

## **COMPETITIVE PREFERENCE PRIORITIES**

Indiana is applying for consideration under all competitive preference priorities.

### **Competitive Preference Priority A: Periodic Review and Evaluation**

Under Indiana Code 20-24-3-4 (Indiana Charter School Law is provided in Appendix D), each charter school's charter proposal must describe the manner in which the sponsor will conduct an annual audit of the program operations of the charter school. In addition, IC 20-24-4-1 requires that each school's charter have a provision for sponsor review of the school's performance, including the progress of the school in achieving the academic goals set forth in the charter, at least one time in each five year period that the charter is in effect.

Indiana's two major sponsors, the Indianapolis Mayor's office and Ball State University, require a data-rich, annual review of charter school progress. These reviews cover the terms of the charter, achievement results, progress toward meeting performance indicators, constituent satisfaction survey results, and results of fiscal audits. The reviews are consolidated into accountability reports, published annually by each sponsor (see <http://www.indygov.org/eGov/Mayor/Education/Charter/Accountability/home.htm> for the Mayor's reports and <http://www.bsu.edu/teachers/charter> for Ball State University's reports. Beyond their regular yearly charter school reviews, the Mayor's office, in partnership with the University of Indianapolis and Vanderbilt University, is conducting a random-sample comparison of their charter school students' achievement with traditional public school students' achievement. Using lottery data, students whose numbers were drawn in the lottery are being compared to students who attempted to enroll in the charter school but whose lottery numbers were not selected. Additionally, Ball State University has created an Office of Charter Schools Research (<http://www.bsu.edu/teachers/ocsr>) to review statewide charter school demographics, progress, and achievement. Evansville-Vanderburgh

School Corporation (EVSC) sponsored schools create their own annual reports each year for the board of EVSC.

In addition to sponsor requirements, Indiana Code requires charter schools to publish annual performance reports (IC 20-24-9-6) in the same manner as traditional schools are required to publish such reports. These reports include, among other data, Adequate Yearly Progress results, ISTEP+ results, student enrollment, graduation data (as applicable), attendance rates, average class sizes, Advanced Placement and SAT data, and suspension and expulsion data. The data is accessible from the Indiana Department of Education's ASAP data page for each school:

<http://www.doe.state.in.us/asap/data.html>. Finally, charter schools are required under Indiana Code (20-24-9-2) to report to the Indiana Department of Education on educational and instructional methods used, enrollment data, attendance data, and graduation data (as applicable) at least annually.

### **Competitive Preference Priority B: Number of High-Quality Charter Schools**

Indiana has shown steady progress in increasing the number of high quality charter schools, including secondary schools, in the state. Since its law was introduced in 2001, Indiana has seen fifty-one (51) schools open. Currently, there are forty-nine (49) schools open in the state (two were closed for not implementing the school's program in accordance with the charter, thus demonstrating Indiana sponsors' dedication to accountability). While forty-nine schools in eight years may not seem to be explosive growth, it is by design. Indiana's charter school movement is focused on quality over quantity, though the state has seen great charter school growth, especially in the last few years. In 2002, eleven charter schools opened, followed by an additional five in 2003 (two of which have since been closed). 2004 saw the beginning of an upswing in charter school openings, with seven in 2004, seven in 2005, nine in 2006, four in 2007, and nine in 2008. Four schools have been authorized to open in 2009, and five are already approved to open in 2010 (see List of Schools, in Appendix C). Thus, it is clear that

Indiana's charter growth, while controlled by design, shows no signs of stopping. Indiana's charter school enrollment has increased from 1,271 in 2002-2003 (0.1% of Indiana's total public school enrollment) to 15,611 (1.5% of Indiana's public school population) in 2008-2009.

Caps that may have previously hindered charter school growth in Indiana have sunset and are no longer in place. Former caps that have since sunset (in 2005) included caps on sponsorship by the Indianapolis Mayor's office and Ball State University and a funding cap for charter schools. In addition, an early provision that prohibited Ball State University from authorizing charter schools in Marion County (where Indianapolis is located) has also sunset, and Ball State has since authorized five Marion County charter schools.

Moreover, in an interesting non-traditional approach, two Indianapolis school districts organized charter high schools (which are completely autonomous of the school district) and approached the Indianapolis Mayor's office for sponsorship. The schools were both sponsored, with one opening in 2005 and one opening in 2006.

