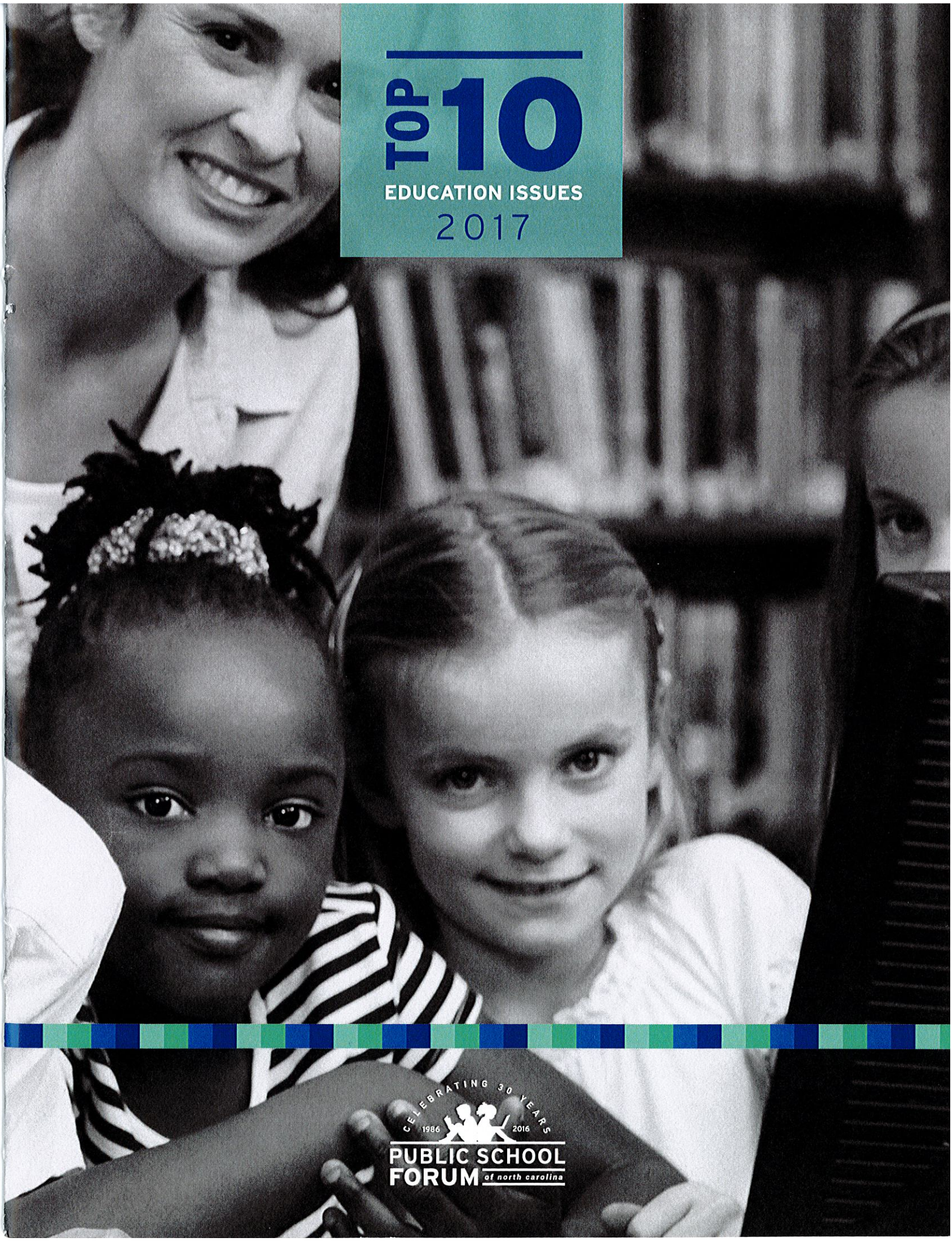


TOP 10
EDUCATION ISSUES
2017

CELEBRATING 30 YEARS
1986 2016
PUBLIC SCHOOL FORUM of north carolina

CONTENTS

	Top Ten Education Issues 2017 Summary	2
1	Exercise Strong Education Leadership for North Carolina's Children	4
2	Fund North Carolina's Public Schools Fairly and Adequately	6
3	Make Teaching in North Carolina Great Again	8
4	Improve Access, Equity, and Accountability in School Choice	10
5	Overhaul Principal Pay and Invest in Preparing the Next Generation of School Leaders	12
6	Maintain a Strong Focus on Race in Public Education	14
7	Improve Grade-Level Reading through Comprehensive Investments in Early Childhood	16
8	Enable the Transition to Personalized, Digital-Age Learning Models	18
9	Create Meaningful and Streamlined Assessments	20
10	Increase Support for the State's Struggling Schools	22

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INTRODUCTION

As the Public School Forum enters its 31st year, we continue our tradition of forecasting the ten issues most likely to impact public schools across the state in our Top Ten Education Issues for 2017. As we do each year, we have included in the list issues we believe **will** be the top education issues for the year, as well as issues we believe **should** be at the top of the education agenda.

As 2016 wound down, North Carolina - and the nation - closed the book on an often divisive and unpredictable general election year. It seems likely, however, that partisan politics will continue to set the tone for policy debates in 2017, including in education.

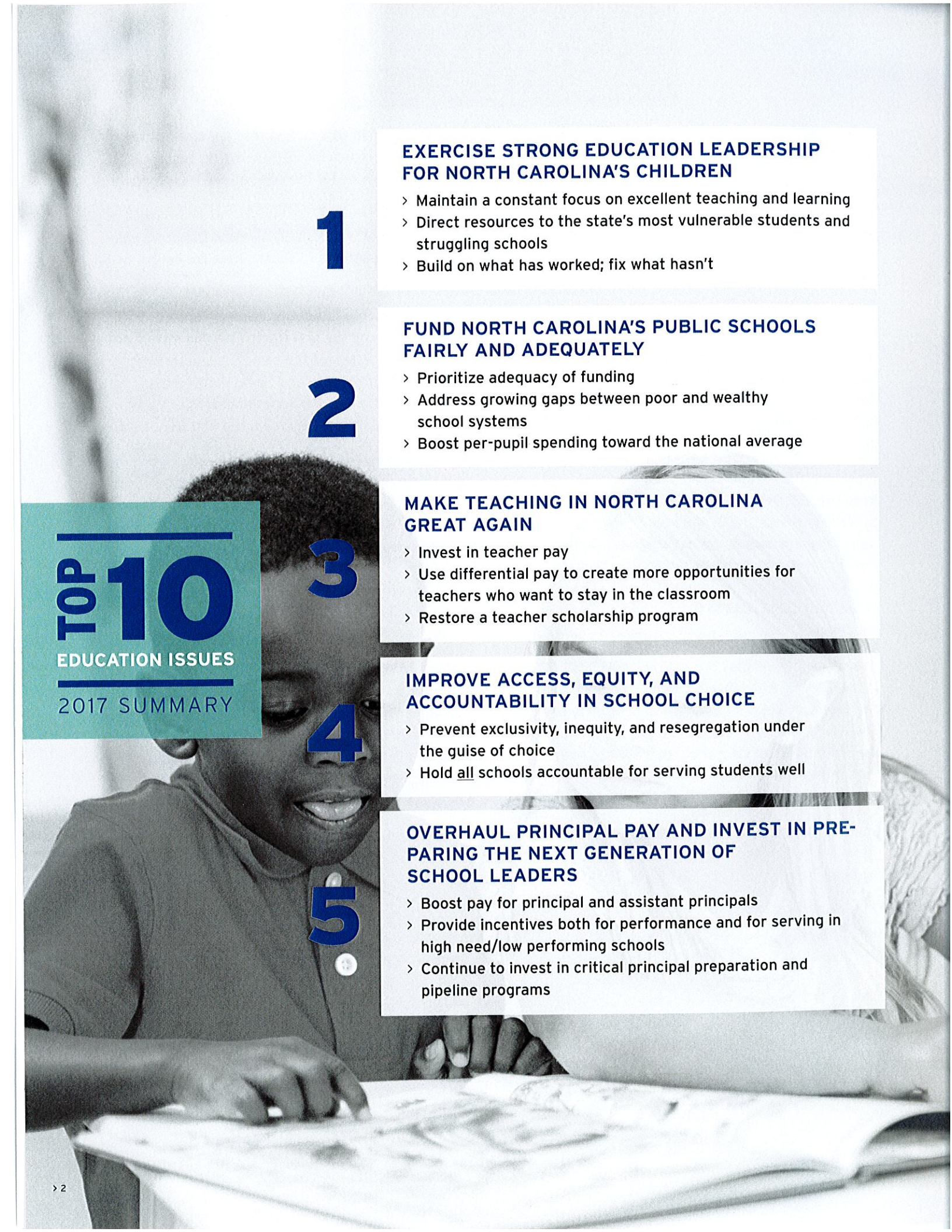
In November, North Carolina voters elected a new governor in Democrat Roy Cooper, unseating Pat McCrory, the only incumbent governor in the country to lose a bid for re-election and the first North Carolina incumbent to be defeated since the state began allowing governors to seek second terms. At the same time, voters gave Republicans another term with veto-proof supermajorities in both the House and Senate and elected Republicans to the majority of Council of State positions. This included the race for Superintendent of Public Instruction, where Republican Mark Johnson defeated Democrat June Atkinson, becoming the first Republican elected to the state's top education post since 1896.

