

Strengthening the Education Continuum in North Carolina



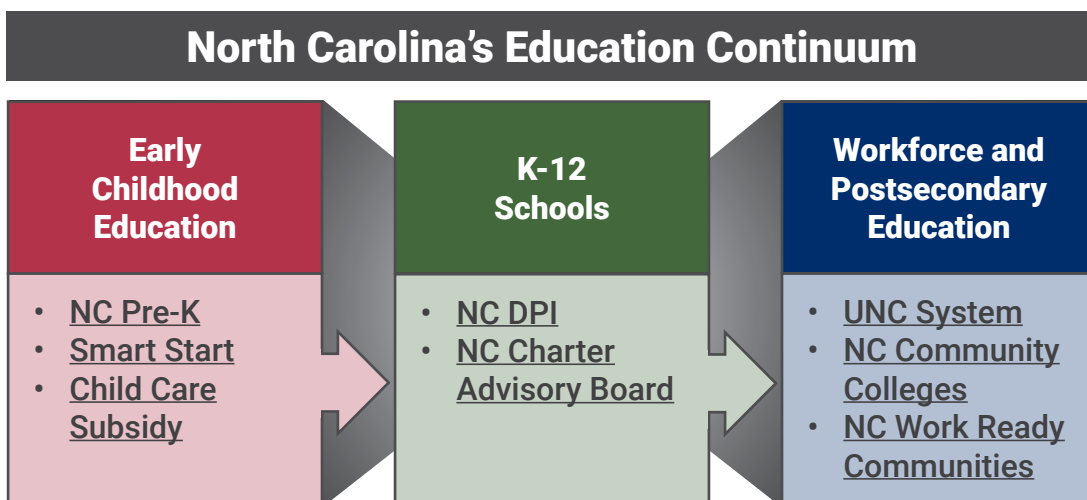
Forward

Most policymakers would agree that the health and productivity of North Carolina’s economy depend largely upon the health and productivity of North Carolina’s education system. Today’s students are poised to become tomorrow’s workforce, and for citizens of our state, obtaining a high school diploma and postsecondary education credential is more critical than ever. **An estimated 67 percent of jobs will require postsecondary education and training by 2020.** Additionally, economists predict that those who fail to graduate from high school will likely face considerable economic and employment challenges.¹

While the value of higher education and training cannot be questioned, it is important to note that getting students through completion of some form of postsecondary training is not the responsibility of higher education institutions alone, nor does the responsibility fall solely on elementary and secondary schools. **Success is the sum of all the parts, at each level of the education continuum—from birth to early childhood, to K-12, to community colleges and universities.** Our citizens, especially our young people, deserve top-notch educational opportunities at every level of the continuum and will benefit greatly from a seamless transition from one component to the next.

It is with this in mind that we have chosen to focus on **Strengthening the Education Continuum in North Carolina** at the 2017 *Holshouser Legislators Retreat*. Quality education opportunities at every level of this continuum are critical to the success of our students, our future workforce and our economy. The transformation of our current education offerings into a thoughtful, comprehensive and cohesive education system will require considerable vision and political will. Our divided systems of education governance must collaborate to ensure that every student in our state has adequate and abundant opportunity to succeed and achieve.

This brief is designed to provide key data points that illustrate the current status of each part of the education continuum and to provoke questions and discussions about the future of education in our state.



Early Childhood Education in North Carolina²

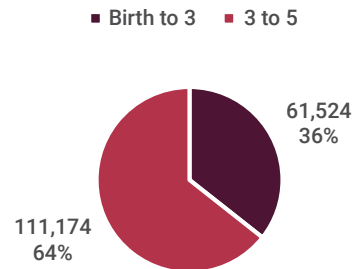
448,158 children under 6 whose sole parent or both parents are working

4,628 licensed child care centers

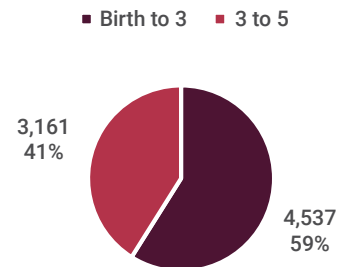
1,993 licensed family child care homes

38,149 people employed by licensed child care programs

Child's Age in Licensed Child Care Centers, 2016



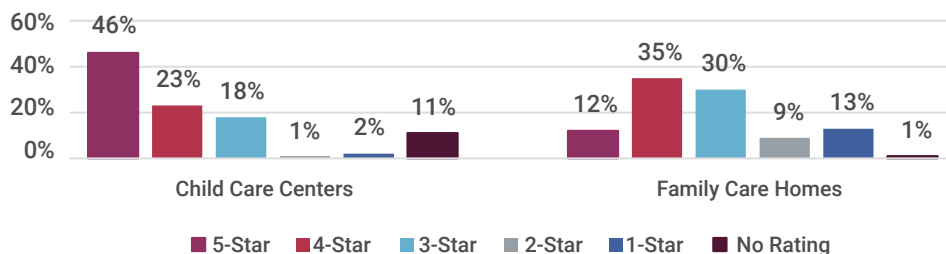
Child's Age in Licensed Family Care Homes, 2016



Early Childhood Education Quality in North Carolina

In 1999, the North Carolina Division of Child Development began issuing star-rated licenses to all eligible child care centers and family child care homes. Under the **North Carolina Star-Rated License System**, facilities receive one to five stars, with a rating of one star indicating that a child care program meets North Carolina's minimum licensing standards for child care. The star rating is based upon the level of staff education **and** the program's education standards.²

Rating Distribution of Licensed Child Care Programs, 2016



Early Childhood Education Quality in North Carolina

North Carolina makes investments in three major early education programs or initiatives.