More importantly, Indiana's charter schools are of high quality and are focused on increasing the student achievement, especially for educationally disadvantaged and underserved students. As described in detail in Selection Criteria I, Indiana's charter schools have shown growth as measured by NWEA testing and Indiana's standardized test, the ISTEP+ (see Selection Criteria I). Moreover, as described in Criteria I, Indiana's charter schools serve a larger percentage of free/reduced lunch eligible students and minority students than traditional public schools in the state.

**Competitive Preference Priority C: One Authorized Public Chartering Agency Other than a Local Educational Agency (LEA), or an Appeals Process**

Indiana meets both of these criteria. By Indiana law (IC 20-24-1-9), chartering agencies (called “sponsors” in Indiana) can be the governing bodies of school districts, four-year public universities, or the Indianapolis Mayor’s office. Currently, the Indianapolis Mayor is the only mayor in the United States that has chartering authority, and it has been put to good use by two consecutive Mayors. To date, the Mayor’s office has chartered nineteen schools and has been awarded the Harvard University Kennedy School of Government’s prestigious Innovations in American Government Award for its chartering efforts. One university, Ball State University in Muncie, Indiana has acted as a charter school authorizer and has sponsored twenty-six schools. Another university has expressed strong interest in perhaps becoming a charter school sponsor, while a second university has periodically expressed interest. Finally, Evansville-Vanderburgh School Corporation in Evansville, Indiana has sponsored two charter schools in that city.

In addition to a state law that allows for multiple charter school sponsors, Indiana’s law (IC 20-24-3-12) also allows for an appeals process for any school whose charter proposal is rejected by a sponsor. The rejection may be appealed to a five-member Charter School Review Panel which, under legislation, consists of the governor or governor’s designee, the state superintendent of public instruction (chair), and three additional appointed members. The appointees must be a person with financial management experience who is appointed by the governor; a member appointed by the state superintendent; and a community leader with knowledge of charter school issues, who is appointed jointly by the governor and state superintendent. Upon the request of an organizer, the panel must assemble to consider the rejected proposal and the reasons for the sponsor’s rejection. The organizer and sponsor are required to participate in the meeting, and all panel decisions are determined by a majority vote of the panel’s members. After testimony and deliberation, the panel may make one of three findings: support of the sponsor’s rejection; a recommendation for proposal amendment by the organizer; or approval of the

proposal. Board approval is considered conditional until the panel receives written notice from the organizer and an eligible sponsor who has agreed to serve as sponsor for the proposal. Findings must be issued within forty-five days after the panel receives the request for review.

**Competitive Preference Priority D: High Degree of Autonomy**

Indiana's charter school law is repeatedly highly-ranked by the Center for Education Reform for its strength (it has been given a grade of A), including the high degree of autonomy that it affords charter schools. Indiana Code (IC 20-24-2-1) specifically establishes charter schools as autonomous bodies. Charter schools are accountable, under IC 20-24-9-3, only to their sponsors for maintaining compliance with applicable laws and their charters.

Indiana Code designates charter schools as fiscally autonomous (IC 20-24-7-1). According to code, the charter school organizer is established as the fiscal agent for the school; therefore, all federal, state, and local funds flow directly to the charter school. IC 20-24-7-1 specifically states that the charter school organizer has exclusive control of funds received by the charter school and financial matters of the charter school; therefore, charter schools have control over their own budgets. Under IC 20-24-8-1, a charter school may sue and be sued in its own name; acquire real and personal property or an interest in real and personal property by purchase, gift, grant, devise, or bequest; convey property; and enter into contracts in its own name.

While certain laws related to student health and safety and due process, teacher nondiscrimination, audit requirements, standardized testing, and compulsory school attendance do apply to charter schools (see Appendix D, Indiana Code, IC 20-24-8-5), they are exempted from all other laws, rules, and regulations. Specifically, Indiana charter schools are exempted from any Indiana statute applicable to a

governing body or school corporation; any rule or guideline adopted by the state board; any rule or guideline adopted by the advisory board of the state's educator licensing division, except for those rules that assist a teacher in gaining or renewing a standard license; and any local regulation or policy adopted by a school corporation unless specifically incorporated into the charter (IC 20-24-8-4).

