



# Charter School Funding & Policy Concerns

## Issue:

As the number of charter schools across the state and nation continues to increase and public funds are spent for their support, several concerns that need resolution include, but may not be limited to, the following:

- **Operational Funding** – Charters should not receive funding for services they do not provide. For instance, if a charter school does not provide pre-kindergarten services, then that charter should not expect a share of the funds the local school district receives for the pre-kindergarten services it provides. The school system should continue to be allowed to separate funds received for one specific purpose from other operational funds that the district is obligated to share with charters. This practice, which was clarified in state law in 2010, remains constantly under fire from charter school advocates and is the subject of ongoing litigation facing some North Carolina school districts at this time. If fairness prevails, both the courts and the General Assembly will conclude that charter schools and the students they serve should not be funded at the expense of traditional public school students who are intended to be served by a specific funding stream.
- **Facility Funding** – Ongoing efforts by charter schools to gain a share of the state and county funding for facilities should be thwarted for a number of reasons. Proposals for law changes to allow counties to provide state and local facility funding to charter schools would detract from already scarce public school facility funding, with school districts reporting a \$10 billion backlog in facility needs in 2006 and most likely an even higher amount in the next school facility survey now under way. In addition, the use of county and state lottery funds for charter capital expenses could violate several provisions of the N.C. Constitution, which prohibits private emoluments, provides that taxes may only be levied and used for a public purpose, and prohibits the state from insuring the debt of private entities like the ones that operate charter schools.
- **Student Diversity** – Children who cannot afford to provide transportation or need food service currently are precluded from enrollment in a charter school that does not provide those services, thereby fueling concerns that the charter school expansion may lead to re-segregated schools or schools with limited socioeconomic diversity. In addition, current state law does not ensure that charters will accept and adequately serve students with disabilities. Just as traditional public schools should, and do, open their doors to every student who shows up for enrollment, no matter what the individual needs or limitations, charter schools that operate with taxpayer dollars also should be required to provide transportation, meal services and accommodations for students with disabilities. To allow otherwise will create a dual system of public schools, with one for students whose

families have the financial means and determination to navigate the school-choice system and one for all other students without those advantages.

- **Accountability** – Charter school accountability standards for student achievement should be clarified to be consistent with all the changes in curriculum, testing and standards now facing North Carolina’s traditional public schools. Since higher expectations in these areas are aimed at ensuring schools prepare graduates who are career and college ready, charter schools, like traditional schools, should fall subject to them or face corrective action. In addition, personnel requirements for charter schools should be enhanced, since an effective school leader and a caring, competent teacher are two proven components for a positive learning environment. Law changes should mandate that charter school principals have the same credentials and certification required of other public school principals, and teacher licensure requirements should be enhanced from the current law that allows only 75 percent of charter teachers to be fully licensed in core subjects in elementary schools and 50 percent to be fully licensed in middle and high schools.
- **Virtual Charter Schools** – Neither the new charter advisory council nor the State Board of Education should contemplate authorization of a virtual charter school for operation in North Carolina. While numerous for-profit ventures are seeking to launch a virtual charter in the Tar Heel State, their approval could begin the true erosion of public schools, particularly if they are allowed to enroll students from anywhere within the state without regard to residency in a particular district’s boundaries. This open enrollment allowed for virtual charters in other states has siphoned off the per-student funding that is vital for generating the necessary number of teachers and other resources essential for a school district to continue operation. Other states’ experience with virtual charters also has shown that true accountability is hard to achieve with both their funding and student performance. The General Assembly should fend off requests for law changes that would open doors to virtual charters that ultimately could funnel North Carolina taxpayer dollars to big businesses based in other states. All virtual offerings in North Carolina should continue under the auspices of the N.C. Virtual Public School that has State Board of Education oversight of its funding and accountability and has financial support and participation from school districts statewide.

## **Solution:**

The General Assembly and other state leaders should facilitate a better working relationship between traditional public and charter schools by resolving these ongoing issues that now create a difficult tug-of-war between the two and by extending adequate flexibility for both to implement proven innovations that benefit all children.