

NORTH CAROLINA CHARTER SCHOOLS: SCHOOL ADMINISTRATORS'  
PERCEPTIONS OF COMPETITION IN K-12 EDUCATION

by

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## ABSTRACT

AMI MICHELLE PARKER. North Carolina charter schools: school administrators' perceptions of competition in K-12 education. (Under the direction of DR. SUZANNE LELAND)

The purpose of this study was to explore traditional public school administrators' perceptions of competition in North Carolina public education after the implementation of charter school legislation. Surveys of traditional public school administrators at both the district and school levels are analyzed. Interviews of a purposeful sample of traditional public school administrators are used to further explain survey responses.

Based on survey and interview responses, North Carolina charter schools have a limited effect on allocative and productive efficiency in NC public K-12 education. Survey respondents' most frequent description of charter schools was "schools that serve a particular population." Interviewed administrators also note that charter schools draw families and students who are seeking a specialized pedagogy or curriculum that may be targeted for a specific student population. Study findings show that traditional public school administrators are not using charter schools as a factor in strategic planning thus limiting the effect on productive efficiency and of creating competition in public education. The effect of charter schools varies across school districts in North Carolina. In some districts, they are a safety valve to partially alleviate overcrowded schools and in others they create a niche for families interested in educational alternatives to the traditional public schools system.

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## CHAPTER 1: INTRODUCTION

### Summary

This dissertation explores public school administrators' perceptions of competition in North Carolina public education after the implementation of charter schools. The charter school concept is an educational reform that is implemented with varying policy specifications across the United States. The rationale supporting charter schools is to offer an alternative to traditional public schools, to initiate innovative educational practices, and to create competition. The rationale for creating a quasi-market in education is that the by-products of this competition will be improved school quality and efficiency. Charter schools are different from traditional public schools because they are granted more autonomy in exchange for additional accountability measures. These accountability measures are specified in each school's charter and may include higher test scores, additional tests, or additional requirements such as community service. This autonomy allows them to adopt different organizational structures, offer specialized curricula, and therefore, they may be more responsive to parent and student preferences than traditional public schools. Charter schools provide an additional educational choice option to parents and, because they are public schools, do not require the same financial investment as private school tuition costs. This study examines how North Carolina district-level and school-level administrators in traditional public schools perceive and respond to competition from charter schools.

This dissertation uses a non-experimental design and includes both quantitative and qualitative research. The entire population of North Carolina school administrators in traditional public schools and principals at all K-12 schools compose the sampling frame. A smaller purposeful sample of school districts are then selected for more indepth telephone interviews with traditional school administrators.

The survey data are disaggregated for comparisons between the two groups of administrators: school principals and district superintendents. The survey results are reported in order to provide a summary of administrators' perceptions of competition in K-12 education. The interviews with district- and school-level administrators add explanatory depth to the survey data. Also, the interviews allow for analysis of differences in administrators' responses based on the following independent variables: other educational alternatives (magnet and charter schools), student racial composition, and school setting (rural, urban, suburban).

This dissertation has six chapters: Chapter 1 introduces the dissertation including a statement of the problem and its importance, research questions, and explanation of the relevant theory. Chapter 2 reviews related literature and discusses the contribution this study makes to existing research about charter schools. Chapter 3 presents the case of charter school implementation in North Carolina. Chapter 4 describes the research methodology including research hypotheses, variable descriptions, and quantitative and qualitative data analysis techniques. Chapter 5 presents the findings of the study and discusses limitations to the research. Chapter 6 concludes the dissertation and elaborates on implications of the research.

## 1.1 Statement of the Problem

The purpose of this dissertation is to examine the effect of charter schools on public school administrators' perceptions of competition in the K-12 public education sector. Charter schools are designed to increase competition in an effort to improve public education in two ways; students and parents have educational alternatives that better meet their preferences and charter schools have more flexibility to provide innovations. Innovations used in charter schools present alternatives to traditional administration, curriculum, or service delivery that may be adopted by traditional public schools. Administrators must be cognizant of changes in their local school environment to respond to competition or to adopt new policies or procedures to improve school efficiency and quality. Administrators are motivated to provide an appealing school climate to attract and retain students with desirable characteristics such as involved parents, academic achievers, and good test scores.

School choice is an ongoing debate in the education policy arena. School choice supporters tout the ideal of increased innovation and competition with public schools as potential advantages associated with charter schools. The rationale supporting charter school legislation and No Child Left Behind is to facilitate public school choice and to add a market component to public education (Hess 2006). The market theory of action assumes that if parents have more options then all schools will improve as they try to compete for student enrollment; the goal of the market is to improve the efficiency of providing education. Charter school detractors speculate that these schools are detrimental to education because resources are taken away from public schools where they are needed, talented students opt out of the public system leading to negative peer

effects, and charter schools will ultimately lead to increased segregation along ethnic and class lines (Hassel 1999; Good and Braden 2000).

The federal impetus to increase competition in schools was solidified with the inclusion of sanctions in the federal No Child Left Behind legislation. However, the provision was diluted by the ensuing debate over the implementation of this sanction (Hess 2006). Ultimately, the level of choice guaranteed in the sanctions provision was limited to public school choice, including providing families with the option to transfer to higher performing traditional or charter public schools. This sanction applies to schools receiving Title I funding and is implemented when a school has failed to meet Adequate Yearly Progress (AYP) for two consecutive years.

Another measure of competition is to consider the changes school districts and schools make to retain student enrollment after charter schools were introduced. In a 1998 national study, Rofes identifies a continuum of district responses to competition from charter schools including the addition of all-day kindergarten, before- and after-school programs, opening magnet schools, offering specialized curricula, and increasing public relations efforts (Rofes 1998). In a recent study of strategic competition amongst public schools, Millimet and Rangaprasad find that competition does affect school administrators' behavior (2006). Administrators respond within two years when they recognize reduced student enrollment and face financial constraints to their budgets (2006). There are two components to improving school quality through increased competition in public education, the decision-makers at the school and district level must perceive that the competition exists and they must have an incentive to change their behavior.

## 1.2 Importance of the Topic

A broad description of charter schools is that they promise to be all things to all people (Miron 2002). Often implemented as a compromise between advocates of public provision versus market provision of education, charter schools represent a middle ground between the opposing philosophies. They are publicly funded but operate differently from traditional public schools. They offer educational alternatives for students and parents. Charter schools are implemented as a tradeoff; these schools have increased autonomy from some state regulations in exchange for being held accountable to higher standards. For example, in North Carolina, charter schools are not required to meet the regulation that all teachers are certified by state standards. Charter schools are required to administer state standardized tests but may also elect to use additional requirements, such as service learning; thus meeting higher accountability standards (North Carolina § 115C-238.29F).

The first charter school in the United States was opened during the 1992-93 school year, and over the course of sixteen years this policy innovation has spread to the majority of states. Educational innovation is specified as a policy goal in nearly three-fourths of the charter school laws (Lubienski 2003). In his research, Lubienski defines innovation as a comprehensive term that often refers to the productive efficiency of public education (2003). For example, schools may use multi-age grouping, smaller class sizes, extended schedules, project-based learning, and many other structural changes to better meet students' needs. Ideally, charter schools will use the autonomy granted from public education regulations to develop innovative instructional practices, curricula, or organizational structures. Once the success of the innovation is proven in the charter

school, traditional public schools can use the charter school's experience as a model and adopt the practice (Lubienski 2003). However, the success of charter schools as an educational reform has yet to be proven, in part because there is so much variation in how they are conceptualized and implemented across and within states. Empirical studies of the effect of charter schools to reform public education have mixed results (Hoxby 2000; Bifulco and Ladd 2004; Bettinger 2005).

Charter schools enjoy more political support than school vouchers, another educational reform targeted to create a market in education (Hassell 1999; Miron 2002; Hess 2006). Charter schools increase school choice but limit the options to the public school arena, and in most states, retain accountability to local and state boards of education. In a compilation of research about vouchers and charter schools, Paul Peterson and David Campbell describe the differences in these two reforms in the economic terms of supply and demand (Peterson and Campbell 2001). "Vouchers increase demand for competitors to traditional public schools" because students have more resources to pursue private education (Peterson and Campbell 2001, p. 10). Conversely, "charter schools operate on the Field of Dreams theory: if you build it, they will come." (Peterson and Campbell 2001, p. 10), and provide alternative educational choices for families to pursue within the public school arena. The level of autonomy granted to the parent to make decisions about their child's education is less when states provide charter schools rather than vouchers. However, both models of school choice provide more competition and reduce the costs to families who prefer schools other than those offered in the traditional public school district. Charter schools also have the theoretical advantage of serving as a laboratory of innovation that has the autonomy to



employ non-traditional educational practices that, if effective, could become a model for traditional public schools. This advantage applies to both the allocative and productive efficiency of public education as a whole.

### 1.3 Research Questions

This dissertation explores the impact of North Carolina charter schools on traditional public school administrators' perceptions of competition for student enrollment. The theory underlying charter legislation is to create a quasi-market for education, which will in turn create greater efficiency in public school systems. This study tests one of the basic premises underlying the quasi-market: the idea that traditional school administrators must perceive competition in order to have an incentive to change their behavior. If traditional public school administrators perceive competition, they are more apt to change their behavior and we can expect charter schools to improve K-12 education service delivery. However, if traditional public school administrators do not perceive charter schools as competition, then the very premise that charter schools can improve efficiency is challenged. The qualitative component to this research further clarifies how traditional public school administrators may change their behavior in response to competition including the possibility of adopting charter school innovations.

The research questions for this dissertation are as follows:

- How do district-level and school-level administrators in traditional public school settings compare in their perceptions of competition in public K-12 education?
- How does the presence of an operating charter school in a school district affect traditional public school administrators' perceptions of competition in public K-12 education?
- How does the urban, rural, or suburban setting of a school district affect traditional public school administrators' perceptions of competition in public K-12 education?

- How does the geographic distance between a traditional public school and charter school affect traditional public school administrators' perceptions of competition in public K-12 education?
- Do the demographic descriptions of students leaving traditional public schools to attend charter schools affect traditional public school administrators' perceptions of competition in public K-12 education?
- Does the loss of students with desirable characteristics (high achieving and high parent involvement) affect traditional public school administrators' perceptions of competition in public K-12 education?
- How do traditional public school administrators compare traditional public schools and charter schools in regard to autonomy?
- How do traditional public school administrators perceive differences in federal, state, and local funding of traditional public schools since the enactment of charter school legislation?
- Do traditional public school administrators consider the existence of charter schools in long range/strategic planning?
- How accurate is traditional public school administrators' knowledge about NC charter school legislation?
- What, if any, policy or procedural changes have occurred or are anticipated because of the existence of charter schools?
- What changes, if any, have administrators noticed in parental involvement in schools since the existence of charter schools?
- What, if any, changes have been made to increase public relations or improve communication with parents?
- What, if any, innovations from charter schools would traditional public school administrators consider adopting?

#### 1.4 Public Choice Theory and Education

Public choice theory builds from the basic assumptions of classical economics that individuals are rational and self-interested. In describing this theory, Anne Schneider and Helen Ingram emphasize the importance of the market as the central institution of society and the role of government is limited to correcting market failures and providing goods that the market is not able to deliver (Schneider and Ingram 1997). In K-12 education as it is currently provided by a near public monopoly, it is unclear whose self

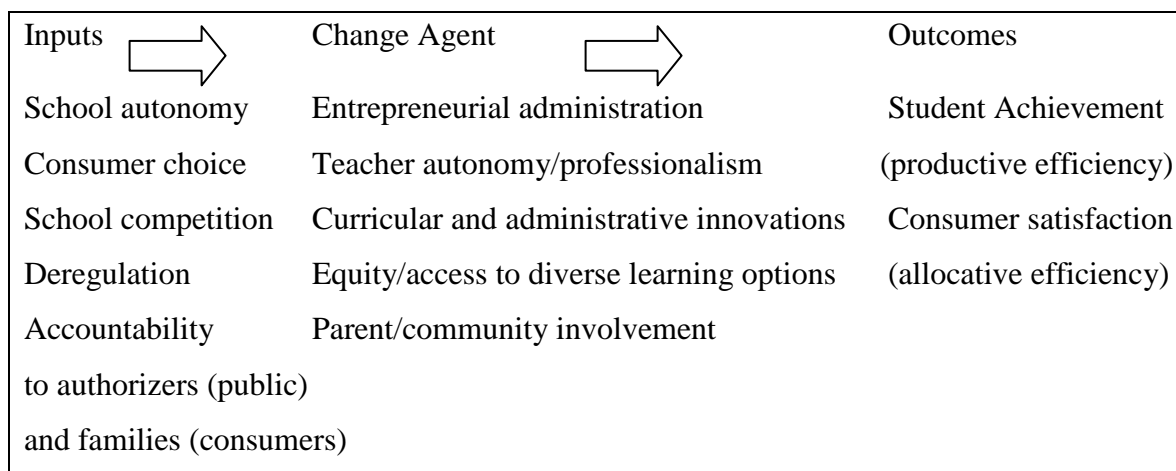
interest in being served. The institutions in education may serve the needs of “the educational establishment” rather than students, parents, or society. Charter schools provide a more direct link to the consumer by allowing students and families a public school choice option.

Charles Tiebout suggests that citizens will search for the community that best matches their desired public goods and services (Tiebout 1956). His ideal of “voting with your feet” serves as a signal to government about the desired level of public goods (e.g. education) and social welfare. This public choice model does not specify a level of government intervention in the market, and it also does not specifically delineate government or market provision of the goods from which citizens are choosing.

The vast majority of children in the United States attend traditional public schools. Christopher Lubienski uses the term “provider capture” as another descriptor of the relationship between the traditional public school system and parents and students (Lubienski 2003). He summarizes the public choice response to education as anti-bureaucratic; using market forces to increase accountability to families rather than providing uniform educational provision regardless of student needs. Prior to charter school legislation, the only choices parents could make were to leave the publicly provided education system and this choice imposes costs on the family for tuition and transportation to private institutions; or to provide education at home, a choice that imposes the potential cost of lost income for the parent who educates the child. Charter schools lay the groundwork for providing a market in education while maintaining the expectation of public accountability. These schools are under the public school umbrella

but are granted autonomy from some regulations in exchange for increased accountability. Figure 1 shows a logic model for charter schools.

Figure 1: Logic Model Applying Public Choice Theory to Charter Schools



Adapted from Miron and Nelson 2002

Public choice theory is the basis for this research. Charter schools, as an educational reform, answer Tiebout's ideals about allocative efficiency, parents as consumers have choices and can select a school offering a curriculum or specific services that match their demands. The movement also addresses productive efficiency, defined as schools responding to competitive pressure from other educational alternatives with improved quality in an effort to attract and retain parents and students (Schneider, Teske and Marschall 2000). Increasing productive efficiency leads to improved student achievement and possible economic consequences such as closing unsuccessful schools that are not meeting student accountability measures. Also, if charter schools implement effective innovations, traditional public schools may be able to follow their examples to further improve productive efficiency.

In a study of charter school legislation in other states, Katrina Bulkley analyzes the conceptualization of charter schools used in the legislation (Bulkley 2005). Arizona's

legislation is quite progressive and charter schools have proliferated more quickly in this state than others (Hess 2001; Ridenour 2001; Bettinger 2005; Bulkley 2005). Bulkley's causal model for Arizona is split between school-level and system-level reforms. At the school level, increased parental control and school autonomy will lead to diverse charter schools, increased competition, more efficient schools, greater parental satisfaction, and improved student outcomes (Bulkley 2005). Simultaneously, at the system-level, students will transition from traditional public to charter schools; thus, public school responsiveness to parents will increase and school quality will improve. This model of Arizona's law demonstrates the way charter school legislation can impact both allocative and productive efficiency.

This dissertation focuses on the school and district-level administrators' perceptions of competition and addresses the issues of allocative and productive efficiency. The responses from school principals and district superintendents will answer the question: Do public school administrators see charter schools as competition for student enrollment? This answer to this question is critical before any innovation of public education (productive efficiency) or changes in the provision of schools to match parent and student preferences (allocative efficiency) can be considered. Ultimately, if principals do not perceive competition from alternative educational options then there is no impetus to alter schooling as usual. Historically, educational leaders have not felt competitive pressure to change and the result has been small incremental changes to public education (Tyack and Cuban 1995).

The charter school movement is a manifestation of an education policy paradigm shift from the Common School view of public education with an emphasis on

bureaucracy to a new paradigm that includes a quasi-market and response to consumer choice (Fowler 2004). For public school administrators, one implication of this shift is the need for attention to competitive pressure from other educational institutions including charter schools. In the past, school administrators' primary responsibility has been to the next level of bureaucracy: principals to district-level leaders and superintendents to state-level leaders and school board members. The educational structure has been hierarchical. The expansion of school choice options, including charter schools, makes it necessary for administrators to be more accountable to student and parent satisfaction with school quality. Competition in the public school arena is the expression of this heightened attention to parent and student constituents

## CHAPTER 2: LITERATURE REVIEW

### The Charter School Concept

Currently, forty states and the District of Columbia have charter school laws in place (Education Commission of the States 2007). Charter schools offer families another option within the context of publicly provided education. The key differences in state charter legislation are grouped into five categories: basics (caps, authorizing bodies), finance (funding determinants, start-up funds, transportation), autonomy (assessments, waivers), teachers (certification, collective bargaining regulations), and accountability (reports, renewal, termination) (Education Commission of the States 2007). These categories are the foundation for the debate surrounding the theory and implementation of the charter school reform movement. These differences in charter school legislation determine the level of competition charter schools can create in the public school arena.

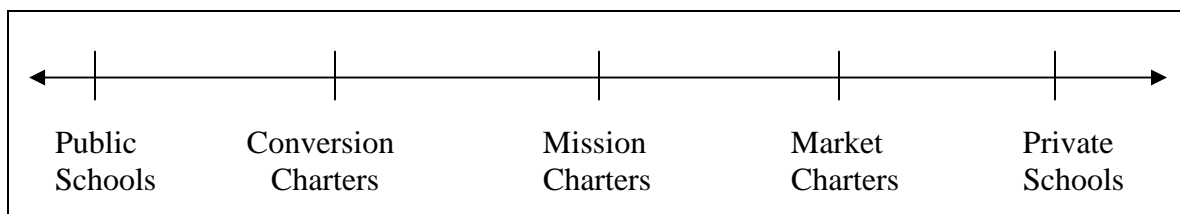
Each state has the autonomy to make decisions about the governance of charter schools. Indicators of differences in state charter school basics include allowances for private and public schools to convert to charter schools, inclusion status in the local education agency (LEA) or independent LEA, caps on the total number of charter schools in the state or per district, authorizing agencies to approve charters, appeals procedures, and technical assistance. Charter school finance issues include how funding is determined, who distributes funds, the availability of start-up and planning grants, facilities, and transportation. States also differ in the level of autonomy given to charter

schools in areas such as required testing, teacher certification and salaries, curriculum requirements, reporting and dissemination of information to parents (Education Commission of the States 2007).

### Types of Charter Schools

The classification of a state's charter school law on the continuum from permissive to restrictive affects its relationship with the local public school system, community leaders, and parents. In a paper prepared for the 2007 Midwest Political Science Association Conference, Chad d'Entremont and Luis Huerta develop the figure below as a typology for classifying charter schools (d'Entremont and Huerta 2007).

Figure 2: Typology of Schools



Conversion charters are schools that were once public schools but have converted to charter schools. Conversion charters are an example of how traditional public schools can achieve limited deregulation from state requirements or collective bargaining agreements and public school employees typically administer these schools. Mission charters are organized to fulfill a specific focus such as offering a specialized curriculum or targeting a specific population; often these schools are operated by non-profit agencies. Market charters approach private school autonomy status and are managed by for profit agencies. These schools agree to meet the public school accountability measures required by the state.



## The Role of Competition in Education

Clive Belfield and Henry Levin conduct a review of evidence on the effects of competition on educational outcomes for the National Center for the Study of Privatization in Education (2002). In the review they address the economic issues of productive and allocative efficiency. The underlying concept is that educational resources will be better used with more efficient outcomes as demanders (students and parents) have more choices. The research design includes a review of all research references in The Web of Science database from 1972 to 2001 including these keywords: competition, markets, and education. They find that efficiency in education is improved because competition leads to improved academic performance with neutral or ambiguous effects on spending (Belfield and Levin 2002). However, the strongest conclusion is a positive correlation between increased competition and higher educational quality; and the authors include the caveat that the effects of competition are modest. Finally, most of the research in this macro-study uses multivariate regressions. Belfield and Levin explain the barriers in conducting this research: “efficiency is not easily identified, and the optimal allocation of inputs unclear.... It requires policymakers to regulate outcomes and write effective contracts” (2002). In this dissertation, qualitative research triangulates the effect of increased competition and the perceptions of these educational decision-makers.

Caroline Hoxby writes about the effects of competition among public schools, specifically addressing Tiebout choice as a market force in K-12 education (Hoxby 2000). She finds that states with more school districts allow students and parents to sort into homogenous groups; these groups have similar preferences about school services and

residential location. This result more closely matches the Tiebout ideal of matching government services, education for example, with family preferences including specialized curricula, higher per pupil expenditures, higher teacher quality, and higher student achievement (Hoxby 2000). In North Carolina, the school districts are largely consolidated and organized by county, minimizing the amount of Tiebout choice available to students. Charter schools are an alternative for increasing the public school choice without the financial cost that may be incurred by pursuing private education. Hoxby finds that when families have more “Tiebout-style” choice, they are less likely to enroll in private schools and more likely to stay in the public school system. In addition to charter schools, magnet schools and open transfer policies are two reforms traditional public school systems may adopt to increase choice options to families, in addition to charter schools.

Thomas Dee and Helen Fu conduct panel study research and use school level data to compare charter and traditional public schools in Arizona and neighboring states (Dee and Fu 2004). They find that traditional public schools have experienced a six percent increase in pupil-teacher ratios and a two percent decrease in Anglo students with the implementation of charter schools. This study is unique in its use of panel study data instead of cross-sectional data that presents only a snapshot of schools at a particular point in time. Additionally, they include data from neighboring states, New Mexico, Nevada, and Utah, as a measure of policy diffusion. The results give some credence to the arguments that public schools face diminished resources and changed racial composition. However, other educational research shows that class size (another interpretation of pupil-teacher ratio) has little impact on student achievement (Hanushek

2006). Another limitation of this study is the generalizability of the results to charter schools in other parts of the country. This limitation is noted by the authors who write that charter schools may have different impacts in northern and eastern states where they have been concentrated in segregated, urban districts (Dee and Fu 2004). Furthermore, studies with a focus on Arizona are likely to be exceptional because it has a very progressive charter law and accounts for 21% of the nation's charter schools and 5% of its public school students in 1999-2000 (Hess et al. 2001).

Eric Bettinger studies the impact of charter schools on the enrolled students and neighboring public schools using standardized test scores from school level data in Michigan (Bettinger 2005). He reports that charter school test scores improve more slowly than traditional public schools when matched on pre-charter test scores; and charter schools enroll students with lower test scores than neighboring public schools. These results are limited to newly chartered schools and do not account for long run effects after the schools have been in operation. This study addresses student level control variables that may impact test score achievement such as socioeconomic status and ethnicity but did not account for differential funding, teacher experience, or institutional procedures between new charter and established public schools.

Another way to assess the bottom line on charter schools' ability to foster competition with public schools is to consider their location. In a study of charter schools in California and Michigan, Glomm et al. find that charter schools may increase the educational options available to parents by enhancing the horizontal product differentiation within a district (Glomm et al .2005). Parents who cannot afford private schools but have preferences that are not being met by the traditional public school

system will benefit if a charter school opens. Rooted in the Tiebout theory, this study considers the options available to parents who can choose their preferred educational options. For example, parents may prefer schools that have specialized programs, a better safety record, or meet their child's special needs better than a traditional school. An interesting addition to the literature from this study is that charter schools open in areas with lower test scores but also where private schools already exist. This finding raises two important questions: How do traditional public school administrators perceive competition from all educational alternatives, including charter, private, and home schools? Do charter schools create more competition for traditional public schools, private schools, or both?

A study of public school responses to charter schools in Massachusetts, New Jersey and Washington, D.C. (Teske et al. 2000) revealed that superintendents make changes to traditional public schools in response to the existence of charter schools in the district. These changes include increased technology, specifically more laptop computers; grade level distribution changes in response to parent concerns about safety; and expanded before- and after- school programs (Teske et al 2000). Also, principal surveys yield these responses: principals are compelled to seek innovation in response to competition for enrollment; principals are more cognizant of school efficiency; and principals believe they do not have enough autonomy to respond to parent demand. Furthermore, survey trends show principals' concerns that their job security will increasingly reflect enrollment trends in the school and their ability to increase productive efficiency through student achievement.

Hastings et al. use information from the Charlotte Mecklenburg, NC, school district's school choice program as an experiment to capture parent preferences. The study is particularly relevant because Charlotte Mecklenburg has many educational alternatives operating in the district including charter, magnet, private, and home schools. This research finds that families who emphasize academic expectations tend to select high performing schools and have a strong response to changes in test achievement (Hastings et al. 2005). Conversely, families who are less responsive to changes in the school's academic standing and more responsive to the distance from school to home, tend to enroll in lower performing schools. The authors recommend using information about parent preferences to advise district information systems of parents' school choices; to make decisions about school closing or district reorganization; and to determine where new schools should be built to maximize competitive pressure for improved efficiency (Hastings et al. 2005). This study highlights the usefulness of parent and student preferences to increase competition and improve both school quality and efficiency. Distance is one of the most important preferences in school choice decisions because it affects accessibility to quality schools and, for students, school climate. Students may prefer to attend neighborhood schools with their friends. These satisfaction criteria weigh heavily even in the face of clear data about school achievement. This dissertation builds on this information by exploring how administrators process information about competitive school choices by parents, specifically the availability of charter and magnet schools.

### Accountability and Parent Satisfaction

Ideally, charter schools are held accountable to the goals established in the charter contract and approved by the authorizing board. One of the ideals of the charter movement is to increase stakeholder input, especially parental involvement. Charter legislation may be enacted in an effort to address a criticism of traditional public schools that educators are functioning as elites and making decisions about curriculum, procedures, and values without incorporating input from parents or other members of society (Bulkley and Schneider 2006). One question in the charter school debate is how to weigh parental satisfaction against other accountability measures such as test score achievement.

Considering accountability measures, a study of North Carolina schools conducted by Robert Bifulco and Helen Ladd finds that attending a charter school had a negative effect on standardized test achievement in both reading and math by grade 8 (Bifulco and Ladd 2004). In an effort to provide more explanatory power to their findings, they study the effect of student turnover on charter school test scores. They find that high student turnover rates explain nearly one third of the difference between test score gains made in charter schools and the expected gains if these students enrolled in public school (Bifulco and Ladd 2004). This study supports the need for a broader discourse about how standardized test scores are used as accountability measures for charter schools and what the best comparison measures to public school outcomes are. The authors recommend that this discourse should include consideration of the causes for reduced student achievement in charter schools including peer effects, resource inadequacies, and inefficiencies (Bifulco and Ladd 2004).

Darleen Opfer takes a post-positivist approach to accountability in charter schools. In her study of charter schools in Atlanta, Georgia, she argues that the enforcement of testing standards limit the effectiveness of charter schools (Opfer 2001). She supports discourse about alternative measures of accountability because comparing test scores of traditional public and charter schools limits the ability of charter schools to explore alternative curriculum options (Opfer 2001). The author does not suggest a direction for this discourse or even possibilities for other measures of accountability. School climate, parent and student satisfaction, and feedback from businesses or colleges where students apply what they have learned may be appropriate measures. Answering the parent satisfaction concern, a study of Washington, DC charter schools by Jack Buckley and Mark Schneider finds that charter school parents rate schools, teachers, principals, and facilities higher than parents with children in public schools (Buckley and Schneider 2006). The authors use a four-wave panel study to assess parental satisfaction over time. Admittedly, one bias in the study is that parents who send their children to charter schools are self-selecting this educational environment for their children. Buckley and Schneider use propensity score matching to address this concern. However, this method limits the sample to only include new students, thus limiting the power of the analysis (Buckley and Schneider 2006). The next important step is to track parental level of satisfaction over time. They describe declining parental satisfaction with school inputs over time, with the exception of facilities. Also, comparisons of charter and public school parents on outcome measures including discipline, school size, class size, and values are not significantly different (Buckley and Schneider 2006).

Equity for Students

Some charter school supporters may be disenfranchised individuals who support charter school legislation because they want a chance to make choices about their children's education. The right to choose is important even if the evidence of charter school success has not been borne out in the literature. Empirical studies of charter schools at the aggregate level show that there is diversity in the student population (Hoxby 2003); however, the level of diversity varies across the states. Also, provisions in some charter laws, because they are publicly funded, require that lotteries be used to determine selection when the schools have more applicants than space.

An RPP International study shows that, "seventy percent of charter schools had student racial/ethnic compositions similar to those in the surrounding district, about seventeen percent had a higher proportion of students and fourteen percent had a lower percentage of students of color" (Bulkley and Fisler 2003). Also, despite using admissions requirements that are not allowed in traditional public schools, many studies find that charter schools are not "creaming" or recruiting only top students to attend (Hoxby 2003; Mintrom 2003; Dee and Fu 2004; Hastings et al. 2005). However, using parental involvement as an admissions standard may negatively impact public schools by taking away involved families and limiting the positive externalities these students and families bring to the classroom and school (Godwin and Kemerer 2002).

In a study on market-based public policy, Ridenour et al. report that parents often choose or accept school assignments based on "convenience and social demographics rather than relevant academic characteristics that might benefit their children" (Ridenour et al. 2001). Another barrier to charter school access for students from lower income households is that no provision for transportation is included in many approved charters.



