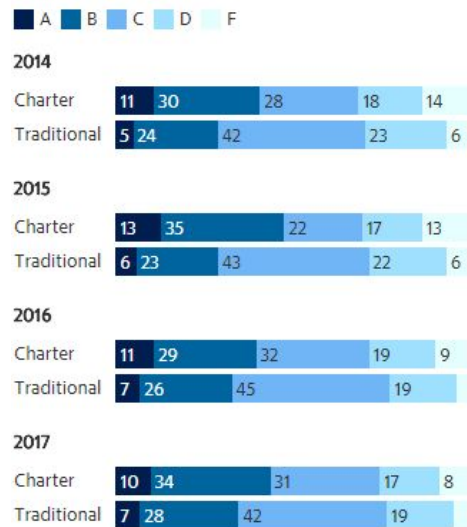


Normative Issues facing North Carolina Charter Schools: An Overview

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Introduction:



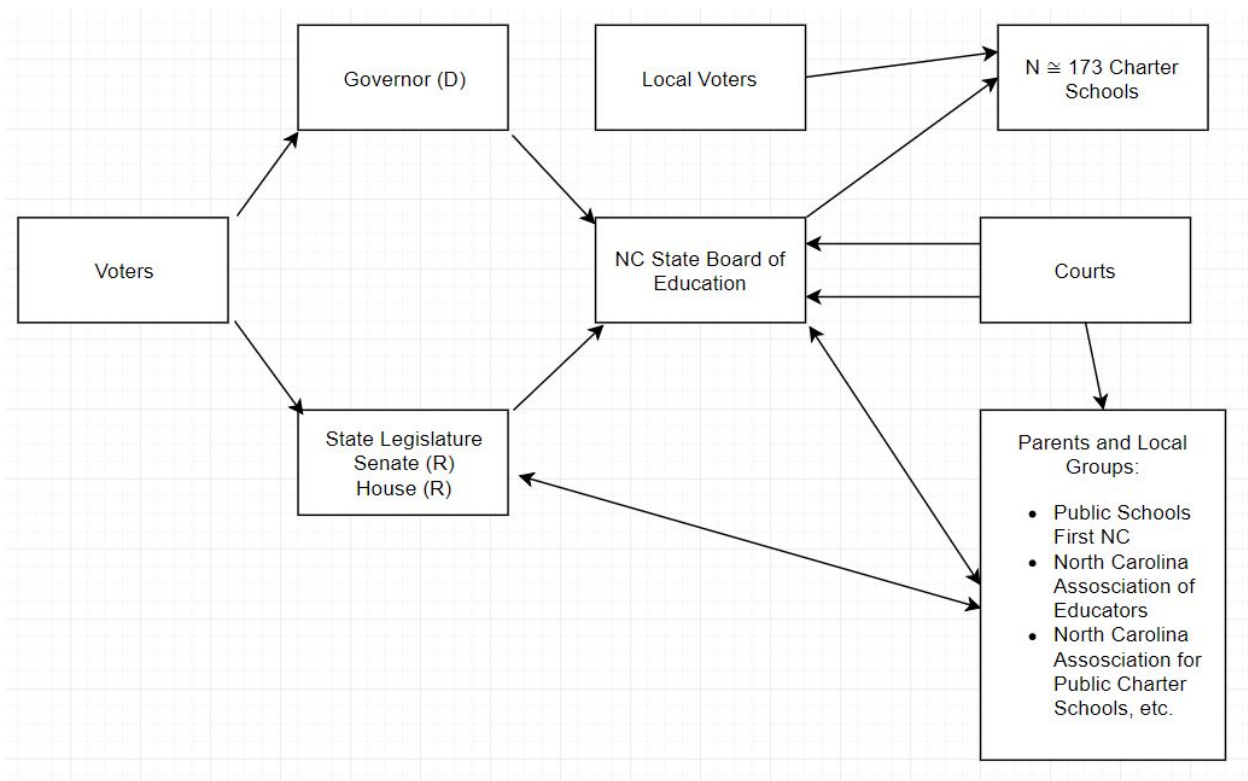
Source: N&O analysis of N.C. Department of Public Instruction data •

Since its inception in 1996, North Carolina's charter school program has boomed, serving 5.7% of students in the state in 173 charter schools. A large portion of this growth is owed to a relaxed charter law mixed with corporate influence, best evidenced by the fact that in recent months many companies have had to scale back due to unsustainable overexpansion in 2011, rather than state restrictions. These favorable conditions have created a few significant problems, most notably vast performance disparities when compared to public schools. The Department of Public Instruction found that while more charter schools receive the highest grades compared to public schools, significantly more charter schools received the lowest grades in performance than public schools (Figure above). Indeed it seems, charter schools in NC fail the egalitarian standard of improving the conditions of the worst off students, instead broadening the divide.

Despite such conditions, there remains a lack of sanctioning by the State Board of Education, the sole authorizer. Just last month, the State School Board of North Carolina approved the AAC (Achievement for All Children) to take over operations of a failing elementary, despite concerns from third party evaluator SchoolWorks, which found it unclear whether the AAC was even legally eligible to operate given a history of underperformance and

lack of improvement for low performing students. These larger accountability are coupled with funding tradeoffs with public schools as well as decreasing diversity between charter schools.

Delegation Model:



The State Board of education, assisted by its Advisory Board, is the sole authorizing entity within the State of North Carolina, granting charter to 173 schools thus far. It has members appointed by the Governor for 8 year terms and reports annually to oversight committees within the State Legislature, which derive its members through state elections from state voters. The Board employs accountability measures such as annual audits and data reporting requirements for all its charter schools, but faces high standards when it comes to charter removal or non-renewal, which has impeded its ability to effectively sanction the schools. Additionally,

local voters are able to hold charter schools socially accountable due to public record requirements that make Charter Board meetings open. Finally, concerned parents and interest groups are able monitor state board meetings and lobby for their interests, as well as influence members of the state legislature.

