

Charter schools are tuition-free, independent public schools exempt from most of the rules, regulations, and statutes that apply to traditional public schools. The original purpose of charter schools was to:

- Provide increased choice and learning opportunities (with special emphasis on students who are at risk of academic failure or academically gifted).
- Encourage creative teaching methods.
- Share best practices learned from innovating with traditional public schools.
- Offer new professional opportunities for educators to innovate and improve instruction.

Charter schools are required to participate in the state's accountability program and administer end-of-grade and end-of course tests, and provide data needed for NC School Report Cards.

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.

The cap on the maximum number of charter schools allowed (100) was lifted in 2012. That year, nearly 45,000 students were enrolled in charter schools. Currently, 185 charter schools, including two online or virtual charters, operate in North Carolina, serving approximately 101,000 children. Charter school students make up nearly 6.5% of the total student population for grades K-12.

An additional eight schools received a favorable report in August from the State Board of Education to begin a planning year for preparation to open in August 2019. During the 2018 application year, seven schools were granted a one-year delay in opening by the State Board of Education. These 15 schools, once all open, will bring the state's total number of charter schools to 200. The deadline to submit an application to the Office of Charter Schools October 1. Thirty-Five applications were received for the 2020 school year.

## Recent Relevant Legislation

One of the most concerning bills to come out of the 2018 legislative session is HB 514. [HB514](#) titled Permit Municipal Charter School/Certain Towns allows Cornelius, Huntersville, Matthews, and Mint Hill, majority white suburbs of Charlotte, to create their own charter schools. Further, they will be permitted to restrict access to local residents. **In the budget amendments, a related provision (38.8) allows local municipalities to use (and raise) property taxes to fund schools.** It is worrisome that this will exacerbate existing segregation and inequality. Charlotte is already experiencing high levels of segregation. Additionally, taxpayers could see increases in tax bills as localities take on school funding responsibilities. Many public school advocates think these related pieces of legislation will eventually be found unconstitutional. Also troubling is how this legislation could return North Carolina to a time when the quality of education was inequitably distributed based on zip code. On June 6, 2018, the N.C. House approved HB 514 with a 64-53 vote. It was ordered enrolled and ratified (Ch. SL 2018-3). Public school advocates have serious concerns about segregation and inequity. It was treated as a local law and therefore did not require the governor's signature.

Section 38.8 of the 2018-2019 Budget Adjustments bill authorizes cities in North Carolina to use local property taxes to fund any public school located within their localities. This could include charters, lab schools, and any other publicly funded entity.

HB514 will drastically alter the way schools could be funded. It could further the divide between have and have not schools by allowing cities to supplement funds for certain schools. The budget adjustments also grant the virtual charter schools pilot an extension for another 4 years even though both virtual schools are low-performing.

## What are the concerns about Charter Schools?

- **Impact on local public school districts:** Reducing funds from public schools often forces them to reduce staff, programs, and other basic expenditures. The state's budget for charter schools has grown from just over \$16 million in 1997 to more than \$580 million for the 2017-2018 school year, and most of that money would have gone to school districts for traditional public schools.
- **Diversion of money away from traditional public schools:** A [December 2017 study](#) found that charter schools generate negative fiscal effects on public school districts by reducing spending capacity, number of students and budget flexibility.
- **Oversight:** The Office of Charter Schools lacks adequate staff and a sufficiently rigorous process for evaluating applications and tracking charter success.
- **Student outcomes:** For the 2016-2017 school year, District schools had a lower percent of schools with D and F grades (22.5%) than charter schools (25.2%)
- **Racial isolation:** A 2017 [study by UCLA](#), demonstrated charter schools are more segregated than traditional public schools and the share of minority charter students has declined over time. In addition, the burgeoning numbers of charters drive increasing amounts of segregation in traditional public schools, as middle class, mostly white students leave their district schools. NC charters also serve lower proportions of low-income

students than traditional public schools. A little more than half the students come from low-income families at traditional public schools. In charters, however, only one in three students are low-income. Original legislation required racial and ethnic diversity in charter schools, but a 2013 law dropped the mandate. Charter schools are required only to “make efforts” to “reasonably reflect the racial and ethnic composition” in the area where the school is located but there is no mechanism for doing so and no consequence for failing to achieve a resemblance to the LEA.

- **Public assets can become private assets:** A failing charter can be taken over by a new entity, instead of being closed. The school’s assets would then be transferred to the new operator, not back to the state.

For these reasons, many education experts advocate that the state only allow 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 growing call for giving traditional schools the same privileges and flexibilities as the charter schools to enhance choice and program offerings to accommodate academic needs of our children. This would allow innovative, creative and flexible learning opportunities along with the transparency, accountability and stability that parents, teachers, students and taxpayers desire while keeping one public system of schools in NC.

### ***Best Practices for charter schools:***

- Only be granted a charter if the proposed school will offer an educational experience that is qualitatively different from what is available in traditional public schools.
- Maintain fidelity to the original concept of charters, including the sharing of best practices with traditional public schools.
- Not be operated by private, for-profit entities.
- Work in partnership with local school districts. Charter schools should have limited impact on long-term planning including capital, facilities, and enrollment.
- Be held to the same careful oversight, accountability, and transparency regarding academic standards and financial review as traditional public schools.
- Offer free and reduced lunch, safe and reliable transportation, and services for students with disabilities, limited English proficient students, and academically gifted students.
- “Reasonably reflect racial and ethnic composition” in the area where the school is located.

***Sources: Please see our website for more research, citations and information on this topic.  
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