



THE UNRAVELING:

Poorly-crafted Education Policies Are Failing
North Carolina's Children

education policy PERSPECTIVES FROM THE  **Education & Law Project**

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North Carolina's Children

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Introduction

North Carolina was once viewed as the shining light for progressive education policy in the South. State leaders—often with the support of the business community—were able to develop bipartisan support for public schools, and implement popular, effective programs. North Carolina was among the first states to explicitly monitor the performance of student subgroups in an effort to address racial achievement gaps. The state made great strides to professionalizing the teaching force, bringing the state’s average teacher salary nearly up to the national average even as the state was forced to hire many novice teachers to keep pace with enrollment increases. In addition, North Carolina focused on developing and retaining its teaching force by investing in teacher scholarship programs and mentoring programs for beginning teachers.



North Carolina innovated at all ends of the education spectrum. The state was one of the first in the nation to create a statewide pre-kindergarten program with rigorous quality standards. At the secondary level, North Carolina was at the forefront of dual credit programs for high school students, and the Learn & Earn model (now known as Cooperative Innovative High Schools) became a national model, allowing students to graduate with both a high school diploma and an associate’s degree in five years. Students graduating from North Carolina public schools could enroll in the state’s admired, low-cost community college system or its strong university system, most notably UNC Chapel Hill. For much of the 1990s through early 2000s, policymakers in other states often looked to North Carolina’s public schools as an example of sound, thoughtful policy aiming to broadly uplift student performance.

Unfortunately, over the past seven years, North Carolina has lost its reputation for educational excellence. Since the Republican takeover of the General Assembly following the 2010 election, the state has become more infamous for bitter partisanship and divisiveness,¹ as reflected in education policies. Lawmakers have passed a number

of controversial, partisan measures, rapidly expanding school choice, cutting school resources, and eliminating job protections for teachers.

Less discussed, however, has been degradation in the *quality* of North Carolina's education policies. General Assembly leadership has focused on replicating a number of education initiatives from other states, most lacking any research-based evidence of delivering successful results to students. The General Assembly has compounded the problems though by consistently delivering exceptionally poorly-crafted versions of these initiatives.

Sadly, these controversial, poorly-executed efforts have failed to deliver positive results for North Carolina's students. Performance in our schools has suffered, particularly for the state's low-income and minority children.

So how did we get here? How is it affecting our students?

Lack of transparency leads to poor legislation

The past seven years of education policy have been dominated by a series of not just bad policies, but bad policies that are incredibly poorly crafted. This report provides a review of the major education initiatives of this seven-year period. In every case, the major initiatives are both:

1. Based on very questionable evidence; and
2. Crafted haphazardly, ignoring best practices or lessons learned from other states.

These problems almost certainly stem from the General Assembly's approach to policymaking. Over the past seven years, almost all major education initiatives were moved through the legislature in a way to avoid debate and outside input. At the same time, the General Assembly has abandoned its oversight responsibilities and avoided public input from education stakeholders. The net result has been stagnant student performance, and increased achievement gaps for minority and low-income students.

One commonality of nearly all of the initiatives highlighted in this report is that they were folded into omnibus budget bills, rather than moved through a deliberative committee process.² Including major initiatives in the budget, rather than as standalone bills, is problematic for three reasons:

1. **Standalone bills are required to be debated in at least one committee prior**

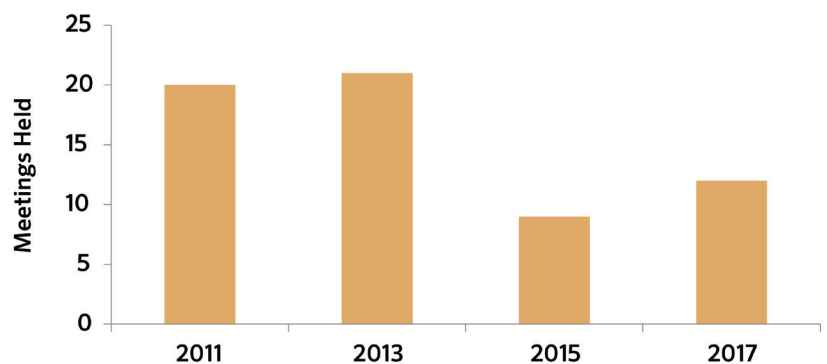
to being heard on the floor. Committee hearings allow public debate and bill modifications from General Assembly members with subject-area knowledge, and can permit public input from stakeholders and other outside experts.