President-elect Trump has tapped a leading school choice advocate in billionaire philanthropist Betsy DeVos to head the U.S. Department of Education. With the DeVos pick, it seems likely issues like vouchers for students to attend private, and in most cases, religious schools, will loom even larger in education policy debates, both nationally and here in North Carolina. The General Assembly continues to push various "choice" alternatives, like virtual charter schools, expanded private school voucher efforts and public school takeover initiatives like the Achievement School District that is slated to begin this year. Together, these efforts reflect a theme of privatization and run the risks of decreasing transparency, accountability, and equitable access to educational opportunity.

How all of this will play out in North Carolina in 2017 is difficult to predict. With Republicans firmly in control in the General Assembly, it's safe to assume many of the same priorities of the previous 6 years will carry the day. However, looming large is the possibility of a new court-ordered election this fall for every member of the General Assembly. In addition, there are also two lawsuits, one filed by Governor Roy Cooper and one filed by the State Board of Education, that seek to overturn two laws passed in a surprise special session in December that, if they are upheld, will limit the power of the new governor and significantly shift responsibility over education policy from the State Board of Education to the new State Superintendent of Public Instruction.

Governor Cooper, along with nearly all candidates running for seats in the House and Senate, campaigned on promises to increase teacher pay and invest in our public schools. We hope there will be opportunities to set aside partisan politics and find common ground in these crucial areas.

Our Top 10 Education Issues for 2017 revisits some familiar themes from the last two years, including teacher pay, school funding, racial equity and a continued push for more accountability and transparency in school choice efforts. New issues include changes in education leadership brought on in part by the 2016 election, as well as low-performing schools turnaround strategies and a larger focus on principal pay and preparation. Each of these issues will play a key role in 2017 in determining what's next in our state. In recent years, North Carolina has made national headlines for the wrong reasons. But our state has a long and well-deserved reputation as a national leader in investing in education, whether it's early childhood education, our state's community colleges and universities or our K-12 public school system. We hope 2017 will be an opportunity for education to take the lead once again.



TOP 10 EDUCATION ISSUES

2017 SUMMARY

1 EXERCISE STRONG EDUCATION LEADERSHIP FOR NORTH CAROLINA'S CHILDREN

- Maintain a constant focus on excellent teaching and learning
- Direct resources to the state's most vulnerable students and struggling schools
- Build on what has worked; fix what hasn't

2 FUND NORTH CAROLINA'S PUBLIC SCHOOLS FAIRLY AND ADEQUATELY

- Prioritize adequacy of funding
- Address growing gaps between poor and wealthy school systems
- Boost per-pupil spending toward the national average

3 MAKE TEACHING IN NORTH CAROLINA GREAT AGAIN

- Invest in teacher pay
- Use differential pay to create more opportunities for teachers who want to stay in the classroom
- Restore a teacher scholarship program

4 IMPROVE ACCESS, EQUITY, AND ACCOUNTABILITY IN SCHOOL CHOICE

- Prevent exclusivity, inequity, and resegregation under the guise of choice
- Hold all schools accountable for serving students well

5 OVERHAUL PRINCIPAL PAY AND INVEST IN PREPARING THE NEXT GENERATION OF SCHOOL LEADERS

- Boost pay for principal and assistant principals
- Provide incentives both for performance and for serving in high need/low performing schools
- Continue to invest in critical principal preparation and pipeline programs



6 MAINTAIN A STRONG FOCUS ON RACE IN PUBLIC EDUCATION

- Dedicate executive-level district leadership to racial equity efforts
- Provide professional development dealing specifically with implicit racial bias and systemic racism

7 IMPROVE GRADE-LEVEL READING THROUGH COMPREHENSIVE INVESTMENTS IN EARLY CHILDHOOD

- Invest in the state's proven, evidence-based early childhood programs and increase funding for child care subsidies
- Advance birth-to-eight alignment through the state's Every Student Succeeds Act (ESSA) plan
- Unite public and private stakeholders around the key metric of third-grade reading success, driven by comprehensive investments in early childhood

8 ENABLE THE TRANSITION TO PERSONALIZED, DIGITAL-AGE LEARNING MODELS

- Expand the School Connectivity Initiative to provide and support broadband access, internal networks, and related services to all schools
- Provide professional development for school and district leaders, instructional support staff, and technical staff
- Establish standards, review processes, and collaborative procurement for digital learning resources

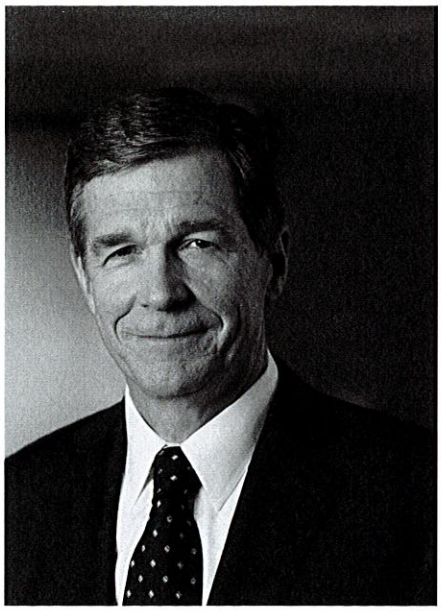
9 CREATE MEANINGFUL AND STREAMLINED ASSESSMENTS

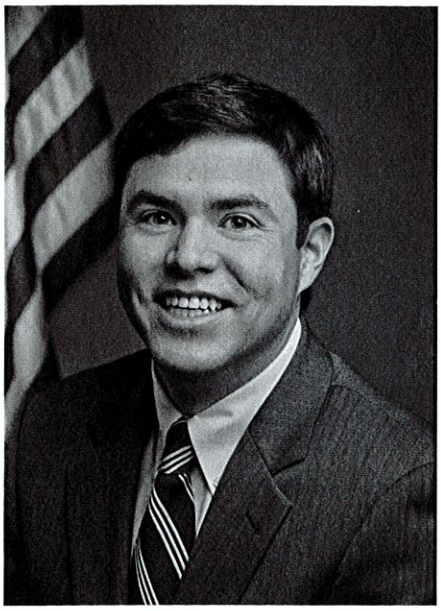
- Build on DPI's study of interim assessments to provide meaningful information about student performance to teachers, parents, and students
- Align state testing requirements with federal ESSA regulations

10 INCREASE SUPPORT FOR THE STATE'S STRUGGLING SCHOOLS

- Improve allocation of vital resources to support interventions that will attract and retain excellent teachers and school leaders in high-need schools
- Broaden the state's accountability system to incorporate multiple measures of student outcomes
- Adopt school improvement strategies that strengthen the capacity of communities to serve all children

1 EXERCISE STRONG EDUCATION LEADERSHIP FOR NORTH CAROLINA'S CHILDREN





This year will see new leaders take over positions with the power to profoundly impact public education in North Carolina. Governor Roy Cooper ran on a promise to make education a priority, from early childhood through the K-12 system and the state's universities and community colleges. Cooper, a Democrat, will have an opportunity to make good on this promise working with the Republican-led General Assembly.

Mark Johnson, who defeated longtime incumbent June Atkinson, takes the helm at the state Department of Public Instruction, at the beginning of a period of increasing state authority, ushered in by the passage of the new federal Every Student Succeeds Act (ESSA). Near the end of 2016, the General Assembly passed legislation enhancing Johnson's authority, with corresponding limitations on the powers of the State Board of Education and the Governor, though some of the new laws gave rise to constitutional challenges.

