

ABSTRACT

Marcus Ashley Whichard, A POLICY STUDY OF NORTH CAROLINA CHARTER SCHOOLS (Under the direction of Dr. James McDowelle). Department of Educational Leadership, March 2017.

This study provides an historical review of public charter schools in the United States, North Carolina and within Edgecombe and Nash Counties for the purposes of developing policies. The historical review of student performance data of the traditional public school units of Edgecombe and Nash Counties, as well as the public charter units contained in the local education agencies (LEA) were presented to the public in presentation format for the purposes of informing the development of these policies. These policies will aid in the administration of the charter school units in Edgecombe and Nash Counties and is applicable to public charter schools throughout North Carolina.

A POLICY STUDY OF NORTH CAROLINA CHARTER SCHOOLS

A Dissertation

Presented to

The Faculty of the Department of Educational Leadership

East Carolina University

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of the Requirements for the Degree

Doctor of Education in Educational Leadership

by

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DEDICATION

I would like to dedicate my dissertation to my wife, Courtney, and our two boys, Jackson and Davis. Throughout the completion of my doctoral program, each of you have supported me through your patience and understanding of the many evening and weekend classes, as well as the many hours consumed with writing and conducting research.

ACKNOWLEDGEMENTS

I wish to express my sincere gratitude to Dr. Jim McDowelle, my dissertation chair. Your patience and guidance, as well as the many hours of insightful conversation, will never be forgotten. Your humor and wisdom were a sustaining comfort through the doctoral program. In addition, I am grateful for the support of my entire committee, including Drs. Art Rouse, Kermit Buckner, Kathy Spencer, and Valerie Bridges. Your careful critiques and guidance through the proposal and approval processes was immeasurable.

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CHAPTER 1: INTRODUCTION

Background and Rationale

The overarching purpose of this problem of practice dissertation is to develop policies that will aid in the administration of Charter Schools in the eastern North Carolina Region. Toward this purpose, I will examine the student academic performance at each of the LEA's in the twin counties (Edgecombe and Nash), as well as each of the charter schools within each of the stated districts. I will report on the performance of students based upon the North Carolina End-of-Grade standardized assessments for students in grades 3-8, as well as the North Carolina End-of-Course standardized assessments for students in grades 9-12. In addition, I will present data from the North Carolina Department of Public Instruction that is illustrative of the percentage of licensed teachers in each of the stated school entities. The school years to be examined for this dissertation will include the 2013-2014, 2014-2015, and 2015-2016 school years. Data will be presented in easily discernable chart format. This data will be presented to legislators, other policy makers and citizens of influence in order to obtain feedback and direction for the development of effective policies to administer charter schools. The research conducted in the Twin Counties area will not only assist the administration of Charter Schools in Eastern North Carolina, but is applicable to Charter Schools throughout the State of North Carolina.

The referenced set of data points has led to the development of a key question regarding Charter Schools: Do publically funded charter schools in the twin counties outperform their public school counterparts? In examining this question, I will provide a narrative of the earliest beginnings of charter schools in the United States. Throughout this introductory narrative, I will include details of case studies, as well as public and private research that are illustrative of

common concerns about academic performance of public charters compared to traditional public schools.

Within the second chapter of my dissertation, I will focus on the inception of charter schools in North Carolina from the original charter school bill, to the pathways and present location of legislation and critical questions that exist. This analysis will inject a critical eye at legislation, political contributions, rise in political support, as well as the overall changing landscape of public education in North Carolina.

The third chapter of my dissertation will focus on the data indexes of student performance and teacher licensure of the each of the traditional public school units and their public charter counterparts. In this chapter I will focus on events that have led to current policy development or the policies themselves. As mentioned earlier, the source of the data for all points of reference will be derived from the North Carolina Department of Public Instruction's Student Accountability Division and are housed within the public domain.

Chapter four will describe the feedback and comments of presentations to targeted groups and the feedback provided for the development of charter school policies. This is the overall intention and driving motivation of my dissertation, in that I want the data derived from my research to inform the public and policy makers to cause the implementation of policies to serve as a public service to the people of Edgecombe and Nash counties and more broadly throughout North Carolina. Though the narrative of this dissertation will serve as documented evidence of the research, the presentation of the research findings will, perhaps, be the most critical to informing the policy makers. It is with this in mind that I plan to report my findings through policy proposals to the County Commissions and Boards of Education of Edgecombe and Nash Counties, the Public School Forum, the elected twin county delegation of the North Carolina

House of Representatives and Senate, State Superintendent of Public Instruction, State Board of Education members, as well as the Office of the Governor.

In Chapter five, I will describe in detail, the policy proposals that will be presented to the aforementioned leadership and policy-making groups. Through the various presentations to stakeholder groups, I will use the information gained from the anonymous surveys to inform the policies that are developed for action.

Purpose of the Problem of Practice

The Carnegie Project on the Educational Doctorate (CPED) define the problem of Practice as “a persistent, contextualized, and specific issue embedded in the work of a professional practitioner, the addressing of which has the potential to result in improved understanding, experience, and outcomes” (“Carnegie,” 2016). The overarching purpose of this Problem of Practice is to develop policies for the effective administration of charter schools. The nature of the policies developed will be to cause the implementation of policies to strengthen academic performance and financial stewardship. These policies will be developed through research of the literature, and feedback from presentations made to legislators.

Background and Brief History of Charter Schools

The public funding of charter schools had its earliest roots established in 1988 when Albert Shanker, the President of the American Federation of Teachers, envisioned that publically funded charter schools would be a mechanism for reforming America’s traditional public schools. At its beginning, “[t]he basic charter concept is simple: a group of teachers or other would-be educators apply for permission to open a school. The school operates under a charter, a contract with the local school board or state. Exempt from most state and local laws and regulations, the school must prove that students have gained the educational skills specified in

that initial contract in order to renew the charter. The funding for charter schools parallels that of public schools” (“Charter Schools,” n.d., para. 2). With this newly founded concept for reform beginning to take traction in educational circles, Minnesota would serve as the nation’s first site for a publicly funded charter school: City Academy in St. Paul, Minnesota.

City Academy opened in 1992, one year after the passage of the first law in the country, to allow for publicly funded charter schools. City Academy would focus its efforts on serving populations of students that had been historically under-served in traditional public schools. For example, the school opened its doors with a focus on students from high poverty, discipline concerns, truancy, and school drop-outs. The school would adapt these students into its core mission. As the St. Paul [Minnesota] newspaper, The Star Tribune, reported in 1992, the mission of the City Academy was that of: “[a] program to rescue hardened kids from the brink of drug abuse, jail or homelessness . . . [t]he City Academy would work with up to 30 students, ages 13 to 19, who have dropped out of school. Those from homes racked by poverty or substance abuse, those who have made their homes behind fences and bars or those who have no home at all would get another chance to learn” (Jacobs, 2015, para. 5). City Academy would place heavy emphasis on the goal of graduating students, with skills necessary to become productive members of society. However, based on standardized assessment results from the State of Minnesota, the very assessment results that are the measuring stick of how schools in the State perform, the goal of productive student’s upon graduation may be suspect.

The overall graduation rate for City Academy in 2014 was reported at 75.6%. In the same year, standardized test results for Math and Science reported a passing proficiency rate of 10% or less. The question becomes for City Academy: which is more important, placing a diploma in a student’s hand or ensuring that students have a quality education in which they are

proficient in accepted and adopted educational goals and standards? This is a question that many in the educational field are beginning to ask, with regards to the duplication of resources for publicly funded charter schools verses traditional public schools. To illustrate this point, a report in 2015 from Stanford University, updated its Center for Research on Education Outcomes (CREDO) report. The report found “that ‘urban charter schools in the aggregate provide significantly higher levels of annual growth in both math and reading compared to their TPS [traditional public school] peers’” (“Urban Charter,” 2015). Accepting this report at face value would lead one to believe that charter schools would be the successful option for educating the aforementioned populace of students. However, there is more to this report and its research, funding, and principal researchers. To begin:

CREDO is funded and managed by reform advocates. It’s part of the Hoover Institution, a conservative and pro-business think tank funded in part by the Walton Foundation, and in partnership with Pearson, a leading developer of standardized testing materials.

CREDO director Margaret Raymond is pro-charter and a free-market advocate (Buchheit, 2015, para. 2).

With regard to the Walton Family Foundation, *Cashing in on Kids* reported:

the radical agenda of the Walton family and the foundation it controls, and how that agenda has taken the U.S. charter school movement away from education quality in favor of a strategy focused only on growth. Under the guise of *choice* to improve schools for low-income children, WFF has supported the unregulated growth of a privatized education industry— quantity over quality, and *freedom* over regulation. It’s been lucrative for some, but a disaster for many of the nation’s most vulnerable students and school districts.” (“Brought to,” n.d., para. 6).

I should also fully disclaim that I attended traditional public schools for my K-12 formal education and have served for seventeen years in traditional public schools as a teacher and administrator. What I will report to you as fact, is my belief that public schools can do better and have changed over time, to adapt to a changing demographic and populace of students. But to state that one method is better than another, using tax-payer funding sources, causes, for me, great pause. Therefore, my intent is to report factually within my dissertation, using available ‘apples to apples’ comparison of two charter schools in the Twin Counties of Nash and Edgecombe verses the traditional public schools of the same local education agencies (LEA’s). However, I do feel compelled to examine further the CREDO report and its findings.

As the basis for much of the CREDO report of 2015, they focused on the urban school district of New Orleans, Louisiana. The report was inclusive of a large portion of research gathered by the charter supporting organization New Schools for New Orleans. This group began a “five-year journey to standardize, validate and export the New Orleans charter restart model . . . addressing the problem of failing schools by restarting them with schools [run] by charter operators” (Buchheit, 2015, para. 3). As part of the statistical problem with CREDO’s 2015 report, the National Education Policy Center raised issues with “the student excluding public schools that do NOT send students to charters, thus ‘introducing a bias against the best urban public schools’” (Buchheit, 2015, para. 4). In fact, CREDO itself, in former studies, “found that in comparison to traditional public schools, ‘students in Ohio charter schools perform worse in both reading and mathematics’” (Buchheit, 2015, para. 5). I also cite as further conflicting evidence a CREDO report that indicates charter entities in California had higher reading scores, but lower math results, than did the same traditional public school counterparts.

With regard to the aforementioned individuals who have contributed to the CREDO report, Morna McDermott of the online publication *Educationalchemistry* stated:

“Why else stock a ‘sound research’ program that is disguising itself as providing unbiased grounded data with people who have a clear motive to make the charter enterprise out to be things that it is not: effective, sustainable, democratic, ethical, equitable, caring ...or public. CREDO’s studies are the equivalent of Phillip Morris’ studies that smoking does not cause cancer. Like the Tobacco Industry, the Charter Industry has to find any means by which to protect its own interests” (McDermott, 2015, para. 13).

Perhaps one of the more interesting studies comes from the originating state for public charter schools, the University of Minnesota Law School, which produced a damning report on Chicago Public Schools foray into the charter movement. The report indicated that “‘Sadly the charter schools [of Chicago], which on average score lower tha[n] the Chicago [P]ublic Schools, have not improved the Chicago school system, but perhaps made it even weaker’” (Buchheit, 2015, para. 6). One particular report from the nonpartisan Spencer Foundation and Public Agenda indicated that “[t]here is very little evidence that charter and traditional public schools differ meaningfully in their average impact on students’ standardized test performance” (Buchheit, 2015, para. 7). Perhaps of even more interests are a plethora of findings from respected researchers from *Brookings* and *In the Public Interest* that indicated that charters perform worse than traditional public schools. In *Brookings*’ findings in Arizona, they concluded “underperformance” of charter schools, compared with traditional public schools. Regarding the District of Columbia’s charter schools, *In the Public Interest*, concluded that they

“could not provide a single instance in which its strategy of transferring a low-performing school to a charter management organization had resulted in academic gains for the students” (Buchheit, 2015, para. 8). Again, in analyzing the first state to authorize charter schools, the *Minnesota Star Tribune* found “that ‘[s]tudents in most Minnesota charter schools are failing to hit learning targets and are not achieving adequate academic growth’” (McGuire, 2015, para 1). In looking back at the New Orleans School District, a report from the *Investigative Fund* “found that ‘eight years after Hurricane Katrina . . . seventy-nine percent of RSD [Recovery School District] charters are still rated D or F by the Louisiana Department of Education’” (Buchheit, 2015, para. 8).

Mixed Success of Public Charter Schools

Although the aforementioned research does, indeed, depict a public charter school platform that functions on an academic level sub-par of that for traditional public schools, there are areas that indicate positive trends. U.S. News and World Report, authored by Sara Mead, examined the 2015 CREDO report.

One of the findings from the newly released CREDO report is that public charter schools in urban cities, specifically of the forty-one cities that were studied, out-performed their traditional public school counterparts. Mead cautions however, that the 2015 report cannot be compared with the CREDO reports of 2009 and 2013. She indicates that: “while those reports looked at charter student learning gains at the school and state level, and included charter students in urban, rural and suburban communities, the new study focuses only on charters in urban areas, and analyzes results at the school and urban areas level – not for states” (Mead, 2015, para. 4). The research findings are a positive academic gain for urban student subgroups.

