

Public  
Education in  
North Carolina

A POLICYMAKER'S  
PRIMER

Dear Legislator:

Congratulations on your recent election to the North Carolina General Assembly. Since 2001, The Hunt Institute has worked to provide state leaders with solid, nonpartisan information on best practices and research in education policy. For the last 10 years, we have convened legislators at our annual *North Carolina Legislators Retreat* to provide an opportunity for deep, candid discussions about the most pressing education issues in our state. The Retreat, co-chaired by former Governors Jim Holshouser and Jim Hunt, brings legislators together with national and local experts to consider what is known and being tried in education reform. Legislators have noted that it presents a valuable opportunity for forward-thinking away from the hustle and bustle of Raleigh.

This year, because of so many new lawmakers in the legislature, we are offering a pre-Retreat session to provide background information on critical education issues and to give you an opportunity to discuss and ask questions in a smaller setting. This *Education Policy Primer* contains background on these issues. We hope you find it helpful and informative, and we look forward to seeing you at the pre-Retreat session.

Sincerely,

A handwritten signature in black ink that reads "Judith A. Rizzo". The signature is written in a cursive, flowing style.

Judith A. Rizzo, Ed.D.  
Executive Director and CEO  
The Hunt Institute

## THE STATE OF EDUCATION IN NORTH CAROLINA

A high-quality education has never been more important. Careers in today's economy are demanding more advanced skills and knowledge, and increasing numbers of students now pursue postsecondary skills and certificates. In light of this reality, how well are North Carolina's students prepared for college and careers?

High school students are graduating at higher rates than ever before. In 2011, **77.7 percent of North Carolina's seniors finished high school within four years**, a 3.5 percent increase from the prior year.<sup>1</sup> The state has also seen growth in its student performance on SAT and Advanced Placement Tests. In 2011, 67 percent of North Carolina's seniors took the SAT – the largest group of the state's seniors ever to take the test. North Carolina also held the lead among states in the Southeast for highest SAT scores in 2011. Over the last five years, the number of students participating in the AP exams has grown by 15.9 percent, and the number of students scoring at a high enough level to qualify for college credit has grown by 21 percent.<sup>2</sup> Although North Carolina has improved high school completion, these data don't tell the whole story. There are challenges at all grade levels that need to be addressed to improve student readiness for postsecondary work and education.

Reading and literacy skills form the foundation of learning, yet data confirm that **North Carolina's students struggle to read from early elementary through middle and high school. In 2011, 72 percent of North Carolina's 4<sup>th</sup> grade students were proficient on the NC end-of-course reading test.**<sup>3</sup> However, data from the National Assessment of Educational Progress (NAEP), a rigorous national assessment given to samples of students across the country, show that North Carolina's

students may be further behind than the state's tests suggest. As the charts on the following page demonstrate, there continues to be an achievement gap in reading among students by both race and income.

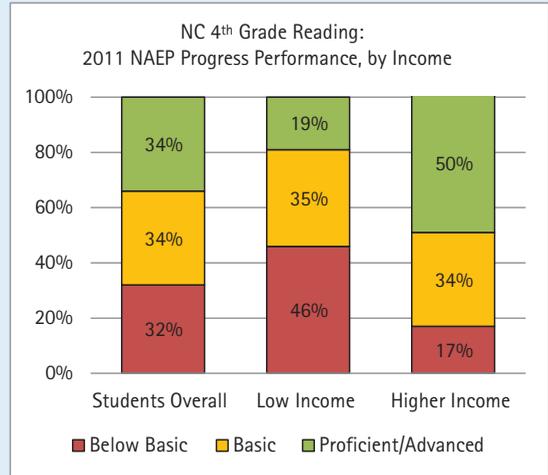
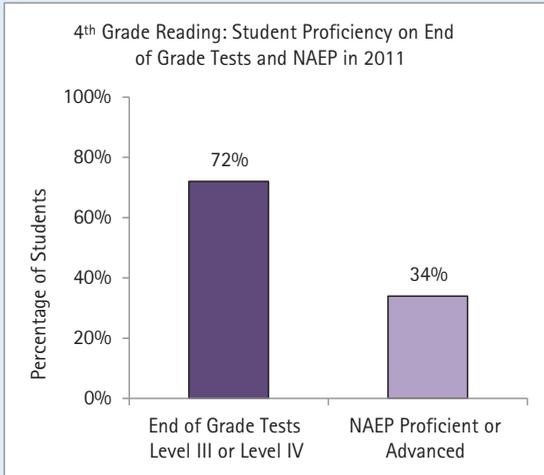
The math coursework students take in middle school covers rates, percentages, statistics, and the use of formulas and functions – key algebraic content they must master to succeed in more advanced high school courses. **By 8<sup>th</sup> grade, math scores provide a clear indication of a student's preparation for advanced math.** In 2011, 85 percent of North Carolina's 8<sup>th</sup> grade students were deemed proficient or advanced on the state's standardized tests.<sup>5</sup> Yet NAEP results from the same year indicate that **only 37 percent of the state's students were proficient or advanced in math.**<sup>6</sup> While students of all ethnic backgrounds have seen improvement in their 8<sup>th</sup> grade NAEP scores over the last decade, **White and higher income students continue to outperform their peers.**