North Carolina's long-running *Leandro* lawsuit, which questioned the constitutionality of the state's system of financing schools, has new leadership as well. Judge Howard Manning, who had overseen the case since 1997, stepped down last year for health reasons, and the case has now been assigned to W. David Lee, a retired judge from Union County.

This new wave of leadership comes at a time of great tension over the future of public education in North Carolina and nationally. A recovering economy offers the opportunity for the state to substantially increase its investment in public education (and for some counties, recovery brings opportunity for increased local investment as well). At the same time, some are calling for increased funding of alternatives to public schools, such as private school vouchers, and increased choice within the public school system.





LOOKING AHEAD IN 2017

As new leaders begin their work, the transfer of power will generate uncertainty and a degree of upheaval within the state's public education system. Amidst the many changes likely on the horizon, several priorities should remain constant.

- **Maintain a constant focus on excellent teaching and learning.** Leaders from across the political spectrum want North Carolina students to succeed, in school and in life. This will require providing all students with strong instruction through world-class curriculum pegged to clear and rigorous standards. This in turn will require renewed effort to recruit and retain great teachers and principals, including through strategies discussed elsewhere in this Top Ten list. It will also require strong support for new and veteran educators alike, including improved pay and career opportunities; strong, job-embedded professional development; and a concerted focus on building and maintaining great working conditions in all North Carolina schools.

- **Direct resources to the state's most vulnerable students and struggling schools.** Education leaders shape opportunity for all North Carolina's students, but several specific groups face particularly daunting challenges, including students living in poverty, students with disabilities, and students with limited English proficiency. Our leaders must make special efforts to support these students, through equitable policies, additional resources (to make equity possible), and innovative programs to reach students whose needs have not been well-met within the current landscape of educational options.

- **Build on what has worked; fix what hasn't.** A rush to change for the sake of change alone could cause the state to lose significant institutional knowledge and the opportunity to continue building upon recent gains. State leaders from both parties should be careful to cast aside existing policies, programs, and systems only when evidence indicates those they have been unsuccessful, and when strong, evidence-based options exist to replace them.

2 FUND NORTH CAROLINA'S PUBLIC SCHOOLS **FAIRLY AND ADEQUATELY**

In the fall of 2016, the North Carolina General Assembly's Program Evaluation Division issued a report examining how state education dollars are currently allocated and exploring the alternatives of transitioning to a weighted student funding model or reforming the existing system.

The state's current funding model distributes funds using a series of allotments, which are basically line items for things such as classroom teachers, textbooks, etc. Under a weighted-student funding model, the state would allot a certain base amount of money for each student. That base amount would then change depending on the characteristics of the student - i.e., grade level, special needs, etc. - adding resources to account for increased costs to serve that child.

It's hard to look at the dizzying patchwork of 37 different allotment categories cobbled together over decades and not come away thinking there must be a better way. At the same time, many superintendents are understandably nervous about how an entirely new system with its many unknowns and possible unintended consequences might impact their districts.

A new funding structure to better deliver resources to our state's public schools - one that is more transparent and easier to understand - may be a good idea. However, focusing on a delivery process alone, without addressing adequacy and equity, would be a real missed opportunity.

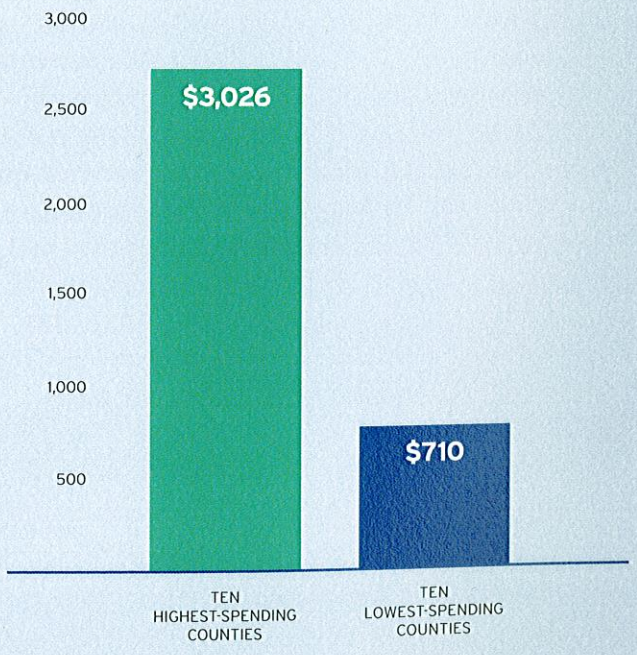
LOW- VS. HIGH-WEALTH COUNTIES

TAXABLE REAL ESTATE WEALTH PER CHILD



The wealthiest counties have more than five times the taxable property wealth per child available to the ten poorest counties. As a result, even though the ten poorest counties tax themselves at double the rate of the wealthiest counties, the revenue they generate through taxation is substantially lower.

SPENDING PER STUDENT



Annual per-student county spending on programs and personnel was $2,316 higher in the ten highest-spending counties than in the ten lowest-spending counties. This gap is wider than last year, when it was $2,211 per student.



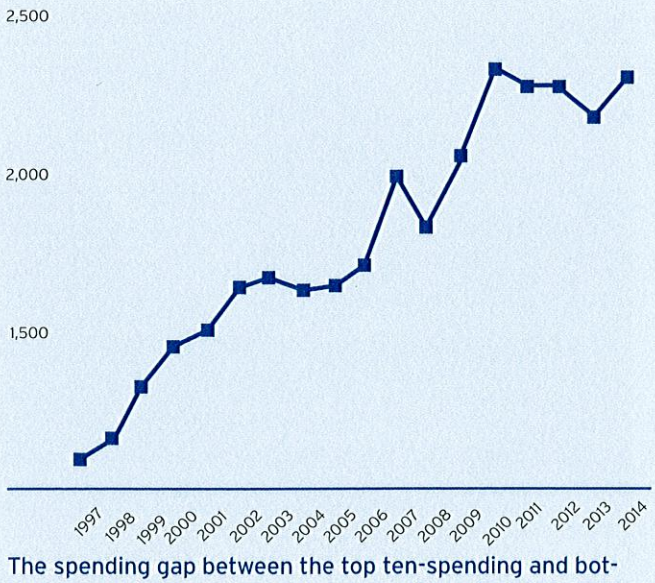
LOOKING AHEAD IN 2017

› **Prioritize adequacy of funding.** It has been 20 years since the North Carolina Supreme Court, in the Leandro case, defined the state's constitutional obligation to provide a sound basic education for all the state's children. The court ruled that meeting this obligation would require competent, certified, well-trained teachers and principals and the resources necessary so that the educational needs of all children could be met. Any changes to funding systems should take into consideration the adequacy of the resources so that we meet the state's obligation guaranteed to every child.

› **Address growing gaps between poor and wealthy school systems.** North Carolina has a growing gap in the availability of resources among schools systems. Last year the ten highest-spending counties spent 4.26 times more per child ($3,026 per child) than the ten lowest-spending counties ($710 per child). A 2016 study from the National Bureau of Economic Research examined student test scores in 26 states that have changed the way they fund schools since 1990 and compared them with those in 23 states that haven't. While no two states did exactly the same thing, they all increased funding for the poorest districts and the results were clear: States that send additional money to their lowest-income school districts saw significant academic improvement in those districts compared to states that don't.

› **Boost per-pupil spending toward the national average.** North Carolina ranked 44th in the country in per-pupil spending in 2015-16, up from 47th in 2014-15. North Carolina spends 8.3% less per student than it did before the recession. That's a bigger drop than all but nine other states. (FY08 to FY16, inflation-adjusted). The state should prioritize adequate funding of our schools. Moving more quickly toward the national average is a good place to start.

WIDENING SPENDING GAP



The spending gap between the top ten-spending and bottom ten-spending counties has grown from $1,094 in 1997 to $2,316 in 2015.

3 MAKE TEACHING IN NORTH CAROLINA GREAT AGAIN

Teacher salaries have risen in North Carolina the last 2 years, without question a positive step. However, NC's average teacher salary still ranked 41st nationally, up from 42nd in 2014-15. In 2000-2001 we were 21st and as late as 2008-2009 we were 25th nationally. The pay raises the last two years largely benefitted early career teachers, while the most veteran teachers with 15 or more years of experience saw very little in the way of salary increases.

On a regional basis, all states bordering North Carolina have higher average teacher salaries than North Carolina. Worst of all, we rank dead last nationally in teacher salary growth over the past decade. It's no wonder 52 percent of NC teachers have a 2nd job, the 3rd highest rate in the country.

