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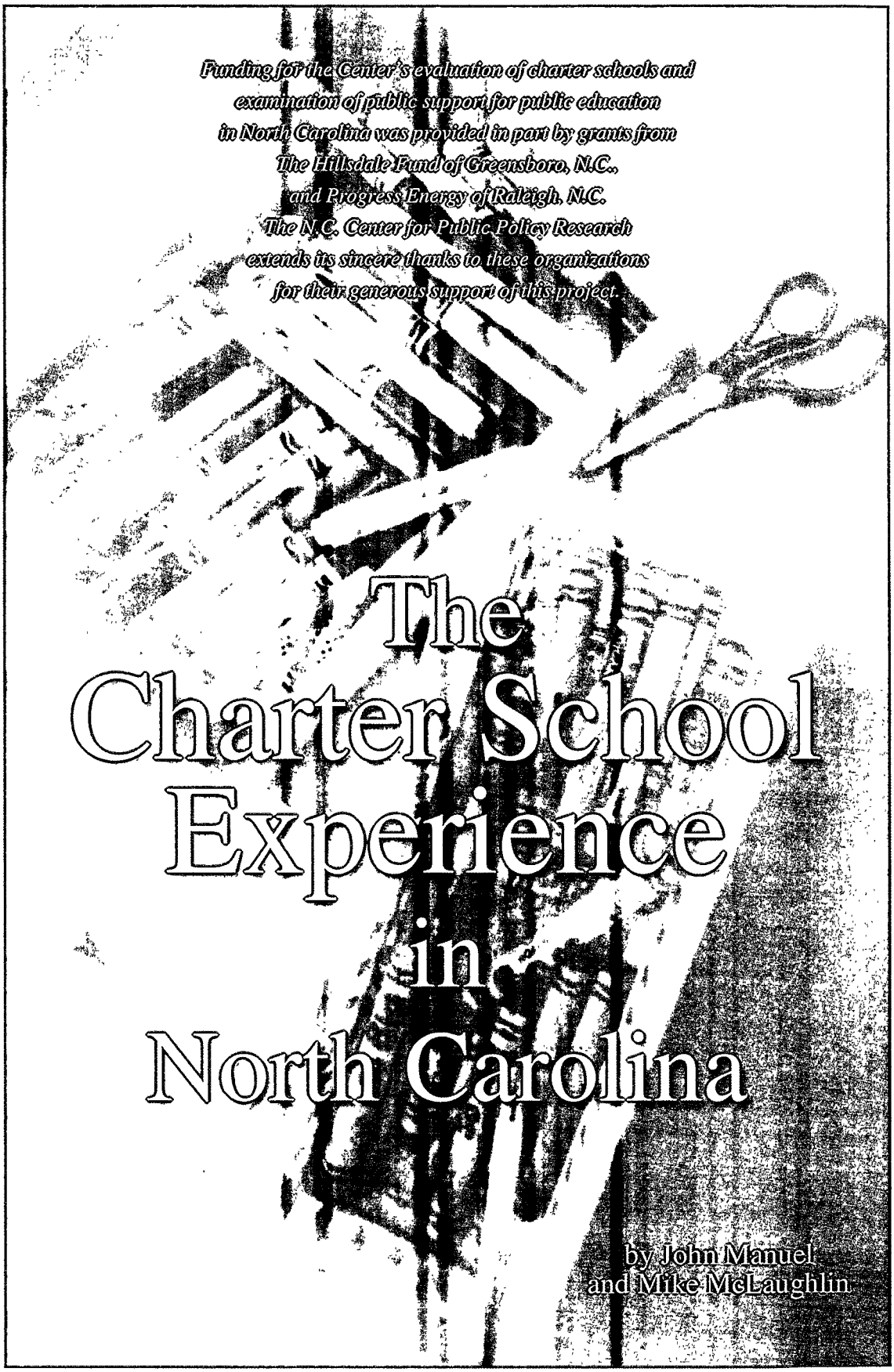

# The Charter School Experience in North Carolina

by John Manuel and Mike McLaughlin

Karen Tam

## Executive Summary

*In 1997, the first charter schools opened in North Carolina. These non-traditional public schools, freed of many state rules and regulations and operating under an independent charter, promised to provide both innovation and competition for existing school systems. Five years later, the state's experiment with charter schools has reached a crossroads. The 1996 state law that allowed charter schools included a cap of 100 schools. That cap now has been reached, with more applicants for charters than available openings. Pressure is mounting on the General Assembly to raise the cap and allow more of these schools, which though public and required to take all comers, are released from many of the regulations governing traditional public schools. In addition, the existing schools are seeking greater flexibility and more public funding for capital construction. The Center believes it is necessary to evaluate how these schools have performed compared to the traditional public schools before deciding whether to raise the cap and allow for greater numbers of charter schools.*

*North Carolina's charter school law ranks in the top third nationally (12th among the 38 states that allow charter schools), according to the Center for Education Reform, a Washington, D.C., pro-charter school think tank that annually ranks states according to the strength of their charter school laws. The state gets high marks for its eligibility criteria for charter applicants, the number of new starts allowed each year, and guaranteed full per-pupil funding. Now that the state's 100-school cap has been reached, however, new starts will be severely limited. In addition, a chief concern among charter advocates in North Carolina is that, unlike the traditional public schools, they do not get money for new construction.*

*Among the ranks of charter schools are some of North Carolina's top performing schools, including one, Magellan Charter, that received the highest end-of-grade test scores in the state. Many charter schools are focusing on helping special populations that may not have been well served by the public schools. Charters appear to be highly popular with parents and staff. They also include some of the lowest performing schools in the state.*

*One measure by which charter schools can be graded is how they perform on end-of-grade tests. On average, the charter schools do not perform as well as their public counterparts on end-of-grade tests in reading, writing, or arithmetic. For the 2000–2001 school year, 15 charters (19 percent) achieved exemplary growth in test scores, seven charters (9 percent) matched expected growth, 43 (55 percent) received no recognition, and 13 (17 percent) were low-performing. This compares poorly to the traditional public schools, of which 24 percent achieved exemplary growth, 36 percent saw expected growth, 39 percent got no*

*recognition, and 1 percent were deemed low- performing. However, proponents of charter schools argue that it is unfair to hold them to the same yardstick as the traditional public schools because they are serving different kinds of students and trying to innovate and move beyond the state's standard course of studies.*

*Ranking charter schools by composite ABC scores along with traditional public schools, the charter advocates say, is misleading because charters vary so greatly in size. A low-performing charter school might have only a few dozen students while a low-performing public school may have 500. Both could be counted in the bottom 10, but the traditional public school would represent many more students. Another way to examine performance is by actual percentages of students attending schools placed in various performance categories under the ABC plan. The N.C. League of Charter Schools notes that in the 2000–2001 school year, the majority of charter school students subject to the ABC plan (50.05 percent) attended schools that achieved recognition in at least one category of distinction on end-of-grade tests. An additional 39.6 percent received no recognition, while 10.36 percent attended low-performing schools.*

*Charter schools have made large gains on state writing test scores, although they are still below the state average as a group. For the 2000–2001 academic year, 53.6 percent of charter school fourth graders passed the writing test, up from 36.2 percent the previous year. For seventh graders, the passing rate increased from 55.2 percent to 62.8 percent. For tenth graders, the passing rate increased from 23.4 percent to 36.8 percent. The state averages for all public schools on the 2000–2001 writing test were 68.8 percent passing for fourth graders, 73.3 percent passing for seventh graders, and 53.9 percent passing for tenth graders.*

*The state charter school evaluation report found in a three-year cohort study that charters do not perform as well as their traditional public school counterparts on end-of-grade tests, even when students with similar academic and demographic backgrounds were compared. Charter school advocates counter that (1) the cohort study was limited to a small number of schools, (2) the first year of charter operations was included in the study, and the first year often finds charters mired in start-up difficulties, and (3) many charter schools have a mission to serve students at high risk of academic failure. Having a disproportionate number of high-risk students makes it difficult to post high end-of-grade scores, say advocates. An analysis by the Office of Charter Schools within the Department of Public Instruction found that when the first year of operations is excluded, charter schools actually show more academic growth than do their cohorts in the traditional public schools. Nonetheless, at the end of the three-year period, they remain behind their public school peers. Charter advocates argue that this is in part because many charter schools target at-risk students who do not perform as well on standardized tests, and in part because the ABC accountability program is not appropriate for charter schools, which seek to innovate yet are tied by the test to the state curriculum.*

*For the 2000–2001 school year, six of the 10 worst performers on end-of-grade tests were charters, as were two of the 10 best performers. Most of the charter schools at the bottom of the low-performing list are predominantly if not entirely African-American. The state's charter school evaluation report finds that charters are doing a worse job than the traditional public schools in educating African-American youth, despite their attractiveness to minorities. This has resulted in an expansion of the achievement gap between black and white students enrolled in charter schools. "In other public schools, the achievement gap has been approximately the same size each year, and it has been smaller than the gap in charter schools," the report indicates. However, DPI's Office of Charter Schools finds that excluding the first year, African-American youth show greater academic growth in charters than in traditional schools.*

*Charter schools often incorporate ethnic themes that, combined with discontent over how African-Americans have been served in the traditional public schools, lead to greater numbers of schools that are disproportionately minority. This could be called "black flight" and runs counter to fears that charter schools would be vehicles for "white flight"—or efforts by white students to escape racially diverse schools. The charter school evaluation report found 20 schools to have a higher percentage of non-white students than the range for their school districts at the end of 2000. The report indicates that the percentage of high-minority charter schools where white students account for less than 25 percent of the student body has been approximately four times higher than those among the traditional public schools. However, the report also notes that the number of North Carolina's traditional public schools that are high minority has been growing steadily over time.*

*Of 97 charter schools operating in 2000–2001, 30 had student populations more than 80 percent non-white—most populated almost exclusively by African-American students despite state law indicating charter schools must reasonably reflect the racial makeup of their local school district. The state evaluation of charter schools found 20 schools to lie outside the range of their local school district in having a higher percentage of non-white students than the traditional public school in the district with the highest percentage of non-white students. Seven of these schools had no white students. In addition, the evaluation found eight charter schools to have a lower percentage of non-white students than any traditional public school in the district.*

*Fiscal problems, management, and governance have been an issue for some charter schools, as have the numbers and percentages of certified teachers. A total of 14 charter schools have closed their doors since the program began in 1997, at least eight for fiscal reasons as nonprofit groups struggle to organize and operate a school. Several more are just scraping by, though supporters say these schools typically operate much more smoothly after an initial year of struggle.*

*In January 2002, the State Board of Education decided that it would recommend that the General Assembly raise the cap on charter schools to 110 in 2003, provided a range of conditions are met. The board also recommended that charters spend their first full year planning before enrolling students to assure that they have administrative matters under control. In addition, the board asked that issues around certification of teachers be clarified by the General Assembly and recommended that local school districts be partially compensated in the first two years when a new charter school opens within a school district.*

*The N.C. Center for Public Policy Research, in analyzing whether charter schools should be allowed to expand, revisits six goals that were laid out for charter schools in enabling legislation passed in 1996. The Center finds charter schools have met or partially met three of the six goals. The three areas of success for charter schools are (1) giving teachers expanded professional opportunities, (2) providing parents expanded choice for their children's education (though 47 counties still do not have a charter school so this goal can be judged only partially met), and (3) being held accountable on performance-based tests. Charters are yet to fully prove themselves on the other three goals: (1) improving student learning—while some students excel, the schools as a whole are not performing as well as the public schools, (2) increasing learning opportunities for all students, with a special emphasis on at-risk or gifted students—charters have not been selecting based on whether a student is academically gifted and so far have not proven they can better serve at-risk students, and (3) providing innovative teaching that can be adapted to the traditional public schools. Here, charter school practitioners say that they are constrained by adherence to the state's standard course of studies, which is necessary to perform adequately on end-of-grade tests.*

*The Center identifies three key issues that prevent it from endorsing expansion of the charter school movement in North Carolina. These are (1) academic performance, where charters lag the traditional public schools; (2) racial diversity, in that too many schools exhibit too little diversity; and (3) concerns about fiscal management, which has contributed to the closure of at least eight schools.*

*Based on its findings, the Center recommends (1) that the state retain its current cap of 100 charter schools until it has in hand five full years of data and this data can prove the worth of the charter experiment; (2) that the State Board of Education not grant any more charters that target a narrow racial or ethnic population; (3) that the General Assembly implement financial reforms to require that charter schools spend one year planning and getting their financial affairs in order before opening to students; and (4) that the 2005 General Assembly—armed with adequate data about charter school performance—consider whether to raise the cap on charter schools and, if so, by how much.*


Karen Tam

It is a typical day at Raleigh's Exploris Middle School. Students clad in blue jeans and T-shirts lounge on couches, at tables, and even on classroom floors in the relaxed setting of a former church adjacent to Exploris children's museum. But the casual atmosphere proves deceptive. Students launch into a computer exercise with the same enthusiasm others might attack a video game. They divide up in groups to produce a poem with undisguised zeal. To even the casual visitor, it soon becomes evident that at Exploris, learning is fun. And the excitement about learning bears results. Since the school's inception, it has posted far better end-of-grade test results than the typical North Carolina middle school, becoming a mainstay on the state's list of "Schools of Excellence."

Only a few blocks away, in a former dormitory on the grounds of Saint Augustine's College, students at SPARC Academy already have started their day with "unity drumming" to call the children into the village of learning. It is the school's fifth location since it opened in 1998, though SPARC moved four times in its initial year and has been in the same location now since 1999. The students—dressed in the school uniform of a blue-and-white batik shirt and blue pants—later will tackle social studies with the aid of African folk tales. The enthusiasm for learning is there, but SPARC Academy still has a ways to go by the measure of the end-of-grade test results. Still, the school is making progress.

Such is the dilemma of the charter schools movement in North Carolina. The schools are providing tailored instruction in smaller classes within smaller schools and enrolling enthusiastic students and parents. But they are not always delivering academic success as measured by end-of-grade tests, and financially, some of them are standing on shaky ground. Thus, while charter advocates clamor for more schools and what they consider a fair share of resources, others counsel a more cautious approach.

Launched with legislation passed in the summer of 1996, North Carolina's charter schools movement is now five years old. With the first schools opening for the 1997–98 school year and more opening every year since, the state now has reached the maximum, or cap, of 100 charter schools allowed by the enabling legislation (the actual number fluctuates in the 90s with various closings). George Noblit, a Ph.D. researcher at the University of North Carolina at Chapel Hill's

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School of Education operating under contract with the N.C. Department of Public Instruction, completed an evaluation of the state's charter schools in the fall of 2001. The State Board of Education reviewed the document at its December meeting.

The report's authors found the primary innovation among charter schools to be small school and class size.[1] The report suggested that on the whole, charters had not delivered on instructional innovation that could be tailored to the public schools, but the authors did observe innovations in leadership among charter school staff and significant levels of parental involvement at the schools. The authors also reported that outside the area of finances, they found little friction between charter schools and local school districts and concluded that competition for students is not a major issue.

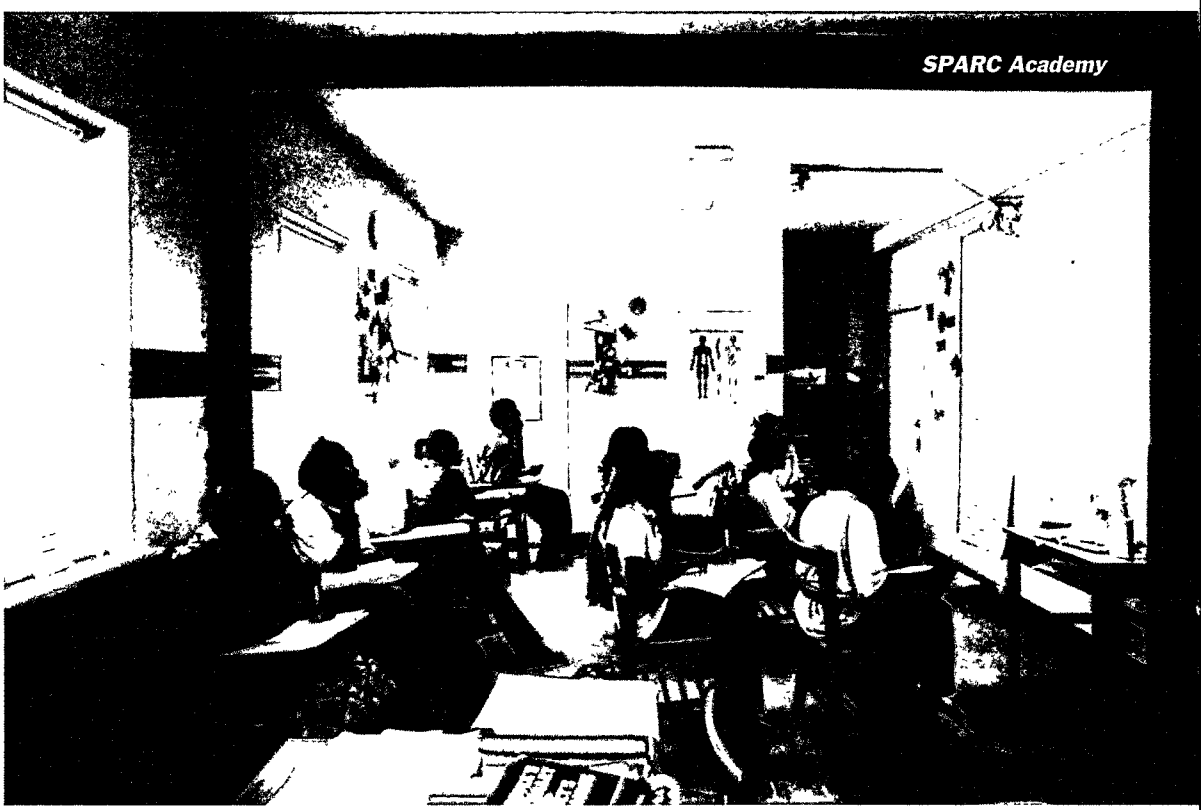
The authors' most strongly worded findings, however, were in the area of student achievement, where the report indicated that charter schools trail the traditional public schools in student achievement as measured by state accountability testing. "When compared to traditional public schools, charter schools as a group do not demonstrate better performance; in fact, their students tend to trail those in other public schools, even though their students as a group appear to have exhibited higher achievement scores prior to entering the charter schools."[2]

While the evaluation has been judged "too narrow" by the State Board of Education's Charter School Advisory Committee, the Board has issued a series of recommendations calling for fixes before allowing any significant expansion.

Meanwhile, at least 17 groups have submitted applications for new charters. An amendment to raise the cap to 135 schools has been introduced to the General Assembly, while another proposal would eliminate the cap altogether.[3] Legislators will need to decide whether charter schools represent a valuable addition to the education system deserving of analysis, emulation, and support, or whether charters merely are a sideshow to be tolerated.

## An Experiment Begins

Born roughly a decade ago, the charter schools movement emerged in the U.S. as part of the general dissatisfaction with the quality of public education at the elementary and secondary school levels. While the nation has long struggled with the mission and quality of public education, the current wave of reforms can be traced back to the 1983 publication of *A Nation at Risk: The Imperative for Educational Reform* by the National Commission on Excellence in Education, which pronounced, "[T]he educational foundations of our society are presently



**SPARC Academy**

*Karen Tam*

***"When compared to traditional public schools, charter schools as a group do not demonstrate better performance; in fact, their students tend to trail those in other public schools, even though their students as a group appear to have exhibited higher achievement scores prior to entering the charter schools."***

—NORTH CAROLINA CHARTER SCHOOL EVALUATION REPORT

being eroded by a rising tide of mediocrity that threatens our very future as a Nation and a people. What was unimaginable a generation ago has begun to occur—others are matching and surpassing our educational attainments."[4] The report issued by this high-level federal task force touched off a wave of reforms that continue to ripple through the education systems nearly two decades later.[5]

Among the reforms that have taken hold in North Carolina is the establishment of charter schools. Charter schools are nonprofit corporations run by boards of directors that have significant autonomy in determining how the schools are operated, yet they are hybrids in that they rely primarily on state funds. As nonprofits, they receive freedom from government regulations and are free to raise money from foundations, corporations, and individuals. Their governing boards are not subject to the local board of education, and they are free to go after the best teachers, who may be attracted by small class size, smaller schools, and the opportunity to have a greater say in operations. Yet charter schools are public schools in that anyone is eligible to attend, tuition is not charged, and they are guaranteed a certain level of state and local funds. Thus far, this funding has not included money for capital construction—as spelled out in original legislation, nor has it included fines and forfeitures collected by the courts at the county level and provided to other local public schools, though the North Carolina Court of Appeals recently ruled that charter schools should receive these funds. The notion behind charter schools is that freedom from various rules and regulations will create room to innovate and bring fresh ideas and enthusiasm to public education.

The schools are promoted as providing an additional choice for parents and students within the public school system, and bringing innovation in teaching methods, school and class size, and administrative policies.[6] The first charter schools opened in Minnesota in 1991. Today, 38 states allow charter schools. Arizona leads the way with more than 460 charters, followed by California, Texas, Michigan, and Florida.[7]

North Carolina began its charter school experiment with the passage of the Charter Schools Act in June 1996.[8] Applications were solicited for schools that would open in the fall of 1997. Thirty-four charter schools opened for the 1997–98 school year. The number increased incrementally in subsequent years and now stands at 100 authorized schools, the maximum allowed by law.

