Fast Break in Indianapolis

A New Approach to Charter Schooling

by Bryan C. Hassel

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PROGRESSIVE POLICY INSTITUTE

Preface

Educationally, something is happening in Indianapolis that merits national attention. The mayor of Indianapolis, Democrat Bart Peterson, is chartering public schools to expand educational opportunities for Indianapolis students. While charters are a familiar feature in some urban communities, no other mayor in the country has the authority to charter schools equal to Peterson's.

But with that authority comes great responsibility. As Bryan C. Hassel shows in this examination of charter schooling in Indianapolis, Mayor Peterson and his staff have been deliberate in how they have approached the challenge of chartering schools. The mayor's high quality authorizing strategy is a model worthy of emulation elsewhere. Moreover, in the three short years after the inception of Indiana's charter law, Hassel is optimistic about the Indianapolis experience. He also, however, identifies some key challenges and lessons for other municipalities seeking to replicate this innovative approach to delivering public education.

Indianapolis is truly at the vanguard of educational innovation because they are taking the charter school idea in a new direction. That is why Hassel's paper is an important resource for educators, policymakers, journalists, and others with interest in charter schooling in Indianapolis and throughout the nation. For full disclosure, Hassel has been deeply involved with the design of the Indianapolis charter initiative from the start, serving as a consultant to the mayor's office. Of course, this means he is not a removed, outside observer. However, this report and the data behind it are transparent and we believe that his involvement provides an "inside" perspective that is valuable for describing Indianapolis' unique story. In addition, the Annie E. Casey Foundation has been a leading supporter of the Indianapolis charter initiative, but was not involved at any point in the preparation or production of this study.

*Fast Break i*s the fifth in a series of reports that analyze state and urban experiences with charter schooling. Other reports examined California, Minnesota, Arizona, and New York City. The 21st Century Schools Project will produce similar analyses this year about charter schooling in Ohio and Texas.

The 21st Century Schools Project at the Progressive Policy Institute works to develop education policy and foster innovation to ensure that America's public schools are an engine of equal opportunity in the knowledge economy. The Project supports initiatives to strengthen accountability, increase equity, improve teacher quality, and expand choice and innovation within public education through research, publications and articles, an electronic newsletter and daily weblog, and work with policymakers and practitioners.

The goals of the 21st Century Schools Project are a natural extension of the mission of the Progressive Policy Institute, which is to define and promote a new progressive politics for the 21st century. The Institute's core philosophy stems from the belief that America is ill served by an obsolete left-right debate that is out of step with the powerful forces reshaping our society and economy. The Institute believes in adapting the progressive tradition in American politics to the realities of the Information Age by moving beyond the liberal impulse to defend the bureaucratic status quo and the conservative bid to dismantle government. More information on the project and PPI is available at *www.ppionline.org.*

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Andrew J. Rotherham
Director, 21st Century Schools Project
September 2004

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Executive Summary

Indianapolis Mayor Bart Peterson is the nation's only mayor with the authority to issue charters for new public schools. He has seized the opportunity to create a new "sector" of public schools within the city that provides new options to the children and families that need them the most.

As of August 2004, 10 schools chartered by Mayor Peterson are open, educating approximately 1,900 students. Three more schools have received charters and will open in 2005 or 2006. Together, these schools will enroll nearly 4,500 students by 2008. Students in the existing schools are a cross section of Indianapolis' population, with high percentages of students of color, students eligible for free and reduced-price lunch, and students struggling academically. Mayor Peterson continues to seek out additional applicants. As a result, charter schools will become an even more significant part of the city's educational landscape over the next few years.

Although the city's charter schools initiative is young, the early results are promising:

❒ **Community leadership:** Some of the city's most prominent community organizations and citizens have stepped forward to start charter schools.

❒ **Family interest:** Families are flocking to sign their children up for the schools' open admissions lotteries.

❒ **Parent satisfaction:** On confidential surveys, parents express a high level of satisfaction with charter schools and their academic programs— and satisfaction rates are rising.

❒ **Student learning:** Students in charter elementary and middle schools are making impressive progress in reading, math, and language, according to a sophisticated "value-added"[1] analysis commissioned by the mayor's office.

With strong philanthropic support from the Annie E. Casey and Richard M. Fairbanks Foundations, the mayor's office has invested in a set of systems designed to lay the groundwork for a high-quality initiative. These include:

❒ The "Seed" Initiative, which is recruiting charter school applicants who promise to use proven school models in new charter schools in Indianapolis;

❒ The "Lead" Initiative, in which the mayor's office is partnering with Building Excellent Schools, a nonprofit organization that supports charter schools, to identify and train excellent leaders for new charter schools;

❒ A facilities financing fund, through which the Indianapolis Public Improvement Bond Bank will provide low-cost financing for charter schools' capital projects;

❒ A rigorous application process that sets a high bar for charter approval; and

❒ Numerous partnerships with public and private organizations to help the schools succeed.

In addition, the mayor's office has established a comprehensive accountability system to track school performance. Through a combination of standardized testing, site visits by an expert team, confidential surveys of parents and staff, and outside review of schools' finances, the mayor's office gathers a broad range of data about school performance. Through its website and an annual *Accountability Report*, the mayor then shares this information widely with parents and the public.

The initial experience of a mayor-led charter initiative in Indianapolis yields a number of important lessons for state policymakers, mayors, and charter school authorizers:

❒ **The value of a mayor as a charter school champion.** Mayors have an array of political, financial, and governmental resources at their disposal that make them valuable allies for a growing charter sector.

❒ **The value of a mayor as a charter school authorizer.** Mayors have numerous advantages as

charter school authorizers, such as their accountability to the public and their intimate knowledge of the community.

❑ **Challenges of mayoral authorizing.** Playing the role of authorizer requires an extraordinary commitment of time and resources. Further, as elected officials with limited terms, mayors come and go, creating uncertainty about the future of any mayor-led charter initiative.

❑ **Challenges of ensuring a strong supply of charter applicants.** Though initial interest was strong in Indianapolis, the supply of qualified new applicants slowed quickly, as has been the case elsewhere. The mayor's office has taken steps to address this challenge, but it remains daunting in Indianapolis and elsewhere.

❑ **The importance of partnerships.** The Indianapolis initiative has thrived initially due in part to how community organizations and leaders have stepped forward to support it by founding schools, supporting schools, providing funding, and boosting community support for chartering.

❑ **Quality: the essential ingredient.** The commitment of the mayor's office to quality is a vital underpinning of the whole effort. Central to this commitment is transparency—making information about the schools and the mayor's processes open to constant scrutiny by the public. Transparency is what makes it possible for the mayor to hold schools accountable while limiting constraints on their autonomy as charter schools.

These lessons suggest recommendations for states, mayors, and charter authorizers elsewhere. More states should experiment with giving mayors authorization power and placing mayors within a broader set of multiple authorizers. More mayors should explore charter authorizing and other ways of supporting chartering. Authorizers of all kinds should find ways to allocate sufficient resources to the task— or stay out of the authorizing business. And a wide range of actors should become more involved in generating a supply of high-quality charter applicants for charters.

While much remains to be seen about the charter initiative in Indianapolis, the groundwork is in place for a vital addition to public education in that city—and beyond.

Introduction

On May 2, 2001, Indiana's charter schools legislation became law, giving the mayor of Indianapolis the power to issue charters to create and operate new public schools. The next day, Mayor Peterson, who advocated and anticipated passage of the law, announced his process for accepting charter school applications. In doing so, he seized the opportunity to create a new sector of public schools that offers fresh options for families, especially those who now lack meaningful educational opportunities. Already, the initiative is off to a compelling start. Several of Indianapolis' most distinguished social services agencies, neighborhood leaders and groups, philanthropists, businesspeople, and civic leaders have stepped forward to create charter schools, bringing new leadership into public education. In the first five schools, parent satisfaction is high and rising, most students are progressing in reading and math, and expert site visitors have given the schools high marks. In addition, five new schools opened in August 2004, with three more slated to start in 2005 and 2006. By fall 2008, these 13 schools will enroll nearly 4,500 students, and the mayor is likely to authorize additional schools between now and then. As a result, the Indianapolis charter school initiative is emerging as a significant feature on the public school landscape.

Mayor Peterson took office in 2001 determined to support and improve Indianapolis' public schools. Like most mayors, however, he had no formal role in overseeing public education. Years of effort by the school system and community leaders had made a difference, but much more was needed to ensure that the city's children had access to top-notch schools. Less than one-half of entering ninth graders in the area's largest school district, the center-city Indianapolis Public Schools (IPS), were going on to finish high school on time.[2] In the earlier grades, far too many students failed to master the basics. In 2000-2001, only 17 percent of African American sixth graders in IPS passed the state's language arts test, and only 25 percent passed math.[3] Passing rates were improving, but not fast enough.[4]

From Mayor Peterson's point of view, it was imperative to act. Eager from the outset to support the 11 school districts within the city, known in Indiana as "corporations," the mayor began to meet with the school superintendents regularly. He enthusiastically backed a bond issue to bring vital capital funds to the IPS, and worked with district leaders to raise philanthropic funds for schools.

But at the same time, the mayor knew that he needed to do more to bring educational opportunities to the city's children and families. As a result, immediately after the Legislature passed Indiana's charter school law, he launched the nation's only mayor-sponsored charter school initiative. His goal was to create a system of high-quality new public schools, providing excellent new options for children and families across Indianapolis. With backing from the Annie E. Casey Foundation, he moved quickly to establish a Charter Schools Office, which began accepting applications for new charter schools.

The charter initiative in Indianapolis is still very young. Its first schools completed their second year of operation in spring 2004. Why, then, is it worth investigating at this stage? First, Indianapolis is nationally unique with its mayor as charter authorizer. This unusual policy and institutional innovation alone merits some attention, especially at a time when more and more of the nation's big-city mayors are eagerly searching for ways to have a positive impact on public education.

Second, the early results of the Indianapolis charter experience are compelling. New schools are opening, and parents are flocking to enroll their children. Some of the city's most well-respected community organizations and prominent citizens have helped found and operate the schools, some of which are targeting the city's most compelling challenges—such as the need for better high schools and more options in the most economically disadvantaged parts of town (see box on page 8). Though the initial schools have enrolled primarily students with academic challenges, most are showing strong growth on national standardized tests. Parents are highly satisfied with the schools so far, and increasingly so. The schools are having an impact beyond their own students and families as well, spurring neighborhood revitalization in areas that need it most.

This report documents how the mayor's charter initiative is working in Indianapolis so far, two years into the operation of the city's first charter schools. It provides some background on the genesis and evolution of the state's charter law, details the reasons why Mayor Peterson has adopted the strategy of creating new schools, and provides some information about the schools that have received charters and their early results. It also explains the systems the mayor's office has established to build quality in the initiative from the very start. Lastly, the report shares some initial lessons learned from the experience, including recommendations for states and cities interested in pursuing similar initiatives.

Snapshots of Indianapolis Charter Schools
Meeting Compelling Needs in the Community

A number of Indianapolis' strongest community organizations and leaders are now operating charter schools. Their motivation is to meet some of the city's most serious challenges, such as the lack of schooling options in distressed neighborhoods and the need for better secondary schools.

❑ **Indiana Black Expo** (IBE), founded in 1971 to educate the community about the achievements of African Americans in the areas of culture, art, history, and economics, is now the largest and longest-running exposition of its kind in the nation. Building on its long history of serving young people, IBE launched the **Andrew J. Brown Charter School** to have a more intensive, day-to-day impact on children.

❑ **Flanner House of Indianapolis**, a social services agency founded in the 1890s to help African Americans who migrated from the rural South acclimate to urban life, converted its private elementary school, **Flanner House Elementary**, to charter status in order to open its doors to more low-income children and families.

❑ Flanner House has also launched **Flanner House Higher Learning Center** to address the needs of high school dropouts, thousands of whom live in nearby neighborhoods. By providing a flexible educational setting and child care for students who are parents, the Higher Learning Center gives former dropouts a shot at high school diplomas—and all the economic and other benefits they bring.

❑ **Christel DeHaan**, a local philanthropist who manages orphanages and schools around the world, is now reaching out to Indianapolis' children by operating **Christel House Academy**.

