

## **RULES AND PUBLIC POLICY COMMITTEE**

**DATE:** February 9, 2010

**CALLED TO ORDER:** 5:32 p.m.

**ADJOURNED:** 6:23 p.m.

### **ATTENDANCE**

#### ATTENDING MEMBERS

Robert Lutz, Chairman  
Bob Cockrum  
Monroe Gray  
Angela Mansfield  
Michael McQuillen  
Lincoln Plowman  
Joanne Sanders  
Ryan Vaughn

#### ABSENT MEMBERS

### **AGENDA**

PROPOSAL NO. 48, 2010 - approves a request of the School District of School Town of Speedway to certify its public question referendum to the County Election Board for the May, 2010 election  
"Do Pass" Vote: 8-0

PROPOSAL NO. 47, 2010 - approves the Mayor's establishment of a charter school, "Indiana Math and Science Academy North" by issuing a charter to Indiana Math and Science Academy East, Inc.  
"Do Pass" Vote: 5-3

## **RULES AND PUBLIC POLICY COMMITTEE**

The Rules and Public Policy Committee of the City-County Council met on Tuesday, February 9, 2010. Chairman Robert Lutz called the meeting to order at 5:32 p.m. with the following members present: Bob Cockrum, Angela Mansfield, Michael McQuillen, Lincoln Plowman, and Ryan Vaughn. Joanne Sanders and Monroe Gray arrived shortly thereafter. General Counsel Robert G. Elrod represented Council staff.

Chairman Lutz asked all Councillors to introduce themselves and indicate which area of the County they represent.

PROPOSAL NO. 48, 2010 - approves a request of the School District of School Town of Speedway to certify its public question referendum to the County Election Board for the May, 2010 election

[Clerk's Note: Councillors Sanders and Gray arrived at 5:35 p.m.]

Kenneth Hull, Speedway School District, gave a brief Powerpoint presentation including a history of the finance of public education. He stated that pre-1972, public education was financed by local property taxes. Between 1972 and 2008, public education was financed by a blend of property taxes, income tax and sales tax. Since 2009, education has been financed through the state with local control via income tax and sales taxes. He said that in 2009, public education was fully funded by the state, but the foundation funding was reduced per student in 2010 and further reduced in 2011 by the State legislature, which was accelerated in December, 2009, through gubernatorial action. Mr. Hull said that this created a projected operational deficit for Speedway Schools of just over \$2 million for 2012. He said that they discussed making class sizes larger, but the parents in Speedway would not go for that. He said that they then tried to create efficiencies by gathering over 25 stakeholders, consisting of teachers, parents and administrators, who met for over 100 hours to determine how expenses could be reduced by \$1 million in 2010. The committee discussed six major options and analyzed five plans in detail. He said that Speedway is already very efficient with their dollars, putting 69% of revenue according to the state formula into the classroom, or 80% including building administration, and they found there were not many places where expenses could be cut. He said that the only options seemed to be internal consolidation of four fully functioning elementary schools into one centralized elementary school, combining junior and senior high schools, increasing class size above the state average and reducing programs. He said that the stakeholders felt this would irreparably harm Speedway schools, which have high achievement and graduation rates. Those stakeholders felt that the standard of the Speedway Schools was worth keeping.

Mr. Hull stated that consequently, the stakeholders went to the school board and asked them to pursue a public question to maintain, and even enhance, the current level of public education in the Town of Speedway. He said that the board reviewed this

process for over 60 days, with two open public meetings, and then made the decision to pursue the public question. Counsel then helped them draft the public question, and the board adopted it in January. He reiterated accomplishments of the Speedway School District, such as a 96.6% graduation rate, honor roll status on the Indiana Chamber of Commerce Best Buy list, bronze medalist in the U.S. News and World Report for best high schools in the United States (out of 30 across the country), and all Speedway schools being recognized as four-star schools at least once in the last five years. He said that the Speedway School District consistently does more for less. Speedway has the smallest class sizes in Marion County, with the highest percentage of dollars directed to the classroom in Marion County at 69%. He said that they have the longest school year, with 183 student days, and those school days are among the longest at 420 minutes, which is 60 minutes above the state minimum. He said that they continue to do all of this at 31 cents per \$100 of assessed value (AV). The average for school systems in Marion County is \$1.21 per \$100 of AV. He said that they have set the referendum at the maximum level, but they have proven to always come in at a level below the maximum, even while planning for any further deductions that might occur. He said that the cost for a quarter of the homes would average about \$12 a month, which is still 28% less than they were paying in 2007. Some homes would pay slightly higher rates, but even the wealthiest homes would still pay no more than \$1 a day to keep the quality of schools to which they have become accustomed. He said that including this public question on the referendum would allow the public to decide the future of their school district.