As the name implies, charter schools operate under a written charter that spells out the mission of the school. In North Carolina, that charter must be approved by the State Board of Education. A private, nonprofit board of directors operates each school. Each school has its own process for how board members are elected and rotated on and off. The board is autonomous from the local board of education that controls the traditional public schools, but it is accountable to the state for the expenditure of public funds, for student performance on accountability tests, and for maintaining open enrollment so that any student who wants to attend has an opportunity to be selected for admission. Charter schools also are accountable for maintaining racial balance, but through exceptions in law and policy, some are 100 percent minority.

***"[T]he educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a Nation and a people. What was unimaginable a generation ago has begun to occur—others are matching and surpassing our educational attainments."***

*—A NATION AT RISK, 1983*

Unlike private schools, charters cannot charge tuition. They receive public monies, which are allocated on a per-pupil basis. Like many traditional nonprofits that receive government funding, charter schools are subject to the whims of state politics. State laws can be amended or repealed, including the one authorizing charter schools.[9] Indeed, the Legislature's Joint Education Oversight Committee required the November 2001 evaluation of the charter schools movement in North Carolina with the implicit understanding that the charters schools could be constrained or even ended if the report found a failed experiment.

Yet in some ways charter schools are less subject to the vicissitudes of the state appropriations process than would be the case for an independent nonprofit receiving government funds. That's because as the law currently stands, state and federal education dollars follow the child to the charter school.

Charters have open enrollment, meaning they cannot discriminate on the basis of race or ethnicity. Indeed, State Board of Education (SBE) policy requires that they have a student population reflecting the racial and ethnic composition of the school system in which they are located, meaning they should vary by no more than plus or minus 15 percent of the average minority population in a particular school system.

In practice, however, the picture is different. Many traditional public schools have been allowed to resegregate, with minority populations approaching 100 percent. Charter schools have not been held to a higher standard than the school with the highest percentage of minorities in a local school district, and many charter schools have been established with a mission to serve special populations such as African-American children. The North Carolina Charter School Evaluation Report indicates that "[S]ince charter schools first opened in N.C., the percentage of charter schools that are 'high minority' (i.e., schools where white students account for less than 25 percent of the student body) has been approximately four times higher than among other public schools. It should also be noted, however, that the percentage of North Carolina schools overall that fits this description has been growing steadily over time."[10]

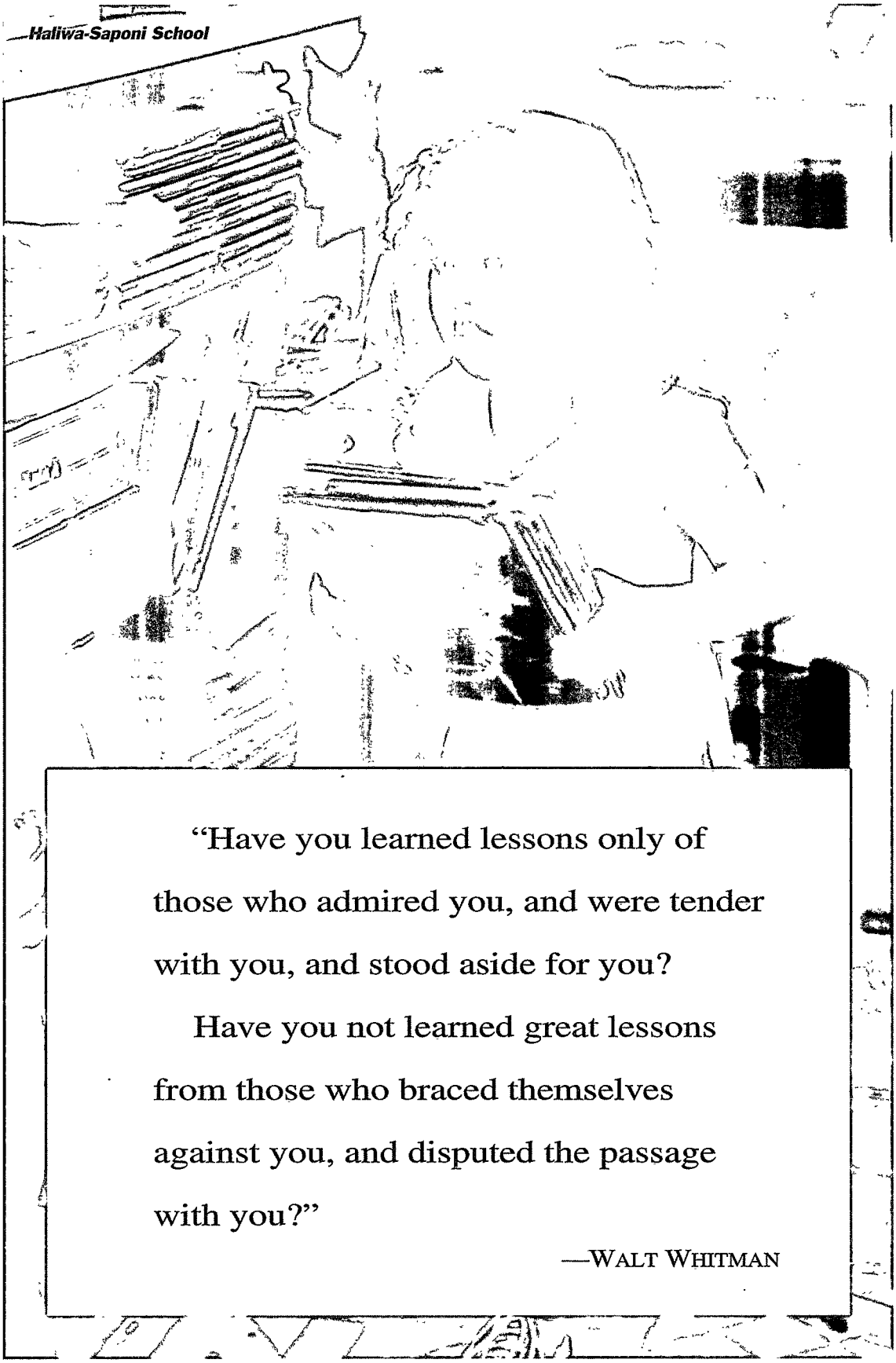
Though charter schools vary greatly in the size of their student bodies, they typically are much smaller than traditional public schools at the same grade level, averaging 193 students per school in North Carolina after the first 20-day count for the 2001–2002 school year, according to the Office of Charter Schools in the N.C. Department of Public Instruction. A typical public elementary school would have in excess of 500 students, while public middle schools and high schools may have 1,000 students or more. Charter schools pride themselves on having small classes, and a lower ratio of students to teachers than in traditional public schools—with charters providing one teacher for every 15 students.

As spelled out in their charters, many charter schools place emphasis on particular disciplines, cultures, or education paths. Some serve specific populations. The Haliwa-Saponi School in Hollister caters to the local Native American residents; Lakeside Charter at Elon College and Grandfather Academy in Banner Elk focus on youth referred by the courts or departments of social services; Healthy Start in Durham targets academically at-risk students, while John H. Baker Junior High in Raleigh focuses on incarcerated youth. Gray Stone Day School in Misenheimer, awarded a charter in 2002, will operate in partnership with Pfeiffer University—the first such university-charter high school partnership in the state. There, the school plans to provide college preparatory courses tapping the university's resources while giving Pfeiffer's School of Education students the opportunity for real teaching experiences.

## North Carolina's Charter School Law

Key features of the North Carolina law include who is eligible to apply to start a charter school, who approves the applications, operational requirements, causes for non-renewal or termination, and state and local funding. As described in state law, any person, group of persons, or nonprofit corporation can apply to establish a charter school in North Carolina.[11] Applicants may seek to convert a public school to a charter with a statement of support signed by a majority of the teachers and instructional support personnel, and with evidence from "a significant number of parents of children enrolled in the school" that they favor conversion. The application may be submitted for preliminary approval to the local board of education, the board of trustees of one of 16 constituent institutions of the University of North Carolina, or the State Board of Education. Only the latter has final approval of the application. The state board may approve no more than five charters per year in one local administrative unit and no more than 100 total statewide. This maximum is called the state cap.

Despite the multiple routes to a charter, two of the three represent the path less taken, and one has




"Have you learned lessons only of those who admired you, and were tender with you, and stood aside for you?

Have you not learned great lessons from those who braced themselves against you, and disputed the passage with you?"

—WALT WHITMAN

*Karen Tam*


Karen Tam

not been taken at all. "It's worth noting that no one has applied to the UNC system [for a charter]," says John Poteat, research director at the Public School Forum of North Carolina—a nonprofit organization devoted to promoting and sustaining reforms in public education. "The original idea was for universities to sponsor 'lab schools,' but none have gotten involved yet."

In terms of operation, the law grants the nonprofit charter school's board of directors the authority to decide on the budget, curriculum, and operational procedures. Charter schools may lease space anywhere in the local school district, even from a church, provided that the classes and students are separated from any students attending a private religious school and there are no religious artifacts, symbols, or materials displayed in the classrooms or hallways. The local board of education may lease a public school building to a charter school free of charge, but in practice this rarely happens.

A charter school's instructional program must be approved in its charter application, and significant changes also need to be approved. The program must at least meet the student performance standards adopted by the State Board of Education. Charter schools must conduct the testing under the state's **A**ccountability in the **B**asics with local **C**ontrol program (commonly referred to as the ABC plan) required by the State Board of Education (or a state-approved system), and they must comply with state and federal law relating to the education of children with special needs.

In terms of employees, at least 75 percent of the teachers in grades Kindergarten through 5, at least 50 percent in grades 6–8, and at least 50 percent in grades 9–12 must be licensed to teach. Employees of the charter schools are employees of the nonprofit corporation that operates the school, but may opt in to the same benefits program available to state employees, including membership in the Teachers' and State Employees' Retirement System and the Teachers' and State Employees' Comprehensive Major Medical Plan.[12]

Any child who qualifies for admission to a public school qualifies for admission to a charter school. A charter school may not discriminate on the basis of ethnicity, national origin, gender, religion, or disability. A charter school may refuse admission to a student who has been expelled or suspended from a public school until the period of suspension or expulsion has expired. N.C. General Statute 115C-239.29F(g)(5) states: "Within one year after the charter school begins operation, the population of the school shall reasonably reflect

the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located." The State Board of Education may terminate or not renew a charter based upon failure to meet requirements for student performance contained in the charter, failure to meet generally accepted standards of fiscal management, violations of the law or of any of the conditions, standards, or procedures set forth in the charter, or if two-thirds of the faculty and instructional support personnel at the school request that the charter be terminated or not renewed.

With respect to funding, the State Board of Education allocates to each charter school the average state per pupil allocation for average daily membership (ADM) from the local school administrative unit allotments. This funding amount varies according to the school district where the charter is located, but a rough range is $3,800 to $4,200 per student. Charter schools also get any supplements provided by local governments. Local supplements vary widely but average approximately $1,000 per student.

Unlike traditional public schools, Charter schools do not receive capital funding. According to DPI's Office of Charter Schools, some estimates place this funding discrepancy as high as $1,000 per child when state and local funding dollars are totaled. Like non-charters, the charters do receive an additional amount for each child with special needs—about $2,600 per child, and an additional amount for children with limited English proficiency. Funds allocated by the Board may be used to enter into operational or financing leases for real property or mobile classrooms and may be used on payments for loans for facilities or equipment. State funds may not be used to purchase real property. And no indebtedness of the charter school shall involve or be secured by the full faith, credit, or taxing power of the state or its political subdivisions. For example, one may not use bonds to finance any charter schools. (See Table 1, below for a summary of state and local funds for which traditional public schools and charter schools are eligible.)

## Table 1. Eligibility for State and Local Funds for Traditional Public Schools and Charter Schools in N.C.

| Category | Traditional Public Schools | Charter Schools |
|---|---|---|
| State and local average daily membership (ADM) funding | Eligible | Eligible, but not for capital improvements |
| Additional state funds for qualified children with special needs up to 12.5 percent of the total number of students in a school system | Eligible | Eligible |
| Local fines and forfeiture money collected by the courts | Eligible | Not eligible but eligibility in dispute in court |
| Bond money for capital improvements | Eligible | Ineligible |
| Department of Transportation grants for new facilities, parking, and access roads property | Eligible | Ineligible unless state owns |

*Source:* N.C. Department of Public Instruction

## Positives and Negatives of the Law

The foundation of the charter school movement in any state is the law that sets the ground rules for how the schools may open, operate, and grow. Jeanne Allen, president of the Center for Education Reform (CER)—a pro-charter, pro school choice think-tank in Washington, D.C., says, "A strong charter law is the single most important factor in creating strong charter schools."

In 2001, CER conducted its own ranking of charter school laws, based upon 10 components that contribute to charter school development. These include such factors as the number of schools allowed, whether more than one board or agency can grant charters, and legal and operational autonomy. According to the CER's methodology, North Carolina ranks 12th of the 38 states with charter school laws, winning a B average on a scale of A-F (see Table 2, p. 16). North Carolina was one of 13 states that received a B. Seven states were awarded A's, while the remaining 18 were given C's or lower. North Carolina was given lower marks (3 out of 5) for its policies on the number of schools allowed, its degree of legal and operational autonomy allowed, and willingness to exempt charter school personnel from district work rules. It was given high marks for its eligibility criteria for charter applicants, the number of new starts allowed each year, and guaranteed full per-pupil funding.[13]

CER ranked Arizona first in strength of its charter law. That state places no limits on schools allowed, grants 15-year charters, and allows the charter schools to be operated by for-profit corporations, among other provisions. However, Otho Tucker, director of the Office of Charter Schools in the Department of Public Instruction, has reservations about the Arizona law, saying it is "too wide open" in terms of fiscal and academic accountability. Tucker favors Michigan, which CER ranks fifth, and Florida, which CER ranks eighth. Michigan provides oversight for charters through the state university system, which decentralizes its accountability process and provides a resource for the schools. Tucker praises Florida as welcoming charters to help overcome school crowding. There, public schools and the private sector have worked together well to expand classroom space through new charter facilities while limiting impact on the taxpayers, Tucker notes.

What aspects of the North Carolina law do and do not work? Charter school advocates and administrators offer praise for the multiple "points of entry" allowed into the system. Charter applicants may apply to the State Board of Education, local education administrative units (LEAs), or the public universities. Still, most applications for the first round of schools came straight to the state rather than to the local educational administrative units (LEAs) or the public universities because the State Board of Education must give final approval. "In the early years, 75–80 percent of the applications went to the LEAs, but because the State Board of Education must give final approval, virtually all of them now come directly here," says Otho Tucker, director of the Office of Charter Schools in the N.C. Department of Public Instruction.

***"North Carolina's charter schools law is recognized as being one of the strongest in the nation. It allows flexibility on the one hand, while calling for accountability on the other. That's the way it should be."***

—RON MATHESON, DIRECTOR OF KESTREL HEIGHTS SCHOOL IN DURHAM

But though the state's multiple points of entry win it critical acclaim, Roger Gerber of the N.C. League of Charter Schools says this feature of the law really doesn't amount to much. "Points of entry are insignificant if approval is by only one group," Gerber notes. Other critics note that the university system has yet to come forward with a charter application.

Charter school administrators appreciate that the state allocates funds straight to the charter schools rather than going through the LEAs. Administrators also praise various aspects of deregulation, including flexibility in teaching the state curriculum, freedom to negotiate teacher salaries higher or lower than the state scale, allowance for a certain percentage of non-certified teachers, and freedom to enter into purchasing contracts outside the state system.

"North Carolina's charter schools law is recognized as being one of the strongest in the nation," says Ron Matheson, director of Kestrel Heights School in Durham. "It allows flexibility on the one hand, while calling for accountability on the other. That's the way it should be."

*—continues on page 18*

## Table 2. Number of Charter Schools in 2001 by State and Strength of Laws Governing Charter Schools

| State | Allows Charter Schools | Number of Charter Schools in State | Strength of Charter Law* | Rank in Strength of Charter Law |
|---|---|---|---|---|
| Alabama | No | | | |
| Alaska | Yes | 16 | 18.00 | 32 |
| Arizona | Yes | 437 | 46.50 | 1 |
| Arkansas | Yes | 7 | 15.00 | 34 |
| California | Yes | 350 | 38.05 | 11 |
| Colorado | Yes | 88 | 38.75 | 9 |
| Connecticut | Yes | 16 | 23.00 | 27 |
| Delaware | Yes | 11 | 46.40 | 2 |
| District of Columbia | Yes | 42 | 44.75 | 4 |
| Florida | Yes | 182 | 39.25 | 8 |
| Georgia | Yes | 46 | 29.00 | 22 |
| Hawaii | Yes | 22 | 18.00 | 33 |
| Idaho | Yes | 11 | 23.7 | 26 |
| Illinois | Yes | 28 | 29.25 | 21 |
| Indiana | Yes | 0 | 41.25 | 6 |
| Iowa | No | | | |
| Kansas | Yes | 28 | 13.00 | 37 |
| Kentucky | No | | | |
| Louisiana | Yes | 26 | 26.25 | 25 |
| Maine | No | | | |
| Maryland | No | | | |
| Massachusetts | Yes | 43 | 41.25 | 6 |
| Michigan | Yes | 188 | 44.45 | 5 |
| Minnesota | Yes | 77 | 45.25 | 3 |
| Mississippi | Yes | 1 | 2.30 | 38 |
| Missouri | Yes | 21 | 36.00 | 15 |
| Montana | No | | | |
| Nebraska | No | | | |
| Nevada | Yes | 9 | 23.00 | 28 |

## Table 2, *continued*

| State | Allows Charter Schools | Number of Charter Schools in State | Strength of Charter Law* | Rank in Strength of Charter Law |
|---|---|---|---|---|
| New Hampshire | Yes | 0 | 21.50 | 31 |
| New Jersey | Yes | 57 | 32.50 | 17 |
| New Mexico | Yes | 21 | 30.00 | 20 |
| New York | Yes | 32 | 38.30 | 10 |
| **North Carolina** | **Yes** | **96** | **37.25** | **12** |
| North Dakota | No | | | |
| Ohio | Yes | 69 | 36.00 | 14 |
| Oklahoma | Yes | 9 | 29.00 | 23 |
| Oregon | Yes | 17 | 33.00 | 16 |
| Pennsylvania | Yes | 78 | 36.75 | 13 |
| Rhode Island | Yes | 6 | 15.00 | 34 |
| South Carolina | Yes | 9 | 28.75 | 24 |
| South Dakota | No | | | |
| Tennessee | No | | | |
| Texas | Yes | 219 | 30.75 | 19 |
| Utah | Yes | 9 | 21.75 | 29 |
| Vermont | No | | | |
| Virginia | Yes | 5 | 13.10 | 36 |
| Washington | No | | | |
| West Virginia | No | | | |
| Wisconsin | Yes | 95 | 32.05 | 18 |
| Wyoming | Yes | 2 | 21.75 | 30 |
| **Totals** | **Yes = 38** | **2,317** | | |

* The strength of a state's charter schools law rating is from an evaluation by the Center for Education Reform, a Washington, D.C. think tank which advocates for charter schools and school choice. The group evaluates charter schools on factors such as whether a state has multiple chartering authorities, whether schools have a guaranteed source of per pupil funding, whether a school may be started without evidence of local support, whether schools have legal and operating autonomy, and the number of schools a state allows. States were awarded a letter grade as well as an overall score and ranking. For complete results, see *CER Ranks the Charter School Laws*, available on the Worldwide Web at *www.edreform.com.* Mailing address: Center for Education Reform, 1001 Connecticut Avenue NW, Suite 204, Washington, DC, 20036. Phone: (202) 822-9000.

Administrators also praise the state for making several modifications to the original law. Language in the original law was ambiguous as to whether charter school employees had to be part of the state retirement system. The state now has amended the law to allow charter employees to opt in or out of the state system. The original law was interpreted to require charter schools to provide transportation throughout the local administrative units in which they were located. The state board recognized the difficulty of this in the first year of the program, and amended the law to simply require that each charter school have a transportation plan.

