversely the school corporations as a result of the student enrollment trends?**

#### **7A. How do charter schools get their funding? How do charter school and school corporation revenue compare over time?**

*Charter school General Fund revenue is higher than traditional public schools (Figure E.6), from approximately \$600 to \$1,200 higher depending on the year. However, traditional school corporations receive additional dollars from other sources that charter schools do not.*<sup>1</sup> For charter schools in at least their second year of operation, charter funding parallels the funding structure of school corporations with the exception of the provision to levy local property taxes to generate revenue for the Debt Service, Capital Projects, Transportation, and Special Education Preschool Funds. Charter schools in their first year of operation, and often times

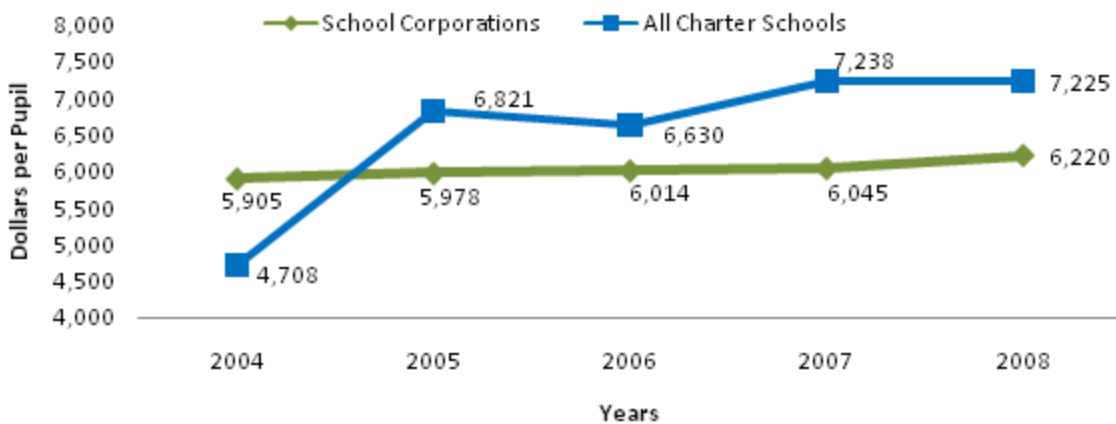
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1. Total revenues between charter schools and traditional school corporations are not compared because the revenue reporting mechanism available to the end user does not appear to generate comparable values. Readers interested in comparing totals between charter schools and traditional schools are directed to the following section where expenditures are presented.

for subsequent years, have access to other revenue such as the federal Public Charter School Program grant and the Indiana Department of Education Common School Loan.<sup>2</sup> For the time period 2004-08, per pupil revenues were, on average, \$6,524 compared to average per pupil revenues in school corporations of \$6,032. For all years except 2004, per pupil revenues were higher for charter schools than school corporations.

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**FIGURE E.6. General Fund Revenue per Pupil, School Corporations and Charter Schools, 2004-08**



Source: Data request filled by Indiana Legislative Services Agency (LSA), October 16, 2007

*Some charter schools receive grant funding and/or private dollars. However, these dollars are generally a very small percentage of total charter school revenue.* Charter schools face challenges in generating additional revenue beyond their state basic grant. Although some schools have hired leaders with fund-raising experience or work with larger educational management organizations (EMOs) that provide financial and fund-raising support, many charter schools are faced with the challenge of raising funds with no experience in doing so and trying to run the school at the same time.

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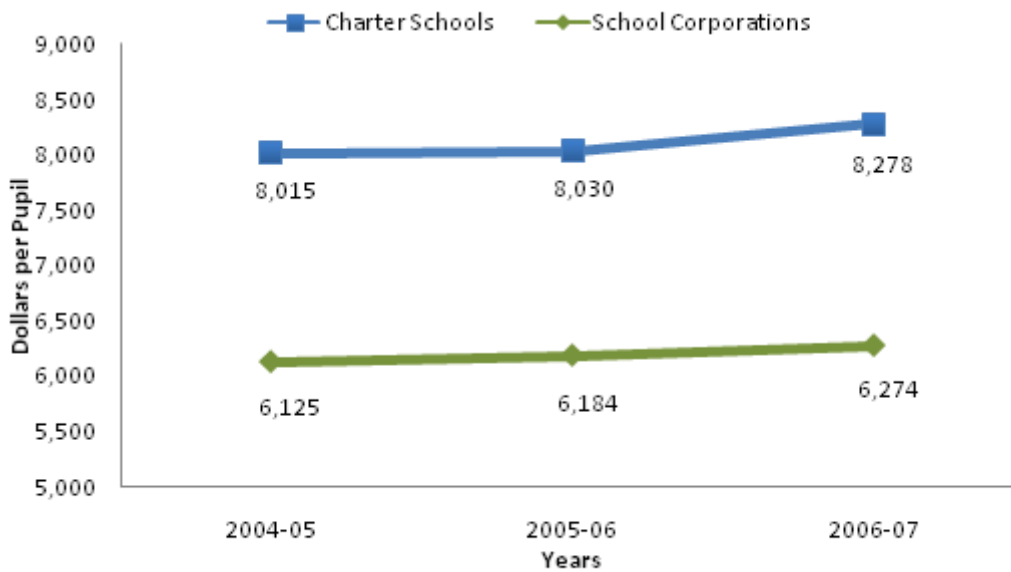
2. Charter schools are eligible to receive PCSP funding for three years: A planning year before they open, then the first two years of operation.