Councillor Plowman asked if the \$12 a month cost estimated is additional or if it is the full amount those households would pay. Mr. Hull said that this would be in addition to what they currently pay. Chairman Lutz clarified that this would be the cost if they went to the maximum amount. Mr. Hull agreed and said that it will probably not be the maximum, but they feel the public should be informed of the maximum as a possibility.

Mr. Hull stated that Speedway Schools began in 1928, during a time of depression, and their average general property tax for its first eight years was \$0.7070 per hundred dollars of valuation, and now 73 years later, they are asking for only \$0.5900 per hundred dollars of valuation for its General Fund. He said that this is a community that has in the past, and they think will continue to, support its schools. He said that this referendum process allows the voters to have a say in what they do and how they do it, and they are asking for the Council to approve the inclusion of this public question referendum on the May 2010 ballot.

Chairman Lutz asked how the Speedway Town Council feels about this referendum. Mr. Hull stated that the town manager, a couple members of the town council and chair of their redevelopment commission are in attendance tonight in support of the referendum, and they have always supported Speedway schools. Chairman Lutz asked how many assistant superintendents the school district has. Mr. Hull said that they do not have any superintendents. He is actually the chief financial officer (CFO) and there is one other person who works directly with the curriculum.

Councillor Vaughn said that these types of referendums are often difficult, and he asked what the district's plan is to sell this issue to the residents. He asked if they have public forums or town meetings scheduled. Mr. Hull said that the matter has been posted, but has not really received an audience at the past three board meetings where it was discussed. He said that they have reached out and have three presentations planned in open meetings before the Speedway Chamber of Commerce, the Old Speedway City Neighborhood Association and the Lions Club. He said that they also have meetings planned at each of the individual schools to share information and they are available to go anywhere at any time to share the importance of this referendum.

Chairman Lutz asked Mr. Elrod for clarification of the Council's role in this referendum, which is not the approval of any tax increase, but simply to certify the question to the County Clerk's office. Mr. Elrod answered that this is correct in the affirmative and stated that the language in the statute is mandatory and states that the Council "shall" certify such public questions for inclusion on ballots.

Councillor Sanders asked who pays for having this question included on the ballot. Kostas Poulakidas, counsel for the School District for the Town of Speedway, stated that there is no additional cost and it can be absorbed by the normal May primary election expenses. If it was something that had to be voted on outside of a normal election, and a special election needed to be held, then the school district would have had to cover those costs.

Councillor Vaughn moved, seconded by Councillor Mansfield, to send Proposal No. 48, 2010 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 8-0.

PROPOSAL NO. 47, 2010 - approves the Mayor's establishment of a charter school, "Indiana Math and Science Academy North" by issuing a charter to Indiana Math and Science Academy East, Inc.

Karega Rausch, Indianapolis Charter Schools, stated that there is a very detailed three to four month process for charter school applications. First, the entity must submit a prospectus in 12 key areas, which is then evaluated by the Indianapolis Charter School staff, the Mayor's Charter School Advisory Board, and experts in curriculum, governance and finance. This process includes a detailed report and public meeting.

Salib Yukan, vice president for Concept Schools, which is the charter school management organization for the Indiana Math and Science Academy, stated that they are committed to improving high quality public education options in the City of Indianapolis. He said they have a current school on West 38<sup>th</sup> Street, which has been in operation for three years and was authorized by Ball State University. This school has 480 students in kindergarten through tenth grade and their test scores went up last year, while many public schools in Indiana experienced a decrease in

test scores. He said that they wanted to extend this option to more parents and students in the Indianapolis community. This same design concept has been implemented in 19 schools in four different states, including Indiana, Ohio, Illinois and Michigan, serving a total of 5,500 students in urban areas. The first school of this type, founded 10 years ago, received a blue ribbon award last year, which was the only charter school out of 350 schools in Ohio to receive this award and one of only 10 charter schools nationwide to receive this recognition. Their Chicago school is the highest performing non-selective school in the city of Chicago, out of 97 schools, and the school here in Indianapolis is on its way to being one of the top-performing schools in this city. Approximately 88% of the students served in these schools are minority students, with 75% eligible for free and reduced lunches, 8% with special needs and 4% needing English as a second language focus.