Natalie Lacireno-Paquet finds that access to transportation is a significant variable predicting the percentage of students who receive free or reduced lunch and will attend charter schools (Lacireno-Paquet 2006).

In a study of Ohio charter schools, Judy May writes that parents report being more satisfied with charter schools despite the lack of supporting empirical evidence that academic achievement improved (May 2006). She argues that there is a perception gap in which parents equate affective factors and positive school climate to improved academic offerings and educational goals. She cites statistics from RPP International that the demographics of charter schools are not substantially different than public schools, educating eleven percent fewer Anglos and seven percent more African Americans. The key difference in the charter and traditional schools is the size of the schools. The mean average enrollment is 137 charter students for every 475 public school students (May 2006). The smaller enrollment may facilitate communication and interaction among students, parents, and school personnel. Vanourek et al. also report that parents attribute their higher satisfaction with charter schools to extracurricular activities, class size, specialized curricula, school size, and teacher attention to students needs (Teske and Schneider 2001).

To compete with this advantage of charter schools, some public schools are exploring the value of small learning communities in an effort to meet accountability standards of No Child Left Behind. A federal Smaller Learning Communities (SLC) program awards grants to school districts to fund reform of large public high schools with enrollment of 1,000 or more students (Smaller Learning Communities 2008). SLCs have a specific structure or theme, such as freshman academies or specialized curricula such as

arts or career interests. This reform combines other educational reform concepts including schools-within-a-school and magnet programs. Three NC school districts received federal SLC grants: Anson, Gaston, and Iredell-Statesville. Anson County Schools has no charter or magnet schools; Gaston County Schools has one high school career-technical magnet, and two charter schools; Iredell-Statesville Schools has three charter schools, no magnet schools.

## 2.1 Contribution to Knowledge

Teske and Schneider compile results from more than 100 studies about school choice to advise policymakers on the issue (Teske and Schneider 2001). They find that public school choice can entice students and families who have left the public school sector in favor of private education, to return to a public school option. The advantages of keeping these families in public education is the political support of public school funding and the positive externalities that involved parents bring to the classroom and school. As expected, the authors identify areas for additional study in the area of charter school choice. Specifically, they state that enough surveys of parent preferences and satisfaction have been conducted; and, more research into how this parent information links to school selection and actual school administration is needed. This dissertation contributes to filling this void because it examines charter school choice from the school administrators' perspective; a first step to understanding how this reform affects how decisions are made that dictate educational opportunities available to students and parents.

This dissertation adds district and school level educators' perspectives about the effect of charter school implementation on the traditional public school system to the

existing charter school research. It answers the questions: Do public school administrators perceive increased competition in public education? What, if any, changes are planned in public education based on either increased competition or incorporating charter innovations? Charter school legislation seeks to improve allocative efficiency by offering families school choice options and to enhance productive efficiency by using competition to improve the quality of all public education (Schneider and Marschall 2000). Charter school supporters use increased competition and innovation as two benefits to this legislation. Competition has a direct effect on allocative efficiency in terms of increasing school choice; and an indirect effect on productive efficiency if traditional public schools improve in response to perceived competition. Innovation, including specialized curricula and alternative teaching methods, provides diversity in schools; thus creating an impact on allocative efficiency. Also, if innovative practices are shown to be effective and adopted in traditional public schools, the effect on productive efficiency is multiplied.

This research contributes to the charter school literature by exploring if the existence of charter schools leads administrators to perceive increased competition and the need to improve efficiency in publicly provided K-12 educational institutions. This study is relevant because the federal No Child Left Behind (NCLB) act represents a shift in education policy to increase educational accountability and parental action in choices about their children's education. The theory of action behind NCLB is a quasi-market model of educational provision that would encourage competition between schools to meet student needs and ultimately retain student enrollment. Also, chartering schools that offer alternative curricula and teaching methods may better meet the needs of

students and families. Increasing the diversity of education options may have a positive impact on student achievement and customer satisfaction with public education.

North Carolina commissioned an evaluation of Charter Schools that was submitted to the State Board of Education in November 2001 (Noblit and Corbett 2001). This report includes analysis of data on charter school characteristics, the impact of charter schools on LEAs and the Department of Public Instruction, and student achievement in charter and non-charter public schools. Additionally, case studies are included on the implementation and establishment of charter schools in North Carolina school districts. In both 1998 and 2000, the researchers conducted surveys with charter school directors and LEA superintendents about the impact of competition. This dissertation builds on the quantitative and qualitative analyses completed in this evaluation. Specifically, this dissertation solicits survey feedback from all North Carolina traditional public school principals and district superintendents about the targeted concept, competition from charter schools. The previous evaluation includes responses about broad descriptors, characteristics, and communication with charter schools. Incorporating data from both district and school-level administrators allows for a comparison of how leaders at the different levels perceive competition from charter schools. Also, this study adds to prior findings because it is conducted after the 2001 legislation of No Child Left Behind, a federal program including accountability standards and sanctions for public schools that are not meeting proficiency goals.

### CHAPTER 3: NORTH CAROLINA

The North Carolina public school system is a leader in educational reform, especially related to accountability standards. The ABC accountability testing program has been enforced since the 1996-97 school year. North Carolina charter and traditional public schools are funded at the same level and are held accountable for students taking the same standardized tests. However, charter schools may specify higher proficiency standards or additional test requirements (Bifulco and Ladd 2004). The stability of this testing system and the focus of a state accountability program that applies equally to all school districts enhance the reliability of this study because it limits the confounding effects that new or evolving testing standards introduce. Prior to federal NCLB legislation, North Carolina established incentives and consequences based on student achievement. Similarly, North Carolina has adopted the charter school reform.

In 2007, North Carolina was eleventh in number of charter schools in an overall comparison of all U.S. states (Center for Education Reform 2008). The Center for Education Reform (2008) ranks North Carolina's charter school legislation as 15<sup>th</sup> among forty states and the District of Columbia. The Center for Education Reform (CER) is a charter school advocacy group that maintains a comprehensive clearinghouse of information about charter legislation and charter activity. This group grades the strength of states' charter laws in A, B, C, D, and F categories based on the success of charter schools in the state and legislation characteristics (Center for Education Reform 2008).

North Carolina passed a charter school law in 1996 and revised the law in 1998. The state capped charter schools at 100, all of which were operating in 2005. However, North Carolina has revoked charter schools that were not meeting academic expectations or were not maintaining financial stability. These revocations create openings in meeting the overall 100 maximum capacity and allow new charters to be granted. North Carolina received a grade of B on the Center for Education Reform's (CER) charter legislation strength scale because charter schools have legal and fiscal autonomy. Also, NC allows new start charter schools, public and private school conversions; and allows the State Board of Education, local boards, and public universities to authorize charters. The cap on the number of charter schools limits the growth of charter schools and thus the strength ranking on the CER scale. Conversely, granting legal and fiscal autonomy, allowing new and conversion schools, and having multiple authorizers limits government regulation of charter schools. Thus these factors combine to rank North Carolina in the top half of all states with charter school legislation. Table 1 shows which states have charter schools, the date the legislation was enacted, the most recent date any revisions to the charter legislation have been made, and the strength of the legislation based on the Center for Education Reform's ranking. The ranking scale is from 1 to 41 because 40 states and the District of Columbia currently have charter school laws.

Table 1: State Comparison of Charter Legislation Dates and CER Strength Ranking

| State          | Date Enacted | Date Revised | CER Rank Strength of Law |
|----------------|--------------|--------------|--------------------------|
| Alabama        | No law       | no law       | no law                   |
| Alaska         | 1995         | 2001         | 34                       |
| Arizona        | 1994         | 2003         | 4                        |
| Arkansas       | 1995         | 2005         | 30                       |
| California     | 1992         | 2005         | 7                        |
| Colorado       | 1993         | 2005         | 8                        |
| Connecticut    | 1996         | 2001         | 31                       |
| Delaware       | 1995         | 2002         | 3                        |
| Florida        | 1996         | 2002         | 9                        |
| Georgia        | 1993         | 2005         | 16                       |
| Hawaii         | 1994         | 2003         | 35                       |
| Idaho          | 1998         | 2005         | 23                       |
| Illinois       | 1996         | 2003         | 28                       |
| Indiana        | 2001         | 2005         | 6                        |
| Iowa           | 2002         | not revised  | 40                       |
| Kansas         | 1994         | 2000         | 37                       |
| Kentucky       | no law       | no law       | no law                   |
| Louisiana      | 1995         | 2001         | 26                       |
| Maine          | no law       | no law       | no law                   |
| Maryland       | 2003         | not revised  | 36                       |
| Massachusetts  | 1993         | 2000         | 10                       |
| Michigan       | 1993         | 2003         | 5                        |
| Minnesota      | 1991         | 2001         | 2                        |
| Mississippi    | 1997         | 2005         | 41                       |
| Missouri       | 1998         | not revised  | 14                       |
| Montana        | no law       | no law       | no law                   |
| Nebraska       | no law       | no law       | no law                   |
| Nevada         | 1997         | 2005         | 27                       |
| New Hampshire  | 1995         | 2003         | 29                       |
| New Jersey     | 1996         | 2002         | 20                       |
| New Mexico     | 1993         | 2005         | 17                       |
| New York       | 1998         | 2002         | 13                       |
| North Carolina | 1996         | 1998         | 15                       |
| North Dakota   | no law       | no law       | no law                   |
| Ohio           | 1997         | 2005         | 12                       |
| Oklahoma       | 1999         | not revised  | 21                       |
| Oregon         | 1999         | 2001         | 18                       |
| Pennsylvania   | 1997         | 2002         | 11                       |
| Rhode Island   | 1995         | not revised  | 39                       |
| South Carolina | 1996         | 2002         | 24                       |
| South Dakota   | no law       | no law       | no law                   |
| Tennessee      | 2002         | not revised  | 32                       |
| Texas          | 1995         | 2001         | 22                       |
| Utah           | 1998         | 2005         | 25                       |
| Vermont        | no law       | no law       | no law                   |
| Virginia       | 1998         | not revised  | 38                       |
| Washington     | no law       | no law       | no law                   |
| Washington, DC | 1996         | 2005         | 1                        |
| West Virginia  | no law       | no law       | no law                   |
| Wisconsin      | 1993         | 2001         | 19                       |
| Wyoming        | 1995         | 2001         | 33                       |

North Carolina falls in the middle time period of all state adoptions. North Carolina charter school proponents mentioned both innovation and competition as two important rationales supporting the need for charter legislation (Cochran 1996; Smith 1996; Associated Press 1995). Both North and South Carolina passed their charter school laws in the same year. North Carolina's law was praised for the diversity in the avenues for granting charters: local board of education, state board of education, and public state universities (Smith 1996). As mentioned, North Carolina opted to include a cap of 100 charter schools. South Carolina did not include a maximum number of schools; however, its law is more restrictive because local school boards can only approve charters. Setting a cap of 100 charter schools originated in the Senate version of North Carolina's charter school legislation (Dalesio 1995). The NC Senate also originally granted local school boards accountability over charter schools, including the right to veto charters (Associated Press 1995). The NC House of Representatives' original proposed bill allowed city councils and community colleges to grant charters (Dalesio 1995). Of these characteristics that diverged in the early House and Senate versions of charter legislation, only the cap of 100 charter schools remains.

North Carolina was the first to revise its law. The 1998 revision of the charter school law consists mostly of expanded explanations of the basic provisions of the law. For example, a detailed explanation of criminal history expectations for charter school personnel has been added (North Carolina § 115C-238.29K 1998). Another notable clarification in the amended legislation is a broader explanation of charter authorization. For example, the 1996 legislation includes this statement, "A description of whether the school will operate independently of the local board of education or whether it agrees to



be subject to some supervision and control of its administrative operations by the local board of education” (North Carolina § 115C-238.29B 1996). In the amended bill, all language about charter schools being subject to any local school board accountability was removed. The 1998 charter school legislation grants greater autonomy from local school board supervision.

Figure 3: NC School Districts with more than one charter school

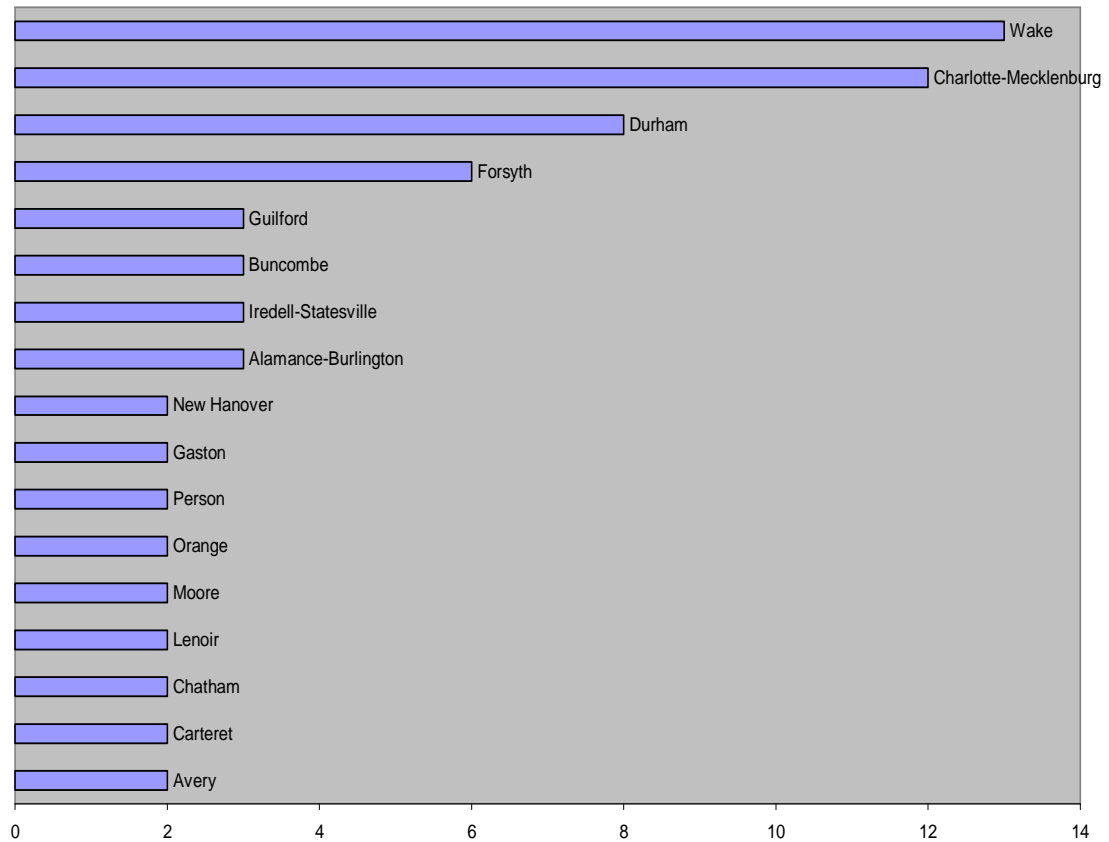


Figure 3 shows school districts with multiple charter schools currently operating in North Carolina. Also, seventeen school districts, including the seven largest in the state, have multiple charter schools operating. Multiple charter schools in a district may show a positive response to competition, innovation, or both. If a charter school successfully recruits and retains students, competition is created within the district. Also, other parents or community leaders may observe the success of a charter school with a specialized curriculum and thus be more willing to pursue opening a charter with a different emphasis. This second example opens the door for more educational variety and innovation in school districts.

North Carolina is often selected for case studies in education because of its history of accountability standards and subsequent data availability. The state is a pioneer in collecting and disaggregating student test data by differential demographics. In charter school research, North Carolina findings have been an anomaly in the study of improved achievement, an indicator of productive efficiency. Studies of North Carolina reading and math scores show a decline for students attending charter schools (Hoxby 2004; Bifulco and Ladd 2004); and it is the only state with these results. Evidence in other states supports improved proficiency for charter school students (Hoxby 2004). Bifulco and Ladd caution that the relatively small number of students enrolled in charter schools in North Carolina may limit the competitive effect of charter schools on productive efficiency (2004). The strong legislative support of charter schools in North Carolina compared to the lack of evidence supporting charter schools having a positive impact on student achievement may have opposing effects on administrators' perceptions of charter schools in the state.

The Department of Public Instruction in North Carolina has further demonstrated its commitment to accountability and understanding policy outcomes with the publication of the North Carolina Charter School Evaluation Report in November 2001 (Noblit and Corbett 2001). This study includes a review of relevant literature, a synthesis report describing charter schools in North Carolina, case studies of charter school implementation, and surveys of charter school directors, public school superintendents, and parents.

This report finds that the major innovations contributed by charter schools in North Carolina are smaller schools and reduced class sizes. The charter schools range in size from 21 to 768 students. Consistent with national trends, NC charter schools enroll higher percentages of Black students than traditional public schools; in 1999-2000, charter schools had 48% Black students compared to 31% in public schools statewide and 36% in school districts that have an operating charter school. The evaluation report, consistent with empirical research, finds that charter school students do not perform as well on NC standardized end-of-grade tests as traditional public school students (Noblit and Corbett 2001; Bifulco and Ladd 2004).

The 2001 NC Charter School Evaluation Report compares surveys of both charter school directors and district superintendents. The consensus among more than half of respondents is that charter schools have no real impact on school districts outside of the financial area (Noblit and Corbett 2001). In response to a survey question about the financial impact of charter schools, 54% of superintendents indicate that their districts experience a moderate negative impact, and 21% reported a great deal of impact. In response to questions about the impact on diversity, superintendents are more likely than

charter school directors to express concerns about increasing segregation. Additionally, 11% of superintendents and 36% of charter school directors perceive that charter schools serve larger proportions of at-risk and economically disadvantaged students (Noblit and Corbett 2001).

Finally, there is disparity between LEA and charter school leaders' responses on the general impact charter schools have on educational provision. Charter school directors see a much larger impact on district-wide changes, program changes, and increased response to parents than do public school administrators. Public school superintendents respond that districts are increasing schools of choice (magnet schools and open enrollment) and enhancing public relations. Interestingly, all responses to charter school impact decrease between surveys administered in 1998 and 2000; except an increase in schools of choice noted by charter school directors. Further investigation reveals that twenty-three charter school directors respond that there are increased schools of choice because they are including the increase in the number of charter schools rather than a district impact to increase school choice options (Noblit and Corbett 2001).

This evaluation provides valuable information about charter school characteristics and comparisons between traditional and charter public schools. Additionally, the researchers used a strong methodology of comparative surveys in 1998 and 2001 to establish initial reactions of superintendents and charter school directors to charter school impacts in North Carolina. The 2001 evaluation is a beginning point to establishing the framework of interaction between the two types of schools. This dissertation extends this research by further establishing the relationship between the traditional public and charter schools based on traditional public school administrators' perceptions of competition

created by charter schools. Also, this study includes input from administrators with varying degrees of choice options in their districts, including both magnet and charter school availability. Finally, this research is conducted a decade after charter school legislation is enacted. The data collected for this research occurs after charter schools have passed the start-up phase and are established. Also, public school administrators have had time to consider or enact changes in response to charter schools.

## CHAPTER 4: RESEARCH METHODOLOGY

The purpose of this dissertation is to study the effect of implementing the charter school policy on administrators' perceptions of competition within the North Carolina traditional public school K-12 education system. This research includes the following objectives: to describe the knowledge public school administrators have about charter school legislation; to quantify administrators' perceptions of competition for student enrollment, autonomy, regulation, and finance since the adoption of charter schools; to explain how administrators' perceptions differ, if at all, based on the administrator's setting: school or district; to explain how administrators' perceptions differ, if at all, based on the school/district demographics, magnet school availability, and distance from existing charter schools; and, to explore the existence of cooperative responses to charter school competition as traditional public school administrators seek to incorporate charter innovations into their school settings.

The researcher meets these objectives using quantitative and qualitative analyses. Quantitative data are used in the survey analysis of all traditional public school administrators at the district and school levels. Qualitative analysis is conducted through interviews of those purposefully selected administrators. The qualitative research in this dissertation adds further explanation to the results of the quantitative analysis. Using both quantitative and qualitative methods allows for triangulation of the data. Also, triangulation is accomplished by collecting information about administrators' perceptions

of competition in multiple formats (survey and interview) to increase the reliability and validity of the data (Patton 2002). This study also triangulates data by soliciting responses from a diverse group of administrators and considering responses across two different levels of authority in public education: school and district-level administrators. Since the surveys and interviews involve human subjects, approval was obtained from the Institutional Review Board at the University of North Carolina at Charlotte on April 18, 2008.

#### 4.1 Unit of Analysis

Increasing the number of observations in the research design preserves the reliability of observations and minimizes threats to internal and external validity (King, Keohane, and Verba 1994). One way to increase the observations in a study is to include subdivisions of the unit of analysis. The survey is distributed to the entire sample of 115 school district superintendents and the entire population of 2319 school principals. Using the complete population of district and school-level administrators increases the generalizability of this study across the entire state of North Carolina and states with similar charter laws, educational hierarchy and student growth patterns. This study has two units of analysis. At the district level, superintendents collect and review data on the district level effect of charter schools. District-level administrators review accountability measures, finances, and student enrollment demographics for individual schools and the district as a whole. At the school level, principals focus on their individual school and the impact of competition on the number of students, resources available, and test scores. This research triangulates data from both levels of analysis and compares perceived competition by administrators in the districts and schools.

Kenneth Wong and Francis Shen (2006) argue that the within-state variation in charter school legislation is as important to study as the state-to-state variation. The need for research on units of analysis beyond the state level arises because of the “legislative and regulatory layering” that occurs as the charter law is implemented (Wong 2006). In education policy, multiple institutions interact at different levels: federal, state, local, and school. The bureaucrats in these institutions make decisions about how to enact the charter school law. In the case of charter schools most states’ laws still delegate power to the local school board and local education agency administrative staff through regulation, funding, and accountability measures.

All school districts in North Carolina are held accountable to the state and federal requirements equally; however, they are each governed by a local board of education. The state and federal expected outcomes are consistent by district. For example all school districts participate in federal and state accountability testing and reporting. Schools administer end-of-grade tests in elementary and middle school and end-of-course tests in high school. Test results are disaggregated and reported in accordance with federal Adequate Yearly Progress. Also, the state has accountability measurements to define a school as meeting expected or high growth based on student achievement on these standardized tests. Local boards of education have different rules and regulations that effect how administrators accomplish these objectives. For example, school boards enforce attendance policies, provide non-traditional learning opportunities, or fund tutoring and after-school programs. Each of these local board decisions contributes to student academic success. Also, districts and schools face different inputs including funding, specialized curricula, student inputs.



Each school district has the decision-making capacity to allocate funding (within state and federal eligibility requirements), recruit teachers, provide incentives to retain quality teachers, provide specialized curricular programs, and make policies to respond to the needs of its student population. A survey of district and school-level administrators in North Carolina assesses administrators' knowledge of charter school legislation at the state level. This analysis is disaggregated to ascertain if differences exist between school and district-level administrators in their understanding of charter school law or perception of competition with traditional public schools. The survey also includes questions about actions taken at either the school or district level in response to perceptions of increased competition.

The qualitative research is conducted at both the district and school levels through interviews with the district office personnel and school principals. School principals are at the front line for experiencing changes in student enrollment and have a unique perspective on how student transfers to alternative educational opportunities affect diversity, student achievement and parental involvement in the school. District-level administrators have the advantage of observing changes in student enrollment and demographics from a system level and can make comparisons of how charter school and magnet school alternatives are affecting schools differently.

#### 4.2 Variables and Hypotheses

In the quantitative component, survey questions represent independent variables and the dependent variable, administrators' perception of competition in the district.

Independent variables include the following:

- Administrator level of respondent: school (principal) or district (superintendent)

- Charter school presence in school district
- District setting: urban, suburban, or rural
- Geographic distance from an operating charter school: Administrators were asked to classify schools based on the geographic distance from an operating charter school, as either 0-10, 11-20, or more than 20 miles.
- Administrators' perceptions of demographics of students transferring to charter schools: Administrators were asked to identify the student demographics of this population in a survey question. The choices in the survey question were based on student achievement, parent involvement, and Adequate Yearly Progress subgroups used in the North Carolina testing program.
- Administrators' perceptions of funding: Administrators were asked to identify increased, decreased, or stable funding from the following sources: federal, state, and local government, non-profit agencies, business partners, and parents.
- Administrators' perception of autonomy: Administrators were asked to compare the level of autonomy of traditional public and charter schools.
- Strategic planning factors: Administrators were asked to declare if their school districts consider charter schools as a factor in their strategic planning processes.
- Administrators' knowledge of charter school legislation: Administrators were asked to agree or disagree with selected statements about charter schools.

Figure 4 diagrams the proposed causality between the independent and dependent variables. The hypotheses elaborate on the relationship between variables by defining the comparisons that can be made between different categories of the independent variables. The hypotheses are grouped into categories based on their relevance to each of the research objectives. The first five hypotheses quantify administrators' perceptions of competition.

The competition hypotheses compare differences in administrators' perception based on level of administration (district or school), charter school activity in the district (existing school or discussed interest in charter schools), and ranked comparisons of alternative educational opportunities (private, magnet, home, and charter schools). In Noblit's 2001 study of NC charter schools the impact of charter schools on school

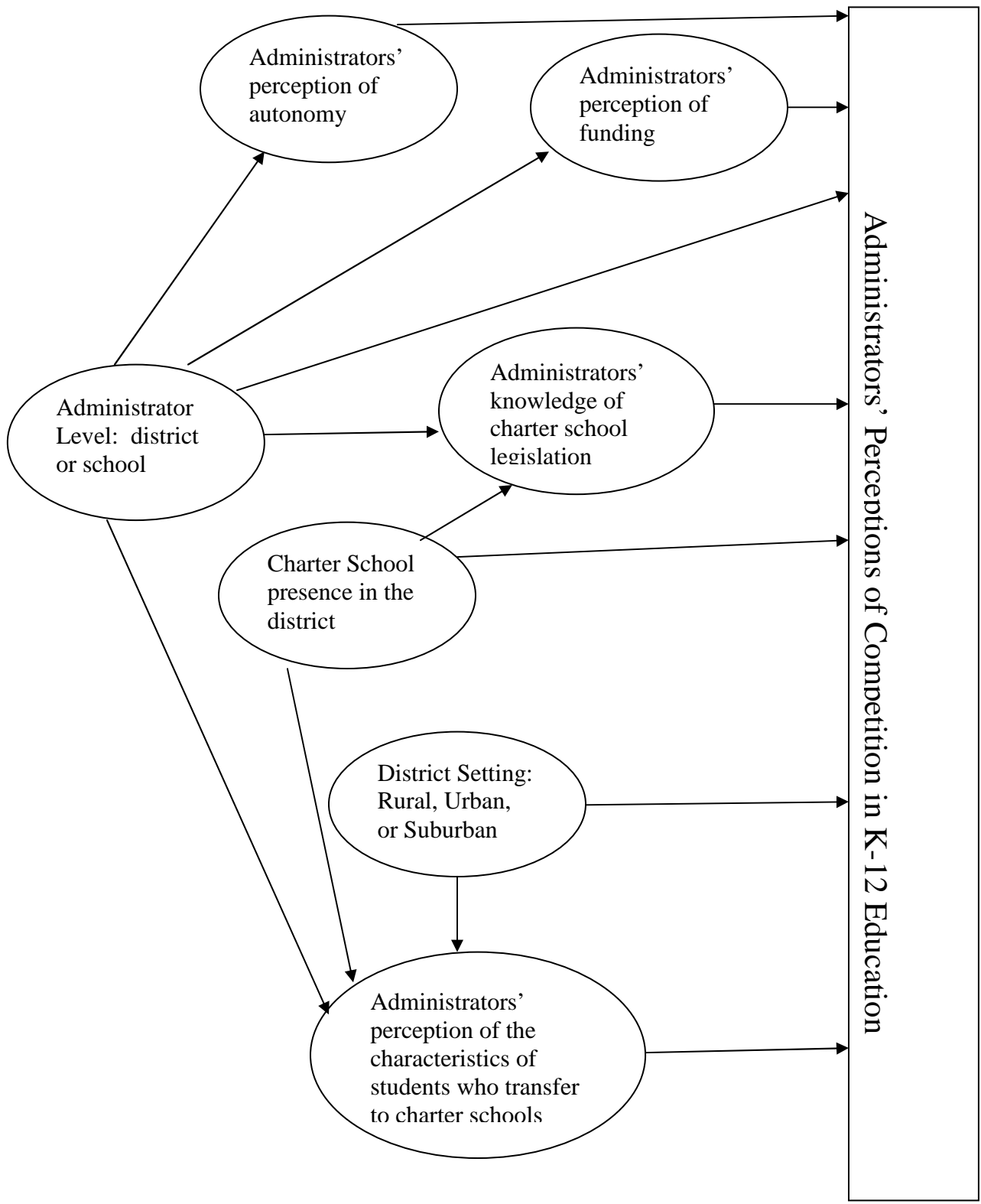
districts is measured by school responses: district-wide change, program changes, increased schools of choice, increased responsiveness to parents, and enhanced public relations. Only one of the categories, increased schools of choice, has more than 40% of schools reporting an impact. In this study, administrators' perceptions of competition reflect the impact on schools and districts. I hypothesize that forty percent of administrators will perceive increasing competition.

The school setting hypotheses compare administrator differences based on rural, urban, or suburban descriptors. The geographic distance hypothesis compares administrators' perceptions based on the school's distance from an operating charter school. The demographic hypotheses consider differential perceptions of competition based on the characteristics of students transferring to charter schools. Funding hypotheses capture administrators' perceptions of the financial impact of students leaving traditional public schools to attend charter schools. The autonomy hypothesis compares administrators' perceptions of autonomy levels of charter versus traditional public schools. The strategic planning hypothesis explores whether the existence of charter schools is considered in school or district level strategic planning; this consideration might include responses to competition or collaboration between traditional and charter schools. Interviews are used to further explore what, if any, responses are planned. Finally, charter school concept hypotheses check how well administrators understand North Carolina charter school legislation.