**7B. How do charter school expenditures compare with those of school corporations? How do the expenditures between charter and school corporations compare as a function of ADM over time?**

*Charter school General Fund expenditures exceed the General Fund expenditures of school corporations. However, when total expenditures are examined for both types of corporations (including Capital Projects, Debt Service, and Transportation Funds), school corporations spend nearly \$1,700 more per pupil than charter school corporations. Charter school per-pupil expenditures associated with the General Fund were consistently higher than the comparable expenditures for school corporations for these three years (Figure E.7). However, when examining total per pupil expenditures, expenditures made by charter schools were less than total expenditures made by traditional school corporations for the most recent two years (Figure E.8).*

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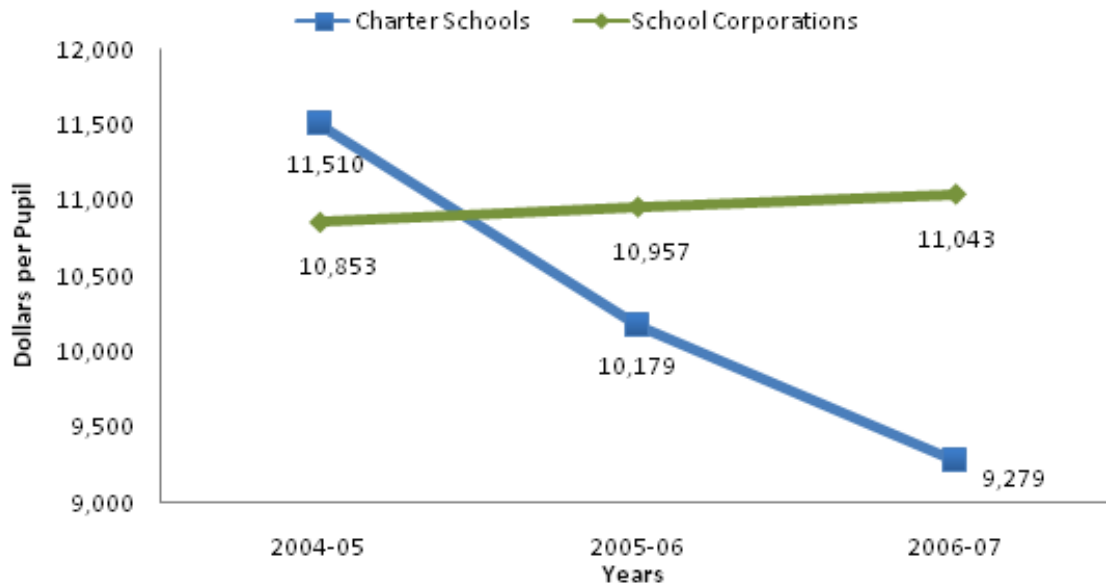
**FIGURE E.7. General Fund per Pupil Expenditures for School Corporations and Charter Schools Over Fiscal Years 2005-07**



Note. School Corporations (n = 293), Charter Schools (n = 20)

Source: Retrieved on September 16, 2008 from <http://mustang.doe.state.in.us/SAS/sas1.cfm>

**FIGURE E.8. Total per Pupil Expenditures for School Corporations and Charter Schools Over Fiscal Years 2005-07**



Note. School Corporations (n = 293), Charter Schools (n = 20)

Source: Retrieved on September 16, 2008 from <http://mustang.doe.state.in.us/SAS/sas1.cfm>

**Question 8: What impact has the lack of Capital Projects, Debt Service, Transportation Funds (and the other school corporation funds paid through property taxes) had on charter schools?**

*Some charter schools' financial viability is limited because of the need to carry large amounts of debt—typically from the Common School Loan program. Charter schools do not have the authority to levy taxes to cover debt service, like traditional public schools. Rather the interest costs they incur to educate students come out of their General Fund. Because of historical arrears funding to charter schools (they received their first payment in January instead of July), charter schools have turned to the Common School Loan program to fund their operational and instructional costs of educating students for the first six months. This funding procedure has been changed recently, so that new charter schools will not be required to take on debt for operational procedures when opening.*

Common School Loans are available to help charter schools cover their costs during the time period before they receive state aid. However, the funds are a loan, and the debt shows on financial statements, making it difficult for new charter schools to get financing for capital expenses such as buildings. In addition, the interest paid back to the program must come out of the General Fund, reducing the amount that is available for instructional programs.

