

# Charter Day School, Inc. Offers Brunswick Settlement: District Must “Do the Right Thing” to Repay Overdue Student Funding

**Leland** – In their recent meeting, the Board of Trustees of Charter Day School, Inc. (“CDS”) approved an offer to settle their ongoing litigation against Brunswick County Schools involving student funds intended by state law to be paid.

Mr. John Ferrante, Chairman of the Board of Trustees delivered the offer to the Brunswick School Board at their regular meeting Tuesday evening, September 9.

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*...Brunswick district, contrary to state law, improperly withheld funds from the charter students...*

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The basis for the lawsuit is that, contrary to state law, the Brunswick district improperly withheld funds from the charter students attending the tuition-free, open-enrollment, public Charter Day School in Leland, NC.

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*...district improperly withheld more than \$1,000,000 from CDS students since the inception of the charter school in the year 2000.*

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North Carolina state law requires that all public school students in a county must share equally in the funds designated for K-12 educations; districts may not discriminate against charter students unfairly when it comes to funding. After an investigation in 2011, CDS discovered that some districts were withholding more than their equal share and that the public charter school students were being short-changed. Every corporation has

a duty to recover improperly withheld funds, and CDS filed lawsuits asking the county Courts to require these districts to reimburse its charter schools for amounts improperly withheld.

Since then, the courts have upheld the charter school funding law and five of six districts negotiated settlements to repay these funds. The only district that has so far failed to negotiate a fair settlement with Charter Day School is Brunswick. The matter is pending in Brunswick County Superior Court.

CDS produced audited statements from Brunswick County that substantiate the district improperly withheld more than \$1,000,000 from CDS students since the inception of the charter school in the year 2000. As such, CDS insists that Brunswick do the right thing for its citizens and make good on these debts.

The district might argue an ambiguous “loophole” to attempt to evade paying some of the funds owed prior to 2007. That would allow the district to continue their discrimination against the charter school students by retaining more than \$500,000 of funds improperly withheld prior to 2007.

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*...charter schools should have **equal funding for all students for all years.***

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In their settlement offer, CDS insists the district do the right thing and reimburse the full claim because the district is morally, ethically, and legally obligated to treat every student in the county equally, regardless of which public school they attended *or when they attended it*,

so that charter schools should have *equal funding for all students for all years.*

The Brunswick County district should do the right thing and restore all of the withheld funds without further expensive litigation. It would be wasteful and unethical to rely on a possible loophole to continue discriminating against nearly a tenth of the county's students and families.

The charter schools already operate on 27% less money per pupil than the district schools because charters do not receive public funding designated for facilities, buses, food, and other special needs. For each school facility CDS finances internally, millions of county dollars are saved. The South Brunswick Charter School opened by CDS this year will relieve Brunswick taxpayers of an \$18 million dollar burden—which is the cost the Brunswick County Board of Education estimates to build a school of similar size.

Further, charter schools operate on approximately \$3,000 less per pupil than do Brunswick County district schools. This means that the 900 students at Charter Day School in Leland save the taxpayers \$2.7 million annually in operational costs and South Brunswick will save another \$1.8 million annually when it reaches capacity. Test scores released last week show the Charter Day School is also the highest-scoring in the county on state End-of-Grade tests. In sum, while receiving 27% less funding than district schools, Charter Day School outscored every school in the district, as well as surpassed the district average by more than 17 percentage points

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Charter Day School consistently achieves such a record while maintaining student diversity comparable to the district. Charter Day School has 37% low-income students, 23% non-white students, and 13% special needs children, which makes it all the more important that the school district not continue to withhold this funding.

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*...Do the right thing, do not exploit loopholes...*

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CDS will be asking its charter school parents to urge the Brunswick School Board do the right thing as soon as possible and reimburse the school their full share of equal funding for all students for all years. A petition calling for the Brunswick Board of Education to accept CDS' settlement has already begun collecting signatures of concerned Brunswick County citizens. The petition can be found at [www.charterdayschool.net/petition](http://www.charterdayschool.net/petition) .