A key finding is that “Black, Hispanic and Asian charter students, as well as students in poverty and special education programs, all made significant learning gains compared to similar peers in district schools. Only two student subgroups – white students and Native American students – appeared to do less well in charters than in traditional district schools” (Mead, 2015, para. 7). Outperforming local traditional schools within a school district leaves an uneven answer to the question of whether charters are outperforming traditional public schools. Mead (2015) further explains that:

Historically, research on charter school performance has focused on whether students in charter schools learn more than comparable students in traditional schools . . . [m]any cities with large numbers of charter schools also have a history of poor district school performance – that’s what motivated educators in these communities to create charter schools and why families choose them. But when traditional districts are low-performing, is it enough for charter schools to outperform them? (Mead, 2015, para. 11).

Mead provides answers to the question by stating: “[i]n several cities where traditional districts perform below state averages – Boston, Detroit, Indianapolis, Memphis, and Nashville – charters appear to be producing strong enough learning growth to close the gap for children who remain in them for several years. But in Cleveland, Miami and Milwaukee charter schools are producing greater learning gains than district schools but aren’t closing the gap” (Mead, 2015, para. 12). The research findings from the 2015 CREDO report and the subsequent examining of individual urban city schools by Mead, offer positive results for public charters with salient ‘grains of salt.’ However, Jim Hull, senior policy analyst for the Center for Public Education, offers some insight into why some of the variables may exist.

Jim Hull indicates that the performance and effectiveness of public charter schools varies, in terms of academic achievement, from state to state. The question of:

[w]hy some charter schools are more effective in some states and not in others is not definitive, but there are a few state policies that appear to impact charter school effectiveness. For one, allowing multiple authorizing agencies has a negative impact on charter school effectiveness. This might mean that some charter schools shop around for authorizers that require the least accountability. The other state policy that impacts charter school effectiveness is whether the state limits the number of charter schools with a cap. Research shows that states with a cap realize significantly lower academic growth for their charter schools than states without a cap. However, there are states with caps whose charter schools are more effective than charter schools in states without caps (Hull, n.d. para. 3).

The mixed signals from this research would appear to dovetail perfectly from the findings of a research study from 2014 from the Maine Education Research Policy Institute at the University of Southern Maine. Researchers David L. Silvernail and Amy F. Johnson set out to examine the impacts of public charter schools on the academic achievement of students, as compared with traditional public schools. Their research indicated:

[s]tudent performance in charter schools is very mixed. In some cases studies have found positive effects in achievement, others negative effects, and still others no effects. The presence of charter schools has resulted in positive changes in some traditional public schools, while in other cases there appear to be no impacts, either positive or negative. Public charter schools, at least those found in urban areas, tend to serve more disadvantaged and minority students (Silvernail & Johnson, 2014, p. i).

While the findings indicate a variance of results, their conclusions are more finite. Silvernail and Johnson (2014) concluded in their research that:

[t]aken in the aggregate, the empirical evidence to date leads one to conclude that we do not have definitive knowledge about the impacts of public charter schools on students and existing schools. But in reviewing the existing evidence, one is also struck by the fact that the impacts of charter schools appear to be very contextual. Some public charter schools are better than others. Some are very successful in meeting student needs, and others are not very successful. In other words, public charter schools vary in quality like traditional public schools. Success depends upon a variety of factors. Consequently, the impacts of public charter schools should not be painted with one broad brush stroke. Each should be judged on its own evidence and performance (Silvernail & Johnson, 2014, p. i).

Positive Academic Success of Public Charter Schools

In April of 2014, the National Alliance for Public Charter Schools published a report entitled: “Public Charter School Success: A Summary of the Current Research on Public Charters’ Effectiveness at Improving Student Achievement.” Two powerful findings are articulated within their report. The first aspect focuses on the Knowledge is Power Program or KIPP schools. The findings on the effectiveness of KIPP schools, regarding student achievement is particularly noteworthy. They include analysis of the four core instructional areas of Math, Reading, Science, and Social Studies. Their findings conclude that in:

Math: Three years after enrollment, the estimated impact of KIPP instruction on math/achievement is equivalent to moving a student from the 44th to the 58th percentile of the school district’s distribution. This represents 11 months of additional learning growth over and above what the student would have learned in three years without KIPP.

Reading: Three years after enrollment, the estimated impact in reading is equivalent to moving a student from the 46th to the 55th percentile, representing eight months of additional learning growth over and above what the student would have learned in three years without KIPP.

Science: Three to four years after enrollment, the estimated impact in science is equivalent to moving a student from the 36th to the 49th percentile, representing 14 months of additional learning growth over and above what the student would have learned in that time without KIPP.

Social Studies: Three to four years after enrollment, the estimated impact in social studies is equivalent to moving a student from the 39th to the 49th percentile, representing 11 months of additional learning growth over and above what the student would have learned in that time without KIPP. (“Public Charter,” 2013, p. 2).

The National Alliance for Public Charter Schools also examined charter management organizations (CMOs), as well as well as individual charter school entities and “found that public charter schools, as they age or replicate into networks, are very likely to continue the patterns and performance set by their early years of operations, and that for most charter schools their ultimate success or failure can be predicted by year three of a school’s life” (“Public Charter,” 2013). This is an important detail that factors into my later research on the effectiveness of the public charter schools located within the ‘twin counties.’ Their research also dispels the notion that problematic start-up periods for charter schools are the norm. The findings conclude that although: “[t]he study . . . showed that all public charter schools – CMOs and non-CMOs – have varying quality in their early years that carries through as they mature. The report demonstrates

that public charter schools are capable of attaining high levels of performance at the outset, disproving the notion of a universal rocky start-up period” (“Public Charter,” 2013). The findings support the notion that public charter schools can be successful in their initial implementation phase, as well as in the immediate ensuing years. This is a key indicator in my argument of analysis of the use of three years of comparative data sets from the public charter school and traditional public school entities within the Edgecombe and Nash LEAs.

In reviewing these findings, it is my intention to take an analytical view of the charter school movement in America, and reframe the view to North Carolina’s approach. Within this view, I will provide an in-depth historical analysis of North Carolina’s entry into the public charter movement. From this perspective, I will provide a detailed report on the three year academic trends of the Nash/Rocky Mount and Edgecombe LEA’s as compared with the charter entities of Rocky Mount Preparatory and Northeast Carolina Preparatory, respectively. The focus of the comparison will examine the 2013-2014, 2014-2015, and 2015-2016 LEA composite scores in K-8 end-of-grade assessments in Reading, Math, and Science, as well as the same annual comparisons of 9-12 grade spans of the end-of-course assessments in Math I, English II, and Biology. In addition, I will report on the percentage of licensed, or as the federal government defines as *highly qualified* staff for each of the LEA’s and their respective charter school entities. Further, as all citizens of North Carolina, specifically in Nash and Edgecombe counties, we have a vested interest to ensure that our students are receiving the maximum educational experience for each tax dollar that is expended. Within this view, my dissertation will also report on the per pupil expenditure for each student in the charter school verses the respective LEA’s.

CHAPTER 2: REVIEW OF LITERATURE

The State of North Carolina in Article I of the Declaration of Rights, Section 15 of the 1868 Constitution, established that “The people have a right to the privilege of education, and it is the duty of the State to guard and maintain that right” (“North Carolina,” n.d.). Traditional public schools in our State have existed through numerous challenging situations including: racial division, socioeconomic challenges, political and budgetary constraints, changes to instructional standards, and even natural catastrophic events. None of these challenges could have foreseen the change in landscape that would occur on June 21, 1996, during the last day of the legislative session (at midnight). North Carolina would become one of the newest states in the nation to offer public charter schools as an option to traditional public schools (Stoops, 2010). The Legislature initially established public charters with a cap of 100 schools. Public monies can now be utilized to fund schools that can envision an alternative educational program that can provide for the sound and creative education of students. Parents and various advocacy groups have been clamoring for years for an alternative to traditional public schools for myriad reasons. Families with higher incomes have had alternative choices for years: private school, boarding school, Christian school, and the like. The charter school movement has only recently offered opportunities to families with less income. But the overarching questions looms: Why do parents want charter school as a choice? This would seem to be the seminal question for traditional public schools to answer. Determining the answer to this question may well inform, if not, determine ways to improve traditional schools. I assert that schools should establish the thought process of a business that serves a customer base. Respecting and understanding that customer base establishes a loyalty and basis for providing the service. But have schools truly

understood their customers and their needs? Parents who have left traditional public schools and enrolled their students in charters have cited some of the following as their reasons:

(1) Parents chose charters because they are smaller; they perceived their children received more individual attention; had a greater chance of succeeding; teachers were more caring; and the school climate was more accepting, positive, safe, and nurturing. (2) Parents perceived that traditional public schools are too big and violent. (3) Parents saw themselves as consumers of education empowered by choice. (4) Parents felt that they shared the responsibility with the school of their choice to ensure that their children were successful. (5) Administrators understood why parents had chosen their charter schools. (Crary, 2007).

Each of the aforementioned are areas that need to be answered. For public school administrators and boards of education, these reasons would seem to be important issues to study. But perhaps the most important question that should be on parents minds is the quality of education and the achievement that students obtain in either a traditional public or charter school.

As mentioned earlier, the North Carolina General Assembly approved the operation of charter schools in our State in 1996, with a cap on schools that could operate being set at 100. This law would change with the approval of Senate Bill 8 in 2011, which deleted “all limits on the number and enrollment increases of charter schools allowed in the state, lowering minimum enrollment numbers, and provisions that guard against schools being created to serve only specific subcategories of students. The bill also removes the clear expectation that charter schools will be required to participate in the public school student accountability program (“The Facts,” 2014). Proponents of student achievement and accountability in North Carolina have long pointed to our state’s system of measurement and the outcomes as a tool to measure student

success. However, as *Public School First NC* points out, “unlike traditional public schools, charter schools:

- Are not governed by an elected board. For-profit companies may manage them, and there is no requirement that board members reside in North Carolina.
- Have no curriculum requirements
- Have no restrictions on class size
- Are not required to have *all* teachers licensed
- Are not required to hold teacher workdays for professional training and development
- Are not required to provide transportation for students, and those that do provide transportation are not subject to the same safety standards as are traditional public schools. Many charter schools use older buses and vans that would not be allowed to transport traditional public school students.
- Are not required to provide free and reduced prices lunches for students living in poverty
- Are exempt from public bidding laws that protect how tax dollars are spent (“The Facts,” 2014)

Of the most glaring aforementioned concerns outlined by Public Schools First NC, is the creation of barriers to entry. Charter schools often point out that they exist as a means of choice for parents of traditional public schools. But do they really exist as a choice for lower income parents who lack the ability to provide transportation for their students or the ability to provide nourishment, separate from that afforded by traditional public schools? In most cases, the answer is a resounding no! However, before an in-depth look at student achievement issues with

North Carolina's public charter schools, perhaps it is important to unravel the controversies and headline grabbing by a few of our state's notable contributors to the movement.

In February of 2014, the Institute for Southern Studies reported on a visit of charter schools in North Carolina by the Americans for Prosperity Foundation. The group is supported by their co-founders and conservative activist Charles and David Koch. Perhaps of most interest was the choice of the foundations only visit in our state . . . Douglas Academy, in Wilmington. Douglas Academy was founded by Baker Mitchell. Mitchell's name will surface in many media outlet reports and even Internal Revenue Service (IRS) documents over concerns with how his public charter schools operate in our state. In a documentary piece from The Progressive Investigates, entitled: "Public School Shakedown," they report on Mitchell's arrival in North Carolina in 1997, almost one year after North Carolina's entry into the charter school movement. As the author of the investigative piece illustrates, Mitchell would quickly work to curry relationships with some of our state's most notable power players in conservative arenas, including Art Pope, as well as his work on the board of the John Locke Foundation. Pope would later serve as the State Budget Director in the Republican administration of Pat McCrory. To demonstrate the interwoven abilities of Baker Mitchell, one must look at the administrative functions of his organization. Mitchell "created a private, for-profit company owned by himself to provide all services to his charter schools. 'The company, Roger Bacon Academy, is owned by Mitchell. It functions as the schools' administrative arm, taking the lead in hiring and firing school staff. It handles most of the bookkeeping. The treasurer of the non-profit that controls the four schools is also the chief financial officer of Mitchell's management company. The two organizations even share a bank account'" ("October Charter," 2014). Even the United States Internal Revenue Service raised concerns with this arrangement, indicating: "Mr. Mitchell . . .

controls both your management company and your lessor. He has dual loyalties to you and his private, for-profit companies. This is a clear conflict of interest for him” (Wang, 2014, para. 25).

Figure 1 and related language, are illustrative of how public, tax payer dollars have been translated into for-profit earnings in Mitchell’s organization. The controversies surrounding Baker Mitchell’s organization and subsequent non-profit verses for-profit standing, only begin to sound alarms over concerns with public charter schools in North Carolina.