In the conceptual model for the quantitative analysis, Figure 5, there are three exogenous variables: administrator level, charter school presence, and district setting. All other variables are endogenous, having a causal link to one or more other variable(s).

The final endogenous variable is the administrators' perceptions of competition in K-12 education. For example, the presence of charter schools has a hypothesized direct effect on administrators' perception of competition; this variable has a hypothesized indirect effect through its causal link to strategic planning and administrators' knowledge of charter schools. The hypotheses are written to test the anticipated causal links between the variables. Some hypotheses test the direct effect of independent variables on the dependent variable. Other hypotheses test the link between exogenous and endogenous variables.

Figure 4: Conceptual Model of Independent and Dependent Variables in Quantitative Analysis



### Competition Hypotheses

H1a: At least forty percent of school administrators will perceive an increase in competition within public K-12 education since 2001.

H1b: District-level administrators are more likely to perceive an increase in competition within public K-12 education since 2001 than school-level administrators.

H1c: Administrators in districts where a charter school is operating are more likely to perceive an increase in competition within public K-12 education than administrators in districts where no charter school is operating.

H1d: Administrators in districts where a charter school has been discussed but is not currently operating are more likely to perceive an increase in competition within public K-12 education than administrators in districts where no charter school has been discussed.

H1e: Administrators will rank charter schools as a greater source of competition than other educational alternatives including private schools, home schools, and magnet schools.

### School Setting Hypotheses

H2a: School-level administrators in rural school districts are more likely to perceive an increase in competition within public K-12 than school-level administrators in suburban school districts.

H2b: School-level administrators in urban school districts are more likely to perceive an increase in competition within public K-12 than school-level administrators in suburban school districts.

### Geographic Distance from Charter School Hypothesis

H3: School-level administrators in traditional public schools that are located within 0-10 miles of an operating charter school are more likely to perceive an increase in competition than school-level administrators in traditional public schools that are located 11 or more miles away from an operating charter school.

### Demographic Hypotheses

H4a: Administrators are more likely to perceive increasing competition in public K-12 education if they perceive most students who are transferring to charter schools are high achieving students, compared to administrators who perceive that most students who are transferring to charter schools are not high achieving students.

H4b: School-level administrators are more likely to perceive an increase in competition in public K-12 education if they perceive that most students who transfer to charter school have highly involved parents, compared to school-level administrators who perceive that most students who transfer to charter school do not have highly involved parents.

H4c: School-level administrators are more likely to perceive an increase in competition in public K-12 education if they perceive most students who are transferring to charter schools are Anglo, compared to school-level administrators who perceive that most students who are transferring to charter schools are minorities.

#### Funding Hypotheses

H5a: The majority of school-level administrators perceive that federal funding has decreased for traditional public schools since enactment of charter school legislation.

H5b: The majority of school-level administrators perceive that state funding has decreased for traditional public schools since enactment of charter school legislation.

H5c: The majority of school-level administrators perceive that local funding has decreased for traditional public schools since enactment of charter school legislation.

#### Autonomy Hypothesis

H6: School-level administrators perceive that charter schools have more autonomy than traditional public schools.

#### Strategic Planning Hypotheses

H7a: Traditional public school administrators with a charter school operating in their district are more likely to consider charter schools as a factor in strategic planning than traditional public school administrators in districts where no charter school is operating.

H7b: Traditional public school administrators in districts where a charter school has been discussed are more likely to consider charter schools as a factor in strategic planning than traditional public school administrators in districts where no charter school has been discussed.

#### Charter School Concept Hypotheses

H8a: District-level administrators will answer questions about NC charter school law more accurately than school-level administrators.

H8b: School-level administrators in districts with operating charter schools will answer questions about NC charter school law more accurately than school-level administrators in districts where no charter school is operating.

The qualitative component of this research collects more in depth data from respondents in order to address whether charter schools increase allocative and productive efficiency. The administrators describe their perceptions of competition in the context of possible collaboration or innovation with other educational alternatives and the actions being taken in the traditional public schools or district in response to competition. A conceptual model for qualitative analysis is presented in Figure 6. Independent variables for selecting interview respondents are defined below and include: existence of alternative public education opportunities within the school district- magnet school(s), demographics of the school/district, setting of the school/district, and geographic distance from an operating charter school. Descriptive statistics noting similarities and differences of administrators' perceptions based on respondents' demographics and the school's settings are analyzed.

#### Magnet Schools

Magnet schools are schools operating within the traditional public school district that provide families with choice options. Typically, these schools offer a specialized curriculum and, if oversubscribed, will have a lottery or other method for selecting students.

#### Demographics

North Carolina disaggregates test results by school racial composition in order to give schools feedback about how to best serve student needs. Since the 2001 enactment of the federal No Child Left Behind (NCLB) act, Adequate Yearly Progress (AYP) has become critical to states and districts meeting educational accountability standards. All public schools are required to publicly report accountability standards and disaggregate

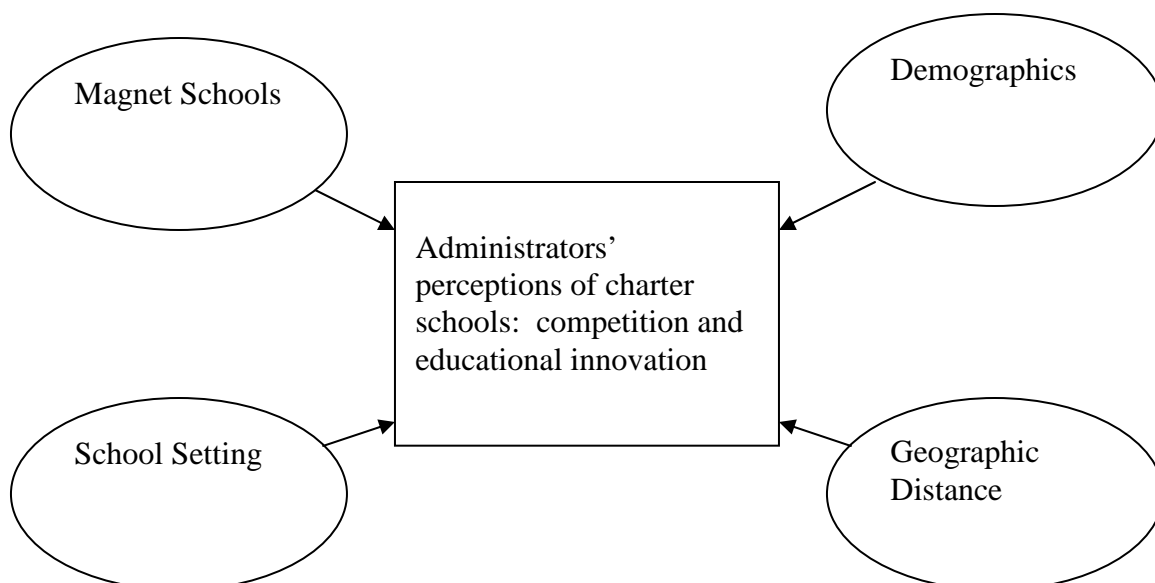


testing results based on AYP subgroups including race, income, and special education status. This survey asks administrators to classify the school or district racial composition in the following categories: African American, Asian, Caucasian, Hispanic, Multi-racial, or Native American.

### School Setting

The setting of the school/district is described as rural, suburban or urban. For this survey, these descriptors are defined as follows: Urban describes a district that serves one of the following central cities with a population greater than 70,000: Asheville, Charlotte, Durham, Fayetteville, Greenville, Greensboro, Raleigh, Wilmington, or Winston-Salem); Suburban describes a district with a population greater than 50,000 but does not including one of the central cities in the urban category; and Rural describes a district with a population less than 50,000.

Figure 5: Conceptual Model of Independent and Dependent Variables in Qualitative Analysis



The geographic distance between a traditional public school and an operating charter school is measured in miles. Research shows that transportation and school proximity are important factors in a family's decision about the school to attend (Ridenour 2001; Glomm 2005; Hastings 2005; Lacierno-Paquet 2006). In North Carolina, charter schools are required to provide the same transportation assistance as district public schools; however, the resources to meet this mandate vary from district to district. In interviews for this dissertation, four administrators mention lack of transportation to charter schools as an equity concern and as a primary reason that families with fewer financial resources are not able to attend charter schools.

#### 4.3 Quantitative Research

In May 2008, an electronic survey was sent via email to all 2418 public school administrators including district superintendents and school-level principals. The survey includes questions about school and administrator demographic data; administrators' knowledge of NC charter school law; and administrators' perceptions of charter schools including the impact on competition, funding, autonomy, curriculum, education policy, and strategic planning. The short survey is designed to take 15-20 minutes to complete. North Carolina State Superintendent of Schools, Dr. June Atkinson endorsed the survey. A representative from Dr. Atkinson's office sent the initial request for survey participation to all traditional public school principals and district superintendents. One week after the survey was emailed; the researcher sent a follow-up request to complete the survey to respondents who did not initially reply. A final follow-up request was sent in June 2008, at the completion of the 2007-08 school year. A copy of the instrument is included in the Appendix. The survey remained active until July 30, 2008.

#### 4.4 Qualitative Research

Qualitative research is used to add depth and explanatory power to the results of the quantitative study and triangulate data about the effect of charter schools on competition in the public school arena (Patton 2002). One absolute standard for observations that leads to causal inference is conditional independence, so that observations are selected based on the values of independent variables, not the dependent variable (King, Keohane, and Verba 1994). It is vital that cases are not selected on the dependent variable, because if the data are being fitted to meet the research objective then a causal inference between the independent and dependent variables cannot be proven. The second standard is unit homogeneity or constant effect. This assumption states that two similar independent variables will have the same causal effect even if the comparisons are at different levels (King, Keohane, and Verba 1994). Taken together, these criteria explain why it is not recommended to use random selection of cases in qualitative research. Essentially, analysis may not be possible or may not be meaningful because there is no variation in the dependent variable. The appropriate selection of cases is purposeful selection based on the independent variables and theory.

North Carolina's school districts vary greatly in size of the school population, educational opportunities in the district, and demographics. Therefore each of these factors is considered when selecting school districts for telephone interviews. Research of student transfers in California and Texas shows that minority students are more inclined to seek charter school options. (Booker, Zimmer, and Buddin 2005). Thus, racial composition of selected school districts is considered.

A purposeful sample of school districts is selected and telephone interviews were conducted with district and school-level administrators. School districts were selected to maximize the variation in the sample based on student enrollment in educational alternatives. The ratio of charter to traditional public school students was used to establish if a district has low, medium, or high charter enrollment, or the district may have no operating charter school. Magnet schools represent another educational opportunity that offers specialized curricula and is also within the public education spectrum. The ratio of magnet to traditional public school students was used to establish if a district has low or high magnet enrollment, or the district may have no operating magnet school. Table 2 shows the matrix of charter and magnet school enrollment that is used to identify school districts that vary on these characteristics. Districts defined as no charter have no operating charter school in the district. Districts defined as low charter have a traditional to charter school enrollment ratio of 100 or more. Districts defined as medium charter have a traditional to charter school enrollment ratio of 22 or more, and districts defined as high charter have a ratio of 13 or less. Districts defined as low magnet have traditional public to magnet school ratios greater than 40; Lincoln and Cumberland counties have choice programs that are not defined as magnet schools in the North Carolina Department of Instruction accountability program. Districts defined as high magnet have traditional to magnet school ratios of less than 10.

In Figures 6 and 7, the counties in North Carolina with magnet and charter schools operating are shaded. There are only nine school districts with magnet programs: the city of Asheville, Cabarrus, Charlotte-Mecklenburg, Durham, Forsyth, Gaston, Guilford, New Hanover, and Wake. The setting, demographics, and geographic distance

from operating charter and magnet schools are also considered when selecting schools within these districts to be included in the interview sample. Each selected district is described later in the chapter. Interview responses are recorded to determine if the school or district is operating at, over, or under capacity. The school's or district's achievement and capacity levels may affect administrators' responses.

In each selected district, the superintendent or a central administration representative was interviewed. In districts with a charter school, two traditional public schools are selected: the school closest to the charter school and within ten miles and a school between eleven and twenty miles away. The schools selected for interviews serve the same grades as the charter school. For Wake County, six schools were selected at all grade spans serving K-12: two elementary, two middle, and two high schools. Wake County has the most operating charter and magnet schools; thus more schools are selected for interview to maximize the variance in the cases selected for this district.

Table 2: Charter and Magnet Enrollment Matrix for District Interview Selections

|   | No Charter      | Low Charter<br>1:100 ratio<br>charter:traditional | Medium Charter<br>1:22 ratio<br>charter:traditional | High Charter<br>1:13<br>charter:traditional |
|---|-----------------|---|---|---|
| No Magnet                                       | Rowan-Salisbury | Robeson   | Union   | Pamlico                                     |
| Low Magnet<br>1:40 ratio<br>Magnet:traditional  | Caldwell        | Cumberland  | New Hanover   | Lincoln                                     |
| High Magnet<br>1:10 ratio<br>Magnet:traditional | None            | Asheville City                                    | Wake  | Durham                                      |

Qualitative data was gathered through telephone interviews with school officials. In each district selected for interviews, the superintendent was contacted by email requesting an interview and that he or she contacts principals at selected schools and asks them to participate in the school-level interviews. A copy of the email sent to superintendents, a list of administrator interview questions, and the telephone protocol for contacting all administrators are included in the Appendix. Some questions are designed to offer specific choices from which the interviewee can select an answer. These questions provide structure to responses and a framework for identifying patterns in the qualitative data (Patton 2002). Other questions are open-ended and are designed to elicit descriptive information about perceptions of increased public school competition with charter schools.

Figure 6: North Carolina County Map- Magnet Schools Identified



Figure 7: North Carolina County Map- Charter Schools Identified



#### 4.5 District and School Profiles

The information in the school profiles below was accessed from the NC Department of Public Instruction website on June 15, 2008 ([www.ncpublicschools.org](http://www.ncpublicschools.org)). The charter school information is from the 2007-08 list of North Carolina charter schools and the traditional public school statistics are from the North Carolina Public Schools Statistical Profile 2007.

##### High Charter/No Magnet Enrollment District

Pamlico County Schools has a high charter enrollment, with approximately one charter student for every four students enrolled in traditional public schools. This rural district served 1,542 students in 2006-07. The student demographics are as follows: 66.5% White, and 31% African American. This district has four schools, none serving overlapping grades: primary, elementary, middle, and high. The district met 35 of 36 AYP goals in 2006-07. In 2007-08 Arapahoe Charter School served 347 students in grades K-8 and has been open since 1997. Two traditional public schools selected for interview serve grades 3-5 and 6-8 respectively. Both schools are located within ten miles of the charter school.

##### Medium Charter/No Magnet Enrollment District

Union County Schools has medium charter enrollment, with 1 charter student for every 38 students enrolled in traditional public schools. The district had a 2006-07 traditional public school population of 34,240. The student demographics are as follows: 71% White, 17.7% African American, 10.6% Hispanic, 1.3% Asian, and .3% Native American. The school district is suburban, adjacent to Charlotte, NC. In 2006-07, the district met 58 of 67 AYP goals. During the 2007-08 school year, Union Academy



charter school served 901 students in grades K-11. The charter school opened in 2000. The traditional public school to charter enrollment ratio is 38. Traditional public schools selected for interviews are middle schools located 2.6 and 10.6 miles from the charter school.

#### Low Charter/No Magnet Enrollment District

Robeson County Schools has low charter enrollment, with approximately 1 charter student for every 226 students enrolled in traditional public schools. The district served 24, 213 students in 2006-07. The student demographics are as follows: 43.4% Native American, 30% African American, 18.5% White, 7.5% Hispanic, and .52% Asian. The Robeson County school district is suburban, borders South Carolina and is located in the southeast part of the state. During the 2006-07 school year, the district met 45 of 68 AYP goals. In Robeson County, Communities in Schools or CIS Academy is the charter school and it opened in 1997. This charter school is unique because it operates under one charter in eighteen locations throughout the county. During the 2007-08 school year, the CIS Academy served 1, 242 students. The traditional public school to charter enrollment ratio is 226.3. Traditional public schools selected for interviews are middle schools located 1.8 miles and 12.6 miles from the main CIS location, which is adjacent to the University of North Carolina at Pembroke campus.

#### No Charter/No Magnet Enrollment District

Rowan-Salisbury Schools has no charter or magnet enrollment. The State Board of Education revoked the charter for Rowan Academy and the school closed on February 7, 2006 (NC Charter School Advisory Committee meeting minutes, March 9, 2006). The student demographics are as follows: 67.4% White, 23% African American, 8%

Hispanic, 1.3% Asian, and .3% Native American. The Rowan-Salisbury school district is centrally located in the piedmont area of the state. It is suburban, located between Charlotte and Greensboro, NC. During 2006-07, the school district met 50 of 66 AYP goals. Elementary schools are selected for interview based on the geographic distance from the closed charter school, and are located 1.7 and 10.5 miles away.

#### High Charter/Low Magnet Enrollment District

Lincoln County Schools had a 2006-07 enrollment of 12,075 students. The student demographics are as follows: 80.7% White, 9.6% African American, 8.9% Hispanic, .5% Asian, and .3% Native American. The school district operates a vocational magnet school. Students may elect to take career/technical courses for part of the school day in this choice program but also attend academic courses at traditional high schools. In 2006-07, the school district met 54 of 58 AYP goals. The traditional public school to charter enrollment ratio is 12.43. During 2007-08, Lincoln Charter School enrolled 917 students in grades K-12. The school opened in 1998. High schools selected for interview are located 2.8 and 14.7 miles from the charter school and 12.3 and 1.0 miles from the vocational school respectively. The county has a vocational school and is similar to a magnet school because it offers specialized career/technical curricula options. Students are dually enrolled in both the traditional public schools and attend the vocational school for career and technical courses only.

#### Medium Charter/Low Magnet Enrollment District

New Hanover County Schools is an urban district in eastern NC and serves the central city, Wilmington, NC. In 2006-07, the traditional school district enrolled 24, 089 students. The student demographics are as follows: 63.8% White, 29.3% African

American, 5.1% Hispanic, 1.4% Asian, and .4% Native American. In 2006-07, the school district met 51 of 64 AYP goals. There are two charter schools. Wilmington Preparatory opened in 2007 to serve grades K-4, and enrolled 72 students in the 2007-08 school year. Cape Fear Center for Inquiry opened in 2000 to serve grades K-8, and enrolled 355 students in the 2007-08 school year. Wilmington also has one elementary magnet school. Schools selected for interview are located 1.0 and 7.3 miles from the Cape Fear Center for Inquiry and 2.2 and 7.7 miles from Gregory Elementary Magnet school. The traditional public school to charter enrollment ratio is 56.4 and the traditional public school to magnet enrollment ratio is 42.

#### Low Charter/Low Magnet Enrollment District

Cumberland County is an urban school district with a 2006-07 enrollment of 53,079 students; it is the fourth largest district in North Carolina. Cumberland County is home to Fort Bragg and has a high population of military families. The student demographics are as follows: 52% African American, 37.7% White, 6.7% Hispanic, 1.7% Asian, and 1.9% Native American. In 2006-07, the school district met 66 of 81 performance targets for Adequate Yearly Progress. Cumberland County is located in eastern North Carolina. Cumberland County did not have any identified magnet schools according to the NC Department of Education website, yet there are governed choice options available in the 2008-09 school year. In 2007-08, there was one operating charter school, Alpha Academy, serving 182 students in grades K-8. The traditional public school to charter enrollment ratio is 291.6. The two middle schools selected for interview are 3.3 and 11.4 miles from Alpha Academy.

#### No Charter/Low Magnet Enrollment District

Caldwell County Schools is a suburban school district with a 2006-07 enrollment of 13,112 students. Caldwell County is located in western North Carolina. The student demographics are as follows: 84.62% White, 9.28% African American, 5.21% Hispanic, .77% Asian, and .13% Native American. The traditional public school to magnet enrollment ratio is 374. During the 2006-07 school year, the district met 48 of 56 AYP goals. It is the only school district that has an operating magnet school but no charter school. Schools are selected for interview based on distance from the Career Center High School. This high school opened in August 2006. It is classified as a vocational high school on the North Carolina Report Card despite having students enrolled for the full school day and taking all courses, academic and career/technical, at the school. Two of the three traditional high schools are selected for interview; all of the traditional high schools are less than ten miles from the magnet school.

#### Medium Charter/Medium Magnet Enrollment District

Wake County Schools is an urban school district with an enrollment of 128,072 students in 2006-07. It has a relatively high charter enrollment with approximately 1 charter student for every 22 students enrolled in traditional public schools. This school district also has the most charter schools, 13. There are 49 magnet schools in this district, second only to the Charlotte-Mecklenburg school system. The student demographics are as follows: 53.8% White, 30.7% African American, 10.2% Hispanic, 5% Asian, and .3% Native American. The Wake County school district is located in the northeastern part of the state. The traditional public school to charter enrollment ratio is 22.35 and the traditional public school to magnet enrollment ratio is 3. In 2006-07, the district met 67

of 76 AYP goals. Wake County includes the state capital, Raleigh, NC, and is in close proximity to major research universities including Duke University, the University of North Carolina at Chapel Hill and North Carolina State University. Six schools are selected for interviews, two elementary, two middle, and two high schools.

All six schools are selected based on their geographic distance from Franklin Academy and are varying distances from different magnet schools. This charter school opened in 1998, serves all grades K-12, and has the largest charter enrollment of any charter school in the district or state. In the 2007-08 school year, the school's enrollment was 1,145. One of the elementary and one of the middle schools selected in Wake County are magnet schools to explore any differences in perceived competition from administrators of a magnet program. Selected elementary schools are 4.3 and 11.1 miles from the charter school; the closer elementary school is also 2.2 miles from a magnet school. The middle schools are 1.5 and 11.7 miles from Franklin Academy and the closer school is also 2.1 miles from a magnet school. The two high schools selected for interviews are 4.6 and 11.3 miles from Franklin Academy; and are 11.8 and 2.6 miles from an operating magnet school.

#### High Charter/High Magnet Enrollment District

Durham Public Schools is an urban school district neighboring Wake County Schools. The Durham Public School system enrolled 31,666 students during the 2006-07 school year. There are eight charter schools and seven magnet schools operating in this district. The student demographics are as follows: 57.5% African American, 15.5% Hispanic, 11.6% White, 2.4% Asian, and .2% Native American. In 2006-07, the school district met 49 of 73 AYP goals. The traditional public to charter school enrollment ratio

is 12.6 and the traditional public school to magnet enrollment ratio is 8.8. Schools are selected for interview based on their proximity to Kestrel Heights Charter School.

Kestrel Heights is one of only two charter schools in the state that serve grades 6-12; all other schools focus on all grade levels (K-12) or focus on a specific grade span: elementary, middle, or high school. The selected middle schools were .6 and 13.1 miles from the charter school and 4.2 and 8.3 miles from the closest magnet school.

#### Low Charter/High Magnet Enrollment District

Asheville City Schools is a small school district but serves a central city, Asheville. This district is unique in that all of its elementary schools are magnet schools. Also, this district operates within the surrounding Buncombe County School district. In 2006-07, Asheville City Schools served 3,818 students and the district met 43 of 48 AYP goals. The student demographics are as follows: 50.7% White, 42.4% African American, 5.1% Hispanic, 1.7% Asian, and .2% Native American. There are three charter schools operating in the Buncombe County area, but only one charter school is located within the Asheville City Schools district. The Francine Delany New School for Children opened in 1997 and serves grades K-8. In 2007-08, this charter school enrolled 143 students. The traditional public school to charter enrollment ratio is 26.7. Two elementary schools were selected for interview and are located .5 and 4.7 miles from the charter school.

#### No Charter/High Magnet Enrollment District

None of the school districts in North Carolina exhibit these characteristics. All districts with one or more magnet school(s) also have one or more charter school with the exception of Caldwell County described earlier. Also, only nine school districts operate

magnet schools during the 2006-07 school year; thus no medium magnet enrollment category is used. Identification of magnet schools in this research is taken from the 2006-07 NC School Report Cards linked on the Department of Public Instruction website ([www.ncreportcards.org/src](http://www.ncreportcards.org/src)). Some districts provide themed curricula at traditional public schools or allow transfer to schools within the district to accommodate school choice.

#### 4.6 Procedures for Analysis of Data

Survey data are collected from district and school-level traditional public school administrators via SurveyShare. The survey data are disaggregated for comparisons between school and district-level administrators. The survey results provide a summary of administrator perceptions of competition in K-12 public education. The SurveyShare system preserves the anonymity of the respondent and does not allow for identifiers to be associated with responses.

Survey responses are tested to determine if survey respondents differed systemically from the larger population of school and district-level administrators in the state with regard to school, district, or administrator demographic characteristics. Comparisons between the responses received and the overall demographics of the population affect the generalizability of the results of the quantitative research. Descriptive statistics including frequency distributions and cross-tabs between independent variables (magnet school, geographic distance, and administrator characteristics) and perceptions of competition in different educational categories (autonomy, finance, and strategic planning) were also completed. Cross tabulations are appropriate to use with categorical data such as that collected by the administrator survey

(McNabb 2004). The cross tabulations include the number of responses for each cell and the percentage of respondents. Total percentages are also included. A chi square analysis is used as a standard for deciding if the two variables in the cross tabulation are statistically independent (McNabb 2004). For each hypothesis, a cross tabulation is run to test the statement. Statistical significance for all chi-square analyses is set at the .05 level.

Logistic regression is utilized to determine the relationship of the independent variables to the dependent variable, administrators' perceptions of competition. Charter presence is the independent variable of interest for this analysis. This model is used to determine if a causal inference is established between charter school presence in a school district and administrators' perceptions of increased competition. This model includes control variables for administrator level (district or school), district setting (rural, suburban, or urban), administrator perception of autonomy, administrator knowledge about charter schools, and administrator perception of education funding (local, state, federal). The logistic regression model specification is as follows:

$$C = \alpha + \beta + \gamma + \theta + \delta + \sigma + \psi + \varepsilon$$

The dependent variable, C, is the administrator perception of competition and is coded with 1 to represent perception of increasing competition and 0 to represent all other perceptions of competition. In the equation,  $\alpha$ , represents the constant. The administrator variable,  $\beta$ , is coded 0 for school-level administrators and 1 for district-level administrators. The charter presence variable,  $\gamma$ , is coded 1 if a charter school is operating in the district and 0 if no charter school is operating in the district. Two variables for district setting,  $\theta$ , are included in the model; the rural variable codes rural districts as 1, all others as 0; the urban variable codes urban districts as 1, all others as 0.



Suburban is the comparison variable and is not included in the model. The perceived autonomy variable,  $\delta$ , is coded as 1 if the administrator perceives that charter schools have more autonomy, 0 if charter schools have similar or less autonomy. Three variables, one each for federal, state, and local funding sources represent administrator perception of funding. For each variable,  $\sigma$ , if the administrator responded that the funding source has increased or remained the same since charter legislation was enacted, the response is coded as 1; if funding the administrator responded that the funding source has decreased, the response is coded as 0.

Six variables represent the administrator knowledge,  $\psi$ , of charter schools concept. Administrators agreed or disagreed with these statements about charter schools: (1) charter schools are public; (2) charter legislation was enacted after NCLB; (3) charter schools may select only the highest achieving students; (4) charter schools are exempt from NC standardized testing; (5) charter schools are required to have highly qualified teachers; and (6) charter schools receive funding equal to traditional public schools. When administrators answered a statement correctly, the response is coded 1, or when answered incorrectly, the response is coded 0. Lastly, the equation includes,  $\epsilon$ , a random error term.

The interview data are triangulated with the analysis of school administrators' perceptions of public education competition, in order to explore perceptions of charter school innovation and to identify opportunities for collaboration among charter and traditional public schools. The use of survey and interview methods enhances the analysis and interpretation of the data. The research design includes a survey, which encompasses the entire population of NC public school administrators, a large N study,

and interviews to include administrators' observations that may be missed by a survey tool. Qualitative research adds the nuances and the real world applicability that may be missing in the standardization of quantitative research. The methods work in tandem to give the most thorough appreciation and analysis of the topic.

The interviews add depth to the survey data. Choosing interviewees using purposeful sampling based on the independent variables facilitates maximum variation in sampling patterns (Patton 2002). This design uses maximum variation sampling, by including principals facing different levels of public school competition from charter and magnet schools (Patton 2002). Also, the interviews allow for analysis of differences in administrator response based on school/district characteristics (magnet school enrollment demographic variation, grade levels taught, school setting) and administrator characteristics (years of experience, gender).

Interviews are transcribed and coded based on themes that emerge in the responses. Interviews are transcribed in a qualitative research program, XSight ([http://www.qsrinternational.com/products\\_xsight.aspx](http://www.qsrinternational.com/products_xsight.aspx)). This program allows the researcher to tag statements and organize them by identifiers. For example, the researcher classifies administrators' statements about charter schools as perceived competitiveness and distance from a charter school. These tags facilitate identifying themes in the data and making comparisons between administrators' perceptions. After the coding process, the researcher matches patterns in the qualitative data to quantitative data. Also, any elaboration in the interview process that was not covered in the survey questions is noted and may be used to build future surveys of administrator perceptions of competition in public K-12 education.