❑ On the southeast side of Indianapolis, a neighborhood group called **Southeast Neighborhood Development** (SEND) surveyed its residents to identify unmet community needs and discovered that the overwhelming response was a desire for more school options. As a result, the neighborhood group founded **Southeast Neighborhood School of Excellence**, a school specifically designed to meet the needs of its residents, including a focus on serving students for whom English is a second language.

❑ **Goodwill Industries of Central Indiana** serves nearly 50,000 unemployed or underemployed people each year. The organization aims to reduce that number by better preparing today's youth for future employment, and is thus opening two charter high schools. The **Indianapolis Metropolitan Career Academies**, will operate in partnership with one of the nation's premier school model providers, the Big Picture Company, which has proven highly effective at seeing students through to graduation and college.

❑ The nationally renowned **Knowledge is Power Program** (KIPP) and a very strong local school-governing board are launching a much-needed **KIPP Indianapolis** middle school. Demonstrating KIPP's mission of bringing top-notch education to all children, the school is opening in a community center in an underserved Indianapolis neighborhood. The **Indianapolis Housing Agency** provided and rehabilitated the space for the school.

❑ The local **GEO Foundation** opened the technology-centered **21st Century Charter School** in historic Union Station in the heart of downtown Indianapolis. When the charter law passed, GEO was already developing a private school, but then decided to form a charter school instead to offer a free public school to the entire economic cross-section of people who live and work downtown.

❑ A group of citizens and teachers founded the **Charles A. Tindley Accelerated High School**, Indiana's first high school following the nationally distinguished Accelerated Schools model. In fact, the school is one of the first in the country to follow that model. Community leaders expect that the school, which is located in a blighted area that has seen little development in decades, will play an important role in revitalizing the neighborhood overall. The school's location demonstrates the founders' commitment to the belief that all students can succeed in a rigorous college preparatory high school with a well-designed learning environment and appropriate support.

SOURCE: Office of the Mayor, City of Indianapolis, 2004 *http://www.indygov.org/mayor/charter/*.

The Indiana Charter Law
Genesis and Evolution

The original enabling legislation of Indiana's charter schools was enacted in 2001, making it the 38th state in the country to pass a charter school law. Charter school advocates quickly ranked the Indiana law among the nation's strongest because it allows for multiple authorizers and offers charter schools legal and fiscal autonomy.[5]

A Long Struggle

Charter school legislation languished for seven years before it finally passed. Supporters had repeatedly introduced charter legislation with State Sen. Teresa Lubbers (R) as the critical sponsor. Yet each year the proposal went down in defeat. The dynamic changed in 1999 when Bart Peterson, then the Democratic mayoral candidate, made charter schools a central component of his "Peterson Plan" for Indianapolis. His winning campaign helped break the logjam. After taking office, he delivered a speech in September 2000 in which he called on the state to enact charter legislation, which he said was vital to the city's future. The city's 11 school superintendents later joined a press conference with Peterson calling for a charter law (though the superintendents argued local school boards alone should be charter authorizers, and Peterson wanted mayoral control). These events led more House Democrats to back chartering, and the groundwork was laid for a bipartisan bill. With Lubbers again sponsoring legislation in the Senate, and Rep. Greg Porter (D) sponsoring it in the House, the Legislature finally passed the charter law in 2001.

Change Over Time

Before too long, however, there were calls for revisions. Disagreement emerged about how funds should flow to charter schools. The way the law was implemented failed to provide timely and adequate funding for charter schools. So legislators went back to the drawing board to devise a new funding system. In 2003, state senators introduced S.B. 501, which contained a fix. Charter schools would be funded as their own separate school districts, with 65 percent of their funding coming from the state and 35 percent from local property taxes. The law limited the total amount of state funding for charter schools, but at a level that allowed for significant growth in charter numbers for two years until the next budget. In addition, charter schools would be able to borrow short-term funds from state coffers to pay for their operations while they were waiting for funds to arrive. Though some charter proponents objected to the provisions because they protected districts from losing funding when students transferred to charter schools, most regarded the outcome as the best way to ensure charter schools' financial stability.

In addition, S.B. 501 contained a few short-term limits on the growth in the number of charter schools. Notably, it limited university sponsorship to five additional schools per year until 2005, similar to limits placed on the mayor of Indianapolis in the original law. It also prohibited universities from chartering additional schools within Indianapolis until 2005. The law also blocked the mayor of Indianapolis from "banking" unused charters—that is, if he issued fewer than five charters to schools opening in 2004, he would not be able to carry the remaining charters over into 2005. Indiana's original law allowed the mayor to bank unused charters. Although the new provisions were due to sunset in 2005, they placed potential constraints on the growth of the charter school movement in the short term.

See Table 1 for details about Indiana's charter legislation as it stood in the summer of 2004.

Intent of Indiana's Charter School Legislation

Indiana's charter schools legislation is designed to provide innovative and autonomous public education programs to carry out five primary purposes:

1. Serve the different learning styles and needs of public school students;
2. Offer public school students appropriate and innovative choices;
3. Afford varied opportunities for professional educators;
4. Allow public schools freedom and flexibility in exchange for exceptional levels of accountability; and
5. Provide parents, students, community members, and local entities with an expanded opportunity for involvement in the public school system.

SOURCE: Indiana Code, Title 20, Article 5.5, *http://www.ai.org/legislative/ic/code/title20/ar5.5/index.html*.

Table 1: Indiana Charter School Law Overview	
APPROVAL PROCESS	
Eligible Chartering Authorities	Local school boards, public state universities that offer a four-year baccalaureate degree or persons assigned under the direction of the university's board (but not within Marion County), and the mayor of Indianapolis (within Marion County only).
Number of Schools Allowed	Unlimited for schools sponsored by local school boards. Until 2005, up to five per year sponsored by public universities (unlimited university sponsorship after that). Up to five per year by the mayor of Indianapolis.
Number of Charter Sites Operating, 2003-04	18.
Eligible Applicants	Any group or entity that (a) has been determined by the IRS to be operating under not-for-profit status (likely as a 501(c)(3) organization) or has applied for such determination and (b) whose organizational documents (articles of incorporation) include a provision that upon dissolution all remaining assets (other than funds received from the Indiana State Department of Education which must be returned to the State Department of Education) must be used for non-profit educational purposes. This may require establishment of new or separate entities by existing nonprofit corporations whose current purpose is broader than education.
Types of Charter Schools	Converted public, new starts.
Appeals Process	If a sponsor rejects a charter school proposal, the applicant may appeal to the Charter School Review Panel. After reviewing the application, the review panel can decide to: 1) recommend that the applicant make specific changes to the proposal in order to resubmit it to the sponsor or to submit it to another sponsor; 2) conditionally approve the application, with such approval becoming final once the applicant provides proof that it has an eligible sponsor for the charter school; or 3) support the initial sponsor's decision to reject the application.
Formal Evidence of Local Support Required	Sixty percent of teachers and parents at school must support conversions. For the mayor, a majority of the members of the legislative body of the city must approve.
Recipient of Charter	Charter school organizer.
Term of Initial Charter	No less than three years; granted for seven years in Indianapolis.
ACCOUNTABILITY	
Academic Accountability	Charter schools are required to administer certain assessment tests, including ISTEP and GQE exams, and to be rated against certain criteria. Schools must provide evidence of improvement, including assessment results, attendance rates, graduation rates (where appropriate), increased numbers of Core 40 diplomas (where appropriate), and increased numbers of academic honors diplomas (where appropriate).
Annual Reports	Must undergo an annual audit of program operations by the charter authorizer; must submit an annual report to the state department of education; and, must publish an annual performance report.
Grounds for Revocation	Failure to comply with the conditions established in the charter; failure to meet educational goals established in the charter; failure to comply with all applicable laws; failure to meet generally accepted accounting principles; and if one or more grounds for revocation exist as specified in the charter. No appeals process provided by state.

OPERATIONS	
Automatic Waiver from Most State and District Education Laws, Regulations, and Policies	Yes.
Legal Autonomy	Yes.
Governance	Specified in charter.
Charter School Governing Body Subject to Open Meeting Laws	Yes.
Charter School May be Managed or Operated by a For-Profit Organization	Charters may not be granted directly to for-profit organizations, but schools may be managed by them.
Transportation for Students	No. However, a charter school proposal must include a transportation plan. If a school district provides transportation services to a charter school, they may be provided at not more than 103 percent of the actual cost of the service. The mayor requires schools he sponsors to provide transportation.
Facilities Assistance	None provided by the state. Charter schools sponsored by the Mayor of Indianapolis may obtain facilities financing from the local public improvement bond bank.
Technical Assistance	Provided by the Indiana Department of Education, the mayor of Indianapolis' Charter Schools' Office, as well as non-governmental entities.
Reporting Requirements	Annual reports similar to those of traditional public schools required Charter school must also undergo an annual financial audit.
FUNDING	
Amount	Funding is determined by the same base support level formulas used for all school districts (100 percent of the per-pupil funding that traditional schools receive).
Path	Funds pass from state or municipality to school.
Fiscal Autonomy	Yes.
Start-up Funds	Federal start-up funds. No state start-up funds.
TEACHERS	
Collective Bargaining / District Work Rules	A conversion charter school's teachers are bound by collective bargaining agreements, but they may seek waivers from the agreements. A start-up charter school's teachers may negotiate as a separate unit with the charter school governing council or work independently.
Certification	Teachers must either be certified or be in the process of obtaining a license to teach through the transition to teaching program. For those in the transition to teaching program, licenses must be obtained within three years of beginning to teach at a charter school.
Leave of Absence from District	A local school board must grant a transfer of up to two years and may grant a transfer for longer than two years to teach at a start-up charter school.
Retirement Benefits	Charter schools must participate in state's retirement system.
STUDENTS	
Eligible Students	For start-ups, any student in the state. For conversions, any student from the local district, but that can be waived upon agreement between the sponsor and organizer.
Preference for Enrollment	Students enrolled prior to conversion, district residents, and siblings.
Enrollment Requirements	Not permitted.
Selection Method (in case of over-enrollment)	Equitable selection process such as a lottery.
At-Risk Provisions	None.

SOURCE: "Indiana Charter Law," *The Center for Education Reform*, 2004, *http://www.edreform.com/index.cfm?fuseAction=cLaw*, "Indiana State Charter School Profile," *Education Commission of the States*, 2003, *http://mb2.ecs.org/reports/Report.aspx?id=65*; and "Charter Schools in Indianapolis: Frequently Asked Questions," Office of the Mayor, City of Indianapolis, *http://www6.indygov.org/mayor/charter/faq.htm*. Updates provided by PPI, July 2004.

Why New Schools?

The 2001 legislation gave the mayor of Indianapolis the *authority* to issue charters. But it did not compel him to do so. Why would a mayor seek to launch a system of new public schools? Why not take over the existing schools, the way some mayors have, or focus solely on providing support to school districts?

Here are the principal reasons a mayor might want to pursue a new schools strategy:

❒ **New, autonomous schools can be more responsive to student and family needs.** Even a glance at national research on urban schooling makes one point clear: We need schools to do things differently if we are to meet our goals of bringing all children to a high level of learning proficiency. We cannot keep schooling children in the same ineffective ways, hoping for the best. New charter schools, freed from many regulations that constrain district schools, are expected to implement educational approaches customized to their students' needs and complement existing public school offerings. And because they are started from scratch, these new schools can each build from the beginning a strong, cohesive mission, learning program, school culture, and professional community designed to meet the needs of the children they serve.

❒ **Many charter schools in other places have proven immensely effective, especially with the children who need the most help.** According to recent studies released by the Brookings Institution, the RAND Corporation, and the Evaluation Center at Western Michigan University, among other research institutions, charter schools often do a better job than other public schools of improving achievement among the at-risk students who tend to seek them out.[6] Another recent study of National Assessment of Educational Progress (NAEP) scores by the American Federation of Teachers found that, overall, students in charter schools were not performing as well in math and English as their peers in traditional public schools.[7] (Controlled for students' race, however, the data showed no statistically significant difference between student performance in charter schools and traditional public schools.) But in cities such as Boston, studies have found that charter secondary schools are among the very best public schools in town—indeed, statewide—at serving primarily poor and minority children.[8] In all likelihood, charter outcomes are even better when authorizers take care on the front end to approve only high-quality applicants. So a mayor serving as authorizer can increase the chances of success by committing to quality in the application process.