- **NC Pre-K** is a direct provider of high-quality public prekindergarten to income-eligible 4-year-olds across the state. NC Pre-K is financed through a combination of state general and lottery funds.⁴
- The **Child Care Subsidy Program**, financed through a combination of state and federal funds, provides subsidies for children from low-income families to attend licensed child care programs (*participating programs must have at least a 3-star rating and must be approved by the local Department of Social Services*).⁵
- **Smart Start**, which began in 1993, is a network of local partnerships that serve as the state's early learning infrastructure. Local Smart Start branches work in their communities to improve the quality of child care programs and to implement evidence-based programs. Smart Start is financed in large part by the state, but each local partner is required to match 15 percent of its state funds with other resources.⁶

Child Care Subsidy Program, August 2016

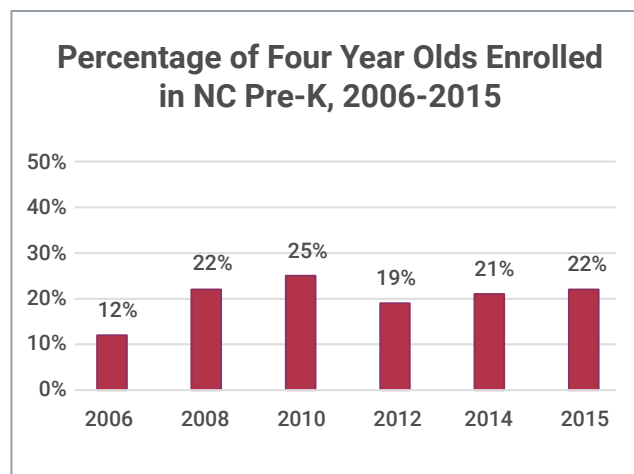
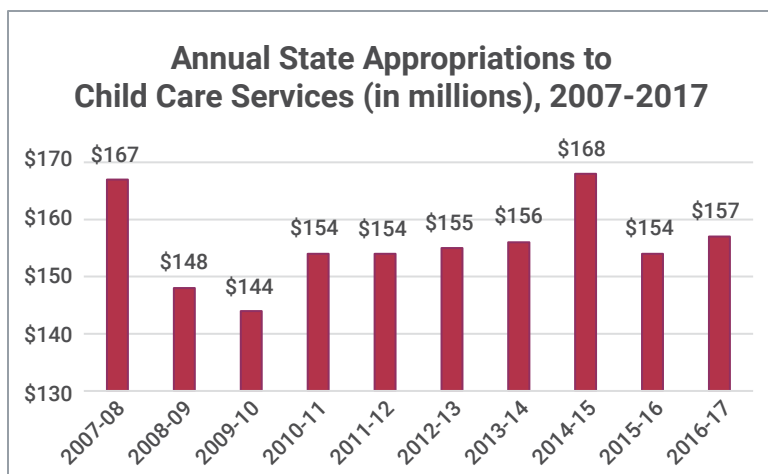
Children Served:

68,555

Eligible Children on Waitlist:

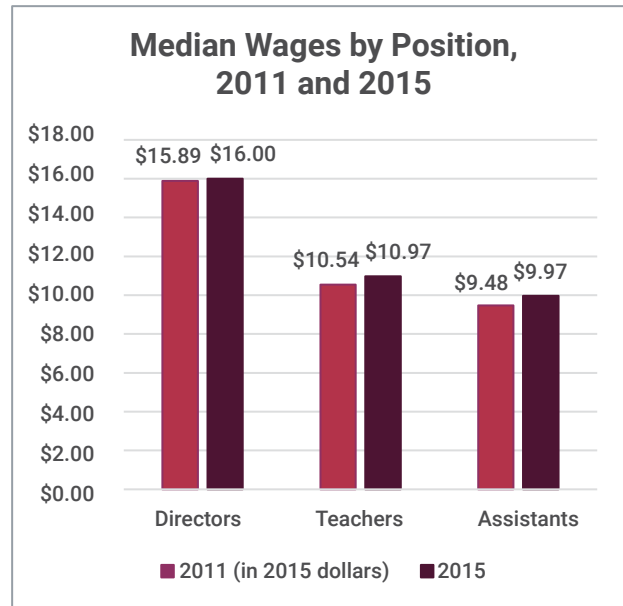
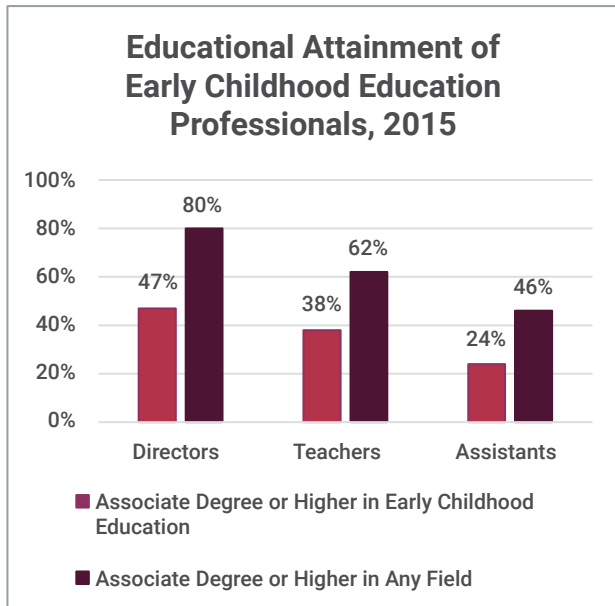
24,565

While increasing access to early childhood education programs is critical, ensuring quality is paramount. **During the 2013-2014 school year, five percent of the state's kindergarten students and five percent of the state's first-grade students were held back.**⁷



Early Childhood Education Workforce in North Carolina

Research has consistently shown that the highest quality early childhood education programs employ teachers who have earned relevant postsecondary education credentials. However, despite recent efforts to increase the education levels of early educators, wages have been stagnant. **In the past three years, 39 percent of teachers and 39 percent of assistant teachers have needed at least one type of public assistance.**⁸



Early Childhood Education Workforce Incentives in North Carolina

North Carolina has implemented two initiatives to help support the continuing education and retention of early childhood education professionals.