Teacher turnover rates are at an all-time high in our state for a variety of reasons, but perhaps most alarming is the precipitous declines in enrollment in our teacher preparation programs. Overall enrollment in our UNC system schools of education, our state's single largest source of teachers, is down 30 percent since 2010.

The teacher shortage crisis is already upon us in our more rural counties, with school systems in Eastern North Carolina experiencing 35 percent annual turnover in its teaching workforce. Salaries are not the only factor drawing teachers to the profession or determining how long they stay, but certainly pay matters.

While teacher satisfaction surveys point to low pay as one of the top reasons they choose to leave profession, they also point to lack of autonomy, and lack of professional development and career advancement opportunities.





LOOKING AHEAD IN 2017

- **Invest in teacher pay.** North Carolina needs a sustained investment in teacher pay. Moving as quickly as possible to the national average is the strongest strategy to reverse the downward trend of the last decade and make North Carolina a great place to teach again. Ascending to the national average would also place us at the top of the regional rankings.
- **Use differential pay to create more opportunities** for teachers who want to stay in the classroom. In addition to pay increases, we need to provide autonomy - and funding - for school systems to design and implement new roles with higher salaries for teachers who want to take on new roles but stay in the classroom. We also need incentives for teaching in hard to staff high need schools.
- **Restore a teacher scholarship program.** The NC General Assembly eliminated the NC Teaching Fellows Program in 2011, a national model that placed 500 top North Carolina natives into our public school classrooms each year. More than 5,000 Teaching Fellows still fill classrooms in all 100 counties in the state. Republican Vice President Mike Pence even modeled his home state's teacher scholarship program after it and he signed it into law with great fanfare on 2016. It is past time to create a new scholarship program to recruit our state's best and brightest into teaching.

CHANGE IN EDUCATION DEGREE ENROLLMENT (2010-15)

UNC SYSTEM PROGRAM	ENROLLMENT CHANGE (# OF STUDENTS)	ENROLLMENT CHANGE (%)
Appalachian State	-1284	-33.9%
East Carolina	-640	-18.6%
Elizabeth City State	-375	-57.3%
Fayetteville State	-380	-49.7%
N.C. A&T	-470	-37.2%
N.C. Central	-254	-34.8%
N.C. State	-515	-28.4%
UNC-Asheville	-54	-55.1%
UNC-Chapel Hill	-216	-38.4%
UNC-Charlotte	-913	-28.9%
UNC-Greensboro	-642	-26.8%
UNC-Pembroke	-561	-36.7%
UNC-Wilmington	32	3.5%
Western Carolina	-439	-22.6%
Winston-Salem State	-403	-66.9%
UNC TOTAL	**-7114**	**-30.1%**

Source: UNC Educator Quality Dashboard. Numbers reflect both bachelor's and master's degree programs.

41st
national ranking, average teacher salary

52%
of NC teachers have a 2nd job

30%
decrease in enrollment in our UNC system schools of education

4 IMPROVE ACCESS, EQUITY, AND ACCOUNTABILITY **IN SCHOOL CHOICE**

School choice alternatives continued expanding rapidly in 2016. Charter schools (including virtual charter schools), private school vouchers, and new initiatives like the statewide Achievement School District (ASD) and university-affiliated lab schools, provide many North Carolina families a multiplicity of options for their children's education.

There are currently 168 charter schools serving approximately 91,000 students throughout the state. This includes two virtual charter schools that opened in 2015. An additional 13 charter schools are scheduled to open in August 2017.. The performance of North Carolina's charter schools has been mixed. There have been some high performers, but the charter sector has a higher percentage of low-performing "F" rated schools than the traditional public school sector while serving a far lower percentage of low-income students. Also, oversight has been lax, and the sector has appeared to prioritize quantity over quality. Just this past month it was determined that 40 percent of all graduates between 2008-2016 from Kestrel Heights Charter School in Durham were awarded diplomas without meeting state requirements for graduation. The Charter School Advisory Board had just recommended a 10-year charter renewal when the information surfaced.

This year, North Carolina will provide approximately 6,000 students with vouchers of about $4,000 per student, per year, to attend private schools. Of the $25 million the state allocated to the voucher program this year, 93 percent went to Christian, Islamic, and other faith-based schools, including some that apply strict religious litmus tests for prospective students and families and deny admittance to LGBT students or children of LGBT parents. The 2016-17 budget articulates the legislature's intent to expand the program every year from now until 2027-28, when the program will serve approximately 36,000 students at a total cost to the state of $145 million.

There are also signs pointing to lax oversight and an emphasis on quantity over quality. Just this past month it was determined that 40 percent of all graduates between 2008-2016 from Kestrel Heights Charter School in Durham were awarded diplomas without meeting state requirements for graduation.

The legislature created two other new initiatives last year, though neither is yet up and running. North Carolina's new Achievement School District (ASD) is designed to pull some of the state's lowest-performing schools out of their local districts and place them in a separate, statewide district with its own superintendent. The ASD will contract with outside groups, such as nonprofit and for-profit charter management organizations, to run the schools. There will be five elementary schools in the ASD in its first year of operations, with the possibility of expansion after that. Separately, eight UNC institutions will establish and operate "lab schools," potentially opening as soon as 2017-18. These schools will be run by the universities and overseen by their boards of trustees, drawing on the resources and expertise of the universities to develop and implement innovative programs to serve predominately high-need students.

[1] http://www.charlotteobserver.com/news/local/article95390197.html
https://tcf.org/content/commentary/second-class-students-vouchers-exclude/
http://www.ncpolicywatch.com/2016/07/27/more-taxpayer-funding-for-voucher-schools-that-openly-discriminate-against-lgbt-students-and-parents/



There are clear gaps in accountability and transparency between district-run public schools and public charters and voucher-funded private schools that must be addressed.

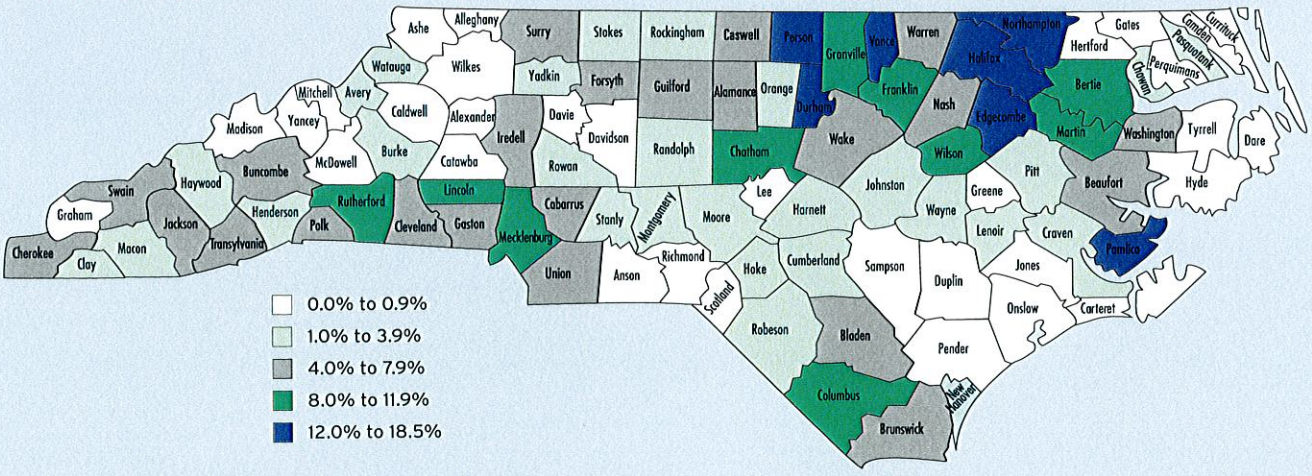
LOOKING AHEAD IN 2017

As choice has expanded, concerns have arisen about the quality of the new alternatives and the transparency of available data with which to determine quality. Beyond this, there are ongoing questions about ensuring that all students have equitable access to the new choice alternatives so they do not become vehicles for resegregation along racial or socioeconomic lines.

- **Prevent exclusivity, inequity, and resegregation under the guise of choice.** All students of all races, socioeconomic levels, and disability and language status, should have equitable access to a comparable range of high-quality educational choices. Policies should eliminate barriers to access, such as availability of transportation and food service, and prevent the creation of "enclaves of privilege," through which expanded choice may become a vehicle for some subgroups of students to attend school in isolation from others, at the expense of the equity of the overall system.

