

Will state require voucher schools to report finances?

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In response to an IndyStar investigation of Indiana's school voucher program, lawmakers are taking steps to increase financial transparency of private schools that accept public dollars for school choice.

A proposed change in state law would require private schools that accept vouchers to submit annual financial reports to the Indiana Department of Education.

An IndyStar investigation last month detailed how Todd Academy, an Indianapolis private school, continued to receive public voucher dollars even after the state was made aware of complaints that teachers were not being paid and classrooms did not have heat.

Without basic fiscal controls in Indiana's school voucher program, Todd Academy remained eligible for state funds until it collapsed under the weight of its debts, leaving students scrambling mid-year to find new schools.

"When I read that, I thought, wow, this was bizarre that nobody got a handle on this sooner," said Senate education leader Dennis Kruse, R-Auburn. "There ought to be some way somebody ought to know if a school is really not paying teachers. I was surprised. I don't know how teachers could go like they did without getting paid very much. I don't know how they lived. So that concerned me very much."

Rep. Justin Moed, a Democrat whose district includes the now-shuttered south-side school, agreed that the state should prevent that situation from happening again. Also known as school choice scholarships, vouchers are public funds that help low- and middle-income families afford tuition at private schools if they feel that is the best educational option for their children. Now in its sixth year, vouchers serve 34,000 Hoosier children at a cost of \$146 million a year, controversial in part because they divert students and state money from public schools.

The reporting requirement was approved by the Senate, but Kruse's education counterpart in the House, Robert Behning — one of the state's strongest school choice supporters — said he intends to try to strike the provision before it would go before the legislature for final approval.

"I look at voucher schools, when it comes to financial issues, in a very similar way that I think the state should look at any vendor we do business with," said Behning, R-Indianapolis. "If we receive services, we should give them a payment. How they handle that payment, as long as they're not doing something illegal, is not in the state's jurisdiction."

House Speaker Brian Bosma, R-Indianapolis, also said he's not interested in government regulation of private schools that receive public dollars.

Instead, lawmakers are debating legislation this year to ease the rules for private schools. A proposal would do away with a one-year waiting period for private schools to qualify for vouchers, allowing them to apply to receive public dollars in their first year. It would also allow failing voucher schools to ask the state to waive consequences, so they can continue to accept new voucher students even after two consecutive years of low accountability grades.

But critics say those changes could expand the voucher program to unproven schools, sending public dollars to start-ups that may not be high-performing or stable. It would not help students escape low-performing schools, they argue, which goes against the original concept of school choice.

On Monday, the financial reporting requirement for voucher schools seemed ill-fated. It was made part of a bill that otherwise addresses charter schools, so Behning questioned whether it belonged in the legislation.

Kruse said he would not want the financial reporting requirement to kill the rest of the bill. If it does not pass this year, he said he would be interested in crafting new legislation next year to address the transparency issue, perhaps through a different approach.

Still, other lawmakers on both sides of the aisle have said they would support added accountability for Indiana's school voucher program. Republican State Superintendent of Public Instruction Jennifer McCormick has called for voucher schools to be held to the same financial reporting requirements as public schools.

"We support this effort to increase transparency of how public funds are used in schools," said Indiana Department of Education spokesman Adam Baker.