## CHAPTER 5: FINDINGS OF THE STUDY

### Description of the Sample

Six hundred and three responses were recorded from the 2,418 surveys sent to school and district-level administrators, yielding an overall twenty five percent response rate. Six respondents declined consent and did not complete the full survey, resulting in 597 valid responses. Table 3 shows the disaggregation of administrator responses and response rates. The SurveyShare system provides a list of survey respondents' email addresses that is not associated with their actual survey responses. This ensures that a respondent did not answer the survey twice and also allows a follow up email to be sent to those who do not respond. School systems use the system name or an abbreviation for all administrator email addresses. The researcher uses this information to determine the school districts represented in the survey. Sixteen administrators provide personal email addresses when responding to the survey and therefore cannot be classified. Of the 115 North Carolina school districts, only nine districts had no administrator, school or district-level, and responses to the survey. Seven of these districts are rural and two of these districts are city school districts operating separate from the county school district. These small districts represent 2.5% of the total interview sample. Administrators received three email requests to complete the survey; the first from State Superintendent June Atkinsons' office, and two follow-up requests from the researcher.

Table 3: Profile of Respondents to the Charter School Survey

|                       | <u>School-level<br/>Administrators</u> | <u>District-level<br/>Administrators</u> | <u>All<br/>Administrators</u> |
|-----------------------|--|--|-------------------------------|
| Sample Size           | 2303                                   | 115                                      | 2418                          |
| Number of Respondents | 558                                    | 39                                       | 597                           |
| Response Rate         | 24%                                    | 34%                                      | 25%                           |

The chi square test is a reliable method for assessing the association between variables (McNabb 2004). Tables 34-36 in the Appendix provide the data used for these district comparisons including number of survey responses, charter schools, traditional public schools, and magnet schools. The number of traditional public schools and magnet schools are taken from 2006-07 NC Report Cards for school districts. The number of charter schools is obtained from the charter school directory on the Department of Public Instruction Website ([www.ncpublicschools.org](http://www.ncpublicschools.org), accessed June 5, 2008). Table 4 lists the variables in the cross tabulation, chi square value, degrees of freedom and significance level. A chi square test of the cross tabulation between number of survey responses per school district and the district setting (rural, suburban, or urban) is significant. The proportion of survey responses returned varies significantly by the setting of the school district. Statistical analysis of the cross tabulation between the number of charter schools in a district and the number of survey responses also yields a significant chi square value. Finally, the chi square statistic of the cross tabulation of the number of public schools and the number of survey responses is significant. Thus, the survey responses returned vary significantly by charter school presence and the size of the school district as measured by the number of schools.

Table 4: Chi square statistics for cross tabulations of survey responses, number of charter schools, number of traditional public schools, and number of magnet schools

| Cross tabulation                                       | Chi-squared | Df  |
|--|-------------|-----|
| # survey respondents *<br>District setting             | 99.256 *    | 38  |
| # survey respondents *<br># charter schools            | 530.898 *   | 160 |
| # survey respondents *<br># traditional public schools | 1473.647 *  | 840 |
| # survey respondents *<br># magnet schools             | 423.233 *   | 114 |

N = 597      \* p<.001

Table 5 below lists the number of respondents in each category: administrator level, district setting, grade spans of represented schools, and charter presence in districts. Figures 8-11 show pie charts depicting the percentage of each characteristic represented in the survey. Percentages are calculated using the total number of valid responses, 597. Demographic information of the school districts in North Carolina including the number of schools and student enrollment in traditional public, magnet, and charter for each district, and the number of survey responses per district are included in tables 34-36 in the Appendix. Tables are separated by setting: urban, suburban, or rural. Figure 12 shows a graphical presentation of administrators' perceptions of their school or district setting.

Table 5: Characteristics of respondents, districts, and schools

| Characteristics                         | N   |
|---|-----|
| District-level Administrators           | 39  |
| School-level Administrators             | 555 |
| Total                                   | 597 |
| Rural District Setting                  | 350 |
| Urban District Setting                  | 138 |
| Suburban District Setting               | 96  |
| No Response                             | 13  |
| Total                                   | 597 |
| Elementary School Setting               | 324 |
| Middle School Setting                   | 111 |
| High School Setting                     | 123 |
| No Response (district administrators)   | 39  |
| Total                                   | 597 |
| Charter school operating in district    | 370 |
| No charter school operating in district | 191 |
| No Response                             | 36  |
| Total                                   | 597 |

Figure 8: Administrator level

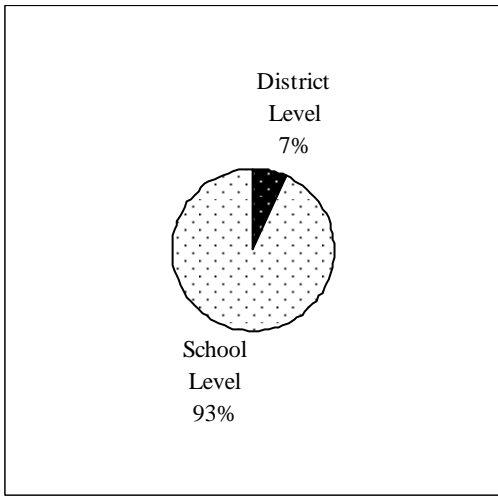


Figure 9: District setting

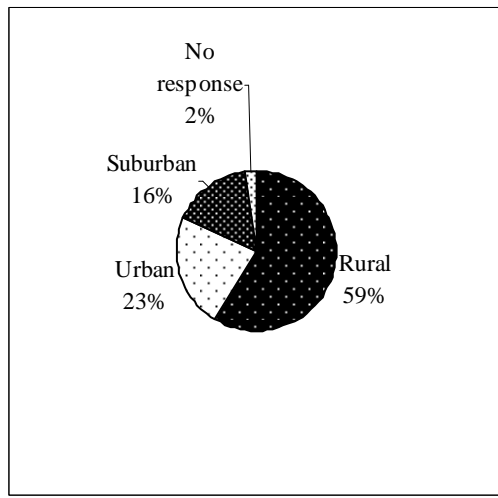


Figure 10: School grade spans

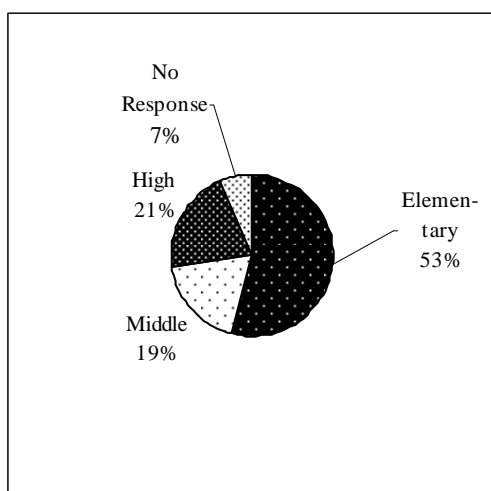
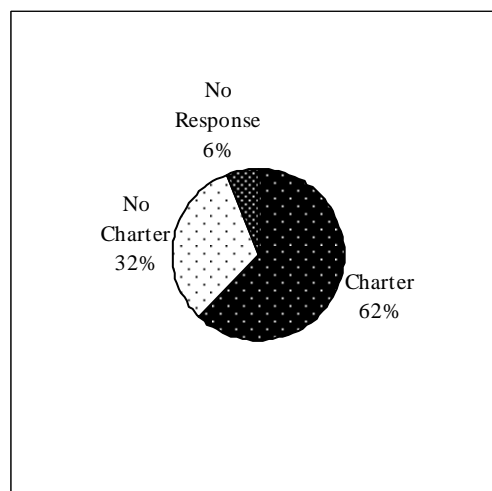


Figure 11: Charter presence in district

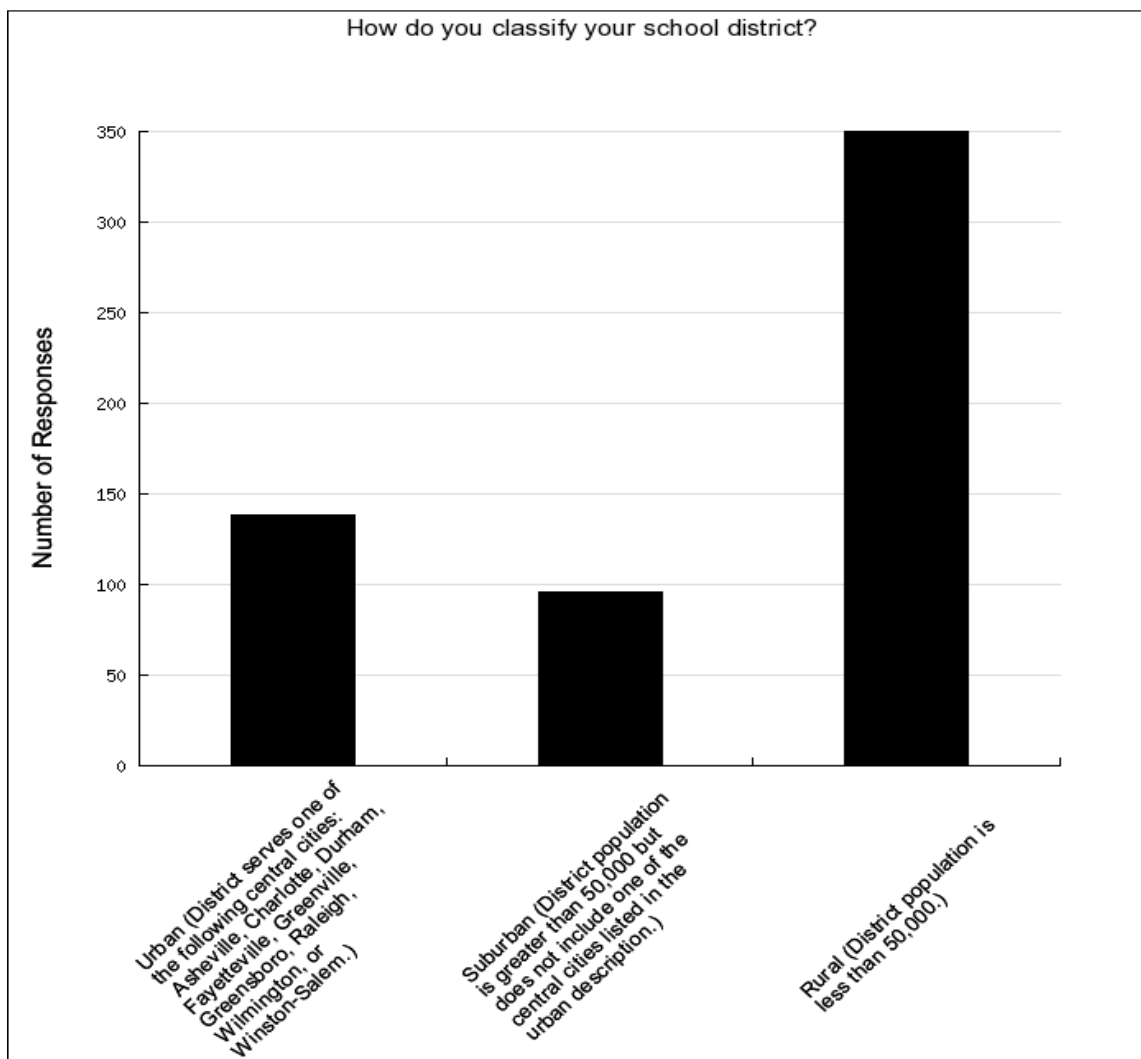


In 2006, the North Carolina State Board of Education Ad Hoc Committee on School Administration published a report on school administration. This report contains demographic information on school principals in North Carolina. Statistics from this report are used to compare age, gender and experience level of all North Carolina school-level administrators to age and gender of school-level administrator respondents to this survey. The information is presented in Table 6. The age and gender of respondents closely reflect the characteristics for all principals in the state.

Table 6: Demographics of survey respondents compared to all North Carolina traditional public school principals

| <u>Characteristic</u> | <u>% Respondents</u> | <u>% NC Principals</u> |
|-----------------------|----------------------|------------------------|
| <u>Age</u>            |                      |                        |
| <49                   | 56%                  | 52%                    |
| 50+                   | 44%                  | 48%                    |
| <u>Gender</u>         |                      |                        |
| Male                  | 42%                  | 44%                    |
| Female                | 58%                  | 56%                    |

Figure 12: Graph of administrators' classification of school district



Finally, survey questions are designed to test each hypothesis. In this chapter, each hypothesis is revisited and the results of the administrators' responses are analyzed to confirm or disconfirm each statement. Responses to interview questions are also included as they relate to the quantitative analysis.

#### Competition Hypotheses

H1a: At least forty percent of school administrators will perceive an increase in competition within public K-12 education since 2001.



Survey responses about administrators' perceptions of competition in education indicate that increased competition is perceived by 48% of all respondents. Only ten percent of school and district-level administrators believe that competition does not exist in their districts and four percent perceive decreasing competition. Results from a chi square analysis of the competition variable compared to the expected 40 percent is shown in Table 7. The number of respondents who answer that competition is increasing is greater than the expected value, 238.8 based on forty percent of respondents perceiving increasing competition. This analysis supports this hypothesis. Figure 13 graphs the statement choices administrators select to reflect their perceptions of competition in their districts.

Table 7: Administrators' perceptions of increasing competition compared to expected 40 percent

|                                      | Observed | Expected | Residual |
|--------------------------------------|----------|----------|----------|
| Increasing competition               | 286      | 238.8    | 47.2     |
| All other perceptions of competition | 311      | 358.2    | -47.2    |
| Total                                | 597      | 597      |          |

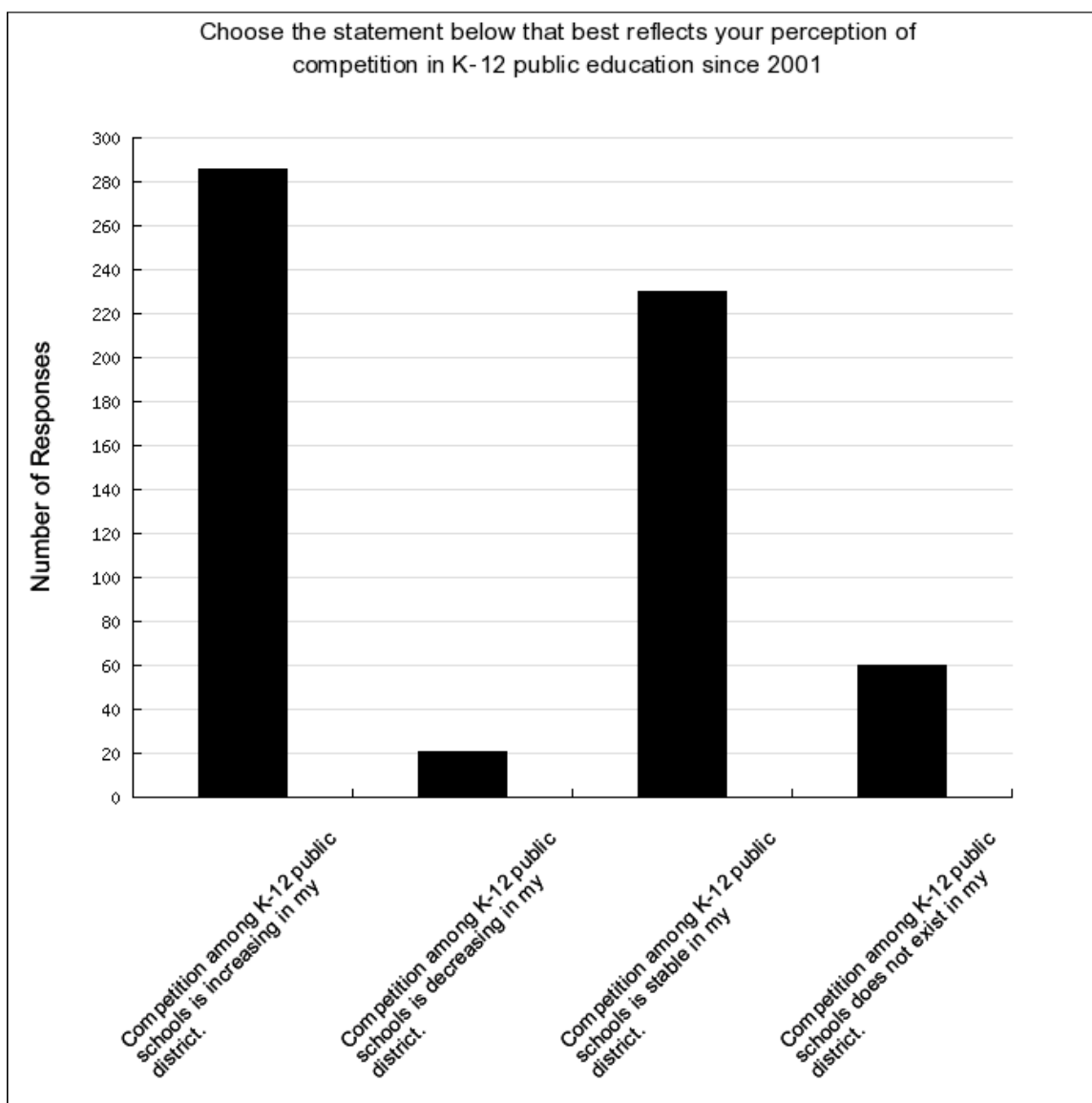
Chi Square 15.549 p .000 df 1

Table 8: Administrators' perceptions of competition in school districts

|                          | School-level Administrators |      | District-level Administrators |      | All Administrators |      |
|--------------------------|-----------------------------|------|-------------------------------|------|--------------------|------|
|                          | N                           | %    | N                             | %    | N                  | %    |
| Competition non-existent | 56                          | 10%  | 4                             | 11 % | 60                 | 10%  |
| Competition decreasing   | 20                          | 4 %  | 1                             | 3%   | 21                 | 4%   |
| Competition stable       | 213                         | 38 % | 17                            | 43%  | 230                | 38%  |
| Competition increasing   | 269                         | 48%  | 17                            | 43%  | 286                | 48%  |
| Total                    | 558                         | 100% | 39                            | 100% | 597                | 100% |

Chi Square .550 p .908 df 3

Figure 13: Graph of administrators' perceptions of competition



H1b: District-level administrators are more likely to perceive an increase in competition within public K-12 education than school-level administrators.

Comparing administrators at the district and school-level, nearly half of respondents report a perceived increase in district competition. Table 8 shows that 90% of all administrators perceive that competition exists in public education and 86% believe it to be stable or increasing. A higher percentage of school-level administrators perceive

competition is increasing compared to district-level administrators. This hypothesis is not supported. Also, the chi square statistic is not significant for this analysis, meaning there is not a statistically significant difference in district and school-level administrators' perceptions of competition.

#### District-level administrators

All eleven of the district-level respondents state that charter schools directly compete with traditional public schools. Six of them add that charter schools increase the choice options for parents. They also support parents having options to best meet their children's educational needs. The district administrators in the medium charter/no magnet, medium charter/low magnet, and high charter/high magnet enrollment categories comment that charter schools represent a small population and thus do not really represent competition to their larger traditional public school systems. Their comments include "probably, technically they do compete but we are overcrowded in our system so it is not a problem;" "overall, yes there is competition but it is negligible at this time in this area...we have more children returning to our schools from charter and private school environments;" and "since we have so many students, we don't feel the impact in a district this large."

#### School-level administrators 0-10 miles from charter school

Administrators at schools located closest to charter schools differ from district-level administrators in their perceptions of competition. Five of these principals agree that charter schools compete with traditional public schools. Principals who recognize charter competition vary in terms of charter and magnet enrollment and in size of the school district. The largest and smallest districts in the interview sample are represented

in the following comments. Some principals qualify their statement of perceived competition with comments such as “yes there is competition in terms of dollars” in the low charter/no magnet enrollment district; “yes they are a competitor but not a balanced competitor because their student population isn’t diverse” in the high charter/no magnet enrollment district; “a low degree of competition, depends on where the charter school is located and the success of the feeder school” in the high charter/high magnet enrollment district; and, “yes, they are pretty full, have a waiting list, and people probably want more” in the medium charter/no magnet enrollment district.

Those school-level administrators located within ten miles of a charter school who do not perceive competition from charter schools comment: “I don’t sense a competition, I don’t look at their scores for comparison;” “there isn’t much talk about charter schools at all;” “I don’t see it as competition, just another avenue to reach kids.” Three school-level administrators echo this last statement of viewing charters as another choice for children and families.

School-level administrators 11-20 miles from charter school

Principals in schools located farther away from operating charter schools are less inclined to view charter schools as a source of competition. Seven of ten principals do not perceive charter schools as competition for traditional public schools. The three respondents who perceive charter school competition all qualify their statements in the following ways: “it depends on the focus of the charter...and if it is meeting the needs of a different target population;” “depends on the charter’s mission statement;” and, “yes, somewhat but they are teaching different students.” The common theme in each of the qualifications is that the charter schools are meeting the needs of a specialized population

of students and thus the administrators are less likely to see the schools as sources of competition for the majority of students in their schools.

The interview responses show that district-level administrators are more likely to perceive competition from charter schools. There is less agreement about the existence of charter school competition among the school-level administrators. Furthermore, geographic distance from an operating charter school makes a difference in perceptions of competition. Overall, school-level administrators in schools located more than ten miles away from an operating charter school are less likely to perceive competition than administrators in schools in closer proximity to a charter school.

H1c: Administrators in districts where a charter school is operating are more likely to perceive increasing competition within public K-12 education than administrators in districts where no charter school is operating.

The survey responses show that a higher percentage of administrators in districts where a charter school is operating believe that competition is increasing. Also, administrators in districts with no charter school are less likely to perceive that competition exists within the district. Table 9 presents administrators responses to statements describing the state of competition in their districts, disaggregated by the existence of charter schools in the district. This hypothesis is supported by the survey responses. The chi square statistic is significant at the .01 level.

Table 9: Administrators' perceptions of competition by status of an operating charter school in the district

|                          | Charter is not operating |      | Unsure whether charter is operating in district |      | Charter is operating in district |      | Total |      |
|--------------------------|--------------------------|------|---|------|----------------------------------|------|-------|------|
|                          | N                        | %    | N   | %    | N                                | %    | N     | %    |
| Competition non-existent | 35                       | 18%  | 5   | 14%  | 20                               | 5%   | 60    | 10%  |
| Competition decreasing   | 6                        | 3%   | 0   | 0    | 15                               | 4%   | 21    | 4%   |
| Competition stable       | 71                       | 37%  | 16  | 44%  | 143                              | 39%  | 230   | 38%  |
| Competition increasing   | 79                       | 42%  | 15  | 42%  | 192                              | 52%  | 286   | 48%  |
| Total                    | 191                      | 100% | 36  | 100% | 370                              | 100% | 597   | 100% |

Chi Square 26.775 p .000 df 6

H1d: Administrators in districts where a charter school has been discussed but not currently operating are more likely to perceive increasing competition within public K-12 education, than administrators in districts where no charter school has been discussed.

Consistent with the results that an operating charter school in the district is correlated with a higher percentage of administrators' perceptions of increasing competition, the same holds true if a charter school has been discussed but has not been opened in the district. The results from this cross-tabulation, presented in Table 10, may be less reliable than the comparison of administrators in districts where charter schools are or are not operating. It is important to note that the concept of "charter school discussion" was not clearly operationalized in the questionnaire. Thus the administrators may have interpreted the meaning of this concept differently. Table 10 provides the

responses given by administrators. The chi square significance must be interpreted with caution because the data does not have construct validity.

Table 10: Administrators' perceptions of competition by status of discussion of operating a charter school in the district

|                          | No charter discussion in district |      | Unsure if charter discussed in district |      | Charter discussion in district |      | No Response |      | Total |      |
|--------------------------|-----------------------------------|------|---|------|--------------------------------|------|-------------|------|-------|------|
|                          | N                                 | %    | N                                       | %    | N                              | %    | N           | %    | N     | %    |
| Competition non-existent | 56                                | 12%  | 3                                       | 5%   | 1                              | 2%   | 0           | 0    | 60    | 10%  |
| Competition decreasing   | 16                                | 3%   | 0                                       | 0    | 5                              | 7%   | 0           | 0    | 21    | 4%   |
| Competition stable       | 196                               | 41%  | 23                                      | 41%  | 11                             | 16%  | 0           | 0    | 230   | 38%  |
| Competition increasing   | 205                               | 44%  | 30                                      | 54%  | 50                             | 75%  | 1           | 100% | 286   | 48%  |
| Total                    | 473                               | 100% | 56                                      | 100% | 67                             | 100% | 1           | 100% | 597   | 100% |

Chi Square 35.716 p .000 df 9

Triangulation of data through interviews with administrators indicates that school-level administrators (principals) have limited knowledge of charter school offerings or operation in their district. Also, in a later hypothesis, the impact of charter schools on parental involvement is discussed. Most administrators say that parental involvement has not changed in their school district. In fact, eight administrators specifically mention parents transferring students between traditional public and charter schools multiple times during the year. Principals perceive these transfers as reaction to being disgruntled with discipline or administrative decisions at either a traditional public or charter school. Family transfers to charter schools appear to be individual decisions; no pattern is established in interview responses about how or why charter school discussions are raised in communities. Given the limited information about what motivates parents to pursue

charter schools and the perceptions that parental involvement in schools has not changed, it is unclear what basis the administrators are using for quantifying charter school discussions in their districts.

H1e: Administrators will rank charter schools as a greater source of competition than other educational alternatives including private schools, home schools, and magnet schools.

Administrators are asked to rank the sources of competition faced by their schools or districts. Figure 14 graphs the administrators' rankings of different educational alternatives that families may choose rather than attending the traditional public school.

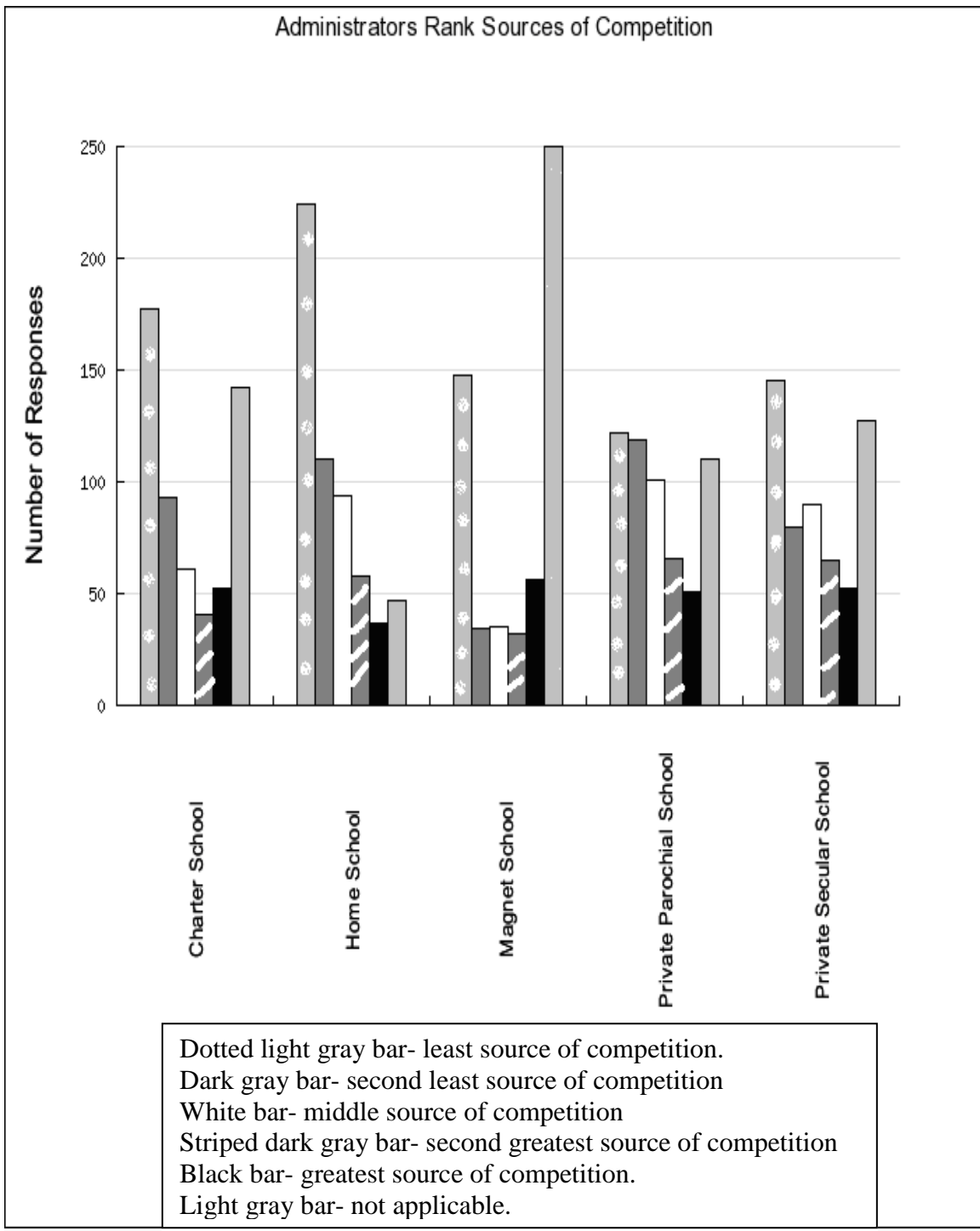
The first group of bars shows administrators' responses to charter schools as a source of competition and they are ranked as the second least source of competition; home schools are ranked as the least. Overall administrators perceive magnet and private school options as greater sources of competition than charter or home schools. The most frequent response for magnet schools is that they are not existent in the district, likely because so few districts have magnet programs. However, magnet schools are ranked nearly equal to all other competitors as the largest source of competition indicates that those districts with magnet schools feel competitive pressure from their presence. In Figure 14, the black bar in each grouping represents how many respondents indicate each educational alternative as the greatest source of competition. The black bar for magnet schools is roughly equal or greater than all other educational alternatives. In districts with magnet schools, administrators perceive them as a very strong educational alternative competing for student enrollment.