2. **Standalone bills require majority of support to become law.** While the budget bill also requires majority support to become law, there is great pressure on members to vote for a budget bill, particularly one crafted by their own party. Budget bills are filled with hundreds of policy provisions. As a result, members might vote for controversial programs that are incorporated into the budget that they would not support if presented as a standalone vote.
3. **Budget bills are very large, and members are often provided limited time to review the lengthy documents.** For example, the 2017 budget bill was made public just before midnight on June 19 and presented on the Senate floor for debate and vote by 4 PM on June 20. As a result, members are unable to adequately review programs and craft amendments that could improve program delivery.

Compounding matters, the General Assembly has effectively dismantled the Joint Legislative Education Oversight Committee (Ed Oversight), while joint meetings of the House and Senate Education Appropriation subcommittees (Ed Appropriations) are becoming increasingly rare. In the past, these two committees were integral to the creation and oversight of new initiatives.

From its formation in 1990 through 2015, Ed Oversight regularly met during the legislative interim to recommend ways to improve education in the state. However, the committee met just once in the 2015-16 interim, and not at all during the 2016-17 interim.

FIGURE 1: Joint Education Appropriations Meetings



Similarly, Ed Appropriations—which is responsible for crafting the state budget for public schools, the community college system, and state universities—is meeting less often. Historically, Ed Appropriations meetings during long sessions have been the venue through which General Assembly members undertake detailed, line-item reviews of each state agency’s budget.

2017 marked the first time in known history that Ed Appropriations meetings featured zero in-depth presentations of K-12 funding issues. The General Assembly's education leaders stood out for their lack of effort. Every other budget subcommittee received detailed presentations covering all, or nearly all, agency budgets.³

North Carolina's teachers, Department of Public Instruction employees, and the academic community are an incredibly valuable resource that should be drawn upon to strengthen our state educational policy. Instead, these voices have increasingly been ignored. As shown below, the net result has been a series of poorly-crafted policies that are harming North Carolina's children.

2011 Budget – Class-size reduction

When Republicans took control of the General Assembly after the 2010 elections, they were facing a dire revenue situation. North Carolina's recovery from the Great Recession was sluggish, and the consensus revenue forecast predicted a \$312 million decrease in the state's revenue base.⁴ There were few major education initiatives in the 2011 budget, mostly consisting of a number of budget cuts to existing programs.

The only major spending item seemed rather innocuous at the time but arguably helped set the stage for the ongoing controversy over K-3 class sizes (see 2015 Budget below). The General Assembly invested approximately \$60 million (approximately 1,144 teaching positions) to decrease class sizes in grades 1-3. However, the General Assembly took two actions to essentially ensure these additional positions would never be used to actually lower class sizes in North Carolina's schools.

1. **The General Assembly offset the increase in funding for teachers with a massive increase in the "LEA Adjustment."** The LEA Adjustment, also referred to as "a negative reserve," required LEAs to self-identify budget reductions and return funding to the state.⁵ LEAs responded to receiving an additional 1,124 teaching positions by giving 957 of them back to the state in order to meet the required increase in self-identified budget cuts.
2. **The General Assembly never mandated that schools actually lower their class sizes.** Section 7.21.(b) of S.L. 2011-145 kept class size requirements unchanged from the prior school year. In other words, the General Assembly gave school districts extra classroom teacher positions, but said that the districts didn't really have to use the positions to decrease early-grade class sizes.

As a result, the 2011 “investment” in class-size reduction did nothing to actually reduce class sizes. The inability of General Assembly leadership to understand why such measures failed to lower class sizes continues to create confusion today.⁶

2012 Budget – Excellent Public Schools Act

In the 2012 short session, the major policy change was the inclusion in the budget of the Excellent Public Schools Act (EPSA). The EPSA began as a standalone bill (SB 795), but was ultimately rolled into the omnibus budget bill (S.L. 2012-142).