Although North Carolina's graduation rates are increasing, **additional work needs to be done to strengthen the value of this diploma.** Students, parents, and community members need to be confident that a high school diploma truly indicates that a student is ready for college and career. Unfortunately, that isn't the case. Many high school graduates arrive in the workforce and on college campuses with notable deficits in their reading and math abilities. A recent study by ACT found that **just one-third of North Carolina students who took the ACT were college-ready.**<sup>7</sup> More than half of first-time, credential-seeking students at the North Carolina Community College System enroll in at least one remedial course in English, reading, or math.

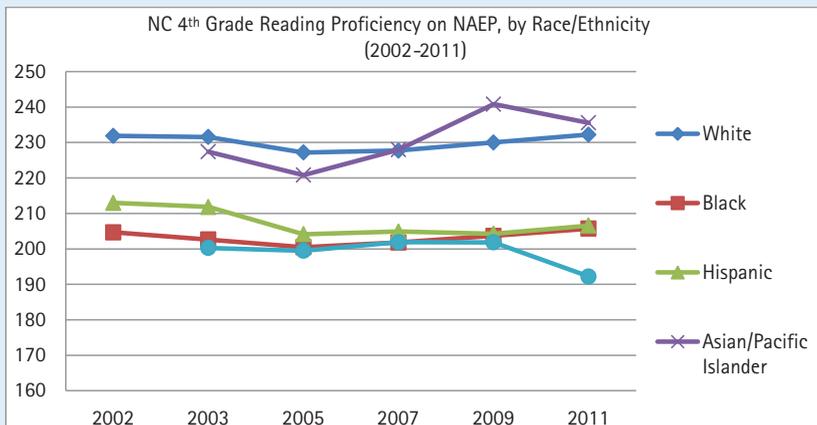
On the 2011 NAEP, only 34 percent of the state's students scored at the proficient or advanced levels.<sup>4</sup>

# NORTH CAROLINA STUDENT ACHIEVEMENT FACT SHEET

## How well have North Carolina's students mastered literacy and reading skills?



Data from North Carolina's End-of-Grade test and the National Assessment of Educational Progress (NAEP) illustrate that North Carolina has some ground to cover in preparing all students to "read for content" in 4<sup>th</sup> grade. These data also illustrate reporting gaps between state assessments and NAEP, and achievement gaps between low-income and higher-income students.



NAEP data also illustrate the persistent achievement gap between different races and ethnic backgrounds. On the 2011 NAEP, 4<sup>th</sup> grade Black students had an average score that was 27 points lower than White students. This achievement gap is not significantly different than what it was in 1992.

## STANDARDS

In this age of accountability, states are investing significant energy and their limited resources to increase student achievement among the lowest-performing groups of students. Yet students scoring at the middle and top of the performance range also need better instruction to prepare them for the demands of work and college. **North Carolina has adopted rigorous new standards that will accelerate the growth of all students** – whether they are high-performers or kids in the middle of the pack – to go deep and be fully prepared for postsecondary and the workforce.

Content standards set the foundation for an education system by articulating what it is that students are expected to know and be able to do. Recognizing the need to set more clear and rigorous expectations for students, in 2008 the North Carolina Department of Public Instruction undertook an effort to update standards and assessments in all subject areas. The next year, North Carolina joined 49 states and territories by adopting the **Common Core State Standards (CCSS) in English language arts and mathematics**.