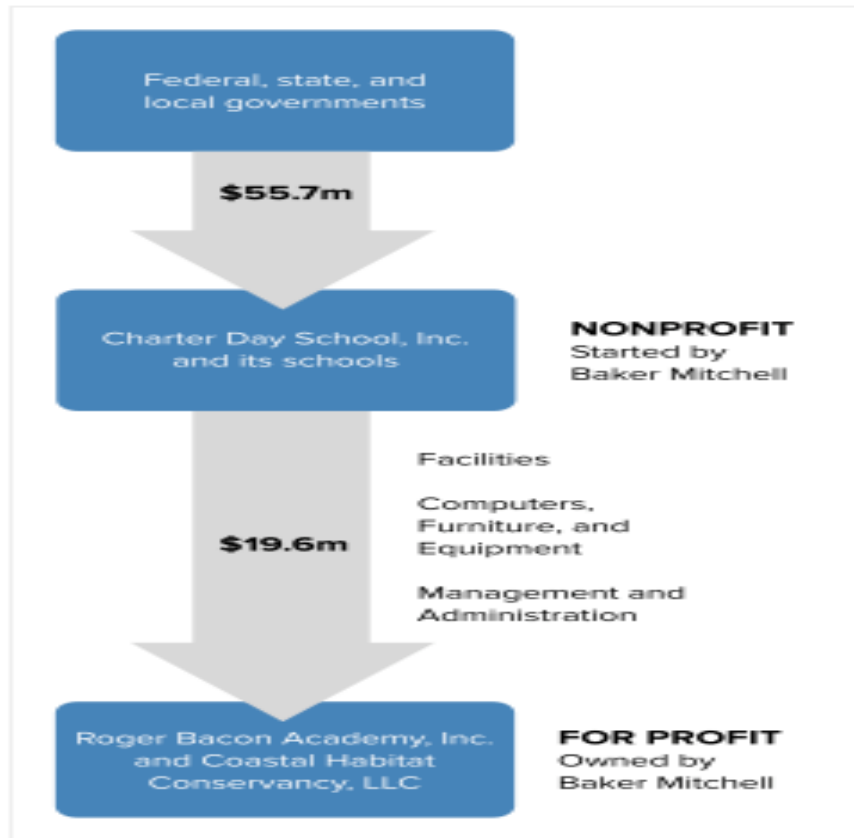
One of the more prominent cases in point surrounds the now defunct Kinston Charter Academy, located in Kinston, which is in Lenoir County. Kinston Charter Academy opened in 2004 and ceased operations in September of 2013. Perhaps the most glaring concern over Kinston Charter Academy is the way in which the public charter school closed. In examining the student performance of Kinston Charter Academy, there are glaring differences in student achievement, as illustrated in Table 1.

As Table 1 illustrates, over a period of two years, Kinston Charter Academy posted significant downward trends in student proficiency, as measured on state accountability assessment standards. What is more telling about North Carolina’s system of accountability for charter schools, and accountability measures to ensure student achievement, is that the school did not cease operations due to failure to meet accountability standards, rather the school closed due to lack of financial management. North Carolina State Auditor, Beth Wood, in her findings released in an investigative report in January of 2015, stated in her summary of key findings, that:

- [Kinston Charter Academy] received \$666,818 of state appropriations despite multiple citations for fiscal mismanagement.

How Public Dollars for Charters Flow to For-Profit Companies

Over six years, Mitchell's two companies have taken in close to \$20 million in fees and rent — some of the schools' biggest expenses. That's from audited financial statements for just two schools. Mitchell has recently opened two more.



Note. (Wang, 2014).

Figure 1. Expenditure of tax dollars.

Table 1

Kinston Charter Academy / NC Comparison

	2010-2011 Reading Proficient	2010-2011 Math Proficient	2011-2012 Reading Proficient	2011-2012 Math Proficient
Kinston Charter Academy	50.9%	51.3%	38.1%	36.4%
North Carolina State Average	70.7%	82.4%	71.2%	82.8%

Note. (“Public Schools,” n.d.).

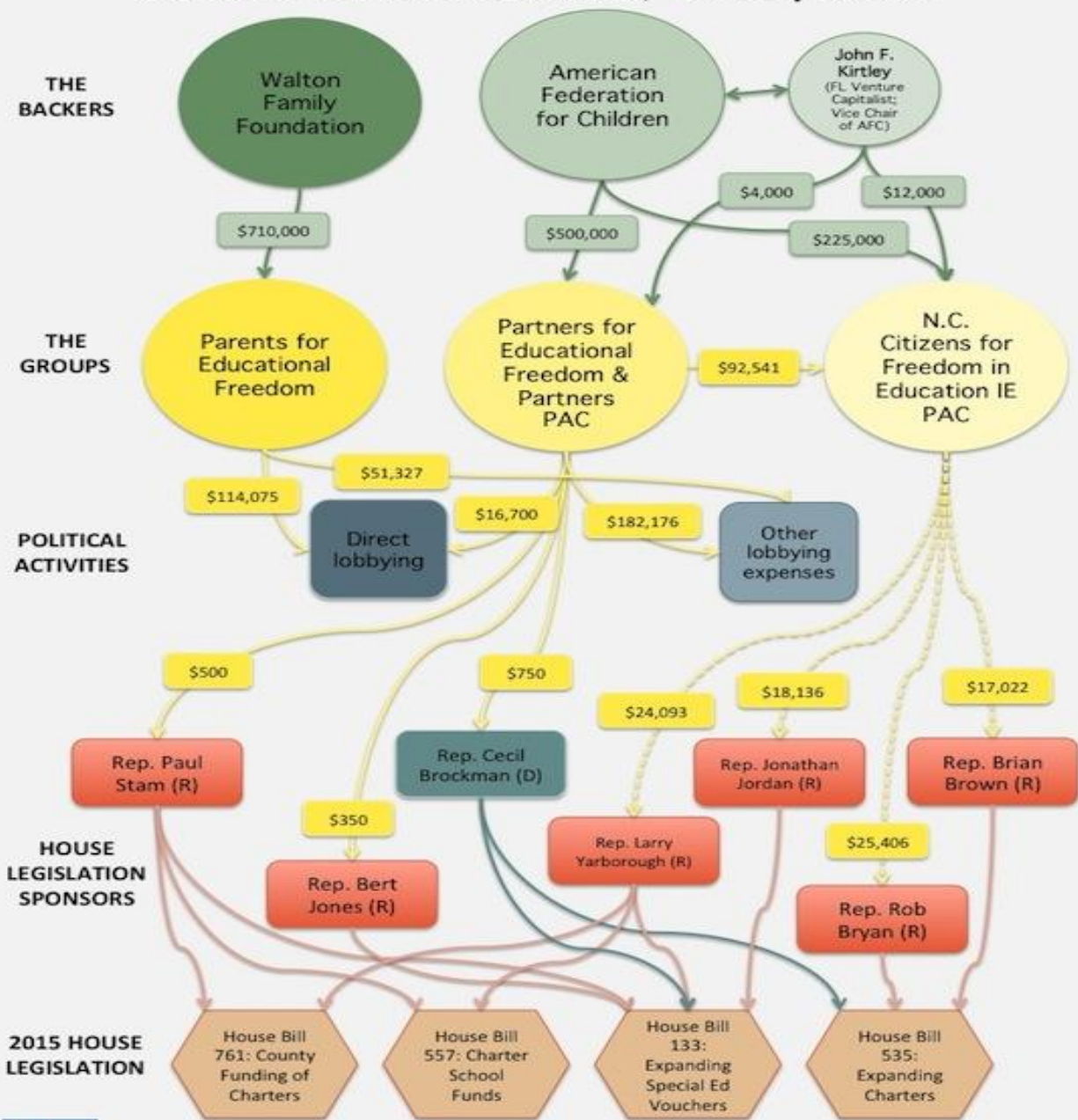
- School overstated attendance estimate which inflated state funds received by more than \$300,000.
- Inexperience and limited participation led to inadequate board and administrative oversight of School
- School employed Chief Executive Officer/Principal's (CEO) unqualified relatives, at a cost of \$92,500 in the School's final year.
- Despite ultimately owing more than \$370,000 in payroll obligations, questionable payments of more than \$11,000 were made to the CEO and his wife.
- Declining student attendance, unrealized private donations, and high operating costs contributed to the School's insolvency. (Wood, 2015).

What should factor prominently on every citizens mind, once again, is the earlier reference . . . the school did not close due to the failure of the school to educate it's students, they simply ran out of tax dollars . . . to waste! With the Kinston Charter Academy now closed, it would be reasonable to assume, at the least, that the school's management/principal/CEO would be barred from operating any further schools in North Carolina. This would not be the case. In fact, the school's principal and CEO, Ozzie Lee Hall, Jr. is now the CEO of Anderson Creek Club Charter School in Spring Lake, North Carolina. According to a report by Nate Rogers of WNCN, he sites Matt Liles with the North Carolina Attorney General's Office by saying: "The people that we trust with educating our children are accepting state funds, they have to abide by certain standards and when they don't, there has to be a mechanism on responding to that" (Rodgers, 2016, para. 5). Kinston Charter Academy closed in September of 2013. The North Carolina Attorney General, Roy Cooper, issued a statement regarding Kinston Charter Academy that indicated: "Currently state law fails to adequately provide how North Carolina can fully

recover taxpayer dollars from charter schools that fail or become insolvent. Legislators should put safeguards in place to protect public education resources” (Cooper, 2016, para. 4). What has been troubling in the lack of oversight by our elected officials are reports that indicate that some legislative campaigns have benefitted from contributions from charter entities seeking to further their operations in North Carolina. Charter entities, like other organizations and businesses, seeking to solicit business with the State of North Carolina, often provide campaign contributions to elected officials. The campaign contributions must comply with State and Federal campaign donation maximums. The chart listed below is from *The Institute for Southern Studies* and provides for a detailed accounting of organizations and their relationships with elected members of the North Carolina General Assembly. What is perhaps most interesting about the chart, is the magnitude and numbers of individual members of the North Carolina General Assembly, as well as foundations and organizations that contribute funding to another organization and then redistribute funding to individual members of the North Carolina General Assembly. The ensuing results are illustrated at the bottom of Figure 2: Voucher Proponents. In 2012, while the North Carolina General Assembly was in session, NC Policy Watch reported that:

- HB 944, Opportunity Scholarship Act, known as the “Voucher Bill,” is cosponsored by Reps. Paul Stam and Marcus Brandon. The legislation would siphon \$90 million dollars from public schools to private institutions over the next two years by giving \$4,200 (max) scholarships to students wishing to attend private schools. The bill is set to be heard in the House Education Committee for the first time tomorrow, May 21, 2012.

The Network Pushing Vouchers and Charter Schools in North Carolina, 2013-present



SOURCE: North Carolina State Board of Elections, Internal Revenue Service, North Carolina Secretary of State
 CHART: Facing South/Institute for Southern Studies, May 2015

* Complete 2014 contribution data for Walton Family Foundation and American Federation for Children is not yet publicly available.

Note. (Kotch, 2015).

Figure 2. Voucher proponents.

- Rep. Marcus Brandon has also introduced HB 269, Children w/ Disabilities Scholarship Grants, which has already passed the House. The legislation would offer grants of up to \$6,000 per year to parents with special needs children to enroll them in private school and receive daily special education services. Critics of the bill say the vouchers would not be enough to cover private school tuition and thus not serve the truly needy.
- Sen. Jerry Tillman introduced SB 337, NC Public Charter School Board, which would create a new charter school oversight board independent of the State Board of Education and set policy for charter schools. The bill also exempts charter schools from any requirement that teachers be certified and does not require charter schools to provide transportation or meals to students, unlike their public school counterparts. SB 337 has passed the Senate. (Wagner, 2013, p. 6).

The author of the story from NC Policy Watch further stated that:

While it appears that none of the lawmakers or those who contributed to their campaigns has violated any campaign finance laws, the question remains: how does the average voter discern whether or not their elected representative is championing an issue [they] truly care about, or if the money associated with that issue – and [their] prospects for reelection – is what is driving [their] agenda? (Wagner, 2013, p. 7).

In the interest of learning more about how public charter schools in North Carolina are performing and to gather data on demographics that comprise our state's charter schools, the North Carolina Department of Public Instruction was requested by the State Board of Education, to compile a report. In fact, each year, the State Board of Education receives information and compiles a report that is sent to the General Assembly on charter schools. However, the 2016

school report, obviously contained information that was not pleasing to North Carolina Lieutenant Governor Dan Forest. Lt. Gov. Forest is a member of the State Board of Education by Statute. The News and Observer reported on Forest's concerns in the January 6, 2016 issue citing Forest as saying: "[t]he report, to me, did not have a lot of positive things to say." (Bonner, 2016, para. 3). When concerns arose from members of the State Board of Education about not meeting the annual reporting deadline to the General Assembly, Forest retorted that he would "'run cover' with legislators if necessary" (Bonner, 2016, para. 6). The original report found that "more than 57% of students attending charter schools in the current school year are white, compared with traditional public schools' 49.5%" (Bonner, 2016, para. 8). In addition, The News and Observer "also references an April 2015 study by Helen Ladd, Charles Coltfelter and John Holbein of Duke University that showed little integration within individual charter schools. Student populations at individual charter schools, their study found, are predominately white or predominately minority" (Bonner, 2016, para. 10). As traditional public schools must serve all students who come to their doors, one of the more critical aspects of the report indicated that "[c]harter schools have a smaller proportion of low-income students.