The EPSA was wide-ranging, largely based on reforms implemented in Florida under then-Governor Jeb Bush in the 2000s. The bill contained two major initiatives:

1. Improving **K-3 literacy** by retaining third graders who failed to demonstrate proficiency on state reading tests
2. Assigning **school performance grades**

K-3 LITERACY

The K-3 literacy program was ostensibly modeled on a similar program in Florida. Florida’s Just Read, Florida! initiative retained third graders who failed to demonstrate reading proficiency. To ensure more children were successful, Florida ramped-up investment in its Research-Based Reading Allocation to fund \$130 million per year in early reading interventions in the following areas:⁷

1. **An additional hour of reading instruction** in low-performing elementary schools
2. **Reading intervention teachers** in grades K-5
3. **Reading coaches** to support teachers in improving the delivery of reading instruction to students
4. **Professional development** in scientifically-based reading instruction
5. **Summer reading camps** for children in grades K-5 demonstrating difficulty in reading
6. Additional **instructional materials**

By contrast, North Carolina’s EPSA sought to raise third grade reading achievement without investing in interventions or programs to support early-grade learners. The state also failed to invest in important elements of the Florida program, such as funding for literacy coaches or professional development. North Carolina’s 2012 budget included a mere \$27 million for summer reading camps and diagnostic reading tests, and even then, North Carolina’s summer reading camps – unlike those in Florida – were not designed

THE UNRAVELING

to help early-grade students reach third grade reading standards. Instead, they were limited to third graders who had already failed the state reading exam and were facing the possibility of repeating the grade.⁸

Intervention	Florida	North Carolina
Additional hour of reading instruction in low-performing elementary schools	Yes	No
Reading intervention teachers in grades K-5	Yes	No
Reading coaches to support teachers	Yes	No
Professional development in scientifically-based reading instruction	Yes	No
Summer reading camps for children in grades K-5	Yes	No
Summer reading camps only for 3rd graders who have failed exam	No	Yes
Additional instructional materials	Yes	No
Diagnostic tests to identify struggling readers	Yes	Yes

Sources 9,10

Implementation of the program was met with resistance by teachers and parents.¹¹ The program required teachers to develop a reading “portfolio” consisting of a series of 36 mini-tests for every child deemed “at-risk” of failing the end-of-grade reading test. After receiving overwhelming feedback from teachers and parents, these requirements were greatly modified.

SCHOOL PERFORMANCE GRADES

The 2012 budget also introduced letter grades for each school, once again following Florida’s lead. While Florida popularized assigning single letter grades to measure school performance by implementing A through F grades in 1999, the state offered a troubling model. Florida’s school letter grade formula was based on a complex mixture of achievement and student growth. Achievement is a point-in-time measure of the number or share of students meeting state performance goals, while growth attempts to quantify how much a student has learned in a year, given where that student was at the beginning of the year. Florida has struggled to develop a formula that is easy to understand, while also representative of school performance. The state modified its school performance grades formula 16 times between 2010 and 2014.¹²

Initially, North Carolina proposed assigning each school a letter grade of A through F based entirely on student achievement levels. The original formula rewarded schools for each student scoring above proficient on state reading, mathematics, and science tests. High schools also received credit for the percent of students graduating or taking advanced-level math courses.

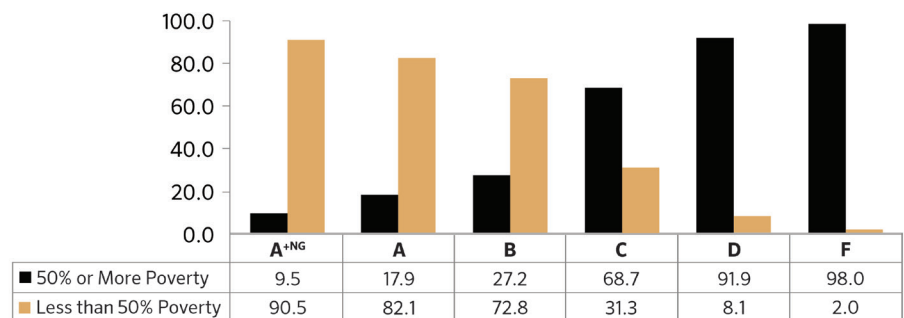
However, basing school performance entirely on student achievement is extremely problematic. The high correlation between student achievement and socioeconomic status has been documented going back at least as far as the landmark 1966 Coleman Report, which identified the effects of socioeconomic status as “the most powerful predictor of student success.” This relationship has arguably grown stronger the subsequent 50 years.¹³