The Common Core State Standards are grade-by-grade learning progressions that define the knowledge and skills students need to be ready for success in entry-level, credit-bearing college coursework or workforce training programs.

The Standards were constructed through a state-led process drawing from the best models and research available, including scholarly research; surveys on what skills are required of students entering college and workforce training programs; assessment data identifying college- and career-ready performance; and comparisons to standards from high-performing

states and nations. **The Standards have received wide support across the nation, including endorsements from leading businesses and the military community.**<sup>8</sup> North Carolina began full implementation of the Standards in the 2012-13 school year.<sup>9</sup>

The North Carolina Department of Public Instruction has been informing teachers, principals, and school personnel about the instructional changes these Standards will require. Teachers might need to adopt new teaching methods or acquire deeper content knowledge – especially elementary math teachers who could be required to teach different content than they previously taught in their grade levels. **Implementation efforts will fall short if teachers lack the training and support they need** to adapt their instructional practice and help students develop deeper conceptual understanding. It is essential that K-12 and postsecondary leaders collaborate to improve teacher preparation and professional development.

### *English Language Arts*

The CCSS are not a curriculum. Individual states, districts, schools, and teachers are free to create their own curricula and instructional strategies, choose materials, and design professional development and teacher evaluation processes. In fact, because the CCSS include only the most important skills at each grade level, teachers have much more freedom to expand learning opportunities for their students.

However, one of the financial benefits of the CCSS is that participating states can co-develop and share materials and lessons online. Many open source materials have been, and continue to be, developed by states,

North Carolina recently joined a coalition of 26 states that are together developing the **Next Generation Science Standards (NGSS)**. These standards will be of similar rigor to the Common Core State Standards in English language arts and mathematics. The NGSS are expected to be finalized by Spring 2013.

districts, and schools that are available at no cost. Teachers can also share lesson plans and strategies from school-to-school, district-to-district, and state-to-state. With technologies that are available now, reliance on expensive print textbooks can be reduced, and in some cases, eliminated.

The new standards for English language arts (ELA Standards) articulate a clear progression of learning from grades K-12 for reading, writing, speaking, and listening. To ensure that reading and writing skills are emphasized across subject areas, the ELA Standards also include guidance for science and social studies teachers.<sup>10</sup> The Standards require three shifts in ELA instruction:<sup>11</sup>

- 1} Greater emphasis on non-fiction and informational texts.** Once students enter the workforce or begin a postsecondary program, the majority of their reading will be non-fiction textbooks, manuals, and documents. Though the ELA Standards still require students to read narrative fiction, poetry, drama, and nonfiction, they place an increasing emphasis on nonfiction texts as students progress through middle and high school.
- 2} Reading and writing grounded in evidence from text.** As students enter college and the workforce they need the ability to make clear, coherent arguments grounded in evidence. The ELA Standards require students to grasp information, arguments, ideas, and details based on specific evidence found in text. The Standards also emphasize using evidence from texts to present careful analyses and arguments in their writing.
- 3} Regular practice with complex text and academic vocabulary.** There is clear evidence that the texts students are reading today are not of sufficient complexity and rigor to prepare them for the reading demands of college and career. The ELA Standards require students to use

increasingly complex texts as they advance through the grades.

### **Mathematics**

The new standards for mathematics (Math Standards) are designed to deepen a student's ability to understand and apply mathematics.<sup>12</sup> The Math Standards emphasize expertise that students at all grade levels need to develop, such as the ability to solve problems, reason, be precise, and use available tools strategically. The Standards require three shifts in math instruction:<sup>13</sup>

- 1} A clear focus on specific content at each grade level.** Current math standards are often categorized as being "a mile wide and an inch deep," requiring teachers to quickly cover many topics and preventing the sustained focus that is needed for understanding and application. The Math Standards focus on fewer concepts at each grade level, giving students time to develop deep understanding of the most important mathematical concepts and procedures.
- 2} A more coherent progression of learning.** The Math Standards clearly articulate how knowledge builds from year-to-year to equip students to understand geometry, algebra and probability, and statistics in middle and high school. The Math Standards are carefully designed to avoid repetition and large leaps in instruction, and devote more time to student mastery of the building blocks of mathematical thinking in grades K-5.
- 3} Increased rigor and application of knowledge.** Students need to develop the ability to apply the math skills they are learning to solve problems inside and outside of the classroom. The Math Standards include coverage of basic math facts and arithmetic operations, but also require students at all grade levels to apply math concepts to "real world" situations, including those presented in science and social studies.