At charters last year, 36% of students were economically disadvantaged, compared with nearly 55% at traditional schools" (Bonner, 2016, para. 13). This would indicate a key subgroup that has historically performed below average in state accountability measures that is well known within the North Carolina Department of Public Instruction, State Board of Education, and General Assembly.

CHAPTER 3: METHODOLOGY

The methodology chosen for this problem of practice is policy analysis and development. In accordance with the overarching precepts espoused in Majchrzak and Markus (2014) describing the use of data and stakeholder participation. To this end, the policies developed will be informed by aforementioned research, as well as the public presentations of the research findings. In this research, I will compare public charter schools with the criteria described in Chapter One to that of the Edgecombe County Public Schools and Nash/Rocky Mount Public Schools. Each of the accountability measures used within this research has been received from the Accountability Services Division of the North Carolina Department of Public Instruction. The Accountability Services Division maintains a free public access, electronic database that archives various accountability measures, as they relate to the public schools of North Carolina. I chose to analyze the student performance composite results of End-of-Grade Tests (administered to students in grades 3-8) and End-of-Course Tests (administered to students in grades 9-12). The North Carolina Governor, General Assembly, State Board of Education, Department of Public Instruction, Local Education Agencies (LEAs), and ultimately, the citizens of this State, use the same set of data gathered from the aforementioned test results to make determinations as to how well our schools are performing. This will be the most appropriate set of data to make the most informed, scientifically derived conclusion for my research for this dissertation. In addition, I have chosen to include the teacher licensure status at each of the comparative public school entities as in indicator point of comparison to demonstrate a key difference between traditional public schools and public charter schools. According to the National Council for Accreditation of Teacher Education:

“Available research supports the idea that high quality teacher preparation is important. Well prepared teachers outperform those who are not prepared. No credible research reveals any advantage to students of having teachers without preparation.” (“National Council,” n.d., p. 3).

Currently in North Carolina, not all teachers who teach in public charter schools are required to be licensed, credentialed educators. For the purposes of my research, I will demonstrate the aforementioned data sets for the school years of 2012-2013, 2013-2014, and 2014-2015 (see Tables 2-10).

The data derived from the aforementioned sources was utilized to prepare public presentations as to the results of the performance of the public school LEA’s verses that of the charter school entities. In each of the public presentations, each of the attendees was provided with the opportunity to provide anonymous feedback as to their individual takeaway perspectives. The anonymous feedback from the attendees provided valuable insight in assisting me with the development of policy proposals to address concerns between the administration of public charter schools versus traditional public school units.

To assist with the development of the policies, I chose Ann Majchrzak and M. Lynne Markus’s *Methods for Policy Research: Taking Socially Responsible Action*. The authors of this particular policy proposal guide uniquely delineated their writing into specific chapters that are most appropriately aligned with this problem of practice.

Majchrzak illustrates the importance of influencing: “policy makers and implementers [to become] informed and motivated to act by your persuasive recommendations based on evidence-based, meaningful, and responsible policy research” (Majchrzak & Markus, 2014, p.

Table 2

EOG Comparison 2012-2013

School	All EOG	Math EOG	Reading EOG	Science EOG
ECPS	20.6	20.3	19.8	24.1
NECP	22.6	18.8	27.8	18.5
NRM	32.6	27.7	34.3	42.2
RMP	29.9	22.1	36.8	32.6

Note. (“Public Schools,” n.d.). Edgecombe County Public Schools (ECPS), Northeast Carolina Prep (NECP), Nash/Rocky Mount (NRM), and Rocky Mount Prep (RMP). 2013 (2012-2013 School Year) Student Performance Data Results: End-of-Grade Test (EOG), Data includes all EOG assessed grades (3-8), and Grade Level Proficient.

Table 3

EOC Comparison 2012-2013

School	All EOG	Biology	English II	Math I
ECPS	27.5	23.8	37.3	22.9
NECP	*	*	*	*
NRM	32.1	27.9	37.7	31.1
RMP	16.9	8.2	28.8	14.0

Note. * Not enough data for a statistical comparison (9 students enrolled). (“Public Schools,” n.d.). Edgecombe County Public Schools (ECPS), Northeast Carolina Prep (NECP), Nash/Rocky Mount (NRM), and Rocky Mount Prep (RMP). 2013 (2012-2013 School Year) Student Performance Data Results: End-of-Course Test (EOC), Data includes all EOG assessed grades (9-12), Math I also includes students in Grade 8 who were enrolled in Math I, N/A indicates grades spans were not populated with students, and Grade Level Proficient.

Table 4

EOG Comparison 2013-2014

School	All EOG	Math EOG	Reading EOG	Science EOG
ECPS	30.2	26.0	31.6	38.1
NECP	26.9	16.0	33.5	41.3
NRM	40.7	33.5	43.0	55.6
RMP	34.1	20.6	43.3	47.7

Note. (“Public Schools,” n.d.). Edgecombe County Public Schools (ECPS), Northeast Carolina Prep (NECP), Nash/Rocky Mount (NRM), and Rocky Mount Prep (RMP). 2014 (2013-2014 School Year) Student Performance Data Results: End-of-Grade Test (EOG), Data includes all EOG assessed grades (3-8), and Grade Level Proficient.

Table 5

EOC Comparison 2013-2014

School	All EOG	Biology	English II	Math I
ECPS	39.9	32.4	52.8	35.7
NECP	18.1	N/A	N/A	18.1
NRM	40.4	29.9	44.8	44.5
RMP	46.7	27.5	54.8	47.7

Note. (“Public Schools,” n.d.). Edgecombe County Public Schools (ECPS), Northeast Carolina Prep (NECP), Nash/Rocky Mount (NRM), and Rocky Mount Prep (RMP). 2014 (2013-2014 School Year) Student Performance Data Results: End-of-Course Test (EOC), Data includes all EOG assessed grades (9-12), Math I also includes students in Grade 8 who were enrolled in Math I, N/A indicates grades spans were not populated with students, and Grade Level Proficient.

Table 6

EOG Comparison 2014-2015

School	All EOG	Math EOG	Reading EOG	Science EOG
ECPS	33.3	30.0	31.5	49.1
NECP	29.4	18.8	36.4	40.4
NRM	41.6	35.2	42.8	57.7
RMP	30.7	19.3	38.1	43.2

Note. (“Public Schools,” n.d.). Edgecombe County Public Schools (ECPS), Northeast Carolina Prep (NECP), Nash/Rocky Mount (NRM), and Rocky Mount Prep (RMP). 2015 (2014-2015) Student Performance Data Results: End-of-Grade Test (EOG), Data includes all EOG assessed grades (3-8), and Grade Level Proficient.

Table 7

EOC Comparison 2014-2015

School	All EOG	Biology	English II	Math I
ECPS	34.0	30.2	42.6	30.2
NECP	32.7	25.5	47.7	26.7
NRM	38.6	30.4	42.3	42.0
RMP	35.6	30.8	44.4	30.4

Note. (“Public Schools,” n.d.). Edgecombe County Public Schools (ECPS), Northeast Carolina Prep (NECP), Nash/Rocky Mount (NRM), and Rocky Mount Prep (RMP). 2015 (2014-2015) Student Performance Data Results: End-of-Course Test (EOC), Data includes all EOC assessed grades (9-12), Math I also includes students in Grade 8 who were enrolled in Math I, and Grade Level Proficient.

Table 8

2013 Percentages of Fully Licensed Teachers (2012-2013 School Year)

School	Percentage of Fully Licensed Teachers
ECPS	94%
NECP	89%
NRM	97%
RMP	81%

Note. (“Public Schools,” n.d.). Edgecombe County Public Schools (ECPS), Northeast Carolina Prep (NECP), Nash/Rocky Mount (NRM), and Rocky Mount Prep (RMP).

Table 9

2014 Percentages of Fully Licensed Teachers (2013-2014 School Year)

School	Percentage of Fully Licensed Teachers
ECPS	95%
NECP	82%
NRM	97%
RMP	77%

Note. (“Public Schools,” n.d.). Edgecombe County Public Schools (ECPS), Northeast Carolina Prep (NECP), Nash/Rocky Mount (NRM), and Rocky Mount Prep (RMP).

Table 10

2015 Percentages of Fully Licensed Teachers (2014-2015)

School	Percentage of Fully Licensed Teachers
ECPS	94%
NECP	79%
NRM	95%
RMP	64%

Note. (“Public Schools,” n.d.). Edgecombe County Public Schools (ECPS), Northeast Carolina Prep (NECP), Nash/Rocky Mount (NRM), and Rocky Mount Prep (RMP).

2). In the case of this problem of practice, I utilized the evidence gained from the research of the public charter school's performance compared to that of each of the LEA's to present the findings to the public. After each of the public presentation of findings, I utilized the participant feedback to further assist with the development of policy proposals. The importance of: "[s]takeholder analysis . . . help you understand how various groups are likely to react to your eventual recommendations" (Majchrzak & Markus, 2014, p. 39). Within the context of the authors' recommendation, it is this vital aspect of stakeholder analysis, or public feedback from the presentations, that most appropriately led to the development of the policy proposals in my problem of practice.

Within the next aspect of this policy proposal guide, Majchrzak discusses the importance of reviewing applicable research and applying the research to the development of the policy proposals. This aspect consumed the overwhelming majority of my doctoral program, but was the most essential in forming the proposals. In doing so, "you convince others that the policy change you recommend is both doable and worth doing" (Majchrzak & Markus, 2014, p. 60). In this case, the research is compelling, in that the charter schools within the Twin Counties do not outperform the traditional public school units. Taken in summation, as well as the research that indicates that, on average, a public charter school performs at academic optimum capacity at year three, this led to the development of the first policy proposal. In addition, the research findings articulate the need for an additional policy proposal to safeguard the prudent expenditure of taxpayer resources. Both of these policy proposals will be more descriptive within the confines of Chapter 4 of this problem of practice. Majchrzak consistently writes about the importance of including stakeholders in the process of the development of policy proposals through her text. It is this aspect that has consistently informed my direction in developing the policy proposals, and

exemplifies this work as critical to improved administration of public charter school units in Eastern North Carolina and therefore applicable to the entire State.

In the concluding chapter of Majchrzak's text, she illustrates the importance of reflecting on the research that led to the development of the policy proposal(s), as well as the policy(s) themselves. In the case of this problem of practice, my reflection led to the development of a subsequent theory that can be expanded upon through further complementing research. The theory that developed presents an argument for the restoration of the limit on public charter schools in North Carolina. This limit, or cap, would result in strengthened competitiveness for a charter issued by the State Board of Education. This theory is further expanded upon within the concluding aspects of Chapter 4 of this problem of practice.

CHAPTER 4: RESULTS, NEED FOR POLICY AND PROPOSALS

North Carolina entered into the establishment and funding of public charter schools in 1996, with a cap of one hundred schools. The purpose of this educational endeavor was similar to that of other states that had joined the movement previously: to create schools with an alternative educational program offering that can provide for the sound and creative education of students. The North Carolina Legislature was unique in this offering of publicly funding charter schools as an opportunity for students and their families, in that it had the ability to reach pupils of all income levels. Families with financial means have always had opportunities for alternative educational opportunities, such as private or parochial schools.

The need for these publicly funded charter schools exist for a myriad of reasons. As the research indicates, the basis for parents choosing different learning environments, or schools, for their children vary widely from class size, school safety, parental engagement and empowerment. These factors are variables that differ from school to specific district, areas within a school district, to specific areas of the country.

North Carolina moved quickly with expanding charter schools, lifting the cap on charters in 2011 to allow for expansion of schools. The legislative bill expanding the public charter schools did more than seek to increase the mere number of charter schools, but also added provisions that eliminated the clear expectation for participation in the State's student accountability program. Research into the differences in North Carolina's authorizing provisions of public charter schools have long pointed to problem areas including: curriculum requirements, lack of class size requirements, licensing of teachers, to more notable barriers to entry for the very students that the State would seem to want to entice. Impoverished families are often discouraged in their ability to seek enrollment in our State's public charter schools due

to the lack of free and reduced price meal programs, where our traditional public school students often, in many cases, receive their only meals of the day. In addition, transportation offerings, are not required of public charters in our State to ensure that students of all abilities and means are able to attend. One of the more glaring issues, which has led to the development of a specific policy proposal in this problem or practice, has been the lack of financial accountability.

Fiduciary responsibility has been significantly stymied through the lack of the established requirements for public bidding requirements for disclosure on how funds are spent. In addition, as the research indicated in the earlier chapter, malfeasance, or at the very least, the strong perception of impropriety has led to published news accounts of public charter school issues in this arena. Kinston Charter Academy's storied financial troubles, not to mention their abysmal academic performance, led ultimately to the school's demise. The leadership of the school exited the site leaving a trail that would be unraveled by the State Auditor as well as a subsequent investigation by the State Attorney General to seek repayment of misspent funds; funds of which were supposed to be utilized to educate students that were afforded by the taxpayers. The school's leader would go on to open another public charter in another school district without objection from State educational officials or lawmakers.