❒ **The charter provides the basis for a commitment to quality.** As an authorizer, a mayor would have the authority to approve or deny an application before a founder can open a charter school. In addition, the mayor would enter into a performance contract with each charter school, specifying the terms under which the

Success Stories: Technology for Instruction

The 21st Century Charter School offers multi-age classrooms where students can be with peers within a two or three year age range, yet work at their individual instructional levels. The computer-based A+ Learning System is used as a curriculum guide for academic material. Students can take laptop computers home from the school to work on their lessons via the Internet. Through a partnership with the school's computer vendor, a number of families have purchased below-cost refurbished desktop computers for their homes. The school uses a unique data tracking and reporting system to show academic growth on a continuous basis for each child, based on the student's completion of computer lessons and assessments. This technology provides teachers with continuous information about the areas in which each student needs assistance. Weekly progress reports are sent home to parents, documenting lessons completed and scores on assignments in each subject area.

school will be held accountable. These tools—upfront approval, ongoing oversight of each school's performance contract, and the ability to close a school for inadequate performance—set charter schools apart from other reform efforts and put mayors in an unprecedented position to insist on quality.

❐ **New schools can be magnets for leadership and community support.** Cities are full of people who want to contribute to public education—by teaching, volunteering, forming partnerships, donating funds, or becoming otherwise engaged. New schools offer an unprecedented opportunity for these people to make a difference by getting involved on the ground floor. In order to get started, new schools need a great deal of help from the community. This necessity, coupled with the freedom to create an institution that meets a community's most profound needs, breeds the kind of deep involvement that new schools seem uniquely able to elicit.

❐ **New schools can help "lift all boats."** The benefits of new public schools are not limited to the students who attend them. National research sponsored by the U.S. Department of Education has shown that charter schools are eliciting a response from many school districts. Districts have implemented new educational programs, made changes in educational structures in the schools they operate, and created new schools with programs similar to those shown to be in high demand in the local charter schools. Districts have also reacted to charter schools by becoming more customer-service oriented, stepping up their marketing and public relations efforts, and increasing the frequency of their communication with parents.[9]

❐ **New schools can be engines for neighborhood transformation and economic development.** When new schools open in troubled neighborhoods across the country, the impact has been extraordinary. The neighborhoods' children have access to a new educational option. Young families are encouraged to move in to take advantage of the new school. Creating the school building can revitalize blighted facilities or lead to construction of new ones. Families and other neighbors gain community centers where they can tap into education and social services. As neighborhoods become more attractive to families, businesses become more interested in setting up shop there. If new schools arise citywide, the potential for economic development and revitalization is vast.[10]

As the following sections detail, all of these potential advantages of chartering new schools are in fact coming to fruition in Indianapolis.

The Indianapolis Charter School Experience at a Glance

Shortly after passage of Indiana's charter legislation in May 2001, Mayor Peterson announced his detailed plan for accepting applications for new charter schools. Schools receiving charters could open as early as fall 2002. The Annie E. Casey Foundation and the city of Indianapolis provided start-up funding to launch the initiative.

The people of Indianapolis have responded to chartering opportunities provided by the mayor's office by creating new charter schools and enrolling their children. Ten mayor-sponsored schools have opened as of August 2004, with the capacity to serve more than 1,900 children in the 2004-2005 school year. These schools have pioneered new approaches—using technology in path-breaking ways, forging uncommonly rich connections with their communities, and creating new cultures of high expectations for all children. Three additional schools are already scheduled to open in 2005 and 2006 (see Table 2), and the mayor receives five new charters to grant each year in addition to those he has banked before 2003. The mayor grants charters a term of seven years, after which he must renew the charter in order for the school to continue operating.

By 2008, nearly 4,500 children will be enrolled in the 13 schools currently chartered (see Table 3). The children enrolling in the first schools represented a typical urban mix of mostly disadvantaged students. Across all five schools operating in 2003-2004, 63.4 percent of students were eligible for free and reduced-price lunch; 80.9 percent were members of racial minorities; and approximately 9 percent had been identified as needing special education services. As discussed below, the students enrolling in charter schools were more academically challenged than students in Indianapolis Public Schools and Indiana as a whole, based on their lower rates of passing the state assessments in the fall of their enrollment. Altogether, these figures make clear that mayor-sponsored schools are not skimming an advantaged set of students from the city's school districts. On the contrary, they appear to be attracting a preponderance of students who have struggled in existing schools.

Many of the students who are signing up for Indianapolis charter schools have struggled in their previous educational settings. In the first three schools, which opened in fall 2002, only about one-

Table 2: Schools Authorized by the Mayor of Indianapolis	
SCHOOLS AUTHORIZED BY THE MAYOR OF INDIANAPOLIS	OPENING YEAR
21st Century Charter School	2002
Christel House Academy	2002
Flanner House Elementary School	2002
Andrew J. Brown Academy	2003
Flanner House Higher Learning Center	2003
Charles A. Tindley Accelerated School	2004
KIPP Indianapolis	2004
Southeast Neighborhood School of Excellence (SENSE)	2004
Indianapolis Metropolitan Career Academy #1	2004
Indianapolis Metropolitan Career Academy #2	2004
21st Century Charter School at Fountain Square	2005
Indianapolis Lighthouse Charter School #1	2005
Indianapolis Lighthouse Charter School #2	2006

SOURCE: Office of the Mayor, City of Indianapolis, 2004, *http://www.indygov.org/mayor/charter/*.

half of the third and sixth graders were at or above grade level in English shortly after enrolling. At the same time, just one in three third graders passed the state math test, and just one in five sixth-graders scored passing marks in math. Across the board, these pass rates were lower than Indiana's statewide average and, with the exception of sixth-grade English, lower than the pass rate among students attending the Indianapolis Public Schools, the largest area school district.

Table 3: Projected Enrollment for Schools Chartered by the Mayor of Indianapolis*						
	GRADES AT CAPACITY	2003-2004	2004-2005	2005-2006	2006-2007	2013-2014
TOTAL: Mayor-sponsored schools		*1219*	*1967*	*3013*	*3840*	*4937*
21st Century Charter School	K-12	160 (Grades K-7)	186 (Grades K-8)	192 (Grades K-8)	209 (Grades K-10)	240 (Grades K-12)
Christel House Academy	K-12	326 (Grades K-5)	346 (Grades K-6)	608 (Grades K-7)	720 (Grades K-8)	860 (Grades K-8)
Flanner House Elementary School	K-7	190 (Grades K-5)	244 (Grades K-6)	284 (Grades K-7)	300 (Grades K-7)	300 (Grades K-7)
Andrew J. Brown Academy	K-8	418 (Grades K-5)	496 (Grades K-6)	574 (Grades K-7)	652 (Grades K-8)	704 (Grades K-8)
Flanner House Higher Learning Center	9-12	125 (Grades 9-12)	175 (Grades 9-12)	175 (Grades 9-12)	175 (Grades 9-12)	175 (Grades 9-12)
Charles A. Tindley Accelerated School	9-12	--	160 (Grades 8-9)	240 (Grades 8-10)	320 (Grades 8-11)	400 (Grades 8-12)
KIPP Indianapolis	5-8	--	80 (Grades 5)	160 (Grades 5-6)	240 (Grades 5-7)	320 (Grades 5-8)
Southeast Neighborhood School of Excellence (SENSE)	K-5	--	160 (Grades K-3)	200 (Grades K-4)	240 (Grades K-5)	240 (Grades K-5)
Indianapolis Metropolitan Career Academy #1	9-12	--	60 (Grade 9)	60 (Grades 9-10)	90 (Grades 9-11)	120 (Grades 9-12)
Indianapolis Metropolitan Career Academy #2	9-12	--	60 (Grade 9)	60 (Grades 9-10)	90 (Grades 9-11)	120 (Grades 9-12)
21st Century Charter School at Fountain Square	6-12	--	--	200 (Grades 6-9)	240 (Grades 6-10)	322 (Grades 6-12)
Indianapolis Lighthouse Charter School #1	PreK-12**	--	--	260 (Grades K-5)	304 (Grades K-6)	568 (Grades K-12)
Indianapolis Lighthouse Charter School #2	PreK-12**	--	--	--	260 (Grades K-5)	568 (Grades K-12)

SOURCE: "2004 Accountability Report on Mayor-Sponsored Charter Schools," Office of the Mayor, City of Indianapolis, August 2004, p. 57, *http://www.indygov.org/ eGov/Mayor/Education/Charter/* .

*This table shows **maximum** capacity as of August 2, 2004. The discussion above about each operating school provides actual current enrollment figures. This table shows only the schools currently holding charters from the mayor of Indianapolis.

**This school's prekindergarten program, for which no public funds are available, will not operate under the terms of the charter. Students attending the preschool program will be required to enter the charter schools' lotteries for kindergarten. The Pre-K program will enroll 72 students each year. Lighthouse Academies, Inc., will open two separate schools, one in 2005 and one in 2006.

Early Results

Options

The most immediate impact the charter schools had on children and families is providing options that did not exist before. In the spring of 2004, the Center of Excellence in Leadership of Learning (CELL) at the University of Indianapolis surveyed students enrolled in the first five charter schools in the city. The survey asked parents to indicate how "powerful" various factors were in their decisions to enroll their children in charter schools. The following factors were deemed the most powerful, rated by parents as 4.5 or higher on 1 to 5 scale of importance: high standards for achievement; quality academic program; safe environment; emphasis on meeting individual student needs; clear goals for each student; emphasis on teaching students values; and clear behavior code.

Strikingly, charter schools in Indianapolis have largely focused on middle- and high-school students. Nationally, only about four in 10 charter schools serve secondary students. But in Indianapolis, 11 of the 13 approved charter schools will serve middle- and high-school students.[11]

Performance on the State Assessment

Indiana charter schools administer the state's Indiana Statewide Testing for Educational Progress Plus (ISTEP+) examinations in reading, math, and science each fall and are fully included in the state's accountability system and the federal No Child Left Behind Act (NCLB). Because the schools are new and small, only one had sufficient data for the state to determine whether it made Adequate Yearly Progress

Table 4: Percentage of Students in the First Three Mayor-Sponsored Charter Schools (MSCS), Indianapolis Public Schools, and Indiana Who Passed ISTEP+ Tests At the Beginning of the Fall Semester

	ENGLISH			MATH			BOTH (MATH & ENGLISH)			SCIENCE		
	MSCS	IPS	IN	MSCS	IPS	IN	MSCS	IPS	IN	MSCS	IPS	IN
3rd Graders												
2003	55%	62%	74%	42%	65%	71%	36%	52%	63%	--	--	--
2002	49%	58%	72%	33%	57%	67%	26%	44%	59%	--	--	--
5th Graders												
2003	--	--	--	--	--	--	--	--	--	24%	32%	61%
6th Graders												
2003	52%	43%	69%	33%	44%	72%	29%	31%	62%	--	--	--
2002	50%	40%	69%	22%	32%	67%	22%	25%	59%	--	--	--

SOURCE: "2004 Accountability Report on Mayor-Sponsored Charter Schools," Office of the Mayor, City of Indianapolis, August 2004, p. 14, *http://www.indygov.org/eGov/Mayor/Education/Charter/* .

Table 5: Percentage of Mayor-Sponsored Charter Elementary and Middle School Students Achieving Sufficient Gains to Become Proficient By the End of Eighth Grade, 2003-2004						
	2nd Grade	**3rd Grade**	**4th Grade**	**5th Grade**	**6th Grade****	**7th Grade****
Reading	100%*	100%	100%	98.8%	84.6%	82.4%
Math	100%	95.2%	96.6%	83.8%	78.6%	58.8%
Language	89.5%	82.3%	81.6%	61.5%	69.2%	70.6%

SOURCE: "2004 Accountability Report on Mayor-Sponsored Charter Schools," Office of the Mayor, City of Indianapolis, August 2004, p. 17, *http://www.indygov.org/eGov/Mayor/Education/Charter/*.

*This calculation does not include 21st Century Charter School data. Due to technical difficulties, fall 2003 data are not available for this school.