## ASSESSMENTS & ACCOUNTABILITY

State assessments are a vital mechanism to track progress at all levels: student, classroom, school, district, and state. Without data on student learning, it is impossible to know whether policy and instructional strategies are working and whether state investments are meeting intended goals. Assessment data are also increasingly being looked at to determine how effective individual teachers are at improving student outcomes.

CURRENT END-OF-GRADE, END-OF-COURSE, AND OTHER TESTING REQUIREMENTS IN NORTH CAROLINA		
	Grade	Test
Elementary	3	Reading, Mathematics
	4	Reading, Mathematics
	5	Reading, Mathematics, Science
Middle	6	Reading, Mathematics
	7	Reading, Mathematics
	8	Reading, Mathematics, Science
High		English II
		Algebra I
		Biology
	11	ACT
	12	WorkKeys (required for CTE concentrators)

### A Comprehensive Assessment System

While end-of-grade and end-of-course testing, commonly referred to as summative assessment, provides essential measures of student progress for accountability, it does little to inform the day-to-day practice of teachers.

Interim assessments are administered periodically throughout the school year at the discretion of teachers, schools, or districts and may be used to predict student performance on state assessments, to provide data on an instructional program or strategy, or to provide diagnostic information on students. The instructional improvement system, known as *Home Base*, will provide teachers and leaders with flexible, on-demand interim assessment tools to diagnose student needs, check student progress, and analyze data during the school year.

North Carolina is building a comprehensive system that will arm teachers with real-time information about how students are performing so that they can adjust their instruction to best meet the needs of their individual students.

Formative assessments are embedded into instructional activities by teachers to provide immediate feedback on student learning. *North Carolina's Formative Assessment Learning Community's Online Network* (NC FALCON) provides computer-based professional development to help teachers develop strategies for creating a continuous feedback loop within their classrooms.

## North Carolina was an early leader in assessing student progress and school accountability.

Beginning in the mid-1990s, when very few states were able to measure student academic growth annually and evaluate school performance using actual data, North Carolina implemented the ABCs of Public Education. For 16 years, schools in NC have been accountable for student performance in grades 3-8 and high school. The box on page 5 shows the current state testing requirements.

In 2008, the State Board of Education adopted the *Framework for Change* with the goal of improving the state's accountability system and providing "greater effectiveness, understanding, and transparency for students, educators, and the public at large."<sup>14</sup> This led to the development of the new *Ready Accountability Model*, now in its first year of implementation. The *Ready Model* includes student performance AND growth on the End-of-Grade and End-of-Course tests, high school graduation rates, and measures of college and career readiness including performance on the ACT and WorkKeys tests and the percentage of students taking and passing high-level math courses (Algebra II and higher).<sup>15</sup>

## A New Assessment Model

Along with the adoption of new standards in math and English language arts, new common assessments are also being developed. These assessments will be more rigorous and will require students to demonstrate deeper levels of problem-solving skills. SBAC is developing *computer-adaptive* summative assessments for grades 3-8 and high school. Computer adaptive testing customizes the series of questions asked for each individual student, allowing a range of knowledge and skills to be assessed in an efficient manner. Contingent on approval by the State Board of Education, the new assessments will replace the state-developed ELA and math assessments beginning in the 2014-15 school year.

North Carolina is one of 25 states participating in the SMARTER Balanced Assessment Consortium (SBAC).