- **Hold all schools accountable for serving students well.** Every school receiving public funds should be held accountable to a set of rigorous, objective measures of how well they serve their students. Accountability systems should recognize and adjust for the "degree of difficulty" entailed in serving high-need students, but ultimately all schools, whether public or private (receiving vouchers), district-run or charter, should be held accountable for student performance and the financial and operational health of the school. There are clear gaps in accountability and transparency between district-run public schools and public charters and voucher-funded private schools that must be addressed.

PERCENTAGE OF PUBLIC SCHOOL STUDENTS IN MEMBERSHIP AT CHARTER SCHOOLS: MONTH 1 2015-16



Source: NC Department of Public Instruction (2015). *Percentage of public school students in membership at charter schools* (based on survey of LEAs).

5 OVERHAUL PRINCIPAL PAY AND INVEST IN PREPARING **THE NEXT GENERATION OF SCHOOL LEADERS**

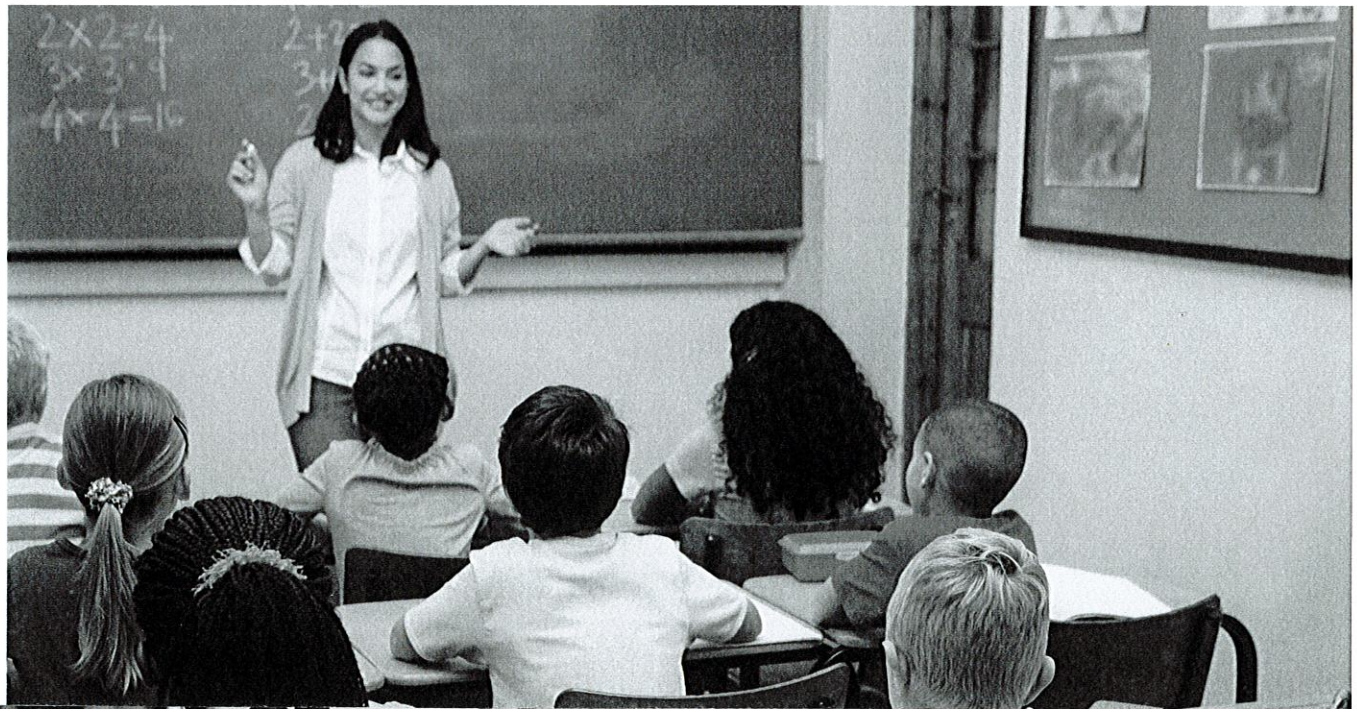
When the state of North Carolina surveyed teachers across the state last year, the number one factor cited for their job satisfaction and decisions on whether to stay at their school was the principal. In 2004, our principals and assistant principals were paid at the national average. Yet today, North Carolina's average principal pay ranks 50 out of 51 states and the District of Columbia. The average principal salary has decreased 10 percent since 2008-2009.

In 2004, our principals and assistant principals were paid at the national average. Yet today, North Carolina's average principal pay ranks **50 out of 51 states** and the District of Columbia.

The General Assembly is expected to look at school-based administrator pay in the upcoming session. It's needed. It takes 13 to 23 years for a principal to move off the beginning salary step. Couple that with how many veteran principals we've lost, and that's why 42 percent the state's 2,400 principals are still on the beginning step of the salary schedule.

Much like the teacher shortage, the pipeline for new principals is drying up. There is little financial incentive for a classroom teacher to assume the increased demands and responsibility. Some superintendents have resorted to keeping principals and assistant principals on the teacher salary schedule because they actually earn more. About half of the state's assistant principals are being paid on the teacher salary schedule.

Our state is not just losing potential school leaders on the front end, our most experienced veteran school leaders are retiring or moving on to other positions. Today, 60 percent of North Carolina's principals have less than 5 years of experience. Without adequate and immediate investments in school leader pay and other incentives, a critical shortage for these key educators seems likely.





LOOKING AHEAD IN 2017

- **Boost pay for principal and assistant principals.** Clearly our principals and assistant principals need salary increases. The most predictable and effective way is to realign principal pay with the teacher salary schedule plus a certain percentage and then consider block grants only for targeted incentive pay. Base pay increases are a critical first step, with the 3 percent increase proposed by the Study Committee on School-Based Administrator Pay as a start, not an end goal.

- **Provide incentives both for performance and for serving in high need/low performing schools.** Schools that serve higher percentages of students living in poverty are also likely to be among our lowest performing schools and the most likely to have difficulty recruiting and retaining stellar school principals. These are precisely the schools that need our best principals. The state should provide bonuses for principals using a variety of criteria including hard to staff schools, as well as performance-based measures such as student growth and taking on additional leadership roles and responsibilities.

- **Continue to invest in critical principal preparation and pipeline programs.** The state has several excellent principal preparation and development programs up and running, but all are constrained by budgets to meet the state's needs for highly skilled and trained school leaders. The state should invest recurring dollars into proven programs to develop the next generation of principals.

60%
OF NORTH CAROLINA'S PRINCIPALS HAVE LESS THAN 5 YEARS OF EXPERIENCE

10%
DECREASE IN AVERAGE PRINCIPAL SALARY SINCE 2008-09

#1
FACTOR CITED FOR TEACHER JOB SATISFACTION AND TEACHERS' DECISIONS TO STAY AT THEIR SCHOOL IS THE PRINCIPAL.

6 MAINTAIN A STRONG FOCUS ON **RACE IN PUBLIC EDUCATION**

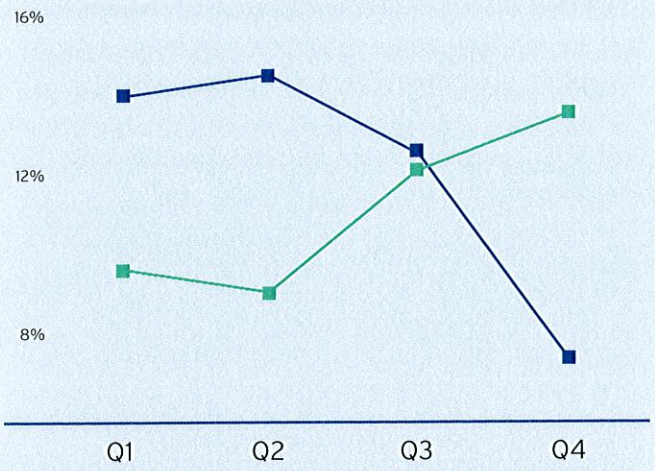
The language of equity is enshrined in our state's constitution, which states, "equal opportunities shall be available for all students." However, it is an inconvenient truth that in spite of decades of activity in all three branches of government, and at the federal, state, and local levels, students of color still do not have the same opportunity structure as white students in North Carolina's public schools.