**This information is available only for 21st Century Charter School and thus is not a weighted percentage; 21st Century was the only one of the four charter elementary and middle schools to offer sixth and seventh grade classes.

(AYP) under NCLB in 2003-2004: Christel House Academy.

At the moment, the state tests are of little value in determining how well charter schools are performing because they do not track individual students' learning over time. Instead, the state currently reports only the percentage passing the tests in a limited number of grades. As a result, ISTEP+ scores are more an indicator of the starting levels of performance of charter school students than they are of the value added by charter schools in the long run. This is especially true for schools in their start-up year, whose ISTEP+ results reveal only how prepared students are as they begin their experience at the charter schools. As the state begins reporting data based on the administration of the exams to every student annually, ISTEP+ results will become more useful.

Still, the ISTEP+ results for the first three mayor-sponsored charter schools (the ones with more than one year of operation) are worth examination. Table 4 shows how these schools fared on the state tests in 2002-2003 and 2003-2004, compared with IPS and Indiana as a whole. This table prompts a couple of observations. First, with the exception of sixth grade English, charter school students pass the tests at lower rates than students in IPS or Indiana as a whole. Second, across all measures, the percentage of students in mayor-sponsored charter schools passing the tests rose from 2002-2003 to 2003-2004. Again, these changes do not represent "progress" by individual students, since different groups of students were tested in the two school years.

Progress of Students Over Time[12]

Since the ISTEP+ provides little information about how much individual students are learning in charter schools, Mayor Peterson required the schools he chartered to administer nationally normed reading and mathematics tests to their students in both the fall and the spring. In 2003-2004, all five schools used the Northwest Evaluation Association (NWEA) Measures of Academic Progress (MAP) assessment to fulfill this requirement. The resulting data showed how much progress students made at charter schools over the course of 2003-2004. Researchers at New American Schools conducted this analysis for each grade and subject (mathematics, language, and reading) tested in the first five mayor-sponsored charter schools.

On average, students made progress in every elementary and middle-school grade and subject (in grades four through eight) on the MAP in 2003-2004. Students at the one secondary school, Flanner House Higher Learning Center, did not fare as well, with students making progress in only three of the 12 subject-grade combinations and actually showing declines in test scores between fall and spring in the other nine. While this is an unconventional school, serving students who had dropped out and who face numerous challenges, the results were still disappointing.

The elementary and middle school results were much more positive. But how strong were they? The NAS analysts performed two tests to find out. First, they looked at *comparative gains:* whether students were

"gaining ground on," "losing ground on," or "staying even with" their peers nationally and in Indiana. They did so by comparing the average percentile rank of each school's students at two points in time, and seeing whether that ranking went up, down, or stayed the same. For example, suppose a school's second graders performed, on average, at the 24th percentile in reading in the fall of 2003. In the spring, they performed, on average, at the 38th percentile. In that case, analysts would say the school's students gained ground, because their percentile rank rose.

In the four elementary and middle schools, students gained ground in most grades and subjects. Across the four schools, there were 51 different subject-grade combinations (such as second grade math or sixth grade language). In 39 of these combinations (77 percent), students gained ground against their peers nationally. Students in 36 of the combinations gained ground against their Indiana peers.

In one second-year school, Christel House Academy, students gained ground in all subjects and grades. The school had struggled in its first year, losing ground and staying even in most grades, so the results

for 2003-2004 were especially remarkable. A first-year school, Andrew J. Brown Charter School, gained ground in almost all subjects and grades, while the other two second-year schools, 21st Century Charter School and Flanner House Elementary, had mixed results. In the one high school, Flanner House Higher Learning Center, students lost ground in all subjects and grades.

The second kind of analysis NAS performed looked at *sufficient gains*. Did students make enough progress to achieve proficiency by the eighth grade?[13] In essence, researchers extrapolated individual students' 2003-2004 growth into the future. If they continued progressing at that rate, would they be proficient by the end of the eighth grade? Table 5 shows the percentage of students across all four charter elementary and middle schools who achieved "sufficient gains" in this sense. The results for early grades are promising, with high percentages of students on track to become proficient. In the later grades, the challenges are more severe, with a shorter timeline to raise student achievement and, as a result, with lower percentages of students on track.

Chart 1: Percentage of Parents Indicating a High Level of Satisfaction with Child's Charter School[14]
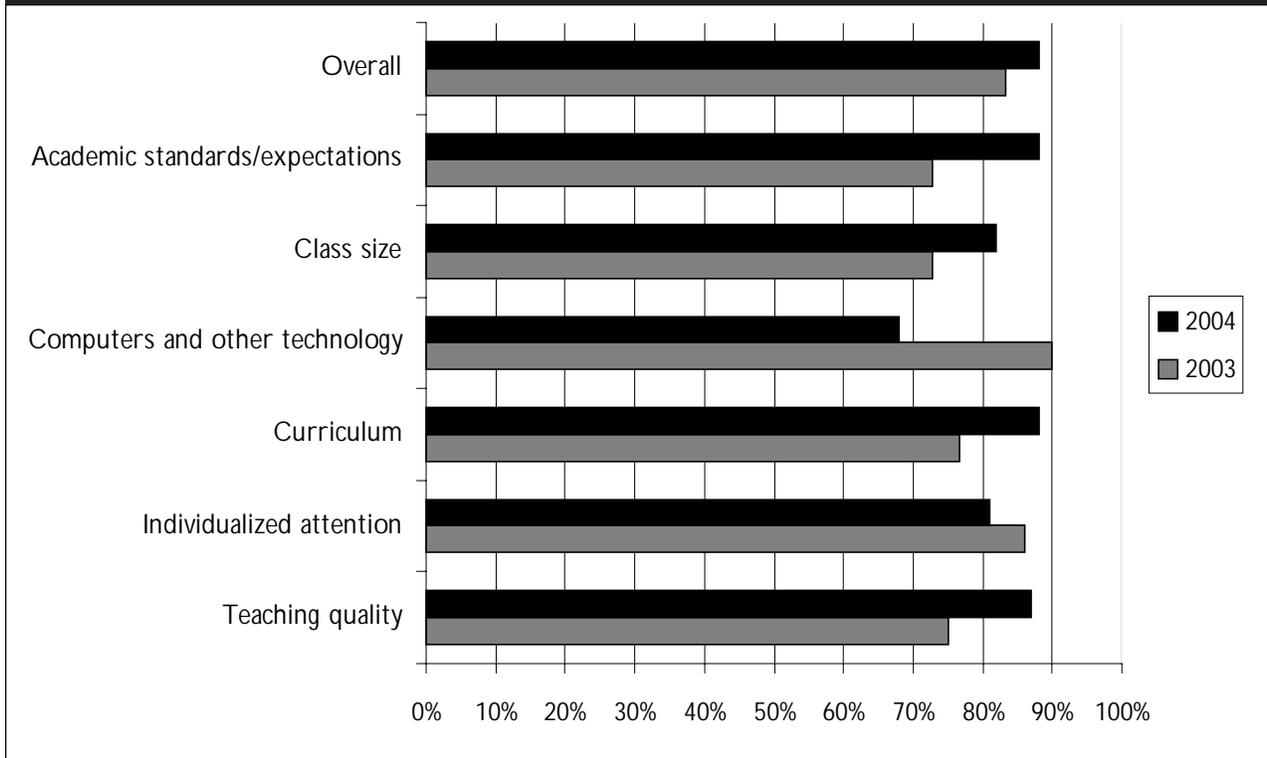
SOURCE: "2004 Accountability Report on Mayor-Sponsored Charter Schools," Office of the Mayor, City of Indianapolis, August 2004, http://www.indygov.org/eGov/Mayor/Education/Charter/; and "2003 Accountability Report on Mayor-Sponsored Charter Schools," Office of the Mayor, City of Indianapolis, September 2003, http://www.indygov.org/mayor/charter/.

These results are preliminary, reflecting the performance of just five schools in first or second year of operation. Overall, they show a great deal of progress being made by students in most of the mayor-sponsored charter schools, with the notable exception of the single high school, which struggled in its first year to raise student performance.

Parent Satisfaction

According to a parent survey administered independently by the University of Indianapolis in May 2003 and 2004 to parents in the first three mayor-sponsored schools, charter school parents are highly satisfied with their schools. In both years, large percentages of parents gave their schools top marks for overall satisfaction and for various academic qualities (see Chart 1). Parent satisfaction rose—substantially in some categories—between 2003 and 2004, with overall parent satisfaction increasing from 83 percent in 2003 to 88 percent in 2004.

Impact on Neighborhoods

The schools chartered to date have chosen to open in parts of town where families are most in need of educational options. One school, Southeast Neighborhood School of Excellence (SENSE), was founded by a community development corporation dedicated to the revitalization of the Southeast neighborhood. After a community survey revealed that a top priority for residents was more high-quality schooling options, the organization spearheaded designing and planning for the school. In response to the specific needs of the community—a growing Latino population—the school has incorporated research-based literacy programs that will result in all students becoming literate in both Spanish and English, regardless of their home language. The corporation has revamped a vacant and obsolete 84,000-square foot industrial facility to serve as the school's home, as well as the home of another charter school. The building, located less than one mile from downtown Indianapolis in the center of the Southeast neighborhood, will serve as an anchor for much-needed community revitalization in this part of town.

A second school, the Charles A. Tindley Accelerated School, has renovated a vacant supermarket in a neighborhood known as "the Meadows," a distressed area of the city. The Health and Hospital Corporation of Marion County, an independent municipal agency, is also located in the neighborhood. Seeing the potential for the school to spark wider community improvement, Health and Hospitals provided a guarantee for the school's loan, enabling the school to obtain facility financing. Like the SENSE school, Tindley's backers hope the school will serve as a catalyst for revitalization of the neighborhood.

Success Stories: Focus on Literacy

The Christel House Academy, which seeks to educate previously underserved student populations, expects every student to demonstrate mastery in English and mathematics, as well as proficiency in a world language. Spanish is taught at all levels, beginning in kindergarten. The school has adopted research-based reading approaches. Children's reading and math skills in second grade and higher are assessed monthly using an online tool provided by Edison Schools, which aligns with the Indiana State Academic Standards. Immediate feedback allows teachers and students to monitor mastery of skills and redirect instructional focus as needed. The school's focus on developing literacy skills is proving successful for all children. One third-grade student started the school year unable to speak a word of English. By the end of the school term, she could communicate in English using complete sentences when asked questions about her well being, what she studied in class, and how she likes attending school. The school attributes her success to the increased time spent developing English skills.

Building a Strong Foundation for Success

From the outset, Mayor Peterson intended to create a system of high-quality new schools in Indianapolis—one that continues to provide the city's children with top-notch options for years to come. Building such a system is different from simply allowing a handful of schools to open and seeing what happens. It entails careful thinking about what will make the new system successful over the long haul.

The system under development in Indianapolis is designed to achieve four critical goals that together will provide a foundation for the long-term success of the initiative:

❑ Generating a superb pool of charter applicants;

❑ Granting charters only to the highest-quality applicants;

❑ Leveraging community resources to support schools; and

❑ Holding schools accountable for results.

With the financial support of the Annie E. Casey and Richard M. Fairbanks Foundation, the mayor's office has set out to accomplish these goals, each of which is described in turn below.

Generating a Superb Pool of Applicants

When the mayor announced his charter initiative, a host of applicants came forward, eager to launch new public schools. This initial wave of applicants has generated the first set of schools, getting the initiative off to a good start. After the first two years, however, the number of applications dropped dramatically. As in other cities, there appears to have been a backlog of entrepreneurial school founders ready to respond immediately when the charter law passed, but not a steady supply. A small number of qualified new applicants have continued to emerge each year, but not enough to meet the demand for new charter options by both families and the mayor's office (see Table 6).

Since the mayor set such a high standard for obtaining a charter (described in the next section), he also found it important to be proactive, looking for ways to stimulate the supply of excellent schools. Toward that end, the mayor's office received a $1.6 million grant from the Indianapolis-based Richard M. Fairbanks Foundation in 2003 to launch an initiative called "Seed and Lead"—a catalyst for the creation of numerous top-notch charter schools during the next four years.