## TEACHER EFFECTIVENESS

Teachers play a vital role in ensuring that North Carolina's students are successfully prepared for college and career. **Research indicates that teachers are the single most important in-school influence on student achievement.** It is also clear that teacher effectiveness can vary across school districts and within schools. Low-income students are more likely to have less effective teachers, placing these students at a significant academic disadvantage. A single year with an ineffective teacher can cost a student up to one and a half

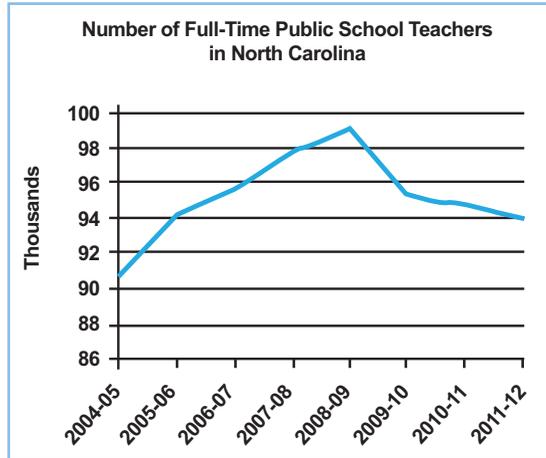
years' worth of achievement. On the other hand, **five consecutive years with effective teachers could nearly close the achievement gap.**

North Carolina has also been **one of the leading states in establishing a more meaningful teacher evaluation system.** Most teacher evaluation systems across the country have relied on a binary "satisfactory" or "unsatisfactory" rating system that fails to provide detailed information about a teacher's strengths and weaknesses. Such systems can also send a signal that there is little room for

improvement. According to The New Teacher Project's report, *The Widget Effect*, more than 99 percent of teachers receive a satisfactory rating under this type of binary evaluation system.<sup>16</sup>

When teacher evaluation is well-designed and executed, it provides teachers with feedback on their instructional effectiveness and gives administrators the information they need to identify professional development needs and make personnel decisions. Most states allow districts to develop their own teacher evaluation plans, resulting in an uneven patchwork of measures that are difficult to use effectively. Five years ago **North Carolina moved to a statewide teacher evaluation system** meant to drive instructional improvements. The comprehensive evaluation system adopted by the State Board of Education (SBE) in 2007 has served as a model for other states as they look to improve their own processes.

North Carolina's teacher evaluation system requires principals to rate each teacher as developing, proficient, accomplished, or distinguished based on the North Carolina Professional Teaching Standards. The evaluation process includes a teacher self-assessment, a pre-observation meeting between the teacher and principal, and classroom observations by the principal. As part of the state's *Race to the Top* plan, the SBE now requires that student achievement measures be included in teacher evaluations. Districts have had the opportunity to include student data since the 2007-08 school year when the North Carolina Department of Instruction (DPI) purchased EVAAS, a computer program owned by the Cary-based software corporation SAS Institute. EVAAS tracks student data at the classroom level, making it a tool for instructional improvements and evaluations.



Data Obtained from NC Department of Public Instruction.

States are now beginning to redesign teacher evaluation to incorporate measures that better reflect the professional practice of teachers and academic outcomes of their students. These measures include student achievement and growth, classroom observations, student perceptions of the classroom instructional environment, and teacher perceptions of working conditions and the effectiveness of their peers. There is not yet consensus on the best combination of measures to evaluate a teacher's performance, but research efforts are underway to better understand measures of teaching effectiveness. States such as North Carolina are engaged in this work. For example, **Charlotte-Mecklenburg Schools is participating in the Bill & Melinda Gates Foundation's *Measures of Effective Teaching (MET)* study.** This project connects education researchers with school districts, principals, and teachers to develop objective and reliable measures of a teacher's impact on student achievement.

## POSTSECONDARY COMPLETION IN NORTH CAROLINA

Students are graduating from high school in record numbers. Yet many arrive on community college and university campuses in the fall only to discover that they need to take one or more remedial (also called developmental) courses in English, reading, or math before they can take credit-bearing classes. In 2010, nearly 58 percent of first-time, credential-seeking North Carolina Community College students were enrolled in at least one remedial course in English, reading, or math.<sup>17</sup> Among first-time freshmen who enrolled in The University of North Carolina that same year, 8.4 percent took remedial coursework.<sup>18</sup> This is a system-wide average; the percentages vary from campus-to-campus.

