

# Indiana Charter School Board

## CHARTER APPLICATION FAQ

## **1. What is a charter school?**

A “charter school” is a public elementary school or secondary school that is nonsectarian and nonreligious and operates under a “charter,” which is a contract between an “organizer” and an “authorizer.” An “organizer” is a nonprofit tax-exempt corporation that has entered into a contract with an authorizer to operate a charter school.

Charter schools are given freedom and flexibility from certain laws and requirements in exchange for exceptional levels of accountability. More information about the Accountability System used by the Indiana Charter School Board (“ICSB”) may be found [here](#).

Indiana’s charter school law may be found in Indiana Code (“IC”) § 20-24. The most recent version of the Indiana Code may be found [here](#), under the subheading Laws. While ICSB staff can answer general questions regarding the laws governing charter schools, applicants should consult with legal counsel for assistance with questions of specific applicability.

## **2. Who may apply for a charter from ICSB?**

Any individual or group may apply for a charter. However, ICSB may only grant a charter to a nonprofit corporation that is incorporated or registered to do business in Indiana and which has been recognized by the Internal Revenue Service to be tax exempt under section 501(c)(3) of the Internal Revenue Code (“IRC”) (as a “school” pursuant to IRC 170(b)(1)(A)(ii)). While an applicant is not required to be a 501(c)(3) at the time an application is filed (they may be in the process of seeking tax-exemption), the organization must have obtained tax-exempt status by the time the school opens to serve students.

## **3. Which application should I file?**

ICSB offers two general charter applications: a Charter Application for New School Operators and a Charter Application for Experienced School Operators. An applicant group should file a Charter Application for New School Operators if the group has not previously operated a charter school and is not planning to contract

with an Education Service Provider (“ESP”) for education management services. An ESP is defined as a “for profit education management organization, nonprofit charter management organization, school design provider, or any other partner entity with which a charter school intends to contract for educational design, implementation, or comprehensive management.”

The fact that a member of a proposed governing body has formerly served on the board of another charter school does not disqualify an applicant group from applying as a New School Operator.

An applicant group should file a Charter Application for Experienced School Operators if either: (a) the group has previously operated a charter school or a network of charter schools; or (b) the group has not previously operated a charter school but intends to contract with an ESP. The Application focuses on an evaluation of the existing school or schools currently managed by the applicant group or ESP, specifically academic and financial performance, and the capacity of the existing governing board to replicate.

ICSB also offers applications for special cases, including: a Charter School Application for a Change in Authorizer, a Charter School Application for a Currently Operating Non-Charter School, a Charter School Application for Replication of an Existing School, as well as Applications for Charter Mergers, Charter Splits, and Charter Expansions. Please see the [Charter Application Process](#) page of ICSB’s website for more information and application resources.

#### **4. How many application cycles does ICSB have per year?**

ICSB conducts two rolling application cycles per year, a Spring application cycle, with a charter decision by May, and a Fall application cycle, with a charter decision in December. Each cycle generally takes around four (4) months to complete, beginning with the receipt of the Letter of Intent to the date of the ICSB board meeting where a final decision is made. Please refer to ICSB’s [website](#) for specific application cycle timelines.

Please note that, absent special circumstances, ICSB will not approve a school to open in the same year that an application is submitted. For example, ICSB generally

will not approve a Spring Application for a school to open in the Fall of the same year.

#### **5. Will the ICSB consider applications outside of its Spring and Fall Cycles?**

Due to the length of the application process, ICSB does not generally accept applications outside of the Spring and Fall application cycles. However, exceptions may be made under extraordinary circumstances. Please contact ICSB staff if you believe such circumstances exist with respect to your request.

#### **6. May an applicant apply for more than one charter?**

While an applicant group may apply for more than one charter in a single application, ICSB generally does not permit an organizer to open more than a single school in one year. Once an applicant has successfully opened the initial school and has had sufficient time demonstrate academic performance and financial stability, typically at least two (2) years, the organizer may request to open additional schools through ICSB's Charter Activation Request Procedure. Applications for more than one charter should address, in all relevant documents and sections, the specific timeline and expectations for subsequent schools.

