

What are Charter Schools?

Charter schools are tuition-free, independent public schools exempt from most of the rules, regulations, and statutes that apply to other public schools. In North Carolina, charter schools are vetted by an advisory council, approved by the State Board of Education, funded with taxpayer dollars, and are governed by private, nonprofit organizations.

How and Why Did Charter Schools Get Started in North Carolina?

The original NC charter school legislation was ratified in 1996 and authorized the establishment of up to 100 charter schools. For the 1997-98 school year, 34 charter schools opened their doors; by the early 2000s, the number of charter schools had levelled off in the 90s.

The intent of the original bill was to provide increased choice and learning opportunities (“with special emphasis on expanded learning experiences for students who are identified as at risk of academic failure or academically gifted”), encourage creative teaching methods, share best practices with traditional public schools, and offer new professional opportunities for educators. In order to allow charters the freedom to experiment and innovate, the law provides these schools with a broad exemption from “statutes and rules applicable to a local board of education or local school administrative unit.”

In August 2011, NC Senate Bill 8 was approved, removing all limits on the number and enrollment increases of charter schools allowed in the state, lowering minimum enrollment numbers, and eliminating provisions that guard against schools being created to serve only specific subcategories of students (e.g. gifted students, students with disabilities, students of the same gender).

Once the cap was lifted, the State Board of Education (SBE) approved nine schools in a “fast track” process to open in 2012. The following year, 23 schools were approved to open in 2013, and one school was granted a deferral to open in 2014. In January 2014, final approval was granted to 26 new charter schools that were scheduled to open in 2014. One of these schools opened, but closed one month into the school year.ⁱ Another school, along with its three sister schools, was recently placed on financial probation.ⁱⁱ Amidst these controversies, the SBE reviewed 71 applications to open a charter school in 2015, but only approved 11 schools in the “fast track” process. For the 2016 school year, the state approved 16 out of 40 new charter applications and 11 are on track to open in August 2016; 28 applications were submitted for 2017, and the charter school advisory board recommended 13 for approval by the SBE.ⁱⁱⁱ

In 2012, the NC Department of Public Instruction reported that 48,795 of the state’s students attended charter schools. By January 2017, there were 91,815 students attending North Carolina’s 168 charter schools (including two online or virtual charters). Although they still make up just about 6% of NC’s student population, the number of students in charter schools doubled in five years. In the 20 years that the state has had charter schools, 45 charter schools that opened for operation have closed, while 21 of the original 34 are still operating.^{iv}

What are the Concerns Over Charter Schools?

Accountability

Charter schools are required to participate in the state’s accountability program and administer end-of-grade and end-of course tests. Like traditional public schools, charter schools must provide data needed for NC School Report Cards.^v

However, unlike traditional public schools, charter schools:

- Are not governed by elected officials; for-profit companies may manage them, and there is no requirement that board members reside in North Carolina.
- Have no curriculum requirements.
- Can modify their academic calendar.
- Have no restrictions on class size.
- Can expand by one grade level beyond what is currently offered without approval from the NC State Board of Education.
- Are not required to have *all* teachers licensed—only 50 percent of teachers must be licensed.
- Are not required to hold teacher workdays for professional training and development.
- Are not required to provide transportation to students, and those that do provide transportation are not subject to the same safety standards as are traditional public schools.
- Are not required to provide free and reduced price lunches for students living in poverty.
- Are exempt from public bidding laws that protect how tax dollars are spent. There is no transparency in budgeting since charter school do not have to tell the public how they spend public money.

Oversight

The NC Office of Charter Schools consists of six full-time consultants, who oversee 158 charter schools, with each consultant responsible for more than 26 schools. The national average is one consultant for every nine charter schools.^{vi} NC Office of Charter Schools consultants ensure that every aspect of the law is upheld—including assistance with starting up new schools, admissions standards, financial and academic accountability, and the monitoring and sharing of different and innovative teaching methods.