Remedial courses pose additional costs for students and slow their progress toward obtaining a degree or certificate. **Nationally, less than 25 percent of students at two-year institutions who take remedial courses ultimately complete a degree or certificate program.**<sup>19</sup> The University of North Carolina recently began reporting this degree-completion data as well, noting that 44 percent of students who had taken a remedial course eventually graduated from one of the system's institutions within six years.<sup>20</sup>

**North Carolina's postsecondary institutions are also attracting students with diverse life experiences who do not fit the traditional college student mold.** More students are the first in their families to attend college; adults are returning in large numbers to get a credential or degree; and many part-time students are working while pursuing postsecondary education. In the fall of 2008, more than half (55.7 percent) of the students attending two-year institutions in North Carolina were enrolled part time; at four-year institutions, 20 percent of students were enrolled part time.<sup>21</sup> Additionally, **27 percent of students attending a postsecondary program in North Carolina were over the age of 25 in 2008.**<sup>22</sup> These

students face their own unique challenges in persisting through their coursework to the completion of a degree or certificate. Students may need to leave the program because of financial reasons or other family responsibilities.<sup>23</sup>

### *Strategies to Improve Student Transitions to Postsecondary*

Postsecondary institutions are developing new ways of delivering remedial, or developmental, education to help students enter credit-bearing courses and complete their degrees in a timelier manner. **The North Carolina Community College System (NCCCS) recently redesigned the structure and content of its developmental math program to break what had been a three-semester series of courses into eight modules.** Once these modules are implemented systemwide in the 2012-13 school year, students will only need to enroll in and pay for the modules they need, rather than taking a semester- or year-long course that might cover material in which they are already proficient. NCCCS is undertaking a similar effort in English and reading.

The most efficient way to ensure students are ready for the rigors of postsecondary education is to prepare them in high school. In addition to providing students with effective instruction aligned to rigorous content standards, **it is also important to assess student progress toward college readiness while they are still in high school.** The *California Early Assessment Program* (EAP) is a nationally known model that was developed in partnership between California State University (CSU), the California Department of Education, and the California State Board of Education. The EAP is an optional assessment for 11<sup>th</sup> grade students; it gauges students' readiness for college-level English and mathematics. Students who score at the college-ready level are exempt from taking remedial coursework at CSU or the community colleges. Students who do not score at a college-ready level

may enroll in special courses jointly designed by teachers from high schools and the university to improve reading, writing, and/or math skills during their senior year.

As part of a similar college readiness strategy, the **North Carolina Department of Public Instruction will administer the PLAN, a “pre-ACT” college readiness assessment, to all 10<sup>th</sup> graders and the ACT to all 11<sup>th</sup> graders free of charge in the 2011–2012 school year.** The results from these assessments will be used to develop transitional courses that will strengthen students' skills before they graduate from high school.

Dual enrollment programs and early college high schools can provide college course access to high

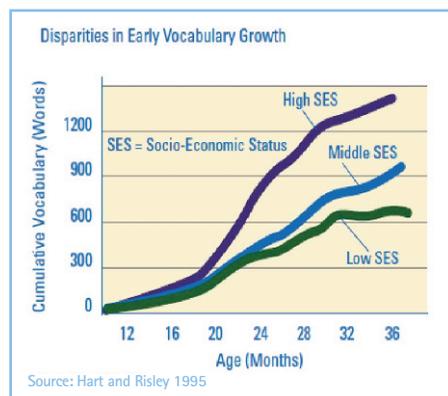
school students who might have never previously considered college. These programs reduce time to degree completion by allowing students to graduate from high school with college credits — sometimes even an associate's degree. National analyses found that 75 percent of early college high school graduates earned some college credit, and an additional 10 percent earned enough credits for an associate's degree.<sup>24</sup> The *North Carolina Career and College Promise* program builds upon early college programs that provide high school students with the opportunity to earn community college credits tuition-free through career technical courses or college preparatory courses.

## THE STARTING LINE FOR ECONOMIC GROWTH: EARLY CHILDHOOD

### Background

Research has made it clear that investments in the development of young children can yield a very high rate of return. One of the most commonly cited examples, the **Perry Preschool Study**, provided high quality preschool to disadvantaged three- and four-year olds and compared them to peers who received no intervention. **According to cost-benefit analysis, the long-term return on investment in the Perry Preschool Program generated 16 dollars for each dollar spent** — most of which accrued to public benefit via reduced rates of special education and grade retention, dependence on welfare, and incarceration.<sup>25</sup> Examples such as the Perry Preschool Program have prompted great interest in preschool among state leaders across the country.

