



For Immediate Release

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History and Timeline of Daleville Community Schools and its Charters: Indiana Virtual School and Indiana Virtual Pathways Academy

2011 High Hopes

Daleville Community Schools authorized a charter for Indiana Virtual School in June of 2011 after seeking the guidance of and approval from the Indiana Department of Education.

The new charter school would deliver a 6-12 grade curriculum via the Internet and was geared toward students who were unable to attend a regular school due to life circumstances: extended hospitalizations, pregnancies, recovery homes, and children in the Family and Social Services Administration (FSSA) system. The school began operations its first school year with nine students.

In addition, the sponsorship provided Daleville Community Schools (DCS) students with access to over 150 virtual courses including Advance Placement (AP) to earn college credit.

2012-2015 Oversight and Authorization Fees

Over the course of the first three years, the school grew from 9 to 105 students.

By the start of the 2014-15 school year, enrollment had climbed to 451 students. Indiana Virtual School (IVS) hired Dr. Percy Clark, former superintendent for Lawrence Township Schools, to lead IVS beginning the 2015-16 school year.

Although the charter contract called for a 2% authorization fee to pay for oversight responsibilities, DCS received no money from IVS until its fourth year. In 2015 the authorization fee was increased to 3% of all basic tuition funds received by IVS. When IVPA was created in 2017, the authorizer fee for that charter school was also 3% of all basic tuition funds received by IVPA. It is important to note that authorizer fees may only be used for things related to oversight and authorizer related functions. **The authorizer fees were never a part of the DCS general operations fund, never used for general DCS spending, and any amounts left in the authorizer fee account once the IVS and IVPA closure and wind-down process is complete must be returned to the State of Indiana.**

DCS was meeting quarterly with charter school authorizers such as Ball State, Indiana Charter School Board, Indianapolis Mayor's Office, Trine University, and others to discuss authorizing issues. The most challenging issue for many of the authorizers, including DCS, was lack of access to charter school data. Charter schools uploaded their data reports directly to the Indiana Department of Education (IDOE) bypassing the authorizers. At that time, the IDOE ruled that authorizers did not have the right to see the data of the charter schools they authorized due to federal FERPA regulations. On September 1, 2016 the Indiana Charter School Board formally requested a ruling from the United States Department of Education on the data access issue. It took 1 ½ years for that ruling, during which time, DCS had no option but to rely on the data that the charter schools chose to provide, **with no independent means to verify the accuracy of the data.**

2015-2017 Growth and Evaluation

During this time, IVS doubled in size each year reaching close to 3000 students in year six. IVS attributed the growth to two factors: a social media advertising campaign and school principals counseling dropouts into transferring to the virtual school. Of the 3000 students, nearly half were arriving as seniors and most were credit deficient, meaning they could not graduate on time.

To better understand the virtual education process (and with the added benefit of exposing DCS students to online learning), DCS used part of the authorization fee to place every 8th grade and 10th grade DCS student in a virtual course. Because DCS teachers monitored and led the students through the coursework, their experiences informed much of the conversations DCS had with IVS personnel during regular monitoring and oversight meetings.

DCS also used the authorization fee to contract with a Ft. Wayne nonprofit, The Summit, to develop an evaluation tool geared for virtual schools. That tool became known as EVOLVE and was piloted during the 2016-17 school year. The EVOLVE assessment team included four content specialists from across the country, each expert in one of the core areas: academics, governance, systems, and personalization. The new evaluation tool allowed DCS to increase the specificity and frequency of their dialogue with IVS personnel to better respond to issues, receive reports, discuss growth related matters and to develop a school improvement plan based on the results of the EVOLVE assessment.

Near the end of 2016-17, IVS proposed creating an additional charter school, Indiana Virtual Pathways Academy (IVPA), to better meet the needs of the credit deficient student population. An emphasis would be placed on internships and individual service plans for each student along with additional wrap-around services. The charter was granted to start the 2017-18 school year and IVPA was capped at 3000 students for the first year. IVS had grown to a little over 3000 students as well.