Finally, charter schools maintain control over employed personnel under IC 20-24-6-1, as individuals who work at charter schools are employees of the charter school or of an entity with which the charter school chooses to contract to provide services. Under IC 20-24-6-2, individuals must choose to be teachers at a charter school voluntarily, and a charter school must voluntarily choose those individuals to be its teachers.

**Competitive Priority: New Grantees**

Indiana is applying for the State Charter School Incentive Grants Program for the first time with this application. Legislation enabling the state to apply for funds under this grant was passed in 2005, and this is the first competition for funds under this grant has been held since the legislation was passed.

**Selection Criteria A: Need for Facility Funding**

The Indiana Department of Education is applying for funds under the State Charter School Incentive Grants Program to address a need to establish a program to provide facilities funding to the state's charter schools. Through the implementation and execution of the per pupil facilities funding program in Indiana the Department hopes to accomplish three goals: 1) increase the number of high quality charter schools in the state; 2) promote the fiscal stability of high quality charter schools; and 3) increase student academic performance in charter schools.

Charter schools in Indiana are considered to be their own Local Education Agencies (LEAs), though

they lack the authority that traditional public school corporations in the state have to raise funds for capital projects through local property tax levies. Although traditional school corporations in the state may access monies available through the Common School Fund for limited building expenses, the State, up to this point, has not provided any meaningful amount of funding for school facilities for either traditional public schools or public charter schools.

The state charter school law allows a school corporation “with the approval of a majority of the governing body to distribute a proportionate share of the school corporation’s capital project fund to a charter school”. (See Attachment A - Indiana Charter School Law) To date, school corporations, even in the case of a conversion charter school, have declined to make these funds available to any charter schools in the state.

Currently charter schools in the state pay for their facilities costs with funds received through state tuition support and funds from the charter school advancement account. The inability of charter schools to levy taxes to pay for facilities makes it necessary for the state’s charter schools to divert funds that would otherwise be dedicated to the education program to pay for the charter school facility.

In 2005 the state legislature passed a budget that requires the Indiana Department of Education to apply for matching funds for charter school facilities if a competition for funds is held. IC 20-24-11-7 states that, “The Department shall use the common school fund interest balance to provide state matching funds for the . . . benefit of charter schools”. The Department of Education was given the authority to develop the guidelines for the implementation of the program. Through this grant the Department of Education seeks to establish a program to provide per pupil facilities funding to the state’s high quality charter schools. Without the matching funds provided through the State Facilities Incentive Grant, the Department lacks the authority to create a per pupil facilities funding program for the state’s charter schools.

## **Selection Criteria B: Quality of the Plan**

- 1. The likelihood that the proposed grant project will result in the state either retaining a new per pupil facilities aid program or continuing to enhance such a program without the total amount of assistance declining over a five year period.**

Indiana's proposed grant project will result in Indiana retaining a new per-pupil facilities aid program. Indiana is required by state statute to apply for the federal charter school facilities grant program, and implement a per-pupil facilities aid program for the first time if we are awarded a grant. Without this grant, Indiana will not be in a position to implement such a program. With the total amount of assistance requested, Indiana will be able to build a program that will fund a charter school per-pupil facilities program that will be stable and highly competitive for qualifying charter schools.

State matching funds for this grant will come from the Indiana Common School Fund. The Common School Fund is established in the Indiana Constitution; the Treasurer of State and state board of finance are the custodian and investor of the fund, and the state board of education administers the fund. Under statute, there are several allowable uses of the Common School Fund. Charter schools can receive advancements from the fund to cover their first six months of operations. Under the state's school funding formula, enrollment counts are taken in the fall, and payment based on those counts begins in January. However, a new charter school will not have a count from the previous year from which they would generate any funding for the July through December period of the calendar-based formula. Additionally, charter schools that expand rapidly, such as those that add a grade would also not receive funds for those new students until January. In both cases, charter schools may request and receive a loan from the Common School Fund to operate until they receive regular payments in January.

All school corporations may also request a loan from the Common School Fund to pay for limited school building costs, as well as school technology costs. In 2005, a new allowable use for the Common School Fund was added to state law. The department is required to apply for this per-pupil charter

school facilities grant, and if awarded, Indiana is required to use the Common School Fund to meet the grant's matching requirement.

