Charter Schools Issue Brief

Background

In 1996, the General Assembly enacted legislation authorizing the establishment of charter schools in North Carolina. Charter schools are schools that are public in nature (free and taxpayer-funded) but that operate independently of district-based school systems and are not under the governance of locally-elected boards of education; instead, they are governed by private, non-profit boards through contractual agreements with the State (charters). While they do have to follow some baseline governance, financial, and operational requirements charter schools are generally exempted by statute from many of the federal and state laws and regulations that apply to public school districts. Charters also have maximal freedom in how they use their funding, though they cannot access capital funding.

At the time charter schools were authorized in North Carolina, they were considered laboratories of experimentation where the public support combined with the additional freedom and flexibility might “encourage the use of different and innovative teacher methods” and allow educators to explore new instructional practices or curriculum designs. These innovative practices, it was thought, would help serve students with specific needs that were not being met in traditional public schools and serve as models that could be shared with traditional public school setting. With the recognition that charters were to be a limited experiment, as opposed to a separate public school system, the enabling legislation capped the total number of charter schools allowed to operate statewide at 100 and vested the NC State Board of Education with the power to approve and reject charter applications, monitor each charter school’s performance, and close down low-performing or noncompliant charters.

Over the following decade, charter schools came to be seen not simply as a way to experiment with different models of instructional and educational delivery practices, but as a way to infuse “competition” into the public school system. Advocates of this approach argued that the public school system needed to act more like a marketplace where all the various public schooling options competed for taxpayer dollars- school districts against charters, charters against each other, etc.. This sort of competition, it was argued, would spur more innovation and reform, reward quality, lift student outcomes, and lead to more parental satisfaction. Against this backdrop, North Carolina lawmakers have advanced legislation over the past four years to promote more charter schools and further lift restrictions on how they operate. The result has been a dramatic shift in the state’s charter school landscape; the statewide cap has been eliminated, authority to unilaterally expand a charter’s enrollment has been broadened, applicants have been given additional opportunities to receive a charter, and a permanent standing body has been established to advise the State Board of Education on charter applicants, policies, and procedures.

As of January 2015, 148 charter schools are operational in North Carolina, with another 13 set to open in August of 2015. This represents a 60.2% increase over the number of charter schools that were operational in 2011.

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2 G.S. 115C-238.29E(f).
3 G.S. 115C-239.29A(3).
4 S.L. 2011-164.
5 S.L. 2013-359.
NCSBA Position

NCSBA supports empowering local boards of education with the ability to create charters and keep them under their governance. This would give local education leaders an opportunity to use the same freedom and flexibility to experiment with different and innovative educational practices tailored to the needs of their local school districts. If competition is the new prevailing paradigm, local school boards should be able to compete with independently operated charters on a level-playing field. Districts could use the freedom and flexibility to build on innovative educational practices already occurring in their local districts, practice targeting and raise achievement levels in struggling schools.

As the number of charter schools has rapidly proliferated and regulations reduced, the general legal framework for charters has remained the same as it was when charters were considered limited experiments. NCSBA believes that this situation is creating an alarming number of inequities and problems that impact both school districts and students. Charter schools are exempt from over 20 laws and regulations that bind school districts, including exemptions from laws requiring all teachers to be certified, rules setting the baseline terms of teacher and principal contracts, laws mandating when the instructional year should begin and end, laws setting class size restrictions, and laws requiring the provision of transportation and food services. Given the new landscape of charter schools, it is time to reconsider whether some of these exemptions are good for students and families and truly promote core public education values of opportunity and equal access. If a charter school does not provide transportation or food service, it is necessarily cutting off access for nearby families who cannot get their children to school or cannot afford to send a lunch meal with their child each and every day. **In order to ensure that all families have true choice amongst the growing number of publicly-funded and accountable schools, NCSBA supports requirements for charters to: (a) provide transportation to those students who live within a certain radius; and (b) provide lunches for students who qualify for free and reduced lunch.**

The current system for allotment funding of charter schools has also become problematic. The way charters are currently funded, they are entitled to a portion of school district funds that were initially allotted for a specific service or program in that district even if the recipient charter does not offer that program or service. In addition, the charter school law states that charter schools are to be given funds for “each child attending the charter school.” But there are numerous cases in which a charter school enrolls a student at the start of the school year, that student later returns to the school district mid-year, and the charter gets to keep the money it was allotted for that student. This is because of the current State funding structure that allots money prior to the start of the school year and then makes adjustments based on actual ADM only one time subsequent to that. Some type of procedure needs to be put in place to ensure that money will truly follow a student when that student returns to a school district mid-year so that districts are not left having to educate a child for which they have not received requisite funding. Recent instances of entire charters suddenly shutting down has highlighted this problem. In April 2014, a Charlotte charter school turned in its charter and closed its doors, leaving its former students without a school three-quarters into the academic year. Many of these students reenrolled in one of the surrounding districts yet none of those absorbing districts received any additional State funding. Compounding the problem was that all the test scores of these students will be reflected in the 2013-14 report cards for those school systems, even though the defunct charter school was responsible for their education for three-quarters of the school year.

A mechanism also needs to be established for charter schools to share their own innovative practices with school districts. This was one of the primary reasons charters were originally established, but too often that collaboration and partnership is not occurring.

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8 G.S. 115C-238.29H(a)(1).