Before the charter school cap was lifted, only a limited number of schools could be approved. With the absence of a cap as well as the approval of multiple applications in a single block, the State Board of Education faces a significant challenge in meeting the requirements of a rigorous review and tracking process.

Positive Outcomes for Students

Student Performance

Although the primary purpose of charter schools is to increase student performance, studies of charters show mixed results.

A 2013 study of charter schools in 27 states conducted by Stanford University compared student performance to traditional public education student performance.^{vii} The study found that

- 25 and 29 percent of charter schools reported academic gains that were significantly better than traditional public schools in reading and math, respectively;
- 56 and 40 percent showed no difference from public schools; and
- 19 and 31 percent of charter schools had significantly worse student achievement scores than their traditional public school counterparts.

In the 2014-15 school year, only 39.9% of North Carolina charter schools were “at or above 60% on EOG and EOC assessments,” based on college and career ready (CCR) standards, compared to 46.9% of traditional public schools. The SBE’s target percentage for charter schools, meanwhile, was 51.7%.^{viii}

According to the North Carolina School Boards Association, some charter schools “will counsel out low-achieving students immediately prior to high stakes assessment administration so that their anticipated low

performance does not appear in year-end test data; the public school district then absorbs both the students and the resulting test data.”^{ix}

In addition, charter schools can be quite selective in terms of the students they admit. While schools cannot discriminate on the basis of “ethnicity, national origin, gender, or disability,” the NC statute allows sufficient latitude in limiting admissions based on other criteria (IQ scores, athletic ability)...^x

Racial Isolation

A 2010 study by researchers at University of Colorado-Boulder and Western Michigan University found that most charter schools were “divided into either very segregated high-income schools or very segregated low-income schools” compared to their sending districts, and that the pattern had changed little between 2000-01 and 2006-07. They also tended to enroll a lower proportion of special education students.^{xi} According to the aforementioned 2013 Stanford University study, charter schools are more likely to teach economically disadvantaged students, with 53% of students in poverty as compared to 48% of students in traditional public schools. Moreover, of the charter schools in 27 states that they studied, 9% were English-language learners, as opposed to 6% in traditional public schools.

A 2015 Duke University study of North Carolina charter schools, found:

- that they are “serving an increasingly white student population;
- that between 1999 and 2012, individual charter schools have become increasingly segregated “in the sense that some are serving primarily minority students and others are serving primarily white students”;
- that parents whose children are enrolled in predominantly white charter schools are happier with their schools than parents whose children are in predominantly minority charters; and
- that although charter students are likely to have higher test score gains than traditional public school students, it’s most likely because of “trends in the types of students they are attracting” rather than the charters’ programs or their program improvements.

Earlier studies indicated that most charter schools are racially segregated and serve lower proportions of low-income students^{xii} In January 2016, NCDPI reported that in addition to charters being whiter and less Hispanic than traditional public schools, by 2014-15, “the percentage of economically disadvantaged students in charter schools was approximately 19% lower than in traditional schools.”^{xiii}

Uncertain Legal Protection for Students

Nationally, there is a great deal of concern about the lack of due process protection afforded to charter school students: “Students of color attending charter schools should be concerned about the potential lack of constitutional due process protection. Studies of data at the national, state, district, and building levels have consistently found that students of color are suspended at two to three times the rate of other students.”^{xiv}

Effect on Local Public School Districts

As local school districts lose students to charter schools, they lose funding for those students. A measurable loss of funds poses significant challenges for traditional public schools, which are often forced to reduce staff, programs, and other basic expenditures.

Ideally, charter schools function as labs of innovation, the best practices of which can be returned to public schools, benefitting all teachers and students; however, many fail to fulfill this expectation. Therefore, the funds that are drained from traditional public schools, which are governed by elected boards and staffed by professional educators, are allocated instead to schools whose educational practices vary little from their

own—and lack democratic governance and professional qualifications.