*Charter schools tend to lease their buildings, although some charter schools have been able to purchase or acquire ownership of their buildings through a variety of sources.* Charter schools fund their buildings through numerous sources. Some charter schools get assistance from private foundations, some receive loans from the Indianapolis Bond Bank, and some have commercial mortgages, yet others lease buildings with monies from their General Fund monies.

*Charter schools face significant challenges in providing transportation to their students.* Many charter schools do not provide comprehensive transportation, relying on parents, carpooling, and walking for students to come to school. Other charter schools have one or two buses that they use for specific students. Some urban charter schools have purposely located near public bus stops and provide public transportation assistance to their students. Still others have partnered with other charter schools or school corporations to lease buses. For charter schools that work with educational management companies, transportation is often provided by the EMO.

Charter school leaders report the lack of transportation services as a significant factor in their ability to grow and serve all students—suggesting that it limits their enrollment to those who live close by or whose parents can afford the time and resources to get them to school. Some charter school leaders indicated that they had seen a shift in enrollment patterns as energy costs have increased (i.e., having fewer students from farther away and more students who can walk from the local neighborhood).



**Question 9: Are charter schools exercising their flexibility granted to them by exemption from most state statutes and administrative rules? If so, has this led to instructional or administrative innovations? Are charter schools more efficient and effective as a result of the statutory flexibility?**

*Although innovative programs are seen in some charter schools (such as Montessori curriculum or project-based schools), it is important to note that similar innovations can be seen in some traditional public schools. Charter schools do utilize flexibility in staffing, class size, curriculum, and teaching materials decisions and in the length of school days and school years. Charter schools are able to be somewhat more flexible in adapting and changing curriculum (although all school corporations may request waivers to do the same). Several charter schools have changed their school calendar or their instructional programs—often utilizing calendars and schedules that lengthen the school day or add instructional time to the day itself. Charter schools have (on average) somewhat longer days (nearly half an hour per day) than do their associated feeder schools, with an average of 6.5 hours per day in charter schools and an average of 6.1 hours per day in associated feeder schools.*

Charter schools include approximately six and one-half more days (on average) in their school calendar than do their associated feeder schools—a significantly higher number. When looking at the instructional days for the charter schools, a fourth of them have calendars similar to traditional public school calendars of 180 days. More than half of the charter schools add an additional one to 10 days to their instructional calendar, and nearly a fourth add more than 10 days to their instructional calendar.

**Question 10: What impact has the concentration of charter schools in Indianapolis and Northwest Indiana had on the neighboring public school corporations? Are charter schools having the desired competitiveness effect?**

*The impact of charter schools on comparable traditional public schools and the educational landscape in Indiana is debated among stakeholders. Consensus exists that charter schools have some impact on enrollment, funding, market demand, and traditional school programs—however, stakeholders are mixed about whether the impacts are positive or negative. Of the 30 stakeholders interviewed for this*

report, the vast majority believe charter schools have had some impact on the educational landscape in Indiana—though they differ on whether that impact is positive or negative. The stated impacts of charter schools include: student mobility, financial consequences for the traditional public school corporations, choice and options for families, and market—driven progress toward “best practices,” structural changes, and the offering of new services.

### ***Enrollment Patterns***

In examining charter school mobility patterns since 2004-05, the majority of the students entering charter schools come from traditional public schools. At the same time, a considerably smaller number of charter students transfer back to traditional public schools each year (nearly all transfers out of charter schools appear to migrate to traditional public schools).

Due to data availability issues, it is difficult to determine the impact of student transfers on either school corporations or the charter schools. But based on stakeholder interviews and the limited available data, very different transfer patterns may exist for the three major metropolitan school districts impacted by charter schools (i.e., Indianapolis, Fort Wayne, and Gary). For example, over half of the students leaving the Fort Wayne Community Schools for charter schools appear to return to the district; the percentage appears to be far lower for the Indianapolis Public Schools and Gary Community Schools.

### ***Financial Impacts on Surrounding Corporations***

Stakeholder perceptions of funding impacts on school corporations are highly variable with respect to their understanding of the actual funding formula and how charter schools receive their funding. However, there is consensus among the interviewed superintendents that they are suffering from the loss of students and revenue and that enrollment and mobility issues compound the negative impact. Other stakeholders noted that

students leaving traditional public schools for charter schools are a small minority of the total number of students leaving these school corporations, and that the financial impact is minimal compared to the impact of loss of students in general in these corporations.