Race remains a significant factor in determining student academic outcomes, in North Carolina as in many other states. In 2016, the Public School Forum helped elevate racial equity as a continuing major issue through a yearlong "study group" focused on educational opportunity. It is imperative that educators and citizens alike continue studying and discussing this issue. It is also crucial for academics and policymakers at the state and local level to collect and analyze data and develop policies and practices to mitigate the racially disparate outcomes that are unfortunately still a hallmark of our education system.

In 2017, instances of racial inequity abound. Abandonment of desegregation efforts in the late 90s in favor of "neighborhood schools" enabled resegregation of the state's public schools along race and class lines. Discipline disparities persist with students of color in general, and with Black and American Indian students in general—students from these groups are suspended at several times the rate of their white peers. For residents living in majority Hispanic and African American census blocks, the chances of their children attending racially-identifiable, high poverty, or low-performing schools are dramatically higher than for those in majority white census blocks. Overrepresentation in special education and underrepresentation in rigorous courses and programs also has racial patterns. With an overwhelmingly white teaching workforce (84%) that now instructs a student population that is increasingly diverse, the sector must seek to diversify as well as improve practices to be more culturally responsive.



TEACHER EFFECTIVENESS BY QUARTILES OF MINORITY STUDENTS



Note: Teacher Effectiveness is determined using NC Educator Effectiveness guidelines. Teachers' observational data (2013-14 school year) are combined with a three year average (2011-12 through 2013-14 school years) of the teacher student-growth data. These ratings are not official teacher ratings as the 2011-12 data are not formally used for determining teacher effectiveness. These data serve as a baseline for future analyses.



LOOKING AHEAD IN 2017

There are several ways that our education leaders can and must act to ensure that race is no longer a determining factor in the educational experience of North Carolina's children. What is needed more than ever is a concerted effort to create systemic change at the school and district levels that responds to observable racial inequities.

- **Dedicate executive-level district leadership to racial equity efforts.** At this point, the racial disparities within districts are undeniable. While being transparent about these patterns and publishing disaggregated data is necessary, greater effort must be made to address them systematically for the sake of the many children of color in North Carolina Public Schools. Committing executive-level leadership and resources at the district-level to addressing racial inequity demonstrates a tangible dedication to the issue.
- **Provide professional development dealing specifically with implicit racial bias and systemic racism.** The root causes of the racial inequities within the education system are not simple. They are byproducts of complex realities. One of the most beneficial efforts to dismantling the racially disparate outcomes is engaging superintendents, administrators, teachers and counselors in training dealing specifically with understanding the role of implicit bias in decision-making, as well as the socio-political history of systemic racism.

7 IMPROVE GRADE-LEVEL READING THROUGH **COMPREHENSIVE INVESTMENTS IN EARLY CHILDHOOD**

New research in 2016 finds that the most effective early education programs are those that are comprehensive and start at birth - like North Carolina's groundbreaking Smart Start program. Nobel Laureate economist James J. Heckman found that comprehensive, early childhood programs for disadvantaged children can deliver a **13 percent per child, per year return on investment** through better outcomes in education, health, social behaviors and employment, reducing taxpayer costs down the line and preparing the country's workforce for a competitive future.

An intentional, comprehensive and coordinated approach to children's earliest years will also improve student performance in third-grade reading. Reading proficiency is the single greatest predictor of high school graduation and later success. Students who read well go on to graduate, but those who aren't reading well by the end of third grade are four times more likely to drop out of high school.

North Carolina's wise investments in early child care and education programs were reinforced this year by an evaluation by the Duke Center for Child and Family Policy, which found that the state's Smart Start and NC Pre-K programs resulted in higher test scores, less grade retention and fewer special education placements through fifth grade. The findings held regardless of poverty level, suggesting that the programs create an enhanced learning environment for all.

Early learning investments enjoy widespread bipartisan support. A 2016 bipartisan poll by the North Carolina Early Childhood Foundation found that North Carolina voters support expanding access to Smart Start and NC Pre-K, including 70% of Republicans, 87% of Independents and 92% of Democrats.





LOOKING AHEAD IN 2017

The Forum supports ongoing efforts by early childhood stakeholders to develop whole-child, birth-to-eight pathways to grade-level reading success by third grade.

- **Invest in the state's proven, evidence-based early childhood programs – NC Pre-K and Smart Start – and increase funding for child care subsidies to allow more North Carolina children access to high-quality early education.** Evidence of the strong return on investment in early childhood education is clearer than ever before – it is a critical building block for school success, including third grade reading proficiency. The gains are particularly powerful for children from low-income families, and child care subsidies, Smart Start and NC Pre-K make high quality early care and education affordable for more North Carolina families. The General Assembly should prioritize increased spending in this high-impact area.

- **Advance birth-to-eight alignment through the state's Every Student Succeeds Act (ESSA) plan.** The early learning provisions of the state's ESSA plan were developed by a diverse group of stakeholders. The plan includes a birth-to-eight professional development system to help teachers and administrators support young children's learning, a focus on creating environments and implementing practices that are developmentally appropriate and support student success, accountability measures such as chronic absenteeism that reflect the importance of children's early years, and support for smooth transitions for children as they begin school and move through the early grades.

- **Unite public and private stakeholders around the key metric of third-grade reading success, driven by comprehensive investments in early childhood.** The Forum supports the ongoing efforts of the NC Pathways to Grade-Level Reading initiative, through which early childhood stakeholders have identified population-level measures that impact third-grade reading proficiency and will use those measures in 2017 to guide recommendations on early childhood policy and program design.

> HIGH QUALITY BIRTH-TO-FIVE PROGRAMS FOR DISADVANTAGED CHILDREN CAN DELIVER A

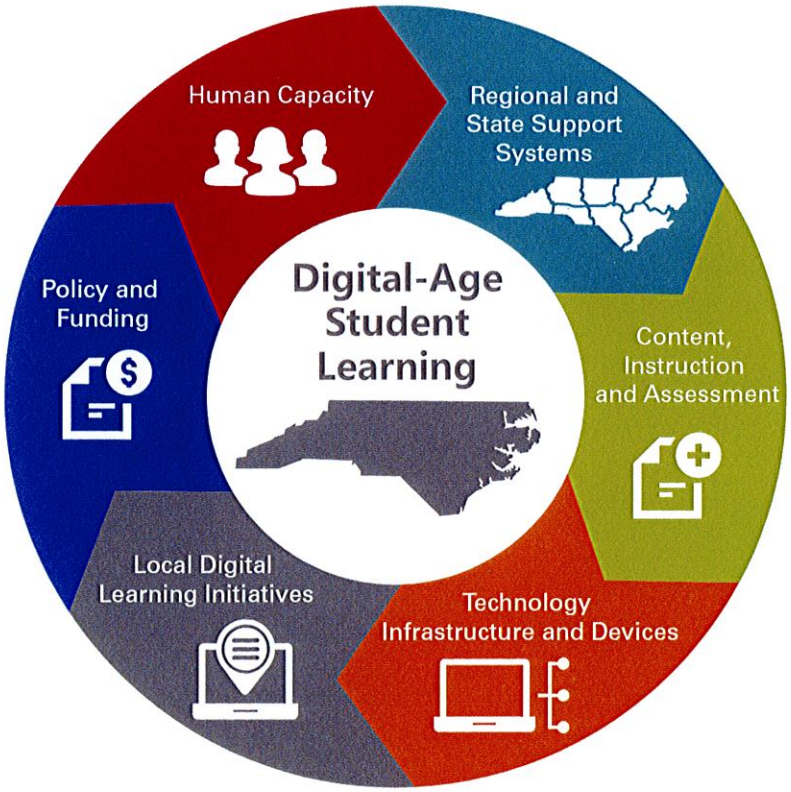
13%

RETURN ON INVESTMENT

8 ENABLE THE TRANSITION TO **PERSONALIZED, DIGITAL-AGE LEARNING MODELS**

North Carolina is transitioning our state from providing an industrial age, one-size-fits-all education to providing the personalized digital-age education K-12 students need to be successful in college, in careers, and as globally engaged, productive citizens. Important steps forward have been made by recent legislative actions that address preparing educators for digital learning, providing digital resources, and ensuring technology access across all schools. . North Carolina has already made significant progress with statewide initiatives, such as those providing professional learning for educators and administrators, and many districts in the state have digital learning initiatives well underway. However, much remains to be done to ensure that all students throughout the state have equitable access to high-quality digital-age teaching and learning.