Seed and Lead has three major components. First, it aims to seed new schools by attracting applicants, from Indiana and beyond, who propose to use the educational models that have proven to be the most effective. Second, it seeks to recruit and train eight to 10 promising "education entrepreneurs" to be leaders of the next wave of charter schools. Third, it makes Indianapolis a more attractive place to start a charter school by addressing one of the central challenges facing new schools: affordable facilities financing.

❑ Seed: Bringing the Best Models to Indianapolis

In the past two decades, a wide range of educational models have emerged across the country and proven successful with students. Some of these

Table 6: Applications and Approvals* by the Mayor's Office, through July 2004		
Year	Number of Applications	Number of Approvals
2001	21	4**
2002	12	3
2003	7	3
2004 (partial year)	8	4

SOURCE: *Office of the Mayor, City of Indianapolis, http://www.indygov.org/mayor/charter/.*

* Includes applicants that either submitted a prospectus or were the subject of an existing design review, in lieu of a prospectus. Not all applicants submitting a prospectus, subject to an existing design review were invited to submit a full application. Not all applicants submitting a full application received approval.

** One of the four accepted schools returned its charter without opening.

are single-school success stories; others are multi-school networks already aiming to replicate in many cities. The Seed initiative is designed to identify these proven models, reach out to the organizations promoting them, and work with them to make connections in Indianapolis as they start new schools.

Several of the schools listed in Table 2 are already based on proven school models. The Charles A. Tindley Accelerated High School uses the Accelerated Schools model, operating in more than 1,000 schools nationally. The KIPP school in Indianapolis is part of the Knowledge Is Power Program, the rapidly growing network of middle schools that are strikingly successful with low-income inner-city students. The two Indianapolis Metropolitan Career Academies are backed by The Big Picture Company, which is replicating the career and college preparation successes seen at a cluster of small high schools known as "the Met" in Providence, R.I.

Through Seed, the mayor's office is actively engaged in seeking out model developers to start the next generation of charter schools in Indianapolis. The office conducts careful due diligence on potential models and their support organizations, including arranging visits by community leaders from Indianapolis to model schools. When representatives of model schools visit Indianapolis, the mayor's office arranges for them to meet with a wide array of potential partners and supporters, including individuals who may serve on the local founding boards of schools using the models. Once these visits succeed in matching promising model developers with local supporters, the partners together will file a charter school application based on the model school design. The application must still meet the mayor's exacting standards in order to be approved. After approval, Seed can provide start-up funding to schools implementing proven educational models.

In five years, Indianapolis will be a center for the nation's most promising school models as a result of Seed. Students and families will have access to a range of options offering educational approaches that have already demonstrated success in schools across the country.

❒ Lead: Cultivating the Next Generation of School Leaders

Mayor Peterson recognized from the outset of his term that strong leadership at the school level was essential to educational success. Indianapolis is full of potential entrepreneurial educators and other individuals could become excellent school leaders. But it is a challenge to find those people and equip them for the complex job of launching a new public school that will be held accountable for results.

To address this challenge, the mayor's office is partnering with Building Excellent Schools (BES), a national fellowship program that recruits and trains leaders to open new charter schools. Based in Massachusetts, the organization has quickly become the key source of leaders for that state's charter schools. With the support of the Walton Family Foundation, BES is now offering the fellowship in a small number of other communities, including Indianapolis. Starting in summer 2004, candidates who meet the rigorous BES standards will become Indianapolis Building Excellent Schools Fellows.

Fellows will take part in a one-year program in which they will be paid salaries to plan new schools and receive nationally renowned leadership training while they do so. They will divide their time between Massachusetts, where they will participate in cutting-edge classroom training and hands-on work in successful charter schools, and Indianapolis, where they will work on building the plans and partnerships necessary to launch new charter schools in the city. When the time is right, the fellows will submit charter applications to the mayor. The applications will then go through the mayor's usual rigorous review process.

It remains to be seen whether this program will be able to recruit a sufficient number of high-quality leaders to achieve its goals. As of August 2004, one outstanding fellow had entered the program. New school leadership programs around the country have struggled to attract the best and brightest into their ranks, even when working in cities like New York and Chicago, which have with thousands of potential candidates. This is a challenge, though, that any serious effort at new schools creation has to confront.

❒ Facilities Financing: Making Indianapolis an Attractive Place to Open a Charter School

Finding an affordable facility is invariably the most vexing challenge to opening a school after a charter is granted. Most charter schools across the country, including those in Indianapolis, do not receive capital funding for facilities. In a nationwide survey, nearly one-third of charter schools reported they spent four

to six months securing financing for their facilities. Some charter schools fail to open—or fail to open on time—because of facilities problems. If they are not addressed, these challenges can deter promising school leaders from opening charter schools in Indianapolis. Thus, a primary goal of the mayor's initiative is to make facilities financing available and remove this barrier.

In 2002, the mayor successfully petitioned the state legislature to give the Indianapolis Local Public Improvement Bond Bank the authority to arrange low-interest financing for charter schools. The Bond Bank's involvement in charter schools facility financing presents a unique mechanism for charter schools to obtain low-interest financing. The city may attach its "moral authority" to the loan, which is a commitment by the city to cover a loan on which a school may default. The city's moral authority is tied to its bond rating and thus is a virtual assurance that a charter school's loan will be repaid by the city if necessary. This reduced risk to lenders in turn means lower interest rates charged to a charter school, hence making facilities financing significantly more affordable for schools.

To expand the potential for financing charter school facilities through the Bond Bank, the mayor's office is developing a reserve fund that the Bond Bank could first use in the event a school defaulted on its loan. The Bond Bank and the mayor's office are working closely with two national organizations—the Annie E. Casey Foundation and Local Initiatives Support Corporation—in the hope of arranging a commitment of $1 million by each organization to such a reserve fund. The resulting initiative will not eliminate the facilities challenge, but it will make affordable financing accessible to Indianapolis charter schools.

Granting Charters Only to the Highest-Quality Applicants

Indiana's charter schools law presents educators, parents, and others with a tremendous opportunity to create new public schools. However, with this opportunity comes responsibility. In the effort to create cutting-edge schools, the mayor's office seeks to ensure that charter schools meet the highest standards of academic quality, and must welcome and serve all students. To this end, the mayor's office has designed a comprehensive application review process that draws from the experiences of successful charter school sponsors and the research of experts from around the country.

The mayor's office closely scrutinizes charter school proposals and will grant charters only to nonprofit organizations that demonstrate the capacity and plans to establish effective education programs. Applicants must also demonstrate a commitment to overcome typical barriers to schools of choice, such as access to transportation and information for families of all backgrounds. They also must show strong ties to the local community, including a capable founding board of directors. While the application process invites a diverse range of approaches, it sets a high bar for the approval of charter proposals. Local and national observers have described the mayor's application review process as "above reproach," "thorough, highly focused and swift," and "a minor miracle."[15]

The application review process is characterized by extensive community involvement, a high degree of transparency, and expert evaluation.

❑ **Community involvement:** To advise him on the application process, the mayor created an

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Success Stories: Active Parent Partners

Parental involvement is the cornerstone of Flanner House Elementary, with families playing an integral part in their children's education. Parents are asked to sign a covenant at the time of enrollment stating they will commit to 20 hours of volunteer time per semester. Volunteer parents are in the school daily, tutoring students one-on-one, reading along with students, and organizing field trips and other activities. One hundred percent of parents fulfilled this commitment in the past school year, with some volunteering many more hours than requested. One parent contributed his whole vacation to ensuring that the Flanner House Elementary computer system was switched over to a new mainframe. He continues to troubleshoot problems with the new system, saving the school technology costs. The school does not send quarterly grades home; instead parents are invited to come to school for conferences where teachers personally deliver report cards. Nearly all parents attended all four conferences last year, with teachers speaking by phone with those who could not attend.

Indianapolis Charter Schools Board, made up of local educators, businesspeople, and community leaders appointed by the mayor (see sidebar). The board reviews all charter applications and makes recommendations to the mayor about which ones to approve.

❑ **Transparency:** As an elected official, Mayor Peterson is in a unique position among authorizers because he is directly accountable to the parents of students who attend the schools he charters. Accordingly, the mayor puts all charter applicants through a public review process before deciding on charter awards. All meetings related to the review process, including informal interviews of all applicants, are open to the public. The mayor's office publicizes these meetings by posting public notices and issuing press releases. Public hearings and Indianapolis Charter Schools Board meetings are televised on the city's public access station, Channel 16—not just once, but repeatedly. The mayor's charter schools staff provides televised public reports to the Charter Schools Board with its detailed findings on each application and its recommendations to the board. The board questions each applicant during the televised public hearings, and members of the public are provided the opportunity through these hearings to give the board their opinions about the applications before the chartering decisions are made. During televised public meetings, the board also deliberates and votes on which proposals to recommend to Mayor Peterson. After the mayor's approval, proposals go to a committee of the City-County Council, which hears public comment, and then on to the televised full council meetings for ratification. Additionally, applications under consideration are placed on the mayor's charter schools website so that anyone may read detailed information about each proposed school.

❑ **Expert feedback and evaluation:** The mayor has the ultimate authority over chartering decisions, and he takes this role very seriously, spending a significant amount of time personally reviewing and deliberating on each proposal. To help in his decisions, Mayor

The Indianapolis Charter Schools Board

William Shrewsberry, Jr., chairman. Founder of Shrewsberry & Associates, a minority-owned consulting firm, Mr. Shrewsberry served as deputy mayor of Indianapolis from January 2000 until June 2001. He previously led several agencies in Indiana state government.

John E. Bainbridge, a retired teacher and principal from the Speedway School District. Mr. Bainbridge recently completed his last term on the City-County Council. He served many years as an officer and an official for the Indiana Amateur Athletic Union and Indiana Swimming, and held several positions in the Marion County Principals Association.

Carolyn Fay, retired English teacher and adjunct faculty at Indiana University/IUPUI. During her nearly 30- year career in public education, Dr. Fay had the opportunity to serve in many key educational roles. She created a teacher center within IPS and expanded the center into the Office of Professional Development for the entire school district.

David L. Johnson, partner with the Indianapolis law firm of Baker & Daniels. A member of his firm's management committee, Mr. Johnson practices general business law, including public finance, project development, and corporate law. A Rhodes Scholar, he was also legal counsel to the U.S. Senate Foreign Relations Committee.

Kaaren Rodman, retired foreign language teacher, North Central High School. A lifelong teacher, Ms. Rodman was the first African American teacher in the Washington Township schools and chaired the minority affairs committee for the Washington Township Education Association. A Fulbright Scholar, she is also the parent of two Broad Ripple High School graduates.

Jose Rosario, director, Center for Urban and Multicultural Education and professor of education at Indiana University-Purdue University at Indianapolis. A lifelong educator and researcher, Dr. Rosario specializes in urban education, at-risk students, multicultural education and curriculum, and instruction.

Lynne Weisenbach, dean, University of Indianapolis School of Education. An expert in special education, Dr. Weisenbach has served as dean since 1993 and previously chaired the University's Department of Teacher Education. She was also an elementary school and special education teacher, and is the mother of a recent Perry Meridian High School graduate.

Peterson draws upon the reviews and recommendations of the Charter Schools Board. The mayor's charter schools staff also conducts detailed reviews, including evaluations by national charter school experts knowledgeable about a range of educational approaches and experienced in working with a diverse group of charter schools. Because charter school failures elsewhere have largely stemmed from financial and management problems, the mayor's office also hires an organization that specializes in evaluating nonprofit business plans to review the applicants' governance structures and financial plans.

Leveraging Community Resources to Support Schools

In a conventional school district, the central office provides a range of services to schools, such as employing and assigning teachers, transporting students, ordering books and supplies, providing and maintaining facilities, offering professional development, and supplying services like special education. For charter schools in Indianapolis, there is no central office. The mayor's office decides which schools receive charters, and then holds them accountable for results—but they do not provide the full panoply of district-like services.