North Carolina compounded this problem by selecting the absolute worst measure of student achievement. The emphasis on proficiency rates causes schools to focus on students “on the bubble,” – those students expected to perform near the pass-fail cutoff – to the detriment of all other students. Alternative measures such as performance indexes and average scale scores would measure achievement in a way that encourages schools to raise the performance of all students.¹⁴

Finally, North Carolina’s grading system failed to measure performance of students from underserved student populations. Florida’s original school performance grade provided points based on subgroup performance of six different subgroups – economically disadvantaged, Black, white, Hispanic, Asian, and American Indian.¹⁵

In the 2013 budget, the formula was amended so that 20 percent of the school performance grade was based on growth, but only in some schools.¹⁶ This minimal reliance on student growth has done little to break the relationship between school performance grades and student socioeconomic status. Instead, schools educating low-income students have been stigmatized with low performance grades.¹⁷

FIGURE 2: School Performance Grades by School Poverty Percentage



2013 Budget – Opportunity Scholarship voucher program

The 2013 Budget introduced the Opportunity Scholarship voucher program, which provides eligible students a voucher of up to \$4,200 a year for tuition at a private school. For the first year of the program, a student had to qualify for the federal free or reduced lunch program. Eligibility was then expanded to students whose family incomes were less than 133 percent of the reduced lunch eligibility level.¹⁸

Much like the 2012 EPSA, the Opportunity Scholarship program started out as part of an individual bill (HB 944), but was ultimately rolled into the budget bill, limiting the debate and scrutiny of the program.

The Opportunity Scholarship Program suffered from three design flaws:

1. The program was initially funded via a one-for-one reduction of funding to traditional, inclusive public schools, and lacked strong non-discrimination protections, causing the court to delay the program's roll-out.
2. Eligibility criteria allow voucher funds to be provided to a certain number of students who would have likely attended a private school even in the absence of the Opportunity Scholarship program, creating budget losses for the state.
3. The program lacks any meaningful accountability measures, making it impossible for the state to assess the program's success as well as difficult for parents to make enrollment decisions for their children.

A voucher plan bogged down in litigation

Within six months of the passage of the 2013 budget, two lawsuits were filed contesting the constitutionality of the Opportunity Scholarship program. The plaintiffs in both cases argued that the program was unconstitutional because it diverted funding from the State Public School Fund to be used for a nonpublic purpose in schools that are allowed to discriminate and lack standards or accountability. Judge Robert H. Hobgood granted an injunction against the program on February 21, 2014, ultimately ruling the program unconstitutional on August 21, 2014. According to Hobgood's ruling, "Appropriating taxpayer funds to unaccountable schools does not accomplish a public purpose."¹⁹

The General Assembly could have sidestepped the majority of these arguments by eliminating the Opportunity Scholarship-related reduction to the budget for traditional, inclusive public schools, as well as insisting on strong non-discrimination policies for the private schools accepting voucher students. In response to the injunction, the General Assembly indeed restored funding for traditional, public schools as part of the 2014 budget, and added non-discrimination language forbidding participating private schools from discriminating on the basis of race, color, or national origin. However, this tepid non-discrimination language still allows private schools accepting Opportunity Scholarship

students to discriminate on the basis of religion, gender, and sexual orientation, and fails to create a public process for students or their families to report discriminatory practices. Several participating private schools have taken advantage of this loophole to discriminate on the basis of religion, gender, and sexual orientation, all while still receiving public funds.²⁰

After more than a year of legal wrangling, and following the 2014 budget modification restoring funding to the public schools, Judge Hobgood's ruling that the program was unconstitutional was eventually overturned by the North Carolina Supreme Court.²¹

A voucher plan that loses money

One of the main arguments for school voucher programs is that they can provide budget savings.²² Educational concerns aside, if the voucher is less than what is otherwise spent on a student's education, and if the student would have otherwise attended public school, then vouchers can provide savings.

Yet the equation changes when vouchers are provided to students who would have attended a private school even if the voucher program didn't exist, and the Opportunity Scholarship program eligibility opens the door to provide vouchers to such students. For students entering grades 2-12, they had to have been previously enrolled in a public school in order to be eligible for an Opportunity Scholarship. But there's no prior enrollment requirement for students entering grades K-1. And once these students receive a voucher, they may continue to receive the voucher through grade 12.

