North Carolina Charter School Law Overview

Having initially enacted its charter law in 1996, North Carolina is approaching its cap of 100 schools (with no more than five per district per year). Although the law states that there are several possible authorizers (local districts, the Board of Regents of the University of North Carolina, and the State Board of Education), the State Board of Education must give ultimate approval in every instance. Over time, therefore, the State Board has emerged as the de facto sole authorizer. The Department of Public Instruction’s Office of Charter Schools carries out day-to-day activities related to charter schools on behalf of the State Board.

As of Fall 2002, 95 charter schools were operating—all under the State Board of Education.

State Policy Environment

Support for Charter Schools: North Carolina received a D for its support of charter schools. Political support was marked particularly low. In North Carolina, charters have few advocates other than parents and local groups that seek to start them. The charter law itself was a reaction to the threat of vouchers and the appetite for federal money. In order to protect the 50% of charter school students who are African American (compared to 24% of the state population), the legislature’s black caucus has been the target of lobbying by pro-charter groups.

Acceptance by local districts also earned low marks. There is much contention over funding, except where a district has partnered with a charter school to enroll the hard-to-educate students.

Also marked low is the provision of ample opportunities to obtain a charter. This reflects pressure from the cap on school numbers as well as the fact that the authorizer and appeal entity are now the same. North Carolina also received low marks for understanding by parents and the public.

Support and Accountability for Authorizers: Despite weak overall support for charter schools, North Carolina received a B for support of its authorizer. It received high marks for reports to the legislature and having a school-based accountability system, though not for funding for authorizers.

The state received high marks for schools’ ability to seek an appeal. Although the State Board’s decisions regarding charter schools have no way to be appealed except by going to court, these decisions are relatively transparent. However, when the law was initially implemented, many denied schools turned to the
State Board for approval—leading to that entity’s eventual emergence as sole authorizer.

**Authorizer Practices**

**Application Processes:** North Carolina received a B– here, with high marks for efforts to get applications to a broad range of applicants. For example, the Department of Public Instruction conducts application workshops and people can sign up for an e-mail list of charter school policy updates. The state also received high marks for detailed timelines but low ones for seeking schools to meet market gaps.

**Approval Processes:** North Carolina earned a B+ for charter approval processes, with high marks for having multiple reviewers examine applications; the opportunity for applicants to provide additional information if questions arise; a sufficient timeline between approval and opening; and balancing a rigorous approval process with affording schools the chance to open and succeed.

The State Board created a 15-member Charter School Advisory Committee to review applications and make recommendations for approvals or revocations. Three of these members are charter representatives. The Department of Public Instruction’s Office of Charter Schools carries out day-to-day activities related to charter schools, including creating and accepting new charter school applications.

**Performance Contracts:** North Carolina received an A– for performance contracts, with high marks on every criterion.

**Oversight:** North Carolina earned a B– for oversight, but with profound variance on various criteria. It received very high marks for annual financial audits, notifying schools of potential problems, and establishing actions to address problems, but the state received very low marks for shielding schools from red tape and bureaucracy.

**Renewal and Revocation Processes:** Reviewers gave the state an A– here, with high marks on all criteria. Charter schools are reviewed during the fourth (and last) year of their contract against a cogent five-point rubric. Although North Carolina receives high marks in this area from local raters, there is concern that parts of the rubric are vague and allow non-renewal decisions to be based on politics rather than on merit. As of Fall 2002, 30 charters had been revoked or non-renewed, or otherwise relinquished voluntarily.

**Transparency and Internal Accountability:** North Carolina received a B+ in this area with high marks for public access to application packets, and authorizer policies and decisions. Applications, forms, and regulations are all available on-line at the Department’s charter school website.

**Overall Grade**

Based upon scores for 56 criteria, North Carolina earned a C for its policy environment and a B+ for authorizer practices, resulting in an overall grade of B. When observer and school operator survey respondents were asked to provide a single “holistic” grade, the average grade given was a C. This means that participants believe the overall picture is dimmer than indicated by ratings on individual criteria. This may have to do with mild dissatisfaction with the State Board in North Carolina. Local raters are concerned about red tape and micromanagement and aren’t confident that the agency supports the charter movement. The authorizer, however, considers itself an advocate that is able to balance accountability with freedom to innovate.

The greatest concern for policymakers within North Carolina should be its D for support of charter schools. Authorizing practices and procedures as a whole received quite good marks. Interested parties are advised to carefully review the detailed scores for North Carolina, found in Appendix A, and on the web at [http://www.edexcellence.net/tbfinstitute/authorizers.html](http://www.edexcellence.net/tbfinstitute/authorizers.html).

Note: The grades for North Carolina are based upon survey data received from one authorizer respondent (representing the only authorizer in the state); eight observer respondents; and 20 charter operator respondents (of 95 total operating charter schools, or 21%).
## North Carolina

### Charter School & Authorizer Numbers

<table>
<thead>
<tr>
<th>Year Initial Charter Law Enacted</th>
<th>1996</th>
</tr>
</thead>
</table>

### Total Charter Schools & Students (as of Fall 2002)

<table>
<thead>
<tr>
<th># Approved Charter Schools</th>
<th>95</th>
</tr>
</thead>
<tbody>
<tr>
<td># Operating Charter Schools</td>
<td>95</td>
</tr>
<tr>
<td># Charter Students (% of Total Public School Students)</td>
<td>21,050 (1.7%)</td>
</tr>
</tbody>
</table>

### Total Closures (to date)

| # Revocations or Non-renewals | 30 (total for voluntary and non-voluntary) |

### Major Authorizers (those with three or more schools)

<table>
<thead>
<tr>
<th>Name</th>
<th># of Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Board of Education</td>
<td>95</td>
</tr>
</tbody>
</table>

Data Sources: North Carolina League of Charter Schools; North Carolina Department of Instruction