Success Stories: Reaching Out to Dropouts

The Flanner House Higher Learning Center serves students who previously have dropped out of high school. The mission of Flanner House Higher Learning Center is to provide an alternative learning school environment, adaptable to diverse learning styles and lifestyle circumstances, to enable students to obtain not only an academic high-school diploma but also the skills they will need to succeed in higher education, in a career setting, and in life. The Higher Learning Center is open from 8 a.m. to 8 p.m. daily, with flexible scheduling so that students can participate in school while still working and/or honoring other commitments, such as obligations to their families. The school's sponsoring organization, Flanner House of Indianapolis, is a long-standing community-based organization. It is uniquely positioned to connect students with services— such as childcare, emergency food, transportation, and shelter assistance—in order to remove barriers that, in the past, have kept the students from returning to or completing school. Nine students, including many who were out of school for more than one year, were able to graduate with high-school diplomas during the school's first year. One began attending college in January, and four more plan to enroll in college in the fall.

❑ **Continuous feedback for improvement:** The various other experts engaged in the review process provide useful critiques of each application, which serve to strengthen applicants' plans for their schools. Based on these analyses, the mayor's staff provides detailed feedback to each charter school applicant group. Additionally, applicants not selected to receive a charter are invited to meet with the staff to discuss areas in which they may work to improve future proposals.

❑ **Rigor:** The mayor has the authority to grant five new charters each year, but he has not issued that many in a single year, despite numerous applications. The fall of 2004 will mark the first year in which five charter schools will open at once. Although the mayor is eager to expand public school options in Indianapolis, he is committed to doing so by granting charters only to demonstrably qualified applicants.

The schools, however, still need the support that the conventional district arrangement offers, but in a context that honors their independence and autonomy. Toward that end, the mayor's office has sought to serve as a catalyst for support, leveraging the resources of the community to help charter schools obtain the support they need. This section highlights just a few examples of this catalytic role.

❑ **Addressing special education cooperatively.** To help schools meet their obligations to serve students with special needs, the mayor's office played a critical role in helping the schools form the nation's third charter school special education cooperative—a collaborative effort among the schools to share resources and provide services to special education students more efficiently and effectively. Through the work on the collaborative, the mayor's office has enjoyed a strong relationship with the Indiana Department of Education's

Division of Exceptional Learners. At the request of the mayor's office, the division performs an evaluation in the first year and identifies ways to improve each school's special education services. The mayor's office, in partnership with Ball State University, has since helped the schools to merge the cooperative with a larger, statewide charter school special education cooperative. An experienced educator and special education administrator has been hired by the cooperative to serve as the special education director for all of the member schools. The schools also share licensed teachers with one another to meet the needs of their special education students. Special education students receive services at their school sites and, in most cases, in their regularly assigned classrooms, so they can benefit from their schools' specific educational programs.

❐ **Producing a television show to highlight public school options.** Each year, the mayor's office produces a television show featuring the new charter schools and school choice options within the IPS. The show is hosted by the evening news anchor from a major local network and airs repeatedly on the local public access channel.

❐ **Tapping the public library to connect students with books.** The Indianapolis-Marion County Public Library (IMCPL) and the mayor's office together devised an extensive long-term plan to connect each charter school with the public library system. Working with the schools, library staff prepared and delivered 3,000-book libraries based on each individual school's curriculum and educational profile. Ultimately, each school will have a catalog of library materials linked to the larger IMCPL database, and thus charter school students will have the entire IMCPL system's resources at their fingertips.

❐ **Working with the Charter Schools Association of Indiana to generate high-quality data about charter school performance.** Since its creation, the Charter School Association of Indiana recognized the importance of collecting consistent, high-quality data on student performance in Indiana's charter schools. Seventeen of the 18 charter schools in Indiana administered the NWEA's MAP assessment in the fall of 2003 and spring of 2004 to measure student academic growth during the course of the year. Adoption of NWEA allows the mayor-sponsored schools to participate in the Charter School Association of Indiana's research and data collection program to evaluate how all of the state's charter schools are doing— and tap into philanthropic resources available for the assessment. In addition, this program provides much-needed data to schools and teachers as they seek to improve student performance.

❐ **Partnership with the University of Indianapolis, Center for Excellence in Leadership of Learning.** With the support of the mayor's office, the Center for Excellence in Leadership of Learning (CELL) created a Network of Schools, linking charter schools, IPS, and Catholic schools in shared professional development. Schools involved participate in an intensive Summer Institute, hold periodic collaborative training sessions, and have access to school improvement coaches on an ongoing basis. The mayor's office also worked with CELL to secure an $11.3 million grant from the Bill and Melinda Gates Foundation to assist in the development of at least 10 new small high schools and convert five existing large high schools into smaller, more effective schools. The first planning grants were recently distributed to nine organizations creating one dozen new, small high schools. Among them were six mayor-sponsored charter schools, and two schools currently under development are likely to apply to the mayor for charters. In addition, three new high schools are under development within the IPS, and one grant went to the Catholic Archdiocese to conduct a feasibility study for a new high school. The grant from the Gates Foundation also enables CELL to develop a Network of Effective Small Schools of Indianapolis to support these institutions through sharing current research and extensive, ongoing coaching and professional development.

More efforts like these are planned for the future. Altogether, these initiatives have provided important assistance to Indianapolis' charter schools, augmenting their capacities while preserving their autonomy.

Holding Schools Accountable for Results

Charters are granted on a basic trade-off of autonomy for accountability. With the support of the Annie E. Casey Foundation, the mayor's office has developed a model accountability system through which the schools and the mayor's office establish expectations, monitor progress, report to the public, and make informed decisions about the future of the schools.[16]

Setting Expectations

Many charter authorizers have not set clear expectations for schools. When the time comes to make decisions about charter renewal, they found that they do not have the data necessary to make a judgment, or criteria against which to compare schools' results.

The mayor's office responded to this challenge by creating the Charter School Performance Framework, which provides a foundation of common evaluation elements for all of the mayor's charter schools. The content of this performance framework serves as a floor rather than a ceiling for school performance and continuous improvement. Each school is required to enrich this basic accountability plan with additional measures to assess and demonstrate achievement of its specific mission.

☐ Common Measures: The Charter School Performance Framework

The Charter School Performance Framework is divided into four sections focusing on the following critical questions:

1. Is the educational program a success?

2. Is the organization effective and well run?

3. Is the school meeting its operational and access obligations?

4. Is the school providing the appropriate conditions for success?

When measuring a given school's performance, the school leadership and the mayor's office will examine several subquestions in relation to each of the four core questions. The first three focal areas (academic performance, organizational viability, and operations/access) and their respective sub-questions

will be rated on a four-point scale ("Does Not Meet Standard," "Approaching Standard," "Meets Standard," and "Exceeds Standard").[17]

In making renewal and revocation decisions, the mayor's office will focus first on each school's objectively measurable performance outcomes from the first three questions in the framework. Findings in response to the fourth question in the performance framework will inform the mayor's office regarding whether the school is on the right path to meet the outcomes of the first three questions. More important, well before the renewal decision in each school's seventh year, school self-assessments and external reviews of school academics, finances, and other reporting requirements organized under this framework will provide solid data that should inform parents' decisions about sending their children to the charter school, as well as each school's continuous improvement efforts.

☐ Unique Measures: Goals Established by the School

While the mayor's performance framework is meant to form the foundation of each school's accountability plan, individual schools will develop customized goals and measures to assess the fulfillment of its mission. The school accountability plans build on the goals and contractual obligations described in each school's charter agreement and are meant to guide each school's progress through its first seven-year charter. The mayor's office has developed a *Charter School Accountability Handbook* to give charter operators detailed guidance and assistance in building high-quality accountability plans that are useful for the school leadership, as well as the mayor's office.[18]

Gathering the Data

The mayor's office collects data in a wide range of ways to determine how schools are progressing in all areas of performance outlined in the performance framework. The following key steps are used for gathering data and overseeing school progress in the mayor's charter school accountability system:

☐ **Annual testing.** Each school must conduct annual standardized tests of reading and mathematics for every student. To meet state requirements, schools are required to administer ISTEP+ every fall to students in grades three through 10 (as these tests become available in all grades). To supplement

Success Stories: A Focus on Community and Values

Andrew J. Brown Academy is a partnership between Indiana Black Expo (a 33-year-old old cultural organization) and National Heritage Academies (a national operator of charter schools). The academy's aim is to shape students who believe in and practice positive moral values and who strive to become intelligent, responsible contributors to society at large. Time is spent daily teaching and modeling what it means to treat others with respect. Instruction in values is supplemented by extracurricular activities. Students discuss values on a monthly one-hour talk show on Radio One 1310 A.M. The show is sponsored by a member of the school's board of directors, and features a different topic each month where radio listeners are able to call in and ask questions. Topics that have been featured include the importance of parental involvement in children's education and whether children should be allowed to vote. Throughout the school year, students collect non-perishable food items to support local food pantries. Students also make cards for sick children at Riley Hospital for Children.

the critical state tests, the mayor's office has an additional requirement that students be tested in the fall and spring on a nationally normed assessment in order to collect comparable, longitudinal data to measure individual student growth during the course of the school year. This consistent year-to-year testing will allow the mayor's office to assess the value added within each school. This is particularly important to assess because many of the charter school students enroll with substantial academic deficits. Thus, analysis of learning growth will be critical in the mayor's assessment of school progress and achievement.

❒ **Site visits.** Each mayor-sponsored school is subject to periodic site visits by independent teams of experts throughout the seven-year term of the charter: twice in the first year of a school's operation, and at least annually thereafter. The site visits give reviewers the opportunity to see in person what lies behind the test scores and reports that typically form the core of school oversight across all areas of the performance framework. Team members talk with board members, students, teachers, administrators, and parents; visit classrooms; and review particular documents and materials. Reviewers provide verbal reports to the schools at the end of their visits, and provide written comments citing commendations and areas for improvement. The University of Indianapolis' CELL developed the site visit process and protocol, and also implemented the site visits for the mayor's office in the initiative's first two years. In addition to CELL's accountability expert, other site visit team members included experienced public school teachers and administrators.

❒ **Surveys.** The mayor's office administers surveys in the spring of each school year to gather information from parents and staff. Survey items accommodate the mayor's performance framework. Each school may also identify additional survey items that align with the school's unique purposes and goals. The survey protocol and process were developed by CELL. To maintain third-party objectivity, CELL also administered the 2003 and 2004 surveys, collected the data, and analyzed the results.[19]

❒ **Governance and financial reviews.** The mayor's office has developed a *Charter School Governance Handbook* and a *Charter School Guidebook* with information and guidelines to help schools maintain compliance with their charters and all applicable laws, and take proactive steps to engage in effective school governance.[20] The *Governance Handbook* outlines governance-related information that the schools are required to submit or maintain throughout the school year. Recently the mayor's office provided each of the schools with a compliance binder to organize all governance and compliance-related items. Each school regularly adds or updates documents in the binder—these updates are collected during monthly governance review visits to each school. These reviews provide a non-intrusive avenue for the mayor's office to remain informed about new developments in each school's board oversight, school management, and staffing. The mayor's office also monitors the schools' financial and organizational health through quarterly financial statements. In the future, an advisory group of individuals, such as city financial staff and/or external financial

advisors, will assist the mayor's charter schools staff in reviewing the schools' financial statements. An independent accounting firm also reviews schools' finances quarterly using analysis software designed specifically to evaluate mayor-sponsored charter schools.[21]

❒ **Mid-charter reviews.** In the fourth year of each school's charter term, the mayor's office will prepare a comprehensive review of the school's performance to that point. This begins with a thorough self-review of the school's performance for the first three years of operation, examining all areas covered in the performance framework and any additional measures of success developed by the school. This school self-assessment will be combined with a third-party, multi-day onsite review to corroborate and augment the school's self-evaluation. The mayor's office will produce a subsequent public report on the school's performance to date. This report will be informed by data collected by the mayor's office, including the annual site visits, parent and staff surveys, governance and financial reviews, test scores, and other information about schools' progress toward the goals outlined in their accountability plans.

Using the Data

All of these assessments will inform parents and the greater public as to how the mayor-sponsored charter schools are doing. These assessments will also provide critical information for both the mayor's office (in making high-stakes judgments about school performance) and the schools themselves (in enhancing their programs over time). More specifically, data collected as part of the charter school accountability system will serve the following broad purposes:

❒ **Informing the public.** Annually, the mayor's office produces an accountability report on the charter initiative as a whole. The report provides information about how each school is performing, including test score analysis, site visit and survey results, and an analysis of how the school is spending its public dollars. Information about school performance is posted to the mayor's charter school website so that families and community members can access up-to-date information about each school.