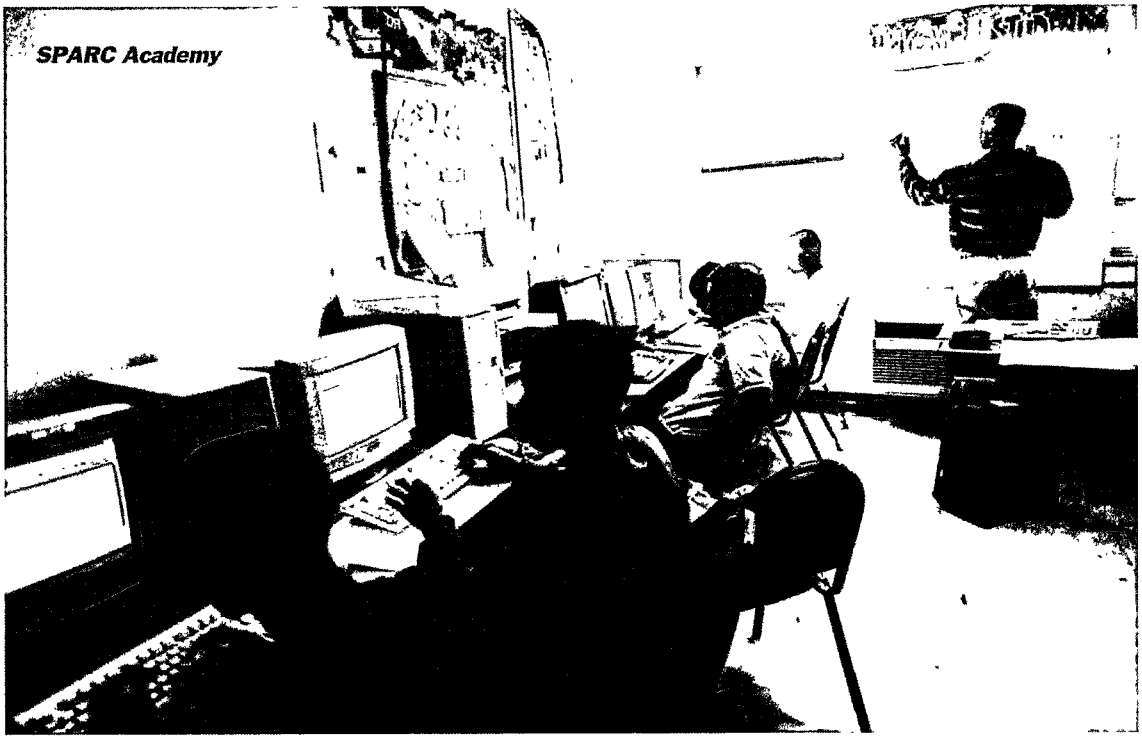
The original law allowed charter schools an increase in enrollment of no more than 10 percent per year. A number of schools wanted to increase faster than this rate. In response, the state passed an amendment allowing for increases of greater than 10 percent per year, provided that various conditions regarding finances and academic achievement are met.

Vernon Robinson, founder of the North Carolina Education Reform Foundation and a former Republican candidate for state superintendent of public instruction now seeking a seat in the General Assembly, sees both strengths and weaknesses in the law. Robinson agrees that multiple points of entry—the ability to bypass local boards of education and go directly to the State Board of Education with a charter application is a key strength. Through this process, Robinson notes, charter applicants can avoid a "hostile review process" at the local level. But Robinson softens this and any other praise of the applications process with the observation that it was a strength "until we ran out of schools" in reference to the 100-school cap in current law. Robinson does not believe there should be a cap. Instead, he says, there should be standards, and applicants who meet the standards should receive a charter.

Robinson also believes the funding mechanism in the law is a weakness, in that different levels of schooling have different costs, while all charter schools within a particular school district receive the same amount of funding per student. "There is not any school that actually costs that average," says Robinson. "Elementary schools cost less than high schools, and as a result you don't have a lot of high schools."

But Robinson's greatest criticism is that charter schools fall under the purview of the State Board of Education. He calls this a "Trojan horse" that was slipped into the law. While initially freed of many rules and regulations, charter schools incrementally get the rules and regulations back through the adoption of State Board of Education policies, Robinson says. Thus, charter schools ultimately become more


*Karen Tam*

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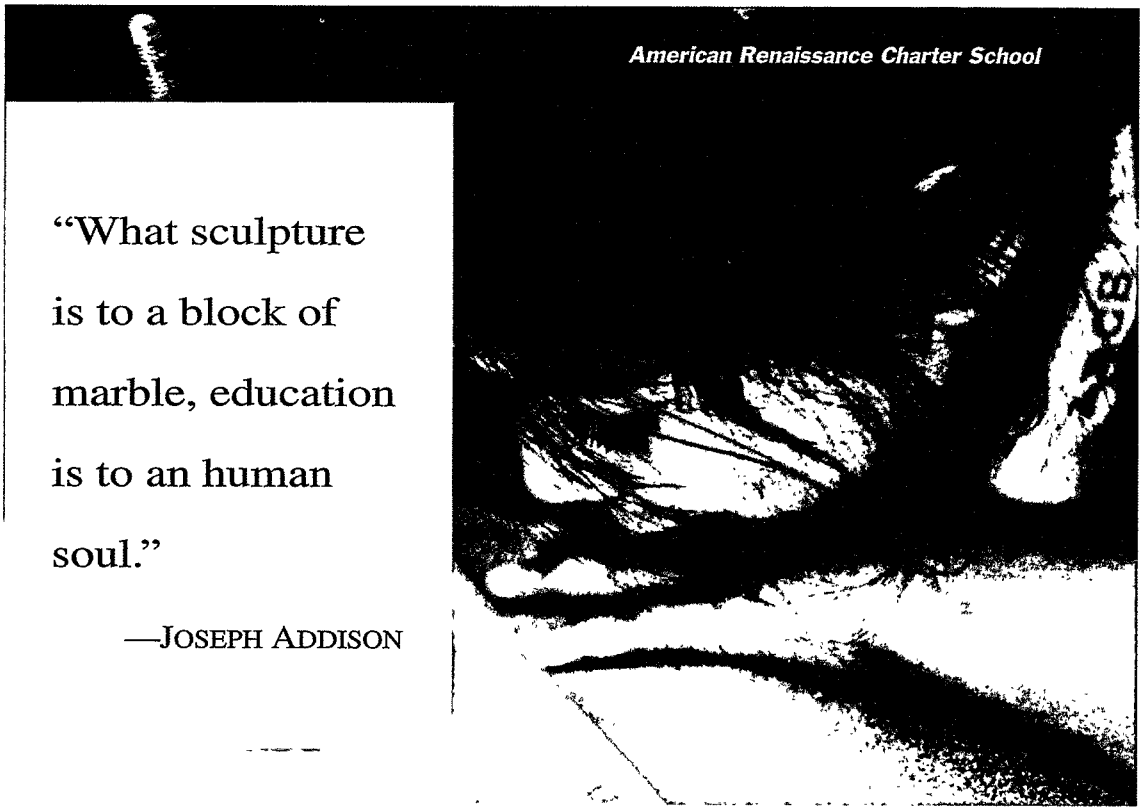
like the entities they were designed to compete with—the traditional public schools. "You've subverted the process by putting in all these legal requirements through the policies of the board," says Robinson.

The aspect of the law most widely criticized by charter school practitioners, though, is the prohibition against charter schools getting state ADM funds for capital expenditures. Public schools systems are allowed to use ADM money for purchase of facilities, but not charters. On top of this prohibition, the N.C. Attorney General's office has rendered an opinion that counties may not issue bonds to finance the construction of charter school facilities as they do for the public schools.[14] Robinson says the opinion is based on faulty legal reasoning. He believes that "county commissioners can give money for everything" and cites their participation in economic development programs as evidence. If a county wants to lend money to a charter school to serve large numbers of students, it should be allowed to weigh that option against floating bonds to build the school itself at a higher cost. Nonetheless, no North Carolina county has tested the prohibition.

The combined effect of these policies forbidding the use of certain funds for capital construction has been to force many charters into Spartan facilities, some of which are clearly inadequate as classrooms. SPARC Academy, for example, is housed in a formerly abandoned dormitory on the campus of Saint Augustine's College in Raleigh. Classes of 15 children are taught in bedrooms designed for two people. Hallways are framed with cracked windows and leaking pipes. Principal Jackie Mburu says the building is under renovation. As with most charters, SPARC has no cafeteria, no library, and no athletic facilities, though it does have athletic teams.

Some charters have assembled respectable facilities through the use of creative financing. The Arapahoe School in Pamlico County began by building a 25,000 square-foot modular steel classroom under a five-year lease from GE Capital. After the first year of operation, the school added a 5,000-square foot module, refinancing through GE Capital. In the third year, the school built a middle school wing using a 15-year commercial loan from Wachovia, arranged by a friend who worked at the bank. In 2000, Arapahoe added a 17,500 square-foot gymnasium, community center, and classroom facility using a direct loan from the U.S. Department of Agriculture Rural Development Loan Program.

"We pay all our facility expenses with a portion of the $830 per student allocation we get from the county," says Bob Kennel, advisory committee chairman for the Arapahoe Charter School. "We're paying about $13,500 per month for everything by getting long-term loans and lower interest rates. It comes to 7 percent of our total budget,




*Karen Tam*

where traditional public schools spend between 15–20 percent." Kennel says the school was constructed at a cost of less than $37 per square foot, whereas traditional public schools in North Carolina cost well over $100 a square foot to build.

Still, Kennel resents the fact that charter schools must raise their own capital funds, when public schools get that money from the state and county. And, he resents the fact that local governments are not passing on monies to the charter schools that he feels they deserve.

Although not specifically addressed in the charter law, fines and forfeiture monies collected by the state and made available to LEAs are typically not being passed on to the charter schools. Charter schools in Buncombe and Durham counties have sued to force the LEAs to pass on these funds.[15] Those cases currently are on appeal. Meanwhile, Senator Wib Gulley (D-Durham), sponsor of the original charter school bill, introduced a bill (S.B. 409) in 2001 that would firmly establish charter schools' rights to use these funds. It is currently awaiting action in the Senate Finance Committee.

"I can't imagine that we would allow public schools access to fines and forfeiture funds and monies from permanent license plates, but not allow charter schools access," Gulley says. "In a sense, we have perpetrated a fraud on the public. We've said we want charter schools, but we've hampered them from getting the job done."

Senator John Kerr (D-Wayne), who co-chairs the Senate Finance Committee, does not share Gulley's opinions. "I'm not a great supporter of the charter schools, and I don't think we should be sending them any more money," Kerr says. "I'm concerned that if we take money away from the public schools, they'll be in real trouble."

## Fiscal Impact on the Public Schools

Charter advocates, Gulley among them, claim that the opening of a charter school in a school district actually saves the local government approximately $1,000 per child per year in capital expenses. This figure is based on the average statewide cost of building new classroom facilities. Others, including Roger Gerber, president of the League of Charter Schools and a member the State Board of Education's Charter Schools Advisory Committee, say such savings apply to growing school districts. Many of North Carolina's public school systems are shrinking or stable, particularly in rural portions of the state.

*—continues on page 26*

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Jan Crotts, executive director of the North Carolina Association of School Administrators, elaborates on the kinds of fiscal problems the loss of students to charter schools can cause in these small, rural school districts. "For a large and growing district like Wake County, the opening of another charter may be a relief because there are so many students crowding into the system, but for a small, rural district, the loss of ADM funds caused by the opening of a charter can have a very negative effect," says Crotts. "They may not be able to save anything on facilities costs and may not be able to reduce the number of teachers."

Marsha Bledsoe is Superintendent of the Surry County Schools, a rural county in the northwest corner of the state. Two charter schools, Millennium Charter Academy and Bridges, have drawn some 65 students away from the nine elementary schools in the county. Because only a few students have been drawn from any one class in any one of these schools, Bledsoe has not been able to reduce the number of teachers, much less close any buildings.

"Last year, I lost $250,000 in state and local funding to Millennium Charter and $73,000 to Bridges," Bledsoe says. "Millennium may take another 50 students this year, which means I'll lose over half a million dollars. There's no way I can make that up."

But while school systems where student populations are stable or shrinking may suffer such revenue losses, the Office of Charter Schools' Tucker says there is a tendency among local school systems to exaggerate the fiscal impact of the opening of a charter school. "To assess the true loss of revenue would require that a school system look at the number of students leaving minus any new students attending or expansion of enrollment of the LEA," Tucker says. "Most LEAs like to leave this information out to make the effect of charter opening more dramatic. In some instances, the growth is greater than the reduction due to the charter opening."

Even where non-charter schools suffer a net loss of students, they are likely to get little sympathy from charter school advocates. "Be good enough not to have students leave your school," is Gerber's reply to schools facing this dilemma.

## Proposals To Ease the Fiscal Pain

Public schools have asked that they not lose any funds in the establishment of charter schools. As a compromise position, the State Board of Education at its January 2002 meeting recommended that the legislature approve a "hold harmless" clause with respect to the opening of new charter schools. Specifically, the board recommends that when a public school loses students to a new charter school, the state should continue to fund the former school at 60 percent of the lost average daily membership (ADM) the first year and 40 percent the second year. After that, there would be no further reimbursement. The recommendation builds on a hold harmless provision that is already in the law for low wealth, small school districts that lose more than 5 percent of their students to charters.

Prospects for the recommendation being adopted in the multi-year budget crisis confronting the state are slim to nonexistent. As of May 2002, the shortfall for the 2001–02 fiscal year ending June 30, 2002, had reached $1.6 billion and Governor Mike Easley had ordered most department heads in state agencies to submit budget cuts of 7 percent. Budget deficits in excess of $2 billion were forecast for 2002–03 as well, and Easley has ordered department heads to identify budget cuts as high as 7 to 11 percent of agency funding for the next fiscal year. The Department of Public Instruction, which had been largely spared the budget ax in the current round of cuts, was asked to identify 2 percent in potential cuts for 2002–03. Easley says he does not want the cuts to affect the classroom.

Even if funding were feasible, charter schools advocate Bryan Hassel says holding traditional public schools harmless is neither practical nor fair. Hassel, director of Public Impact, a Charlotte-

***"For a large and growing district like Wake County, the opening of another charter may be a relief because there are so many students crowding into the system, but for a small, rural district, the loss of ADM funds caused by the opening of a charter can have a very negative effect."***

—JAN CROTTS, EXECUTIVE DIRECTOR, N.C. ASSOCIATION OF SCHOOL ADMINISTRATORS

based education consulting firm, is a nationally recognized expert on charter schools and the author of the book, *The Charter School Challenge: Avoiding the Pitfalls, Fulfilling the Promise*, as well as numerous articles on charter school accountability and financing.

"From a policy perspective, fully reimbursing districts for charter losses would require taxpayers to double-pay for students, and that makes no sense," Hassel says. "Part of the idea of charters is to spur a competitive response from districts. If the fiscal impact is zero, districts have no incentive to respond."

Hassel is urging North Carolina to follow the examples of Florida, Minnesota, and the District of Columbia, which appropriate additional per pupil funds on top of the ADM to pay for building purchase or lease. Hassel acknowledges that additional funding for charter schools also is unlikely in the present budget crisis, but he maintains it should remain a long-term goal. "If policymakers want to give charter schools a chance to succeed, they should not make them dig into operating funds to pay for facilities," Hassel says.

But while funding for capital construction is a key complaint, not all charter school advocates believe charter schools should have equal access to the public purse. "I want a government guaranteed loan program but not government funding because then we'd be just like traditional schools," says Philip Adkins, board chair at Kestrel Heights School in Durham. "Right now we are a tremendous bargain to the taxpayers because we are getting nothing but operating expenses. If we were on equal footing with the traditional schools, we would not be doing anything different."

***"Be good enough not to have students leave your school."***

—ROGER GERBER,
N.C. LEAGUE OF CHARTER SCHOOLS

Roger Gerber, director of the North Carolina League of Charter Schools, agrees that charter schools should not receive appropriations for capital construction, particularly in the current state budget environment. If charter schools are seen as just as expensive as traditional public schools, they lose their competitive edge, says Gerber. "It's OK to have the General Assembly do things that help charter schools that cost the state nothing," he says. An example, he says, would be strengthening the


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language in the current law that authorizes local school districts to lease abandoned school buildings to charter schools for $1 per year. Where the language says "may," it could be changed to "shall," Gerber says.

Charters do have access to some financing options that are not available to traditional public schools. For example, the nonprofit Self-Help Credit Union has loaned some $20.5 million to a dozen charter schools in North Carolina as of June 2002 to help build schools through the nonprofit corporation's community facilities fund. Self-Help says charter schools provide competition for the public schools and provide school choice options for low-income children who are at greater risk of failing or dropping out of school.[16]

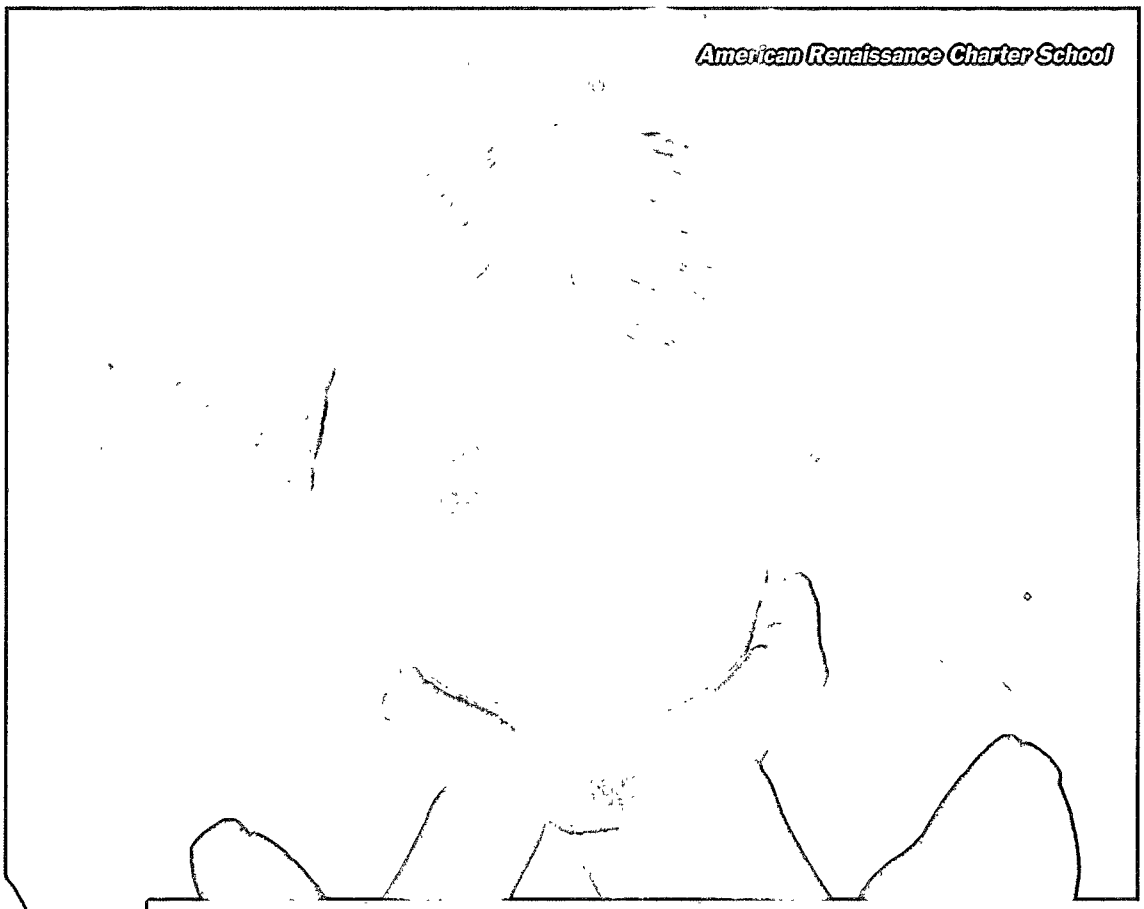
But securing financing is not always a simple matter. In 1997, several for-profit North Carolina banks attempted to establish a $5 million loan pool for charter school facilities, but the pool was contingent on the state backing the loans with $1 million in federal funds. The state indicated that legally it could not use the funds for that purpose, and the loan fund fizzled, says Roger Gerber, director of the League of Charter Schools.

Some schools, such as Arapahoe Charter School in Pamlico County, have been able to secure loans from for-profit banks, though the five-year length of the charter often frightens commercial banks away. U.S. Department of Agriculture rural development funds and loan guarantees also are available in some areas, and there are a number of national organizations that help finance charter school facilities. "Schools with a lot of wherewithal can navigate their way," says Gerber. He adds, though, that schools with less affluent boards of directors and students from less affluent families are less able to secure financing for adequate facilities. These often are schools with high numbers of at-risk students and high minority enrollment.

In addition to lack of access to capital funding and fines and forfeiture monies, charter advocates cite a host of other fairness issues with respect to funding. Bob Kennel, advisory committee chairman for Arapahoe Charter School, says charters are serving large numbers of special needs children without getting paid additional money for students beyond the limits set for traditional schools.

"All schools, including charters, get extra state and federal funding for exceptional children up to 12.5 percent of total school enrollment," Kennel says. "But many charters have far more than 12.5 percent special needs kids."

The 12.5 percent funding cap is based on state law governing special education.[17] The formula




"But what doth such a school to form a great and heroic character? What abiding Hope can it inspire? What Reformer will it nurse? What poet will it breed to sing to the human race? What discoverer of Nature's laws will it prompt to enrich us by disclosing in the mind the statute which all matter must obey? What fiery soul will it send out to warm a nation with his charity? What tranquil mind will it have fortified to walk with meekness in private and obscure duties, to wait and to suffer?"