### District-level administrators

When asked to identify other sources of competition within their school districts district-level respondents name four of the choices listed on the survey: charter schools, home schools, private parochial and secular schools. None of the district-level administrators mention competition from magnet schools in response to this question. One explanation for magnet schools not being mentioned is that district-level administrators view magnet schools as a boost to academic offerings for students across their districts. Also, both school and district-level administrators may not immediately think of magnet schools as competitors because they are part of the traditional public school system. Private schools, some identified specifically as Christian schools in interviews, are more likely to be noted as the greatest source of competition. District-level administrators also cite home school options more frequently than charter schools. The respondent from the high charter/high magnet enrollment district perceives that private, charter, and home school options are equally represented in the district, but each has small numbers compared to the district enrollment. The high charter/low magnet enrollment district did not discuss his perception of competition fully and did not identify a greatest source of competition.

Figure 14: Graph of administrators' rankings of competition from other educational alternatives



Tables 11, 12 and 13 list the greatest source of competition identified by administrators in the interview. Table 11 reflects the responses of district-level administrators. Tables 12 and 13 include the responses of school principals in schools located at varying distances from an operating charter school. Districts with no charter school are selected based on the distance from a magnet school or a closed charter school.

Table 11: Administrators' interview responses to greatest source of competition

|   | No Charter      | Low Charter<br>1:100 ratio<br>charter:traditional | Medium Charter<br>1:22 ratio<br>charter:traditional | High Charter<br>1:13<br>charter:traditional |
|---|-----------------|---|---|---|
| No Magnet                                       | Private         | Private   | Homeschool  | Charter                                     |
| Low Magnet<br>1:40 ratio<br>Magnet:traditional  | Home/Private    | Private/Christian                                 | Private   | No response                                 |
| High Magnet<br>1:10 ratio<br>Magnet:traditional | Not represented | Homeschool  | Charter   | Equal                                       |

Table 12: School-level administrators 0-10 miles from charter school- responses to greatest source of competition

|   | No Charter      | Low Charter<br>1:100 ratio<br>charter:traditional | Medium Charter<br>1:22 ratio<br>charter:traditional | High Charter<br>1:13<br>charter:traditional |
|---|-----------------|---|---|---|
| No Magnet                                       | No response     | Private   | No response   | Charter                                     |
| Low Magnet<br>1:40 ratio<br>Magnet:traditional  | Private/home    | Private   | Private   | Not represented                             |
| High Magnet<br>1:10 ratio<br>Magnet:traditional | Not represented | Magnet  | Magnet  | Private                                     |

Table 13: School-level administrators 11-20 miles from charter school- response to greatest source of competition

|   | No Charter            | Low Charter<br>1:100 ratio<br>charter:traditional | Medium Charter<br>1:22 ratio<br>charter:traditional | High Charter<br>1:13<br>charter:traditional |
|---|-----------------------|---|---|---|
| No Magnet                                       | Homeschool            | Charter   | Private/religious                                   | Not represented                             |
| Low Magnet<br>1:40 ratio<br>Magnet:traditional  | Private/<br>religious | Private/religious                                 | Private   | No response                                 |
| High Magnet<br>1:10 ratio<br>Magnet:traditional | Not<br>represented    | Private   | Private   | Private                                     |

Another question in the interview asks administrators to convey their perceptions of magnet school competition. Of the eight districts with magnet schools operating, five of the district-level administrators state that competition exists between the traditional and magnet schools in the district. In a district with low magnet enrollment, the administrator comments, “I never hear principals talking about charter schools. It is almost like they don’t exist. But there is discussion about magnet schools with different standards and resources, smaller numbers of students.” Two other respondents express that principals are more concerned about competition with magnets because there is a more direct comparison. Test scores of all the schools in the district are compared in district data analysis and in the media; but charter schools’ test results are usually not included in these comparisons.

The researcher classifies traditional public schools based on their proximity to a magnet school, 0-10 or 11-20 miles away. Three principals state that there are choice programs among many of the schools in their district but no true magnet school program.

Only one school is more than ten miles away from a magnet school, despite varied distances from operating charter schools. The responses from principals did not vary consistently based on the ratio of the magnet to traditional public school enrollment or the distance from an operating magnet school. Principals generally perceive competition from magnet schools but are more likely to state support for this competition. Every principal mentions that magnet schools offer students a different educational opportunity and most elaborate with their support of offering differentiated curricula to meet student needs and interests.

Five of seven principals of traditional curriculum schools located within ten miles of a magnet program believe magnet schools are a source of competition. Two principals mention that the presence of magnet schools motivates them to take extra steps toward improving their schools and extending themselves professionally. One principal states that her school has adopted a global focus, not a true magnet program, but a way to help students make connections to the standard curriculum. Two other principals state that they do not view magnets as competition because students have different needs and they encourage students to seek the education that best matches their interests.

A principal in a no magnet district remarked that there is discussion about opening a program. He does not relate the magnet discussion to competitive pressure from charter schools, but instead sees it as a way to attract enrollment, to boost a school with a negative reputation, and to provide a preferable alternative to redistricting attendance zones. The principal located farthest away from a magnet school does not perceive competition at the middle school where he works. However, he comments that competition with magnet programs among the high schools seems to be much greater.

Another middle school principal describes her concerns about magnet schools based on observations of magnet enrollment at the high school-level. She says, “It is a huge competition, a lot of the best students go there, siphoning off the top students,” and “It is not comparable to traditional schools because there are no discipline problems and students must be on grade level.” Similar to charter schools, the point is clear that comparisons made between traditional and magnet schools are not perceived as fair because of the self-selection of the student population.

#### School Setting Hypotheses

H2a: School-level administrators in rural school districts are more likely to perceive an increase in competition within public K-12 than school-level administrators in suburban school districts.

H2b: School-level administrators in urban school districts are more likely to perceive an increase in competition within public K-12 than school-level administrators in suburban school districts with a charter school operating.

Table 14 shows the administrators’ responses, disaggregated by setting (rural, urban, suburban), to the status of competition in their districts. The data are recoded to create the following variables: increasing competition, rural, urban, and suburban.

Increasing competition and rural are multiplied to create a variable to represent rural administrators who perceive increasing competition. The same process is used to create variables for urban increasing competition and suburban increasing competition. Both the rural and urban increasing competition variables are compared to the suburban increasing competition variable in a cross tabulation to test the school setting hypotheses. The results are presented in Tables 15 and 16.

Table 14: Administrators' perception of competition by district setting

|                          | Urban |      | Suburban |      | Rural |      | No Response |      | Total |      |
|--------------------------|-------|------|----------|------|-------|------|-------------|------|-------|------|
|                          | N     | %    | N        | %    | N     | %    | N           | %    | N     | %    |
| Competition non-existent | 6     | 4%   | 4        | 4%   | 48    | 14%  | 2           | 15%  | 60    | 10%  |
| Competition decreasing   | 4     | 3%   | 2        | 2%   | 15    | 4%   | 0           | 0    | 21    | 4%   |
| Competition stable       | 43    | 31%  | 42       | 44%  | 140   | 40%  | 5           | 38%  | 230   | 38%  |
| Competition increasing   | 85    | 62%  | 48       | 50%  | 147   | 42%  | 6           | 46%  | 286   | 48%  |
| Total                    | 138   | 100% | 96       | 100% | 350   | 100% | 13          | 100% | 597   | 100% |

Chi square 25.434 p .003 df 9

Table 15: Rural increasing competition compared to suburban increasing competition

|   | Suburban competition non-existent, stable or decreasing |      | Suburban competition increasing |      | Total |      |
|---|---|------|---------------------------------|------|-------|------|
|   | N   | %    | N                               | %    | N     | %    |
| Rural competition non-existent, stable, or decreasing | 396   | 73%  | 48                              | 100% | 444   | 75%  |
| Rural competition increasing                          | 147   | 27%  | 0                               | 0    | 147   | 25%  |
| Total   | 543   | 100% | 48                              | 100% | 591   | 100% |

Chi square 17.297 p .000 df 1

Table 16: Urban increasing competition compared to suburban increasing competition

|   | Suburban competition as non-existent, stable or decreasing |      | Suburban competition as increasing |      | Total |      |
|---|--|------|------------------------------------|------|-------|------|
|   | N  | %    | N                                  | %    | N     | %    |
| Urban competition non-existent, stable, or decreasing | 458  | 84%  | 48                                 | 100% | 506   | 86%  |
| Urban competition increasing                          | 85   | 16%  | 0                                  | 0    | 85    | 14%  |
| Total   | 543  | 100% | 48                                 | 100% | 591   | 100% |

Chi square 8.776 p .003 df 1

As expected, rural school districts are less likely to perceive increasing competition from charter schools than suburban school districts. These districts have fewer operating schools and typically have smaller enrollments. When funding for a student goes to a charter school rather than the traditional public schools, the effect is greater in a rural district.

Also, a higher percentage of urban school district administrators report increasing competition compared to both suburban and rural districts. Unlike rural districts, urban districts typically have higher enrollments and may not have as great an effect from loss of funding. However, these districts typically face more competition from more sources including charter schools, magnet schools, home school networks, and private schools.

#### Geographic Distance from Charter School Hypothesis

H3: School-level administrators in schools that are located within 0-10 miles of operating charter schools are more likely to perceive an increase in competition than school-level administrators in schools that are located more than 10 miles from an operating charter school.

As mentioned earlier, geographic distance is important to parents' decisions about selecting a school (Glomm 2005; Hastings 2005). Transportation is often not provided to charter schools and parents differ in their access to student transportation to school. Traditional public schools are assigned by residence and charter schools that are located closer to traditional public schools may be more accessible to families. The survey responses in Table 17 below show the difference in administrators' perceptions of competition disaggregated by geographic distance from an operating charter school. Also, as mentioned in the discussion for hypothesis 1A, interviews confirm that



principals in schools located farther away are less likely to perceive charter competition. Principals of schools located eleven or more miles away from an operating charter school either did not perceive competition or view them as an alternative for a small audience of students.

A limitation to this hypothesis is the selection of a ten mile distance between traditional public school and charter school. Research on public school choice in Charlotte, NC showed that student and parent preferences for school distance were sensitive within a mile difference in distance from the home (Hastings et al. 2005). Using a ten mile distance in this research may underestimate the impact of geographic distance from an operating charter school on principals' perceptions of competition. Principals' perceptions are likely influenced by students' withdrawing from their schools. Reframing this question to ask administrators about competition from charter schools in a closer proximity may reflect greater perceptions of increased competition.

Table 17: Principals' perception of competition by geographic distance from an operating charter school

|                          | 0-10 miles from charter |      | 11-20 miles from charter |      | More than 20 miles from charter |      | Not Applicable (District Admin.) |      | No Response |      | Total |      |
|--------------------------|-------------------------|------|--------------------------|------|---------------------------------|------|----------------------------------|------|-------------|------|-------|------|
|                          | N                       | %    | N                        | %    | N                               | %    | N                                | %    | N           | %    | N     | %    |
| Competition non-existent | 10                      | 5%   | 8                        | 7%   | 2                               | 7%   | 0                                | 0    | 40          | 17%  | 60    | 10%  |
| Competition decreasing   | 8                       | 4%   | 3                        | 2%   | 3                               | 10%  | 0                                | 0    | 7           | 3%   | 21    | 4%   |
| Competition stable       | 67                      | 33%  | 57                       | 48%  | 13                              | 45%  | 4                                | 33%  | 89          | 38%  | 230   | 38%  |
| Competition increasing   | 119                     | 58%  | 52                       | 43%  | 11                              | 38%  | 8                                | 67%  | 96          | 42%  | 286   | 48%  |
| Total                    | 204                     | 100% | 120                      | 100% | 29                              | 100% | 12                               | 100% | 232         | 100% | 597   | 100% |

Chi Square 38.359 p .001 df 12

Table 18: Administrators' perceptions of increasing competition in schools located 10 or fewer miles from an operating charter school compared to administrators' perceptions of increasing competition in schools located more than 10 miles from an operating charter school

|  | Administrators in schools located >10 miles from an operating charter school perceive competition as non-existent, stable or decreasing |      | Administrators in schools located >10 miles from an operating charter school perceive competition as increasing |      | Total |      |
|--|---|------|---|------|-------|------|
|  | N   | %    | N   | %    | N     | %    |
| Administrators in schools located 10 miles or less from an operating charter school perceive competition as non-existent, stable or decreasing | 311   | 72%  | 63  | 100% | 374   | 75%  |
| Administrators in schools located 10 miles or less from an operating charter school perceive competition increasing                            | 119   | 28%  | 0   | 0    | 119   | 25%  |
| Total  | 430   | 100% | 63  | 100% | 493   | 100% |

Chi square 22.982 p .000 df 1

The data are recoded to create the following variables: increasing competition, distance 10 miles or less, and distance greater than 10 miles. Increasing competition and distance 10 miles or less are multiplied to create a variable to represent administrators at schools located within 10 miles of an operating charter school who perceive increasing competition. The same process is used to create a variable for administrators at schools located more than 10 miles of an operating charter school that perceive increasing competition. These variables are cross-tabulated to test the geographic distance

hypothesis. The results are presented in Table 18. This chi square value is significant and this hypothesis is supported.

#### Demographic Hypotheses

H4a: Administrators are more likely to perceive an increase in competition in public K-12 education if they perceive most students who are transferring to charter schools are high achieving students, compared to administrators who perceive that most students who are transferring to charter schools are not high achieving students.

H4b: School-level administrators are more likely to perceive an increase in competition in public K-12 education if they perceive that most students who are transferring to charter schools have highly involved parents, compared to school-level administrators who perceive that most students who are transferring to charter schools do not have highly involved parents.

H4c: School-level administrators are more likely to perceive an increase in competition in public K-12 education if they perceive that the majority of students transferring to charter schools are Anglo, when compared to school-level administrators who perceive that most students who are transferring to charter schools are minorities.

The support for these hypotheses cannot be determined based on information from this survey. The majority of respondents, 535 of 597, skip this question asking them to identify characteristics of students transferring to charter schools. Figure 16 graphs the information provided from those who do respond and shows that these administrators notice when parents with favorable characteristics, high-achieving on standardized tests and active parents, leave to attend charter schools. Also, administrators who respond to this question identify trends when students who are Anglo

or African American leave the school. These two racial categories are the most prevalent in most North Carolina traditional public schools. There are two possible explanations for why administrators do not respond to this question. First, administrators at both the district and school level may track the total numbers of students withdrawing to attend charter schools and other educational alternatives but may not disaggregate the data by student demographics. Second, administrators do not wish to respond to a question about the personal demographics of their students even with assurances of the survey's confidentiality.

Triangulation of data for this hypothesis is accomplished with two interview questions. First, administrators are asked to describe any trends in the demographics of students who transferred or may consider transferring to a charter school. Second, administrators are asked if they notice any changes in parental involvement at their schools since the opening of or discussion about charter schools in their districts.

Administrators use the descriptors listed in Table 19 to identify trends in the characteristics of those students transferring to charter schools. The table lists the descriptors and the number of times the descriptor is mentioned by an administrator. A total of 28 interviews are represented from administrators in schools or districts with charter schools. Some respondents list more than one trend. Also, it is noted if the administrator does not identify trends in the characteristics of transfer students. Eleven administrators do not identify a trend in the demographics of students transferring to charter schools. Also, the responses to this question illustrate one of the problems in charter school research. It is difficult to identify trends in student demographics because some of the charter schools serve a targeted population. For example, some

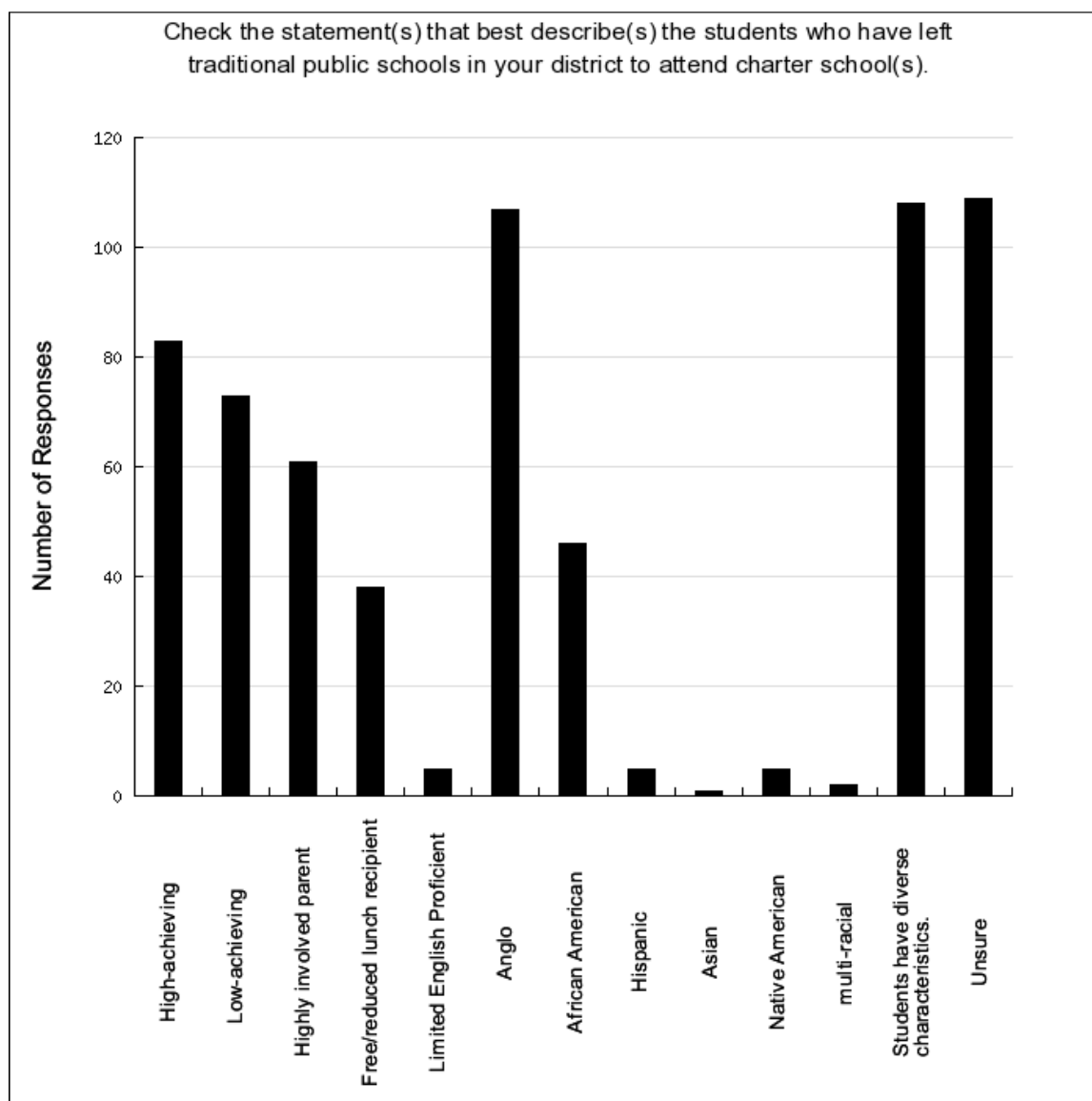
administrators identify students who attend charter schools that offer an ethnocentric theme or a specialized curriculum for at-risk students.

During the interview, five principals mention requiring parental involvement as a specific benefit to charter schools. These administrators emphasize the benefit of increased parental involvement to the success of all students and the importance of parent support for schools. However, when all administrators are asked if the parental involvement in the traditional public school has changed since the opening of charter schools, the majority respond that there is no change. This majority includes eight district-level administrators and all of the principals who are interviewed. Some of the principals comment on the historical activity of their parents: “highly active PTO, parents work two jobs and don’t have time to get involved, great parent support;” but none identify a shift in parent involvement due to some families selecting charter schools. At the district level, one respondent says, “we’ve lost some involved parents but others have stepped up.”

Table 19: Identified characteristics of students transferring to charter schools

| Student characteristic named by administrators | Number of responses |
|--|---------------------|
| No trends identified                           | 11                  |
| Minority                                       | 4                   |
| White  | 6                   |
| High socioeconomic status                      | 8                   |
| Low socioeconomic status                       | 3                   |
| Students who have behavior/academic problems   | 4                   |
| At-risk population                             | 1                   |
| Involved parents                               | 1                   |
| High-achieving                                 | 1                   |

Figure 15: Administrators' perceptions of student characteristics of students who transfer to charter school



### Funding Hypotheses

H5a: The majority of school administrators perceive that federal funding has decreased for traditional public schools since enactment of charter school legislation.

H5b: The majority of school administrators perceive that state funding has decreased for traditional public schools since enactment of charter school legislation.

H5c: The majority of school administrators perceive that local funding has decreased for traditional public schools since enactment of charter school legislation.

Figure 16 shows that more administrators perceive a decrease in federal and state funding since enactment of the charter school legislation. The perception of local funding levels remains largely unchanged during the same time period. The percentage of administrators who perceive a decrease in funding is less than fifty percent for each funding category; thus hypotheses 5a, 5b, and 5c are not supported. Although no hypothesis is made about other funding sources, administrators perceive that funding from other sources, including non-profit agencies, parents, and business partners, has largely remains unchanged. Tables 20 and 21 show all administrators' perceptions of increase, decrease, or no change for the following types of funding: federal, state, or local government, non-profit agencies, businesses, and parents. Some administrators quantify their perceptions for only some of the funding sources.

This data are triangulated through interviews with an open-ended question that asks administrators to reflect on the impact of charter schools on funding without limiting their perceptions to a particular time period. Specifically the interview question asks respondents to comment on the impact of charter schools on lost funding including lost programs, teacher positions, or other resources in his or her school or district. Interview responses show that when asked to directly comment on the impact charter schools have on funding, school principals are less likely to mention negative impacts from lost funding. Interview responses may give a more accurate depiction of administrators' perceptions because the survey question focuses on a time element. Administrators may

perceive that funding has decreased since charter legislation was enacted but may not directly attribute the decreased funding to charter school presence.

Table 20: Administrators' perception of government funding status since charter school legislation was enacted

|                    | Federal Govt. |      | State Govt. |      | Local Govt. |      |
|--------------------|---------------|------|-------------|------|-------------|------|
|                    | N             | %    | N           | %    | N           | %    |
| Perceive decrease  | 243           | 43   | 223         | 40   | 172         | 31   |
| Perceive no change | 217           | 39   | 195         | 35   | 218         | 39   |
| Perceive increase  | 98            | 18   | 140         | 25   | 168         | 30   |
| Total              | 558           | 100% | 558         | 100% | 558         | 100% |

Table 21: Administrators' perception of non-profit, business, parents, and total funding status since charter school legislation was enacted

|                    | Non-profit agencies |      | Businesses |      | Parents |      | Total |      |
|--------------------|---------------------|------|------------|------|---------|------|-------|------|
|                    | N                   | %    | N          | %    | N       | %    | N     | %    |
| Perceive decrease  | 122                 | 23%  | 133        | 24%  | 155     | 28%  | 1048  | 32%  |
| Perceive no change | 354                 | 67%  | 310        | 57%  | 309     | 57%  | 1604  | 48%  |
| Perceive increase  | 60                  | 11%  | 101        | 19%  | 81      | 15%  | 648   | 20%  |
| Total              | 537                 | 100% | 544        | 100% | 545     | 100% | 3300  | 100% |

Funding and the potential effect of lost resources on traditional public schools' ability to provide educational services to students is a concern of charter school detractors. Loss of funding is more consistently recognized among the district-level administrators. Their offices are more directly involved with the transfer of funds to the charter schools. In fact, two large urban districts mention a change in the district policies for distributing funds to charter schools. Administrators in these urban districts notice



that a large number of students are transferring back to traditional public schools after funding for the students has been transferred to the charter school at the beginning of the year. These districts now submit funding to charter schools quarterly based on current enrollment in the charter at that time.

Nine district-level administrators with operating charter schools are interviewed. Two administrators, one with low and one with medium charter enrollment do not perceive loss of funding at this time. Two districts with small traditional public school enrollment and one with medium but fast growing enrollment are most opposed to the loss of funding. They state:

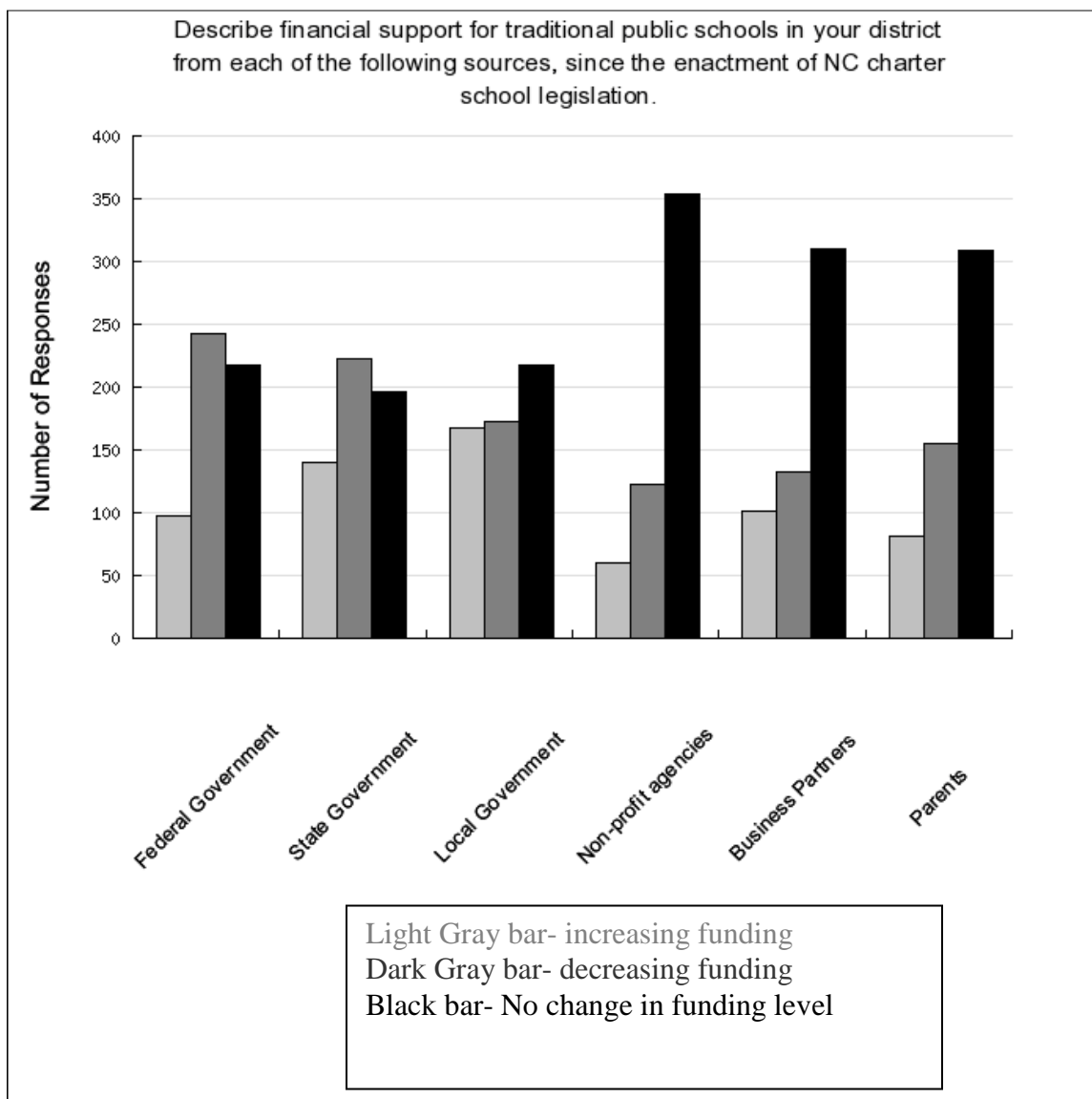
“We’ve adapted to it but loss of membership is loss of money and there has been a consistent loss of membership.” Administrator in a small district with high charter enrollment

“We have to give them several hundred thousand dollars every year; it does impact what we can do and if kids come back to us then the money doesn’t follow.” Administrators in a fast growing district with medium charter enrollment

“Yes we lose money, part of county commissioner funds go to charter schools...teaching positions and local instructional funding have been lost.” Small district with low charter enrollment

Finally, administrators in the large districts comment on lost funding but find it to be negligible at this time. An administrator in an urban, high charter enrollment district says, “We do have funding that goes to charter schools but it is so small relative to the whole;” and an administrator in an urban low charter enrollment district concurs, “our district is large enough that it hasn’t been a significant impact.”

Figure 16: Graph of administrators' perceptions of changes in funding



Principals are much less likely to perceive a loss of funding in their schools. Of the nineteen principals who are interviewed and have charter schools operating in their school districts, only five comment on lost funding or teacher positions. Their comments are as follows:

“I lost 75 kids and it made a difference, I lost an assistant principal position.”  
Administrator in a low charter district located 10-20 miles from a charter school

“Yes, it goes back to numbers, when you lose students you lose ADM (Average Daily Membership) positions or state allotment.” Administrator in a medium charter district 10-20 miles from a charter school

“With loss of students, I lost funds, teacher positions, and Title I funding.” Administrator in a low charter district located 0-10 miles from a charter school

“Yes, enrollment shifted, I lost teacher positions and it is hard to get them back even when class sizes have gotten larger again.” Administrator in a high charter district located 0-10 miles from a charter school

“Yes, there has been lost funding, when the numbers dropped I lost positions. The district has made it clear, we are losing millions to charter schools.” Administrator in a medium charter district located 0-10 miles from a charter

Public relations and communication are keys to soliciting funding from all sources except federal and state governments, which use specific formulas to determine funding levels. Interview questions are included to triangulate data on these concepts. First administrators are asked to identify how charter schools are advertising and communicating with stakeholders. Second, they are asked if there are any changes to their own communication or public relations strategies.