❒ **Informing the mayor's office.** Ultimately, charter renewal decisions will be informed by all of the data collected by the mayor's office in the first six years of the school's charter term. In the sixth year, the school must submit a renewal petition that articulates why the school should maintain its charter. The mayor's office will consider this renewal petition in conjunction with the mid-charter review, the site visit reports, governance reviews, survey results, other government reports, academic testing performance, and financial audits to decide whether a school should maintain its charter beyond year seven.

❒ **Informing the schools.** This data also provides schools with information they can use to improve their academic programs and organizational processes. For example, site visits have generated useful critiques about the primary areas that schools needed to target for improvement, as well as the primary areas in which they excelled. The onsite reviewers have met with school leaders at the end of their visits to point out their general observations about how the school was running.

The System in Practice

As with the entire Indianapolis initiative, the accountability systems described above have only just begun to be implemented. No school has yet reached the mid-term review, where it will face a high-stakes external review of all of its operations. And, of course, no school has reached the end of its charter. So it remains to be seen how all of these systems will come together to inform renewal decisions by the mayor about charter schools.

Lessons Learned So Far

The Indianapolis charter school initiative is still in its early stages, but already some clear lessons can be learned from the city's experience. These lessons may be especially useful to state policymakers, charter school authorizers and policy advocates, and mayors across the country. In thinking about lessons for other places, it is important not to regard the elements of the Indianapolis initiative as an inextricably linked package. Other cities and states could look to components of the Indianapolis experience for ideas, including: the idea of mayor as authorizer, the broader idea of mayor as charter school champion (even without chartering authority), and the mayor's systems for accountability and generation of charter applications (which could be of interest to any type of authorizer).

The Value of a Mayor as a Charter School Champion

For a charter system to thrive in a city it needs support, and a mayor is in a particularly strong position to provide that backing—even if the mayor is not the charter authorizer. Some of the most striking aspects of the Indianapolis initiative—such as the effort to generate a supply of quality applicants and to develop a facilities financing program—could be pursued by any mayor, not just an authorizing mayor. In fact, these roles might be more natural for a non-authorizing mayor to play. Mayors are in a special position to serve as charter school champions for a number of reasons:

❒ **Ability to mobilize the city's resources.** Although city government is often on the outside of public education, it has numerous resources that can be immensely valuable to schools. And a mayor is in a unique position to mobilize those resources. In Indianapolis, the mayor's involvement has created a facilities financing program within the city's bond bank; encouraged the parks department to collaborate with schools on programs; helped the schools gain access to the public library's extensive collection and services; used public access television to inform the public about the charter initiative; raised money from philanthropic and private entities; and generated

many other connections, large and small, to benefit charter schools. Other possibilities for mobilizing the city's resources could include: making surplus city buildings available to charter schools; co-location of city services with charter schools; linking charter schools with city youth development programs (such as mentoring); and providing low-cost housing for charter school teachers.

❒ **Opportunity to serve as advocate.** Charter schools face a multitude of obstacles to opening—and as they grow, new obstacles often emerge. To reach their potential, charter schools need advocates. Mayor Peterson has been a powerful supporter of charter schools in Indiana. To start, he played a critical role in advocating for Indiana's charter schools legislation. When questions emerged about the level of funding charters would receive during their first semester, Mayor Peterson again was an aggressive advocate for the schools. When facilities emerged as a central challenge, he successfully petitioned the Legislature to allow the Indianapolis Public Improvement Bond Bank to finance charter schools. When the system for funding charter schools was in question, he testified and otherwise worked diligently to forge a solution that was workable for both charter schools and school districts. He has also worked hard to raise private funds for charter schools. While these specific instances of advocacy have been important, the mayor's broader backing of the charter sector is also worth noting. By lending his high-profile endorsement to the work of charter schools, the mayor gives the movement a stamp of approval that helps schools attract families, funding, and community support.

❒ **Ability to leverage outside resources.** A mayor is also uniquely able to bring entities outside of government together to support schools. In Indianapolis, the mayor's office has been instrumental in raising private funds in support of the charter initiative, partnering with a university to bring excellent programs and support to the schools, getting the business community involved

❐ by providing board members and other help, and encouraging strong local community organizations to launch new schools.

❐ **Regulatory assistance.** Opening a new charter school requires operators to navigate a series of regulatory hurdles. The mayor's office has been a strong advocate for its charter schools with various local and state agencies and has taken steps to help schools work through a complex field of requirements.

The Value of a Mayor as Authorizer

Nationwide, state legislatures are grappling with the question of which entities should be given the authority to grant charters and oversee charter schools. Candidates include local and state boards of education, universities and community colleges, nonprofit agencies, mayors and municipalities, and special-purpose organizations created with charter school authorizing as their sole mission.

As noted above, the mayor of Indianapolis is the nation's only mayor with chartering authority.[22] The early experience in Indianapolis suggests that there are some distinct advantages to having a city's mayor serve as an authorizer, or at least as one of the authorizers available in the city:

❐ **Visibility and transparency.** When a city's mayor acts, the city's media, leadership, and citizens tend to notice. For example, when Mayor Peterson released the first accountability report in 2003, the release was covered by television stations, the daily newspaper, and the local business paper. The mayor met with the newspaper's editorial board, and staff from his charter schools office appeared on television talk shows. This kind of attention brings a much higher level of visibility to a mayor-sponsored charter sector. Among other benefits, visibility significantly strengthens school accountability. Schools know that the media will cover a mayor's release of school performance data and that the public will know about their schools' performance. As a result, mayor-sponsored charter schools face inherently strong incentives to improve their schools—without any infringement by the mayor's office on the schools' autonomy. Transparency highlights schools' challenges, but leaves it in the schools' hands to find solutions.

❐ **Authorizer accountability.** Charter schools will be of better quality and held to higher levels of accountability if the authorizer is also held accountable for its performance. As an official elected by the people of the city, a mayor is directly accountable to citizens for the performance of city government. This accountability creates a strong incentive for a mayor to make good decisions as a charter authorizer. Issuing charters to low-quality schools or acting in other ways that are contrary to the public interest undermines the support for a mayor among the public and civic leaders. This kind of accountability is difficult to replicate in entities that are more removed from the citizenry.

❐ **Knowledge of the community.** A mayor's office is, typically, well connected with a city's neighborhoods and knowledgeable about the organizations and individuals active in the city's life. A mayor is also attuned to the city's challenges. When presented with a charter application, a mayor is thus uniquely capable of sizing up the proposal, judging the applicant's capability, and determining whether the application addresses a compelling need. Authorizers with statewide reach are unlikely to have such direct knowledge about local needs and actors.

❐ **Sustainability.** Charter schools are very popular with families. It is a great advantage to high-quality charter schools to have renewal decisions made by a public official directly accountable to the people being served by a charter school. It would be difficult for any mayor to close a charter school in his or her community where parents are happy and for which there is a wealth of data detailing the school's success. The more removed the chartering authority is from the people being served, the greater the danger that rash and imprudent decisions could be made.

Challenges of Mayoral Authorizing

Having the mayor as authorizer also presents some tough challenges. First, playing the role of authorizer well requires an extraordinary commitment of time and energy by the mayor. In Indianapolis, the mayor has been able to hire staff and consultants to carry out the day-to-day work of the office. When it comes time to make difficult decisions, though, the mayor

himself has had to devote the time necessary to decide well. With each application decision-cycle, for example, come lengthy meetings involving the mayor and top aides. The stakes surrounding decisions such as whether to approve a particular charter are high—both substantively and politically—and so the mayor finds this kind of personal involvement essential.

Second, the mayor's office in most cities has to approach authorizing with very little, if any, expertise in education or in overseeing schools. All of the systems and initiatives described in the previous pages have to be created from scratch. While a mayor's office can draw on the practices of other authorizers, as Mayor Peterson did, the design and implementation challenge is still significant. No doubt, starting from scratch without the accumulated baggage that afflicts many districts' systems has its advantages: A mayor's office can build from the start an oversight system that holds autonomous schools accountable. But no one should underestimate the magnitude of the task, which involves:

❑ Crafting an application process that insists on a high standard of quality while still allowing a significant number of schools to open;

❑ Generating a pool of charter applicants prepared to meet those high standards;

❑ Designing an accountability system that gives parents, the public, the schools, and the mayor good information about school performance, while respecting school autonomy;

❑ Mobilizing local political, business, community, and philanthropic support for the charter idea; and

❑ Advocating and furthering the cause of chartering and charter schools at the state level.

With that list in mind, it is not terribly surprising that more mayors have not actively sought chartering authority. While chartering provides a potentially valuable lever for mayors in education, the lever comes with significant obligations.

Finally, how sustainable is mayoral authorizing over time, as individual mayors come and go? In Indianapolis, for example, will Mayor Peterson's successor share his interest in chartering? If not, what will happen to charter schools as an initiative in the city? It is difficult to imagine a new mayor closing the existing charter schools, but a less enthusiastic mayor could easily impose a moratorium on new schools, and change the regulatory regime unfavorably for the existing charters. Turnover in leadership is not uniquely challenging for mayors; it can cause difficulties for any kind of authorizer. How this question will play out in Indianapolis, of course, remains to be seen. Mayor Peterson, however, who began his second four-year term in early 2004, continues to build partnerships with new charter stakeholders, and develop and strengthen the infrastructure necessary to ensure the future of charter schooling in Indianapolis.

The Importance of Financial and Human Resources

One advantage the mayor's office in Indianapolis has is access to considerable philanthropic resources for the design and implementation job. In addition to city funds for the basic staffing of the office, the mayor's office has enjoyed support nationally (from the Annie E. Casey Foundation) and locally (from the Richard M. Fairbanks Foundation). Too many authorizers nationally take up the responsibility of sponsorship without the necessary resources. As a result, they are forced to use inadequate systems, or, in the case of pre-existing educational organizations like states and districts, fall back on conventional approaches to oversight. The infusion of philanthropic funds in the early years of the Indianapolis initiative helped the mayor's office avoid these pitfalls. Financial resources primarily go to pay for human resources—skilled leadership for the charter schools office, expert consulting from national experts, and expert assistance from local organizations and individuals with site visits, surveys, and financial reviews.

Dilemmas of Meeting the Supply Challenge

Like many cities, Indianapolis has struggled to supply enough top-quality charter schools to meet parental demand. Some first-rate local entrepreneurs have emerged to start schools, but this supply is not endless. As described above, the mayor's office has responded to this challenge with an aggressive campaign to recruit operators or proven school models to open schools in Indianapolis. This initiative has achieved some successes, but it has not been without difficulties. First, leaders of the proven models still have the challenge of recruiting school leaders to head the schools they start in Indianapolis. Second, active recruitment of school-starters can put the mayor's office

in a tenuous position. Having encouraged applicants who promise to use proven educational models, the mayor must then review those applications and determine if they meet his high standard for approval. If they do not, he must reject the applications of groups who, only weeks before, his office was actively courting. Although this situation is not ideal, it is the inevitable result of the confluence of various factors: the mayor's commitment to scaling-up the initiative, his insistence on high-quality standards for approval, and the dearth of local applicants who meet those standards.

The Importance of Partnerships

In creating a citywide charter school initiative, it is impossible to underestimate the importance of community leaders and organizations stepping forward to play critical roles. In Indianapolis, these roles have included:

❒ **Founding schools.** First and foremost, respected community organizations have spearheaded efforts to start individual schools. In the first cohort of schools, these included Flanner House (a 100-year-old social service agency), the GEO Foundation (a prominent parent education and advocacy organization), and Christel House (which operates children's homes worldwide from its Indianapolis base). The second cohort included a high school created by Flanner House and a school initiated by Indiana Black Expo, an organization that showcases the achievements of African Americans. Subsequent cohorts will include schools launched by Southeast Neighborhood Development (a neighborhood-based community development corporation), a second school initiated by the GEO Foundation, and Goodwill Industries (which helps people find work and provides educational opportunities for them to enhance their employability). These schools' affiliations with well-established organizations provide them with everything from a foundation of community support to practical help with operational concerns, such as bookkeeping and facilities.