The issues continue to raise concerns in the southeastern part of the State to the point that the Internal Revenue Service of the federal government issued a statement about the relationship and financial comingling and entanglement of one of the State's leaders in the establishment of public charters, Baker Mitchell. These concerns and reports by media organizations and public advocacy groups would seem to fall upon deaf ears, perhaps due in part to the close political relationships established by Mitchell and his allies. To date, North Carolina has one General Statute that addresses the issue for termination of a publicly funded charter school. This statute,

NCGS § 115C-218.95., entitled *Causes for nonrenewal or termination; disputes*, states the following:

- (a) The State Board of Education may terminate, not renew, or seek applicants to assume the charter through a competitive bid process established by the State Board upon any of the following grounds:
 - (1) Failure to meet the requirements for student performance contained in the charter;
 - (2) Failure to meet generally accepted standards of fiscal management;
 - (3) Violations of law;
 - (4) Material violation of any of the conditions, standards, or procedures set forth in the charter;
 - (5) Two-thirds of the faculty and instructional support personnel at the school request that the charter be terminated or not renewed; or
 - (6) Other good cause identified.
- (b) Repealed by Session Laws 2016-79, s. 1.7(b), effective June 30, 2016, and applicable beginning with the 2016-2017 school year.
 - (b1) If a charter school is continually low-performing, the State Board is authorized to terminate, not renew, or seek applicants to assume the charter through a competitive bid process established by the State Board. However, the State Board shall not terminate or not renew the charter of a continually low-performing charter school solely for its continually low-performing status if the charter school has met growth in each of the immediately preceding three school years or if the charter school has implemented a strategic improvement plan approved by the State Board and is making measurable

progress toward student performance goals. The State Board shall develop rules on the assumption of a charter by a new entity that includes all aspects of the operations of the charter school, including the status of the employees. Public assets shall transfer to the new entity and shall not revert to the local school administrative unit in which the charter school is located pursuant to G.S. 115C-218.100(b).

- (c) The State Board of Education shall develop and implement a process to address contractual and other grievances between a charter school and the local board of education during the time of its charter.
- (d) The State Board and the charter school are encouraged to make a good-faith attempt to resolve the differences that may arise between them. They may agree to jointly select a mediator. The mediator shall act as a neutral facilitator of disclosures of factual information, statements of positions and contentions, and efforts to negotiate an agreement settling the differences. The mediator shall, at the request of either the State Board or a charter school, commence a mediation immediately or within a reasonable period of time. The mediation shall be held in accordance with rules and standards of conduct adopted under Chapter 7A of the General Statutes governing mediated settlement conferences but modified as appropriate and suitable to the resolution of the particular issues in disagreement.

Notwithstanding Article 33C of Chapter 143 of the General Statutes, the mediation proceedings shall be conducted in private. Evidence of statements made and conduct occurring in a mediation are not subject to discovery and are inadmissible merely because it is presented or discussed in a mediation. The mediator shall not be compelled to testify or produce evidence concerning statements made and conduct occurring in a

mediation in any civil proceeding for any purpose, except disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators. The mediator may determine that an impasse exists and discontinue the mediation at any time. The mediator shall not make any recommendations or public statement of findings or conclusions. The State Board and the charter school shall share equally the mediator's compensation and expenses. The mediator's compensation shall be determined according to rules adopted under Chapter 7A of the General Statutes. (1995 (Reg. Sess., 1996), c.731, s.2; 1997-430,s.6;2011-164,s.5;2013-355,s.1(g);2014-100,s.8.34(c);2014-101,s.7;2016-79,s.1.7(b).) (NCGS § 115C-218.95.).

The General Statute in (a) 1 and (a) 2 provides for only basic language as to how inadequate academic performance and financial management will be handled, in terms of revocation of a public charter for the operation of a school. In terms of academic performance, and evaluating a public charter school in true parity with the LEA in which they are operating, it would be unfeasible to utilize a growth index for an LEA, as compared to the single school unit of a public charter. Therefore, the importance of calculating the composite score for an LEA and using this percentage of proficient students on standardized assessments becomes paramount in deriving a true comparison. The General Statute's basic language in financial stewardship is glaring in that it is basic and provides no specifics about immediate oversight.

The State Board of Education, through their policy manual has set forth a policy entitled: *Revocation of Charter for Lack of Academic Performance* that states:

- (a) A charter school is designated "inadequately performing" when, for two of three consecutive school years, the charter does not meet or exceed expected growth and has below 60% proficiency.

- (b) If a charter school is operated for more than 5 years and meets the definition of “inadequately performing,” the SBE [State Board of Education] may initiate revocation of the school’s charter.
- (c) When a charter school operating within its first five years does not meet or exceed expected growth and has proficiency below 60% for two of three consecutive school years, the charter school shall develop a strategic plan to meet specific goals for student performance that are consistent with State Board of Education criteria and mission approved in the charter school. The strategic plan shall be reviewed, and if favorable, approved by the State Board of Education. If the charter fails to demonstrate improvement under the strategic plan within two years of the approval of the strategic plan, the State Board of Education may initiate revocation of the school’s charter.
- (d) This policy does not prohibit the State Board of Education from taking any action that is otherwise legal and appropriate pursuant to G.S. 115C-218.95. (North Carolina State Board of Education, 2016).

The State Board of Education Policy provides depth, in terms of academic performance, however, offers no true assurance. In the case of the actual termination of the charter, the language surrounds “may” rather than “shall,” in terms of the actual revocation. In addition, the existence of a public charter offers an academic opportunity or choice for parents. The language within the State Board of Education’s Policy would suggest that a public charter school could operate at 60% proficiency, with the LEA out-performing the charter entity. Again, this offers a duplication of resources, with a less than successful return on benefits.

This leads to the importance of this research for this problem of practice in determining

the key policies to propose to address the most salient points: student academic achievement and the prudent expenditure of taxpayer funds to ensure maximum accountability. As the research demonstrates below, by utilizing the Twin Counties of Edgecombe and Nash, along with their respective public charter schools as applicable examples for applying the policy proposals, these areas of imminent concern are not without resolution.

Results of Academic and Licensure Research

In reviewing the compilation of data gathered from the student performance data over the three year period of 2012-2013 to 2014-2015 school years, the data indicates an equal to or less than equal performance of the public charter school compared to the district school system where the charter unit is located. In Edgecombe County, the only year that the North East Carolina Prep Charter School outperformed the District, was during the first year of its operation in 2012-2013. During this academic year, North East Carolina Prep posted a two percentage point composite growth over that of the District in the area of EOG performance. During the 2013-2014 school year, Edgecombe County Public Schools reversed that result and posted a three and three tenths percentage point positive gain over that of the Charter School. At the end of the 2014-2015 school year, Edgecombe County Public Schools increased their growth over the Charter School to an even greater degree to three and nine tenths over that of the composite percentage of North East Carolina Prep Charter School. In the area of EOC performance for the 2012-2013 school year, North East Carolina Prep School did not enroll enough students to produce a viable statistical comparison, as only nine students were enrolled in their secondary, or grades 9-12, school program. However, in the following school year of 2013-2014, the results were a stark contrast in performance. Edgecombe County Public Schools would post better than a twenty-one and eight tenths percentage point gain over North East Carolina Prep Charter

School. For the 2014-2015 school year, North East Carolina Prep would narrow the gap in performance significantly, however, Edgecombe County Public Schools still outperformed the Charter School by one and three tenths percentage points.

In Nash/Rocky Mount, the findings were similar in nature. In the area of EOG performance, the Nash/Rocky Mount LEA outperformed Rocky Mount Prep every year during the three years of comparison, in some cases significantly. For example, during the 2012-2013 school year, Nash/Rocky Mount posted a two and seven tenths percentage point advantage over that of Rocky Mount Prep. During the 2013-2014 school year, Nash/Rocky Mount will increase the advantage to six and six tenths percentage points, more than doubling its previous advantage. For the 2014-2015 school year, Nash/Rocky Mount will continue with its 'foot on the accelerator' to increase the percentage of advantage over Rocky Mount Prep to ten and nine tenths. In the area of EOC performance, Nash/Rocky Mount will hold the same similar advantage over Rocky Mount Prep in each of the three years of comparison, with the exception of one (2013-2014). During the 2012-2013 school year, Nash/Rocky Mount outperformed Rocky Mount Prep Charter School by fifteen and two tenths percentage points. For the 2013-2014 school year, Rocky Mount Prep would reverse the trend and outperform the LEA by six and three tenths percentage points. During the final year of comparison in 2014-2015, Nash/Rocky Mount would finish with a three percentage point favorability over that of Rocky Mount Prep.

In the area of teacher licensure, the favorability is clearly in the corner of each of the LEA's. Again, as with the student performance data, I compared each of the LEA's of Nash and Edgecombe Counties to that of the charter school unit operating within their district. For the 2012-2013 school year, Edgecombe County Public Schools held a five percentage point

advantage to that of the North East Carolina Prep School. In 2013-2014, the advantage for Edgecombe County grew to a thirteen point advantage. For the 2014-2015 school year, Edgecombe County Public Schools would continue to hold an advantage over the Charter School and posted its largest advantage of fifteen points. The findings for the Nash/Rocky Mount School System verses Rocky Mount Prep Charter School mirror the comparison results of Edgecombe County Public Schools verses North East Carolina Prep. In the 2012-2013 school year, Nash/Rocky Mount posted a sixteen point advantage over Rocky Mount Prep. For the 2013-2014 school year, Nash/Rocky Mount widened its advantage to over twenty percentage points over the Charter School. In the final year of comparison of 2014-2015, Nash/Rocky Mount grew to its largest margin of positive advantage over Rocky Mount Prep with a positive advantage of over thirty-one percentage points of favorability.

Analysis of Data

The analysis of the data from the NorthEast Carolina Prep School, Rocky Mount Prep School, as well as the respective school districts of Edgecombe and Nash counties, is listed in table format on the immediate ensuing pages. These tables provide much of the basis for the development of the policy proposal, related to the academic performance of public charter schools. The data from the tables is illustrative of student End-of-Grade (EOG) testing results from grades 3-5, in the subject areas of Reading, Math, and Science, with an “All EOC” subject heading for the composite score of the charter school and the district. In addition, grades 9-12 demonstrate End-of-Course (EOC) testing results in the subject areas of Biology, English II, and Math I, with an “All EOG” subject heading for the composite score of the charter school and the district. The data is demonstrated in each table by school year, over a three year period, beginning with the 2012-2013 school year. In addition, beginning with table 8, teacher licensure

data is represented. This data is demonstrated in each table by school year, over a three year period, beginning with the 2012-2013 school year, as well.

Presentation of Findings

The research findings of this problem of practice were presented in two public forums. The first of which was held on September 8, 2016 at the Edgecombe County Public School's Central Services Building at Pearl Street in Tarboro, North Carolina. The invitation was advertised in the *Tar River Times* newspaper, along with invitations to elected officials of the Edgecombe and Nash County Boards of Education and Commissioners. In addition, the Statewide Representatives of the North Carolina Legislature for Edgecombe and Nash Counties were invited. The second presentation was presented to the North Carolina Public School Forum in Raleigh, North Carolina. At the conclusion of each forum, participants were invited to complete a questionnaire as to their thoughts and reactions to the research and data. These questionnaires will be incorporated into the completed problem of practice for further consideration.

The purpose of each of the forums was to educate the public on the performance of public charter schools versus the traditional public school units within the aforementioned counties. This problem of practice is unique for the unique time period in education in which we are living. Given the educational landscape of our State, as well as the newly held national election of 2016, the push to invigorate the public charter school movement into an expansionist form, education of the public is more critical than ever. This problem of practice will shed light onto the performance of public charters versus the traditional public school units, offered as a model for replication in North Carolina, for our statewide elected officials to consider when planning for public charters and evaluating the renewal of charter units. The major point of emphasis of

this problem of practice is to evaluate public school charter entities after three years of existence, using the accepted data formats of student performance. If after three years, the charter school unit operates at an equal or less than level of performance of the traditional public school unit, the charter should not be renewed, as a duplication of resources exists, without maximization of student achievement outcomes.

Public Feedback to Inform Policy

The feedback garnered from the establishment and use of the anonymous surveys has proven to be a valuable resource to inform the development of the policy proposals for this problem of practice. The surveys provided insight into the fact of how little the public knows or perhaps even understands about how public charter schools operate. One anonymous respondent to the survey reported their disbelief in that “our community needs to be informed about how our tax dollars are being spent at charter schools. In addition, they need to understand the waste of resources for no academic gains.” Another respondent concluded that: “I am blown away with the corruption in financial areas. I agree with the research implications, particularly with greater financial oversight / transparency.” Several respondents to the survey indicated their status to be that of an elected State Representative / Senator. The response from these individuals was evident in how little is known about the performance of public charter school entities in terms of academic achievement by the students that attend. One recorded response indicated that “[i]t is amazing how much is publicized in terms of our [traditional] public schools vs. that of our charter schools. If the average citizen who sends their children to a charter school knew how poorly they were performing, especially at Rocky Mount Prep, they would surely pull their children and send them to a regular public school.” Another individual who indicated that they were an elected State Representative / Senator indicated: “[w]ow! I am truly amazed at the

information from this presentation. This should be shared with every lawmaker so that they can see that we are not getting the most from our tax dollars for the overall quality of education that is being provided at these charter schools!” The disbelief continued from an individual who selected the category of County Commissioner in their survey feedback. This respondent indicated: “[f]or all of the individuals that have supported the establishment of NorthEast Carolina Prep, from members of the community to parents who send their children, they should carefully take a look at the results. They are not getting the best education for their community or for their children.” Another respondent who selected their status as that of a media representative indicated: “I would like to have a copy of your final dissertation. The comprehensive information about the corruption in finances, lack of student achievement and how poorly our local charter schools are performing is going to feature prominently in a story that I intend to run!” These responses, taken in total with totality of the research led to the indisputable demand for the creation of policy proposals to address the concerns. The work by authors Ann Majchrzak and M. Lynne Markus in their *Methods for Policy Research: Taking Socially Responsible Action*, provided the framework for the development of the proposals to ensure research based informed decisions and conclusions, as well as public reaction from stakeholders.