Studies have also made it clear that waiting until age three or four to provide a learning-rich environment makes it less likely that a child will ever catch up. For example, a longitudinal study on language acquisition found that **three-year-old**



Gaps in vocabulary development begin very early in life, as seen in this graph by Betty Hart and Todd R. Risley.

children from high socioeconomic backgrounds had vocabularies that were nearly 50 percent greater than children from middle and low socioeconomic backgrounds and twice as large as those of children whose families received welfare.<sup>26</sup> Other studies describe the physiological affects of poor nutrition and lack of stimulation and interaction in the home environment, such as striking images of stunted brain development among babies who suffered neglect in Romanian orphanages.<sup>27</sup>

Despite the potential for a significant return on investment, it is challenging to allocate the funds required for quality early childhood programs during tight economic times. It is important to keep in mind that **the economic benefit of such programs is strongest when focused on the highest risk children.** Research shows that high-quality early education is a cost-effective investment for improving both early and later academic success, especially for students from low-income families and children of color.<sup>28</sup>

### Context in NC

North Carolina has long been viewed as a leading state in providing high-quality early care and education programs to children who need them most. For example, the state's Star Rating System for child care providers was the first market-based approach of its kind and is now being replicated across the country. Over time, this system has helped increase quality options available for children. In 2010, 63 percent of children in early care and education attended four- and five-star programs as compared to 33 percent in 2001.<sup>29</sup>

Roughly 260,000 children in North Carolina are enrolled in a regulated child care facility.<sup>30</sup> **These early care services make it possible for 380,000 parents to participate in North Carolina's workforce.**<sup>31</sup> Parents invest heavily to place their

children in early care settings. The average family of four with two young children spends 29 percent of its monthly income on early care and education.<sup>32</sup>

The State of North Carolina invests \$5,166 per child enrolled in pre-kindergarten programs.<sup>33</sup> To build on what is known about the return on investment that is generated by improved individual outcomes, a group of business leaders recently released a report that quantifies the impact of this state spending in terms of new business activity in the state. This report claims **each dollar put into early care and education nets \$1.91 in new business activity in across sectors from retail to transportation.**<sup>34</sup>

North Carolina's state-funded early childhood programs underwent changes in 2011. The North Carolina General Assembly transferred what was formerly known as the *More at Four Pre-Kindergarten Program* to the North Carolina Department of Health and Human Services, where it became the *NC Pre-Kindergarten Program (NC Pre-K)*. In August 2012, the NC Court of Appeals ruled that the state must allow open enrollment for at-risk children eligible for *NC Pre-K*.<sup>35</sup>

### Recent Activity of Note

New research studies and efforts to improve educational outcomes associated with early childhood programs continue to emerge in North Carolina. This work is helping the state retain its status as a national leader in the field. Some of the most notable recent developments:

- **Positive Grade-Three Outcomes Associated with Smart Start and the NC Pre-K Program**

Economists at Duke recently studied student outcomes associated with *Smart Start* and the *NC Pre-K*, and found that these programs **raised third-grade test scores in both reading and math.** In addition, the programs also lowered rates of placement into costly special education services. **The researchers suggested that the**

combined effects of investments in both programs at current funding levels was equivalent to four to five months of instruction in grade three.<sup>36</sup>

- **Early Learning Standards now Aligned with the Common Core State Standards**

In 2010, the Office of Early Learning was established within the Department of Public Instruction to **align standards, curriculum, instructional practices, and assessment from Pre-K to Grade 3**. In support of North Carolina's adoption of the Common Core State Standards, the Office of Early Learning developed guiding documents that articulate alignment between the Common Core State Standards for mathematics and English Language Arts with *Foundations*, North Carolina's early learning standards.<sup>37</sup>

- **A Four-Year Effort to Improve the Effectiveness of North Carolina's Early Care Systems**

In December 2011, North Carolina was one of nine states to win a *Race to the Top Early Learning Challenge* grant; 37 states had applied under the program. North Carolina's *Early Learning Challenge Plan* earned a grant of \$70 million spanning from January 2012 to December 2015. The grant funds **one-time investments and capacity building** focused on three overarching strategies:

1. Strengthen standards, assessments, and the capacity to collect data to drive program quality and continuous improvement;
2. Promote access to high-quality programs;
3. Increase teacher and system effectiveness; and
4. Target intensive supports and community infrastructure-building efforts in the state's highest-need counties.<sup>38</sup>

## Four Complementary Efforts to Improve Outcomes for Young Children

The U.S. Chamber of Commerce recently touted North Carolina's complementary early childhood and preschool programs as models for the nation.