Another perceived financial impact is potential loss of dollars for students the traditional public schools may still end up serving. For students who leave charter schools and return to traditional public schools after the ADM date, the per pupil funding does not follow back to the corporation; but then again, the money also does not follow a student who leaves a school corporation after the ADM date for another traditional public school in a different district. The potential problems with a single ADM date have been noted by a variety of groups, including rapidly growing suburban districts who add large numbers of students after the ADM date. The Indiana General Assembly has been sensitive to these concerns and has implemented a pilot program to address these ADM count issues. In this pilot process, ADM counts are taken three times a year—once in the fall as usual, once mid-year, and once in the spring. Presently, only the fall count is applicable for funding while the other two are informational counts. It is not yet clear whether and how the additional counts would benefit school corporations with declining enrollments, school corporations with increasing enrollments, or charter schools, and these potential effects should be studied carefully.

### ***Impact on Market Demand and Choice***

A third major impact relates to the degree that charter schools can provide reasonable school choices for families and communities. One of the most important arguments for the founding of charter schools was that charter schools would provide more options for students and their families. Stakeholders were strongly divided on whether or not they saw charter schools as providing a viable option for their communities.

Those stakeholders in favor of choice perceive that the option of charter schools offers parents a choice and, in doing so, drives market competition and pushes traditional public schools to perform at a higher level. Supporters of choice believe that when competition enters the debate, an incentive to improve schools and keep students arises; traditional public schools are forced to examine where they are, and the competitive aspect “pushes them a little harder.” Some see choice as offering one more option for students who are not achieving at their highest potential; if a student is not responding to teachers or programs in a specific school, parents can choose to do what best suits that student’s needs. Supporters of choice also argue that charter schools have the ability to catch students that would have otherwise “fallen through the cracks.”

Those who argue against choice have one primary concern; this group believes that even though charter schools are public schools and all students have an equal opportunity to attend charter schools, the option to choose is not always truly present. In certain cases, parents do not have sufficient information to make an informed choice, while others who would like to send their children to charter schools do not have the time or resources to transport their children to those schools (transportation is often not provided by charter schools). Critics of charter schools also question the quality of charter school programming and curriculum, citing a lack of evidence that charter schools are able to meet the needs of the students that they serve.

It appears that charter schools have played some role, through market competition, in motivating school corporations to make positive structural and programmatic changes. However, one must be cautious in attributing changes in traditional public schools’ programs and structures to programs implemented by charter schools, since observed changes may be related to meeting accountability standards and the diverse needs of students rather than competitive pressures. Although there is evidence that some traditional public schools are making innovative changes to meet the needs of their students, it is

likely that the market demand created by charter schools is more directly related to these changes than any innovations in programming or structure that charter schools utilize.

**Question 11: What assessment and accountability systems are used for Indiana charter schools?**

*Accountability standards exist for charter schools, both under the oversight of their authorizing organization, and under state of Indiana accountability measures.* The interviewed stakeholders believe that there has been unevenness in the support and oversight provided by authorizing organizations. However, evidence suggests that from a policy and procedure level, more rigor is embedded in the accountability systems than was the case in the past. It remains to be seen how that increased rigor translates into student and school outcomes and how authorizers address the problems of ineffective schools. Historically, the perception has been that accountability for both sponsors has been stronger in the initial authorization of charter schools than in the monitoring and oversight of existing charter schools.

There has been significant evolution of ensuring compliance and effective performance since the passage of the charter school legislation. With respect to the Indianapolis Mayor's Office, the system seems to be more firmly in place, with a very structured set of site visits and accountability reporting measures. Although many of the components and core measurements are the same across the two organizations, the Indianapolis Mayor's Office engages in more process evaluation of charter schools throughout the seven-year charter cycle than does Ball State University, which focuses more heavily on outcomes. In addition, both organizations have undergone significant staff changes over the last two or three years, resulting in substantial changes to policies and procedures. It remains to be seen what the effect of these changes will be, both in terms of existing charter schools and new charter schools that open under the changed policies and procedures.