In Summary

Many education experts advocate for only allowing a limited number of truly innovative, not-for-profit charter schools designed to work with local school districts and be managed with careful local and state oversight. There is a growing call for giving traditional schools the same privileges and flexibilities as charters to enhance choice and program offerings to accommodate academic needs of our children. This would allow innovative, creative and flexible learning opportunities in traditional public schools along with the transparency, accountability and stability that parents, teachers, students and taxpayers desire while keeping one strong public system of schools in NC.

What is needed to help charters be successful?

- Rigorous, sensible criteria for establishing and evaluating charter schools and a competitive approval process that approves the best charter school applicants
- Fidelity to the original concept of charters, including the sharing of best practices
- Charter schools that complement, not compete with, traditional public schools
- Local control on the decision to open new charters
- Partnership with local school districts.
- Meaningful oversight, accountability, and transparency to the public, both in terms of finances and student achievement

Ultimately, charter schools are public schools and should reflect public school demographics, barring policies and practices that may prohibit students from attending them. They should be open to all in the state and offer free and reduced lunch, safe and reliable transportation, and services for students with disabilities, limited English proficient students, and academically gifted students.

Recently, the Annenberg Institute for School Reform published a series of [standards and policy recommendations](#) for the effective oversight of charter schools; in making our own recommendations and considering those of the Annenberg Institute, we acknowledge that while the charter school system clearly has its purpose in North Carolina, its constant improvement is vital to ensure the highest quality of education in the state.

More Information on Charter Schools

North Carolina-Specific

Report to the North Carolina General Assembly: Annual Charter Schools Report [Draft], January 15, 2017, https://simbli.eboardsolutions.com/meetings/TempFolder/Meetings/JLEOC%20Annual%20Charter%20Schools%20Report_79615crwssgyctsduyre52vgnbzus.pdf

Duke University Sanford School of Public Policy, Diversity Study Finds Economic Disparities Rising in NC Schools, <http://news.sanford.duke.edu/news-type/news/2013/diversity-study-finds-economic-disparities-rising-nc-schools>

National Center for Analysis of Longitudinal Data in Education Research, The Growing Segmentation of the Charter School Sector in North Carolina, <http://www.caldercenter.org/publications/growing-segmentation-charter-school-sector-north-carolina>

NC Policy Watch, "The dangers of charter school expansion,"
<http://www.ncjustice.org/?q=education/radio-interview-dangers-charter-school-expansion>

NC School Boards Association, Charter Schools Issue Brief,
<http://www.ncsba.org/index.php?src=gendocs&ref=Charter%20Schools>

NC School Board Association, NC Traditional/Charter School Comparison, August 2012,
<http://www.ncsba.org/clientuploads/DocumentsPDF/Advocacy/NC%20Traditional%20Charter%20Schools%20Comparison.pdf>

State Board of Education, Office of Charter Schools Web Site,
<http://www.ncpublicschools.org/charterschools/>

Other Resources

Annenberg Institute for School Reform at Brown University, Public Accountability for Charter Schools
<http://annenberginstitute.org/sites/default/files/CharterAccountabilityStds.pdf>

The Center for Popular Democracy, "Holding Charter Schools Accountable,"
<http://populardemocracy.org/campaign/holding-charter-schools-accountable>

Green, P., Frankenberg, E., Nelson, S., & Rowland, J. (2012). Charter schools, students of color and the state action doctrine: Are the rights of students of color sufficiently protected? *Washington and Lee Journal of Civil Rights and Social Justice*, 18(2), 254-275. <http://cloakinginequity.com/2013/01/02/why-judges-say-charters-are-not-public-schools-students-and-parents-should-be-nervous/>

Helen Ladd, Charter School Presentation for NC Policy Watch, March 30, 2011,
<http://66.147.244.58/~wakeup3/gsiw/wp-content/uploads/2012/09/Helen-Ladd-Duke-University-Charter-School-Research-Findings.pdf>