As a result, the General Assembly's nonpartisan fiscal research division estimated that nearly 25 percent of Opportunity Scholarship vouchers would be given to students who would otherwise have attended a private school and that the program would lose money for the state. The program was expected to cost the state between \$2 million and \$3 million per year.²³ In the 2016 budget, the General Assembly increased number of new scholarships that can be awarded to students in grades K-1, increasing the number of scholarships that will be awarded to students who would have gone to a private school even if they had not received a voucher.

Worst-in-the-nation accountability

School voucher programs are based on the premise that market competition will cause schools – both private and public – to improve their performance to attract teachers. There are three underlying premises to this assumption:

1. **There are many “buyers” of education (i.e., students)** whose demand for education is sizeable enough to motivate schools to improve their operating practices to attract or retain students.

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Requirements for Non-public Schools Participating in School Voucher/Scholarship Programs					
Jurisdiction	Accreditation or State Approval	State Required or Defined Curriculum	Required Teacher Qualifications	Required Participation in State Testing Program	Operation for the Same Number of Hours/Days as Public School
Arizona		● ¹			●
Cleveland	●	●	●	●	●
D.C.	●	●	●	●	● ²
Indiana	●	●	●	●	●
Louisiana	●	●	●	●	●
Maine	●	●	●	● ³	●
Milwaukee	●	●	●	●	●
Ohio	●	●	●	● ⁴	●
Vermont	●	●	●	●	●
Wisconsin	●	●	●	●	●
NC					

1. Any student with a voucher must be educated in reading, grammar, math, social studies, and science.
2. Instructional days and hours must be approved by D.C. Board but the regulations do not specify the numbers.
3. If 60% of students are publicly funded, school must participate in the state testing program.
4. For all high schools and for any school in which 65% of students are getting vouchers.

2. **There are many “sellers” of education (i.e., schools) available to students.** The schools must face a meaningful number of competitors to motivate improvements, and students need sufficient choice to find schools that best suit their unique learning needs.
3. **Parents must have good information on school operations and quality in order to make informed enrollment decisions.** Without good information, enrollment may be driven by marketing schemes, rather than quality improvements.

Table above courtesy of Jane R. Wettach, “School Vouchers in North Carolina: The First Three Years,” Children’s Law Clinic, Duke Law School, March 2017, as found at: https://law.duke.edu/childlaw/docs/School_Vouchers_NC.pdf

Without all three of these elements, school choice fails.

North Carolina’s Opportunity Scholarship voucher program offers parents the least amount of information of any voucher program in the country. In most other states, voucher students are required to take exams that allow parents and researchers to compare performance of available public and private school options. Private schools in North Carolina admitting Opportunity Scholarship students are not required to administer any comparable tests.

The other way markets can signal quality is through requiring certain standards are met. For example, other states’ voucher programs frequently require private schools accepting voucher students to be accredited, adhere to the state educational standards, employ licensed teachers, or provide a minimum number of instructional days. North Carolina’s Opportunity Scholarship program is the lone voucher program to not require any such standards on its private schools.²⁴

The table on the preceeding page summarizes the deficiency of the Opportunity Scholarship program’s accountability structure.

2014 Budget – Virtual charter schools

Virtual charter schools—online schools operated in most instances by for-profit corporations—have been a dismal failure in every other state. Student performance in virtual charter schools has been consistently abysmal, and the model has been wrought with fraud.

The most careful, comprehensive study of virtual charter schools—from Stanford’s Center for Research on Education Outcomes—found that virtual charter students achieved the equivalent of 180 fewer days of learning in math and 72 fewer days of learning in reading than students in traditional public schools. In the words of lead researcher Margaret Raymond, the math results are “literally as if the kid did not go to school for an entire year.”²⁵ Nationwide, the average graduation rate at online schools is only 43 percent, about half the graduation rate at traditional schools.²⁶

Additionally, virtual charter schools have engaged in fraudulent business practices. Some virtual charter schools have falsified school grades to avoid state accountability measures. Even more troubling, several virtual charters have fraudulently inflated their school enrollment figures, fleecing states of millions in state funds (see sidebar on page 12).