#### **7. What is a virtual charter school?**

A "virtual charter school" is defined by Indiana Code as any charter school in which more than fifty percent (50%) of instruction is provided in an interactive learning environment created through technology in which students are separated from their teacher by time or space, or both. A virtual charter school may only be authorized by a statewide charter authorizer, such as ICSB, and may only enroll students who are residents of Indiana.

There is no separate definition for a "blended" or "hybrid" school. The school either meets the definition of a virtual charter school or it does not. If it does not, it is treated like a traditional brick and mortar school and is not subject to the additional requirements for virtual charter schools.

These additional requirements, which can be found in can be found in IC §§ [20-24-5-](#)

[4.5 & 20-24-7-13](#), include student onboarding, student engagement and attendance (including the methodology used to determine attendance), tracking and monitoring student participation, and teacher training. Virtual charter schools are responsible, in partnership with ICSB, in ensuring compliance with these requirements.

Beginning with the 2019-20 SY, virtual instruction is determined and funded on a per-student rather than per-school basis for all schools. Any student at any public school, including a charter school, for whom at least fifty percent (50%) of the instructional services received from the school is virtual instruction is considered a “virtual student” and the school receives eighty-five percent (85%) of the foundation amount for that student.

## **8. Who should I put on my governing board?**

Governing a charter school, especially during its initial start-up period, can be a demanding experience. The governing board is both the fiscal agent of the charter school and ultimately responsible to the authorizer for the school’s academic performance and compliance with all applicable laws.

Serving on the governing board of a charter school requires a significant investment of time and skills on the part of each charter school board member. ICSB carefully assesses the qualifications and experiences of proposed governing body members to ensure the applicant demonstrates the ability to oversee a high-performing charter school and fulfill all fiduciary obligations as the charter holder. At a minimum, a governing board should include an individual or individuals with experience and/or expertise in school leadership, administration, and governance and an individual or individuals with experience and/or expertise in finance, business, and accounting. Other recommended experience or expertise includes, but is not limited to:

- a) Curriculum, instruction, and assessment.
- a) Performance management.
- b) Parent and community engagement.
- c) Facilities management.
- d) Legal compliance.

Applicants should also carefully review Indiana's Public Access Laws, including Indiana's Open Door Law (IC § 5-14-1.5) and Access to Public Records Act (IC § 5-14-1.5). Charter school governing bodies are subject to both laws, which govern board meetings and access to public records. Indiana's Public Access Counselor maintains a handbook that provides clear guidance as well as helpful real-life scenarios to entities that must comply with these laws. The handbook may be found on the Public Access Counselor's [website](#) (under the title bar "I Want To – Download the Public Access Handbook").

**9. How many governing board members should I have?**

While ICSB does not require a specific number of governing board members, applicants must ensure that there are a sufficient number of members to meet quorum requirements and that the members that are actively governing the school possess the required qualifications and experience. Evidence of a disengaged or inactive governing board may result in corrective action or charter revocation.

**10. Does ICSB require applicants to partner with an ESP to manage operations?**

No. During the application process, ICSB carefully assesses each applicant's capacity to govern and operate a high-performing charter school, in accordance with the performance expectations described in ICSB's Accountability System. Each applicant should be familiar with these performance expectations at the time the application is submitted.

**11. Does it matter if our ESP partner is non-profit or for-profit?**

No. ICSB is focused solely upon whether the ESP partner can deliver strong academic outcomes for students, maintain good financial health, operate effectively, and comply with all applicable charter school laws. Note that any ESP partner with whom a charter school wishes to contract must be registered to do business in Indiana with the Indiana Secretary of State's office.

**12. When assessing an experienced operator or ESP's performance track record, what are you looking for?**

ICSB assesses the operator or ESP's demonstrated success in delivering strong academic outcomes for all enrolled students, maintaining good financial health, and complying with all applicable laws.

In addition, it assesses whether the operator or ESP has adequate systems in place to identify underperformance and to implement effective corrective actions in any underperforming schools.

**13. Am I required to identify a location or specific facility before submitting an application?**

ICSB does not require applicants to have identified or secured a specific facility prior to submission of an application. However, at a minimum, applicants must identify a general location for the proposed charter school. This can be a specific neighborhood, community, or otherwise identifiable area.