—RALPH WALDO EMERSON, "EDUCATION"

*Karen Tam*

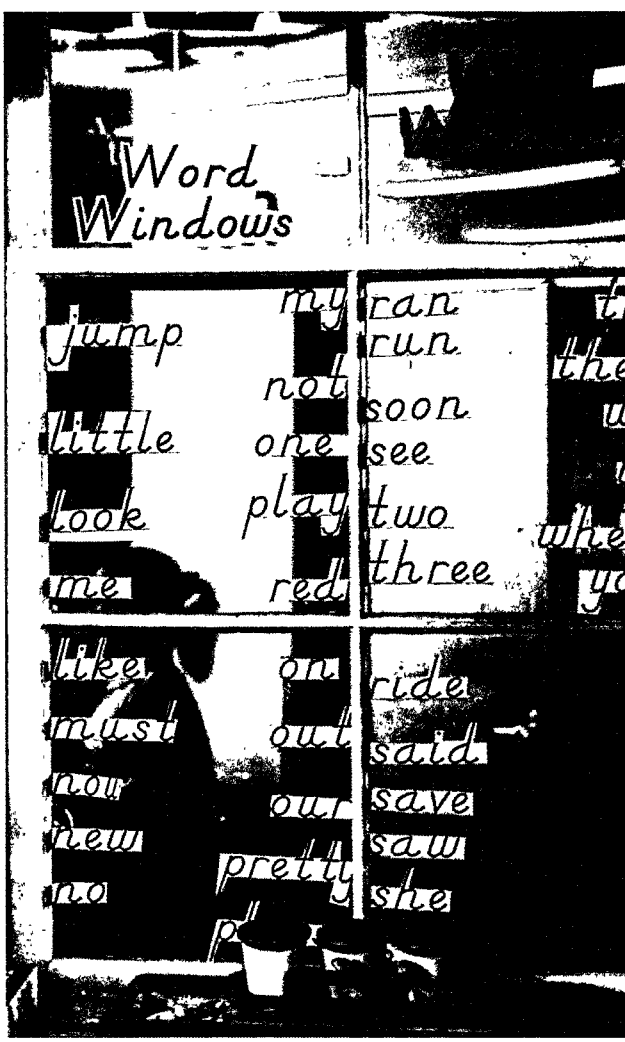
works by determining the number of students that represents 12.5 percent of a given school district's average daily membership (ADM), then multiplying that number times the per student allotment ($2,678.40 for the 2001–2002 school year). This determines the total amount of money available within a school district. It is divided by the number of children who formally have been identified by the state as having a special need. This determines the amount per child that will be awarded a particular school district. Because charter schools are considered part of their local school district for funding purposes, this also determines the amount per student a charter will receive. Thus, a charter could have 100 percent special needs students and still receive special needs funding for every child. Arapahoe Charter School, for example, lies within the Pamlico County Public Schools district, which is over the cap. Applying the adjustment, the school system receives $2,486.07 per child identified, as opposed to the state maximum of $2,678.40. Arapahoe receives the same $2,486.07 per child in addition to other state and local ADM funding.

The cap is intended to eliminate any incentive to identify children as having a special need in order to qualify for additional state funding. While the cap does eliminate any such incentive, critics argue that it is set too low and thus penalizes school districts that have high numbers of children with special needs that create extra costs. Critics also argue that on average it costs more than twice as much to educate a child with special needs, and state and federal dollars do not come close to covering the full cost to begin with. An additional issue for charter schools is that a single school might be less able to absorb the cost of serving a child with a particularly severe disability than would be the case for an entire school system with more resources upon which to draw.

"Charters also don't get paid if a child transfers into the school after the first month [of the school year]," says Kennel. "We get a lot of these kids because they've failed at the public schools." Kennel also points out that new public school facilities normally receive $50,000 from the N.C. Department of Transportation for access roads and bus parking, but not so for charters. Only about 25 percent of charters have built their own facilities, so most would not need these funds.

"The basic problem in the original charter school legislation is that public charters only receive the 'benefits' specifically called for in the legislation," Kennel says. "We want our share of the money, and until this changes, charters will be playing with one hand behind their backs."

But if charter schools have fewer resources than the traditional public schools, some in North Carolina have been poor stewards of the funds they do receive. Michael Fedewa is chair of the N.C. Charter Schools Advisory Committee, which advises the State Board of Education on charter schools issues and actually screens applicants for charters. Fedewa says the most common problem his committee sees with charter schools is poor fiscal management. Since the law was passed in North Carolina, 14 charters have closed, primarily for financial reasons (see Table 3, p. 31). Nguzo Saba charter school in Caldwell County is among the failed schools. According to records kept by the State Board of Education, Nguzo Saba opened its doors in Caldwell County in 1997 and was beset with problems from the start. The school's charter was revoked two years later, and the school was closed due to budget concerns, a lack of strong advocacy for the



## Table 3. N.C. Charter Schools That Have Closed, 1997–Present

| | Charter School | County | Year Opened | Year Closed | Reason for closing |
|---|---|---|---|---|---|
| 1. | Bonner Academy | Wake | 1997 | 1998 | Charter revoked by State Board of Education (first to lose) based on concerns that the school was not able to conduct a fiscally and educationally sound program. School remains open as a private entity. |
| 2. | School in the Community | Orange | 1997 | 1999 | Voluntarily relinquished charter |
| 3. | Change for Youth | Wayne | 1998 | 1999 | Voluntarily relinquished charter |
| 4. | Arts and Basics Charter School | Wilkes | 1998 | 1999 | Voluntarily relinquished charter |
| 5. | Bright Horizons | Wayne | 1997 | 1999 | Charter revoked |
| 6. | Phase | Onslow | 1998 | 2000 | Charter revoked by SBE due to business practices |
| 7. | Sankore | Wake | 1998 | 2001 | Voluntarily relinquished due to financial problems |
| 8. | Harnett Early Childhood Academy | Harnett | 1998 | 2002 | Closed due to financial problems |
| 9. | Nguzo Saba | Caldwell | 1997 | 1999 | Charter revoked by SBE due to budget concerns, lack of strong advocacy for the school, noncompliance with regard to certified teachers (one teacher certified out of five), and insufficient enrollment. |
| 10. | Elizabeth Grinton Academy (formerly UCAN charter school) | Wilkes | 1997 | 1999 | Revoked based on lack of services delivered to exceptional children |
| 11. | Wilkes County Technical Alternative High Charter School | Wilkes | 1998 | 1998 | Voluntarily relinquished charter due to low enrollment |
| 12. | Right Step Academy | Pitt | 1997 | 2000 | Revoked due to the failure to maintain generally accepted standards of fiscal management. |
| 13. | Oma's Inc. Charter School | Cumberland | 1999 | 2001 | Voluntarily relinquished charter due to financial problems |
| 14. | LIFT Academy | Forsyth | 1997 | 1999 | Charter revoked by SBE due to financial difficulties |

*Note:* Although, LIFT Academy's charter was revoked in December of 1999, it remained in operation through the 2000–2001 school year due to the school filing a lawsuit against the state for wrongful closure.

### Charter Schools That Never Opened and County Location

The Odyssey School (Orange), Catawba Valley Academy for Applied Learning (Catawba), Tarheel Challenge-West (Mecklenburg) and Tarheel Challenge East (Sampson), Cabarrus County Charter School, Interconnections Charter High (Wake), Winston Salem Academy (Forsyth), Bear Grass Community Charter School (Martin), and Harnett Technical Academy (Harnett)


Karen Tam

*Haliwa-Saponi School*

school, and poor compliance with teacher certification requirements. Sankore charter school in Wake County and Right Step Academy in Pitt County also were among those with severe fiscal problems that led to closure. Fiscal concerns not only led to revocation decisions but also forced several charter schools to voluntarily give up their charters. Two Durham charters, Turning Point Academy and Success Academy, currently are operating under funding restrictions imposed by the state because of fiscal management and governance issues.

Aside from those charters that began operations but closed within a year or two, another eight received charters but never opened their doors. "Some people get into this business with great enthusiasm for the academic mission, but not much business sense," Fedewa says. "A charter school is really [similar to] a small business." Charter schools are really small nonprofit corporations and must pay close attention to the bottom line or they cannot remain in operation.

Initially, DPI offered little in the way of technical assistance to struggling charters, but Fedewa says the state is now doing much more in terms of training and in-service help. "In addition, we [the advisory committee] are scrutinizing charter applications much more closely to determine whether the applicants have the ability to finance and manage their schools," Fedewa says. "The applications we're forwarding now should be much better in that regard than the ones we approved in the early years."

## Accountability in Educational Performance on End-of-Grade Tests

Another area of concern with respect to the Charter Schools Act has to do with measures of accountability. North Carolina law states that charters must conduct annual performance assessments using a methodology approved by the State Board of Education.[18] Charter advocates agree that the schools must be held accountable but are frustrated that the state accountability testing program known as the ABC program is currently the only method approved for such a purpose. ABC stands for **A**ccountability in the **B**asics with local **C**ontrol and dates back to the General Assembly's 1996 School Based Management and Accountability Program.[19] Under this program, students are placed under a strict testing regimen that begins in grade three. Schools are sorted into performance categories, and teachers are awarded performance bonuses based on how well their schools perform.

The General Assembly adopted its ABC pro-

gram the same year it authorized the experiment with charter schools. To date, charters as a group have trailed the traditional public schools in performance on the tests, though charter school advocates argue vehemently that they are being held to a standard that may not fit their missions. "The state is not giving a fair hearing to other accountability models," says Michael Fedewa, chair of the N.C. Charter Schools Advisory Committee. "They say any method must be at least as rigorous as the ABCs, but nothing seems to satisfy that demand."

Charter school advocate Bryan Hassel feels ABCs testing can be useful, but is not enough. "The ABCs are useful in providing a snapshot of a cohort of students," he says. "But the state also needs to follow each student over time to see what value has been added by the schools. They have the data to do that, but are not doing it as of yet.

"I would like to see the state and the charter schools form an accountability agreement at the beginning of a school's life," Hassel says. "This would look at what value the school is adding to the students. It would be the basis for measuring the school and determining whether the charter should be continued."

John Dornan, executive director of the Public School Forum of North Carolina, agrees that the state should move beyond the ABCs and end-of-grade testing to assess academic performance of charter schools, particularly those serving primarily poor-performing students to begin with. "For the charter schools with at-risk populations, the ABCs is not a good measure of performance," says Dornan. "I don't know what is, but holding them to the same yardstick as other schools is unfair. It's confusing the issue about charters."

Nonetheless, ABCs testing results are the measure for now, and even this seemingly clear-cut tool for comparison is mired in debate. The N.C. Charter Schools Evaluation Report states flatly that among schools for which sufficient data are available, charter schools are not performing as well on the test. Further, the report states that students placed in charter schools make less progress over a three-year period than students who are similar from both an academic and demographic perspective who remain in the public schools. This is known as a cohort study and provides perhaps the most damning piece of evidence against the charter experiment. But charter school advocates offer three key points of rebuttal: (1) the cohort study was limited to a small number of schools; (2) the first year of charter operations was included in this study, and the first year often finds charters mired in start-up difficulties; and (3) many charter schools have a mission to serve students at high risk of academic failure. Having a disproportionate number of high-risk students makes it difficult to post high end-of-grade scores.

Under the ABC plan, every school in the state receives a set of test-score goals each year. These goals are based on: (1) the North Carolina average growth rate in the respective grade and subject; (2) an estimate of the proficiency of students in the school; and (3) an estimate of the growth of the students' scores. The goals are based on a complicated formula that takes into account the test scores of previous classes at each school and the performance of students across the state. Each school receives a yearly goal that requires growth in test scores from the previous year.

At the end of each school year, after the Department of Public Instruction has tabulated each school's test scores, schools are placed in categories of various distinctions, depending on whether they have exceeded, met, or missed the goals set for them. To be named an *Exemplary Growth* school, the aggregate growth in student performance must be at least 10 percent higher than the goals set for the school, though overall scores may not always be exceptionally high. *Expected Growth* schools are those that meet the state's goals for a particular school but do not exceed them by at least 10 percent. Schools that fail to meet the growth goals are called *No Recognition Schools*, while those that fail to meet the goals and have less than half their students testing at or above grade level are labeled *Low Performing*. There are two additional test performance distinctions that can be awarded to schools based on the percentage of students who pass end-of-grade tests. *Schools of Distinction* are those in which at least 80 percent of students test at or above grade level on end-of-grade tests, and *Schools of Excellence* are those in which 90 percent of students meet or exceed this standard.

For charter schools generally, the results on end-of-grade testing so far have been mixed. (See Table 4, pp. 35–41 for performance of charter schools on end-of-grade tests from 1997–98 through 2000–01.) For the 1999–2000 school year, 17 charters (23 percent) achieved Exemplary Growth, eight charters (11 percent) matched Expected Growth, 30 (41 percent) received No Recognition, and 18 (25 percent) were Low Performing. This compares poorly to the public schools, for which 45 percent achieved Exemplary Growth in 1999–2000, 24 percent Expected Growth, 28 percent No Recognition, and 2 percent Low Performing.[20]

For the 2000–2001 school year, 15 charters (19 percent) achieved Exemplary Growth, seven charters (9 percent), matched Expected Growth, 43 (55 percent) received No Recognition, and 13 (17 percent) were Low Performing.[21] Again, this compares poorly to the public schools, for which 24 percent achieved Exemplary Growth, 36 percent Expected Growth, 39 percent No Recognition, and 1 percent Low Performing.

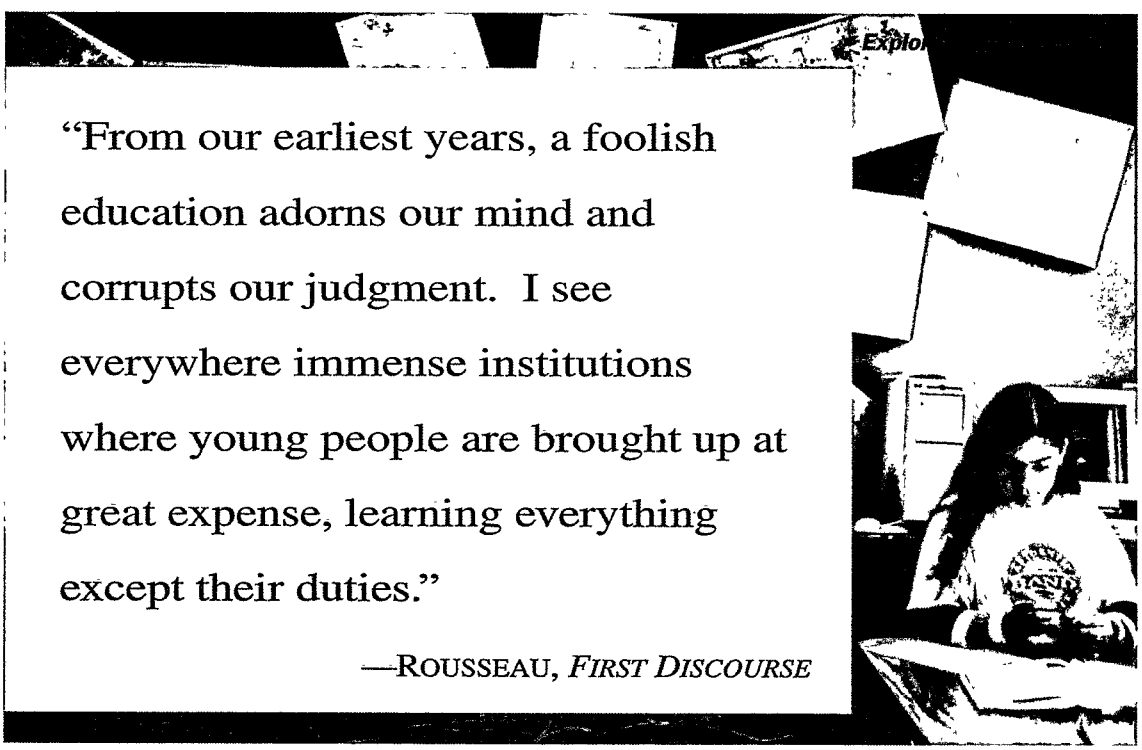
Of the 15 charter schools that achieved Exemplary Growth, five were labeled Schools of Excellence with a 90 percent or more of their students performing at or above grade level in reading and math. Raleigh's Magellan Charter, with a 99.2 percent rating, was tops in the state among all schools, both charter and traditional. And, greater numbers and percentages of charter schools are achieving expected and exemplary growth each year as measured by end-of-grade tests.

The N.C. League of Charter Schools' Gerber notes that examining the performance of the charters by school can be misleading since these schools vary greatly in size. Another way to examine performance is by actual percentages of students attending schools placed in various performance categories under the ABC plan. For example, the 15 schools achieving exemplary growth in 2000–2001 represented more than 22 percent of students in charter schools subject to end-of-grade testing. More than half the students tested attended a charter school that received at least one positive rating under the state ABCs plan, according to Gerber's analysis. "Even though the tests are inappropriate for many charters, the results show positive improvement for the children who choose to attend charter schools," says Gerber.

At the same time, 13 charters had performance composites of less than 50 percent in 2000–2001, meaning less than half of the students are reading or performing math at grade level. Seven of these had performance composites of less than 33 percent. Among the 10 worst performing schools in the state in 2000–2001, six were charters (see Table 5, p. 42).

Of these six lowest-performing charter schools, two opened in 1997, two opened in 1998, and two opened in 1999. One of the six, LIFT Academy in Winston-Salem, had its charter revoked in 1999 but remained open through 2000–2001 while it fought the revocation in court. Gerber notes that a low-performing charter school might have only a few dozen students while a low-performing public school may have 500. Both could be counted in the bottom 10 but the traditional public school would represent many more students. And, he says there is more to the story of the high number of low-performing charter schools. Of the 12 that are still open, three are special population boarding schools

*—continues on page 42*




*Karen Tam*

# Table 4. Performance of All N.C. Charter Schools on End-of-Grade Tests from 1997–98 through 2000–01

| Charter School / County/Local School District | Grade Span | Enrollment | Year Opened | 1997–1998 Met Expected Growth | 1997–1998 Met Exemplary Growth | 1997–1998 Performance Composite * | 1998–1999 Met Expected Growth | 1998–1999 Met Exemplary Growth | 1998–1999 Performance Composite | 1999–2000 Met Expected Growth | 1999–2000 Met Exemplary Growth | 1999–2000 Performance Composite | 2000–2001 Met Expected Growth | 2000–2001 Met Exemplary Growth | 2000–2001 Performance Composite |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A Child's Garden School** *Franklin* | K–2 | 108 | 2001 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Alpha Academy** *Cumberland* | 6–8 | 150 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | No | No | 52.7 |
| **American Renaissance Charter School** *Iredell* | K–5 | 173 | 1998 | NA | NA | NA | No | No | 62 | No | No | 60.1 | No | No | 64 |
| **American Renaissance Middle School** *Iredell* | 6–8 | 216 | 1999 | NA | NA | NA | NA | NA | NA | No | No | 68.6 | No | No | 62.9 |
| **Ann Atwater Community School** *Durham* | **4–9** | **180** | **2001** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** |
| **Arapahoe Charter School** *Pamlico* | K–8 | 283 | 1997 | No | No | 74 | Yes | Yes | 88.5 | Yes | No | 83.4 | Yes | No | 81.8 |
| **Arts and Basics Charter Academy** *Wilkes* | K–5 | NA | 1998 | NA | NA | NA | ID | ID | ID | NA | NA | NA | NA | NA | NA |
| **Arts Based Elementary** *Forsyth/Winston-Salem* | K–2 | 135 | 2001 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **ArtSpace Charter School** *Buncombe* | K–6 | 220 | 2001 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Bethany Community Middle School** *Rockingham* | 6–8 | 150 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | No | No | 63.8 |
| **Bethel Hill Charter School** *Person* | K–6 | 220 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | No | No | 60 |
| **Bonner Academy** *Wake* | K–12 | NA | 1997 | ID | ID | ID | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Brevard Academy** *Transylvania* | K–8 | 150 | 1998 | NA | NA | NA | No | No | 83.5 | Yes | No | 86.3 | No | No | 84.2 |
| **Bridges** *Wilkes* | 3–8 | 110 | 1997 | No | No | 51.8 | No | No | 54 | No | No | 53.7 | No | No | 68.5 |
| **Bright Horizons** *Wayne* | K–6 | NA | 1997 | No | No | 56.2 | No | No | 42.4 | NA | NA | NA | NA | NA | NA |
| **Cape Fear Center for Inquiry** *New Hanover* | K–5 | 176 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | No | No | 89.7 |
| **Cape Lookout Marine Science High School** *Carteret* | 9–12 | 150 | 1998 | NA | NA | NA | ID | ID | ID | Yes | Yes | 41.5 | Yes | No | 46 |