❒ **Supporting schools.** As independent entities not tied to any school district, charter schools often look to community partners to provide the services and connections they need to succeed. Partnerships formed with community institutions to support charter schools in Indianapolis are too numerous to list. The section of this report entitled "Leveraging Community Resources" discusses some of the more prominent partnerships.

❒ **Creating an environment supportive of charter schools.** Partnerships also help more generally, by creating a climate in which charter schools are an accepted and supported part of the local public education landscape. Charter schooling is controversial everywhere, but community partnerships allow people across the community to see charter schools in action, rather than as some abstract political concept. As a result of positive experiences in working with charter schools, partners in Indianapolis have become allies in efforts to keep the environment strong for charter schools in the state.

Quality: The Essential Ingredient

In this age of accountability in education, no one has patience for any school initiative that is not rigorously focused on quality—parents demand it; policymakers expect it; and funders and community partners want to see it.

Time and again, the importance of the mayor's commitment to quality has been highlighted in Indianapolis. It is vital to be able to express the mayor's bottom-line commitment to educational excellence when seeking funds from private philanthropists; recruiting individuals to serve on charter boards; speaking with state legislators, city councilors, or the media about charter schools; or talking with parents about the value of charter schools. It is equally vital to be able to back up that commitment with tangible evidence: the rigorous application process, the thorough performance contract each school signs, and the wide-scale sharing of information about schools, both good and bad.

While "holding schools accountable for results" has become a mantra in today's educational circles, it has proven challenging to enforce accountability without smothering educators in regulations and constraints. The early lesson from Indianapolis is that the solution to that dilemma is transparency—making the full gamut of data about each school fully and widely available to parents and the public.

The centerpieces of transparency in Indianapolis have been the accountability report published by the mayor's office—which presents detailed, unvarnished

school performance information about every mayor-sponsored charter school annually—and the mayor's charter school website, which provides even more data. As a result of this transparency, school operators know their progress will be measured and publicly reported. They know that everyone, from parents and prospective parents to funders and legislators, will know how their institutions are performing. As a consequence, the schools act regularly to improve their performance. Not because they were told what to do by the mayor's office, or required to do so by some policy or regulation, but because they know they have to take steps to boost their performance in advance of the next cycle of reporting.

Transparency makes accountability possible without micromanagement. The result is a system in which innovation and creativity can thrive, schools can respond to the needs of children and families, and everyone will know how schools are performing and progressing from year to year. Any kind of charter authorizer can benefit from examining how the mayor's office handled these issues.

Recommendations

These early lessons learned suggest a number of recommendations that may be helpful to other states and cities contemplating ways to create strong sectors of new schools within their own borders.

1. **More states should experiment with mayors-as-authorizers.** Nationally, state legislators have continued to tinker with authorizing structures. Lawmakers in Colorado, Idaho, and Utah recently created special-purpose entities to serve as charter authorizers. Legislation was enacted in Ohio empowering nonprofits that meet certain criteria to become authorizers. And yet in no state except Indiana have mayor been tappeds authorizers. While the Indianapolis experience does not in any way prove that mayors will *always* make good authorizers, it does prove that mayors *can* make good authorizers. States are missing out on an opportunity by not tapping this potential resource.

2. **States should include mayors among multiple authorizers.** Simply granting authorizing authority to mayors does not ensure that they will use it well, or even that they will use it at all. Some mayors, for example, oppose charter schools. In states where legislators are considering mayoral authorization, therefore, mayors and entities other than local school boards should be empowered to authorize charters.

3. **More mayors should explore charter authorizing and other ways of supporting chartering.** Mayors everywhere are looking for ways to have an impact on public education. In some high-profile cities, they have actually been given control of large city districts. In most places, mayors work around the edges, with no formal authority. Serving as a charter authorizer provides a way for mayors to become directly involved in education without taking over the school system, which is often politically impossible or undesirable. Even without authorizing power, mayors can provide vital backing for the charter sector in their cities.

4. **Authorizers should find ways to allocate sufficient resources to the task.** Mayor Peterson's experience shows the importance of having sufficient resources to do the job of authorizing. Too often, state policymakers expect authorizers to take on the job of school sponsorship without any revenue. The result of this expectation is that authorizing is often shoehorned into an existing structure and added to someone's already full plate. The kind of deliberative planning and execution seen in Indianapolis is not feasible in that context. Prospective authorizers without access to a funding stream under state policy, and unwilling to allocate the internal resources for the process to function properly, should not take on this role.

5. **A range of actors needs to contribute to generating a better supply of new schools for the future.** In Indianapolis, the mayor's office has taken on that role. But as noted in this report, doing so creates an awkward situation. While authorizers have a role to play in supply-generation, ideally, a wider range of organizations would take on that challenge, such as private resource centers for new schools, charter school associations, new school incubators, colleges and universities, and community-based organizations.

Conclusion

As this report has described, the young Indianapolis charter school initiative can already claim a number of successes:

❑ Many community leaders have stepped forward to spearhead the creation of charter schools, bringing new energy and resources into public education.

❑ Parents have flocked to the new schools, lining up on waiting lists and noting increasing satisfaction with their children's experiences.

❑ Students in most charter schools are making steady progress in reading, language, and math, and in many cases outpacing Indiana and national norms for growth.

❑ The mayor has established a comprehensive accountability system for the schools, with high expectations and transparent sharing of data about the schools with the public.

As is the case elsewhere, the charter sector in Indianapolis will ultimately be judged by its effects on students, families, neighborhoods, and the city as a whole, and those long-term effects remain to be seen. Though the elementary and middle schools are making good progress, they are still young. The one high school open in 2003-2004 struggled in its first year, and faces significant challenges as it enters its second year. In addition, the initiative's growth in 2004-2005 (doubling from five schools to 10) represents a much faster expansion than in the initiative's first two years, which could tax the mayor's systems.

As of the spring of 2004, mayor-sponsored charter schools in Indianapolis represents a small fraction of the city's students—less than 1 percent. But just the schools already chartered will double that fraction by 2005 and triple it by 2008. If all goes as planned, more high-quality applicants will receive charters in the coming years. The result should be a large, vibrant sector of newly formed public schools. If successful, these schools will provide excellent educations for the children who attend them, forge new models that can serve as examples for other schools, demonstrate effective accountability in public education, and exert a wide, positive impact on public schooling in Indianapolis.

Endnotes

[1] The "value added" is measured as the degree to which the school strengthens the learning of its students.

[2] Swanson, Christopher B., "Who Graduates? Who Doesn't? A Statistical Portrait of Public High School Graduation, Class of 2001," *The Urban Institute Education Policy Center*, February 2004, *http://www.urban.org/url.cfm?ID=410934*. According to this study, only 30.6 percent of students entering the ninth grade in Indianapolis Public Schools will complete high school with a regular diploma in four years, given the conditions prevailing in Indiana during the 2000-2001 school year. The estimated national average is 68 percent.

[3] "ISTEP Results," *Indiana Department of Education*, 2004, *http://www.doe.state.in.us/istep/welcome.html*.

[4] *Ibid.*

[5] The Center for Education Reform (CER) rates and ranks the nation's state charter school laws on the basis of ten different criteria (including number of schools, number of chartering authorities, start-ups, autonomy, and exemption from collective bargaining agreements). This national organization, an advocate for school choice, interprets a law as being strong when it encourages applicants and charter operations and does not impose heavy administrative burdens, stifle creativity, or require and charter schools to follow most existing education rules and regulations. The Indiana law is strong for the following reasons, according to CER's ranking criteria: It allows state university sponsorship statewide and the mayor of Indianapolis to charter schools; allows for the legal autonomy charters need in terms of hiring, district rules, and union contracts; and, allows for an unlimited number of charter schools to open in the state. See "Charter School Laws Across the States: Ranking Scorecard and Legislative Profiles," *The Center for Education Reform*, February 2004, *http://www.edreform.com/_upload/charter_school_laws.pdf*

[6] "Brown Center Report on American Education 2003," *Brookings Institution*, 2003, *http://www.brookings.edu/gs/brown/bc_report/2003/2003report.htm*, "Charter School Operations and Performance: Evidence from California," *RAND*, 2003, *http://www.rand.org/publications/MR/MR1700/index.html*, and "Strengthening Pennsylvania's Charter School Reform: Findings from the Statewide Evaluation," *Western Michigan University Evaluation Center*, 2002, *http://www.wmich.edu/~evalctr/charter/pa_5year/executive_summary_pa_cs_eval.pdf*.

[7] Nelson, F. Howard, Bella Rosenberg, and Nancy Van Meter, "Charter School Achievement on the 2003 National Assessment of Educational Progress," *American Federation of Teachers*, 2004.

[8] Schworm, Peter, "Urban Charter Schools Score a Win," *Boston Globe*, May 10, 2004.

[9] RPP International, "Challenge and Opportunity: The Impact of Charter Schools on School Districts, A Report of the National Study of Charter Schools," *Office of Educational Research and Improvement, U.S. Department of Education*, June 2001.

[10] Halsband, Robin, "Charter Schools Benefit Economic Community Development," *Journal of Housing and Community Development*, November 2003, *http://www.lisc.org/resources/assets/asset_upload_file232_6704.pdf*.

[11] Source for national charter school grade-level configurations: SRI International, "A Decade of Public Charter Schools, Evaluation of the Public Charter Schools Program: 2000-2001 Evaluation Report," *U.S. Department of Education, http://www.sri.com/policy/cep/choice/yr2.pdf*. National figures were from the 2000-2001 school year, during which SRI reports that 1,988 charter schools operated nationally.

[12] All data in this section derived from: "2004 Accountability Report on Mayor-Sponsored Charter Schools," Office of the Mayor, City of Indianapolis, August 2004, *http://www.indygov.org/eGov/Mayor/Education/Charter/*.

[13] This analysis was not possible for Flanner House Higher Learning Center because the Northwest Evaluation Association does not publish proficiency levels for ninth to 12th grade.

[14] In spring 2003, the University of Indianapolis administered surveys to all charter school parents. Chart 1 indicates the percentage of parents across all three charter schools who indicated that they were "very satisfied" or "somewhat satisfied" with various features of their children's charter schools. Response rates at the five schools ranged from 50 percent to 76 percent of parents in 2004. Response rates at the three schools in 2003 ranged from 43 percent to 78 percent.

[15] Sources of these three quotations, respectively: Mary Kay Shields, President, National Charter Schools Institute, Letter to Mayor Bart Peterson, December 11, 2001; Jeanne Allen, President, Center for Education Reform, Letter to Mayor Bart Peterson, December 10, 2001; Andrea Neal, "Mayor Peterson Has Reason to Boast," *Indianapolis Star*, December 26, 2001.

[16] This description of the mayor's office's accountability system is adapted from "2004 Accountability Report on Mayor-Sponsored Charter Schools," Office of the Mayor, City of Indianapolis, August 2004, Supplemental Report #7, *http://www.indygov.org/eGov/Mayor/Education/Charter/*.

[17] For a detailed description of the Framework, see *http://www.indygov.org/mayor/charter/pdf/accountability_handbook.pdf*.

[18] The *Accountability Handbook* is online at *http://www.indygov.org/mayor/charter/pdf/accountability_handbook.pdf.*

[19] Survey instruments and the results of the 2003 surveys available in "2003 Accountability Report on Mayor-Sponsored Charter Schools," Office of the Mayor, City of Indianapolis, September 2003, *http://www.indygov.org/mayor/charter/.*

[20] For a detailed description of governance oversight established by the mayor's office, refer to the *Governance Handbook,* available online at *http://www.indygov.org/mayor/charter/pdf/governance_handbook.pdf.*

[21] *Ibid.*

[22] Although Indianapolis is the only city in which the mayor is a charter authorizer, there are some other examples of mayoral and municipal involvement in authorizing. Wisconsin legislation authorizes Milwaukee's Common Council to issue charters. The mayor of Washington, D.C. plays a role in the appointment of the D.C. Public Charter School Board, which one of that city's charter school authorizers. And in cities where the mayor exerts control over the school district, and the school district is a charter authorizer (such as Chicago and New York City), the mayor can play an indirect role in authorizing. But none of these examples match the mayor's direct role in Indianapolis.

About the Author

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