- The © **Child Care Wage\$ Project** provides education-based salary supplements to low-paid teachers, directors and family care providers working with children ages birth to five. The project, which is designed to increase retention, education and compensation of early childhood education professionals, is a collaboration between local Smart Start partnerships and the Division of Child Development and Early Education. Currently, **supplements are available for workers in 53 counties.**⁹
- The © **T.E.A.C.H. Early Childhood Scholarship Program** offers a variety of scholarships to assist current early childhood educators who wish to continue their education at a North Carolina community college or university. In the 2016 fiscal year, **2,277 early childhood educators received scholarships, and 1,004 child care programs supported their employees returning to school.**¹⁰

K-12 Education in North Carolina¹¹

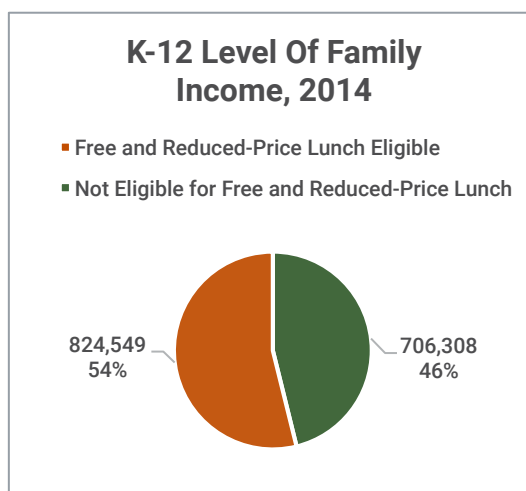
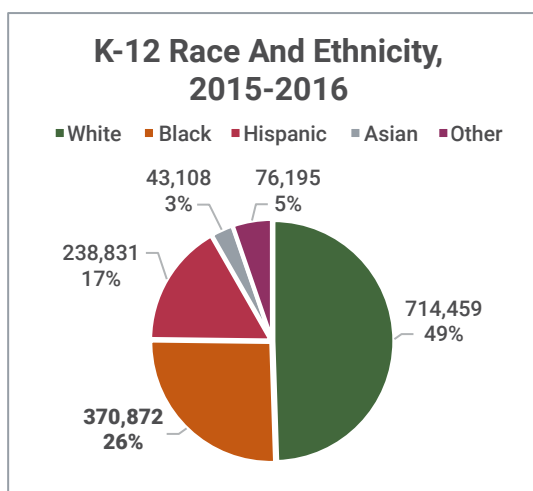
1,530,857 public school students

115 school districts

2,506 traditional public schools

167 public charter schools

\$8,274 average total per-pupil expenditure



North Carolina Student Performance on State Assessments

For almost two decades, North Carolina has administered the End-of-Grade (EOG) Tests in reading and math to students in third through eighth grades. In 2013, the state transitioned to new versions of the EOG tests aligned to the Common Core State Standards. Then in 2014, the North Carolina State Board of Education added a fifth achievement level to allow more students to be considered “proficient.” Below are results from the first year of testing under the new proficiency scale, along with the most recent results.¹²

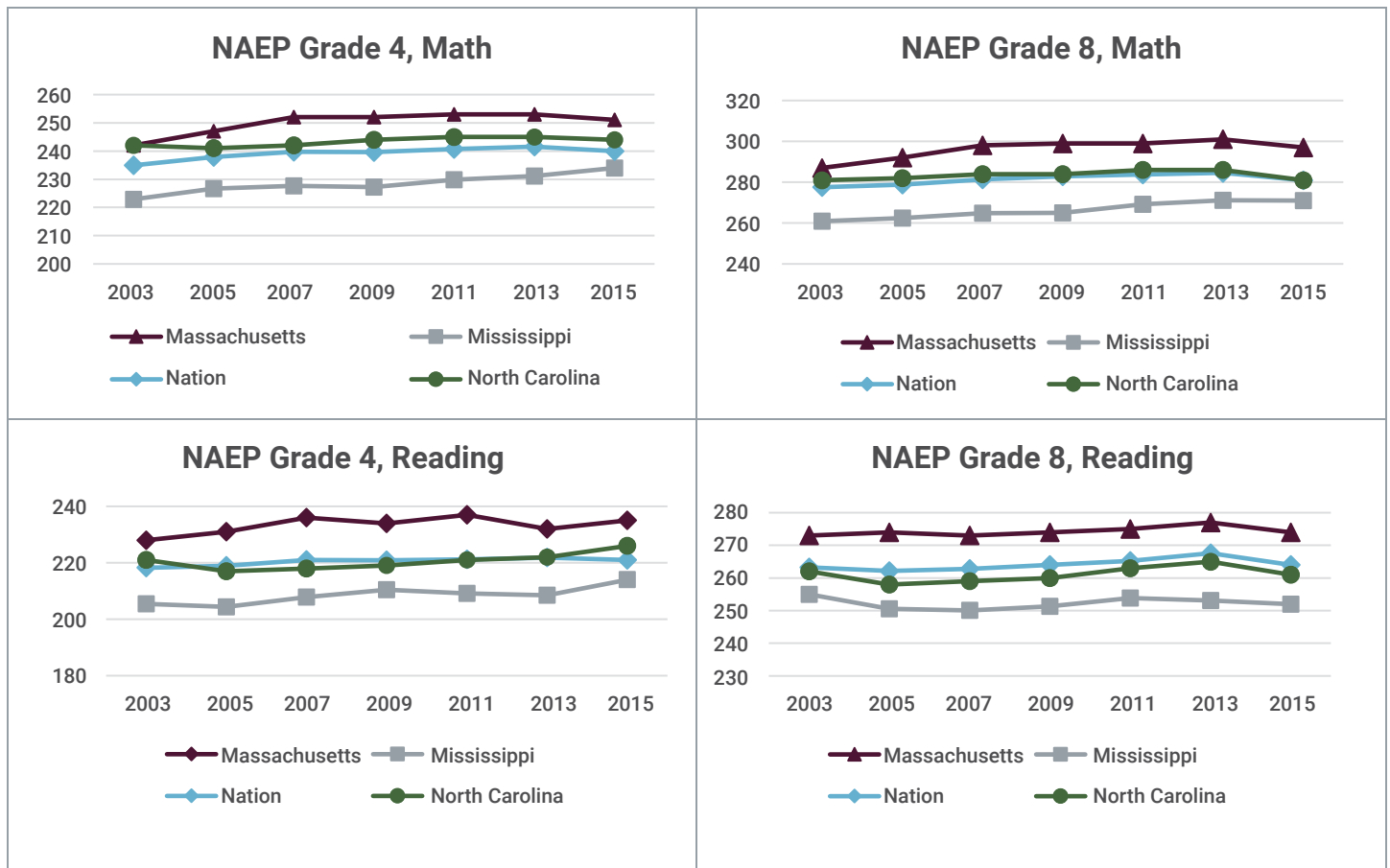
	Reading % Proficient		Math % Proficient	
	2014 EOG	2016 EOG	2014 EOG	2016 EOG
Grade 3	60%	58%	61%	65%
Grade 4	57%	58%	54%	57%
Grade 5	54%	55%	56%	60%
Grade 6	57%	59%	47%	52%
Grade 7	57%	59%	46%	49%
Grade 8	54%	53%	42%	45%