Mr. Yukan stated that college preparation begins in elementary and junior high school, and their charter schools provide the tools and programs for students to succeed in four-year colleges. He said learning is assessed on an ongoing basis, and specific strategies are developed to help children learn in the support systems they need to optimize learning. He said that they have a 187-day school year and provide opportunities for local, national and international trips, as well as short-term student exchange programs. These schools are small by design, with approximately 75 students per grade, which enables them to personalize education and establish personal relationships with students and their families. He said that this type of schooling has proven to be very attractive to parents, and most of their schools have long waiting lists. He said that they look forward to bringing this same level of success to Indianapolis. Mr. Rausch added that Pastor Kent Mallard, St. Luke's Methodist Church, board chair for the school on the west side will also serve as board chair for the new school. He said that they administered a survey to parents across the Indianapolis area, and they received four full pages of parents interested in this type of education option.

Councillor Cockrum asked if there is any requirement that the parents spend a certain amount of time per week or month involved in their child's education or support of the school. Mr. Yukan said that there is no requirement, and it is more incentive-based, where they find that most of the parents want to invest in their child's education as much as their work schedules allow. He said that they are asked to attend parent-teacher conferences, which are held four times a year on Saturdays, in order to accommodate work schedules, and that they ask parents to be involved and available when needed.

Councillor Sanders asked about the gender breakdown of students accepted into the school. Mr. Yukan said that they do not have any selection criteria, and students are accepted through a random lottery. He said that in the case of the Chicago school, where he was acting principal for a time, the student population was approximately 52% boys and 48% girls. Councillor Sanders asked at the time of college acceptance, what the gender breakdown was for those accepted into

colleges. Mr. Yukan said that they had 100% college acceptance, so all of the students were accepted. Councillor Sanders asked if Concept Schools, the management corporation, is a 501(c)3 organization. Mr. Yukan said that their application is pending, but they are a not-for-profit organization. Councillor Sanders asked who funds the management organization. Mr. Yukan said that the management organization provides start-up services, such as evaluations, testing, professional development and audits. In exchange for these services, the management company charges a 10% management fee on the per capita tuition. This fee does not apply to title or grant monies the charter school receives. Councillor Sanders asked if that management fee then comes totally from tuition dollars, which are taxpayer dollars. Mr. Yukan answered in the affirmative, and stated that the management company has an annual contract with the local board with benchmarks to evaluate the performance of the schools and keep up the standards. Mr. Rausch clarified that charter schools have their own governing boards, which in turn, either hire a director or administrator who hires staff and teachers, or contracts with another entity to staff the school and provide these services. He said that this is common with most charter schools. Mr. Yukan stated that the principal and business manager position salaries are included in this 10% fee.

Councillor McQuillen moved, seconded by Councillor Cockrum, to send Proposal No. 47, 2010 to the full Council with a "Do Pass" recommendation.

Councillor Mansfield stated that education is very important to the community, and she has been supportive of charter schools in the past, because of failing graduation rates, and classroom disciplinary problems which make learning near to impossible. However, she questions the location of this particular school in Washington Township, where she moved as a single mother to provide a diverse and successful education for her son. She said that the proposed location of this school perhaps had her digging deeper into the statute governing charter schools, I.C. 20-24-1-2, and the criteria for charter schools. The criteria for charter schools include serving different learning styles and needs of students, offering students appropriate and innovative choices, allowing public schools freedom and flexibility to exchange for exceptional levels of accountability, and providing interested parties an opportunity to be involved in the public school system. Councillor Mansfield said in looking at the statute, she does not really see how this criteria is being met. She said that in looking at the success of the program already, she does not have concerns that it will be successful, but these are public school dollars being used for a unique school opportunity that are subsequently being pulled away from the established school system. She said that in Washington Township, 53% of students qualify for the free lunch program, which shows a more significant struggle with poverty than she realized. She said that Washington Township's fifth-grade I-STEP proficiency scores in math and science are at 88%, which is pretty high. In looking at the diversity of the township, it is 39% black, 39% white, and the remaining percentage is a unique mix of different ethnic backgrounds. Academically, 90% of the 2008 class earned the core 40 diploma, with 45% of the class earning the honors diploma. She