As the Common School Fund is established in the Indiana Constitution, it is in no danger whatsoever of disappearing. While the amount available in Common School Fund interest can vary from year to year, the fund itself is safe and will continue in perpetuity. Additionally, the department's new leader, Dr. Tony Bennett, has embraced charter schools in a way the department's previous leadership never did. Dr. Bennett has fought against a charter school cap in the Indiana General Assembly, and has brought charter schools and charter leaders to the table of department policy-making for the first time. While Indiana does not have a per-pupil charter school facilities funding program written into state statute aside from this grant opportunity, Dr. Bennett's commitment to charter school parity will lead the department to fight for the creation of one.

In Indiana, traditional public schools pay for facilities through local property taxes. Other than the relatively small amount that a handful of school corporations receive in loans from the Common School Fund, the state does not provide facilities funding for any schools. Charter schools, however, are ineligible to receive a share of the local property tax funds that other public schools receive, and are thus left to determine funding for facilities on their own. The department wants to help even the playing field by providing per-pupil facilities funding for charters, in order to ensure as much as possible a solid financial foundation for the state's charter schools. Since Indiana's charter school law passed less than ten years ago in 2001, we have seen steady and respectable growth in numbers of charter schools. Because of issues like our payment delay and the fact that Indiana provides no facilities funding support, we have not seen the level of growth we would ideally like to see. If we were to receive this grant, we believe it would go a long way toward attracting more and a greater variety of high-quality charter applicants.

**2. The flexibility charter schools have in their use of facility funds for the various authorized purposes.**

Charter schools in Indiana currently use a variety of resources to obtain and finance their facility needs. With the discretion granted to the Department and State Board of Education to develop guidelines and adopt rules to implement the per pupil facilities grant program in Indiana, the governing boards of charter schools will retain the flexibility necessary to determine the most efficient means of providing for the school's facilities needs. The Indiana plan for charter schools use of facilities funds allows expenditures to be used for rent, purchase of a building or land (provided that the land will be used to construct the school building on the land), construction, renovation, leasehold improvements, and debt service.

Charter school organizers in Indiana have consistently chosen to locate in communities of greatest need, and have employed a variety of methods to provide for the facility needs. For example, The Southeast Neighborhood School of Excellence in Indianapolis chose to locate the school in the area as part of a concerted effort to revive and re-energize the community. The community development corporation engaged in a study to evaluate the changing needs and demographics in the area. What they found was that there was low engagement in the community, failing schools, and an increasingly diverse population. One of solutions to address their community needs was to create a charter school to serve the community. Without the assistance of the community development association to help renovate an old factory that was used to manufacture drums, the school would not exist. Even with the help of the corporation, the school has ongoing facility needs, and must direct dollars from their general fund that could be used for educational programming to continued renovation of their facility to accommodate their growing population. Another charter school that opened for the first time to students in 2009, The Indianapolis Project School, shares a similar story. Flexibility to use access and use

facilities dollars will enable the school to direct more general fund dollars to the school's educational program, while using funds specifically for facilities to remodel and improve a neighborhood building.

**3. The quality of the plan for identifying charter schools and determining their eligibility to receive funds.**

Indiana has 36 charter schools serving middle school and high school students. During the 2007-2008 school year, these schools had a combined enrollment of 10,165. A growing number of students are moving through the elementary charter system and both they and their parents wish to continue to attend and support charters at higher grade levels. This growing demand necessitates increased support from the state for new and renovated facilities for chartered middle and high schools. As demand for more facilities increases in the coming years, so will Indiana's level of support. With the influx of federal money this grant would jump-start Indiana's program and put the state on a path to sustainability.

Indiana's plan, should the state receive federal funds, is to target charter schools that serve middle and high school students which are located in districts where at least one traditional middle and/or high school has failed to meet AYP for two consecutive years or where the graduation rate is below 60 percent. The total number of students in these eligible charters will be divided by the total amount of available funding to determine the per-pupil funding level. Indiana would set a floor of no less than \$150 per pupil and would cap a single charter school at no more than \$500,000 unless the state legislature appropriates additional dollars for this program. Any charter schools receiving funds under this program must meet the same academic achievement standards as the traditional public schools—charters may not fail to meet AYP for two consecutive years and must have graduation rates greater than 60 percent.