Policy Proposals

In consideration of the accumulated research concerning the performance of public charters versus traditional public schools in Edgecombe and Nash Counties, as well as the egregious financial concerns surrounding the several other mentioned charter schools in North Carolina, I conclude with the need for the development of policy to address and remedy these issues.

Ann Majchrzak and M. Lynne Markus in their text *Methods for Policy Research: Taking Socially Responsible Action*, served as the guide for the development of the policies that I propose are needed. With keen focus and transparency needed to ensure the maximization of efficiency in the expenditure of tax-payer resources, I conclude that two policies are needed in North Carolina, with regard to public education, divided by category. The first policy, relating to academic achievement, provides needed changes to existing North Carolina State Board of Education Policy as listed in bold print:

Educational Achievement

North Carolina State Board of Education policy is existent in the area of student achievement, relevant to public charter schools, and states the following:

- (a) A charter school is designated “inadequately performing” when, for two of three consecutive school years, the charter does not meet or exceed expected growth and has below 60% proficiency.
- (b) If a charter school is operated for more than 5 years and meets the definition of “inadequately performing,” the SBE [State Board of Education] may initiate revocation of the school’s charter.
- (c) After three years of operation of a public charter school entity within an existing traditional public school unit or local education agency (LEA), the public charter school, if performing equal to or less than the composite End-of-Grade and End-of-Course North Carolina standardized assessments in each of the three year period, shall have its charter revoked.

- (d) This policy does not prohibit the State Board of Education from taking any action that is otherwise legal and appropriate pursuant to G.S. 115C-218.95. (North Carolina State Board of Education, 2016).

Financial

The financial policy will be written into the existing NCGS § 115C-218.95., entitled *Causes for nonrenewal or termination; disputes*, to include an amendment, as indicated in bold, as follows:

- (e) The State Board of Education may terminate, not renew, or seek applicants to assume the charter through a competitive bid process established by the State Board upon any of the following grounds:
- (7) Failure to meet the requirements for student performance contained in the charter;
 - (8) Adherence to established bidding / contracting laws; removal of for-profit status companies from operation of a public charter school; monthly allocation of funding for public charter schools to ensure real-time ADM (average-daily-membership); Revocation of charter upon the issuance of a single citation of fiscal mismanagement.
 - (9) Violations of law;
 - (10) Material violation of any of the conditions, standards, or procedures set forth in the charter;
 - (11) Two-thirds of the faculty and instructional support personnel at the school request that the charter be terminated or not renewed; or
 - (12) Other good cause identified.

(f) Repealed by Session Laws 2016-79, s. 1.7(b), effective June 30, 2016, and applicable beginning with the 2016-2017 school year.

(b1) If a charter school is continually low-performing, the State Board is authorized to terminate, not renew, or seek applicants to assume the charter through a competitive bid process established by the State Board. However, the State Board shall not terminate or not renew the charter of a continually low-performing charter school solely for its continually low-performing status if the charter school has met growth in each of the immediately preceding three school years or if the charter school has implemented a strategic improvement plan approved by the State Board and is making measurable progress toward student performance goals. The State Board shall develop rules on the assumption of a charter by a new entity that includes all aspects of the operations of the charter school, including the status of the employees. Public assets shall transfer to the new entity and shall not revert to the local school administrative unit in which the charter school is located pursuant to G.S. 115C-218.100(b).

(g) The State Board of Education shall develop and implement a process to address contractual and other grievances between a charter school and the local board of education during the time of its charter.

(h) The State Board and the charter school are encouraged to make a good-faith attempt to resolve the differences that may arise between them. They may agree to jointly select a mediator. The mediator shall act as a neutral facilitator of disclosures of factual information, statements of positions and contentions, and efforts to negotiate an agreement settling the differences. The mediator shall, at the request of either the State Board or a charter school, commence a mediation immediately or within a

reasonable period of time. The mediation shall be held in accordance with rules and standards of conduct adopted under Chapter 7A of the General Statutes governing mediated settlement conferences but modified as appropriate and suitable to the resolution of the particular issues in disagreement.

Notwithstanding Article 33C of Chapter 143 of the General Statutes, the mediation proceedings shall be conducted in private. Evidence of statements made and conduct occurring in a mediation are not subject to discovery and are inadmissible merely because it is presented or discussed in a mediation. The mediator shall not be compelled to testify or produce evidence concerning statements made and conduct occurring in a mediation in any civil proceeding for any purpose, except disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators. The mediator may determine that an impasse exists and discontinue the mediation at any time. The mediator shall not make any recommendations or public statement of findings or conclusions. The State Board and the charter school shall share equally the mediator's compensation and expenses. The mediator's compensation shall be determined according to rules adopted under Chapter 7A of the General Statutes. (1995 (Reg. Sess., 1996), c.731, s.2; 1997-430,s.6;2011-164,s.5;2013-355,s.1(g);2014-100,s.8.34(c);2014-101,s.7;2016-79,s.1.7(b).) (NCGS § 115C-218.95.).

- (1) Removal of the exemption from adherence to established bidding / contracting laws; removal of for-profit status companies from operation of a public charter school; monthly allocation of funding for public charter schools to ensure real-time ADM (average-daily-membership); Revocation of charter upon the issuance of a single citation of fiscal mismanagement.

In my analysis of public policy frameworks, one of the most compelling statements that was a key driver in my selection of this methodology was that “[p]olicy research is a process that attempts to support and persuade actors by providing them with well-reasoned, evidence-based, and responsible recommendations for decision making and action” (Majchrzak & Markus, 2014, p. 3). One of the key tasks in creating a responsible policy recommendation is the collection of evidence to support the need for the development of a policy. In my research of public charter schools from a National, State, and local perspective, I believe that the case is well laid for the need for the two aforementioned polices to provide for the unduplicated resources and prudent spending of tax-payer funds for educational allocation. Majchrzak illustrates the need to confront ethical concerns, as a key element for development of policy.

Given the current state of operations of the public charter schools within Edgecombe and Nash Counties, with a three year composite score on End-of-Grade and End-of-Course standardized assessments that are less than the performance of the traditional LEA’s, I would conclude that it is unethical to duplicate financial resources of tax-payer funds to provide for an education that is sub-par.

Unfortunately, what jars the attention of most, is the unethical practices regarding financial stewardship of public charter schools within North Carolina. Reasonable citizens would conclude with State Auditor Beth Wood and Attorney General Roy Cooper’s assessment’s that greater financial oversight of public charter schools in North Carolina is essential. I contend that the financial policy proposal that I have presented will strengthen oversight, management, and stewardship of tax-payer funds in parity with existing laws and statutes that govern traditional public schools.

Majchrzak illustrates in her text that it is essential, when establishing the need for the

development of policy, to illustrate why the change is needed. She offers further clarity on this subject by conveying the importance of the development of “a set of messages about your evidence and recommendations that becomes, with feedback, so compelling that stakeholders support policy change and take action” (Majchrzak & Markus, 2014, p. 117). In addition, Majchrzak illustrates that it is important to inform the public about the need for the policy, or change. She indicates that “you do this by taking your Case for Change ‘on the road.’ You may do this literally, by traveling around, meeting with and talking to your stakeholders wherever they are” (Majchrzak & Markus, 2014, p. 135). In this case, the presentation of my research findings have served as a tool to inform the public in an effort to further persuade policy-makers on the need for the two aforementioned policies.

Future Studies

Some of the key findings within this dissertation offer for consideration for future study several important topics. A study of the reporting policies of public charter schools should be considered in the area of academic performance, how membership numbers are reported to the North Carolina Department of Public Instruction, as well as financial, accounting and audit practices. In addition the system of selection for students that attend, widely referred to as the “Lottery,” is a key element in who can attend a public charter school. Finally, another area for future research, is the issue surrounding the teacher shortage in North Carolina and the United States, as a whole. With the addition of more charter schools, the question could well be posed in that are we duplicating resources, with additional teachers, causing a shortage of teacher resources that may well not exist otherwise. This issue is illustrated with an example of a classroom with twenty students that can hold twenty-five. If there are multiple classrooms with

this example, would it not be wise to multiple classes with twenty-five, thus saving a teacher resource position?

Summary and Conclusions

Each of the aforementioned policy proposals will be submitted, for review and consideration, to the State Superintendent of Public Instruction, State Board of Education, Office of the Governor, as well as the State Representatives and Senators representing Edgecombe and Nash Counties.

In summary, North Carolina will make strides in the arena of public school charter issuance with the adoption of the educational achievement and financial policies that I have proposed. Not only will this add for the maximization of the stewardship of tax-payer resources, but the increased scrutiny of performance in the area of student achievement. I believe that we can all agree that these are two areas that are a winning combination for the citizens of North Carolina.

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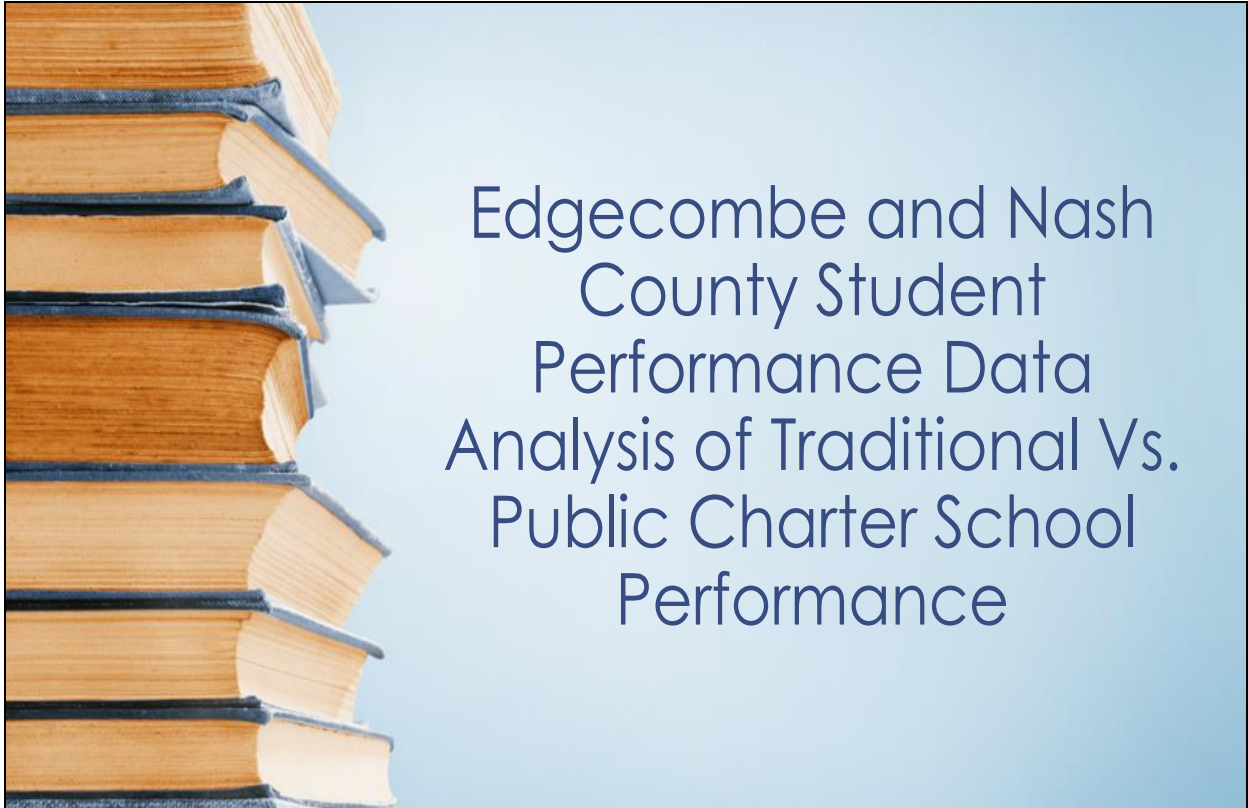
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APPENDIX A: DISSERTATION RESEARCH PRESENTATION



Statement of Purpose

- Traditional Public Charter Schools in two Eastern North Carolina LEAs:
Rocky Mount Preparatory (Nash/Rocky Mount)
NorthEast Carolina Prep (Edgecombe)

Analysis of Data as a Policy Brief to include:

- I. Historical Review of Charter Schools in the United States
- II. Historical Review of Charter Schools in North Carolina
- III. Analysis of Student Performance Data and Teacher Licensure

Statement of Purpose

Data to be presented as a policy brief in an advertised public forum with all findings to be presented to the North Carolina House of Representatives K-12 Education Committee.

One advertised public presentation will be held in Edgecombe County, to include the invitation of Edgecombe and Nash County elected education, county, and state leaders, as well as advertisement for invitation of community citizens.

