

Charter Schools: Myths vs. Facts

For over two decades, charter schools have been an integral part of Indiana's public education system, providing families with innovative and high-quality school choices. Despite their proven success, misinformation and misconceptions persist, often driven by those resistant to change. These myths undermine the incredible work being done in charter schools and create confusion about their role, accountability, and impact. This document separates fact from fiction by addressing the most common myths surrounding charter schools and setting the record straight.

Foundational Myths (Defining Charter Schools)

✗ Myth: Charter schools are private schools.

✓ Fact: Charter schools are public schools. They are free, publicly funded, and open to all students across Indiana. They follow state and federal education regulations, ensuring equitable access to education.

✗ Myth: Charter schools are for-profit entities.

✓ Fact: Federal law requires all charter schools to be operated as non-profit entities. While some charter schools contract with for-profit management companies, this is also common practice among traditional public schools, which frequently contract with for-profit entities for curriculum, supplies, and management services. Currently, only three out of 125 brick-and-mortar charter schools in Indiana contract with for-profit management companies.

✗ Myth: Charter schools do not accept all students and can turn away those with Individualized Education Plans (IEPs) or English Language Learners (ELLs).

✓ Fact: Charter schools, like all public schools, are legally required to follow open enrollment laws, which prohibit discrimination based on disability, language proficiency, academic ability, or other factors. Indiana law ensures that any student eligible to attend a public school can attend a charter school.

✗ Myth: Charter schools do not serve special education students.

✓ Fact: Charter schools must follow the same federal and state laws as traditional public schools regarding special education. They are legally prohibited from turning away any student and must provide necessary support and accommodations.

Accountability & Transparency

✗ Myth: Charter schools hire unlicensed teachers.

✓ Fact: Indiana law mandates that at least 90% of charter school classroom teachers must be licensed. Additionally, some authorizers, like the Indianapolis Mayor's Office, require all teachers to be licensed or in the process of obtaining certification. Traditional public schools can also hire unlicensed teachers through adjunct teaching permits (IC 20-28-5-27).

✗ Myth: Charter schools are not held accountable for performance.

- ✓ Fact:** Charter schools face multiple layers of accountability, including:
- **Nonprofit Boards:** Each Indiana charter school is governed by a nonprofit board composed of local community leaders and professionals who oversee finances, operations, and academics.
 - **Charter Authorizers:** Schools must receive authorization to operate and are monitored for academic, financial, and operational performance. If they fail to meet standards, their charter can be revoked.
 - **State Oversight:** The Indiana Department of Education (IDOE) monitors charter schools, which must submit annual independent financial audits to the State Board of Accounts.

✗ Myth: Charter schools fail and close due to lack of accountability.

- ✓ Fact:** Unlike traditional public schools, which **have never closed for poor financial health or academic failure**, charter schools are subject to closure if they do not meet performance expectations. Charter schools must:
- Administer state assessments like ILEARN and IREAD.
 - Be graded using the same accountability system as all public schools.
 - Meet contractual obligations with their authorizer or risk **closure**—a level of accountability not applied to traditional public schools.

✗ Myth: Charter schools lack transparency because their boards are not elected.

- ✓ Fact:** Charter schools undergo annual third-party financial audits following GAAP Accounting standards. These audits must be submitted to the State Board of Accounts and made publicly available. Traditional public schools, by contrast, are only audited every other year.

Additional transparency measures include:

- **Public hearings** before charter approval.
- **Annual reports** submitted to the DOE and posted publicly.
- **Conflict of interest laws** prohibiting financial misconduct among charter leaders.

✗ Myth: The State Board of Education (SBOE) has no oversight over charter schools.

- ✓ Fact:** The SBOE has multiple oversight mechanisms, including:
- **Preventing “authorizer shopping”** (HEA 1338 -2013), which ensures failing schools cannot switch authorizers without SBOE approval.
 - **New authorizer approval** (HEA 1636 - 2015), which requires new authorizers to register with the SBOE and demonstrate financial and operational capacity.

Funding & Financial Myths

✗ **Myth: IPS is underfunded.**

✓ **Fact:** IPS received **over \$781 million in revenue in 2023**. Even without federal stimulus funds, IPS still had **\$667 million**, equating to **\$21,326 per student**, including innovation network and charter students. This is significantly more than most charter schools receive per student.

✗ **Myth: Senate Bill 518 unfairly redirects funds away from traditional public schools.**

✓ **Fact:** SB 518 **closes the funding gap**, which is nearly **\$8,000 per student in IPS**, over **\$5,000 per student in Gary**, and on average, approximately **\$4,000 per student across the state**. Under the current system, students leaving a district that does not meet their needs forfeit funding that should follow them, disproportionately impacting students of color and low-income students.

Performance and Public Perception

✗ **Myth: Charter schools are not widely supported.**

✓ **Fact:** Charter schools are a growing, popular school choice across the state. Nearly half of students in Gary attend a charter school. In Indianapolis, 61% of students within IPS boundaries attend non-IPS schools (independent charter school, innovation charter school, or innovation network schools). Charter schools also serve a high percentage of minority and low-income students:

- 88% of Indianapolis charter school students are students of color.
- 66% of Black public school students in IPS boundaries attend a charter or innovation network school.
- 31% of Indianapolis charter school students are Hispanic, up from 22% in 2020–2021.

✗ **Myth: Charter schools perform worse than traditional public schools.**

✓ **Fact:** Despite statewide stagnation in ILEARN and SAT scores, Indianapolis charter schools have demonstrated significant proficiency gains compared to IPS and township districts since 2021.

ILEARN Performance (Since 2021)

- Charter schools improved by 7.2 points in math and 3.9 points in ELA.
- Black charter students improved by 7.7 points in math and 6.4 points in ELA.
- English Language Learners in charter schools improved by 9.8 points in math and 6.3 points in ELA.
- Low-income charter students improved by 9.2 points in math and 6.0 points in ELA.

SAT Performance (2024)

- Students in innovation charter schools surpass statewide college-readiness rates.
- Black students in innovation charter schools outperform every township district on the SAT EBRW section.
- Students in innovation charter schools are 5x more likely to be college-ready than their peers in direct-run IPS schools.