Most administrators identify one or more ways that charter schools are publicizing their educational opportunities. The responses are coded and listed below. Table 22 includes the methods of advertisement used by charter schools and the number of times each response is named by an administrator. A total of 28 interviews represent administrators in schools or districts with operating charter schools. Some respondents list more than one characteristic.

The majority of administrators do not perceive that that any changes in public relations are related to charter schools. This majority includes five district-level administrators, nine principals at schools located 10-20 miles from a charter, and six principals at schools located 11-20 miles from a charter. In those districts where public

relations and communications efforts increased, these strategies are employed: hiring a public relations officer, surveys with parents and community leaders, publicizing results of surveys, setting and publicizing a community goal of 90% on time graduation by 2013. One administrator in an urban high charter enrollment district summarizes the changes in the district, “In the past few years, because of the number of choices parents have, schools are encouraged to have sessions to inform parents about the school’s opportunities. In the past three years, I have been conducting face to face sessions with parents and students about coming to our school, especially if they attended small private or charter schools so they will know what to expect from a large high school.”

Table 22: Methods of charter school advertisement

| Student characteristic named by administrators | Number of responses |
|--|---------------------|
| I don't know                                   | 6                   |
| Newspaper                                      | 13                  |
| Word of mouth                                  | 11                  |
| Charter school website                         | 3                   |
| Flyers   | 3                   |
| Marquee/billboard                              | 3                   |
| Radio ads                                      | 3                   |
| Realtors promote charter schools               | 2                   |
| Phone book                                     | 1                   |
| Rotary/civic clubs                             | 1                   |
| Referrals from school/agency                   | 1                   |

Autonomy Hypothesis

H6: School-level administrators perceive that charter schools have more autonomy than traditional public schools.

The underlying concept for charter schools, the tradeoff of increased autonomy for increased accountability, is widely known and reported in research. Administrators' perceptions reflect this knowledge as 64% of the respondents to this question agree that traditional public schools have more state and federal regulations than charter schools. The chi square statistic for this cross tabulation shows that there is a statistically significant difference in school and district-level administrators' perceptions of autonomy. Table 23 represents administrators' responses to the comparison of regulation between charter and traditional public schools, disaggregated by school or district administrator.

Table 23: Administrators' perceptions of regulation in traditional public schools

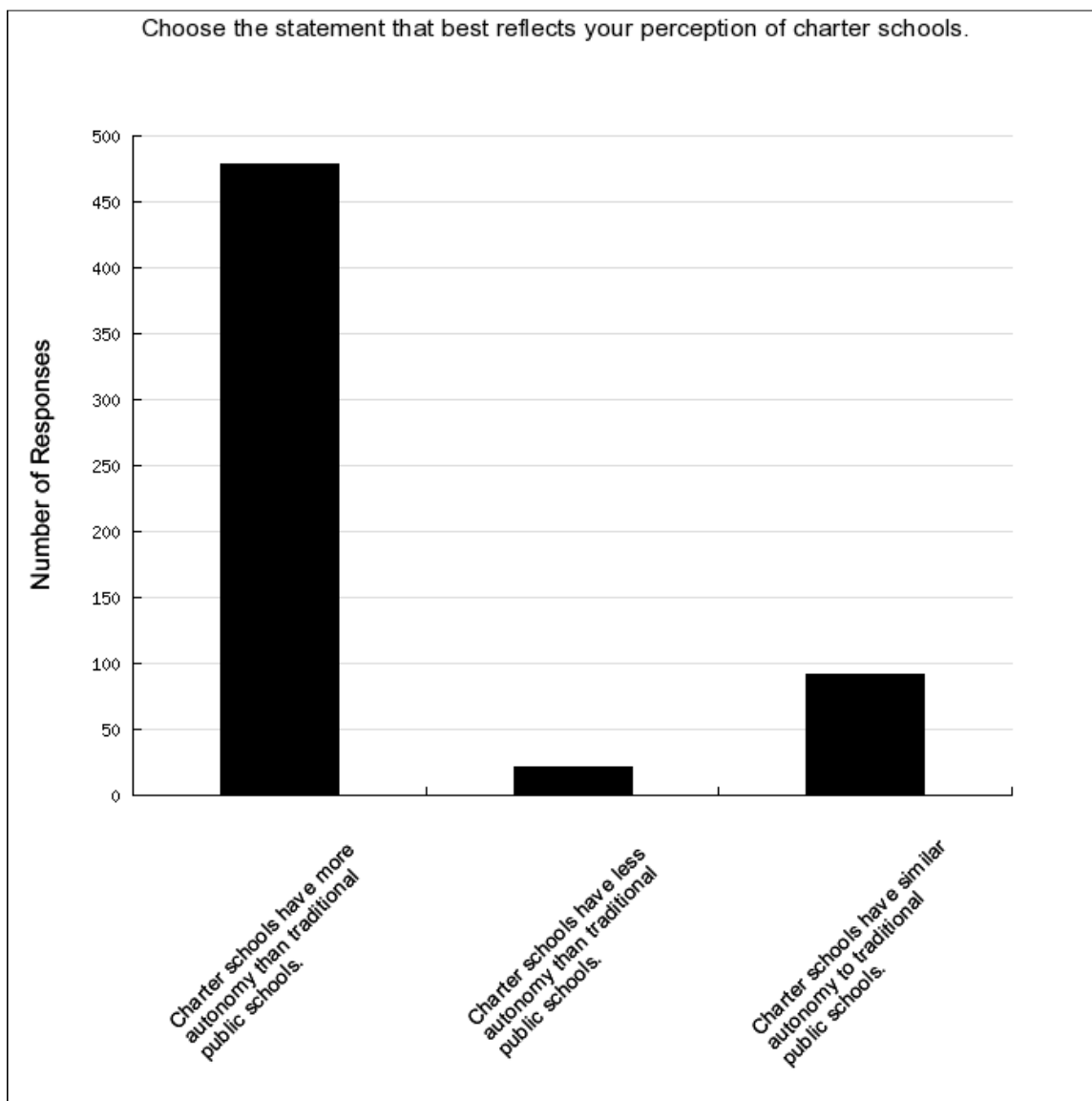
|  | School-level Administrators |      | District-level Administrators |      | All Administrators |      |
|--|-----------------------------|------|-------------------------------|------|--------------------|------|
|  | N                           | %    | N                             | %    | N                  | %    |
| Traditional public schools have less state/federal regulation than charter schools.  | 23                          | 4%   | 4                             | 11%  | 27                 | 5%   |
| Traditional public schools have similar state/federal regulation to charter schools. | 158                         | 30%  | 4                             | 11%  | 162                | 28%  |
| Traditional public schools have more state/federal regulation than charter schools.  | 351                         | 66%  | 30                            | 78%  | 381                | 67%  |
| Total  | 532                         | 100% | 38                            | 100% | 570                | 100% |

Chi Square 8.361 p .015 df 2

District and school-level administrators answer if they characterize charter schools as having more or less state and federal regulations than their schools. Overwhelmingly, the consensus is that charter schools have less state and federal regulations, though the majority of the respondents do not elaborate or give examples of the perceived differences in regulations. Many administrators immediately respond “less” when asked to compare traditional public and charter regulations; but when asked if they can offer examples of regulation differences, they state that it is just their perceptions that charter schools have less regulation. Figure 17 graphs the responses of all administrators to statements about their perceptions of charter schools’ autonomy.

At the district level, five administrators identify teacher certification as a regulation difference because not all charter schoolteachers meet certification requirements. Two administrators comment that some teachers teach at a charter school when they do not meet certification standards, specifically passing the PRAXIS exam. An administrator at a district with no charter schools comments on the fiscal flexibility of charter schools; stating, “they don’t have strict budget categories and so have a freer use of funds, more flexibility in how money is spent.” Finally, an administrator in a high charter enrollment district comments, “The theory is that they (charter school administrators) have more autonomy but imagine this principal having to do everything involved with running the school. He is in a box because he must cover every role from custodian to instructional leader because he has less people and less expertise.” This statement indicates that despite the increased autonomy, the charter school administrator may not have time to be able to develop educational innovations because he or she is spending time with the management and operation of the charter school.

Figure 17: Administrators' perceptions of charter school autonomy



Six school-level administrators mention teacher certification as an example of charter schools having less regulation. Three school-level administrators comment on fiscal autonomy and the charter school administrator's flexibility to spend money more freely without being bound to state contracts and textbooks. Two administrators are very concerned about the flexibility charter schools take in offering services to children with special needs. They comment:

“Charter schools have less regulation, if a student has academic or behavior problems, they put the child out and say you can’t come back, public schools are very limited in disciplinary actions. Also, they do not have full Exceptional Children’s services. If a student is extremely handicapped they must go back to the public schools.” Administrator in a medium charter enrollment district

“They have less regulation. A child who receives special education services can walk into a charter school and be turned away, told to go to the public schools. Parents could go to court to settle it but there is no oversight to prevent it from happening. There is disenfranchisement of exceptional children. I have seen a recommendation to go back to traditional public school to be better served written in a charter school students’ Individualized Education Plan (IEP).” Administrator in a medium charter enrollment district

Another administrator in an urban medium charter enrollment district is very concerned about the lack of oversight and regulation for charter schools. She states, “There should be continual analysis of how charter schools are impacting local communities. The community I am in has a disproportionate amount...we need a limit to the number of charter schools in a particular community. I believe every three years charter schools are supposed to be evaluated but I don’t know if that process is effective, there is no threat of having a charter revoked, and they (charter school administrators) feel very entitled to make any kind of decision they want with no oversight.”

#### Strategic Planning Hypotheses

H7a: Traditional public school administrators with a charter school operating in their districts are more likely to consider charter schools as a factor in strategic planning, compared to administrators in districts where no charter school is operating.

H7b: Traditional public school administrators in districts where a charter school has been discussed are more likely to consider charter schools as a factor in strategic planning, compared to administrators in districts where no charter school has been discussed.

Responses to an earlier survey question asking administrators to rank sources of competition indicate that administrators perceive competition from other educational alternatives but rank charter schools relatively low as a source of competition. The responses to the strategic planning question similarly show that almost no administrators



consider charter schools in strategic planning. Tables 24 and 25 show administrators' responses to survey questions about charter school existence as a factor in strategic planning. Administrators in districts both with and without charter schools are asked to complete this survey question. Administrators in districts where charter schools are not currently operating could potentially use charter school innovations as a model to inform strategic planning for their districts.

Table 24: Use of charter school as a factor in strategic planning by existence of charter school in the district

|  | No charter in district |      | Unsure whether charter is operating in district |      | Charter in district |      | Total |      |
|--|------------------------|------|---|------|---------------------|------|-------|------|
|  | N                      | %    | N   | %    | N                   | %    | N     | %    |
| Charter school existence is not a factor in planning       | 162                    | 85%  | 31  | 86%  | 300                 | 82%  | 493   | 83%  |
| Unsure if charter school existence is a factor in planning | 24                     | 12%  | 4   | 11%  | 33                  | 9%   | 61    | 10%  |
| Charter school existence is a factor in planning           | 5                      | 3%   | 1   | 3%   | 36                  | 9%   | 42    | 7%   |
| Total  | 191                    | 100% | 36  | 100% | 369                 | 100% | 596   | 100% |

Chi Square 11.975 p .018 df 4

Table 25: Use of charter school as a factor in strategic planning by discussion of operating a charter school in the district

|  | No discussion of charter in district |      | Unsure if charter discussed operating in district |      | Charter discussion in district |      | Total |      |
|--|--------------------------------------|------|---|------|--------------------------------|------|-------|------|
|  | N                                    | %    | N   | %    | N                              | %    | N     | %    |
| Charter school existence is not a factor in planning       | 404                                  | 85%  | 49  | 88%  | 40                             | 60%  | 493   | 83%  |
| Unsure if charter school existence is a factor in planning | 46                                   | 10%  | 7   | 12%  | 7                              | 10%  | 60    | 10%  |
| Charter school existence is a factor in planning           | 23                                   | 5%   | 0   | 0    | 19                             | 28%  | 42    | 7%   |
| Total  | 473                                  | 100% | 56  | 100% | 66                             | 100% | 595   | 100% |

Chi Square 56.196 p .000 df 4

In the interviews, administrators are asked if schools or districts have added or changed any programs, policies, or procedures in response to charter schools.

Administrators are also asked to discuss ways charter and traditional public schools might cooperate or collaborate. In general, the responses indicate that administrators do not believe that charter schools are initiating innovations and therefore are not compelled to collaborate or cooperate with charter schools in an effort to glean new ideas.

Administrators do not see potential for learning from reforms made at charter schools or attempting to replicate any of the charter school practices in their schools. Also, there does not seem to be much communication between charter and traditional public schools.

In the interview process, administrators are asked to envision ways to cooperate between traditional and public schools. Below are some responses from district-level administrators:

“Actually, I think if there was innovation, we would certainly want to collaborate or adapt it to our schools. I’m not aware of any innovations except they are small and more personalized. It is like comparing apples and oranges. We are trying to make our big high schools smaller to meet this need.” District-level administrator in an urban district with high charter enrollment

“Yes, I see a possibility for cooperation. Also, our district had considered making a distance learning school into a charter school. I wish we had so it could have been more self-supporting.” District-level administrator in an urban district with low charter enrollment

One administrator in a small district with high charter enrollment has tried collaboration with the local charter school but did not find the charter school to be receptive. He sought to share athletic opportunities at his school with students at the charter school. The district-level administrator states, “We’ve tried cooperation. I went to talk with the directors of the charter school. We have a decent relationship. I offered to let them participate in our athletics and initially they turned us down. When they finally said yes, the season was over.”

“I see opportunities for collaboration such as planning joint programs. However, I don’t see charter schools as really innovating.” District-level administrator in a district with medium charter enrollment

“I’m not aware of innovative programs. I don’t really know what is going on in the charter school.” District-level administrator in a district with medium charter enrollment

“We share with them. We open our staff development opportunities to the teachers.” District-level administrator in a district with low charter enrollment

Almost none of the school-level administrators identify any ways for traditional public and charter schools to collaborate. One administrator in a low charter enrollment district expresses the need for more communication when a student is transitioning to or from a charter school. Another administrator in an urban, medium charter enrollment

district sees cooperation between traditional public and charter schools as an ideal to aspire to if the big hurdle of teacher resentment can be overcome.

Administrators do not perceive that innovation is occurring in charter schools. However, most of the administrators who are interviewed have limited contact with or information about the charter schools in their district. One of the eleven district-level administrators has visited the charter school in his district and one other superintendent has met with the charter school board to discuss cooperation in athletic programming. Four of the district-level administrators know the charter schools are in their districts but are unsure of programming or grades served at the charter schools. Two administrators identify the basic location and target population, at-risk or specialized curriculum, at the local charters. Two administrators discuss the charter schools in their districts in depth including grades served, curriculum, and history of success of the charter schools. All of the administrators correctly identify the percentage of students attending charter schools in their districts. This question is not likely to be an accurate indicator of the administrators' knowledge of the charter school. In the traditional public school districts with medium or high enrollment, the percentage of students attending charter schools is so small that all of the school and district-level administrators accurately predicted 0-5% of students attending charter schools. In the small, rural school district the charter school has such a large impact that the administrators are able to closely estimate the number of students, not just percentage, attending charter school.

Among all school-level administrators with operating charter schools, there is no distinction based on geographic distance in their knowledge about the charter schools in the surrounding areas. However, administrators in districts with low charter enrollment

are not able to describe the programs or grades served in the charter schools. They are aware of a charter school's existence in their districts and correctly identify that a low percentage of students in the area attend charter schools. Administrators in medium and high charter enrollment districts elaborate on the programs and grades served in the local charter schools. Four administrators state that their knowledge of the charter school's program and policies comes from working with students who transferred back to the traditional public schools.

Administrators in districts with operating charter schools are asked if their districts have made any additions or changes to programs, policies, or procedures in response to charter school competition. Six district-level administrators respond that no additions or changes have been made. Two district-level administrators mention changes in marketing and communication with parents and the community at large. They elaborate that this input from parents and community leaders is also used to make sure students' educational needs are being met. Another administrator also describes a "focus on curriculum." She says, "We want to provide something for every child beginning at preschools. We want to provide warm, safe schools, consistent discipline policies, inviting public voice." Finally, an administrator in a low charter/high magnet enrollment district states, "Not necessarily in response to increased competition, but we area always seeking initiatives and programs to target students' needs...magnet school applications are one way to cater to different wishes of students."

School-level administrators echo these responses. Sixteen respond that no additions or changes had been made. Three principals mention an emphasis on marketing

and communication. Two others comment on an emphasis on technology in the classroom and online courses.

One comment incorporates both communication and technology, “I think there has been a big emphasis on websites as communication tools. People moving into the area shop for schools so we need to make sure that our websites are up-to-date and use them as a marketing tool.”

Another principal notes, “There is more data tracking of the number of students who leave to go to private or charter schools. We look at that and there are conversations with the community and superintendent in reference to the issue.”

Lastly, one principal in an urban, medium charter enrollment district notices a move towards more schools of choice at the district level. “The increase in magnet schools may not be overly linked to competition. But there are definitely more themes in our schools: technology, IB, early college high school, medical programs...all designed to attract and retain enrollment.”

The administrator survey also asks respondents to describe charter schools in order to identify which characteristics of charter schools that traditional public school administrators recognize. The descriptor, laboratories for innovative practices, focuses on the innovation component of the charter school legislation. True site-based management is based on the autonomy component of the law. The descriptor, schools that serve a particular population, emphasizes the parent and student choice aspect of charter schools. Finally, competitive public schools, address the idea of competition fostered within the public school arena. Administrators mark all that apply or write in a response. Figure 18 graphs the responses of all administrators’ statement selections to best describe charter schools. In this instance, providing an open-ended question on the survey evokes a wider array of responses than the interview. Perhaps because the survey question is more anonymous and the administrator can type his or her response without saying it aloud, there are many negative descriptors of charter schools.

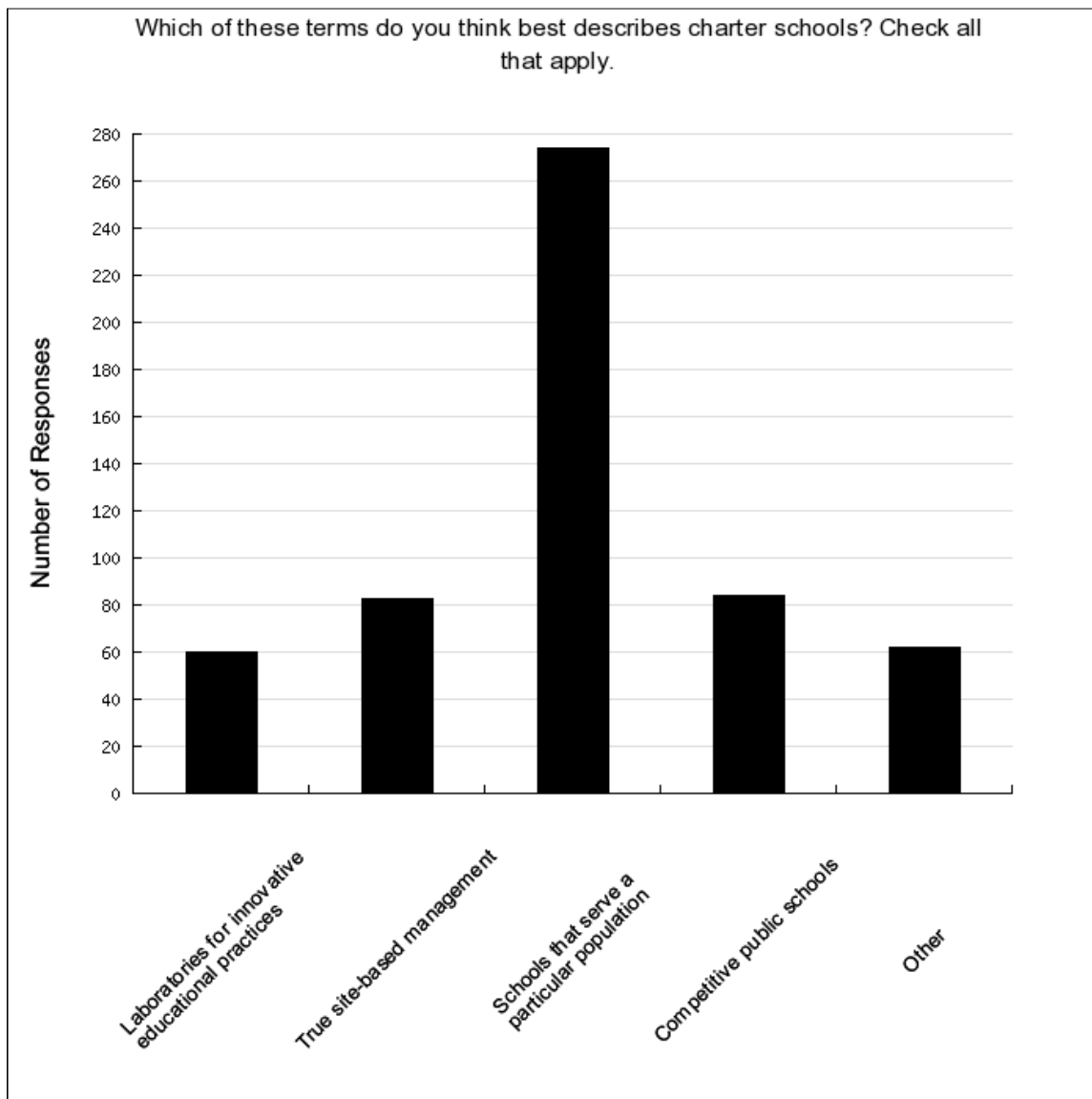
The typed-in survey responses are listed in Table 26. The table includes the description of charter schools and the number of times each response was named by an administrator. A total of 597 valid survey responses are submitted, these comments represent 34 typed in responses to this question.

Table 26: Charter school descriptions added by administrators to survey

| Charter school description  | Number of responses |
|---|---------------------|
| Schools for families who are not pleased in traditional public school settings                                    | 8                   |
| Private schools at public expense   | 7                   |
| A disgrace to public education, poor at best  | 3                   |
| Child-centered, not driven by test scores   | 3                   |
| Special interest groups who seek public funds, serve an elite population  | 3                   |
| Schools for white flight  | 3                   |
| Excellent alternatives for public education   | 3                   |
| Schools with lower standards than public schools and whose staffs are less qualified than those in public schools | 2                   |
| A political concession to prevent vouchers  | 1                   |

The interview question is slightly different, asking administrators to identify the key details in the North Carolina charter school legislation. The responses are coded and presented in Table 27. The table includes the description of charter schools and the number of times each response is identified by an administrator. The total number of interviews is thirty-seven.

Figure 18: Administrators' descriptions of charter schools



The interview responses are aligned with the choices on the survey, despite the two months which elapsed between when the survey and interviews are completed. Innovation, autonomy, school choice/meeting student needs, and competition are all components of the NC charter school law and are all mentioned in the interviews. At the beginning of the interviews, administrators were reminded that the interviews are about



their perceptions; yet thirteen respondents were uncomfortable speculating about the key details, stating they were unfamiliar with the law or do not know.

Table 27: Charter school descriptions given during administrator interviews

| Charter school description                                  | Number of responses |
|---|---------------------|
| I'm not familiar with the law or I don't know               | 13                  |
| Less regulation; more flexibility                           | 7                   |
| Promote school choice                                       | 7                   |
| Respond to student needs                                    | 5                   |
| Specialized curriculum                                      | 2                   |
| Increase competition to encourage public schools to improve | 2                   |
| Confusing to the public about how charters work             | 1                   |

A follow-up question asks administrators to identify pros and cons to charter schools. During these responses, most administrators were more likely to respond rather than saying they were unfamiliar. The identified pros and cons to charter schools are coded and listed in Table 28. The table includes the number of respondents who mentioned each pro or con. Thirty-seven interviews are included.

All administrators who mention choice, label it as a positive result of charter schools. One response captures the essence of the choice responses, "School choice is good, healthy. It increases accountability and improves the educational options for all parents and students." Conversely, some administrators are concerned that charter schools promote segregation. Responses include concerns about segregation by race, class, and ability level. One principal states, "I think it is our upper level students that

leave public schools to go to charter schools. It harms the rest of the students in public schools because you need a mix of students.”

Table 28: Administrators’ interview responses to charter school pros and cons

| Pros                                 |             | Cons                                    |             |
|--------------------------------------|-------------|---|-------------|
|                                      | # responses |   | # responses |
| Flexibility, less regulation         | 6           | Not taking EC or at-risk students       | 2           |
| Parents/students can choose          | 10          | Poor educational space/building         | 2           |
| Helps with overcrowding              | 2           | Too much like private schools           | 2           |
| Parents are more involved            | 2           | Fewer highly qualified teachers         | 4           |
| Specialized curriculum               | 4           | Lack of oversight                       | 5           |
| Smaller class size                   | 3           | Takes funding from public schools       | 7           |
| Encourages public schools to improve | 1           | White flight/elitist/caters to high SES | 6           |
|                                      |             | Poor education/test scores              | 1           |

### Charter School Concept Hypotheses

H8a: District-level administrators will answer questions about NC charter school law more accurately than school-level administrators.

Table 29 gives the breakdown in percentage correct survey responses to statements about charter school legislation, disaggregated by administrator level. The table also gives the chi square analysis comparing administrators’ correct responses.

District-level administrators are more knowledgeable about North Carolina charter school legislation in four of seven categories, including when legislation was enacted relative to No Child Left Behind, charter schools can not have criteria to select the highest achieving students, charter schools are not mandated to meet the same “highly

qualified” teacher requirements, and charter schools have more autonomy than traditional public schools. Correct responses indicate that a high percentage of school and district-level administrators understand that charter schools are public and require North Carolina state standardized tests. One explanation for the difference in responses to funding is how administrators at different levels consider school funding. School-level administrators may consider a more localized accounting of per pupil expenditures. Charter schools do receive equal per pupil funding. District-level administrators may consider additional expenses such as facility, maintenance and transportation costs, which are not mandated to be equal in the legislation. There is also a statistically significant difference in school and district-level administrators’ responses to when charter school legislation was enacted. District-level administrators are more likely to correctly identify that charter school legislation was passed prior to enactment of the federal No Child Left Behind act.

H8b: School administrators in districts with operating charter schools are more knowledgeable about NC charter school law, than school administrators in districts where no charter school is operating.

This hypothesis is not supported. Table 30 gives the breakdown in percentage correct survey responses to statements about charter school legislation, disaggregated by charter school presence in the districts of the responding administrators. The table also gives the chi square analysis comparing administrator responses. The chi square analysis is completed using correct, incorrect, and no responses. Only comparisons of correct responses to charter school statements are shown in this chart.

Table 29: Percentage of correct responses to statements about charter schools by administrators' work settings

| Answer correctly  | School-level Administrators |     | District-level Administrators |     | Chi Square | Df |
|---|-----------------------------|-----|-------------------------------|-----|------------|----|
|   | N                           | %   | N                             | %   |            |    |
| Charter schools are public schools.   | 432                         | 78% | 34                            | 87% | 1.978      | 1  |
| NC charter school law was enacted after NCLB.                                     | 234                         | 42% | 30                            | 79% | 19.573*    | 1  |
| Charter schools may have criteria to select only the highest achieving students.  | 315                         | 56% | 27                            | 69% | 4.787*     | 1  |
| Charter schools are exempt from EOG and/or EOC testing.                           | 429                         | 77% | 30                            | 77% | .100       | 1  |
| Charter schoolteachers are required to meet federal "highly qualified" standards. | 187                         | 34% | 20                            | 51% | 5.043*     | 1  |
| Charter schools receive equal funding to traditional public schools.              | 261                         | 47% | 15                            | 36% | 1.075      | 1  |
| Charter schools have more autonomy than traditional public schools.               | 442                         | 80% | 37                            | 87% | 5.342*     | 1  |

\*  $p < .05$

Administrators in districts with charter schools have a higher percentage of correct responses to three of the seven questions about charter school law than administrators in districts without charter schools operating. Administrators' responses are less accurate when addressing how long charter school legislation has been enacted, charter school funding, selection criteria, and the requirement for teachers to be highly qualified based on No Child Left Behind standards. It is important to know if administrators accurately understand the legislation supporting charter schools. A basic

knowledge of the law is the foundation for understanding how and why charter schools may present competition or offer opportunities for learning about educational innovation.

One of the last questions on the survey asks administrators if there are any characteristics of charter schools they would like to be able to implement in their schools. The responses are coded and listed below. Table 31 lists characteristics administrators would like to replicate in their schools and the number of times each characteristic is mentioned. Also, it is noted if administrators do not specify any characteristics they would like to implement. All thirty-seven respondents that have charter schools in their districts answered this question.

