

Secretary of Education Miguel Cardona
U.S. Department of Education
400 Maryland Avenue, SW
Washington, D.C. 20202

June 16, 2021

Dear Secretary Cardona:

Through this letter, we, the undersigned organizations, request that you exercise your obligation under the Every Student Succeeds Act to review, and if cause is found, terminate or reduce the grant provided to the North Carolina Department of Public Instruction under the Charter Schools Program (CSP). As detailed below, this grant money has been used in ways that are inconsistent with the program's stated purposes and, indeed, inconsistent with the nation's commitment to end segregation in public schooling.

In 2018, the North Carolina Department of Public Instruction [was awarded a \\$26,633,025](#) grant through the U.S. Department of Education's CSP to support "high-quality schools focused on meeting the needs of educationally disadvantaged students." North Carolina began awarding subgrants to individual charter schools in 2019. Grantee schools, along with their application and reviewers' comments, can be found [here](#).

After careful analysis, we are convinced that many – in fact, the majority – of North Carolina's sub-grantee charter schools are not committed to increasing the proportion of educationally disadvantaged students to levels commensurate with the local public school district. Instead, in many cases, these schools have served and still serve as white-flight alternatives to the local public schools.

As organizations committed to social justice and equality of opportunity for Black, Latinx, special needs, and economically disadvantaged students, we are appalled by the federal government's role in perpetuating and expanding segregation based on race and class by fiscally supporting the North Carolina State Entities CSP grant.

Therefore, we are requesting that your Department conduct an analysis as required under the [Every Student Succeeds Act](#) section 4303, subsection (c), which states:

prior to the start of the third year of the grant period and each succeeding year of each grant awarded under this section to a State entity—

(I) shall review—

(aa) whether the State entity is using the grant funds for the agreed upon uses of funds; and

(bb) whether the full amount of the grant will be needed for the remainder of the grant period; and

(II) may, as determined necessary based on that review, terminate or reduce the amount of the grant and reallocate the remaining grant funds to other State entities—

As support for our request, we present the following evidence:

Forty-two schools or proposed schools in North Carolina were awarded grants; 35 have opened. Of those 35, 29 schools have demographic and socio-economic data (the percentage of economically disadvantaged students) reported on the North Carolina Department of Public Instruction website. Accordingly, our analysis focuses on those 29 schools.

- Eleven awardees have a significant overrepresentation of white students or a significant underrepresentation of Black students when compared to the population of the public school district in which they are located. Those awardees include Hobgood Charter School and Community Public Charter:
 - Hobgood was formerly a white-flight private “Academy.” In [their 2019 op-ed](#), Mark Dorosin and Elizabeth Haddix, managing attorneys of the Lawyers' Committee for Civil Rights Under Law Regional Office, expressed their dismay at the chartering of a school that they called "a textbook example of attempts to preserve segregated education, and has preserved that profile throughout its existence." The most recent state data shows that over 72% of the charter school is white compared to the Halifax County School District's 3%.
 - During the year that the Community Public Charter was awarded its grant (2019), 95% of its students were white, compared to its school district of Gaston, with a white student body of 53%. The charter school is located on the grounds of its landlord, the Community Pentecostal Center, which lists the charter school [as one of its ministries](#) and provides an enrollment link, in apparent disregard of ESSA's requirement that charter schools must be non-religious.
- Of the 29 awardees for which the percentage of economically disadvantaged students was [reported](#) on the North Carolina's Department of Education report card website:
 - Twenty-six had at least a 10-point gap between the economically disadvantaged students (students eligible for free or reduced-price lunch) of the charter and the district. In all but three (23 of 29), that gap exceeded 20 points.
 - Forty-three percent of the awardees (13) had gaps between the economically disadvantaged students served by the charter schools and their public school districts that *exceeded 40 points*.
- Twenty of the 28 awardee schools (71%) with reported 2020 exceptional children data served a lower percentage of students with disabilities than [the districts](#) in which they were located. In 11 cases, the difference was 5% or greater.
 - The Queen City STEM School is part of the self-designated “premier public charter school district” TMSA. Only 2.78% of its students had disabilities, yet it received an \$800,000 grant to expand.

- There was a 6.99% difference in the percent of students with disabilities between the for-profit-run Torchlight Academy and the public school district in which it is located. It is likely that its harsh no-excuses discipline code (that includes corporal punishment) discourages students with disabilities from enrolling.

Twenty-four of the 35 grantee schools that have opened do not participate in the National Lunch Program, making it clear in their application that they have no plans to apply. Instead, they claimed, their schools have an equivalent program to provide for students in need. Included in CSP reviewer comments were concerns regarding the alternative programs that included insufficient funding, lack of details, and a lack of assurances. One school has a “food closet” for students in need. Another gives any left-behind catered lunches (those not eaten that day by paying students) to students and staff without lunches. Yet, grants to the schools were awarded.