**Question 12: What is the level of parental satisfaction with charter schools?**

*Parents report that they are highly satisfied with the charter schools their children attend. Approximately six out of every seven parents indicated that they were satisfied or very satisfied with their child's education, while between two-thirds and three-fourths of the parents said the quality of their child's education was good or excellent. A minority of parents did not see the education that their child received as high quality—which may feed into stakeholder perceptions that parents are not given enough information to make informed choices about attending charter schools, or that charter schools are not able to meet the needs of all the students they serve—a challenge that the traditional public schools must also confront.*

**Question 13: What are the student achievement outcomes of charter school students? How do these outcomes compare to the performance of the students in the schools the charter school students left?**

*There is no practical difference between student performance in charter schools and traditional public schools. Charter schools seem to be doing as well as traditional public schools in promoting student performance across the board when the comparison group is carefully matched to the schools where charter students would have gone if they did not attend charter schools.<sup>3</sup> Attendance rates for charter schools have risen to the levels of their local traditional corporations (Table E.3), and grade retention rates have dropped to nearly the same levels of traditional public schools (Table E.4). There is virtually no difference in the passing rate of charter school students in Mathematics or Language Arts ISTEP+ performance when these charter school students are carefully matched to similar students from the same corporation, racial background, grade level, and socioeconomic status (Figures E.9 to E.14), although the high school results, which are based on limited sample sizes*

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3. For attendance and retention analyses, matching was conducted at the school level, while matching for the ISTEP+ analysis was conducted at the school and the student level. The latter procedure is a stronger method for ensuring that comparisons are made on similar groups.

and few schools, should be interpreted with caution and closely monitored as charter schools add additional high school students (Figures E.13 and E.14).

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**TABLE E.3. Attendance Rates from 2004-05 to 2007-08 for Charter Schools and Their Associated Feeder Corporations**

	2004-05	2005-06	2006-07	2007-08
Charter Schools	94.6%	95.2%	95.2%	96.0%
Feeder Corporations	95.9%	95.9%	95.9%	96.0%

Source: Retrieved September 15, 2008, from school snapshots, Indiana Department of Education website, ASAP Search Engine, <http://mustang.doe.state.in.us/SEARCH/search.cfm>

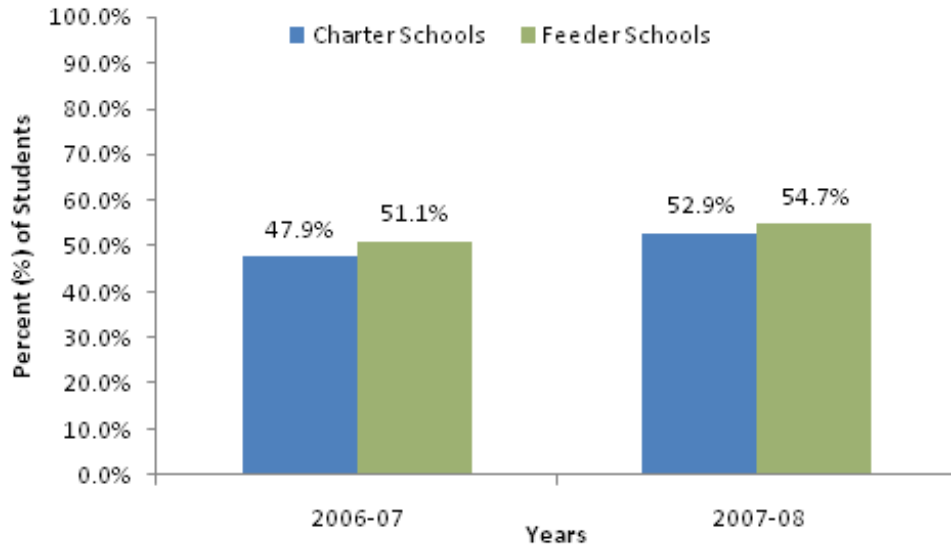
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**TABLE E.4. Retention Rates from 2004-05 to 2007-08 for Charter Schools and Their Associated Feeder Corporations**

	2004-05	2005-06	2006-07	2007-08
Charter Schools	7.8%	6.9%	5.1%	4.5%
Feeder Corporations	2.6%	3.1%	2.9%	3.1%

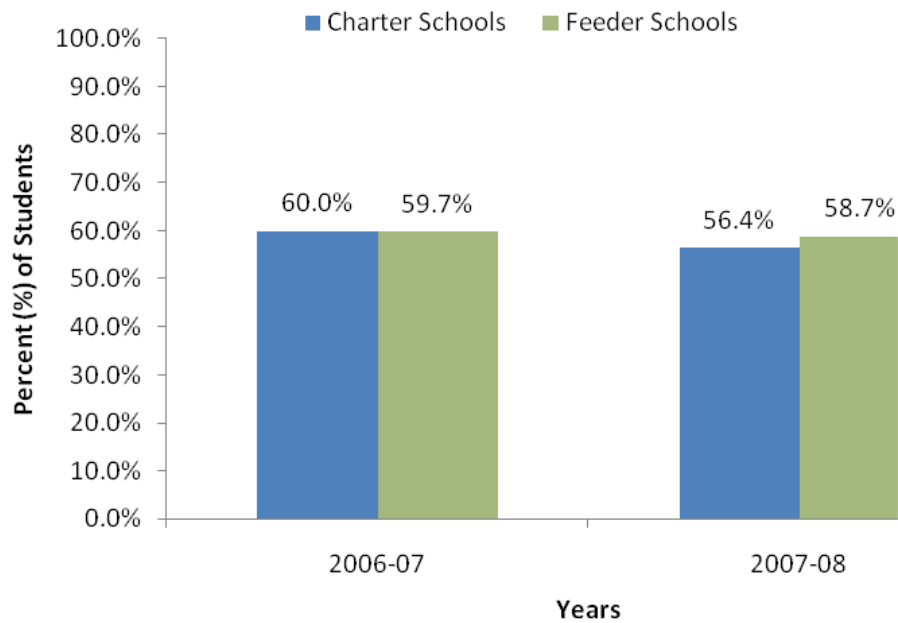
Source: Retrieved September 18, 2008, from school snapshots, Indiana Department of Education website, ASAP Search Engine, <http://mustang.doe.state.in.us/SEARCH/search.cfm>