Table 30: Percentage of correct responses to statements about charter schools by existence of an operating charter school in the administrators' district

| Answer correctly   | Charter in district |     | No Charter in district |     | Chi Square | Df |
|--|---------------------|-----|------------------------|-----|------------|----|
|  | N                   | %   | N                      | %   |            |    |
| Charter schools are public schools.  | 304                 | 82% | 133                    | 70% | 11.939*    | 1  |
| NC charter school law was enacted after NCLB.                                      | 173                 | 47% | 82                     | 43% | .896       | 1  |
| Charter schools may have criteria to select only the highest achieving students.   | 223                 | 60% | 101                    | 53% | 2.820      | 1  |
| Charter schools are exempt from EOG and/or EOC testing.                            | 298                 | 81% | 137                    | 72% | 5.741*     | 1  |
| Charter school teachers are required to meet federal "highly qualified" standards. | 140                 | 38% | 61                     | 32% | 1.971      | 1  |
| Charter schools receive equal funding to traditional public schools.               | 176                 | 48% | 84                     | 44% | .799       | 1  |
| Charter schools have more autonomy than traditional public schools.                | 311                 | 85% | 142                    | 75% | 7.233*     | 1  |

\*  $p < .05$

The majority of administrators do not identify any characteristics of charter schools that they would like to implement in their schools. Consistent with Noblit’s 2001 study of North Carolina charter schools, smaller schools and class sizes remain as two of the coveted characteristics of charter schools. Administrators also indicate the importance of flexibility to try new programs in their schools. A follow-up question asks what, if any, barriers might prevent implementing these charter school characteristics? Administrators identify the lack of funding in order to reduce class sizes, and the risk of trying new programs in the face of high stakes testing as barriers. Also, administrators reiterate the importance of the free and appropriate public education creed, which means that all students who live in their attendance zone are served. Those who identify self-selecting parents as a desirable characteristic are quick to admit that it would be nice to work with students who chose to attend your school and come ready to learn; but these same administrators underscore the importance of educating all children.

Table 31: Charter characteristics that traditional public school administrators would like to implement in their schools

| Charter school characteristic to replicate       | Number of responses |
|--|---------------------|
| None   | 16                  |
| Less bureaucracy to try a new program            | 4                   |
| Smaller class sizes                              | 4                   |
| Self-selecting students                          | 3                   |
| Small size, more personalized school environment | 2                   |
| More parental involvement                        | 1                   |

## Logistic Regression Analysis

Table 32: Logistic Regression Results<sup>1</sup> Estimated Factors Influencing Administrators' Perceptions of Increasing Competition

| Model                                       | B     | Std. error | Odds Ratio |
|---|-------|------------|------------|
| Constant                                    | -.576 | 1.040      | .562       |
| Administrator level                         | .357  | .507       | 1.429      |
| Charter presence                            | .212  | .352       | 1.236      |
| Urban                                       | .861  | .540       | 2.366      |
| Rural                                       | .101  | .477       | 1.106      |
| Perceived autonomy                          | .158  | .412       | 1.171      |
| Federal finance                             | -.305 | .383       | .737       |
| State Finance                               | .813* | .388       | 2.254      |
| Local Finance                               | .391  | .351       | 1.479      |
| Charters are public.                        | -.521 | .477       | .594       |
| Charter law after NCLB.                     | -.297 | .349       | .743       |
| Charters select high achieving students.    | -.216 | .363       | .806       |
| Charters exempt from testing.               | .536  | .548       | 1.709      |
| Charters require highly qualified teachers. | -.230 | .323       | .795       |
| Charters have equal funding.                | -.176 | .325       | .839       |

\* p&lt;.05 N=192

Table 32 displays the logistic regression results for the full model. This model used the following independent variables: administrator level, charter presence in the district, district setting, perceived autonomy, perceived educational funding, and administrator knowledge of charter schools. The dependent variable is whether the administrator perceived that competition has increased since the introduction of charter

<sup>1</sup>A logistic regression model using only survey responses from administrators with charter schools present in the districts was also analyzed. There was no change in variable significance.

schools in North Carolina. Yes is equal to 1 if the respondent perceives an increase in competition, and 0 otherwise.

Collinearity diagnostics were run for the variables in the model. Tolerance scores show the amount of shared variance between independent variables. For example, a tolerance score of .4 means that sixty percent of the variable's variance is explained by other independent variables in the model. (Miles and Shevlin 2001). A general rule of thumb is that tolerance scores above .3 indicate problems with multicollinearity. The tolerance scores for variables in this model were .435 or greater. The tolerance scores for the finance variables ranged from .594 to .779, meaning that less than forty percent of the variables' variance was explained by other independent variables in the model. The tolerance scores for the variables quantifying administrators' knowledge of charter schools ranged from .851 to .924, meaning that only 10-15% of the variance for each independent variable was explained by other variables in the model.

The overall model is not significant at the .05 level according to the model chi square statistic, 16.983. The Nagelkerke  $R^2$  is .113, indicating that this model explains 11.3% of the variance in administrator perceptions of increasing competition in education. The variable for administrator perceptions of state funding is significant at the .05 level. The odds for the state funding variable is 2.254. The value means that administrators who perceive that state funding has decreased since the introduction of charter schools, have 2.254 greater odds to perceive that charter schools have increased competition. The cases analyzed in this model were reduced to 192 due to administrators not responding to each survey question. Administrators were more likely to skip



questions about perceptions of funding and charter school knowledge, thus reducing the number of cases analyzed in this model.

Two other models were analyzed using logistic regression. In a model analyzing only administrator level and charter presence in the district, charter presence in the district is significant at the .05 level. This model analyzed 561 cases. However, when a model was analyzed using administrator level, charter presence in the district, and district setting (rural or urban); none of the variables are significant. The model including district setting analyzed 548 cases. As more variables were controlled for in the logistic regression model results shown in Table 32, the primary hypothesis of this dissertation is not supported; charter school presence in the school district does not have a significant effect on administrators' perceptions of competition.

### 5.1 Limitations of this Research

A limitation of this dissertation in terms of external validity is the selection bias created by the focus on one state, North Carolina. The North Carolina law sets a maximum capacity of 100 charter schools operating in the state. This restriction may limit the generalizability of this research. Twenty-two states and the District of Columbia also have maximum capacity limits and eighteen states do not. North Carolina has revoked fourteen charters since 1997 ([www.nccppr.org](http://www.nccppr.org), accessed December 11, 2008). This oversight by the state department creates openings for new charters to be enacted and minimizes the negative effect on competition that the 100 maximum charter school capacity limit may have.

Also, states have autonomy to determine funding levels, set accountability standards, and ultimately to determine charter school authorization. In North Carolina,

the state provides 64% of educational funding to the local school districts; federal funding is at 11% and local funding at 25% (North Carolina Department of Public Instruction 2008). The funding is distributed first by the local school district and then to specific programs within the school based on administrators' decision-making processes. Differences in North Carolina and other states in the context of layered legislative and regulatory requirements, including funding, also limit the generalizability of this research.

A limitation to internal validity due to selection bias occurs due to the focus on administrators' perceptions within public educational alternatives: traditional, charter, and magnet schools. Future research should consider competition in the overall K-12 educational environment, by more fully comparing districts that vary in private and home school enrollment as well. The large number of administrators who respond from districts with operating charter schools, shown in Table 33, illustrates a possible selection bias. It is possible that administrators facing competition from charter schools were more likely to self-select and respond to this survey.

Also, a limitation occurs in instrumentation and history because of the focus on perceptions. Table 33 illustrates a possible problem with the operationalization of rural, urban, and suburban district setting. The table shows that a much higher number of rural districts responded to the survey. The survey asks administrators to describe the district. Suburban is defined as district population is greater than 50,000 but does not include one of the central cities listed in the urban description. Rural is defined as district population is less than 50,000. It may be unclear to the respondent if the total population or student population is used when determining rural or suburban status. However, the number of

survey responses, based on researcher's classification of district status is as follows: rural 130 responses, urban 145 responses, and suburban 314 responses.

Lastly the survey cannot control for all of the differences in units of analysis and isolate specific competition or innovation variables because of the localized governance in school districts and further variance in administrators' management styles.

Furthermore, events related to competition, charter schools, or school choice may occur in one or more school districts that have an effect on the responses of administrators in these districts. Ultimately, in NC public education, the administrators are at the top levels of accountability and have a considerable amount of autonomy in planning and management of education services.

## 5.2 Strengths of this Research

This study uses quantitative and qualitative research to triangulate the data of administrators' perceptions of competition in North Carolina's public K-12 education system. In his text on social research, Babbie writes that triangulation strengthens research because using mixed methods eliminates concerns that findings reflect the method of inquiry (Babbie 2004). Triangulation is also accomplished by exploring perceptions from both district and school-level administrators, thus improving the data quality and internal validity. These administrators have different interactions with charter schools. Also, the administrators represent different levels of governance in traditional public education. The different functions associated with the roles of district versus school are included in both the survey and interview analysis.

Also, the use of interviews helps to offset any effects of self-selection bias in the survey respondents. A danger to external validity in survey research is that your data will be

biased based on who choose to respond to the survey (Babbie 2004). The wide range of North Carolina school districts represented in the analysis is another strength of this research. Table 33 compares the survey respondents to the number of schools and administrators in North Carolina. The total number of possible responses in North Carolina for charter and magnet school presence in the district and district setting is 2418, including all district and school-level administrators. The total number of possible responses in North Carolina for school setting is 2303, limited to responses from school-level administrators. Only nine of 115 school districts are not represented in the survey responses. Also, survey responses are varied in the grade span of respondents' schools (elementary, middle, or high school), the setting of the schools or districts (rural, suburban or urban), and the presence or absence of both charter and magnet schools. Therefore, the likelihood of bias is reduced.

Table 33: Comparison of survey respondents to NC school districts

| Characteristics                  | # Survey Respondents | All NC traditional public school administrators |
|----------------------------------|----------------------|---|
| Elementary (grades PK-5)         | 324                  | 1119  |
| Middle (grades 6-8)              | 111                  | 655   |
| High (grades 9-12)               | 123                  | 529   |
| No response (district admin)     | 39                   |   |
| Total                            | 597                  | 2303  |
| Charter operating in district    | 370                  | 1560  |
| No charter operating in district | 191                  | 858   |
| No response                      | 36                   |   |
| Total                            | 597                  | 2418  |
| Magnet operating in district     | 35                   | 140   |
| No magnet operating in district  | 554                  | 2278  |
| No response                      | 8                    |   |
| Total                            | 597                  | 2418  |
| Rural                            | 350                  | 486   |
| Suburban                         | 138                  | 1170  |
| Urban                            | 96                   | 753   |
| No response                      | 13                   |   |
| Total                            | 597                  | 2418  |

## CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

### Summary

The purpose of this dissertation is to explore traditional public school administrators' perceptions of competition in North Carolina public education after the implementation of charter school legislation. Surveys of traditional public school administrators at both the district and school levels are analyzed. Interviews of a purposeful sample of traditional public school administrators are used to further explain survey responses.

The survey sample includes 2418 traditional public school principals and district superintendents, or their designees. A total of 597 valid survey responses are recorded. The district interview sample is chosen based on independent variables: the ratio between traditional public schools, charter schools, and magnet schools in the districts, and student racial demographics of the school district. Schools are stratified based on their geographic distance from operating charter and magnet schools. Principals at schools located 0-10 and 11 or more miles from operating charter and magnet schools are included in the interview sample. A total of 37 interviews, 11 district administrators and 26 school principals, are included in the qualitative analysis.

In a logistic regression analysis of the independent variables and administrators' perceptions of increasing competition, only one variable, perceptions of state funding, was significant. The model includes independent variables for administrator level,

charter presence in the district, school setting, perceived autonomy, perceived funding, and administrator knowledge about charter schools. Principals who perceive that charter schools have an impact on funding are more likely to perceive increased competition. However, the primary hypothesis of this dissertation is not supported; charter school presence in the school district does not have a significant effect on administrators' perceptions of competition.

Based on survey and interview responses, North Carolina charter schools have a very limited effect on allocative efficiency in NC public K-12 education. Survey respondents' most frequent description of charter schools is "schools that serve a particular population." Administrators perceive that families choosing charter school education are seeking a specialized pedagogy or curriculum that is not offered in the traditional public school. However, students identified with exceptional needs represent one target audience that is not receiving equitable services in charter schools. Rather, interview responses indicate that students identified as exceptional children are provided with more and varied services in the traditional public schools. It appears charter schools are created to serve a different function, rather than directly compete with traditional public schools.

Based on survey and interview responses, North Carolina charter schools are having almost no effect on the productive efficiency of NC public K-12 education. Only ten percent of survey respondents identify charter schools as "laboratories for innovative educational practices". The in-depth interview responses indicate most administrators, at both the school and district levels, report that they have no knowledge of the curriculum or any innovative practices employed at local charter schools. Yet, several principals

state that they believe the schools are not innovating and that the traditional public schools are doing a better job of educating students. While some of these responses may be attributed to pride in their own programs, four school principals commented on the need to “remediate” students who return to public school from a charter school. Also, although school administrators are careful to comment that comparisons of test scores between traditional and charter schools are not possible because this would be like comparing “apples to oranges.” Several administrators commented on the low performance of students enrolled in charter schools on tests when they are compared to regular public school students.

### Study Findings

This study tests one of the basic premises underlying charter schools: the idea that traditional school administrators must perceive competition in order to have an incentive to change their behavior. The qualitative component to this research further clarifies how traditional public school administrators may change their behavior in response to competition including the possibility of adopting charter school innovations. In this next section, each research question is revisited and the findings discussed.

How do district-level and school-level administrators in traditional public school settings compare in their perceptions of competition in public K-12 education? A survey of school and district-level administrators shows that administrators at both levels perceive competition. Also, more than forty percent of all administrators perceive increased competition in their school districts. However, when asked to rank sources of competition with traditional public schools, administrators identify magnet and private schools as the most likely sources instead of charter schools.



How does the presence of an operating charter school in a school district affect traditional public school administrators' perceptions of competition in public K-12 education? Both surveys and interviews confirm that traditional public school administrators in districts with operating charter schools are more likely to perceive increased competition than traditional public school administrators in districts that do not have any operating charter schools.

How does the geographic distance between a traditional public school and charter school affect traditional public school administrators' perceptions of competition in public K-12 education? How does the urban, rural, or suburban setting of a school district affect traditional public school administrators' perceptions of competition in public K-12 education? A higher percentage of traditional public school administrators at schools located closer to charter schools, within 10 miles, are more likely to perceive increasing competition. Also, traditional public school administrators in rural school districts are more likely to perceive increasing competition than traditional public school administrators in suburban districts. Size of the school district is not elaborated in a specific hypothesis, but rural districts tend to have smaller student populations. Interviewed administrators in smaller, more rural districts indicate that charter school competition has a negative impact. These districts have lost funding including teacher and administrator positions. Also, the students at the charter schools have less access to extracurricular activities including athletics.

Administrators interviewed at larger school districts repeatedly emphasized that the effect of charter schools is minimal because charter enrollment in the district is so small compared to enrollment in traditional public schools. However, administrators in

large, urban districts are more likely to report an increase in competition than suburban public school districts. This increase in competition reflects the presence of magnet schools within the traditional public school system as well as competition from charter, private, and home schools. Seven of the nine North Carolina school districts with magnet schools are urban school districts.

Do the demographic descriptions of students leaving traditional public schools to attend charter schools affect traditional public school administrators' perceptions of competition in public K-12 education? Does the loss of students with desirable characteristics (high achieving and high parent involvement) affect traditional public school administrators' perceptions of competition in public K-12 education? The vast majority of administrators do not respond to a survey question about student demographics of those students transferring to charter schools prevented quantitative analysis of the characteristics of transfer students. Also, most of all interviewed administrators do not notice a trend in student demographics of transfers to charter schools. The one noted exception is that interviewed principals state that exceptional children may not receive needed services at charter schools and are encouraged to return to or remain enrolled in traditional public schools.

How do traditional public school administrators compare traditional public schools and charter schools in regard to autonomy? The majority of traditional public school administrators (67%) recognize that charter schools have more autonomy and six administrators list less regulation/more autonomy as a charter school pro in interview responses. Specifically, traditional public school administrators covet the reduced bureaucracy and spending flexibility enjoyed by charter school administrators.

How do traditional public school administrators perceive differences in federal, state, and local funding of traditional public schools since the enactment of charter school legislation? Administrators perceive a decrease in government funding at all levels (federal, state, and local) since enactment of charter school legislation. However, interviewed administrators do not generally associate loss in funding with students transferring to charter schools. Therefore, no relationship between perceptions of decreased funding and charter school competition can be clearly established.

Do traditional public school administrators consider the existence of charter schools in long range/strategic planning? Few traditional public school administrators in districts with operating charter schools, seven percent of survey respondents, consider charter schools as a factor in their strategic planning. Again, the larger, more urban school districts do not see an impact from lost enrollment and therefore no need to consider charter schools in the planning process.

What, if any, policy or procedural changes have occurred or are anticipated because of the existence of charter schools? What, if any, innovations from charter schools would traditional public school administrators consider adopting? Most of administrators interviewed at both the district and school levels indicate that they do not believe charter schools are using innovative practices. In interviews with school-level administrators, some doubt that charter school practices can translate to traditional public schools because charter schools have fewer students who have self-selected to attend the school. Many interview respondents note the availability of school choice and meeting students' needs as benefits to charter schools. After identifying the pros and cons to charter schools, almost none of administrators interviewed identify aspects of charter

schools that they wish to emulate in their own school or district. Those administrators who indicate changes made to programs, policies, or procedures in their own districts largely attribute the changes to an increased focus on data to identify and address student needs. These changes may be related to increased accountability introduced by No Child Left Behind rather than a direct response to charter school competition.

How accurate is traditional public school administrators' knowledge about NC charter school legislation? District-level administrators have a greater understanding of charter school legislation in four of seven specifications of NC charter legislation: time of enactment relative to NCLB, charter student selection criteria, teacher qualifications, and autonomy levels. Most administrators at both levels understand that charter schools are public and have more autonomy than traditional public schools. Administrators in districts with an operating charter school significantly differ from administrators in districts without charter schools in correctly identifying these charter legislation characteristics: public nature of charter schools, testing requirements, and autonomy level.

What changes, if any, have administrators noticed in parental involvement in schools since the existence of charter schools? This question pertains most directly to school-level administrators. While the level of parental involvement varies in schools, most school principals observe no change in parental involvement since the introduction of charter school legislation. Principal responses are consistent across districts with and without operating charter schools.

What, if any, changes have been made to increase public relations or improve communication with parents? Traditional public school administrators acknowledge that

some charter schools mandate parental involvement as a requirement for the child to continue in enrollment at the school. Interviewed traditional public school administrators see this collaboration with parents as a direct benefit to charter schools. In interview responses, many school-level administrators discuss increased public relations efforts with parents and the community. Some districts use district wide approaches to increased parental involvement. Again, the interviewed administrators do not attribute any changes as responses to charter schools. Although one district-level administrator and two school principals comment that some parents are confused by charter schools and do not understand that they operate separately from the traditional public school system. Other school principals increase efforts to work with students transitioning to traditional public schools from charter schools.

Finally, how does the charter legislation meet the expectations of public choice theory? This study focused on the traditional public school administrators' perceptions of charter schools. The results show that administrators do perceive competition; thus charter schools are improving allocative efficiency. In interviews, many administrators commented on the increased amount of school choice available to parents and students. However, in survey and interview responses, administrators overwhelmingly reported that they were not making changes in their strategic planning in response to competition from charter schools. This lack of a behavioral response or a perceived need to change "business as usual" in the traditional public schools means that charter schools are not affecting a change in productive efficiency.

## 6.1 Contributions and Recommendations

The 2001 North Carolina Charter School Evaluation Report provides a baseline for the effect of charter schools in 1998 and 2001, early in the implementation phase of charter school reform. This dissertation adds to this research because it was completed after charter schools have been established for ten years. Additionally, this study is done at an important time, when federal regulation of education is expanding and accountability is highly emphasized. Charter school supporters are working in the North Carolina educational arena to remove the cap on the number of charter schools operating in the state. An article in the Raleigh News and Observer summarizes a report from the North Carolina Center for Public Policy Research (NCPPr), stating that North Carolina should keep a capacity on the number of charter schools. The report cites the following concerns as reasons for keeping a limit on capacity at this time: poor performance on standardized tests, racial imbalance in charter schools, concerns about teacher quality and fiscal management, and conflicts over funding (Associated Press 2007). Bills in the NC House and Senate were filed on January 31, 2007. The last governmental action taken was to create a Legislative Special Commission on Charter Schools.

As North Carolina education policy evolves to expand or contract public educational opportunities, administrator perceptions of competition may change. Administrators interviewed for this dissertation state that the perceived competition is small relative to the size of their districts, except in small rural districts. This study offers a standard of comparison for future research.

In school districts with choice programs, charter schools are located in close proximity to magnet schools. Future research might examine opportunities for

collaboration so that charter and magnet programs may be able to expand the choices available to parents. Traditional school districts and charter schools may be able to learn from each other and collaborate on best practices for allotting specialized educational opportunities to meet student needs and parent demands. Also, a more systematic way of documenting educational innovations is needed so they may be shared with other traditional public schools. Using outcomes from successful charter school experiments to select quality programs to implement in traditional public schools will improve the productive efficiency of public education by applying the benefits of these innovations to larger groups of students.

Based on this research, some consistent concerns from administrators should be considered in the ongoing implementation of charter school legislation.

- (1) Traditional public school administrators, regardless of level or charter school presence in the district, are largely unaware of the curriculum pedagogy, management, or professional development employed in charter schools. As such, they have concerns about the oversight of charter schools. In administrator interviews, oversight is emphasized in the area of equity: charter school availability to all public school students, fair administration of lottery systems, student demographics reflecting the racial and socio-economic characteristics of the school district or community, and services provided for students with identified exceptionalities. Additionally, charter schools will not have the desired effect of bolstering educational innovation in the overall public school spectrum, if there is no platform for sharing among charter and traditional public school administrators. It is recommended that a

system for evaluating and communicating the results of charter school innovations be developed and publicized.

- (2) Charter schools are varied in their mission, pedagogy, curriculum, and grades served. No Child Left Behind encourages schools and districts to use data in their decision-making processes and to make educational reforms if the schools are not meeting Adequate Yearly Progress. The state could enhance its efforts to assist traditional public school districts with identifying resources to meet student needs, by collecting and utilizing data on effective charter school programs. Included in this recommendation is the need to establish communication between charter schools and traditional public schools to facilitate sharing of ideas and strategies.
- (3) Interview respondents comment on the number of charter school students returning to traditional public schools. Some reflections are directed at the lower level of preparation students receive to meet state accountability standards; others are concerned about instability of some charter schools and the impact on the school system when, or if, charters fail or are revoked. Also associated with students returning to traditional public schools is the impact on funding. As mentioned earlier, some large school districts are submitting funding to charter schools quarterly. More research into the impact of funding for all public schools, specifically for students who transfer repeatedly between charter and traditional public schools is needed to resolve these concerns. Student transfers also raise concerns for meeting students' educational needs. When students transfer between schools, they may miss



concepts and negatively impact their achievement. Additionally, teachers at either charter or public schools must reallocate their time with the class as a whole to tailor instruction for transfer students; thus the impact of the transfer may affect the education of other students in class.

- (4) This research shows that charter schools can compliment the educational offerings of the traditional public school district. Charter schools can create a niche for parents who are interested in specialized curricula or instructional style. Also, providing public school choice options may mean that more students are being educated under the umbrella of public education rather than pursuing private school options. Parents who may have sought educational opportunities in private or home school settings, may now have their preferences or needs met by a charter school, part of the public education offerings. Additionally, in some districts, charter schools are a safety valve to alleviate overcrowding or to serve a targeted student population.

Additional research on school finance is needed. By providing targeted services, it is possible that charter schools could reduce spending in the traditional public school districts. Charter schools may acquire grants or other funding to provide specialized curricula that can not be offered in traditional public schools. Also charter schools may introduce magnet-type educational opportunities in a school district without increasing the budget of the traditional public school system. For example, some magnet programs offer a high technology or skill based curriculum that requires specialized equipment, software, computers or supplemental texts. Charter schools may have

funding or partnership resources available to them that are independent of the traditional public school budget.

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## APPENDIX A: LETTER TO DR. JUNE ATKINSON

April 21, 2008

Dr. June Atkinson, State Superintendent  
NC Department of Public Instruction  
301 N. Wilmington St.  
Raleigh, NC 27601-2825

Dear Dr. Atkinson,

It was a pleasure to hear your presentation about 21st Century Learners at Gaston College on March 20, 2008. As a reminder, I met you after the discussion and requested your support for a survey of all superintendents and principals in traditional, K-12 public schools across the state of North Carolina. This survey has been created for a dissertation I am completing for doctoral studies in the University of North Carolina at Charlotte Public Policy Ph.D. program. This research is important to explain how school administrators perceive competition in public schools. My timeline is to complete my dissertation by December 2008. I will provide your office with a copy of my research findings or, if you prefer, make a presentation to appropriate stakeholders.

My dissertation topic is charter schools in North Carolina. The survey is part of the research design to assess the perceptions of school administrators about the impact of charter schools on the traditional K-12 public education system. A copy of the survey is attached. There are questions to compare types of competition to public schools, financial impact, differences in the level of autonomy, and strategic planning. Survey results of school and district level administrators will be compared.

A qualitative component to my research will include telephone interviews of school principals. The school systems will be selected based on independent variables including: existence of magnet programs, size of charter enrollment, and rural or urban population. The schools in the selected districts will be stratified based on geographical distance from an operating charter school and schools selected for interviews will vary in the distance variable. These interviews will be transcribed and will be used to add descriptive depth to the survey results.

All survey and interview results will be reported as aggregate and no identifying individual or institutional names will be included in the dissertation. This research is a valuable contribution to the charter school literature and North Carolina education policy. It adds to our understanding of administrator response to competition from alternative public schools. Also, because No Child Left Behind is based on a market theory of action, it is important to understand the local and state implications of increased consumer educational choice.

I am writing to request that you communicate to all district superintendents and school principals your support for and approval of the survey and interview requests. I would like to send the survey via email to administrators by April 25, 2008. I would like to begin contacting principals for interviews in May 2008.



I am asking that you send this information to the district superintendents and school principals:

“Dear School Administrator,

Ami Parker is completing her dissertation on charter schools in North Carolina. I have received a letter detailing this research and I support this study. The results of this study will inform our understanding of charter schools in the public education system. Ms. Parker has agreed to share her results with appropriate Department of Public Instruction staff. She has also clarified that all results will be reported in aggregate and no individual school administrator will be identified in the study. The link for the survey is attached.

Thank you for your time in supporting educational research about North Carolina public schools.”

Please call or email me if you have any questions about my request. I look forward to discussing this research opportunity with you.

Sincerely,

Ami Parker  
Ph.D. Candidate, UNC-Charlotte  
School Counselor, Highland School of Technology, Gaston County, NC  
704-678-4588

About the researcher: I am a fourteen-year veteran educator in the state of North Carolina. I was a Teaching Fellow at the University of North Carolina at Chapel Hill, class of 1993. I completed a Master’s degree in Counseling at UNC in 1994, and an Educational Specialist degree in Educational Administration at Winthrop University in 1998. I have worked 12 years as a school counselor, one year as an assistant principal, and one year as a Student Life Instructor at the NC School of Science and Mathematics.

## APPENDIX B: CHARTER SCHOOL SURVEY

Welcome to this survey to collect data for my dissertation about the effect of charter schools on public education in North Carolina. Before taking part in this study, please read the consent form below and click on the "I Agree" button at the bottom of the page if you understand the statements and freely consent to participate in the study. Ami Parker, a doctoral student, is conducting this study and the University Institutional Review Board has approved it for one year as of April 21, 2008.

## Consent Form

This study involves a survey designed to understand school administrators' knowledge about and perceptions of charter schools in North Carolina. Ami Parker, doctoral student, is conducting the study and the University Institutional Review Board has approved it. No deception is involved, and the study involves no more than minimal risk to participants (i.e., the level of risk encountered in daily life).

Participation in the study typically takes 15-20 minutes and is strictly anonymous. Participants will respond to questions about charter schools, school demographics, and administrator demographics. The school and administrator demographics are for classification purposes and to ensure that the survey respondents are representative of school administrators in North Carolina.

All responses are treated as confidential, and in no case will responses from individual participants be identified. Rather, all data will be pooled and published in aggregate form only. Participants should be aware, however, that the survey is not being run from a "secure" https server of the kind typically used to handle credit card transactions, so there is a small possibility that responses could be viewed by unauthorized third parties (e.g., computer hackers).

Participation is voluntary; refusal to take part in the study involves no penalty or loss of benefits to which participants are otherwise entitled, and participants may withdraw from the study at any time without penalty or loss of benefits to which they are otherwise entitled.

If you have further questions or concerns about your rights as a participant in this study, contact the Compliance Office at (704) 687-3309. If you have questions concerning the study, contact the principal investigator, Ami Parker at (704) 678-4588 or by email at [amiparker@gaston.k12.nc.us](mailto:amiparker@gaston.k12.nc.us).

If you are 18 years of age or older, understand the statements above, and freely consent to participate in the study, click on the "I Agree" button to begin the experiment.

- 1) Classify your school district:  
 Urban (district serves one of the following central cities: Asheville, Charlotte, Durham, Fayetteville, Greenville, Greensboro, Raleigh, Wilmington, or Winston-Salem)  
 Suburban (district population is greater than 50,000 but does not include one of the central cities listed above)  
 Rural (district population is less than 50,000)
- 2) Identify your current position:  School Level Administrator  
 District Level Administrator/Superintendent  
 District Level Administrator/Other
- 3) Identify the grades taught at your school (school level administrators only)  
 Elementary (K-5)  Middle (6-8)  High (9-12)
- 4) Are you an administrator at a magnet school (specialized curriculum, not including alternative/discipline school)? (school level administrators only)  
 Yes  No
- 5) Are you an administrator at an alternative/discipline school? (school level administrators only)  Yes  No
- 6) Are there charter schools operating in your school district?  
 Yes  No  I do not know
- If yes, 7) Estimate the percentage of students attending charter schools in your district.  
 0-5 %  
 6-10%  
 11-25%  
 greater than 25%
- 8) Check the statements that best describes the students who have left traditional public schools to attend charter schools:  
 Most students are high-achieving on standardized tests.  
 Most students are low-achieving on standardized tests.  
 Most students have parents who are active in PTA/PTO/PTSO.  
 Most students receive free/reduced lunch.  
 Most students are identified as Limited English Proficient (LEP).  
 Most students are Anglo.  
 Most students are African American.  
 Most students are Hispanic.