The Friday Institute for Educational Innovation at NC State University, in collaboration with Department of Public Instruction (NCDPI) and policymakers, education leaders, practitioners, business leaders and other partners from throughout the state, prepared the North Carolina Digital Learning Plan for the North Carolina State Board of Education. This Plan provides recommendations for state actions to support K-12 schools as they become digital-age learning organizations. The North Carolina General Assembly, via the 2016 Appropriations Act (SL 2016-94), provided funding and stipulated that the State Board of Education/NCDPI, in collaboration with the Friday Institute, carry out specific tasks for professional learning, cooperative purchasing of digital content, infrastructure maintenance and support, updating state policies, continuous improvement processes, and assessments for technological and pedagogical skills.





LOOKING AHEAD IN 2017

The detailed NC Digital Learning Plan, published September 2015, articulates 21 specific and actionable recommendations for State level leadership in supporting local education agencies and all public schools in transitioning to digital learning. Some major examples include:

RECOMMENDATIONS	GOALS
TECHNOLOGY INFRASTRUCTURE, & DEVICES Expand the School Connectivity Initiative to provide and support broadband access, internal networks, and related services to all schools, while planning for increased bandwidth demands, replacement of outdated equipment, increased network engineering support, and ongoing funding.	All schools have sufficient network capacity to fully support digital learning in all classrooms and work-spaces by 2018. Sustainable funding and processes are available to maintain well-functioning networks in all schools thereafter.
HUMAN CAPACITY Provide professional development for school and district leaders, instructional support staff, and technical staff, in order to prepare local leadership teams to plan and implement successful digital learning initiatives.	All teachers and students report effective leadership and support for digital learning in their districts and schools.
CONTENT & INSTRUCTION Establish standards, review processes, and collaborative procurement for digital learning resources. Standards address curriculum content, personalized learning approaches, effective uses of technology, and technical requirements.	High-quality, personalized, interactive digital learning resources are available to all students. Effective systems are in place for teachers to select, create, organize, share, review, and use digital learning resources and curricula.

North Carolina already provides significant funding for school connectivity, digital resources, and implementation of the digital learning plan. To meet the statutory goals of converting to digital learning and providing a sound, basic education for every child, the state will need to increase the recurring funding available to support the transition to digital-age learning. In addition, other stakeholders–including local governments, private industry, and the philanthropic community–should continue to look for strategic, targeted ways to maximize the impact of their support for this important transition.

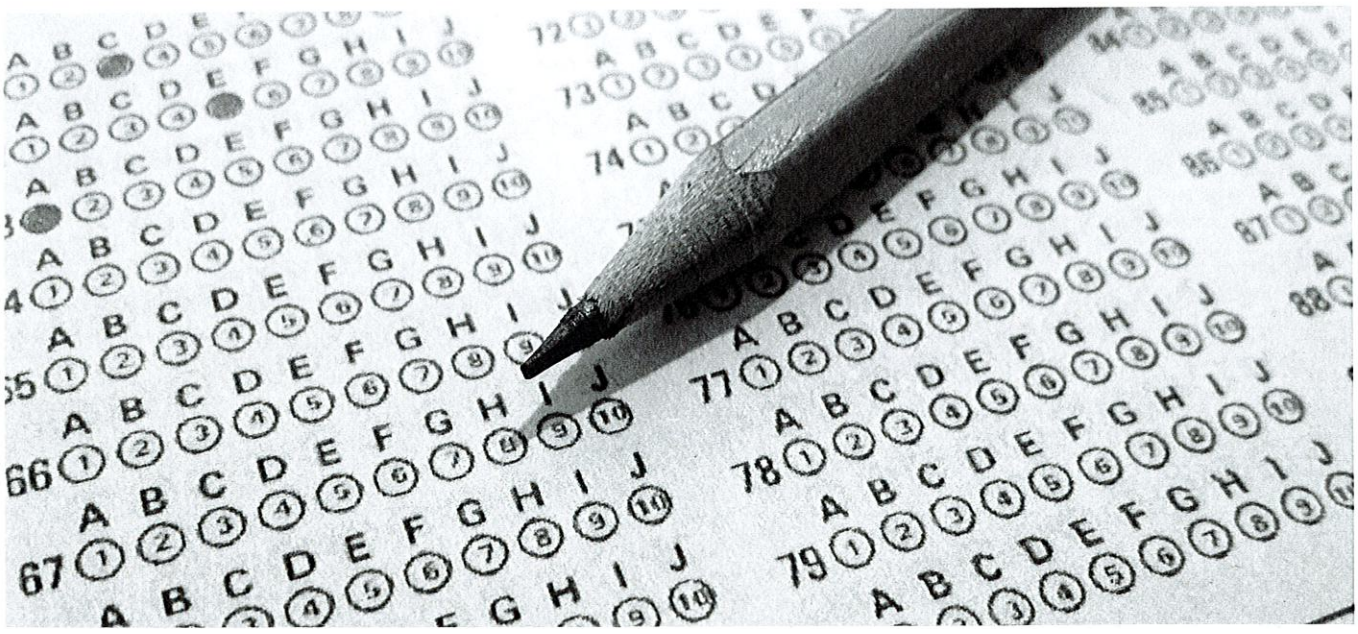
9 CREATE **MEANINGFUL AND STREAMLINED ASSESSMENTS**

Assessments are necessary vehicles to measure student learning and progress towards academic goals. Used well, they can inform instructional practices and make education more responsive to student needs. However, testing can also be viewed adversely. Too much testing or high-stakes testing may place undue pressure on children, particularly in younger grades, or burden teachers to "teach to the test" at the expense of engaging students in classroom experiences that promote student engagement and alternative types of learning that aren't easily measured on existing tests.

North Carolina administers statewide End-of-Grade (EOG) tests for Math and English Language Arts/Reading to all students in grades 3-8, and statewide EOG tests for Science to students in grade 5 and grade 8. In addition, three End-of-Course (EOC) tests are required in Biology, English II and Math I during high school. All 11th grade students take the ACT. Students entering 3rd grade are required to take a Beginning-of-Grade English Language Arts/Reading test and third grade students have additional reading tests throughout the year as under the Read to Achieve program.[2] In addition to the state-created EOG and EOC tests, twenty-four courses are required to have a North Carolina Final Exam. These exams are considered standardized artifacts reflective of student growth for teachers and school growth for participants in the teacher evaluation process.[3]

The federal Every Student Succeeds Act (ESSA) signed by President Obama in December 2015 contains testing requirements applicable to each state. States have to test students in grades 3 through 8 and once in high school, in math and reading, plus science in certain grade spans. States can choose if they want to test in other subjects, as long as those tests are aligned to state-level academic standards. All students in the state have to take the same test in each grade, with limited exceptions. The required assessments do not have to be multiple choice; states can include portfolios or performance tasks. Additionally, they do not have to be end-of-year summative tests; they can be formative, interim assessments.[4]

Last year, in the 2015-17 budget, the General Assembly allocated an additional $5 million in recurring funds to NC Pre-K, locking in an expansion authorized in 2014-15, and bringing the total support for NC Pre-K to $144.2 million. However, investment in this leading program still lags behind pre-recession levels, which reached around $170 million in 2008-09. State investment in Smart Start has held steady at $151 million since 2011, down from a peak of $231 million in 2000-01. Mandated budget reductions in the North Carolina Department of Health and Human Services reduced funding available for Smart Start to $147 million in 2013-14.





LOOKING AHEAD IN 2017

Parents, educators, and policymakers alike continue to struggle to determine the appropriate number and type of assessments, and to balance the benefits of testing against the costs. The following recommendations will help North Carolina continue to evolve toward a meaningful and streamlined assessment system.

- **Build on DPI's study of interim assessments to provide meaningful information about student performance to teachers, parents, and students.** North Carolina should continue piloting the Department of Public Instruction's "through-grade assessment model" into the 2017-18 school year. Under the model, three interim assessments are administered throughout the school year with a stand-alone summative assessment at the end of the academic year. Teachers use the results from the interim assessments to adjust their instruction and provide immediate assistance to students in areas where they are struggling.[5] This study promotes a balanced assessment system that includes formative and summative assessments and uses both types of assessments in tandem to provide value to teachers, parents, and students.

- **Align state testing requirements with federal ESSA regulations.** New federal regulations provide new flexibilities not previously allowed under No Child Left Behind, despite the same testing requirement for grades 3-8. North Carolina should view ESSA as an opportunity to review assessments, both in number and scope, and adopt strategies to avoid over-testing and reduce the emphasis on high-stakes testing.

