



Local Charter School Funding/Relations Issue Brief

Background

North Carolina passed legislation in 1996 authorizing charter schools in the State. Charter schools are publicly funded schools that are governed by private, non-profit boards. They operate independently of local school districts. Improving student learning, increasing learning opportunities for all students, and encouraging the use of different and innovative teaching methods in a less regulated environment are among the reasons for establishing charter schools in North Carolina. The initial intent was for charter schools to collaborate with traditional public schools by sharing the best practices and success stories, but that unfortunately never materialized.

In 2011, the General Assembly removed the cap of 100 charter schools in North Carolina. Since then, the number of charter schools statewide has nearly doubled, with more than 200 charters serving around 120,000 students statewide. Charters and district schools have become more like competitors and much less like collaborators.

On the State level, DPI allocates per-pupil education funding directly to school districts and to charter schools on the same day. On the local level, the county currently transfers the entire allotment to the LEA, then the LEA “writes a check” to each charter school that enrolls a student who lives in the district. As a result of the current local funding structure, lawsuits and controversial legislation have only made matters worse. The bottom line: LEAs do not like sending their local monies to charter schools and many charters claim that LEAs withhold funds or pay late.

NCSBA Position

In districts where students attend charter schools, NCSBA requests that the General Assembly authorize county commissioners to transfer the appropriate per-pupil local tax dollars directly to charter schools, just as they do with city LEAs. Modifying the funding structure disentangles the financial relationship between charter schools and LEAs by removing the middleman (LEAs). This modification could work if guardrails are in place, such as requiring a LEA to verify that a charter school student is from its district. NCSBA continues to believe that restructuring the funding method in this way will help ease tensions and usher in a new era of cooperation. This will also ensure that charter schools receive school funding on time.