North Carolina Student Performance on National Assessments

The National Assessment of Educational Progress (NAEP) is the largest nationally representative and continuing assessment of what America's students know and can do in various subject areas, serving as the "Nation's Report Card." Assessments are conducted every two years in math, reading, science, writing, the arts, civics, economics, geography, U.S. history, and technology and engineering literacy. Nationally, students have been making consistent, modest gains on NAEP tests.

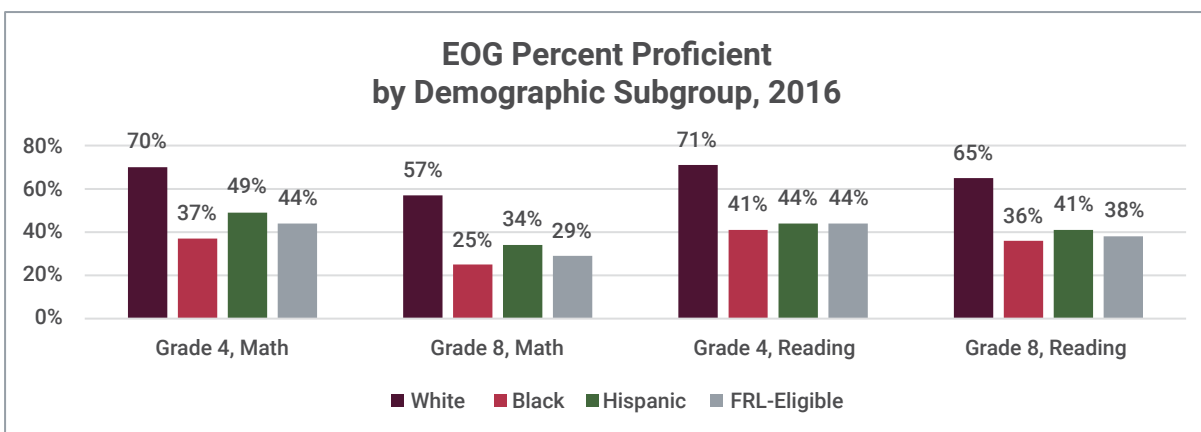
Over the past decade, North Carolina students have scored just **above** the national average on the NAEP math assessment in fourth and eighth grades and just **below** the national average on the NAEP reading assessment in eighth grade. In fourth-grade reading, North Carolina students' NAEP scores have increased over time, **surpassing** the national average in 2015.¹³

Scores from Mississippi and Massachusetts are provided to highlight North Carolina's performance in relation to consistently low- and high-performing states.



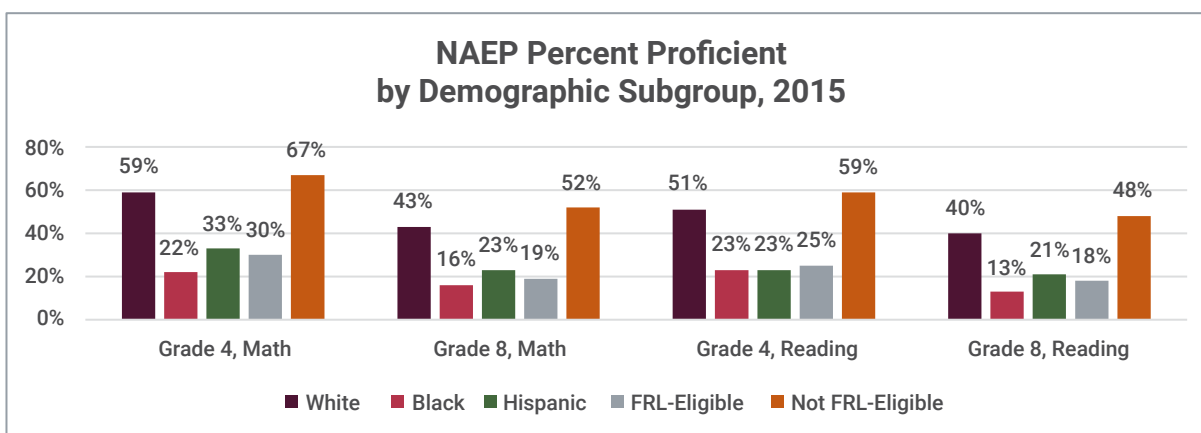
Achievement Gaps in North Carolina

Average scores can mask variations in performance among subgroups. When proficiency rates are disaggregated by race and economic status, disparities in achievement can be seen. Further analyzing proficiency over time can show how the differences between subgroups—the “achievement gaps”—have narrowed or widened.¹⁴