Supporting Research

Student Achievement Data:

- Three years of achievement data from 2012-2013 to 2014-2015, comparing each individual LEAs proficiency composite against the respective charter to include:
 1. Math EOG / EOC composite proficiency
 2. English / Language Arts EOG /EOC composite proficiency
 3. Science EOG / EOC composite proficiency

Source: NC Department of Public Instruction Data Reporting Hub

Supporting Research

Licensure Reports and Staffing

- Percentage of Highly Qualified Licensed Instructional Staff Members at each of the individual LEAs compared to the public charter school entity in each district from 2012-2013 to 2014-2015.

Source: NC Department of Public Instruction Licensure Division

NC Department of Public Instruction Financial and Business Division

Public Charter School Origins

- Albert Shanker, of the American Federation of Teachers envisioned in 1988 that Publicly Funded Charter Schools would be a mechanism for reforming America's traditional public schools.
- Minnesota was the first state to approve a general statute authorizing the creation of publicly funded charter schools.
- City Academy opened in St. Paul, Minnesota in 1992
- Goal of City Academy was to serve historically underserved populations of students.

Negative National Public Charter School Issues

- In 2014, City Academy had a passing proficiency rate on Minnesota Standardized Assessment Tests in the areas of Math and Science of less than 10%.
- Report from the University of Minnesota Law School found that students in Chicago Public Schools outperform students in Public Charter Schools within the city, despite the fact that Charter Schools have made the traditional public schools weaker.
- Brookings Institute and In the Public Interest research concluded that Arizona Public Charter Schools performed lower on standardized assessment measures than students in the State's traditional public schools.

Negative National Public Charter School Issues

- The Minnesota Star Tribune reported that in Minnesota, the first state to authorize charter schools, most students are failing to reach learning targets and are not meeting adequate growth.
- In New Orleans, Louisiana, 79% of students in the Recovery District Charter Schools are earning D and F ratings for proficiency.

Mixed Results in National Public Charter Schools

- The research findings from a research report from US News includes that there are positive academic gains for urban student subgroups.
- A key finding is that “Black, Hispanic and Asian charter students, as well as students in poverty and special education programs, all made significant learning gains compared to similar peers in district schools.”
- Only two student subgroups – white students and Native American students – appeared to do less well in charters than in traditional district schools

Mixed Results in National Public Charter Schools

- Why some publicly funded charter schools perform in some states, but not in others is not altogether well understood
- Some factors seems to suggest that allowing multiple authorizing agencies has a negative impact on charter school effectiveness. This might mean that some charter schools shop around for authorizers that require the least accountability.
- One impact on charter school effectiveness is whether the state limits the number of charter schools with a cap. Research shows that states with a cap realize significantly lower academic growth for their charter schools than states without a cap. However, there are states with caps whose charter schools are more effective than charter schools in states without caps.

Mixed Results in National Public Charter Schools

- A research report from the Maine Education Research Policy Institute at the University of Southern Maine conducted by David Silvernail and Amy Johnson concluded best by saying: Some public charter schools are better than others. Some are very successful in meeting student needs, and others are not very successful. In other words, public charter schools vary in quality like traditional public schools. Success depends upon a variety of factors. Consequently, the impacts of public charter schools should not be painted with one broad brush stroke. Each should be judged on its own evidence and performance.

Positive Results of Public Charter Schools

- The National Alliance for Public Charter Schools published a report on the effectiveness of Public Charter Schools
- Findings point to the effectiveness of KIPP Schools:
- **Math:** Three years after enrollment, the estimated impact of KIPP instruction on math achievement is equivalent to moving a student from the 44th to the 58th percentile of the school district's distribution. This represents 11 months of additional learning growth over and above what the student would have learned in three years without KIPP.

Positive Results of Public Charter Schools

- **Reading:** Three years after enrollment, the estimated impact in reading is equivalent to moving a student from the 46th to the 55th percentile, representing eight months of additional learning growth over and above what the student would have learned in three years without KIPP.
- **Science:** Three to four years after enrollment, the estimated impact in science is equivalent to moving a student from the 36th to the 49th percentile, representing 14 months of additional learning growth over and above what the student would have learned in that time without KIPP.

Positive Results of Public Charter Schools

- **Social Studies:** Three to four years after enrollment, the estimated impact in social studies is equivalent to moving a student from the 39th to the 49th percentile, representing 11 months of additional learning growth over and above what the student would have learned in that time without KIPP.
- The National Alliance for Public Charter Schools also examined charter management organizations (CMOs), as well as individual charter school entities and “found that public charter schools, as they age or replicate into networks, are very likely to continue the patterns and performance set by their early years of operations, and that for most charter schools their ultimate success or failure can be predicted by **year three** of a school's life.

North Carolina Public Charter Schools

- The State of North Carolina in Article I of the Declaration of Rights, Section 15 of the 1868 Constitution, established that “The people have a right to the privilege of education, and it is the duty of the State to guard and maintain that right.”
- North Carolina authorized by general statute the creation of publicly funded charter schools on June 21, 1996, during the last day of the legislative session (at midnight).
- The Legislature initially established public charters with a cap of 100 schools.

North Carolina Public Charter Schools

- North Carolina passed Senate Bill 8 in 2011, which deleted “all limits on the number and enrollment increases of charter schools allowed in the state, lowering minimum enrollment numbers, and provisions that guard against schools being created to serve only specific subcategories of students.
- The bill also removes the clear expectation that charter schools will be required to participate in the public school student accountability program (Public Schools First NC).

North Carolina Public Charter Schools

- Public School First NC points out, “unlike traditional public schools, charter schools:
- Are not governed by an elected board. For-profit companies may manage them
- There is no requirement that board members reside in North Carolina
- Have no curriculum requirements
- Have no restrictions on class size

North Carolina Public Charter Schools

- Are not required to hold teacher workdays for professional training and development
- Are not required to provide transportation for students, and those that do provide transportation are not subject to the same safety standards as are traditional public schools. Many charter schools use older buses and vans that would not be allowed to transport traditional public school students
- Are not required to provide free and reduced prices lunches for students living in poverty
- Are exempt from public bidding laws that protect how tax dollars are spent

North Carolina Public Charter Schools

- Douglas Academy (Wilmington) Founded by Baker Mitchell
- Mitchell “created a private, for-profit company owned by himself to provide all services to his charter schools. ‘The company, Roger Bacon Academy, is owned by Mitchell. It functions as the schools’ administrative arm, taking the lead in hiring and firing school staff. It handles most of the bookkeeping. The treasurer of the non-profit that controls the four schools is also the chief financial officer of Mitchell’s management company. The two organizations even share a bank account.’”

(Source: The Progressive)

North Carolina Public Charter Schools

- Even the United States Internal Revenue Service raised concerns with this arrangement, indicating: “Mr. Mitchell . . . controls both your management company and your lessor. He has dual loyalties to you and his private, for-profit companies. This is a clear conflict of interest for him.” (Source: The Progressive)

North Carolina Public Charter Schools

- Kinston Charter Academy:

Kinston Charter Academy opened in 2004 and ceased operations in September of 2013. Founded and operated by Ozzie Hall, Jr.

2010 – 2011

Kinston Charter Academy

Reading	Math
50.9%	51.3%

State Average:	70.7%	82.4%
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North Carolina Public Charter Schools

2011 - 2012

Kinston Charter Academy

Reading	Math
38.1%	36.4%

State Average:	71.2%	82.8%
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North Carolina Public Charter Schools

- What is most disturbing is the fact that the school was not closed for poor performance, but that they ran out of funds due to poor financial management.
- North Carolina Auditor Beth Wood, in January of 2015 released an audit with the following findings:
 1. received \$666,818 of state appropriations despite multiple citations for fiscal mismanagement.
 2. School overstated attendance estimate which inflated state funds received by more than \$300,000.
 3. Inexperience and limited participation led to inadequate board and administrative oversight of School
 4. School employed Chief Executive Officer/Principal's (CEO) unqualified relatives, at a cost of \$92,500 in the School's final year.
 5. Despite ultimately owing more than \$370,000 in payroll obligations, questionable payments of more than \$11,000 were made to the CEO and his wife.

North Carolina Public Charter Schools

- The school did not close due to the failure of the school to educate it's students, they simply ran out of tax dollars.
- The school's principal and CEO, Ozzie Lee Hall, Jr. is now the CEO of Anderson Creek Club Charter School in Spring Lake, North Carolina.
- North Carolina Attorney General, Roy Cooper, issued a statement regarding Kinston Charter Academy that indicated: "Currently state law fails to adequately provide how North Carolina can fully recover taxpayer dollars from charter schools that fail or become insolvent. Legislators should put safeguards in place to protect public education resources"

North Carolina Public Charter Schools

- Each year, the State Board of Education receives information and compiles a report that is sent to the General Assembly on charter schools, as required by the General Assembly.
- The 2016 school report, obviously contained information that was not pleasing to North Carolina Lieutenant Governor Dan Forest.
- The News and Observer reported on Forest's concerns in the January 6, 2016 issue citing Forest as saying: "[t]he report, to me, did not have a lot of positive things to say."
- When concerns arose from members of the State Board of Education about not meeting the annual reporting deadline to the General Assembly, Forest retorted that he would "'run cover' with legislators if necessary."

North Carolina Public Charter Schools

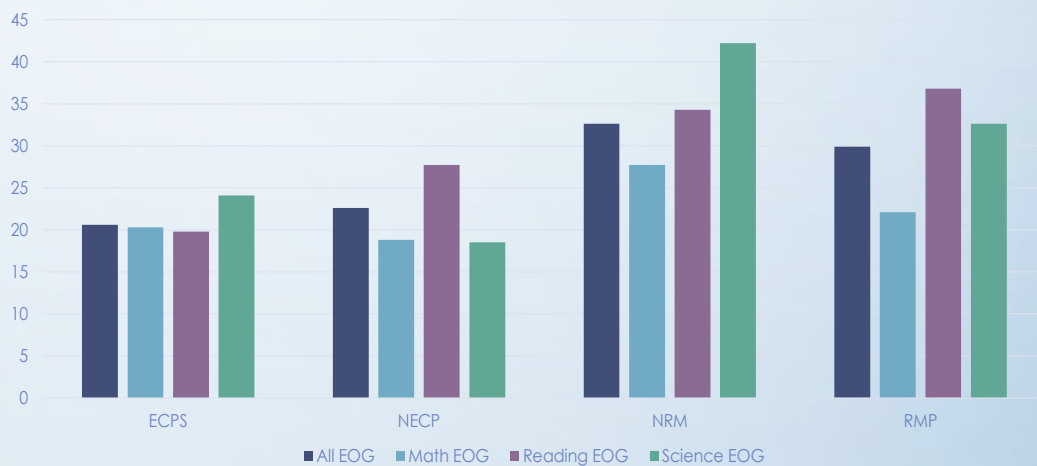
- The original report found that "more than 57 percent of students attending charter schools in the current school year are white, compared with traditional public schools' 49.5 percent."
- The News and Observer "also references an April 2015 study by Helen Ladd, Charles Coltfelter and John Holbein of Duke University that showed little integration within individual charter schools. Student populations at individual charter schools, their study found, are predominately white or predominately minority."
- One of the more critical aspects of the report indicated that "charter schools have a smaller proportion of low-income students. At charters last year, 36 percent of students were economically disadvantaged, compared with nearly 55 percent at traditional schools."

Twin County LEAs and Charter Schools

- Comparative analysis of Edgecombe County Public Schools vs. North East Carolina Prep Charter School and Nash / Rocky Mount Schools vs. Rocky Mount Prep School.
- Comparative Analysis Years include: 2012 – 2013, 2013 – 2014, and 2014 – 2015.
- Comparing EOG (3-8) and EOC (9-12) Proficiency Composite Scores in the areas of Math, Reading, and Science.
- Comparing the percentage of Highly Qualified Licensed Instructional Staff.