**FIGURE E.9. Percentage of Elementary Students Passing Language Arts ISTEP+ in Charter Schools and Feeder Schools (N = 1,424)**



Source: Data provided by Indiana Department of Education, CIS, September 26, 2008

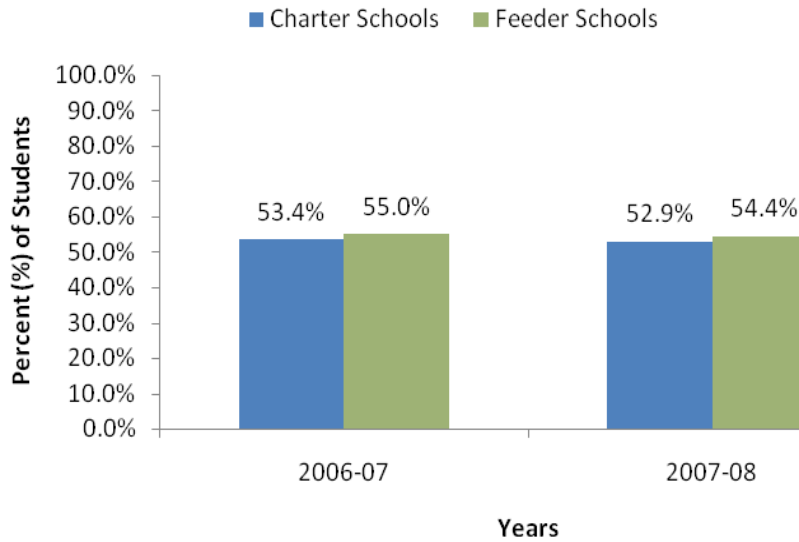
**FIGURE E.10. Percentage of Elementary Students Passing Mathematics ISTEP+ in Charter Schools and Feeder Schools (N = 1,431)**



Source: Data provided by Indiana Department of Education, CIS, September 26, 2008

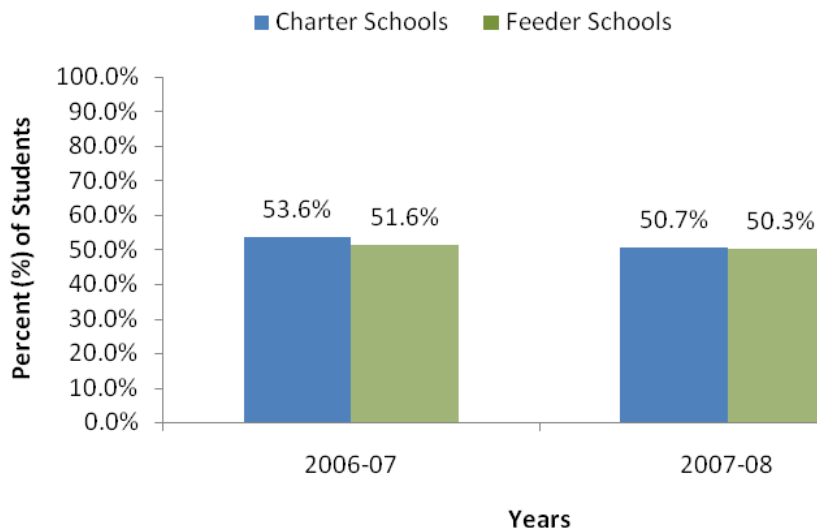


**FIGURE E.11. Percentage of Middle School Students Passing Language Arts ISTEP+ in Charter Schools and Feeder Schools (N = 1,248)**