2016 EOG | Achievement Gaps

Subgroup Comparison	Grade 4, Math	Grade 8, Math	Grade 4, Reading	Grade 8, Reading
Black-White	33%	32%	30%	29%
Hispanic-White	21%	23%	27%	24%

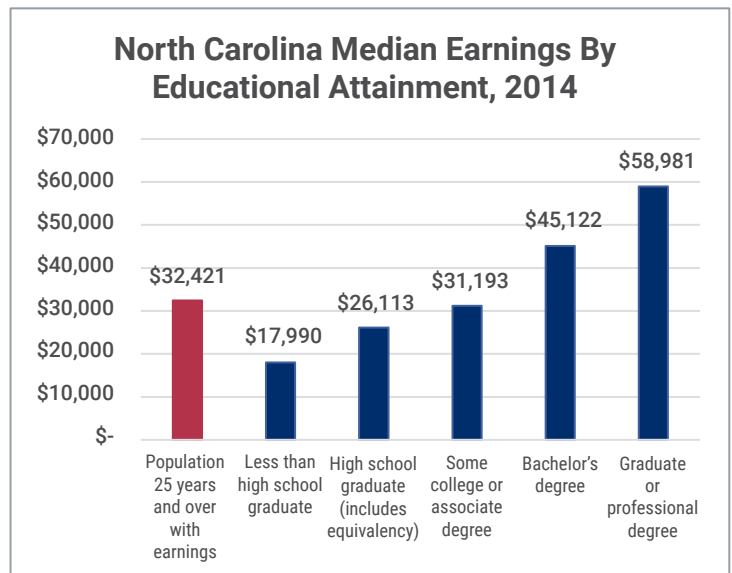
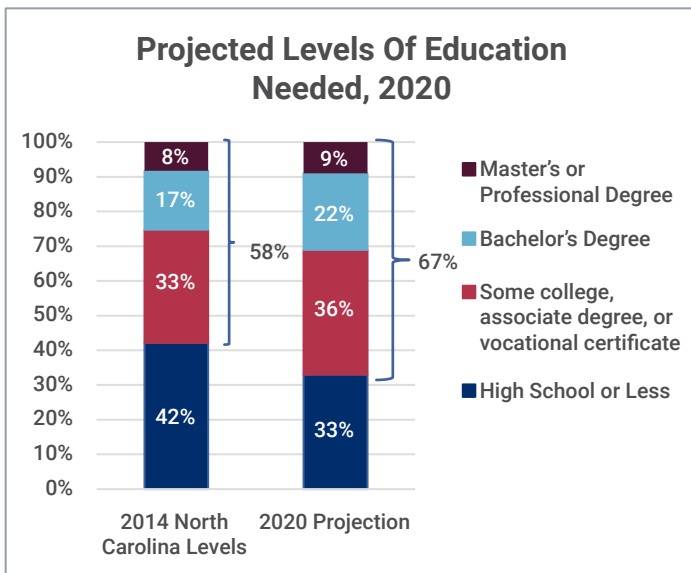


2015 NAEP | Achievement Gaps

Subgroup Comparison	Grade 4, Math	Grade 8, Math	Grade 4, Reading	Grade 8, Reading
Black-White	37%	27%	28%	27%
Hispanic-White	26%	20%	28%	19%
FRL-Eligible - Not FRL-Eligible	37%	33%	34%	30%

Workforce Demands and the Future of North Carolina

Economists estimate that 65 percent of all jobs nationwide will require training or a credential beyond high school by the year 2020. Opportunities for students who drop out or have only a high school diploma continue to decrease. Bachelor's degrees are not the only credential employers are seeking: nationally, there are **29 million middle-skills jobs available**. Those jobs pay \$35,000 a year, on average, and require less than a bachelor's degree but more than a high school diploma—such as, employer-based training, industry-based certifications, apprenticeships, postsecondary certificates, or associate degrees.¹⁵



Fastest Growing Industries 2010 to 2020

Administrative Support (40%)

Mining and Oil and Gas Extraction (36%)

Real Estate, Rental and Leasing (34%)

From 2010 to 2020, The Georgetown Center on Education and the Workforce projects

1,672,000

total job openings in North Carolina, a growth rate of 21%.

Fastest Growing Occupations 2010 to 2020

Healthcare Support (38%)

Social Sciences (28%)

Food and Personal Services (25%)

Workforce Readiness Efforts in North Carolina

The **Certified Work Ready Communities** initiative, led by the North Carolina Chamber Foundation, allows counties across the state to coordinate with K-12 public schools, North Carolina Community Colleges, and employers to ensure that the local workforce is “Work Ready.”

High school seniors who have a career and technical education (CTE) concentration are required to take the ACT WorkKeys assessment of career-readiness skills. Students with eligible scores receive the ACT National Career Readiness Certificate (NCRC).

This certificate identifies individuals who have developed key skills in applied math, locating information, and reading for information. As shown below, students also receive a certification level based upon their assessment score; scores range from <3 to 7.

Participating counties set individual goals for the local workforce based on population and labor needs. When an agreed upon number of individuals receive the NCRC, the county will be designated as a **Certified Work Ready Community**. **This designation signals to current and prospective employers that a skilled workforce exists in that county.**¹⁶

- Since 2011, **337,491 North Carolina students** have received ACT NCRCs.
- Currently, **2,113 employers** recognize the ACT NCRC in support of the Work Ready Communities initiative.