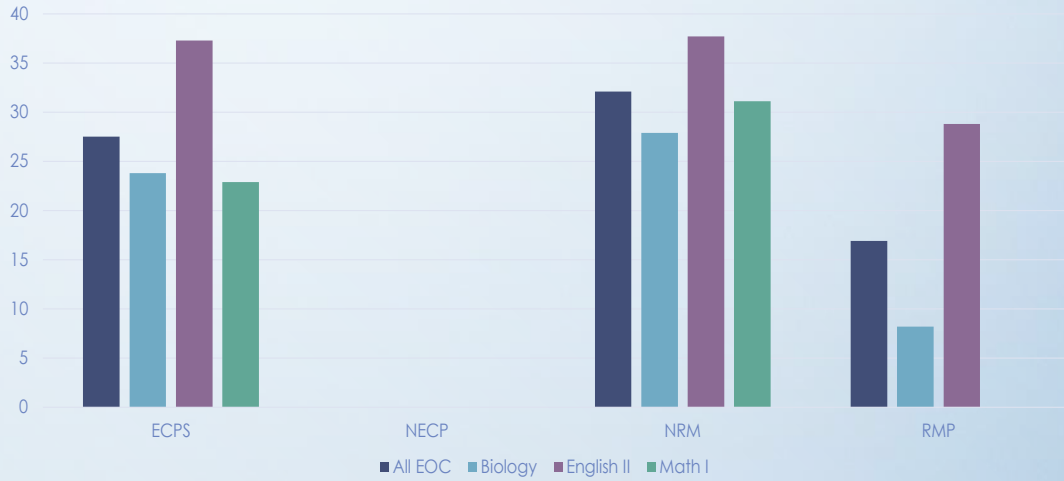
Twin County LEAs and Charter Schools

2013 (2012-2013 School Year) EOG Student Performance Data Results



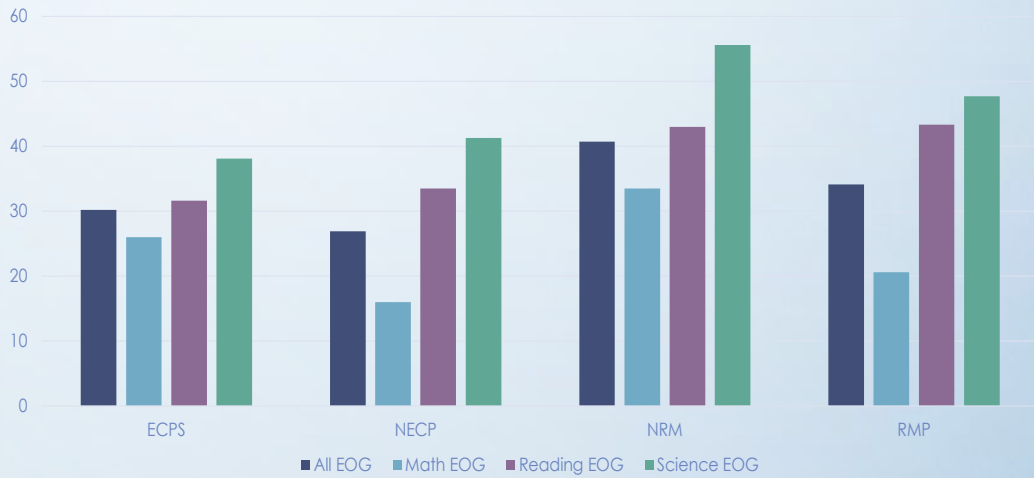
Twin County LEAs and Charter Schools

2013 (2012-2013 School Year) EOC Student Performance Data Results



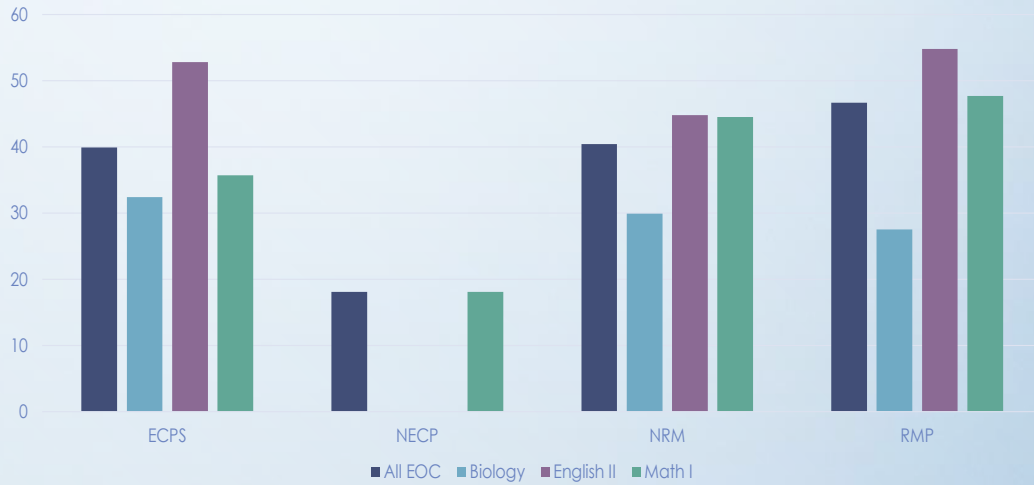
Twin County LEAs and Charter Schools

2014 (2013-2014 School Year) EOG Student Performance Data



Twin County LEAs and Charter Schools

2014 (2013-2014 School Year) EOC Student Performance Data



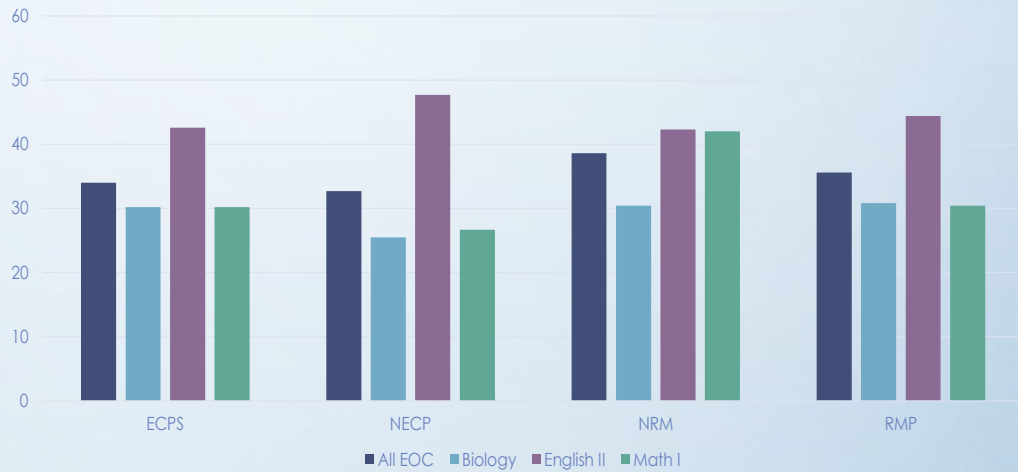
Twin County LEAs and Charter Schools

2015 (2014-2015 School Year) EOG Student Performance Data



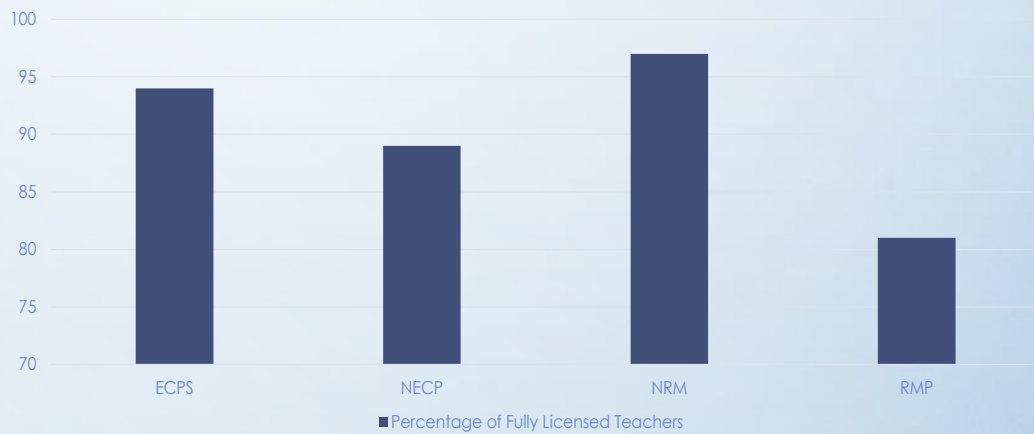
Twin County LEAs and Charter Schools

2015 (2014 – 2015 School Year) EOC Student Performance Data



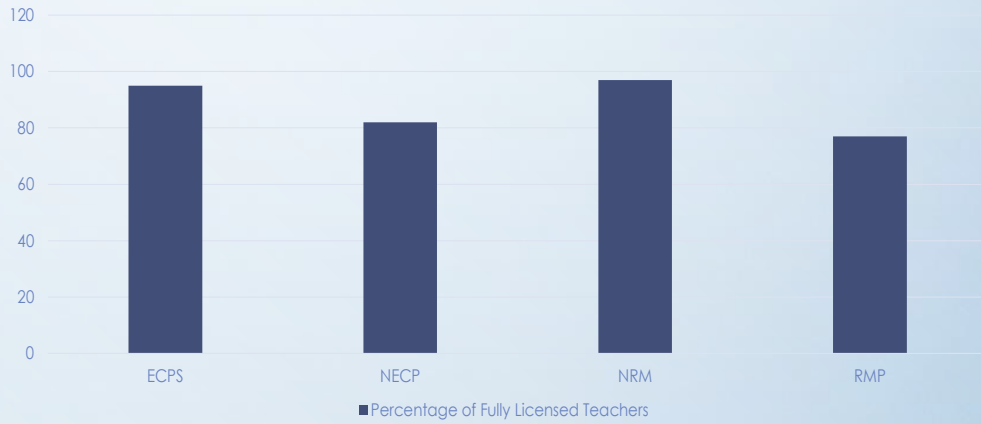
Twin County LEAs and Charter Schools

Percentage of Fully Licensed Teachers
2013 (2012-2013 School Year)



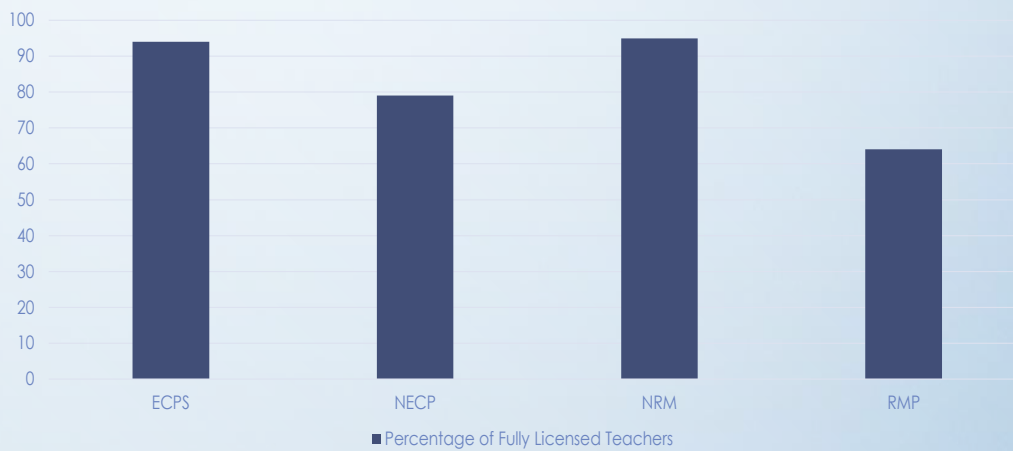
Twin County LEAs and Charter Schools

Percentage of Fully Licensed Teachers
2014 (2013-2014 School Year)



Twin County LEAs and Charter Schools

Percentage of Fully Licensed Teachers
2015 (2014-2015 School Year)



❖ Implications of Research Findings:

Strengthen financial oversight and transparency of Public Charter Schools.

Annual academic progress review of Public Charter Schools, with a culminating review by the State Board of Education after the third year of operation to determine effectiveness.

As research indicates, after the third year of operation of the Public Charter School, if academic results indicates less than or equal performance to the average LEA results, revoke the charter.

Revocation of the charter, for the above mentioned criteria, will result in greater competitiveness for charters and urgency for academic gains by public charter entities and avoidance of duplication of tax-payer funded resources for education.

APPENDIX B: DISSERTATION RESEARCH PRESENTATION SURVEY

1. What did you find interesting about the research data presented?

2. What question(s) do you have, that you feel could be of further importance to the research?

3. Do you agree / disagree with the research implications presented at the conclusion of the presentation? What do you agree / disagree with from the presentation?

4. Do you feel that there are other areas of interest, with regards to the research, that could be impactful and beneficial to our community?

5. Are you in favor of publically funded charter schools?

What is your positional status, with regards to attendance at this presentation?

(Please check ONE)

Traditional Public School Parent:	_____	Public Charter School Parent:	_____
Traditional Public School Employee:	_____	Public Charter School Employee:	_____
Board of Education Member:	_____	County Commissioner:	_____
State Representative / Senator:	_____	Media Representative:	_____

APPENDIX C: INSTITUTIONAL REVIEW BOARD APPROVAL



EAST CAROLINA UNIVERSITY
**University & Medical Center Institutional Review Board
Office**
4N-70 Brody Medical Sciences Building · Mail Stop 682
600 Moye Boulevard · Greenville, NC 27834
Office **252-744-2914** · Fax **252-744-2284** ·
www.ecu.edu/irb

Not Human Subject Research Certification

From: Social/Behavioral IRB
To: [Marcus Whichard](#)
CC: [Jim McDowelle](#)
Date: 2/22/2017
Re: [UMCIRB 16-000762](#)
Social/Behavioral IRB

On 2/22/17 the IRB Staff reviewed your proposed research and determined that it does not meet the federal definitions of research involving human participants, as applied by East Carolina University.

Therefore, it is with this determination that you may proceed with your research activity and no further action will be required. However, if you should want to modify your research activity, you must submit notification to the IRB before amending or altering this research activity to ensure that the proposed changes do not require additional UMCIRB review.

The UMCIRB appreciates your dedication to the ethical conduct of research. It is your responsibility to ensure that this research is being conducted in accordance with University policies and procedures, the ethical principles set forth in the Belmont Report, and the ethical standards of your profession. If you have questions or require additional information, please feel free to contact the UMCIRB office at 252-744-2914 [☎](#).