**4. The per-pupil facilities aid formula's ability to target resources to charter schools with the greatest need and the highest proportions of students in poverty.**

While a program specifically targeted to fund facility construction and improvements for charter schools is new to Indiana, the Hoosier state already has mechanisms in place to drive funding to those schools most in need. When Indiana's Department of Education reviews applications for allocating federal PCSP planning dollars, preference points are awarded to charter schools which plan to locate in districts that have one or more traditional high schools that have failed to meet AYP for two consecutive years or have graduation rates below 60 percent. In distributing federal charter school facilities dollars, Indiana plans to use the same principal to target funding to charter schools serving middle and high school students which are planning to locate within school districts which have a high need for additional educational opportunity. These districts must have at least one high school that has not met AYP for two consecutive years or has a graduation rate below 60 percent. Charter schools located in these low-income, high-need districts will be the first to receive funds under this program.

Indiana will also ensure that every charter school receiving funding meets rigorous academic standards. Charter schools that opened prior to the 2005-2006 school year must have met AYP for two consecutive years and charter high schools that have had at least one graduating class must have graduation rates above 60 percent.

New charter schools (those that have opened since the 2005-2006 school year) will have time to establish an academic record before being held to the academic standards of not missing AYP for more than two consecutive years and having a graduation rate at or above 60%. These conditions will apply to new charter schools in their fifth academic year.

The charter must also serve a student population where at least 70 percent of enrolled students receive federal free/reduced lunch. Schools with higher free/reduced lunch populations but also meet the other requirements will receive more preference points than charter schools with lower free/reduced lunch student populations.

Establishing these criteria will help Indiana meet its goals increasing the number of high quality charter schools, enhancing the fiscal stability of charter schools, and improving charter school academic performance.

**5. For projects that plan to reserve funds for evaluation, the quality of the applicant's plan to use grant funds for this purpose.**

The Indiana Department of Education is committed to reserving approximately 15% of its 5% administrative set-aside for project evaluation, as it believes that evaluation is the key to project success, and ultimately continued per pupil funding for Indiana charter schools after the State Charter School Facilities Grant has expired. The IDOE is not permitted to contract with its evaluator without a proposal review process; therefore, the IDOE cannot name its evaluator in this grant application. However, the IDOE plans to contract with an evaluator that has experience with charter school evaluation, experience working with state departments of education, and evidence of high quality and appropriate evaluation projects that have been completed. The IDOE will also look at cost effectiveness and the best value for its investment. Applicants will be required to submit samples of work that have been conducted, as well as references that the IDOE can contact.

For example, the IDOE may look at contracting with an agency such as the Center for Evaluation and Education Policy (CEEP), a non-partisan evaluation center located at Indiana University. CEEP has experience evaluating charter school projects in other states (e.g., Georgia), as well as conducting early charter school evaluations in Indiana (2003-2004 and 2008). Moreover, CEEP has years of experience in high-profile educational evaluations (e.g., the Michigan Comprehensive School Reform project; Cleveland Schools Voucher project evaluation; and the evaluation of the Kentucky 21<sup>st</sup> Century Community Learning Centers) and has demonstrated its ability to provide quality outcomes for a small price (e.g., the Indiana Department of Education's Alternative Education Profile Project). It is qualities such as these that the SEA will look at when selecting its independent evaluator. However, please note

that CEEP is listed here merely as an example of qualities that the SEA will examine in selecting its evaluator, as the IDOE is committed to following rules, policies, and procedures in conducting the request for proposal process and selecting its evaluator. The SEA estimates that a number of organizations, including various universities throughout Indiana, as well as CEEP, will apply.

The IDOE engaged in a logic model creation process for this grant application. After formulating the logic model, the SEA applicants created project goals, followed by activities to be undertaken in order to achieve the goals. Finally, the SEA created performance indicators to help it determine (along with its independent evaluator) whether it has met its goals.

The evaluation model will be both formative and summative, as it is important to ensure that implementation is appropriate and effective before we can ensure that outcomes are achieved. Even prior to knowing whether it will receive the State Charter School Facilities Incentive grant, the SEA will begin the request for proposal process for contracting with an independent evaluator. The SEA will make it clear to applicants that funding and funding amounts cannot be guaranteed; thus, the independent evaluator selected must also be flexible (in addition to exhibiting the characteristics noted above). If awarded a grant, the SEA hopes to be in a position to award its evaluation contract by January of 2010.