Legislative Summary:

While the majority of North Carolina's charter laws seem similar to other states, it's application and renewal requirements are most notably tailored to favor charter schools.

Applying for a charter requires non profit corporations to submit prior performance data for established CMOs, with preference given to applicants targeting at risk students and districts. The Board gives a fast track option to CMOs wishing to replicate already successful models, and can only grant initial charters for less than 10 years, with recent practices suggesting a real number of less than 5 years. Interestingly, when it comes to renewing charters, stating that the State shall renew charters for 10 year periods unless the school isn't financially sound, performs poorly compared to local schools, or breaks the law. In essence, this favors charter schools tremendously as the State Board is forced to renew charters for long periods without discretion if the above criteria are met. Charter termination standards also favor the schools, as the State Board again shall not terminate or fail to renew the charter of a school solely because it is low-performing. Rather, if the school has growth in preceding years or if it has a "strategic improvement plan", it's charter must be renewed. Additionally, the State Board must inform a charter school about concerns with the school and allow the school to create a corrective action plan at least a year before renewal.

When it comes to monitoring, the state board is entrusted to carry out annual performance and financial audits. Such monitoring is mandated at least once before the renewal of a charter, and the state is also allowed to bring in third party organizations to come in and assess schools. On the school side, charter schools must administer and publish all state assessments, and comply with information reporting requirements of the state (Monthly fiscal data).

In practice, many of the laws elicited are used to varying degrees. For example, NAPCS reports that the data reporting requirements for the State Board of Education are often ignored and not met on an annual basis. Additionally, the non profit requirement of charter boards is easily overcome by schools themselves, which hire out large for-profit charter companies to effectively run the schools. In 2016, 27 schools run by such for-profit companies received \$118 million in state money, encompassing a disproportionate share of the total budget for all charter schools

Authorizing Environment:

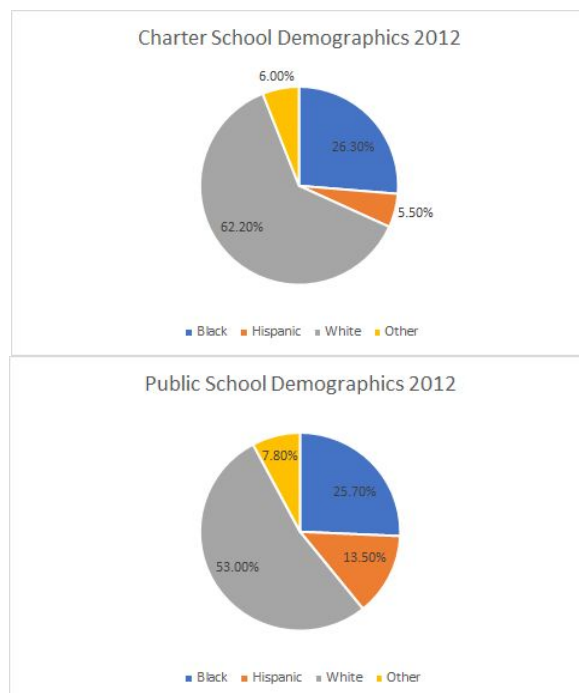
The State Board of Education is the only authorizing body that exists in North Carolina, which began its advent as a charter authorizer in 1997 with a 100 school cap, subsequently lifted in 2011. Being an extension of the state government, the board is held accountable by the Joint Legislative Education Oversight Committee in the State legislature, where it must report the state of charter schools. The State legislature holds the power to remove the authorizing power of the State Board of Education. Additionally, all state board meetings, by virtue of being public, can be monitored by the public, which creates identifiability within the authorizing system. The

authorizing environment isn't constrained by any means, and rather encourages the creation of charter schools to a significant degree.

Interest Group Environment:

North Carolina has a generally low public interest in the charter school field, outside of a few parents and local interest groups. The most contentious issue for interest groups is the funding tradeoff between NC charter schools and local school districts, with legislation such as Senate Bill 562, introduced in 2017 by the North Carolina School Boards Association to ease funding loads for charter schools away from local governments. It is directly opposed by Bill 658, backed up by the North Carolina Association of Charter Schools, seeking to grant charter schools access to public school myriad funds (gifts, sales tax dollars, federal grants), an estimated 11 million dollars, which would ultimately increase the cost for local governments and schools substantially.

Interest Group advocacy is also large when it comes to combating oversight issues with regards to decreasing diversity in charter schools. Groups such as Public Schools First NC actively monitor charter statistics and engage with elected officials on such issues while also publicizing data for voters, creating higher identifiability and evaluability by singling out charter schools.



**Source: Ladd 2017*

Analysis:

From a normative accountability perspective, the North Carolina charter program has a lot going for it. It has authorizer accountability measures in place, forcing it to report data up to the State Legislature, as well as accountability measures for charter schools in terms of information reporting and auditing. There are two problems however, 1) an over flexibility of state charter laws and 2) a lack of monitoring and sanctioning on part of the State Board of Education, that have caused poor performance and oversight within charter schools in the state. Additionally, it creates a lack of evaluability whereby it becomes difficult to assess the performance of charter schools. Not only is data reporting and monitoring on part of the State Board imperative for political accountability, but it is also public data used by interest groups and citizens to hold charter schools socially accountable. These core issues have trickled into poor performance, lower diversity, and an increase in for profit companies exploiting the charter sector.

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