The North Carolina General Assembly authorized two virtual charter schools to begin operating in the 2015-16 school year, but the authorizing language failed to consider

The Fraud Factor

A number of virtual charter schools have been found guilty of fraudulently inflating student enrollment figures and falsifying student grades:

1. **Pennsylvania:** Nicholas Trombetta, the founder of Pennsylvania Cyber Charter School has been charged by federal prosecutors with 11 fraud and tax charges, and is accused of stealing nearly \$1 million.²⁷
2. **Colorado:** An audit found the Colorado Virtual Academy overstated its enrollment by 118.5 students.²⁸
3. **Ohio:** The Ohio Department of Education found that the state's Electronic Classroom of Tomorrow (ECOT) inflated enrollments by 9,000 students, collecting an additional \$64 million in overpayments.²⁹
4. **Tennessee:** News reports uncovered email messages from TVA administrators to teachers ordering the deletion of failing student grades.³⁰
5. **Florida:** The Department of Education's Office of Inspector General uncovered emails showing online teachers being asked by K12 Inc. to falsify teacher of record status to meet certification requirements.³¹
6. **California:** K12 Inc. settled with the California Attorney General for \$8.5 million after being accused of false advertising, misleading parents, and inadequate instruction.³²

the experience of other states. The authorizing language also departed significantly from recommendations made by the State Board of Education related to:

- Authorization authority
- State and local funding levels
- Grade levels served
- Maximum enrollment
- Teacher-to-student ratios
- Allowable student withdrawal rates

The provision lacked safeguards limiting financial incentives for fraud such as tying payments to school performance. The Department of Public Instruction (DPI) was not provided the resources necessary to audit virtual charter enrollment figures, and the authorizing language failed to include a process for independent evaluation of the program. Despite being made aware of these issues, the General Assembly has made no effort to strengthen program oversight.³³ The only notable change has been in to weaken requirements on student withdrawal rates.³⁴

To date, student performance in North Carolina's virtual charter schools has been predictably abysmal. In their first year of operation, both of the state's virtual charter schools received a school performance grade of "D". Most notably, both schools received the lowest possible grade in student growth, indicating that students learned very little while enrolled in these schools. Both schools had student withdrawal rates that topped 30 percent.³⁵

2015 Budget –Unfunded class-size reduction mandate

The General Assembly abstained from creating any major new programs in the 2015 budget. Buried in Section 8A.3, however, was a little-noticed special provision that created substantial controversy in the spring of 2017.

This section required school districts to reduce class sizes in grades K-3, effective the 2017-18 school year. This language was subsequently re-stated and clarified in Section 8.33 of the 2016 budget; however, the General Assembly has failed to provide the funding necessary to allow districts to meet the class size goals.

This unfunded mandate created massive uncertainty as school districts began their local budgeting processes in the spring of 2017. Without General Assembly funding or relief on the requirement, districts were forced to make the unenviable choices of:

- Eliminating art, physical education, music, and technology teachers from elementary schools;
- Re-deploying teachers from grades 4-12 (where there are no class-size maximums) to grades K-3; or
- Increasing local revenue to pay for the substantial operating and capital costs imposed by this unfunded mandate.

In just one school district, Wake County, meeting the unfunded class-size mandate would have required approximately \$320 million to hire additional teachers and create 400 new classrooms.³⁶ The Chair of the House Appropriations Committee on Education said the unfunded class-size mandate “was not as fully thought through with regard to unintended consequences.”³⁷

In 2017, the General Assembly passed S.L. 2017-9, Class Size Requirement Changes, delaying the unfunded class-size requirements by one year. Absent a special session appropriating approximately \$293 million of additional classroom teacher funds, school districts will be facing the same controversy, chaos, and tough choices that they faced earlier this year.³⁸

2016 Budget – Achievement School District

In 2016, General Assembly leaders looked to Tennessee to create an “achievement school district” (ASD). Tennessee’s ASD program began as part of that state’s plan for utilizing its federal Race to the Top grant. Under the program, schools in the bottom five percent on state accountability measures were removed from the control of their local school district and placed under the purview of the ASD, who then contracted with private

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charter management organizations (CMOs) to run the schools. Despite substantial additional investment, Tennessee's ASD schools have fallen far short of their initial goal to reach the top 25 percent of performance within five years. Instead, the ASD program has had "little to no effect" on student performance.³⁹

Sponsors of North Carolina's ASD program claimed they had learned from Tennessee's example and that North Carolina's legislation included "guardrails" ensuring the success of North Carolina's program. However, the legislation failed to address the problems encountered by Tennessee's program. Analysis from George Washington University identified the following barriers to success within the Tennessee program: High student mobility; challenges related to serving higher proportions of students with special needs; and community resistance.