## Table 4. Performance of All N.C. Charter Schools on End-of-Grade Tests from 1997–98 through 2000–01, *continued*

| Grade Span | Enrollment | Year Opened | 1997–1998 Met Expected Growth | 1997–1998 Met Exemplary Growth | 1997–1998 Performance Composite | 1998–1999 Met Expected Growth | 1998–1999 Met Exemplary Growth | 1998–1999 Performance Composite | 1999–2000 Met Expected Growth | 1999–2000 Met Exemplary Growth | 1999–2000 Performance Composite | 2000–2001 Met Expected Growth | 2000–2001 Met Exemplary Growth | 2000–2001 Performance Composite |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Charter School** *County/Local School District* | | | | | | | | | | | | | | |
| **Carter Community School** *Durham* | | | | | | | | | | | | | | |
| K–8 | 306 | 1998 | NA | NA | NA | ID | ID | ID | No | No | 31.8 | No | No | 31.5 |
| **Change for Youth Charter Academy** *Wayne* | | | | | | | | | | | | | | |
| 7–12 | NA | 1998 | NA | NA | NA | ID | ID | ID | NA | NA | NA | NA | NA | NA |
| **Charter Day School** *Brunswick* | | | | | | | | | | | | | | |
| K–1 | 176 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | ID | ID | ID |
| **Chatham Charter School** *Chatham* | | | | | | | | | | | | | | |
| K–8 | 150 | 1997 | No | No | 56.1 | Yes | Yes | 63 | Yes | Yes | 81.1 | No | No | 73.2 |
| **CIS Academy** *Robeson* | | | | | | | | | | | | | | |
| 6–10 | 110 | 1997 | No | No | 7.3 | Yes | No | 29 | No | No | 26 | Yes | Yes | 39 |
| **Clover Garden** *Alamance/Burlington* | | | | | | | | | | | | | | |
| K–8 | 324 | 2001 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Community Partners High** *Wake* | | | | | | | | | | | | | | |
| 9–12 | 100 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | No | No | 49.2 |
| **Community School for Children** *Durham* | | | | | | | | | | | | | | |
| K–5 | NA | 2002 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Crossnore Academy** *Avery* | | | | | | | | | | | | | | |
| K–12 | 50 | 1999 | NA | NA | NA | NA | NA | NA | Yes | No | 35.8 | No | No | 39.7 |
| **Crossroads Charter High** *Mecklenburg/Charlotte* | | | | | | | | | | | | | | |
| 9–12 | 300 | 2001 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Developmental Day Schools** *Iredell* | | | | | | | | | | | | | | |
| K–12 | 30 | 1999 | NA | NA | NA | NA | NA | NA | ID | ID | ID | ID | ID | ID |
| **Dillard Academy** *Wayne* | | | | | | | | | | | | | | |
| K–3 | 200 | 1998 | NA | NA | NA | No | No | 33.3 | No | No | 38.1 | No | No | 37.9 |
| **East Wake Academy** *Wake* | | | | | | | | | | | | | | |
| K–9 | 480 | 1998 | NA | NA | NA | Yes | No | 81.9 | No | No | 62.7 | No | No | 76.2 |
| **East Winston Primary School** *Forsyth/Winston-Salem* | | | | | | | | | | | | | | |
| K–3 | 235 | 1998 | NA | NA | NA | No | No | 3.3 | Yes | No | 20.8 | ID | ID | ID |
| **Elizabeth Grinton Academy** (formerly UCAN) *Wilkes* | | | | | | | | | | | | | | |
| K–6 | NA | 1997 | No | No | 13.7 | Yes | Yes | 57.1 | NA | NA | NA | NA | NA | NA |
| **Engelmann School of the Arts and Sciences** *Catawba* | | | | | | | | | | | | | | |
| K–8 | 205 | 1997 | No | No | 64.3 | No | No | 40.5 | No | No | 40.8 | Yes | Yes | 64 |
| **Evergreen Community Charter School** *Buncombe* | | | | | | | | | | | | | | |
| K–8 | 204 | 1999 | NA | NA | NA | NA | NA | NA | No | No | 70.2 | No | No | 76.1 |

## Table 4. Performance of All N.C. Charter Schools on End-of-Grade Tests from 1997–98 through 2000–01, *continued*

| Charter School / County/Local School District | Grade Span | Enrollment | Year Opened | 1997–1998 Met Expected Growth | 1997–1998 Met Exemplary Growth | 1997–1998 Performance Composite | 1998–1999 Met Expected Growth | 1998–1999 Met Exemplary Growth | 1998–1999 Performance Composite | 1999–2000 Met Expected Growth | 1999–2000 Met Exemplary Growth | 1999–2000 Performance Composite | 2000–2001 Met Expected Growth | 2000–2001 Met Exemplary Growth | 2000–2001 Performance Composite |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Exploris Middle School** *Wake* | 6–8 | 168 | 1997 | Yes | Yes | 98.1 | Yes | Yes | 94.8 | Yes | Yes | 94.9 | Yes | Yes | 96.5 |
| **Forsyth Academies** *Forsyth/Winston-Salem* | K–8 | 364 | 1999 | NA | NA | NA | NA | NA | NA | No | No | 61.9 | No | No | 63.5 |
| **Francine Delany New School for Children** *Buncombe/Asheville City* | K–5 | 112 | 1997 | Yes | No | 70 | Yes | Yes | 74.6 | No | No | 71.1 | Yes | Yes | 85.4 |
| **Gaston College Preparatory (GCP)** *Northampton* | 5 | 80 | 2001 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Grandfather Academy** *Avery* | K–12 | 55 | 1997 | ID | ID | ID | ID | ID | ID | Yes | No | 37.5 | No | No | 34.1 |
| **Graystone Day School** *Stanly* | 9–12 | NA | 2002 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Greensboro Academy** *Guilford* | K–8 | 364 | 1999 | NA | NA | NA | NA | NA | NA | No | No | 76.4 | No | No | 82.3 |
| **Guilford-SABIS® Charter School** *Guilford* | K–8 | 1386 | 2001 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Haliwa-Saponi Tribal** *Warren* | K–5 | 100 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | No | No | 52.3 |
| **Harnett Early Childhood Academy** *Harnett* | K–4 | 200 | 1998 | NA | NA | NA | ID | ID | ID | No | No | 41.8 | No | No | 35.7 |
| **Healthy Start Academy Charter Elementary** *Durham* | K–4 | 450 | 1997 | ID | ID | ID | No | No | 41.9 | No | No | 35.2 | No | No | 43.9 |
| **Highland Charter Public School** *Gaston* | K–2 | 72 | 1997 | ID | ID | ID | ID | ID | ID | ID | ID | ID | ID | ID | ID |
| **Hope Elementary School** *Wake* | K–4 | 70 | 2001 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Imani Institute Charter School** *Guilford* | 6–8 | 120 | 1998 | NA | NA | NA | No | No | 57.5 | No | No | 56.3 | No | No | 53 |
| **John H. Baker, Jr. High School** *Wake* | 9–12 | 25 | 1997 | ID | ID | ID | Yes | Yes | 32.4 | Yes | Yes | 15.9 | ID | ID | ID |
| **Kennedy School** *Mecklenburg/Charlotte* | 6–12 | 65 | 1998 | NA | NA | NA | ID | ID | ID | ID | ID | ID | Yes | Yes | 16.3 |
| **Kestrel Heights School** *Durham* | 6–9 | 160 | 1998 | NA | NA | NA | ID | ID | ID | Yes | No | 59.7 | Yes | No | 71.6 |

## Table 4. Performance of All N.C. Charter Schools on End-of-Grade Tests from 1997–98 through 2000–01, *continued*

| Charter School / County/Local School District | Grade Span | Enrollment | Year Opened | 1997–1998 Met Expected Growth | 1997–1998 Met Exemplary Growth | 1997–1998 Performance Composite | 1998–1999 Met Expected Growth | 1998–1999 Met Exemplary Growth | 1998–1999 Performance Composite | 1999–2000 Met Expected Growth | 1999–2000 Met Exemplary Growth | 1999–2000 Performance Composite | 2000–2001 Met Expected Growth | 2000–2001 Met Exemplary Growth | 2000–2001 Performance Composite |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Lake Norman Charter School** *Mecklenburg/Charlotte* | 5–8 | 600 | 1998 | NA | NA | NA | Yes | Yes | 87 | Yes | Yes | 88.6 | Yes | Yes | 93.2 |
| **Lakeside School** *Alamance/Burlington* | 6–12 | 65 | 1997 | ID | ID | ID | No | No | 7 | Yes | Yes | 23.7 | No | No | 26.1 |
| **Laurinburg Charter School** *Scotland* | 9–12 | 100 | 1998 | NA | NA | NA | ID | ID | ID | No | No | 2.9 | Yes | Yes | 24.7 |
| **LIFT Academy** *Forsyth/Winston-Salem* | 6–12 | NA | 1997 | ID | ID | ID | ID | ID | ID | No | No | 9.4 | No | No | 7.5 |
| **Lincoln Charter School** *Lincoln* | K–6 | 140 | 1998 | NA | NA | NA | No | No | 76 | No | No | 70.9 | Yes | No | 80.6 |
| **Magellan Charter School** *Wake* | 4–8 | 330 | 1997 | Yes | Yes | 95.7 | Yes | Yes | 97.2 | Yes | Yes | 96.4 | Yes | Yes | 99.2 |
| **MAST School** *Moore* | 5–8 | 134 | 1997 | No | No | 81.9 | Yes | Yes | 76.3 | No | No | 72.3 | No | No | 65.1 |
| **Maureen Joy Charter School** *Durham* | K–3 | 200 | 1997 | NA | NA | NA | No | No | 26.9 | No | No | 29.8 | Yes | Yes | 60.3 |
| **Metrolina Regional Scholars' Academy** *Mecklenburg/Charlotte* | K–5 | 96 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | No | No | 98.7 |
| **Millennium Charter Academy** *Surry/Mt. Airy* | K–4 | 150 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | No | No | 81.2 |
| **Mountain Discovery** *Swain* | K–8 | NA | 2002 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **New Century School** *Orange* | 9–12 | 144 | 1998 | NA | NA | NA | ID | ID | ID | Yes | Yes | 52.2 | No | No | 26.1 |
| **Nguzo Saba Charter** *Caldwell* | | NA | 1997 | No | No | 50 | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Northeast Raleigh Charter Academy** *Wake* | K–5 | 200 | 1999 | NA | NA | NA | NA | NA | NA | No | No | 52.6 | No | No | 39.8 |
| **Oak Ridge Charter School** *Guilford* | K–5 | 405 | 2001 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Oma's Inc. Charter** *Cumberland* | 6–12 | NA | 1999 | NA | NA | NA | NA | NA | NA | No | No | 27.3 | NA | NA | NA |
| **Omuteko Gwamaziima** *Durham* | K–12 | 100 | 1999 | NA | NA | NA | NA | NA | NA | No | No | 29.6 | No | No | 30.5 |

## Table 4. Performance of All N.C. Charter Schools on End-of-Grade Tests from 1997–98 through 2000–01, *continued*

| Charter School / County/Local School District | Grade Span | Enrollment | Year Opened | 1997–1998 Met Expected Growth | 1997–1998 Met Exemplary Growth | 1997–1998 Performance Composite | 1998–1999 Met Expected Growth | 1998–1999 Met Exemplary Growth | 1998–1999 Performance Composite | 1999–2000 Met Expected Growth | 1999–2000 Met Exemplary Growth | 1999–2000 Performance Composite | 2000–2001 Met Expected Growth | 2000–2001 Met Exemplary Growth | 2000–2001 Performance Composite |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Orange County Charter School** *Orange* | K–8 | 216 | 1997 | No | No | 78.4 | Yes | Yes | 78.6 | Yes | Yes | 82 | No | No | 86.8 |
| **Phase Academy** *Onslow* | K–8 | NA | 1998 | NA | NA | NA | No | No | 49.3 | No | No | 54.8 | NA | NA | NA |
| **Phoenix Academy** *Guilford* | K–2 | 72 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | No | No | 79.1 |
| **Piedmont Community School** *Gaston* | K–5 | 240 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | No | No | 59.9 |
| **PreEminent Charter School** *Wake* | K–2 | 200 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | ID | ID | ID |
| **Provisions Academy** *Lee* | 6–12 | 132 | 1999 | NA | NA | NA | NA | NA | NA | No | No | 20.2 | No | No | 39 |
| **Quality Education Academy** *Forsyth/Winston-Salem* | 6–8 | 73 | 1997 | No | No | 26.4 | Yes | Yes | 53.6 | No | No | 52.5 | Yes | No | 57 |
| **Queen's Grant Community Schools** *Mecklenburg/Charlotte* | K–5 | 405 | 2001 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **Quest Academy** *Wake* | 1–12 | 100 | 1999 | NA | NA | NA | NA | NA | NA | Yes | Yes | 94.3 | Yes | Yes | 93.5 |
| **Raleigh Charter High School** *Wake* | 9–10 | 250 | 1999 | NA | NA | NA | NA | NA | NA | Yes | Yes | 87.6 | Yes | Yes | 92.7 |
| **Research Triangle Charter Academy** *Durham* | K–5 | 315 | 1999 | NA | NA | NA | NA | NA | NA | No | No | 31.4 | No | No | 49.1 |
| **Right Step Academy** *Pitt* | 6–12 | NA | 1997 | No | No | 18.1 | No | No | 13.9 | No | No | 17 | NA | NA | NA |
| **River Mill Academy** (Formerly River Mill Charter) *Alamance/Burlington* | K–12 | 312 | 1998 | NA | NA | NA | No | No | 51.2 | Yes | No | 62.5 | Yes | No | 66.3 |
| **Rocky Mount Charter Public School** *Nash/Rocky Mount* | K–6 | 816 | 1997 | No | No | 52.5 | No | No | 52.5 | Yes | No | 51.9 | Yes | Yes | 65 |
| **Rowan Academy** *Rowan* | K–5 | 200 | 1999 | NA | NA | NA | NA | NA | NA | No | No | 37.4 | Yes | Yes | 36.4 |
| **Sallie B. Howard School** *Wilson* | K–7 | 402 | 1997 | No | No | 51.4 | Yes | No | 45.8 | No | No | 45.7 | Yes | No | 60.1 |
| **Sandhills Theatre Arts Renaissance School** (STARS) *Moore* | K–4 | 110 | 1999 | NA | NA | NA | NA | NA | NA | No | No | 46.6 | No | No | 54.3 |

## Table 4. Performance of All N.C. Charter Schools on End-of-Grade Tests from 1997–98 through 2000–01, *continued*

| Charter School / *County/Local School District* | Grade Span | Enrollment | Year Opened | 1997–1998 Met Expected Growth | 1997–1998 Met Exemplary Growth | 1997–1998 Performance Composite | 1998–1999 Met Expected Growth | 1998–1999 Met Exemplary Growth | 1998–1999 Performance Composite | 1999–2000 Met Expected Growth | 1999–2000 Met Exemplary Growth | 1999–2000 Performance Composite | 2000–2001 Met Expected Growth | 2000–2001 Met Exemplary Growth | 2000–2001 Performance Composite |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sankore School** *Wake* | 6–8 | NA | 1998 | NA | NA | NA | No | No | 32.3 | No | No | 40.7 | NA | NA | NA |
| **School in the Community** *Orange* | 9–12 | NA | 1997 | ID | ID | ID | ID | ID | ID | NA | NA | NA | NA | NA | NA |
| **SPARC Academy** *Wake* | K–8 | 200 | 1998 | NA | NA | NA | ID | ID | ID | No | No | 31.4 | No | No | 47.6 |
| **Stanly County Community Outreach Charter School** *Stanly* | K–2 | 100 | 1999 | NA | NA | NA | NA | NA | NA | ID | ID | ID | ID | ID | ID |
| **Sterling Montessori Academy** *Wake* | K–7 | 250 | 1997 | ID | ID | ID | Yes | Yes | 75.6 | Yes | Yes | 78.6 | No | No | 76.8 |
| **Success Academy** *Durham* | 7–12 | 30 | 1999 | NA | NA | NA | NA | NA | NA | ID | ID | ID | No | No | 6 |
| **Success Institute** *Iredell* | K–5 | 100 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | No | No | 45.3 |
| **Sugar Creek Charter School** *Mecklenburg/Charlotte* | K–5 | 550 | 1999 | NA | NA | NA | NA | NA | NA | No | No | 26.6 | No | No | 41.1 |
| **Summit Charter School** *Jackson* | K–8 | 180 | 1997 | Yes | Yes | 87.2 | No | No | 80.6 | Yes | Yes | 80 | No | No | 85.7 |
| **Tar Heel Charter High School** *Bladen* | 9–12 | 300 | 2001 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **The Carter G. Woodson School of Challenge** *Forsyth/Winston-Salem* | K–8 | 225 | 1997 | No | No | 37.8 | No | No | 38.6 | Yes | No | 44.8 | No | No | 42.6 |
| **The Children's Village Academy** *Lenoir* | K–5 | 129 | 1997 | No | No | 30.4 | Yes | Yes | 55.1 | No | No | 54.9 | No | No | 47 |
| **The Community Charter School** *Mecklenburg/Charlotte* | K–5 | 108 | 1997 | No | No | 35 | No | No | 40.5 | No | No | 46.2 | No | No | 57 |
| **The Downtown Middle School** *Forsyth/Winston-Salem* | 5–7 | 540 | 1997 | No | No | 84.3 | No | No | 81.4 | No | No | 79.4 | No | No | 79.5 |
| **The Franklin Academy** *Wake* | K–5 | 550 | 1998 | NA | NA | NA | No | No | 64.8 | Yes | Yes | 81 | No | No | 82.5 |
| **The Laurinburg Homework Center Charter School** *Scotland* | 9–11 | 100 | 1999 | NA | NA | NA | NA | NA | NA | No | No | 33.3 | No | No | 15.4 |
| **The Learning Center** *Cherokee* | K–8 | 90 | 1997 | No | No | 56.1 | Yes | No | 68.6 | No | No | 57.8 | No | No | 77.1 |

## Table 4. Performance of All N.C. Charter Schools on End-of-Grade Tests from 1997–98 through 2000–01, *continued*

| Grade Span | Enrollment | Year Opened | 1997–1998 Met Expected Growth | 1997–1998 Met Exemplary Growth | 1997–1998 Performance Composite | 1998–1999 Met Expected Growth | 1998–1999 Met Exemplary Growth | 1998–1999 Performance Composite | 1999–2000 Met Expected Growth | 1999–2000 Met Exemplary Growth | 1999–2000 Performance Composite | 2000–2001 Met Expected Growth | 2000–2001 Met Exemplary Growth | 2000–2001 Performance Composite |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Charter School** *County/Local School District* | | | | | | | | | | | | | | |
| **The Mountain Community School** *Henderson* | | | | | | | | | | | | | | |
| K–6 | 115 | 1999 | NA | NA | NA | NA | NA | NA | Yes | Yes | 90.7 | No | No | 88.4 |
| **The New Dimensions School** *Burke* | | | | | | | | | | | | | | |
| K | 66 | 2001 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| **The Village Charter School** *Orange/Chapel Hill-Carrboro* | | | | | | | | | | | | | | |
| K–6 | 216 | 1997 | Yes | No | 77 | Yes | Yes | 74.1 | No | No | 67.1 | No | No | 73.1 |
| **The Woods Charter School** *Chatham* | | | | | | | | | | | | | | |
| 4–12 | 210 | 1998 | NA | NA | NA | ID | ID | ID | No | No | 62.1 | Yes | Yes | 81.8 |
| **Thomas Jefferson Classical Academy** *Rutherford* | | | | | | | | | | | | | | |
| 8–12 | 150 | 1999 | NA | NA | NA | NA | NA | NA | No | No | 81 | No | No | 83.3 |
| **Tiller School** *Carteret* | | | | | | | | | | | | | | |
| 1–6 | 75 | 1998 | NA | NA | NA | Yes | Yes | 74.4 | Yes | Yes | 77 | Yes | Yes | 87.8 |
| **Turning Point Academy** *Durham* | | | | | | | | | | | | | | |
| K–8 | 200 | 1998 | NA | NA | NA | ID | ID | ID | No | No | 28.8 | No | No | 35.9 |
| **Union Academy** *Union* | | | | | | | | | | | | | | |
| K–4 | 300 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | No | No | 84.2 |
| **Vance Charter School** *Vance* | | | | | | | | | | | | | | |
| K–6 | 194 | 1999 | NA | NA | NA | NA | NA | NA | No | No | 72.9 | No | No | 73.3 |
| **Washington Montessori-A Public Charter School** *Beaufort* | | | | | | | | | | | | | | |
| K–3 | 100 | 2000 | NA | NA | NA | NA | NA | NA | NA | NA | NA | ID | ID | ID |
| **Wayne County Technical Academy** *Wayne* | | | | | | | | | | | | | | |
| 9–12 | 200 | 1999 | NA | NA | NA | NA | NA | NA | Yes | Yes | 8.5 | No | No | 5.8 |
| **Wilkes County Technical Alternative Charter High** *Wilkes* | | | | | | | | | | | | | | |
| 9–12 | NA | 1998 | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |

* Performance composite takes into account student performance on all end-of-grade tests for a particular school.

NA = School not opened during testing or scores not available.

ID = Insufficient Data as reported by the N.C. Department of Public Instruction.

*Source:* N.C. Department of Public Instruction

—*continued from page 34*
such as schools for sexually abused children, two were started with a mission to serve exceptional children, and the remaining seven serve at-risk students, including five that serve at-risk high school age students.

## School Performance and Racial Diversity in Charters

The preponderance of low-performing schools raises a touchy question for charter schools—race and the diversity of student bodies. White flight—the notion of whites fleeing the traditional public schools to escape racial diversity—has been largely absent in the North Carolina charter school experiment. However, there is clear evidence of what could be called black flight—African Americans fleeing to charters to avoid public schools that have done a poor job of educating black students. The Charter Schools Act states that the population of any charter school shall "reasonably reflect" the racial and ethnic composition of the general population residing within the local school administrative unit or the racial and ethnic composition of the "special population" that the school seeks to serve residing within the local school administrative unit.[22]

Of 97 charter schools operating in 2000–2001, 30 had student populations more than more 80 percent non-white—the vast majority populated almost exclusively by African-American students. The state evaluation of charter schools found 20 schools to lie outside the range of their local school district in having a *higher* percentage of non-white students than the traditional public school in the district with the highest percentage of non-white students (see Table 6, p. 45). In addition, the evaluation found eight charter schools to be outside their school district's range by having a *lower* percentage of non-white students than any traditional public school in the district.