- Most students are Asian.
- Most students are Native American.
- Most students are multi-racial.
- The students have diverse characteristics.
- Unsure

9) How many miles is your school located from an operating charter school?

- 0-10 miles
- 11-20 miles
- more than 20 miles
- Not applicable because I am a district level administrator.

10) Are you aware of efforts to open another charter school or discussion about starting a charter school in your district?

- Yes     No     Unsure

If yes, 11) Check the statements that best describes the students/families who have expressed interest in attending a charter school:

- Most students are high-achieving on standardized tests.
- Most students are low-achieving on standardized tests.
- Most students have parents who are active in PTA/PTO/PTSO.
- Most students receive free/reduced lunch.
- Most students are identified as Limited English Proficient (LEP).
- Most students are Anglo.
- Most students are African American.
- Most students are Hispanic.
- Most students are Asian.
- Most students are Native American.
- Most students are multi-racial.
- The students have diverse characteristics.
- Unsure

Please select yes, no, or unsure for questions 12-17 below to indicate if you agree (yes) or disagree (no) with the statement.

12) Charter schools are public schools.  
 Yes     No     Unsure

13) The first charter school law in NC was enacted after No Child Left Behind in 2001.  
 Yes     No     Unsure

14) Charter schools may have criteria to select only the highest achieving students.

- \_\_\_\_\_ Yes    \_\_\_\_\_ No    \_\_\_\_\_ Unsure
- 15) Charter schools are exempt from EOG and/or EOC testing.  
\_\_\_\_\_ Yes    \_\_\_\_\_ No    \_\_\_\_\_ Unsure
- 16) Charter school teachers are required to meet “highly qualified” standards.  
\_\_\_\_\_ Yes    \_\_\_\_\_ No    \_\_\_\_\_ Unsure
- 17) Charter schools receive equal funding to traditional public schools.  
\_\_\_\_\_ Yes    \_\_\_\_\_ No    \_\_\_\_\_ Unsure
- 18) Choose the statement that best reflects your perception of charter schools.  
\_\_\_\_\_ Charter schools have more autonomy than traditional public schools.  
\_\_\_\_\_ Charter schools have less autonomy than traditional public schools.  
\_\_\_\_\_ Charter schools have similar autonomy to traditional public schools.
- 19) Choose the statement that best reflects your perception of regulation in traditional public schools.  
\_\_\_\_\_ Traditional public schools have more state/federal regulation than charter schools.  
\_\_\_\_\_ Traditional public schools have less state/federal regulation than charter schools.  
\_\_\_\_\_ Traditional public schools have similar state/federal regulation to charter schools.
- 20) Which of these terms do you think best describes charter schools? Check all that apply.  
\_\_\_\_\_ Laboratories for innovative educational practices  
\_\_\_\_\_ True site-based management  
\_\_\_\_\_ Schools that serve a particular population  
\_\_\_\_\_ Competitive public schools  
\_\_\_\_\_ Other (Please list \_\_\_\_\_)
- 21) Is the existence of operating a charter school(s) or the possibility of a charter school opening considered in long range/strategic planning?  
\_\_\_\_\_ Yes    \_\_\_\_\_ No    \_\_\_\_\_ Unsure
- If yes, 22) in what areas of long range/strategic planning, has charter schools factored into the decision making process? Check all that apply:  
\_\_\_\_\_ Making Capital improvements  
\_\_\_\_\_ Building new schools  
\_\_\_\_\_ Adding instructional programs (i.e. Advanced Placement, before/after school programs)  
\_\_\_\_\_ Creating or expanding magnet program options  
\_\_\_\_\_ Creating or expanding open enrollment to schools in the district  
\_\_\_\_\_ Attendance zones

- Busing
- Decreasing class size
- Increasing public relations efforts
- Emphasizing customer (parent and student) satisfaction

- 23) Choose the statement below that best reflects your perception of competition in K-12 public education since 2001.
- Competition among K-12 schools is increasing in my district.
  - Competition among K-12 schools is decreasing in my district.
  - Competition among K-12 schools is stable in my district.
  - Competition among K-12 schools does not exist in my district.
- 24) Rank the sources of competition for student enrollment in your district or for your school with 1 representing the smallest source of competition and 5 representing the largest source of competition. Please rank each option or select "Not Applicable".
- |                          | 1 | 2 | 3 | 4 | 5 | NA |
|--------------------------|---|---|---|---|---|----|
| Charter School           |   |   |   |   |   |    |
| Home School              |   |   |   |   |   |    |
| Magnet School            |   |   |   |   |   |    |
| Private Parochial School |   |   |   |   |   |    |
| Private Secular School   |   |   |   |   |   |    |
- 25) Describe the financial support for traditional public schools in your district from each of the following agencies, since the enactment of NC charter school legislation.
- |                     |                          |      |                          |      |                          |           |
|---------------------|--------------------------|------|--------------------------|------|--------------------------|-----------|
| Federal Government  | <input type="checkbox"/> | More | <input type="checkbox"/> | Less | <input type="checkbox"/> | No change |
| State Government    | <input type="checkbox"/> | More | <input type="checkbox"/> | Less | <input type="checkbox"/> | No change |
| School District     | <input type="checkbox"/> | More | <input type="checkbox"/> | Less | <input type="checkbox"/> | No change |
| Non-profit agencies | <input type="checkbox"/> | More | <input type="checkbox"/> | Less | <input type="checkbox"/> | No change |
| Business            | <input type="checkbox"/> | More | <input type="checkbox"/> | Less | <input type="checkbox"/> | No change |
| Parents             | <input type="checkbox"/> | More | <input type="checkbox"/> | Less | <input type="checkbox"/> | No change |
- 26) In what ways do the charter school providers inform parents and students about alternative educational opportunities? Check all that apply
- Newspaper advertisement
  - Charter School website
  - Direct solicitation through letters
  - Direct solicitation through telephone calls
  - Open House events
  - Billboards
  - Television advertisement
  - Radio advertisement
  - Our school district provides information about charter school alternatives

- I do not know how information is provided.  
 Other (please describe)

To ensure the representativeness of survey responses, please answer questions 27-32 about your school (principals) or district (superintendents) demographics.

- 27) Zip code of your school or office (if you are a district level administrator).
- 28) Classify your school or district free/reduced lunch population:  
 0-5% of students receive free or reduced lunch  
 6-10% of students receive free or reduced lunch  
 11-25% of students receive free or reduced lunch  
 26-50% of students receive free or reduced lunch  
 greater than 50% of students receive free or reduced lunch
- 29) Classify your school or district Limited English Proficient (LEP) population:  
 0-5% of students are identified as LEP  
 6-10% of students are identified as LEP  
 11-25% of students are identified as LEP  
 26-50% of students are identified as LEP  
 greater than 50% of students are identified as LEP
- 30) Classify your school or district Exceptional Children/Special Education student population:  
 0-5% of students are identified as Exceptional Children  
 6-10% of students are identified as Exceptional Children  
 11-25% of students are identified as Exceptional Children  
 26-50% of students are identified as Exceptional Children  
 greater than 50% of students are identified as Exceptional Children
- 31) Classify the total percent minority population of your school/district:  
 0-15% of students  
 16-30% of students  
 31-50% of students  
 51-70% of students  
 71-90% of students  
 greater than 90% of students
- 32) Check the AYP subgroups in your school: (Check all that apply.)  
 White  
 Black  
 Hispanic  
 American Indian  
 Asian/Pacific Islander  
 Multi-racial  
 Economically Disadvantaged

- Not Economically Disadvantaged  
 Limited English Proficient  
 Migrant Students  
 Students with Disabilities

For classification purposes only, please answer the following demographic questions.

- 33) How many years have you been an administrator in your current district? \_\_\_\_\_
- 34) How many years have you been an educator (in any role) in your current district? \_\_\_\_\_
- 35) What is your age?    \_\_\_\_\_ 20-29 years old                      \_\_\_\_\_ 60-69 years old  
    \_\_\_\_\_ 30-39 years old                      \_\_\_\_\_ 70-79 years old  
    \_\_\_\_\_ 40-49 years old                      \_\_\_\_\_ 80+ years old  
    \_\_\_\_\_ 50-59 years old
- 36) What is your gender?    \_\_\_\_\_ Male    \_\_\_\_\_ Female
- 37) What is your highest level of education completed?  
       \_\_\_\_\_ Bachelor's Degree  
       \_\_\_\_\_ Master's Degree  
       \_\_\_\_\_ Educational Specialist/Sixth Year Degree  
       \_\_\_\_\_ Doctorate Degree
- 38) Is there any other information you would like to share about charter schools?  
 Please type your response below.
- 39) Are there any questions that you have about charter schools that you would like to have clarified by your local or state educational agency? Please type your response below.



## APPENDIX C: LETTER TO DISTRICT SUPERINTENDENTS

July 09, 2008

School District Superintendent  
Address

Dear Superintendent

I am writing to request an interview with you or a designated staff member. I am also requesting your support for interviews to be conducted with school principals in your district. Superintendent June Atkinson has approved this research because it will be beneficial to your district and the state as a whole. The interviews will be conducted for the dissertation I am completing for doctoral studies in the University of North Carolina at Charlotte Public Policy Ph.D. program. The dissertation title is North Carolina Charter Schools: The Effect on School Administrator's Perceptions of Competition in K-12 Education.

All traditional public school administrators and principals received surveys via email in May 2008. A qualitative component to my research will include telephone interviews with school administrators. The school systems are selected based on independent variables including: charter enrollment, magnet school enrollment, and rural, suburban or urban population.

Please respond with a convenient day and time when you are available for an interview. Also, I request that you communicate your support for interview requests to principals at the following schools:

I hope to interview principals and superintendents in July or early August to avoid the very busy time just before school opens. All principals selected for interviews will receive a request to be interviewed via email, and the interviews will be scheduled at times convenient for them. Administrators who do not respond to the first telephone request for an interview will be contacted two days later and one week later. If the administrator declines to participate or does not respond to the third request, he or she will not be included in the research.

My timeline is to complete my dissertation by December 2008. A copy of my research findings will be shared with Dr. June Atkinson. Please call or email me if you have any questions about my request. I look forward to discussing this research opportunity with you.

Sincerely,  
Ami Parker  
Ph.D. Candidate, UNC-Charlotte  
School Counselor, Highland School of Technology, Gaston County, NC

About the researcher: I am a fourteen-year veteran educator in the state of North Carolina. I was a Teaching Fellow at the University of North Carolina at Chapel Hill, class of 1993. I completed a Master's degree in Counseling at UNC in 1994, and an Educational Specialist degree in Educational Administration at Winthrop University in 1998. I have worked 13 years as a school counselor, one year as an assistant principal, and one year as a Student Life Instructor at the NC School of Science and Mathematics.

## APPENDIX D: INTERVIEW QUESTIONS FOR ADMINISTRATORS

“Hello. My name is Ami Parker. I am calling from UNC-Charlotte. I am conducting a research study titled North Carolina Charter Schools: School Administrators’ Perceptions of Competition in K-12 Education. You may recognize my name and the title of my research from an online survey for this study. May I tell you a little about the study?”

If no, “Thank you for your time. I hope you have a successful end to the school year.”

If yes, “I am been a school counselor for thirteen years and an assistant principal for one year, all in the Gaston County school district. I am completing my dissertation on charter schools. My goal is to contribute to the understanding of how, if at all, charter schools impact traditional public school administrator’s decision-making. Dr. Suzanne Leland, an assistant professor in the political science department at UNC-Charlotte is my dissertation advisor. I am asking that you participate in a brief telephone interview about your perceptions or charter schools. All information will be kept confidential. None of your responses will be identified by your name, personal descriptors, or school affiliation in the dissertation. I am asking you to voluntarily participate. You may also contact the research compliance office at UNC-Charlotte. The contact person is Cat Runden and her telephone number is 704-678-3309. Do you have any questions? Are you interested in participating?”

1. How many years have you been a school administrator? \_\_\_\_\_

How many years have you been an administrator in this school? \_\_\_\_\_

2. Is your school currently operating at capacity? (For superintendents- is your district experiencing growth? Are most schools operating at capacity?)

3. What are the key details in the NC charter school law?

Follow-up questions:

What do you know about the political support and opposition to this legislation?

What are the pros and cons to charter schools?

Who benefits/is harmed by the policy?

4. Are there charter schools operating in your school district?

\_\_\_\_\_ Yes    \_\_\_\_\_ No    \_\_\_\_\_ I do not know

If yes, Please describe the charter schools in your district?

Follow-up questions:

What grades are served in the charter schools?

Are you familiar with the curriculum offered or any special programs?

How would you compare the charter school to your school/other traditional public schools in this district?

If no, are you aware of efforts to start or discussion about charter schools in your district? Skip to Question 8

If yes, please describe the grade levels projected to be served by a charter school? Are you familiar with any special programs parents/families are interested in offering? Skip to Question 6

5. What is your estimate of the percentage of K-12 students attending charter schools?

- \_\_\_\_\_ 0-5 %
- \_\_\_\_\_ 6-10%
- \_\_\_\_\_ 11-25%
- \_\_\_\_\_ 26-50%
- \_\_\_\_\_ greater than 50%

6. Please describe the types of students who have transferred or may consider transferring to a charter school.

Follow-up questions: Are most students Anglo? High achieving? LEP? EC?  
What do you think attracts these students to the charter school?

7. In what ways do the charter school providers inform parents and students about alternative education opportunities?

Follow up questions: Has there been any changes in your school's communication with parents? Any efforts to increase parent contact?  
Have there been any changes to policies or procedures associated with public relations or advertising?

8. Does the availability of charter schools compete with traditional public schools?

Follow up questions:

What are the other sources of competition?  
What is the greatest source of competition?

9. Have traditional public schools or the district added or changed any programs in response to charter school competition?

Follow up questions:

Are there any policy or procedural changes that you would attribute to increased competition with charter schools?

Please describe any ways you envision cooperation between traditional public and charter schools.

10. Have you noticed any changes in parental involvement at your school since the opening of charter schools or discussion about charter schools?

Follow-up questions:

Do you know parents that have left a district school to attend charter schools?

Has the district identified any trends in students or parents who leave to attend charter schools?

11. What, if any, financial impact has the existence of charter schools had on your school? Specifically, have you lost funding, teachers, or programs?

12. Would you characterize charter schools as having more or less state/federal regulation than your school? Why? Could you offer examples of regulation?

13. Are there any characteristics of charter schools that you would like to be able to implement in your school?

Follow up question:

What, if any, barriers exist to implementation in your school?

14. Are there magnet schools operating in your district?

Follow up questions:

How would you compare the competition for student enrollment between charter and magnet schools in your area?

15. How do administrators differentiate and plan responses to different types of competition?

16. Do you have any other information about this topic that you would like to share?

17. Are there any questions you think I should have asked but didn't?

18. Please respond to the following demographic information:

Gender \_\_\_\_\_

Highest Level of Education Completed: \_\_\_\_\_

Thank you for your time. I hope that you have a great opening to the 2008-09 school year!

## APPENDIX E: TELEPHONE PROTOCOL

- 1) Researcher will gain approval from school district superintendent before contacting school principals. Superintendent will be asked to forward his or her approval to school principals via email so that participants will be familiar with the research.
  
- 2) Administrator will be contacted via telephone by researcher:
  - a) If no answer, a message will be left with contact information for researcher and a follow-up call will be made two days later;
  
  - b) If contacted, the purpose of the research will be explained.
 

The researcher will say, "Hello. My name is Ami Parker. I am calling from UNC-Charlotte. I am conducting a research study called North Carolina Charter Schools: School Administrators' Perceptions of Competition in K-12 Education. You may recognize my name and the title of my research because you recently received an email notice of support from your superintendent, and you may have completed recently an online survey for this study. May I tell you a little about the study?"

If no, "Thank you for your time. I hope you have a successful end to the school year."

If yes, "I am been a school counselor for thirteen years and an assistant principal for one year, all in the Gaston County school district. I am completing my dissertation on charter schools. My goal is to contribute to the understanding of how, if at all, charter schools impact traditional public school administrator's decision-making. Dr. Suzanne Leland, an assistant professor in the political science department at UNC-Charlotte is my dissertation advisor. I am asking that you participate in a brief telephone interview about your perceptions or charter schools. All information will be kept confidential. None of your responses will be identified by your name, personal descriptors, or school affiliation in the dissertation. I am asking you to voluntarily participate. Together we will establish a time that is convenient for the interview to be completed. If you have questions, my telephone number is 704-678-4588 and email address is [amiparker@gaston.k12.nc.us](mailto:amiparker@gaston.k12.nc.us). You may also contact the research compliance office at UNC-Charlotte. The contact person is Cat Runden and her telephone number is 704-678-3309. Do you have any questions? Are you interested in participating?"

If yes, an interview time will be scheduled. If no, "Thank you for your time. I hope you have a successful end to the school year."
  
- 2) The participant will be called at the designated time. The confidentiality and consent statement will be summarized. The researcher will read interview questions and record responses in writing;
  
- 3) If participant refuses, he or she will be thanked and contact will be terminated;

- 4) The above procedure in #1 will be followed for three iterations. The second contact will be made two days after the initial contact and the final contact will be made after one week. If the participant is not reached by that time, he or she will be coded as 'no response' for the research analysis.

## APPENDIX F: SCHOOL DISTRICT SURVEY RESPONSES AND ENROLLMENTS

Table 34: Urban districts- number of survey responses, school types, and enrollments

| School District       | Responses | # Traditional | District Enrollment | # Charter | Charter enrollment | # Magnet | Magnet Enrollment |
|-----------------------|-----------|---------------|---------------------|-----------|--------------------|----------|-------------------|
| Asheville City        | 2         | 9             | 3818                | 0         | 0                  | 5        | 1796              |
| Buncombe County       | 6         | 40            | 25682               | 3         | 870                | 0        | 0                 |
| Charlotte-Mecklenburg | 15        | 153           | 129,009             | 12        | 4182               | 52       | 43038             |
| Cumberland County     | 27        | 88            | 53079               | 1         | 182                | 0        | 0                 |
| Durham Public         | 9         | 46            | 31666               | 8         | 2510               | 7        | 3590              |
| Forsyth County        | 10        | 75            | 50078               | 6         | 2008               | 5        | 1970              |
| Guilford County       | 23        | 113           | 70380               | 3         | 1280               | 19       | 10193             |
| New Hanover County    | 9         | 37            | 24089               | 2         | 427                | 1        | 573               |
| Pitt County           | 5         | 35            | 22597               | 0         | 0                  | 0        | 0                 |
| Wake County           | 39        | 147           | 128,072             | 13        | 5730               | 49       | 41367             |

Table 35: Suburban districts- number of survey responses, school types, and enrollments

| School District      | Responses | # Traditional | District Enrollment | # Charter | Charter Enrollment | # Magnet | Magnet Enrollment |
|----------------------|-----------|---------------|---------------------|-----------|--------------------|----------|-------------------|
| Alamance-Burlington  | 16        | 34            | 22431               | 3         | 1131               | 0        | 0                 |
| Asheboro City        | 3         | 8             | 4470                | 0         | 0                  | 0        | 0                 |
| Brunswick County     | 5         | 17            | 11691               | 1         | 744                | 0        | 0                 |
| Burke County         | 9         | 28            | 14215               | 1         | 74                 | 0        | 0                 |
| Cabarrus County      | 7         | 29            | 25656               | 1         | 451                | 1        | 46                |
| Caldwell County      | 11        | 26            | 13112               | 0         | 0                  | 0        | 0                 |
| Carteret County      | 4         | 17            | 8272                | 2         | 257                | 0        | 0                 |
| Catawba County       | 7         | 27            | 17525               | 0         | 0                  | 0        | 0                 |
| Chapel Hill-Carrboro | 7         | 16            | 11107               | 0         | 0                  | 0        | 0                 |
| Chatham County       | 5         | 15            | 7648                | 2         | 638                | 0        | 0                 |
| Cleveland County     | 8         | 28            | 17001               | 0         | 0                  | 0        | 0                 |
| Clinton City         | 1         | 5             | 3210                | 0         | 0                  | 0        | 0                 |
| Columbus County      | 6         | 20            | 7020                | 1         | 137                | 0        | 0                 |
| Craven County        | 5         | 23            | 14756               | 0         | 0                  | 0        | 0                 |
| Davidson County      | 4         | 31            | 20629               | 0         | 0                  | 0        | 0                 |
| Davie County         | 4         | 10            | 6557                | 0         | 0                  | 0        | 0                 |
| Duplin County        | 4         | 15            | 8990                | 0         | 0                  | 0        | 0                 |
| Edgecombe County     | 1         | 15            | 7511                | 0         | 0                  | 0        | 0                 |
| Franklin County      | 2         | 13            | 8282                | 1         | 152                | 0        | 0                 |
| Gaston County        | 17        | 52            | 32494               | 2         | 840                | 1        | 547               |
| Granville County     | 1         | 16            | 8917                | 0         | 0                  | 0        | 0                 |
| Halifax County       | 2         | 16            | 4824                | 0         | 0                  | 0        | 0                 |
| Harnett County       | 6         | 26            | 18179               | 0         | 0                  | 0        | 0                 |

Table 35: Continued

| School District      | Responses | # Traditional | District Enrollment | # Charter | Charter Enrollment | # Magnet | Magnet Enrollment |
|----------------------|-----------|---------------|---------------------|-----------|--------------------|----------|-------------------|
| Haywood County       | 6         | 16            | 7950                | 0         | 0                  | 0        | 0                 |
| Henderson County     | 5         | 21            | 13090               | 1         | 162                | 0        | 0                 |
| Hickory City         | 3         | 10            | 4518                | 0         | 0                  | 0        | 0                 |
| Iredell-Statesville  | 13        | 34            | 20991               | 3         | 868                | 0        | 0                 |
| Johnston County      | 3         | 38            | 29121               | 1         | 202                | 0        | 0                 |
| Kannapolis City      | 3         | 8             | 4859                | 0         | 0                  | 0        | 0                 |
| Lee County           | 3         | 14            | 9395                | 1         | 95                 | 0        | 0                 |
| Lenoir County Public | 8         | 19            | 9786                | 2         | 433                | 0        | 0                 |
| Lexington City       | 3         | 7             | 3109                | 0         | 0                  | 0        | 0                 |
| Lincoln County       | 8         | 23            | 12075               | 1         | 917                | 0        | 0                 |
| Moore County         | 11        | 22            | 12,274              | 1         | 153                | 0        | 0                 |
| Mooresville City     | 0         | 7             | 5246                | 0         | 0                  | 0        | 0                 |
| Mount Airy City      | 4         | 4             | 1744                | 0         | 0                  | 0        | 0                 |
| Nash-Rocky Mount     | 6         | 29            | 18203               | 1         | 942                | 0        | 0                 |
| Newton Conover City  | 3         | 7             | 2954                | 0         | 0                  | 0        | 0                 |
| Onslow County        | 4         | 33            | 23129               | 0         | 0                  | 0        | 0                 |
| Orange County        | 4         | 13            | 6863                | 2         | 0                  | 0        | 0                 |
| Randolph County      | 5         | 29            | 18949               | 0         | 0                  | 0        | 0                 |
| Robeson County       | 8         | 43            | 24213               | 1         | 107                | 0        | 0                 |
| Rockingham County    | 12        | 25            | 14438               | 1         | 155                | 0        | 0                 |
| Rowan-Salisbury      | 8         | 33            | 20983               | 0         | 0                  | 0        | 0                 |
| Rutherford County    | 8         | 18            | 10060               | 1         | 855                | 0        | 0                 |
| Sampson County       | 5         | 16            | 8133                | 0         | 0                  | 0        | 0                 |
| Stanly County        | 6         | 23            | 9660                | 1         | 258                | 0        | 0                 |
| Surry County         | 7         | 17            | 8723                | 1         | 422                | 0        | 0                 |
| Thomasville City     | 0         | 4             | 2609                | 0         | 0                  | 0        | 0                 |
| Union County Public  | 15        | 43            | 34240               | 1         | 901                | 0        | 0                 |
| Wayne County Public  | 4         | 32            | 4313                | 1         | 133                | 0        | 0                 |
| Whiteville City      | 1         | 5             | 2542                | 0         | 0                  | 0        | 0                 |
| Wilkes County        | 5         | 22            | 10105               | 1         | 156                | 0        | 0                 |
| Wilson County        | 8         | 23            | 12600               | 1         | 731                | 0        | 0                 |



Table 36: Rural districts- number of survey responses, school types, and enrollments

| School District     | Responses | # Traditional | District Enrollment | # Charter | Charter enrollment | # Magnet | Magnet Enrollment |
|---------------------|-----------|---------------|---------------------|-----------|--------------------|----------|-------------------|
| Alexander County    | 6         | 14            | 5694                | 0         | 0                  | 0        | 0                 |
| Alleghany County    | 2         | 4             | 1569                | 0         | 0                  | 0        | 0                 |
| Anson County        | 5         | 10            | 4187                | 0         | 0                  | 0        | 0                 |
| Ashe County         | 1         | 5             | 3307                | 0         | 0                  | 0        | 0                 |
| Avery County        | 3         | 9             | 2319                | 2         | 120                | 0        | 0                 |
| Beaufort County     | 5         | 14            | 7116                | 1         | 267                | 0        | 0                 |
| Bertie County       | 1         | 8             | 3150                | 0         | 0                  | 0        | 0                 |
| Bladen County       | 5         | 14            | 5541                | 0         | 0                  | 0        | 0                 |
| Camden County       | 5         | 4             | 1874                | 0         | 0                  | 0        | 0                 |
| Caswell County      | 1         | 6             | 3303                | 0         | 0                  | 0        | 0                 |
| Cherokee County     | 6         | 14            | 3669                | 1         | 126                | 0        | 0                 |
| Clay County         | 1         | 3             | 1373                | 0         | 0                  | 0        | 0                 |
| Currituck County    | 4         | 8             | 4070                | 0         | 0                  | 0        | 0                 |
| Dare County         | 2         | 12            | 4882                | 0         | 0                  | 0        | 0                 |
| Edenton/Chowan      | 8         | 3             | 2527                | 0         | 0                  | 0        | 0                 |
| Elkin City          | 2         | 3             | 1217                | 0         | 0                  | 0        | 0                 |
| Gates County        | 3         | 5             | 2066                | 0         | 0                  | 0        | 0                 |
| Graham County       | 1         | 3             | 1236                | 0         | 0                  | 0        | 0                 |
| Greene County       | 3         | 5             | 3272                | 0         | 0                  | 0        | 0                 |
| Hertford County     | 3         | 5             | 3443                | 0         | 0                  | 0        | 0                 |
| Hoke County         | 1         | 12            | 7259                | 0         | 0                  | 0        | 0                 |
| Hyde County         | 0         | 4             | 652                 | 0         | 0                  | 0        | 0                 |
| Jackson County      | 1         | 7             | 3662                | 1         | 164                | 0        | 0                 |
| Jones County        | 1         | 6             | 1284                | 0         | 0                  | 0        | 0                 |
| Macon County        | 5         | 11            | 4327                | 0         | 0                  | 0        | 0                 |
| Madison County      | 1         | 6             | 2646                | 0         | 0                  | 0        | 0                 |
| Martin County       | 1         | 12            | 4185                | 0         | 0                  | 0        | 0                 |
| McDowell County     | 3         | 12            | 6490                | 0         | 0                  | 0        | 0                 |
| Mitchell County     | 0         | 8             | 2213                | 0         | 0                  | 0        | 0                 |
| Montgomery County   | 2         | 9             | 4547                | 0         | 0                  | 0        | 0                 |
| Northampton County  | 6         | 10            | 2985                | 1         | 593                | 0        | 0                 |
| Pamlico County      | 0         | 4             | 1542                | 1         | 347                | 0        | 0                 |
| Pasquotank County   | 0         | 12            | 6229                | 0         | 0                  | 0        | 0                 |
| Pender County       | 3         | 16            | 7715                | 0         | 0                  | 0        | 0                 |
| Perquimans County   | 2         | 4             | 1739                | 0         | 0                  | 0        | 0                 |
| Person County       | 3         | 10            | 5665                | 2         | 660                | 0        | 0                 |
| Polk County         | 0         | 6             | 2425                | 0         | 0                  | 0        | 0                 |
| Richmond County     | 3         | 18            | 8179                | 0         | 0                  | 0        | 0                 |
| Roanoke Rapids City | 0         | 5             | 2978                | 0         | 0                  | 0        | 0                 |
| Scotland County     | 4         | 21            | 6871                | 1         | 92                 | 0        | 0                 |

Table 36: Continued

| School District     | Responses | # Traditional | District Enrollment | # Charter | Charter enrollment | # Magnet | Magnet Enrollment |
|---------------------|-----------|---------------|---------------------|-----------|--------------------|----------|-------------------|
| Stokes County       | 6         | 18            | 7339                | 0         | 0                  | 0        | 0                 |
| Swain County        | 2         | 5             | 1842                | 1         | 147                | 0        | 0                 |
| Transylvania County | 3         | 9             | 3813                | 1         | 172                | 0        | 0                 |
| Tyrrell County      | 1         | 3             | 614                 | 0         | 0                  | 0        | 0                 |
| Vance County        | 6         | 15            | 7901                | 1         | 420                | 0        | 0                 |
| Warren County       | 2         | 6             | 2817                | 1         | 151                | 0        | 0                 |
| Washington County   | 1         | 5             | 2072                | 0         | 0                  | 0        | 0                 |
| Watauga County      | 2         | 9             | 1985                | 1         | 151                | 0        | 0                 |
| Weldon City         | 0         | 3             | 1010                | 0         | 0                  | 0        | 0                 |
| Yadkin County       | 3         | 11            | 6201                | 0         | 0                  | 0        | 0                 |
| Yancey County       | 1         | 9             | 2575                | 0         | 0                  | 0        | 0                 |