**6. For projects that plan to reserve funds for technical assistance, dissemination, or personnel, the quality of the applicant's plan to use grant funds for these purposes.**

If awarded a State Charter School Facilities Incentive Grant Indiana will implement a per pupil facilities aid program for the first time. In order to properly and successfully implement the program, the IDOE will need to hire a qualified project director, institute the process for distributing funds to charter schools under the program, select an independent evaluator, disseminate information about the availability of funds, and provide technical assistance on the use of funds.

Upon receiving a grant award, the SEA will begin a program of technical assistance specifically designed for schools that meet the state's funding priorities of middle schools and high schools located in the areas of highest need. Highest need is defined, for the purposes of this grant, as a school that is located in a school corporation where there is a middle school or high school that has not met AYP for at least two years or a high school has a graduation rate of less than 60%. Charter schools opening for the first time after the 2005-2006 school year, located in these districts will be eligible to apply for funds under the state's per pupil facilities funding grant. Schools that meet the priority funding criteria and opened to students for the first time prior to the 2005-2006 school year will be able to apply if the school meets the criteria.

For example, Charles A. Tindley Accelerated School in Indianapolis, which opened for the 2004-2005 school year, would be able to apply for per pupil facilities funds under the per pupil facilities funding program because they are located in a school corporation (Indianapolis Public Schools) that has multiple high schools that have not made AYP for at least the past two consecutive years. In addition, Charles A. Tindley has made AYP consistently for the past three years and has a graduation rate of 63.2%. Charles A. Tindley Accelerated School would be able to continue to receive funds under the grant program as long as the school maintains a graduation rate above 60% and does not miss AYP targets for more than 2 consecutive years.

Technical Assistance under the program would consist of two programs, one for existing charter schools and one for new charter schools. The technical assistance program for existing schools will consist of identifying the charter schools that meet the priority funding criteria and creating a workshop program to enable the schools to apply for per pupil facilities funds. Workshops will be designed around providing one-on-one grant assistance to the schools that meet the funding criteria. Charter school staff will be walked through the application process and the criteria for the school to continue to receive funding under the established funding priorities. While the process would be created around one-on-

one assistance, the IDOE would use all technological resources available to make the information about the grant accessible to all schools eligible for priority funding under this grant. The department has expert staff able to create video training segments, podcasts, and online workgroups through the moodle environment.

The one-to-one assistance program, starting with the identification of priority funding schools, would begin upon the SEA's notification of receipt of the grant award. Workshops for identified schools would begin after the state's established "count day", the second Friday following Labor Day in September, for establishing a school's official ADM count for the school year.

The second focus of the technical assistance program would be designed around supporting the creation of new high quality charter schools. Under the per pupil facilities priorities established under this grant, new charter middle and high schools would have 5 years to establish an academic record, while receiving funds under the grant, before the schools could potentially be removed from receiving per pupil funds due to lack of academic performance. The SEA proposes to create a partnership with the Indiana Public Charter Schools Association (Association) to help foster the creation of new, high quality charter schools in the state.

The Association is beginning a program to assist potential charter school organizers write high quality charter school applications to be submitted to a variety of sponsors in the state for approval. Through funds available for technical assistance and dissemination of information about the potential for per pupil facilities funding for charter schools locating in the areas of highest need in the state, the Department believes it can partner with the Association to inform communities about charter schools and drive entrepreneurial creation of high quality charter schools.

The activities of this grant for technical assistance and dissemination, particularly in the area of support for the creation of new charter schools, are designed to work in concert with the Public Charter Schools Program (PCSP) grant currently administered by the Department of Education.

### **Selection Criteria C- The Grant Project Team**

A per-pupil charter school facilities grant manager will be hired upon receipt of a grant award under this program. Depending on the qualifications of the person chosen, Indiana will offer a salary between \$40,000 and \$50,000. The grant manager will need to understand charter school issues, school facilities issues, and grants management issues. The project director will be part of a growing team of charter school staff in the new administration. The project manager will be responsible for the day-to-day administration of the grant, and will be supported by a cross functional department team that has created a staffing plan adequate and appropriate to the grant.