Aside from academic concerns in the traditional public schools, black discontent may be fueled in part by the desire to attend school close to home and to incorporate ethnic themes that are hard to instill in predominantly white schools. "A number of these

### Table 5. 10 Lowest Performing Schools on End-of-Grade Tests, 2000–2001

| County, School District, or State School | School Name | Grade Span | Overall Score |
|---|---|---|---|
| 1. Wayne County | Wayne Technical Academy* | 9–12 | 5.8 |
| 2. Durham County | Success Academy* | 7–12 | 6 |
| 3. Forsyth County | Lift Academy* | 6–12 | 7.5 |
| 4. N.C. Department of Health and Human Services | Eastern N.C. School for the Deaf | Ungraded | 11.2 |
| 5. N.C. Department of Juvenile Justice | Juvenile Evaluation Center | Ungraded | 13.6 |
| 6. Scotland County | Laurinburg Homework* | 8–12 | 15.4 |
| 7. Weldon City Schools | Weldon High School | 9–12 | 24.7 |
| 8. (tie) Alamance County | Lakeside School* | 6–12 | 26.1 |
| 8. (tie) Orange County | New Century Charter* | 9–12 | 26.1 |
| 10. Charlotte/Mecklenburg Schools | West Charlotte High School | 9–12 | 26.9 |

* Denotes charter school

*Source:* N.C. Department of Public Instruction

SPARC Academy

Karen Tam

schools have an Afro-centric curriculum which generally limits their appeal," notes the Public School Forum's John Poteat. He also points out that charter schools are "schools of choice" and have less control over integrating their student bodies than do many public schools that have been allowed to resegregate.

Otho Tucker, director of the Office of Charter Schools in the N.C. Department of Public Instruction, agrees. "The curriculum chosen and the location of the school are the major factors that drive the choice of parents," notes Tucker. A number of traditional public schools have been allowed to virtually resegregate. Critics of the charter movement are concerned that charters will become vehicles to further this resegregation, though few predicted that most of the resegregation would occur in all black or mostly black charter schools.

"The majority of charter schools in Durham are populated by African-Americans," says Kathryn Meyers, a member of the Charter Schools Advisory Committee and chair of the Durham County School Board. "That surprised everyone who thought charters were going to be white flight schools. The message for us is that there are as many minority parents as white parents who feel their children are not well served in the traditional public schools."

"Diversity is an issue, but the first thing we've got to do is get these kids satisfied with themselves," says Mburu, whose SPARC Academy is 100 percent African-American. "Once we build their self-esteem, then they can reach out to other groups."

While acknowledging certain benefits of schools aimed at helping targeted populations, State Superintendent of Public Instruction Michael Ward worries that charter schools may, indeed, become a mechanism for resegregation. "I'm not suggesting that lack of diversity is unacceptable in all instances, but we should not accept these kinds of student enrollment patterns without asking some pretty probing questions," Ward says. "I fear we may some day look back on this period as the early Balkanization of our society."

***"Diversity is an issue, but the first thing we've got to do is get these kids satisfied with themselves. Once we build their self-esteem, then they can reach out to other groups."***

—JACKIE MBURU, SPARC ACADEMY

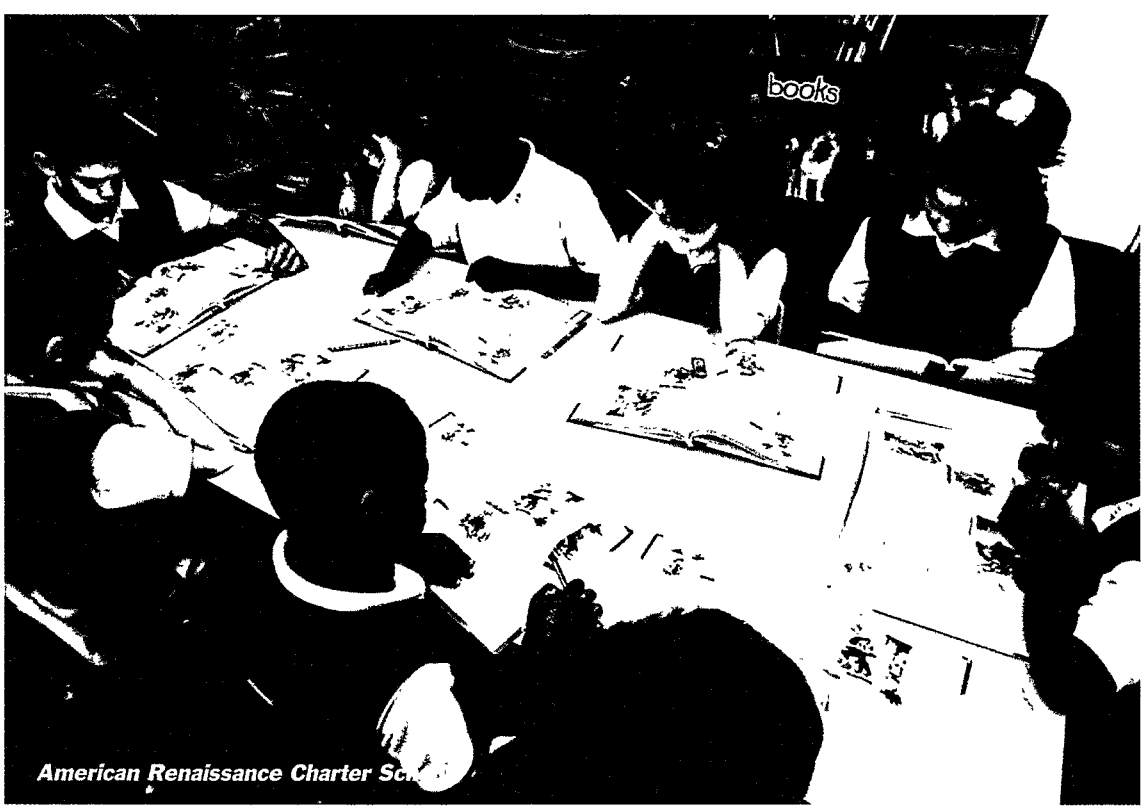
***"I'm not suggesting that lack of diversity is unacceptable in all instances, but we should not accept these kinds of student enrollment patterns without asking some pretty probing questions. I fear we may some day look back on this period as the early Balkanization of our society."***

—MICHAEL WARD, STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

And, if the traditional public schools are producing mediocre results for African-American students, the performance of charters is far from sparkling. Gerber of the League of Charter Schools remains unapologetic. "You need time to fix the problems caused by non-charters," he notes.

The state's evaluation of charter schools indicates that charters are doing a worse job than the public schools overall, but particularly in educating African-American youth. "[T]he achievement gap between black and white students was larger in 1998–99 and in 1997–98, and even larger in 1999–2000," the report's authors indicate.[23] "In 2000–01, however, the gap in charter schools receded to levels closer to those of 1997–98 and 1998–99. In other public schools, the achievement gap in reading and math has been approximately the same size each year, and it has been smaller than the gap in charter schools."

However, Tucker, director of the state Office of Charter Schools, examined the performance of black students from a different perspective—amount of academic growth over the course of a school year as measured by end-of-grade tests. Excluding the first year of actual operation, 1997–1998, African-American students in many instances showed greater growth in charter schools than did their counterparts in the traditional public schools. Tucker's analysis also yielded this finding: "[O]f the charter schools that are still in operation in the fourth year, the percent of low-performing schools has dropped from 25 percent in year one to 0 percent in year four."



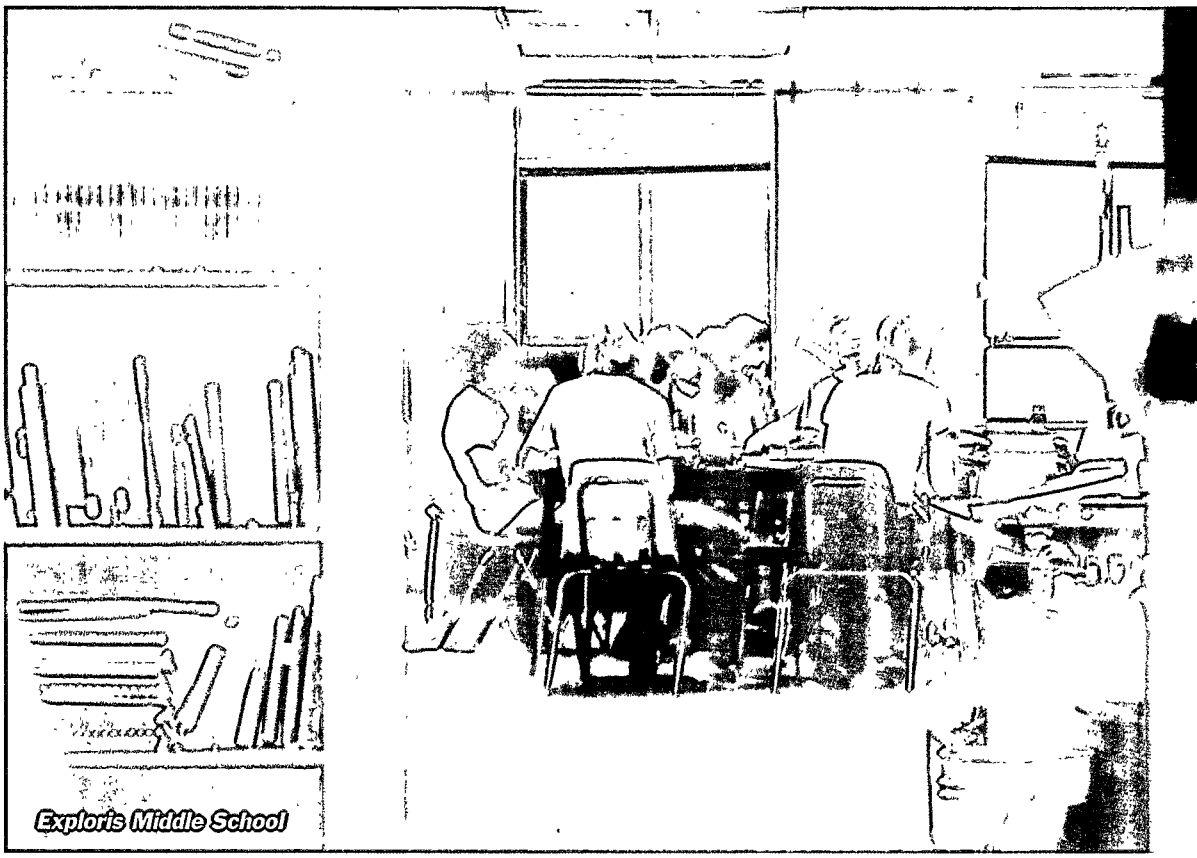

*American Renaissance Charter Sc*

*Karen Tam*

## Table 6. Charter Schools Where Percent of Non-White Students in the School is Higher or Lower than Any Traditional Public School in Its Local School District

| Schools | County Where School is Located | Percent Non-white in 1999–2000 School Year | Average Percent Non-white for Local District Schools | Range of Percent Non-white Students in Local Schools |
|---|---|---|---|---|
| **A. Charter Schools with More Non-white Students than Any School in District:** | | | | |
| Laurinburg Charter | Scotland | 100.0% | 58.5% | 39.1–88.6% |
| Omuteko Gwamazima | Durham | 100.0 | 65.9 | 21.4–99.7 |
| Quality Education Academy | Forsyth | 100.0 | 45.0 | 13.3–99.6 |
| Carter G. Woodson School of Challenge | Forsyth | 100.0 | 45.0 | 13.3–99.6 |
| East Winston Primary | Forsyth | 100.0 | 45.0 | 13.3–99.6 |
| SPARC Academy | Wake | 100.0 | 35.3 | 11.6–78.2 |
| Success Academy | Durham | 100.0 | 65.9 | 21.4–99.7 |
| Healthy Start Academy | Durham | 99.8 | 65.9 | 21.4–99.7 |
| Right Step Academy | Pitt | 98.0 | 54.2 | 21.5–78.5 |
| Harnett Early Childhood | Harnett | 97.7 | 38.5 | 25.9–67.3 |
| Stanly Community Outreach | Stanly | 97.0 | 22.8 | 1.2–71.7 |
| Baker Charter High School | Wake | 96.9 | 35.3 | 11.6–78.2 |
| Highland Charter | Gaston | 95.5 | 23.6 | 3.9–74.5 |
| Sankore School | Wake | 94.7 | 35.3 | 11.6–78.2 |
| Phase Academy | New Hanover | 89.3 | 34.6 | 2.2–64.8 |
| Provisions Academy | Lee | 88.6 | 42.8 | 31.4–65.4 |
| Northeast Raleigh Charter Academy | Wake | 81.3 | 35.3 | 11.6–78.2 |
| Village Charter | Orange (Chapel Hill/ Carrboro Schools) | 51.5 | 30.7 | 22.9–51.4 |
| Grandfather Academy | Avery | 33.3 | 1.7 | 0–5.9 |
| Crossnore Academy | Avery | 21.4 | 1.7 | 0–5.9 |
| **B. Charter Schools with Fewer Non-white Students Than Any School in District:** | | | | |
| Vance Charter School | Vance | 26.5 | 68.2 | 46.3–98.3 |
| Arapahoe Charter | Pamlico | 16.4 | 36.7 | 46.3–98.3 |
| Orange County Charter | Orange | 10.3 | 27.8 | 5.9–41.8 |
| Lincoln Charter | Lincoln | 9.2 | 16.4 | 17.1–40.8 |
| Franklin Academy | Wake | 4.8 | 35.3 | 11.6–78.2 |
| Quest Academy | Wake | 4.0 | 35.3 | 11.6–78.2 |
| Lake Norman Charter | Mecklenburg | 5.1 | 51.7 | 5.7–99.1 |

*Source: North Carolina Charter School Evaluation*, published under contract for the State Board of Education, November 2001, pp. II–14 through II–16.




*Karen Tam*

The progress on end-of-grade test scores indicates that many charter schools are able to find their footing after an initial year of struggle. However, some charter schools have performed admirably from the beginning. Two of the top 10 performing schools for the 2000–2001 school year were charters, including the number one school in Wake County's Magellan (see Table 7, p. 49). Magellan and another Wake County Charter School, Exploris, have ranked among the top 10 schools in academic performance statewide since their inception, and they have achieved these results with student bodies that are more diverse than many in the Wake County Public Schools system. Yet another charter, Metrolina Regional Scholars' Academy in Mecklenburg County, notched one of the highest performances in the state but did not meet its state-determined growth goals. In addition, greater numbers and percentages of charter schools are achieving expected and exemplary growth each year as measured by end-of-grade tests.

Eight of the top 10 performers are from the state's most urban counties, Wake and Mecklenburg counties. The lowest performers—including both charters and traditional public schools—are heavily weighted toward largely rural and relatively poor Eastern North Carolina.

Charter schools have made large gains on state writing test scores, although they are still below the state average as a group. For the 2000–2001 academic year, 53.6 percent of charter school fourth graders passed the 2000–2001 writing test, up from 36.2 percent the previous year. For seventh graders, the passing rate increased from 55.2 percent to 62.8 percent. For tenth graders, the passing rate increased from 23.4 percent to 36.8 percent. The state average for all public schools on the 2000–2001 writing test was 68.8 percent passing for fourth graders, 73.3 percent passing for seventh graders, and 53.9 percent passing for tenth graders.[24]

Asked about the results, Tucker says, "When you're looking at the performance of charter schools, you have to consider the populations they have chosen to serve. A lot of charters are serving at-risk populations, and it will take some time to turn these children around.

"You also need to consider that a lot of the schools have only been in operation for a year or two," Tucker continues. "A lot of time is spent in the early years just setting up and operating the

school, attracting students and hiring faculty." Tucker's point is supported by his own analysis of testing data used in the N.C. Evaluation of Charter Schools three-year cohort study, and his calculations were verified by staff in the Evaluation Section of the Department of Public Instruction's Accountability Services Division.

For the 1997–98 school year, Tucker found that charter school students did not make expected or exemplary growth, while their non-charter school peers did. However, when looking at years two and three only, Tucker found that charter school students actually showed greater academic growth than similar students in non-charter schools.[25] In 1998–99 (year two), the charter and non-charter groups each made expected and exemplary growth. However, the charter school students exceeded their academic growth expectations to a greater degree than did their peers in the non-charter public schools. In 1999–2000, the charter school students in the study registered expected and exemplary growth on the study while the non-charter students they were compared too only made expected academic growth. "We'll get a much better picture of performance five or six years down the road," Tucker says.

Lou Fabrizio, director of DPI's Accountability Services Division, notes that while the analysis does show greater growth for charter students in years two and three, the overall performance of the charter school students trailed that of their non-charter cohort at the end of the three-year period. "My understanding of the data is that you can't just throw out that first year," says Fabrizio. "It did exist. Over the whole time period, those kids still did not do as well as the other [non-charter] kids.

" I don't think the data represent a victory for charter schools," says Fabrizio. But he does see the results as "encouraging" as to charters' ability improve their performance after a difficult first year.

***"When you're looking at the performance of charter schools, you have to consider the populations they have chosen to serve. A lot of charters are serving at-risk populations, and it will take some time to turn these children around.***

—OTHO TUCKER, DIRECTOR,
N.C. OFFICE OF CHARTER SCHOOLS

***"It's very difficult to evaluate schools that have been open only two or three years, and that's one of the shortcomings of the Charter School Evaluation."***

—JOHN DORNAN,
PUBLIC SCHOOL FORUM OF N.C.

Dornan believes the short time-frame of the state's charter school evaluation report makes it hard to get an accurate read on charter schools' performance or potential. "It's very difficult to evaluate schools that have been open only two or three years, and that's one of the shortcomings of the Charter School Evaluation," Dornan says. "I'm much more interested in seeing what happens in the second three years. That's when you can make a fairer generalization."

Critics question whether these low performing charter schools will ever deliver on their promise of turning these students around. And they wonder what price the students will pay for the schools to get their own house in order. "When you consider that five or six years is nearly half a child's schooling, that's a long time to wait for a school to get itself together," Crotts says. "I would hope the parents would have the wisdom to judge the school accordingly, but I'm not sure that's always the case. A lot of parents may have too much invested in the charter school to admit that it may not be working."

## A Source of Classroom Innovation?

One of the principal ideas behind the founding of charter schools is to provide a laboratory for classroom innovation. Out of these various teaching methods, state education administrators hope to come up with a list of "best practices" that the public schools can emulate. The state's Charter Schools Evaluation Report finds the principal innovations in North Carolina to be smaller class sizes and smaller schools, with more versatile teachers and administrators. The study finds little in the way of innovation in classroom instruction. Tucker says many charter schools have been hesitant to experiment with innovative teaching methods for

***"When you consider that five or six years is nearly half a child's schooling, that's a long time to wait for a school to get itself together."***

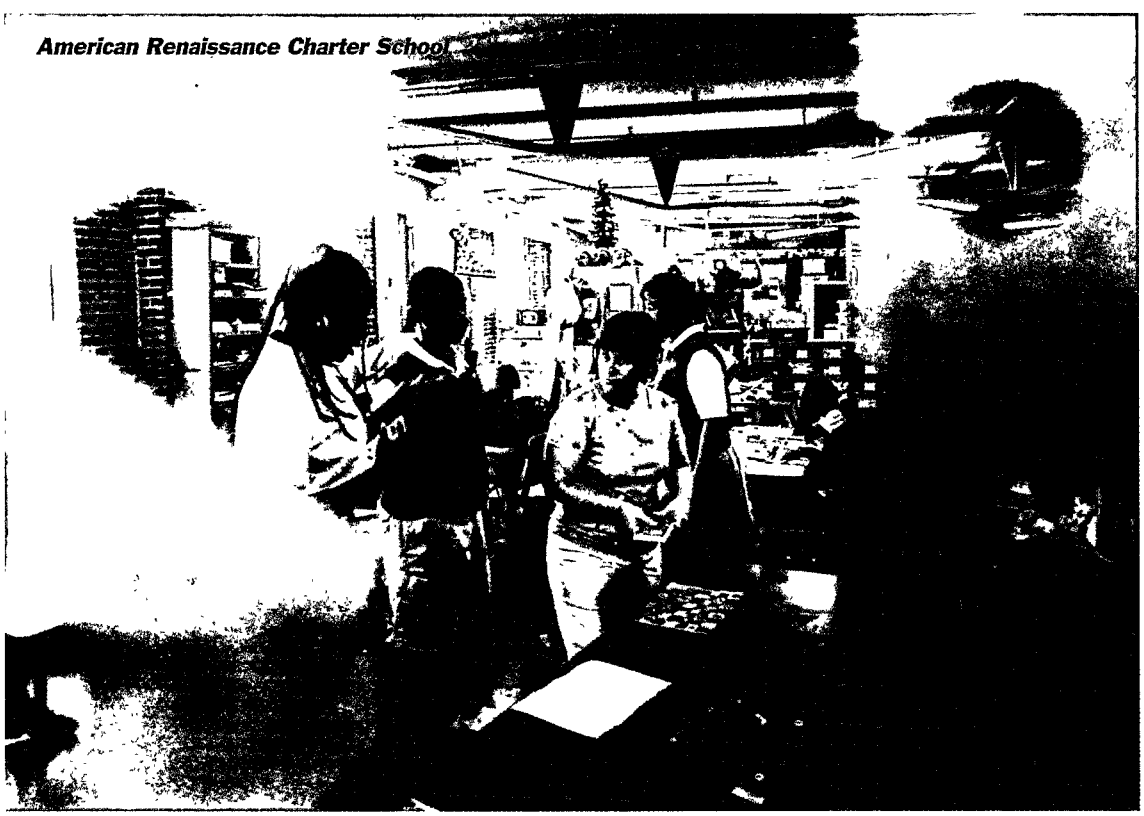
—JAN CROTTS,
N.C. ASSN. OF SCHOOL ADMINISTRATORS

fear of jeopardizing ABC test scores, but he expects the number and variety of innovative approaches to grow. Adds John Poteat of the Public School Forum, "There is limited flexibility for charter schools because of the curriculum. Therefore, how innovative can they be?"

