



INDIANA STATE BOARD OF EDUCATION

TO: State Board of Education

FROM: John Snethen, Interim Executive Director

RE: Charter and Innovation School Advance Program

DATE: October 6, 2015

Three Recommendations: For the Charter and Innovation School Advance Program, we recommend:

(1) setting aside an initial \$10 million for use by charter schools in their first year of operation in the 2016–17 school year.

(2) if the aggregate minimum requested advances from all applications exceeds \$40,000,000 for the current 2015-16 school year application cycle, adopt a per pupil funding formula this year that is calculated by dividing \$40,000,000 by the final, non-estimate Fall ADM of all charter schools applying for the Advance Program by the October 31st, 2015 deadline.

(3) if the aggregate requested advances from all applications is less than 40,000,000 staff's third recommendations is to approve that these surplus funds be set aside along with the initial \$10 million for the 2016–17 school year application cycle.

The General Assembly this year established the Charter and Innovation School Advance Program.¹ The Advance Program is to provide low-interest advances to charter schools for educational purposes, consistent with the General Fund use under IC 20-40-2 applicable to charter schools and charter school activity under IC 20-24 in general

The Advance Program is funded at \$50 million for the biennium. Out of that \$50 million, we recommend the Board set aside \$10 million to be available for charter schools in the 2016–17 school year. This will leave up to \$40 million available to charter schools for the 2015–16 school year.

We recommend that the Board adopt a per-pupil funding formula that will be used if the aggregate requested advances from all applications exceeds \$40,000,000 for the current 2015-16 school year application cycle. A per-pupil funding formula was contemplated by the General Assembly, which gave the Board permission to loan money from the Advance Program based on a per-pupil amount. We recommend that the per pupil funding formula be calculated by dividing \$40 million by the final Fall

¹ Ind. Code § 20-49-9 *et seq.*

ADM of all charter schools applying for a loan from the Advance Program by the October 31st deadline. We also recommend: 1) that if the aggregate minimum requested advances from all applications exceeds \$40,000,000 for the current 2015-16 school year application cycle, the per pupil funding formula is applied; and 2) if the aggregate requested advances from all applications is less than 40,000,000 that these surplus funds be set aside along with the initial \$10 million for the 2016–17 school year application cycle.

We believe this approach is fair and fiscally responsible. It is fair because it ensures sufficient advance funds to all public school children in charter schools. It is fiscally responsible because these loans will be repaid solely by deducting loan repayments from a charter school's tuition support.

If the Board accepts these recommendations, than a motion should be made as follows:

Move to adopt the three recommendations provided above.

The Board then should make a motion to approve the following 12 loan applications. Attached is a list of the 12 applications that briefly summarizes the Information submitted.

[See following page]

1. The Bloomington Project School

- Estimated No. of Students: 277
- Requested
 - Facilities: \$26,000
 - Technology: \$40,613
- Total: \$66,613
- Per Pupil Amount Requested: \$240

- **Recommendation**
 - **Approve with the amount TBD after the September ADM count.**

2. Carpe Diem Innovative School—Meridian

- Estimated No. of Students: 199
- Requested
 - Operating costs: \$218,789
 - Technology: \$731,211
 - Furniture: \$482,047
 - Project Materials \$300,000
 - Data System/Curriculum: \$200,000
 - Professional Development: \$100,000
- Total: \$2,032,047
- Per pupil amount requested: \$10,211

- **Recommendation:**
 - **Approve with the amount TBD after the September ADM count.**

3. Carpe Diem Innovative School—Northwest

- Estimated No. of Students: 65
- Requested
 - Loan Payoffs: \$940,347
 - Startup costs: \$408,207
 - Operating costs: \$1,177,090
 - Technology: \$200,000
 - Furniture: \$95,620
 - Project materials: \$150,000
- Total: \$2,971,264
- Per pupil amount requested: \$45,712

- **Recommendation:**
 - **Approve with the amount TBD after the September ADM count.**

4. Carpe Diem Innovative School—Shadeland

- Estimated No. of Students: 69
- Requested
 - Loan Payoffs: \$978,898
 - Startup costs: \$356,962
 - Operating costs: \$791,231
 - Technology: \$200,000
 - Furniture: \$95,620
 - Project materials: \$150,000
- Total: \$3,105,989
- Per pupil amount requested: \$45,014

- **Recommendation:**
 - **Approve with the amount TBD after the September ADM count.**

5. Charter School of the Dunes

- Estimated No. of Students: 503
- Requested
 - Textbooks: \$200,000
 - Tech Lab & Computers: \$50,000
 - STEAM curriculum: \$50,000
 - Playground: \$75,000
 - Marquee: \$25,000
 - Reserves: \$100,000
- Total: \$500,000
- Per pupil amount requested: \$994

- **Recommendation:**
 - **Approve with the amount TBD after the September ADM count.**

6. Duggar Union Community Schools

- Estimated No. of Students: 538
- Requested
 - Facility improvement: \$492,000
 - Equipment: \$170,000
 - Furniture: \$31,000
 - School buses: \$190,000
 - Athletic equipment: \$32,000
 - Athletic improvements: \$25,000
- Total: \$940,000
- Per pupil amount requested: \$1,747

- **Recommendation:**
 - **Approve with the amount TBD after the September ADM count.**

7. Geist Montessori Academy
- Estimated No. of Students: 354
 - Requested
 - Facility construction: \$5,000,000
 - Total: \$5,000,000
 - Per pupil amount requested: \$14,124

 - **Recommendation:**
 - **Approve with the amount TBD after the September ADM count.**
8. IMSA West
- Estimated No. of Students: 529
 - Requested
 - Facility purchase: \$3,260,000
 - Total: \$3,260,000
 - Per pupil amount requested: \$6,162

 - **Recommendation:**
 - **Approve with the amount TBD after the September ADM count.**
9. Indiana College Preparatory School
- Estimated No. of Students: 304
 - Requested
 - Best practices material: \$2,000
 - Curriculum: \$84,000
 - Furniture: \$145,000
 - Technology: \$135,000
 - Mortgage: \$103,500
 - Personnel: \$280,500
 - Total: \$750,000
 - Per pupil amount requested: \$2,467

 - **Recommendation:**
 - **Approve with the amount TBD after the September ADM count.**

10. Irvington Community Schools

- Estimated No. of Students: 1,040
- Requested
 - Technology: \$537,000
 - Facility Improvements: \$370,000
- Total: \$750,000
- Per pupil amount requested: \$872

- **Recommendation:**
 - **Approve with the amount TBD after the September ADM count.**

11. Neighbors New Vista High School

- Estimated No. of Students: 185
- Requested
 - Facility Purchase: \$2,000,000
- Total: \$2,000,000
- Per pupil amount requested: \$10,811

- **Recommendation:**
 - **Approve with the amount TBD after the September ADM count.**

12. Southeast Neighborhood School of Excellence, Inc.

- Estimated No. of Students: 483
- Requested
 - Facility Purchase: \$3,740,000
- Total: \$3,740,000
- Per pupil amount requested: \$7,743

- **Recommendation:**
 - **Approve with the amount TBD after the September ADM count.**