Kimb Stewart will serve as coordinator of all charter school programs for the department. The person we hire to manage the per-pupil facilities grant will work under Kimb's direction, as she has a vast knowledge of Indiana's charter schools as well as monitoring federal grant programs. The per-pupil charter school facilities grant manager will develop the sub-grant RFP, will ensure the charter community is aware of the availability of sub-grants, will work with potential sub-grantee charter schools to ensure they know when and how to apply, will coordinate the application process, and will monitor the winning sub-grantee schools. She, along with Kimb Stewart, will develop the program evaluation and will develop priorities for uses of the administrative funding allowed under the rules of the grant. They will coordinate the process of awarding any sub-grants made using administrative funds, and will also develop a plan for technical assistance needed by grantees under the program. For any assistance they need, they will call on the department's chief policy advisor, Marcie Brown. Fiscal issues and management will be coordinated by the Department's accounting staff within the division of finance. The Department's Data Analysis, Collection and Reporting unit within the Information Technology division, will also be available to assist with data collection and evaluation.

The project manager will also receive support from other department staff as needed, including Jeff Zaring. For many years, Jeff has served as the Department's State Board of Education Administrator.

Along with those duties, Jeff has taken on additional responsibilities in the areas of results and reform. As part of those duties, Kimb Stewart will report to Jeff on the operation and administration of the state's charter school programs. In addition, Jeff will play a vital role in working with the State Board of Education to pass rules related to the administration of the per pupil facilities grant program in Indiana.

The new administrative team at the Department has standardized operations, budget, and financial management of grants. Lance Rhodes is the Chief Financial Officer for the Department, and has oversight of the Office of Accounting. Upon receipt of a grant award, the project director will have the support of an account manager and a controller who will assist the project director in the distribution of funds to charter schools receiving per pupil facilities aid and tracking and payment of administrative budget expenditures.

Finally, the project director will work closely with the Director of School Finance to disseminate information about the grant to charter schools and to properly implement the formula to determine the exact amount of per pupil funding each eligible charter school will receive.

#### **Selection Criteria D: The Budget**

##### **1. The extent to which the requested grant amount and the project costs are reasonable in relation to the objectives, design, and potential significance of the proposed grant project.**

Indiana's three objectives for utilizing this grant are to increase the number of high-quality charters, enhance the fiscal stability of Indiana's charters and to increase student academic achievement. With assistance from the federal government, Indiana will be able to create and implement a specific facilities funding program for charter schools. This dedicated funding source will be a leading factor in increasing the number of charter schools. Also, by tying this funding to academic performance in the form of AYP and graduation rates, Indiana ensures its charters are meeting or exceeding the same rigorous standards all other public schools are expected to meet. In addition, for high-quality charters that excel in preparing students to compete in our global economy but often still

have difficulty meeting facility expenses, this dedicated funding source should shore up their fiscal stability.

**2. The extent to which the costs are reasonable in relation to the number of students served and to the anticipated results and benefits.**

If students are to learn, they must have a suitable facility where they can feel safe and are free from distractions. This grant can play a vital role in that effort by assisting Indiana in its development of a sustainable, targeted facilities funding formula for charter schools. Indiana's target is to self-fund \$6 million in six years in addition to the loans currently made available to charter school start-up costs. As Indiana ramps up state funding each year, the federal government will be asked to dial back their support.

Indiana currently has more than 15,600 students enrolled in more than 50 charter schools all across the state. The funds being requested are not sufficient to construct new charter school facilities in every Hoosier community, but they are sufficient to provide funds for charter middle and high schools in Indiana's most academically and economically depressed communities to make much needed repairs that would otherwise go unfunded. It is also a sufficient sum to seed what will be a long-lasting program. With a little help from this grant, Hoosier students in our highest-need communities will have the education choices they have long desired.

**3. The extent to which the non-Federal share exceeds the minimum percentages, particularly in the initial years of the program.**

Indiana is requesting an upfront infusion of federal dollars to jump-start this program. Indiana is also requesting that federal support diminish over time in direct proportion to increases in state funding levels. In years one and two, the state is asked to fund 10 percent and 20 percent of the total amount respectively. Under Indiana's proposed budget, the state pledges to support 16.67 percent of the total amount in the first year and 33.33 percent of the total amount in the second year—67 percent more

than the minimum state contribution required under the guidelines of this grant. Over the final three years, Indiana's financial commitment to the program will continue to grow and Indiana's contribution will exceed the federal minimum requirements in every year of the grant.