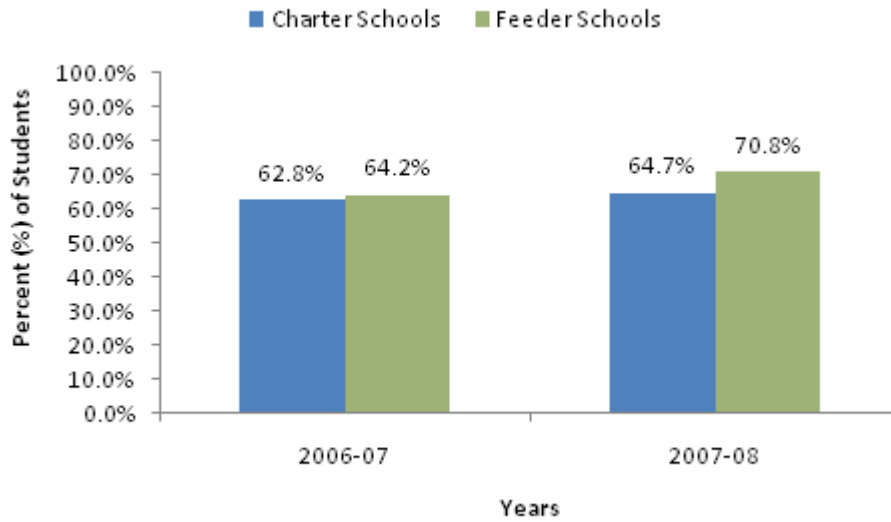
Source: Data provided by Indiana Department of Education, CIS, September 26, 2008

**FIGURE E.12. Percentage of Middle School Students Passing Mathematics ISTEP+ in Charter Schools and Feeder Schools (N = 1,269)**



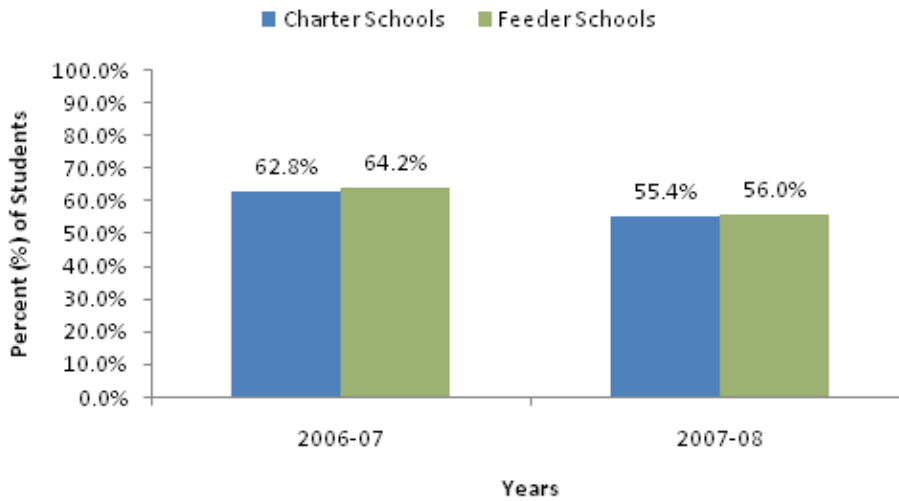
Source: Data provided by Indiana Department of Education, CIS, September 26, 2008

**FIGURE E.13. Percentage of High School Students Passing Language Arts ISTEP+ in Charter Schools and Feeder Schools (N = 222)**



Source: Data provided by Indiana Department of Education, CIS, September 26, 2008

**FIGURE E.14. Percentage of High School Students Passing Mathematics ISTEP+ in Charter Schools and Feeder Schools (N = 212)**



Source: Data provided by Indiana Department of Education, CIS, September 26, 2008

*With respect to longer-term outcomes like graduation and college attendance rates, no conclusions can be made at this time.* Data were available for only three of the charter schools to evaluate graduation rates, college attendance rates, and diploma types. Two of the schools serve lower achieving students and students that are at risk for educational failure in the traditional school setting, and the remaining school serves very high achieving students. As a result, the data are highly idiosyncratic and limited in the number of available cases for analysis, making comparisons of limited scope and value. In addition, charter schools and their associated feeder schools were awarding about the same percentage of Core 40 and Honors Diplomas, as well as special education certificates.

*Charter schools are increasingly offering opportunities for students to take advanced classes, such as AP courses and dual enrollment.* Up until 2007-08, only one charter school offered AP courses, the Signature School, sponsored by the Evansville-Vanderburgh School Corporation. However, the number of schools offering AP courses during the 2007-08 school year increased to four schools. Also in the last year, two charter schools began offering dual credit opportunities for students.

**Question 14: What is the effectiveness of charter sponsors and the authorization process?**

*Perceptions of the effectiveness of the authorizing process in Indiana are mixed.* Several stakeholders remarked that although there had been significant weaknesses in the authorizing process in the past, both major authorizing offices have recently undergone extensive staff changes and, in their estimation, the quality of services has improved. However, these are short-term observations; therefore, conclusions about authorizer effectiveness should be monitored over the next several years to determine if these policy and procedure changes have a marked effect in improving the authorizing process.