**Smart Start** provides funding to improve the quality of childcare, health care, and family support services at the county level for children birth to five years of age. *Smart Start* is supported by state funds and private donations. It is administered through 77 local partnerships that serve all 100 counties in the state. From 2011–12, approximately 77,200 children received services and 31,460 received child care subsidies through *Smart Start*.

The **NC Pre-Kindergarten Program (NC Pre-K)** provides pre-school slots for disadvantaged four-year-olds. The program focuses on school readiness skills just prior to a child's entry into kindergarten. *NC Pre-K* is primarily state funded, with additional funds from local and federal sources. In 2011, enrollment in *NC Pre-K* included 30,767 children of the estimated 67,000 children who qualify for the program.

**Head Start** is a separate, federally funded preschool program for low-income three and four-year-olds. In 2011, 18,935 of North Carolina's children were enrolled in the *Head Start* Program.

**Early Head Start** is a federally funded program that focuses on healthy prenatal outcomes for pregnant women and the development of children from birth to three years. In 2011, 4,066 children and 382 expectant mothers in North Carolina were enrolled in *Early Head Start*.

## APPENDIX    FOR YOUR INFORMATION: Quick Facts on K-12 Education Governance and Funding in NC

### Governance Structure

- Article I, Section 15 of the North Carolina State Constitution states, "The people have a right to the privilege of education, and it is the duty of the State to guard and maintain that right."<sup>39</sup> The Constitution compels the General Assembly to "provide by taxation and otherwise for a general and uniform system of free public schools...wherein equal opportunities shall be provided for all students."
- The North Carolina State Board of Education is composed of 13 members. Eleven members are appointed by the governor and confirmed by the General Assembly; appointments are made for overlapping terms of eight years. The remaining two members are the lieutenant governor and state treasurer.
- The Superintendent of Public Instruction is elected statewide for a four-year term. The Superintendent serves as secretary and chief administrative officer of the State Board, but is not a voting member.
- The State Board of Education is responsible for providing guidance and direction for public education policy. The Superintendent is responsible for implementing the Board's policies and managing the Department of Public Instruction.

### Funding

- The North Carolina Constitution empowers the governor to "prepare and recommend to the General Assembly a comprehensive budget of anticipated revenues and proposed expenditures of the state for the ensuing fiscal period." The Constitution empowers the North Carolina General Assembly to enact a budget and provides that the "budget as enacted by the General Assembly shall be administered by the Governor."<sup>40</sup>
- In North Carolina, approximately 63.6 percent of education funding comes from the state (excluding child nutrition). **NC ranks 11<sup>th</sup> in the U.S. and 2<sup>nd</sup> in the Southeast for the highest percentage of education funds from state revenue. The national average is 45.5 percent.**<sup>41</sup> Individual regions and counties are responsible for the balance of funding, which results in great variations of education budgets across the state.
- In the 2012-13 fiscal year, K-12 appropriations accounted for approximately 37.2 percent of the general fund.<sup>42</sup> The public school system's share of the general fund has decreased by about 14 percent since 1970.<sup>43</sup>
- Public School appropriations are distributed to districts under three basic types of allotments, which are based on Average Daily Membership (ADM):<sup>44</sup>
  - \* **Position Allotments:** The state allots positions to an LEA for specific purposes. Examples of position allotments include teachers, school building administrators, and instructional support personnel. These positions are paid based on the State Salary Schedule, without limiting the district to a specific dollar amount.
  - \* **Dollar Allotments:** The state allots a dollar amount to districts that can be used to hire employees or purchase goods. Examples of dollar allotments include teacher assistants, textbooks, central office administration, and classroom materials and supplies.
  - \* **Categorical Allotments:** These funds are allotted to schools to purchase services necessary to address the needs of a specific population or service. Examples of categorical allotments include at-risk student services, children with disabilities, transportation, and non-instructional support personnel.
- In the 2012-13 fiscal year, appropriations to the NC Community College System accounted for approximately 4.9 percent of the general fund. Appropriations to the University of North Carolina accounted for approximately 12.8 percent of the General Fund.<sup>45</sup>

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