said that she is not really understanding the niche that this proposed math and science school would provide in Washington Township. She said that based on her research, there are already opportunities for excellence in math and science and she does not really seeing the need for another charter in that area. Mr. Rausch said that they pay close attention to the statute when evaluating charter school applications, and he believes two of the criteria included in that statute provide a roadmap for the establishment of charter schools, specifically, offering public school students appropriate and innovative choices and providing parents, students, community members and local entities with an expanded opportunity for involvement in the public school system. He added that he does not want to get into a lengthy philosophical debate about the purpose of charter schools in this meeting, as some believe they should only be offered in places where there are only bad schools and others believe more options should be available everywhere and is always a good thing. He said that he believes in this instance, with this entity being a kindergarten through 12<sup>th</sup> grade model and offering some of the cultural exchange programs, this makes it somewhat unique. One thing Indianapolis Charter Schools does require is that entities market to a wide diversity of individuals. He provided maps for two charter high schools, Herron and Indianapolis Metropolitan, showing from where their students come. He said that these show that at the high school level, charter schools are attracting students from all over the city, and not necessarily in the immediate neighborhood. Mr. Rausch said that this school should not then necessarily be viewed as a competitor to North Central High School. While it does offer an option to students in this area, it will draw from a wide swath of the Indianapolis community.

Councillor Gray asked where the school will be located. Mr. Rausch said that it will be located in the Junior Achievement building at 74<sup>th</sup> and Keystone. Councillor Gray asked if they already have the building. Mr. Yukan said that they are still finalizing the lease agreement.

Councillor Vaughn said that he is familiar with many of the statistics Councillor Mansfield shared on Washington Township, but not all of them. He said that he is of the opinion that competition is good. Those students who have not performed well in traditional schools in Washington Township could benefit from some of the programs this charter offers. The success rates of this particular entity are even more of a reason to offer another opportunity for students to succeed in a public school environment. He said that this school will be located in his district and he supports the charter issuance.

Brian Steiner, citizen, stated that he has two children in the existing Math and Science Academy, and they live in Pike Township. He said that he has seen a marked improvement with both of his children and their knowledge. He said that they are getting ready to move out of the county, but are researching if they can legally keep their children in the Math and Science Academy. He said that he would like to see more of this type of school and he also believes competition makes schools better. Councillor Mansfield asked the ages of Mr. Steiner's children. Mr. Steiner said they are eight and eleven, a third and sixth-grader.

The motion to send Proposal No. 47, 2010 to the full Council with a "Do Pass" recommendation carried by a vote of 5-3, with Councillors Sanders, Gray, and Mansfield casting the negative votes.

Councillors Sanders, Mansfield and Lutz asked for consent to explain their votes. Consent was given.

Councillor Sanders said that as always, she is philosophically opposed to charter schools. Charter Schools are public schools and use public tax dollars. She said that she feels charters are only appropriate when they fill a particular niche that cannot be filled by an established school system. She said she has only voted for one charter school which is at Fairbanks, because it clearly meets a need that is not addressed in the public schools. She said that charters divert resources from public schools and she would rather see programs built into the current public schools. She added that her negative vote is no reflection on this particular school or management entity.

Councillor Mansfield said that she also wishes some of these specialty programs could be built within the current public school system. She added that her vote is also no reflection on the concept or this particular entity.

Chairman Lutz stated that he also believes competition is an important factor and he would like to see some of these more innovative teaching programs built into the public school system. He said that possibly the more traditional public schools will see that they are losing students to charter schools and incorporate some more innovative and creative learning programs as a result. He said that he was fortunate growing up that his parents could afford to send him to Cathedral High School, whose semester tuition at that time was probably around \$255, which is not the case today. He said that charter schools give parents who may not have the financial wherewithal to realize more options for a successful education for their child.

Mr. Rausch added that the desire of the Mayor's Office is that some of the traditional public schools will follow the lead of other large cities like New York and Chicago, and embrace charters to bring in creativity and innovation, as well as competition, to provide options to meet every student's needs.

There being no further business, and upon motion duly made, the meeting was adjourned at 6:23 p.m.

Respectfully Submitted,

RL/ag

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Robert Lutz, Chairman