"Schools Without Diversity: Education Management Organizations, Charter Schools, and the Demographic Stratification of the American School System,"
<http://nepc.colorado.edu/publication/schools-without-diversity>

ⁱ "Concrete Roses STEM Academy suddenly shutting down," from the Charlotte Observer, 18 Sept. 2014,
<http://www.charlotteobserver.com/2014/09/18/5182759/concrete-roses-stem-academy-suddenly.html>

ⁱⁱ "State school board places Charter Day School, Inc. on 'financial probationary status,'" from the Port City Daily, 11 Nov. 2014,
<http://portcitydaily.com/2014/11/11/state-school-board-places-charter-day-school-inc-on-financial-probationary-status/>

ⁱⁱⁱ 28 new charter school applications received; approved schools will open for students in Fall 2017, NCDPI News Release, September 29, 2015, <http://www.ncpublicschools.org/newsroom/news/2015-16/20150929-01>

^{iv} Report to the North Carolina General Assembly: Annual Charter Schools Report [Draft], January 15, 2017, https://simbli.eboardsolutions.com/meetings/TempFolder/Meetings/JLEOC%20Annual%20Charter%20Schools%20Report_796_15crwssgyctsduyre52vgnbzus.pdf

^v Charter schools are subject to a very low minimum performance standard: 60% or better on the composite test score (essentially an average of all the standardized tests taken in the school) for at least 2 out of 3 years.

^{vii} NC Policy Watch, "Expansion of Charter Schools Should Bring Better Oversight and More Accountability,"
<http://www.ncpolicywatch.com/2012/09/18/expansion-of-charter-schools-should-bring-better-oversight-and-more-accountability/>

vii 2013 *National Charter School Study*. Center for Research on Education Outcomes, 2013, <http://credo.stanford.edu/research-reports.html>

viii Measures 1.5.1 and 2.4.1, NC State Board of Education Strategic Plan, December 2, 2015, <http://stateboard.ncpublicschools.gov/strategic-plan/strategic-plan-full.pdf>

ix NC School Boards Association, Charter Schools Issue Brief, http://www.ncsba.org/index.php?src=gendocs&ref=Charter%20Schools&category=Governmental_Relations

x G.S. 115C-238.29F(g) “A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, or disability. Except as otherwise provided by law or the mission of the school as set out in the charter, the school shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, gender, national origin, religion, or ancestry.”

http://www.ncga.state.nc.us/EnactedLegislation/Statutes/HTML/BySection/Chapter_115C/GS_115C-238.29F.html

xi Miron, Urschel, Mathis, 2010, *Schools Without Diversity: Education Management Organizations, Charter Schools, and the Demographic Stratification*, <http://nepc.colorado.edu/publication/schools-without-diversity>

xii Helen Ladd, Charter School Presentation for NC Policy Watch, March 30, 2011, <http://66.147.244.58/~wakeupw3/gsiw/wp-content/uploads/2012/09/Helen-Ladd-Duke-University-Charter-School-Research-Findings.pdf>

xiii Report to the North Carolina General Assembly: Annual Charter Schools Report [Draft], January 15, 2016, https://eboard.eboardsolutions.com/meetings/TempFolder/Meetings/EICS%207%20-%202015%20Annual%20Charter%20Schools%20Report_49263lkymwn1kfdmr3gqxfvocz.pdf

xiv “A federal appellate court decision suggests that students of color should also be concerned about the legal protections that charter schools might provide to students.” See Green, P., Frankenberg, E., Nelson, S., & Rowland, J. (2012). Charter schools, students of color and the state action doctrine: Are the rights of students of color sufficiently protected? *Washington and Lee Journal of Civil Rights and Social Justice*, 18(2), 254-275. <http://cloakinginequity.com/2013/01/02/why-judges-say-charters-are-not-public-schools-students-and-parents-should-be-nervous/>

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