Other practices used by one or more awardees that depress the enrollment of low-income students include transportation plans that rely on carpooling, limited bus service, and cluster stops; requirements for parents to volunteer (or, in one case, to [pay off their required hours](#) with gift cards); and a lack of information in Spanish regarding both enrollment and program materials.

Additionally, we are concerned about three specifics: (1) Torchlight Academy’s [use of corporal punishment](#) for student discipline; (2) Alpha Academy’s requirement that parents [show a social security card](#) to enroll their child; and (3) the award of a \$700,000 grant by the [Director of the Office of Charter Schools](#) in North Carolina to the Lincoln Charter School where he was employed as a director from 2004-2016. It should be noted that this Lincoln grant was awarded even though "the applicant indicated that they are currently at capacity for grades K-8 at the Lincoln and Denver campuses, and the Denver campus is also at capacity for grades 9-12."

A final concern relates to the management of five of the charter schools by for-profit management corporations. The Executive Manager and owner of Torchlight Academy Schools, LLC (TAS), a for-profit management company (EMO), is also the Executive Director of the grantee charter school, Torchlight Academy. His wife is the principal. TAS will also manage another CSP grantee, Elaine Riddick Charter School, whose opening has been delayed.

TAS operates Torchlight Academy [with a sweeps contract](#)—a contract by which all revenue goes to the EMO, which also owns the building. From [the school's 2017 audit](#): "As part of the consideration received under the agreement, TAS also provides the facility in which the School operates. The fee for these services are [sic] 100% of all revenues received by the School."

We believe the above violates [the non-regulatory guidance](#) of the Department regarding the governance of nonprofit schools by for-profit organizations. We urge the Department to review the contracts and relationships of all of the North Carolina awardees that are managed by for-profit operators.

We do not doubt that some of the grantees are sincere in their attempts to attract more disadvantaged students. But the evidence is clear that in many cases, there will be only marginal improvements as systems that discourage the neediest students from attending are left in place. This is not acceptable. As

one grant reviewer noted of a successful applicant, "It is difficult to understand why The Exploris School will need \$600K to support an average increase of only 34 ED students per year. Given the large amount of the funding request, it appears that much of it will ultimately benefit The Exploris School's non educationally disadvantaged students."

During the campaign, President Biden repeatedly expressed his commitment to increasing the accountability and oversight of charter schools. In addition, he has championed equitable opportunities for all students, the strengthening of public education, and ensuring that the principles of social justice prevail in all government programs.

The above-described distribution of North Carolina's CSP award has made a mockery of the ideals that gave birth to the program in 1995. Instead, it furthers the inequities that Black, Latinx, and economically disadvantaged students already bear.

Therefore, we ask that following your review, which we expect will confirm the evidence we present in this letter, you exercise your authority as Secretary of Education and terminate or reduce the grant given to the North Carolina Department of Instruction by your predecessor, Betsy DeVos.

Respectfully submitted by the undersigned organizations,

Network for Public Education
Southern Poverty Law Center Action Fund
Southern Education Foundation
Schott Foundation for Public Education
Journey for Justice
Black Lives Matters at School
Southern Coalition for Social Justice
North Carolina Justice Center
North Carolina Association of Educators (NCAE)
North Carolina Council of Churches
North Carolina AFL-CIO
Education Services of North Carolina, Inc.
Public Schools First North Carolina
North Carolina Families for School Testing Reform
Concerned Citizens of Tillery (North Carolina)
Great Schools in Wake (North Carolina)
West Martin Community Center (North Carolina)
Martin County Board of Education (North Carolina)
Pastors for Children
Education Law Center
Superintendents Roundtable
Coalition for Equity in Public Schools
In the Public Interest
Pastors for Texas Children
Pastors for Kentucky Children
Pastors for Florida Children

Public Education Partners- Ohio
Class Size Matters
WEA BAT Caucus
New York State Allies for Public Education
Alliance for Philadelphia Public Schools
Hillsborough Public School Advocates
It Takes A Village
Tennessee BATs
Support Our Students
NYS United Educators
California CTA BAT Caucus
Hillsborough Public School Advocate
Badass Teachers Association
Community Alliance for Public Education
United for Florida Children
When Public School Reopen
Raise Your Hand for Illinois Public Education
Oregon Save Our Schools
Oregon BATs
Washington Township Parent Council Network
New Bedford Coalition to Save Our Schools
Kinderchat
Rethinking Schools
Hillsborough Save the Arts
Save our Schools New Jersey
Schools and Communities United Wisconsin
JCPS Leads
Michigan Ed Justice
Florida BATs
Arizona Educators United (AEU)
Repairers of the Breach
Schools Our Students Deserve
It Takes A Village
Public Education Matters Georgia
Citizens for Public Schools
Wear Red for Ed
Indiana Coalition for Public Education

*Data for charter schools and districts for relevant years obtained from:
North Carolina School Report Cards found [here](#).
Statistical Profiles of North Carolina Schools found [here](#).*