Further, a report from the Tennessee Division of State Audit found:

- Inadequate controls over several key human resources and payroll processes;
- Inadequate internal controls over its expenditures, travel claims, and purchasing card purchases; and
- The ASD failed to perform fiscal monitoring of its direct-run schools and charter management organizations.

North Carolina's legislation fails to address any of these concerns. The only major difference between the Tennessee and North Carolina programs is that Tennessee boosted funding in its ASD schools by \$50 million over a four-year period, while North Carolina will not provide any additional funds to its ASD schools.⁴⁰

Despite being aware of these shortcomings, the General Assembly has made no substantive changes to, or investments in, the ASD program. It did, however, change the name of the program to the Innovation School District.

2017 Budget – North Carolina Personal Education Savings Accounts (PESA)

Heading into the 2017 budget session, North Carolina had two existing school voucher programs:

- The Opportunity Scholarship program, providing vouchers of up to \$4,200 per year to families whose income is within 246.05 percent of the federal poverty threshold; and
- The Disabilities Grant Program, providing vouchers of up to \$8,000 per year to families of children requiring special education services.

Each of these programs was over-funded in the 2016-17 fiscal year by \$2.7 million.⁴¹ Still, lawmakers decided that North Carolina needs yet another voucher program. The major education initiative of the 2017 budget was PESA, another poorly-designed program that began as a separate bill but was ultimately rolled into the omnibus budget bill. PESA provides parents of disabled children a debit card loaded with \$9,000 to be spent on the child's education. Funds from the debit card may be spent on tuition, fees, and other broadly-defined goods and services for students.

Like other states' educational savings account programs, the PESA will divert funds from traditional, inclusive public schools and will have higher administrative costs than other voucher programs. However, North Carolina's PESA is particularly ineffective in design. Unlike other states, North Carolina's PESA prohibits parents from using funds on postsecondary education, allows parents to double- and triple-dip into the existing voucher programs, and opens up new avenues for fraud. PESA also lacks any accountability measures, a trend consistent with North Carolina's other voucher programs.

North Carolina's poorly-crafted education policies correspond with increasing achievement gaps

Ultimately, the impact of these poorly-crafted policies is borne by the students of North Carolina. While North Carolina's school system made great strides over the past 30 years, progress has been derailed since 2010. Most notably, the past seven years of poorly-crafted education policies has been associated with a substantial increase in achievement gaps for North Carolina's students. The state's Black and low-income students have fallen further behind their white and higher-income classmates as the General Assembly has ignored the barriers blocking the progress of these students.

The National Assessment of Educational Performance (NAEP) is the most useful tool for

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FIGURE 3a:
NAEP - 4th Grade Mathematics