WorkKeys Score Requirements for NCRC

Certificate Level	Minimum WorkKeys Score
Platinum	6
Gold	5
Silver	4
Bronze	3

Certified Work Ready Communities

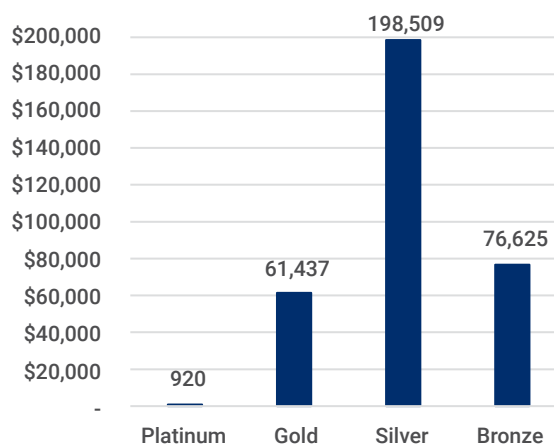
Number of Participating Counties

42

Number of Certified Counties

19

Number of North Carolina Students receiving NCRC, by Level, 2016



Additionally, the 2016 Appropriations Act created the **Industry Certifications and Credentials Teacher Bonus Pilot Program** to provide bonuses to CTE teachers whose students earn an industry credential or certification.¹⁷

Postsecondary Education in North Carolina¹⁸

Community College System

59
institutions

210,315
annual full-time enrollment

18%
completion rate, 150% time

26,073
associate degrees awarded, 2013-2014

22,205
certificates awarded, 2013-2014

4-Year Public Universities

17
institutions

205,119
annual full-time enrollment

61%
completion rate, 150% time

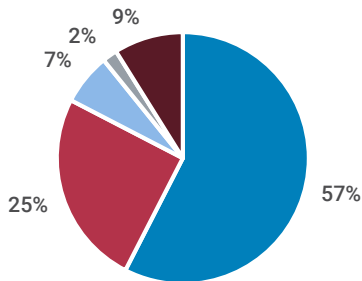
37,348
bachelor's degrees awarded, 2014-2015

155
associate degrees awarded, 2013-2014

College and University Enrollment Demographics in North Carolina¹⁹

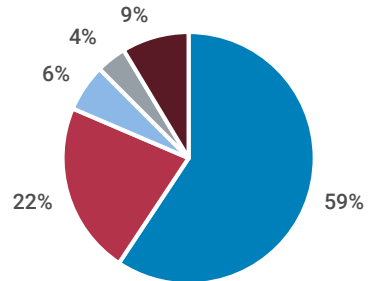
Race & Ethnicity of Undergraduates at 2-Year Public Institutions, 2015

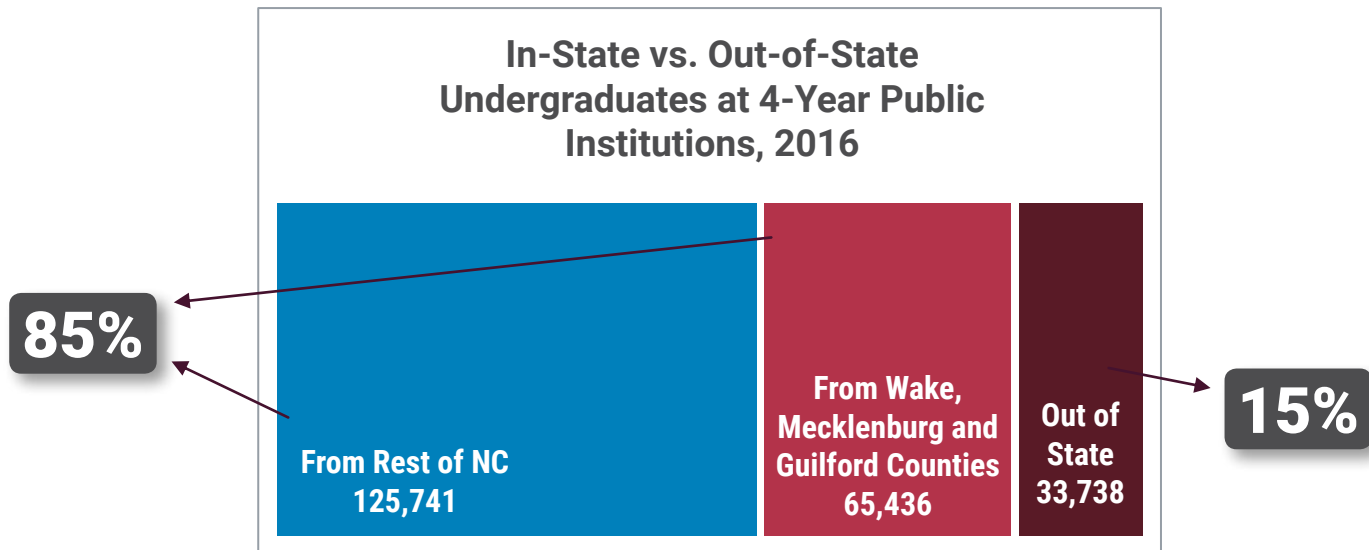
■ White ■ Black ■ Hispanic ■ Asian ■ Other



Race & Ethnicity of Undergraduates at 4-Year Public Institutions, 2015

■ White ■ Black ■ Hispanic ■ Asian ■ Other





Educational Attainment in North Carolina

Forty percent of North Carolina’s adult population has at least a two-year degree, equal to the national average. However, when you disaggregate the data by race, disparities emerge.²⁰

Degree Attainment by Race, Ages 25-64, 2014

	North Carolina	Nation
White	45%	44%
Black	28%	28%
Hispanic	16%	20%
All Students	40%	40%