[2] http://www.dpi.state.nc.us/accountability/testing/generalinfo
[3] http://www.dpi.state.nc.us/accountability/common-exams/
[4] http://blogs.edweek.org/edweek/campaign-k-12/2016/04/every_student_succeeds_act_exp.html
[5] https://content.govdelivery.com/accounts/NCSBE/bulletins/155d8f5

10 INCREASE SUPPORT FOR THE STATE'S STRUGGLING SCHOOLS[6]

"Low-performing schools" under North Carolina law are those schools that receive School Performance Grades of D or F and do not "exceed expected growth." The letter grade is based 80 percent on the school's achievement score and 20 percent on students' academic growth, which together result in a grade of A, B, C, D, or F for each school. "Low-performing districts" are those with over 50 percent of their schools identified as low-performing.

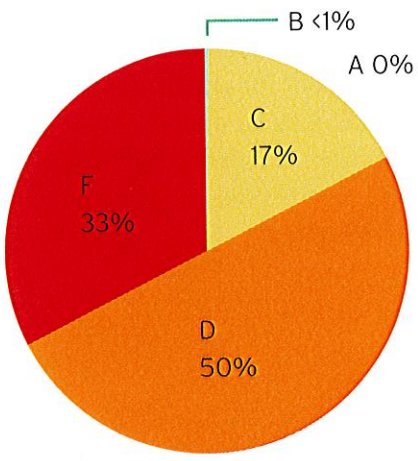
Based on 2015-16 data, there are 489 low-performing schools (20% of all schools in the state), and 10 low-performing districts out of 115. Last year, there were 581 low-performing schools (24.6%) and 16 low-performing districts.

The state's work to support low-performing schools is run through the Department of Public Instruction's Division of District and School Transformation. This Division provides services and support to build the capacity of staff serving in low-performing schools and districts, and to "develop or improve systems and processes that will sustain a continuous improvement culture."

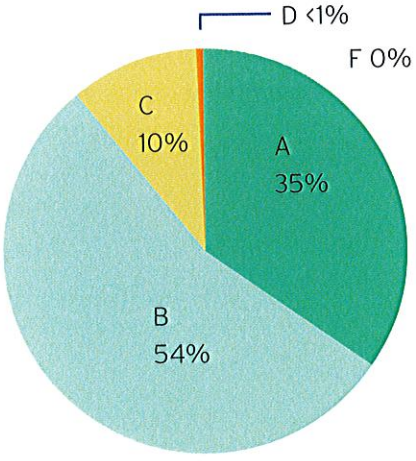
North Carolina has a long history of supporting its struggling schools. In 1999, the state's efforts earned the praise of President Clinton in his State of the Union address. In 2005, the state implemented the NC High School Turnaround Initiative, which was subsequently expanded to serve middle schools, before redesigning a new state assistance model for low-performing schools that it began implementing in 2007-08. More recently, under the state's Race to the Top grant, the state implemented an extensive effort, called Turning Around the Lowest-Achieving Schools (TALAS).

Most of North Carolina's "low-performing schools" serve high concentrations of students living in poverty. This link between poverty and school performance spotlights the intense needs these schools face and provides a strong rationale for giving them significant support. Unfortunately, decreased funding and the end of Race to the Top funding mean that last year the state was able to provide support to only 75 of 581 eligible schools.

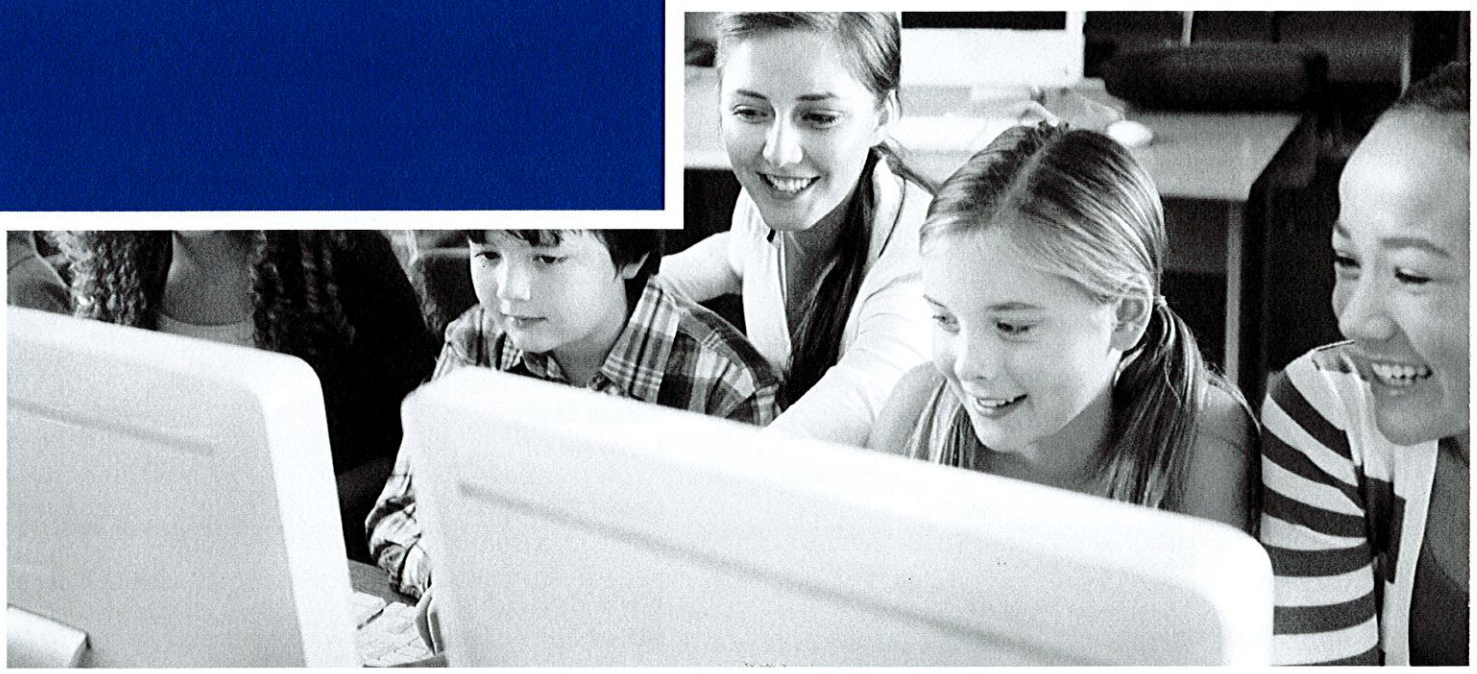
NC SCHOOL PERFORMANCE A-F LETTER GRADE



Schools serving **at least 85%** low income students



Schools serving **less than 25%** low income students



LOOKING AHEAD IN 2016

Recent policy interventions have tended to focus on enabling students to select alternatives to their assigned schools, most prominently private schools (through vouchers) and charter schools. We encourage a massive reinvestment in our existing, district-run public schools in addition to the cautious expansion of proven choice alternatives.

- **Improve allocation of vital resources to support interventions that will attract and retain excellent teachers and school leaders in high-need schools.** Across the country, a host of programs and policy interventions focus on improving teacher and school leader "pipelines," because the effectiveness of teachers and leaders matters more to student performance than any other school-based factor. We recommend the creation of 11-month teacher contracts, which will pay teachers for additional time, during which they will provide extended school-year support for struggling students and job-embedded professional development focused on the needs of students in low-performing schools; extended contracts with incentives for proven turnaround principals; teacher scholarships; and opportunities for teachers to advance in their careers without leaving the classroom.

- **Increase the state's accountability system to incorporate multiple measures of student outcomes.** State leaders should consider shifts in the A-F grading system to more fully and accurately measure year-over-year performance ("growth"), switch to a growth-to-proficiency model, add factors to the grading formula (e.g., growth among a school's lowest-performing students), or give separate grades for achievement and growth.

- **Adopt school improvement strategies that strengthen the capacity of communities to serve all children.** State and district turnaround efforts tend to focus largely on individual low-performing schools. Districts, private funders, and the state should shift to adopting strategies that capitalize on the assets of entire communities, including multiple schools and partners, to help turn around struggling schools. These "area-wide" strategies can seed collaboration among schools and community groups, and can help minimize systemic inequities.

[6] Portions of this section are adapted or reprinted from the Forum's Fall 2016 study group report, "Expanding Educational Opportunity in North Carolina," which analyzes this important issue in greater depth and offers additional recommendations.

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