Identifying a location is a critical part of a charter application as it has a direct impact on a school's proposed community engagement activities, partnerships, marketing, and recruitment. A school's ability to hit its enrollment targets, the single most important factor in meeting budget projections, often depends on whether there is sufficient demand for the school at the proposed grade levels. As such, ICSB expects applicants to demonstrate they are familiar with the current need and demand in the proposed location and to explain why there is a need or demand for the charter school, including an analysis of nearby schools serving the same grade configuration.

While ICSB does not require applicants to identify a specific facility, ICSB strongly suggests that applicants identify at least one potential facility before submission. Charter approval is based upon the assumptions and representations made in the charter application and budget. Without written approval from the Executive Director, an applicant may not open in a facility that is located outside of the location identified in the application. If the change in location is material, e.g., in an entirely different school corporation, it may require additional approval by ICSB's board.

Charter school facilities must comply with state and local health and safety requirements as required by the Indiana State Department of Health, Office of the State Fire Marshall, local departments of public works and the corresponding local agencies. In addition, charter school applicants must be prepared to follow applicable city or town planning review procedures. If a facility has been identified, the applicant must conduct due diligence with potential charter school lenders and developers to determine whether the targeted facility is zoned appropriately, is suitable for the proposed school model, and is affordable. Applicants must also be prepared to provide specific facility cost inputs into their budget when preparing the 5-Year pro forma budget.

#### Additional Requirements for Applicants proposing to locate within Indianapolis Public Schools

Due to the high number of schools located within the Indianapolis Public School (“IPS”) district, applicants proposing to locate within IPS boundaries must identify at least one specific location. Identification of a general location, e.g., east-side, north-side, zip code, is not sufficient to satisfy this requirement. Applicants must also provide a need/demand analysis in the application for each proposed location

Almost all traditional public and charter schools located within IPS use a unified enrollment system managed by Enroll Indy. More information, including a list of currently participating schools (searchable by address) can be found on the [Enroll Indy](#) and [School Finder](#) web pages.

#### **14. What is the Unused Facility law?**

The Unused Facility law (IC § 20-26-7-1) requires traditional school corporations in the state to offer school buildings no longer being used for classroom instruction to charter schools for purchase or lease for one dollar (\$1). More information can be found on IDOE’s [unused building webpage](#).

#### **15. How are charter schools funded?**

General funding information:



- The state operates on a July 1-June 30 fiscal year; per-pupil funding is calculated twice a year based upon student enrollment in September and February and is paid monthly.
- First year charter schools currently provide enrollment information in April to determine the state funding they receive from July to October, then the amount of funding is reconciled in November and December based on the September student enrollment count. For simplicity's sake, ICSB's budget template uses a single ADM count date. Applicants should be certain to reflect this reality in their budget submissions.
- Legislation from 2015 added the [Charter and Innovation Network School Grant Program](#) which provides grants (\$Effective FY23 \$1,250 per eligible ADM pupil) to qualifying charter schools.
- Funding for virtual instruction is determined on a per-student basis. Any student at a public school, including a charter school, for whom at least fifty percent (50%) of the instructional services received from the school is virtual instruction is considered a "virtual student" and the school receives eighty-five percent (85%) of the foundation amount for that student.

Additional information may be found in ICSB's [Start-Up Manual](#). The ICSB strongly encourages all applicants to contact the IDOE [Office of School Finance](#) directly with questions about per-pupil funding.

#### **16. How much philanthropic funding should the 5-year pro forma budget assume?**

A charter school's ability to secure philanthropic support or federal grants to support school start-up and operations will depend upon many factors. An applicant should not assume that such grants will be secured. Therefore, ICSB advises applicants to build their operating budget conservatively, assuming no philanthropic or grant funding for core school operations.

#### **17. What happens if my charter application is declined?**

If ICSB rejects a charter school application, the applicant may either amend the charter school application to address any deficiencies and resubmit the proposal

to ICSB during the following cycle or submit a charter school application to another authorizer. There is no statutory limit to the number of times an applicant may submit a charter school application.