College Graduation Rates

Efforts to increase the average level of educational attainment will need to focus on specific populations that have low rates of degree attainment and college completion. As seen above, within the current adult population, communities of color are less likely to have college degrees. This trend seems likely to continue as current students of color also have lower college graduation rates.²¹

North Carolina Public College Graduation Rates by Race, 2013

	4-year college (within 4 years)	4-year college (within 6 years)	2-year college (within 3 years)
White	44%	67%	21%
Black	22%	48%	10%
Hispanic	37%	61%	17%
All Students	38%	61%	18%

Goals for Higher Education in North Carolina

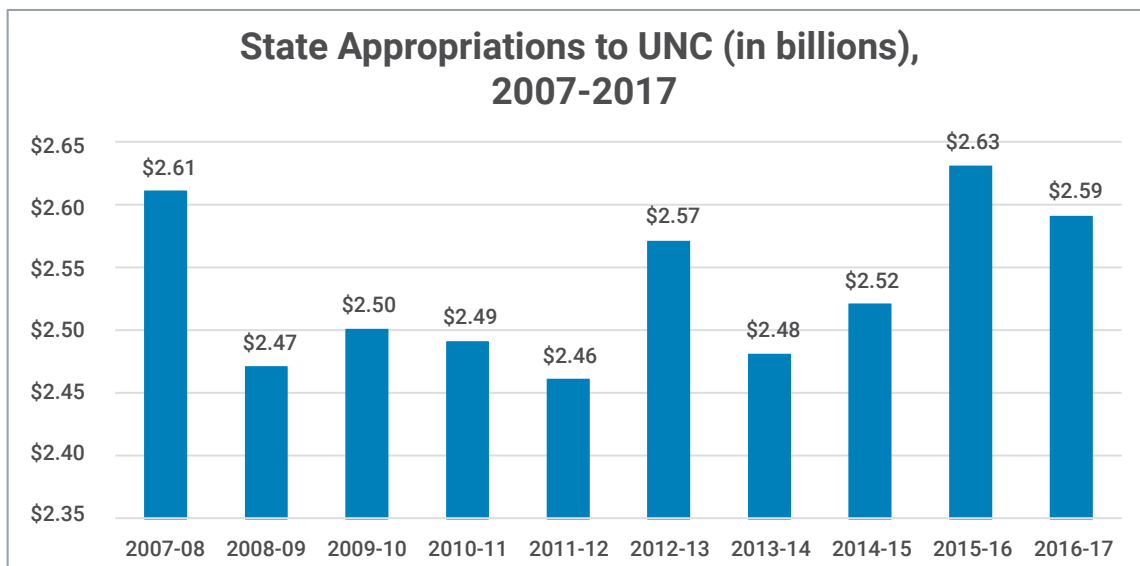
In 2016, the University of North Carolina (UNC) System entered into a new strategic planning process. The process was informed by a Boston Consulting Group [evaluation](#) of the organizational effectiveness of the university.²²

The System has identified the following strategic priorities:

Access	Continue the System's proud heritage of access and student diversity.
Affordability and Efficiency	Ensure a UNC education is within the financial means of all in the state.
Student Success	Increase degree attainment and ensure value and relevance for students.
Economic Impact and Community Engagement	Deepen partnerships that strengthen local communities and the state's economy.
Excellent and Diverse Institutions	Help institutions achieve excellence within their individual missions.

Higher Education Funding in North Carolina

Per-pupil funding for public postsecondary education **decreased during and after the Great Recession**, placing a strain on institutions of higher education and forcing them to make cuts.²³



College Affordability in North Carolina

In the past 10 years, average tuition at public two- and four-year colleges and universities in North Carolina has **more than doubled**.²⁴ Over the same period, average student debt for UNC System graduates has **increased by 62 percent**.²⁵

Average In-State Tuition & Fee Increases, 2016-2017

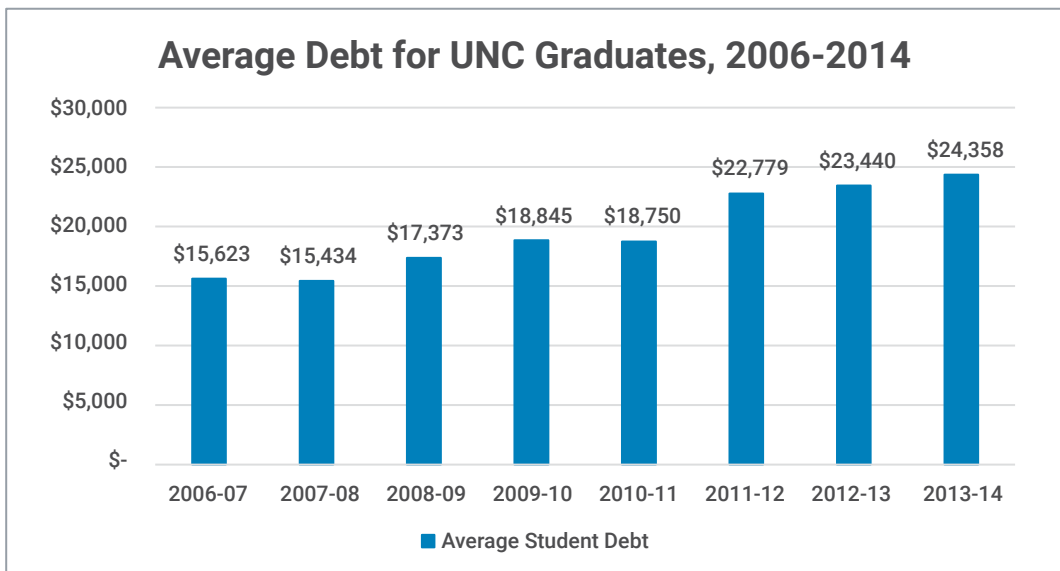
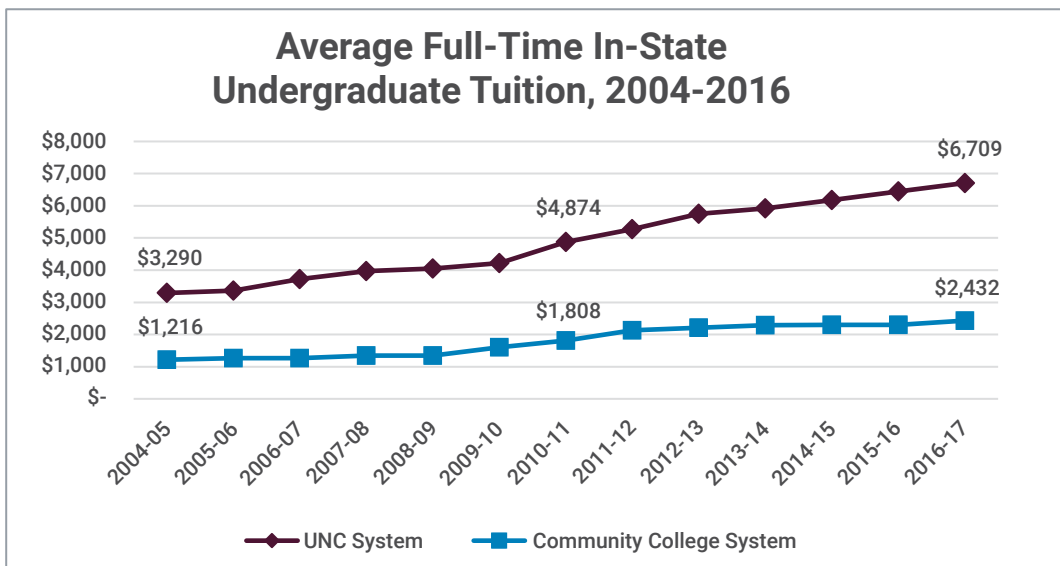
4-year institutions:

\$260

Community colleges:

\$128

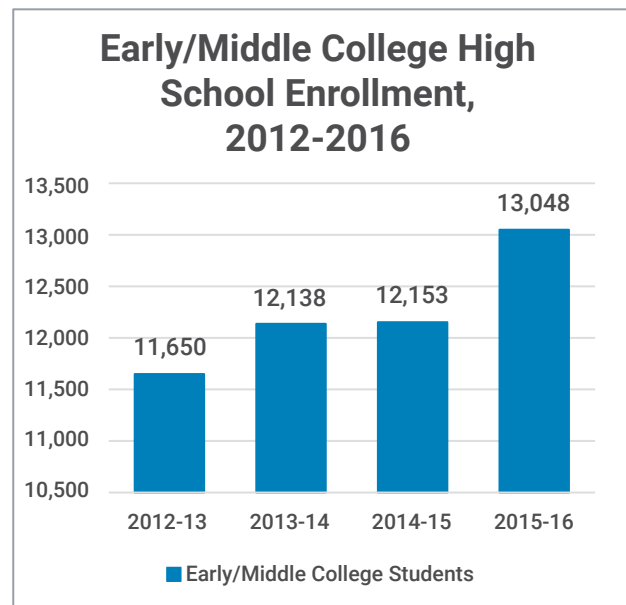
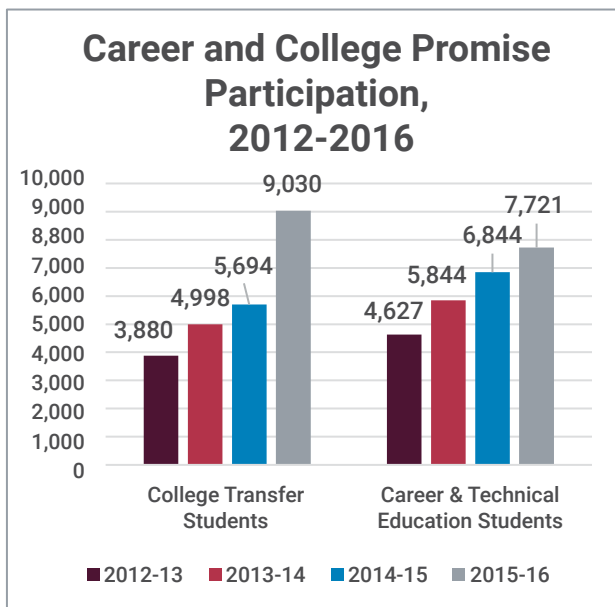
- In the fall of 2016, North Carolina undergraduates saw an average **increase in tuition of four percent**.
- In the same year, North Carolina Community College students saw an average **increase in tuition of five and a half percent**.



College Access and Affordability Efforts in North Carolina

North Carolina has implemented a number of initiatives to make public colleges and universities more affordable.²⁵

- The 2016 Appropriations Act included a stipulation requiring all public four-year universities to charge a **fixed tuition rate to all incoming North Carolina-resident students for at least eight consecutive semesters**. The bill also states that student fees at UNC System schools may increase by no more than three percent per academic year.
- The **North Carolina Promise Tuition Plan**, also created by the 2016 Appropriations Act, lowers in-state tuition rates to \$500 per semester at Elizabeth City State University, The University of North Carolina at Pembroke and Western Carolina University. (*Out-of-state students will pay \$2,500 per semester*).²⁶
- The **North Carolina Career and College Promise**, which began in 2012, offers free community college courses to eligible public high school students across the state. Participating students take coursework leading to a career and technical education credential or certification, or college transfer.
- In addition, an increasing number of North Carolina students now attend **early and middle college high schools**. Students enrolled in these schools may take free college courses at a designated public college or university while pursuing a high school diploma.²⁷



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1000 Park Forty Plaza | Suite 280 | Durham, NC 27713 | p: 984.377.5200 | f: 984.377.5200



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