Among the charter schools that are pursuing innovation, some are using completely novel approaches; others are using practices employed to some degree in the public schools. Exploris Middle School in Raleigh is promoting a hands-on, experiential approach to learning. Teachers develop their own curriculum and instructional materials organized around themes rather than subjects. No grades are given. Instead, students are evaluated based on their progress in reaching goals they have established for themselves.

Kestrel Heights School in Durham employs the Paideia method. Created by the late publisher and author Mortimer J. Adler, the Paideia method of learning is outlined in Adler's book, *The Paideia Proposal: An Educational Manifesto*. Paideia employs three types of instruction. *Didactic teaching*, in which the teacher lectures and presents must-know information, is limited to 10–20 percent of the instructional plan. *Intellectual coaching* is the largest part of instruction and involves the students in collaborative learning with guidance from the teacher. For example, students may be asked to produce a newspaper portraying events from a particular time period or subject. The third method is the *Paideia seminar*, in which students organize a collaborative discussion about a text or collectively solve a math or science problem. The teacher's role is limited to asking open-ended questions. While clearly innovative, Paideia instruction already is being employed in a number of traditional public school classrooms across North Carolina, including schools in Guilford and Wake counties, and more than a dozen other states.

The Knowledge Is Power Program, or KIPP, is employed by Gaston College Preparatory in the



***American Renaissance Charter School***

*Karen Tam*

## Table 7. 10 Highest Performing Schools on End-of-Grade Tests, 2000–2001

| School System | School Name | Grade Span | Composite Score |
|---|---|---|---|
| 1. Wake County | Magellan Charter* | 4–8 | 99.2 |
| 2. Charlotte/Mecklenburg | Barringer Academic Center | K–5 | 99.1 |
| 3. Charlotte/Mecklenburg | Villa Heights Elementary | K–5 | 98.5 |
| 4. Wake County | Green Hope Elementary | K–5 | 97.7 |
| 5. Charlotte/Mecklenburg | McKee Road Elementary | K–5 | 97.6 |
| 6. Wake County | Davis Drive Elementary | K–5 | 97.5 |
| 7. Buncombe County | Glen Arden Elementary | K–5 | 97.4 |
| 8. (tie) Gaston | Robinson | K–5 | 96.7 |
| 8. (tie) Wake County | Morrisville Elementary | K–5 | 96.7 |
| 10. Wake County | Exploris Middle School* | 6–8 | 96.5 |

* Denotes charter school

*Source:* N.C. Department of Public Instruction

Northampton County town of Gaston. Developed in the mid-1990s by two public school teachers in Houston, KIPP requires students to put in 10-hour school days and attend school on Saturdays and during summer. Parents must sign off on all tests and homework. Teachers must be available by phone during all hours of the day.

Several charter schools employ what is known as Direct Teaching. Dixie Spiegel, senior associate dean of the School of Education at UNC-Chapel Hill describes Direct Teaching as "telling the kids what they're going to learn, how to do it, and why they should care. This is as opposed to saying, 'here's what I want you to do, now go do it.'" Teachers ask questions and students recite answers in unison.

CORE Knowledge, a literature-based education system, is integrated with the state curriculum at River Mill Academy in Saxapahaw in Alamance County. "In kindergarten, we concentrate on nursery rhymes," says Principal Linda Humble. "We study literature in the higher grades, integrating other disciplines such as music and art into the books we are studying."

Other charters have adopted specific themes to liven up their curriculum. Cape Lookout Marine Science High School in Morehead City focuses on marine sciences. The American Renaissance Charter School in Statesville concentrates on art. Sallie B. Howard School in Wilson involves its students in dance. SPARC Academy in Raleigh follows an Afro-centric theme, with morning drum sessions and African folk tales that relate to the social studies curriculum. In response to criticism that charters have delivered little by way of innovation, Gerber says, "They missed the biggest innovation—parents having a choice regardless of income."

### Enthusiasm for Smaller Class Sizes

While some charter schools believe they employ innovative teaching methods, the principal appeal of charters in the eyes of both parents and teachers is small classes and small schools. For the 2000–2001 school year, North Carolina charter schools averaged 15 students per class while the number of students per class exceeds 20 for the public schools as a whole.[26] These averages are based on "typical" classes for grades K–12. The average is skewed by the inclusion of such classes as independent study that may have only a few students in them. Research over the years has shown conflicting results in terms of whether reductions in

class size lead to improvements in academic performance. Some research has failed to show any connection. Other studies found benefits when class size drops below 18 students.

The two major studies showing academic benefit from smaller class size are a national study of 20,000 fourth and eight graders in classrooms across the country, and a state study of 7,000 students in Tennessee known as the STAR study.[27] The national study, entitled *When Money Matters*, and carried out by the Research Policy Information Center, defined small classes as those with less than 20 students and large classes as those with more. The study used performance in math on the National Assessment of Educational Progress as its gauge and took into account student socioeconomic status, as well as educational expenditures and cost of living for the regions studied. The study found fourth graders could be expected to advance 33 percent more quickly than their counterparts in large classes, while eighth graders could be expected to progress 12.5 percent more quickly, according to author Harold Wenglinksy. The STAR study found students randomly placed in small classes outperformed their peers placed in large classes. The differences remained four years later in eighth grade, four years after these students were placed in larger classes.

Nonetheless, not everyone is convinced. Education researcher Eric Hanushek reviews a range of studies and argues that the link between class size and achievement is weak or nonexistent.[28] Hanushek criticizes the STAR study as having a large impact only in kindergarten achievement. He notes that the gains made in kindergarten hold steady over the study period but do not grow.

No matter what the research says, charter school administrators are convinced of the benefits of small classes. "Small classes allow you to enforce discipline, help kids that need it, and promote a feeling of family," says Rob Matheson, principal of Kestrel Heights School. "Neither Paideia nor anything else will work until you address the issue of class size."

Public school administrators also would like to see smaller classes and have pushed the state for money to allow for that. Governor Mike Easley made reducing class size a key campaign issue and pressed for a state lottery to help finance this and other education initiatives.[29] Aside from the benefits of smaller classes, however, public school administrators seem reluctant to believe there is anything of value to be learned from the charter schools. Asked if there are any innovations being tried out in the charters that public schools would do well to emulate, Jan Crotts, who leads the N.C. Association of School Administrators, says, "Nothing that I'm aware of."

That attitude bothers people like Dornan. "The animosity toward the charters in most public school systems is so deep that none of them [public school administrators] is willing to acknowledge that there is anything to be learned from the charters," he says. "I'm amazed at how quickly people discount the successes of schools like Exploris and Magellan. They say the high scores are just a reflection of the type of students they have, but if you look at the scores of the neighboring public schools, the charters have outperformed them."

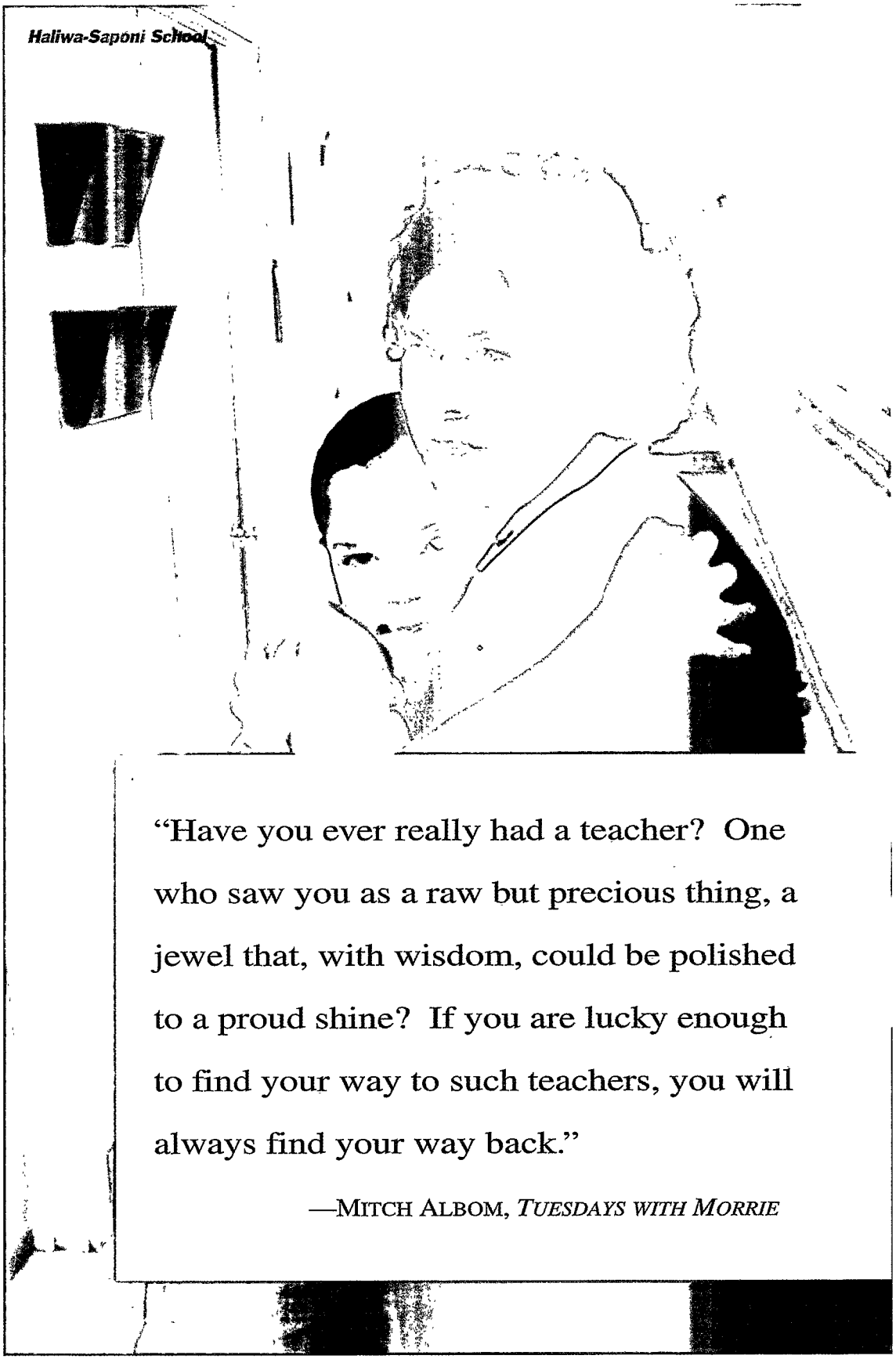
## Charter Schools and Teacher Quality

Closely tied to the issue of class size is the quality of teaching at the charter schools. The N.C. Charter School Act requires that at least 75 percent of the teachers in grades K–5, at least 50 percent in grades 6–8, and at least 50 percent in grades 9–12 hold teacher certificates. Meeting the standard has been an ongoing issue. In a November 2001 meeting with the State Board of Education, DPI officials stated that approximately 20 percent of the charter schools appear not to have enough certified teachers to meet the minimum legislative requirement. Charter schools counter that much of this apparent gap is due to confusion or delays in reporting and processing of teacher qualifications, rather than an actual deficiency in numbers of certified teachers. Regardless, the state's policy permitting non-certified teachers in as many as half of some grades disturbs such groups as the North Carolina Association of Educators (NCAE).

"We have very grave concerns about educators in the classrooms who are either untrained in their field or in the way children learn," says Carolyn McKinney, president of NCAE. "You can be very gung-ho, but if you don't know your subject, you are doing your students a disservice."

To address concerns voiced by the NCAE, the State Board of Education has recommended that all charter teachers in core subjects such as English, math, and science be college graduates. Tucker, the director of the State Office of Charter Schools, says charter schools should not have any trouble meeting this requirement. "Probably 99 percent of the teachers are already college grads," he says.

Charter advocates state that some of the best teachers are uncertified and that the value of certification is overstated. "We've all had some crummy




"Have you ever really had a teacher? One who saw you as a raw but precious thing, a jewel that, with wisdom, could be polished to a proud shine? If you are lucky enough to find your way to such teachers, you will always find your way back."

—MITCH ALBOM, *TUESDAYS WITH MORRIE*

*Karen Tam*

***Haliwa-Saponi School***


*Karen Tam*

teachers growing up, so state certification is no guarantee of quality teaching," says Kate Alice Dunaway, director of the American Renaissance Charter School. "In any case, it's hypocritical of the association to criticize the charter schools for hiring uncertified teachers when the state allows the public schools to do the same thing if they are unable to fill certain positions."

While no one would argue that a teaching certificate guarantees a high-quality teacher, a teacher certified in a given subject has at least demonstrated knowledge of the subject matter. Indeed, the movement to have teachers in front of public school classrooms who are certified in the subject they are teaching has deep roots. The N.C. Center for Public Policy Research initially explored the phenomenon in a 1982 book entitled, *Out-of-Field Teaching in Grades 7–12 in N.C.* In that book, the Center found out-of-field teaching to be a significant problem even in the basic subjects of reading and math. Indeed, more than 60 percent of individuals teaching reading classes did not hold reading certificates and more than 37 percent of instructors in math did not hold a math certificate.[30] That study led to significant reforms by the State Board of Education in having public school teachers in place with demonstrated knowledge of their subject matter, though recent teacher shortages have strained efforts at reforms, particularly in rural areas.

Issues of certification aside, charter school advocates believe the charter movement has rejuvenated a number of public school teachers who may have left the profession. "It has saved a lot of teachers from quitting," says Roger Gerber of the League of Charter Schools. "In charters, teachers have their own school and their own classroom. It may be more work, but it's a lot more rewarding."

"For those who feel stymied in the public schools, teaching in a charter school can be a re-energizing experience," says Matheson, a 20-year veteran of teaching in the public schools. "Charters offer teachers a chance to realize their dreams. If you have a good idea, and it's in the best interest of the kids, we'll let you try it."

Nonetheless, early years of some charter schools have been marked by high levels of staff turnover. Phil Adkins, board chair for Kestrel Heights School, the charter school serving grades 6–9 in Durham, notes that charter schools are quick to dismiss teachers considered poor performers, while the traditional public schools are forced by state tenure laws to play "pass the lemon." That means encouraging poor or problem teachers to transfer to a different school, says Adkins.

A national report written for the Thomas B. Fordham Foundation of Washington, D.C., examining charter schools in Arizona, California, Colorado, Massachusetts, Michigan, and Texas concludes that charter schools are far more prone to hire uncertified teachers than traditional public schools. Charter schools also trade teacher experience, which would command higher pay, for smaller class size. However, they differ from their traditional public school counterparts in that they dismiss teachers whose performance does not measure up, use differential pay to attract teachers to hard-to-staff subjects, and reward outstanding teachers with performance bonuses.[31]

***"Charters offer teachers a chance to realize their dreams. If you have a good idea, and it's in the best interest of the kids, we'll let you try it."***

—ROB MATHESON, TEACHER, KESTREL HEIGHTS CHARTER SCHOOL

In North Carolina, the League of Charter Schools commissioned a study released in April 2000 that found most of the state's charter schools are staffed with experienced teachers, with 41 percent of teachers responding to a survey having three to nine years of teaching experience and 31 percent having 10 years of experience or more.[32] Nationally, research indicates teachers in traditional public schools generally have more experience than those in charter schools. In addition, the study by Insight Research, a Greensboro employee and customer satisfaction survey firm, found that overall, charter school teachers are satisfied with their jobs. Teachers liked their work, the amount of flexibility granted them, authority to maintain discipline, class size, respect for the people they work with, and support from the principal. Among their complaints were inadequacy of equipment and teaching supplies and their school's lunch program.

## Concerns about Children with Special Needs

Like all public schools, charter schools are required to comply with laws dealing with students with disabilities. However, some question how strictly those laws are bring followed. Superintendent of Public Instruction Mike Ward is also concerned about *de facto* discrimination against children with special needs.

Tom Fiore is a Durham-based consultant with the private research firm Westat, Inc., which recently conducted a national study entitled "Charter Schools and Students with Disabilities." Fiore says that many charter schools will accept special needs children, but do not always follow through on the Individualized Education Plans (IEPs) required by federal and state laws.[33] "We also saw a certain amount of *de facto* discrimination against kids with disabilities, not by virtue of refusing them admission, but by not having certain facilities," Fiore says.

At the same time, the study finds that a significant number of charter schools specifically target special needs students and give them more individualized attention than they received at the public schools. "Parents of students with disabilities at more than half of the visited schools identified dissatisfaction with their child's previous non-charter school as a reason for enrolling their child in the charter school," the report states. "Dissatisfaction with the school in general or with the special education program in particular was cited more frequently that any other reason for transferring a child. Parents also described a variety of positive characteristics of the charter school that made enrollment there attractive. At more than a third of the schools, parents mentioned the charter school's small size or the small size of the classes."[34]

In general, the study says, charters find they are enrolling more students with disabilities than the schools' developers had expected. That is certainly the case with the Arapahoe School in New Bern. "We've been handling an inordinate number of special needs kids—21 percent of our student body—ranging from learning disabled to autistic," Kennel says. "Charters are becoming the school of last resort for parents of exceptional children who are dissatisfied with the public schools."

## Admissions Policies and Charter Schools

While some charters are handling more than their share of exceptional or at-risk students, others cater only to students with high aspirations and abilities. That is acceptable as long as the mission is spelled out in the state-approved charter, but when schools adopt exclusionary policies not in the charter, they leave themselves open to charges of unfair discrimination.

In July 2001, a parent of an applicant to Raleigh Charter School accused the school of unfair discrimination when her son's name was excluded from the admissions lottery based on his failure to get a certain teacher recommendation.[35] Raleigh Charter has a mission of preparing students for college, and offers only advanced and honors courses —policies approved by the state as part of the school's charter. However, the school also required students applying for the ninth grade to obtain a teacher recommendation from their previous school stating that they were prepared to take Algebra I—a policy not included in the charter. The state Charter School Advisory Committee, asked by the Board of Education to monitor the charter schools, investigated the incident and subsequently reached an agreement with the school to clarify the admissions procedures and lottery procedures. The committee also examined admissions expectations and balanced those with graduation requirements.

The question as to what degree charters can discriminate based on intellectual ability remains unclear. "The law says charter schools shall not limit admission on the basis of intellectual ability or measures of achievement or aptitude, *except* as otherwise provided by law or the mission of the school," says Michael Fedewa, chairman of the state Charter School Advisory Committee. "In other words, you can exclude, but only as specifically spelled out in the charter."

Fedewa says the complaint filed against Raleigh Charter is the first his committee has received with regard to exclusion based on intellectual ability, but he says it is an issue of concern with the public. "There are never any complaints with charters that have a mission of helping at-risk kids, but when it comes to helping academically gifted kids, eyebrows get raised," he says.

## Where Do We Go From Here?

Having reached the legislated cap of 100 charter schools and with more than a dozen applicants waiting in the wings, the state must decide where it goes from here with respect to charter schools. Does North Carolina freeze the number of charters at 100? Does it allow some increase while continuing to evaluate the movement? Or does it remove the cap altogether and let the movement grow of its own accord?

In November 2001, the N.C. Department of Public Instruction presented the State Board of Education with the evaluation of charter schools called for in the original legislation.[36] As well as hearing about the accomplishments of some charters, board members learned of the poor student performance and financial difficulties of many others. Based on these findings, the Board voted unanimously to support maintaining the present cap of 100 charters through 2002 to allow existing charters that are experiencing difficulties time to modify their performance and practices. In 2003, assuming those modifications take place, the Board would recommend raising the cap to 110 charters.

"I hope the legislature will approve a moderate expansion of at least 10 schools per year after 2002," says Phil Kirk, chairman of the State Board of Education and president of N.C. Citizens for Business and Industry—the statewide chamber of commerce. "I think they [charters] are especially needed in the counties that don't have them." Forty-seven counties currently have at least one operating charter school. Wake County has 13 schools, Durham eight, and Mecklenburg six. Fifty-three of North Carolina's 100 counties do not currently have an operational charter school (see Table 8, p. 55).

The Board also recommended that approved charters spend the first full year planning their operations before they begin enrolling students. This is to avoid the situation in which charters have spent their first year of operation struggling to get administrative matters under control. Further, the Board asked that teacher certification issues be clarified by the General Assembly in order for the state to know where the charters stand with respect to compliance with state law. This is in reaction to issues concerning how many charter school teachers are certified in their subject area or licensed to teach in North Carolina or another state.

Finally, the Board has recommended that public schools be "held harmless" for a portion of the financial losses that may be incurred when a new charter opens in their district. Public schools would receive 60 percent of any lost ADM the first year a charter opens in their district, and 40 percent the second year.

Reactions to the Board's recommendations have been mixed. Crotts says she favors maintaining the cap and doesn't believe the state should even consider raising it unless and until the present group of charters improves its track record. "I believe we need better monitoring and a more critical assessment of the existing charters," she says. "More of a bad thing is not better."