2017-2018 Questionable Data

During the 2017-18 school year, virtual school personnel were publicly stating that their students were earning more credits per year than they were when they were in the traditional schools. While the students would not be able to graduate on time because they came to the virtual school credit deficient, IVS-IVPA stated they were doing much better and making more progress than at their previous schools. DCS frequently asked IVS and IVPA for the supporting data but it was never provided. Because the charter schools' lack of cooperation in this area did not violate the charter contract, DCS had limited options to obtain the requested data.

DCS also began experiencing difficulty in receiving the 2016 financial audit from IVS, which IVS credited to auditor backlog. Knowing that the previous audits for 2012, 2013, and 2014 had not presented any red flags for the auditors, DCS accepted that explanation while continuing to press for an expeditious completion of the audit.

On March 26, 2018, a full 1 ½ years after the formal request, the United States Department of Education formally responded to the Indiana Charter School Board that Indiana authorizers would

not be violating FERPA regulations if given direct access to the charter school data. Similarly, the Indiana legislature passed a law giving authorizers direct access to data as of July 1, 2018. On August 1, 2018, DCS received login credentials and began downloading the IVS-IVPA data reports for the first time.

DCS first looked at data regarding credits earned by IVS and IVPA students, fully expecting to see what they had been told all along: students were earning more credits than they had been at their previous schools. **The downloaded data did not support that.** In fact, it raised more questions resulting in downloading more reports. The further DCS delved into the data, the more discrepancies they found. In all, DCS downloaded five years of student data encompassing 14,782 students and over 2 million data cells.

In late August 2018, one month after gaining legal access to the IVS/IVPA data reports, DCS contacted the State Board of Accounts with significant concerns.

2018-Present IVS/IVPA Closure

Since August 2018, DCS has been cooperating with numerous agencies to discuss what was uncovered in the data, chief of which was a large discrepancy between the numbers of students in the funding reports and the significantly fewer number of students in the course enrollment reports. In order to protect the investigations, those agencies requested DCS remain silent, hampering any opportunity for DCS to refute public accusations based on rumor and speculation. DCS's silence is no longer required as investigations have now become public through other means.

Since clear violations of the charter agreements had been found and at last provided with corroborative data, the DCS board began the process to revoke the IVS and IVPA charters in February of 2019. According to the charter contracts, the revocation process provided each virtual school with one year to find a new authorizer or close.

A resolution agreement, in lieu of a revocation, was reached between DCS and the virtual schools in June, which outlined a robust closure protocol and better means to monitor and oversee the final year of the charter schools' operation. Under the terms of that resolution agreement IVS agreed to voluntarily close by September 30, 2019 and IVPA agreed to voluntarily close by June 30, 2020.

In July 2019, the State Board of Accounts (SBOA) testified to the Indiana State Board of Education (SBOE) that IVS and IVPA had substantially misreported their enrollment data and had claimed at least two times as many students as they should have. The SBOE then recommended that future payments to the charter schools be suspended and that the IDOE exercise its authority to recover the overpayments. **The IDOE calculated that IVS and IVPA owed at least \$47.3 million dollars back to the state and suspended all future funding for the schools immediately.**

Shortly after that, DCS found that both schools were also in violation of the closure protocols, so the DCS board once again began the revocation process, pursuant both to the resolution agreement and applicable state law.

At this point many of the virtual school personnel have left IVS and IVPA including all the support staff from the educational service provider that was handling transcripts and student records. The few who remain are inundated with requests to send, evaluate, and/or correct transcripts with limited ability and no income. DCS is onsite weekly to evaluate the operations, provide guidance, and to assist the countless students and their families as they transfer to a new school to continue their education and to address other pressing matters related to school operation, student services, and the closure process. DCS will continue to closely monitor and work with both IVS and IVPA, and all relevant agencies regarding the operation and closure of IVS and IVPA.

A public meeting will be held August 19, 2019 for IVS and IVPA to present documents and testimony regarding the proposed charter revocations. On August 26, 2019, the DCS Board will vote on the question of revoking the IVS and IVPA charters. If the DCS Board votes to revoke the charters, **IVS's closure date will remain as September 30, 2019. IVPA will likely also close by September 30, 2019.**