A second theme that emerged focused on the authorizing role of school corporations themselves. School corporations have typically not taken on the role as charter school

authorizers, although four school corporations in the state have done so. District—chartered schools are still operating in two of these school corporations—Evansville-Vanderburgh and Lafayette. Several stakeholders emphasized the importance of more school corporations serving in the authorizing role, citing potential increased accountability and control. However, when asked, local superintendents have indicated they have not served as an authorizing organization for one of two major reasons. Either they believe they can meet their students’ needs through existing or new programs in their own schools, or they have felt the cost-benefit has not been advantageous for them to serve as the sponsoring organization. For some school corporations like Lawrence Township and Decatur Township, the decision was made to use an outside sponsor to alleviate cost considerations and to increase the public perception of autonomy and accountability.

## Conclusions

*Conclusion 1. Charter schools educate a different student population than do school corporations—largely minority and low-income, with disproportionately few special education and LEP students.*

The under-representation of special education and LEP students has been ascribed to many factors, including school corporations' greater resources and experience in serving special needs populations, legislative restrictions in special education staffing (which have been changed in the last year), and parental perceptions about the quality of the services their children receive at charter schools versus traditional public schools. All of these explanations are plausible, although it is incumbent on publicly-funded charter schools to make themselves attractive educational options for special education and LEP students.

However, improving charter school service provision to special needs students is most likely to require a level of coordination that does not currently exist (see Conclusion 4).

*Conclusion 2. There are no practical differences in student performance for charter and traditional public schools, although performance trends at the high school level should be interpreted with caution.*

At the elementary and middle school levels, the available data suggest little practical difference between student outcomes in charter versus traditional public schools, although student outcomes in charter schools have improved over the past few years. There is a lack of sufficient data available for charter high school students to make valid comparisons and conclusions about student performance at that level of education.

*Conclusion 3. In looking at the funding data, the case can be made that charter schools are either over-funded or under-funded, depending on the perspective taken.*

How and at what level charter schools are funded was among the most contentious issues discussed in the interviews. Some stakeholders made a convincing case that charter schools are egregiously over-funded, yet others made a similarly convincing case that

charter schools are woefully under-funded. The data analyzed in this report suggest that the actual funding situation for charter schools is complex: Charter schools certainly face funding challenges, such as the distribution of General Fund revenue on a calendar year basis (recently addressed in the 2008 session), and the lack of access to debt service, transportation, and facilities funding. That said, other aspects of Indiana's school funding mechanisms may favor charter schools, such as the single ADM count near the beginning of the school year, access to the state's Public Charter School Program funding from the U.S. Department of Education, and higher per pupil General Fund revenue.

*Conclusion 4. There is considerable lack of coordination and support among charter schools across the state, especially in critical areas such as providing special education services and advocacy.*

Many of the interview comments revealed a somewhat isolated and fragmented picture of charter schools—disconnected from each other, alienated from their neighboring school corporations, and struggling to provide services that traditional public schools find difficult to accomplish even with greater experience (e.g., special education, professional development, proposal writing).

Indiana has recently reestablished its charter school association, which should help in this regard, although interviewed stakeholders questioned the effectiveness of the previous association. Sponsors could help serve this coordinating role, but there are serious questions about whether the authorizers are statutorily prevented from, essentially, providing some of the functions of a public superintendent's office. Authorizers are also required to evaluate the performance of their charter schools, creating a conflict of interest if they were also to be the major source of support for the schools. Although many stakeholders value the role played by the state Department of Education, it, too, does not have the authority to coordinate resources for charter schools. Traditional public schools are being encouraged to coordinate more effectively and to organize their governance and structures more efficiently, making it reasonable for charter schools to be encouraged—and

allowed to take similar actions (e.g., joint purchasing, coordination of special services, shared facilities and transportation). The stakeholders generally did not feel that current organizations and support systems facilitated these activities as well as they could.

*Conclusion 5. Misinformation about charter schools is widespread, and nearly all of the stakeholders interviewed, including many charter advocates, cited some incorrect or unclear information about charter school laws, policies, or procedures.*

It has been well-established that the general public does not understand charter schools. Statewide public opinion surveys conducted with a representative sample of Indiana citizens over the last five years provide evidence that an average of 60 percent of the respondents are not very or not at all familiar with charter schools in Indiana. A surprising aspect of the present study is that most stakeholders held misconceptions about charter school laws and policies, including issues related to funding, the authorization process, and descriptions of various aspects of enrollment (demand, demographics, recruitment practices).