Gerber of the N.C. League of Charter Schools is among those charter school advocates who believe the cap is inhibiting market competition and want it raised or eliminated. "LEAs with only one

## Table 8. N.C. Charter Schools by County

| County | Number | County | Number | County | Number |
|---|---|---|---|---|---|
| Alamance | 3 | Forsyth | 6 | Onslow | 0 |
| Alexander | 0 | Franklin | 1 | Orange | 3 |
| Alleghany | 0 | Gaston | 2 | Pamlico | 1 |
| Anson | 0 | Gates | 0 | Pasquotank | 0 |
| Ashe | 0 | Graham | 0 | Pender | 0 |
| Avery | 2 | Granville | 0 | Perquimans | 0 |
| Beaufort | 1 | Greene | 0 | Person | 1 |
| Bertie | 0 | Guilford | 4 | Pitt | 0 |
| Bladen | 1 | Halifax | 0 | Polk | 0 |
| Brunswick | 1 | Harnett* | 1 | Randolph | 0 |
| Buncombe | 3 | Haywood | 0 | Richmond | 0 |
| Burke | 1 | Henderson | 1 | Robeson | 1 |
| Cabarrus | 0 | Hertford | 0 | Rockingham | 1 |
| Caldwell | 0 | Hoke | 0 | Rowan | 1 |
| Camden | 0 | Hyde | 0 | Rutherford | 1 |
| Carteret | 2 | Iredell | 4 | Sampson | 0 |
| Caswell | 0 | Jackson | 1 | Scotland | 2 |
| Catawba | 1 | Johnston | 0 | Stanly | 1 |
| Chatham | 2 | Jones | 0 | Stokes | 0 |
| Cherokee | 1 | Lee | 1 | Surry | 1 |
| Chowan | 0 | Lenoir | 1 | Swain* | 0 |
| Clay | 0 | Lincoln | 1 | Transylvania | 1 |
| Cleveland | 0 | Macon | 0 | Tyrrell | 0 |
| Columbus | 0 | Madison | 0 | Union | 1 |
| Craven | 0 | Martin | 0 | Vance | 1 |
| Cumberland | 1 | McDowell | 0 | Wake | 13 |
| Currituck | 0 | Mecklenburg | 6 | Warren | 1 |
| Dare | 0 | Mitchell | 0 | Washington | 0 |
| Davidson | 0 | Montgomery | 0 | Watauga | 0 |
| Davie | 0 | Moore | 2 | Wayne | 2 |
| Duplin | 0 | Nash | 1 | Wilkes | 1 |
| Durham | 8 | New Hanover | 1 | Wilson | 1 |
| Edgecombe | 0 | Northampton | 1 | Yadkin | 0 |
| | | | | Yancey | 0 |

* 47 counties have at least one operating charter school. 53 counties have no charter schools. However, the charter school in Harnett County closed in March 2002, so the number of counties with charter schools drops to 46. When Mountain Discovery Charter School opens in Swain County in 2002–03, the number will go back to 47.

*Note:* Three additional schools (1 in Durham—Ann Atwater Community School, 1 in Guilford—Oak Ridge Charter, and 1 in Mecklenburg—Queen's Grant Community School) were approved to open in 2001, but they are now not scheduled to open until the fall of 2002. Also, Mountain Discovery Charter School in Swain County, Gray Stone Day School in Stanly County, and Community School for Children in Durham County were granted charters in February 2002 to begin operating in the 2002–03 school year.

# *The Charter School Movement in North Carolina— Positives and Negatives*

## Positives

1. Supporters say charters are a source of innovation where new models of instruction and teacher-student interaction can be tried.
2. Some charters—most notably Magellan and Exploris, both in Raleigh—perform exceptionally well on state's end-of-grade tests. Magellan has in fact been the top performing school in the state on end-of-grade tests since its inception.
3. Charters serve disproportionate numbers of African-American students who may not have been well-served in the public schools.
4. Charters provide smaller classes within smaller schools, which please both teachers and parents.
5. Charter schools have open admissions and provide greater choice for parents and students who may not be able to afford private schools.
6. In rapidly growing school districts, charter schools may provide a bargain to the taxpayers because they do not receive state construction money
7. Many charters have done a remarkable job of setting up governance structures and learning how to operate a school in a relatively short period of time.
8. Charters may be able to provide extra attention in a more intimate setting for children with special needs.

## Negatives

1. Opponents argue little such innovation has been implemented in state's charter school classrooms.
2. On the whole, charter performance on end-of-grade tests generally lags that of traditional public schools, with the lowest performing charter schools predominantly African-American.
3. The state's charter school evaluation report indicates charter schools do not do as good a job as the traditional schools in educating African-American children; too many of these charter schools are 100 percent minority.
4. Parents and teachers in traditional public schools also would be happier with smaller class size—a key goal of Governor Mike Easley; charters provide these benefits to only a small minority of public school students.
5. If charter schools do not educate well, greater choice may not be a net benefit for the student. Despite open admissions, charter schools are less diverse than traditional public schools—also a function of choice.
6. In local school districts where student populations are not growing, charter schools draw resources away from the traditional public schools that they cannot afford to replace.
7. Fiscal management has been a concern at some charters, with eight of 15 closures due at least in part to fiscal problems.
8. Some charters may not have appropriate facilities to serve children with severe disabilities, and questions have been raised about whether some charters are adequately carrying out Individual Education Plans (IEPs) as required by federal and state law.

## Positives

9. Charters have placed teachers in greater leadership roles, including even running some schools. Teachers may be happier with both working conditions and responsibilities.

10. Charter schools have greater flexibility in hiring and firing teachers, in theory giving them the opportunity to go after the best teachers and weed out poor performers.

11. North Carolina's law authorizing charter schools ranks among the top third nationally, according to a study by the Center for Education Reform in Washington, D.C. That study cites guaranteed funding levels, multiple points of entry, and number of new starts annually as among the law's strengths

12. Charter schools have become popular with Republican lawmakers who see them as a means of expanding school choice.

## Negatives

9. Charters can provide a talent drain, with high-performing schools luring teachers out of the traditional public school classroom.

10. Charters have run afoul of state laws regarding teacher certification, with some hiring too many non-certified teachers. This raises questions about how qualified some teachers are to carry out their duties in the classroom.

11. Critics of the law note that charter schools do not receive capital funds, which inhibits their ability to secure facilities, the State Board of Education grants all charters so multiple entry becomes moot, and having reached the cap of 100 charter schools, the number of new starts will be severely limited.

12. The debate around charter schools and school choice is becoming increasingly polarized in the General Assembly, with some Democratic lawmakers fearful that support for charter schools will hurt the traditional public schools.

*—Mike McLaughlin*

charter (or no charters) or several charters with long waiting lists provide no relief for students failing," says Gerber. "You need excess capacity for market reform to work."

Tucker, director of the Office of Charter Schools, generally is pleased. "The Board asked some very tough questions and, certainly, the legislature needs to know about the problems," he says. "I'm pleased that the Board will support an increase after some improvements are made."

Gulley, co-sponsor of the bill that founded the charter schools, is critical of the recommendations. "We have some of the best applicants now that we've ever had, many from parts of the state that have no charters, but we have no charters to give them," Gulley says. "One of the unfortunate things about this experiment is that we have been somewhere between half-hearted and totally disingenuous in our support for charter schools. We've said we want them, but we've hampered them from getting the job done. We've given them no money for facilities, no use of bond funds, and nothing from fines and forfeitures or permanent license plates. What we've had in North Carolina is almost a fraud."

Kirk and Dornan are both convinced that charter schools are here to stay, but they lament what they see as an increasing polarization around the issue. "Both the School Boards Association and the Association of School Administrators were fairly sanguine about charters at the outset, not believing they'd be that big a deal," Dornan says. "But seeing how quickly we've reached the cap of 100 schools, those groups are now flat out against them. And the

"We are politically a classless society. Our citizenry as a whole is our ruling class. We should, therefore, be an educationally classless society. We should have a one-track system of schooling, not a system with two or more tracks, only one of which goes straight ahead while the others shunt the young off onto sidetracks, not headed toward the goals our society opens to all."

—MORTIMER ADLER, *THE PAIDEIA PROPOSAL*

*Karen Tam*

*erican Renaissance Charter School*

pressure they're putting on the legislature is fairly intense."

"It's getting to be more of a partisan issue in the legislature," Kirk says. "Except for Gulley, most of the Democrats seem to be against charters, while most of the Republicans are for them. I think we've got to get beyond that."

Sen. Hamilton Horton (R-Forsyth) agrees that the charter schools issue should not become mired in partisan rancor. "It's a bad thing to let education ever become partisan," says Horton. "I'm not sure that's happened in this case." Horton believes Democratic reluctance about charter schools is rooted in the influence of the North Carolina Association of Educators, which represents classroom teachers across North Carolina. "The Democrats are more beholden to the NCAE than the Republicans, and hence they feel an obligation to go along with their program." The NCAE, notes Horton, is "implacably opposed" to charter schools, as is its parent organization, the National Association of Educators, both viewing charter schools as a threat to traditional public schools.

Another Republican lawmaker, Rep. John Blust (R-Guilford), argues that the charter schools issue *has* become partisan. "It threatens the educational establishment," says Blust of the charter schools movement. "It shows another way to do things that is superior and less costly. That establishment is a core supporter of the Democratic party."

However, Sen. Walter Dalton (D-Rutherford), bristles at the notion that Democratic lawmakers will not vote against the NCAE where the best interests of children are at stake. He notes that without Democratic support, charter schools legislation never would have made it through the Democrat-dominated Senate. "I truly don't think it is a partisan issue," says Dalton. People are left to judge charter schools on whether they think they are a good idea or not. It was looked upon as 'Let's try this and see if we can find a way to improve public school performance.'"

## Conclusions and Recommendations

Charter school advocates are clamoring for release from the 100-school cap and charter school foes are equally determined to hold the line or even reduce the authorized number of schools. Given the sometimes shrill nature of the debate, it is worthwhile to revisit the original language in the law that authorized charter schools in North Carolina to refocus the debate on the actual intent of the experiment. As outlined in the law, charter schools were intended to: (1) improve student learning; (2) increase learning opportunities for *all* students, with special emphasis on at-risk or gifted students; (3) encourage the use of different or innovative teaching methods; (4) create new professional opportunities for teachers, including "opportunities to be responsible for the learning program at the school site;" (5) provide expanded choice for parents and students within the public school system; and (6) hold charter schools accountable for student performance.[38]

A careful review of these goals for the experiment leads to an obvious conclusion; charter schools may have overpromised. However, given the available data, it is possible to reach some conclusions about the experiment so far. In terms of improving student learning, it is clear that some students have benefited, but overall performance is little better than the public schools, and in some individual schools it is worse. This is supported by the N.C. Charter School Evaluation Report, which offered three important conclusions that bear directly on this point: (1) charter students overall did not perform as well on state mandated testing as did students in the public schools; (2) non-white students performed worse than did white students in charter schools; (3) the findings held up and were even more pronounced when students from similar backgrounds were compared in what is known as a cohort study. However, the report's findings were rebutted in part by Otho Tucker of the N.C. Office of Charter Schools. Tucker's analysis showed that when the difficult first year is excluded, charter schools outperformed their traditional public school counterparts in terms of academic growth. It is worth remembering, though, that the first year of learning cannot simply be thrown out of the equation. Charter school students still were behind their non-charter peers when all three years were taken into account.

The second goal outlined in the original charter legislation, to increase learning opportunities for all students with a special emphasis on those at risk or academically gifted, is more difficult to assess. Charter school proponents argue that they are serving high numbers of at-risk students. In many cases, they clearly are doing so. Charters thus far have not been selecting based on whether a student is academically gifted, though some may slant their application process that way. One charter high school with a mission to teach college preparatory classes ran afoul of the law when it denied admission to a student who had not yet had Algebra II. As for increasing opportunities for *all* students, that is

impossible to do given the current number of charter schools.

Goal three, to encourage different or innovative teaching, is again problematic. Charter school teachers are trying many things that *sound* innovative. However, many of these same approaches—such as Paideia—have already been tried in the traditional public schools. The laboratory of innovation is one to which charter schools do not exclusively hold the keys, though their small size and, in some cases, unconventional nature allow them to try a few things that might not work on a larger scale.

Charter schools come off better in comparison to traditional public schools on goal number four, giving teachers new professional opportunities, including opportunities to be responsible for the learning program at a school site. Here, charter schools have clearly made strides, and in some cases, teachers are running the show outright.

As for goal five, providing parents and students with expanded choice, this can be judged at least a partial success. Where charters have been approved, they provide more choice, though 53 counties have no charter schools at all, and many others have very limited opportunity because of the small number of seats available in most charter schools. As for whether the threat of a charter has prompted school systems to offer additional choices and opportunities for students, this is likely true in some instances but difficult to evaluate. In Wake County, for example, Partnership Primary is set up like a charter school in terms of class size, and it is managed by teachers, but the school is operated fully under the auspices of the Wake County Public Schools as a magnet school and does not hold a charter. It is difficult to determine where charter schools may have influenced other school choice decisions.

Finally, goal six involves holding charter schools accountable on performance-based tests. Charter schools *are* being held accountable, and those that don't perform can lose their charters. Charter schools have made large gains on state writing test scores, although they are still below the state average as a group. For the 2000–2001 school year, six of the 10 worst performers overall on end-of-grade tests were charters, as were two of the 10 best performers. Charter schools have made progress each year since their inception, with fewer low performing schools, though as a group they still are not performing as well on end-of-grade tests as the traditional public schools.

Thus, charter schools in North Carolina have met about half the goals set out for them in authorizing legislation. Is this sufficient grounds for continuing the experiment? For expansion? The Center believes the answer is yes to the former and no to the latter.

Three key issues prevent the Center from endorsing an expansion of the charter school experiment in North Carolina. The first is academic performance. Though many charter schools perform admirably, there is a shadow over charter school performance as a whole. This is particularly the case for African-American students, and charter schools serve higher percentages of African-American students than do traditional public school students.

The second major concern is racial diversity, particularly with regard to all black schools. While some discontent with the public schools in how they educate African-American students is understandable, the solution should not be segregated schools. The North Carolina Charter School Evaluation Report found 20 charter schools to be out of balance in terms of numbers of non-white students in 2000, *with seven of these schools enrolling no white students*. While some public schools have become largely resegregated, the charter schools do worse proportionally. At the other extreme, the report found eight charter schools enrolling too few non-white students compared to the school district in which they were located.

A third concern is fiscal management, though the Center believes there is improvement and that improved planning and a one year wait from charter approval to opening can provide for further advances in this area. A total of 15 charter schools have lost their charters or voluntarily given them up since 1997–1998, eight of them at least in part because of fiscal management problems. Most recently, a state examination found financial and managerial issues at two Durham charter schools, Success Academy and Turning Point Academy. Among the issues uncovered in a spring 2002 audit are questionable hiring practices and payments to relatives and board members and payment of above-market rent to a church the operators of the school also ran.[37] Attorneys representing the two schools attribute the problems to errors of judgment and bookkeeping—not any malicious intent. Meanwhile, DPI decided to deny these charter schools direct access to their money until the issues were resolved.

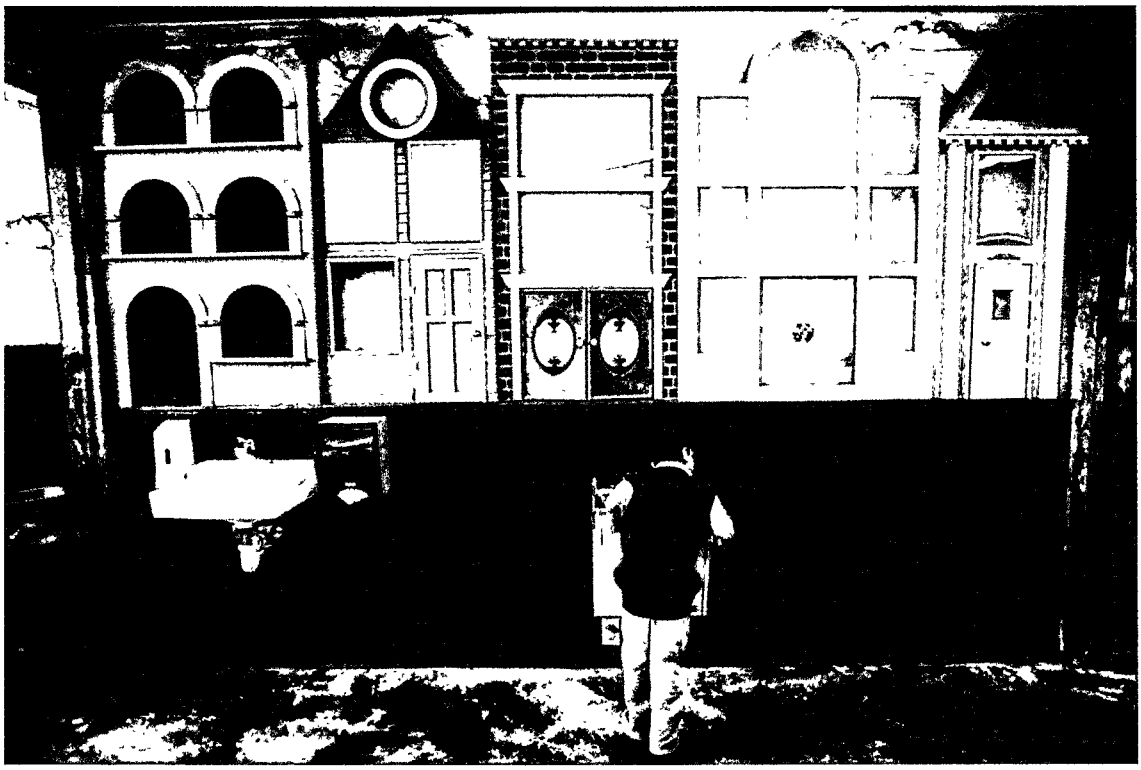
A further concern is that the Center believes an educational experiment should have at least five full years to prove its worth. Although the first charter schools opened in 1997–98, the state currently has evaluated only three years of test data. Understandably, many charters are beset with difficulty during the first year of operation as they confront the many hurdles that come with starting a school from scratch. Thus, the first year of performance data is somewhat suspect. Although the charter movement has promise, the Center believes at least two more years of performance data are necessary before the state can truly judge the success or failure of the experiment.

Given the above, the Center offers the following **recommendations**:

1. **The N.C. General Assembly should retain the current cap of 100 charter schools until it has in hand five years of data that can clearly prove the worth of this experiment.** Advocates argue aggressively for expansion, but a number of schools have had their charters revoked or voluntarily turn them in every year. This should provide some room to allow the very best of the applications to go forward while existing schools work to prove themselves in terms of academic achievement. Although charter schools are public schools, much of the rhetoric that fuels the movement is at least anti-traditional public schools if not anti-public schools period. The criticism often concerns mediocre academic performance. But this is a two-edged sword. The state should not reward the charter schools movement with more schools until it sees more evidence of excellence and less of mediocrity in the charter schools movement generally.

2. **The State Board of Education should not grant any more charters for schools that target a narrow ethnic or racial population.** The charter schools movement should not be about resegregating the public schools any more than they already are. Charter schools have not shown that they can educate racial minorities any better than the public schools—if as well. Even if they could, that might not be sufficient grounds for intentionally allowing more schools that are set up to serve 100 percent of any racial or ethnic group.

3. **The General Assembly should implement financial reforms to require that charter schools spend one year planning and getting their financial house in order before opening to students; the charter period should begin when the school actually opens.** While this year of initial planning may create difficulties, opening a charter school should not be an impulsive decision. The futures of too many students are at risk. The Center believes the State Board of Education's recommendation



*Karen Tam*

that charter schools—once awarded a charter—be required to wait a full year before opening is a wise one. The Board may need to award small planning grants to make this feasible, but no one should leap into the operation of a charter school without taking a good look first. The operation of a school is too complex and the mission of educating children too precious to rush the process. Charter schools should not be penalized by the delay. They should receive the full five years when the school actually opens—not when the charter is granted.

4. **The 2005 General Assembly should consider whether to raise the cap on charter schools and, if so, by how much.** By 2005, the question of how well charter schools are educating students should have a clear and adequate answer. At that time, the General Assembly may decide to stand pat or raise the cap a little or a lot, depending on charter school performance.

Meanwhile, the surrender and revocation of some existing charters should allow for the awarding of a few more charters to superior applicants by the State Board of Education. Preference should be given to counties that currently do not have any charter schools and to those that seek to serve all students, rather than a particular race or class or the academic elite. It may be that some of the lesser charter schools can be weeded out as the competition for scarce slots intensifies. If by 2005 the charter school movement has proved itself to be clearly superior to the traditional public schools in terms of academic performance and has addressed concerns around racial diversity and fiscal management, the General Assembly could consider expansion. That would give more students access to the experiment and spur the competition that some in the charter schools movement so diligently seek.

## FOOTNOTES

[1] George W. Noblit and Dickson Corbett, *North Carolina Charter School Evaluation Report*, prepared under contract for the N.C. Department of Public Instruction, Raleigh, N.C., November 2001, p. I–4. Noblit is a professor in the School of Education at the University of North Carolina at Chapel Hill, while Corbett is an independent education researcher.

[2] *Ibid.*

[3] Senate Bill 867, sponsored by Sen. Wib Gulley (D-Durham), would raise the cap to 135 schools, while bills by Sen. Hamilton Horton (R-Forsyth) and Representatives John Blust (R-Guilford), Leo Daughtry (R-Johnston), and Fern Shubert (R-Union) all would eliminate the cap (S.B. 23 and House Bills 25, 29, and 26).

[4] David Pierpont Gardner, *et al., A Nation At Risk: The Imperative for Educational Reform*, National Commission on Excellence in Education, prepared for the U.S. Department of Education, Washington, D.C., April 1983, p. 1.

[5] For more on public school reform efforts in North Carolina since the publication of *A Nation at Risk*, see S.D. Williams and