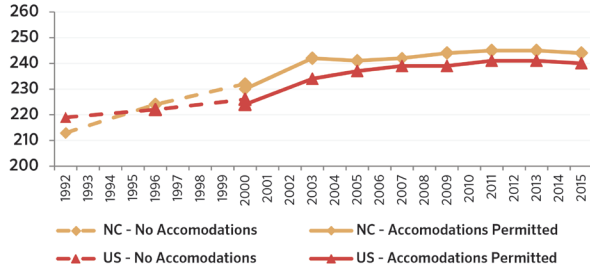


FIGURE 3b:
NAEP - 4th Grade Reading

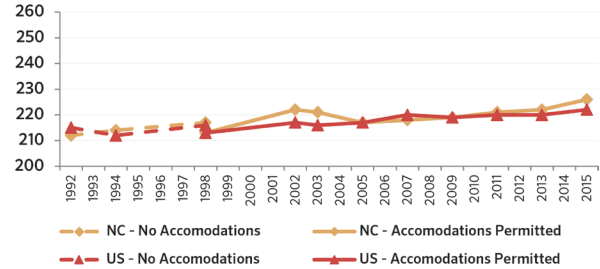


FIGURE 3c:
NAEP - 8th Grade Mathematics

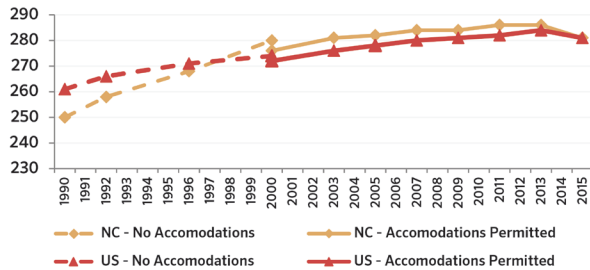
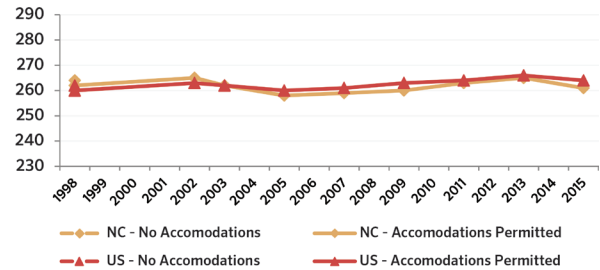


FIGURE 3d:
NAEP - 8th Grade Reading



comparing student achievement, including achievement of student sub-groups, across states.⁴² From 2011 to 2015, North Carolina's NAEP scores have fallen or remained flat in fourth grade math, eighth grade math, and eighth grade reading.

While achievement increased in fourth grade reading, this result is almost certainly the result of the introduction of the new policy that retains third graders failing the state reading exam. Nearly 15,000 third graders who were retained in the 2013-14 school year were excluded from the sample of students taking the NAEP in the spring of 2015, making it difficult to compare North Carolina's 2015 fourth grade reading results against prior years or other states.⁴³

The three other NAEP exams (fourth grade math, and eighth grade math and reading) reveal troubling trends for North Carolina's Black and low-income students. From 2011 to 2015, performance of Black students fell in eighth grade reading and math, and was flat in fourth grade math. Between 2011 and 2015, the Black-white achievement gap in North Carolina grew in fourth grade math and eighth grade reading; the Black-white achievement gap for eighth grade math remained unchanged over this period. North Carolina is one of just 11 states to have failed to narrow the Black-white achievement gap on any of the

FIGURE 4a:
NAEP - 4th Grade Mathematics:
Black-white achievement gap in NC

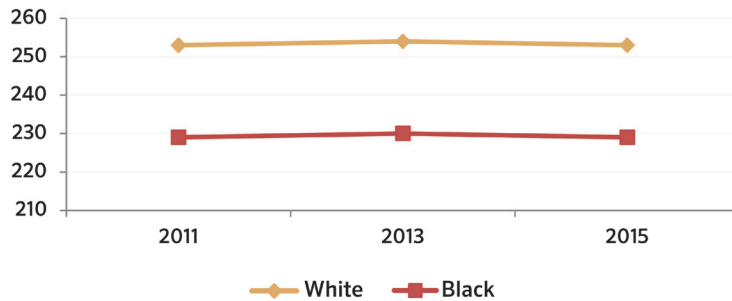


FIGURE 4b:
NAEP - 8th Grade Mathematics:
Black-white achievement gap in NC

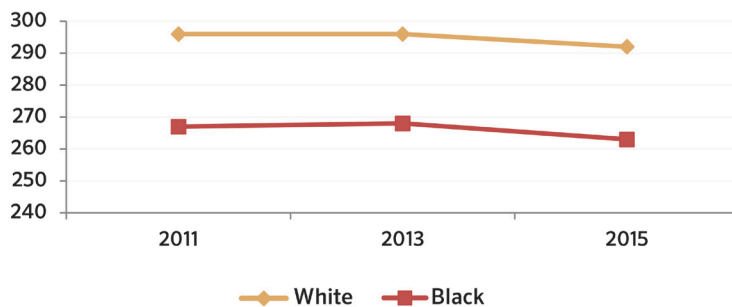
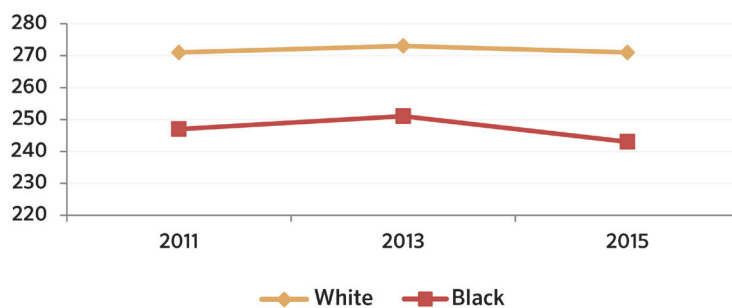


FIGURE 4c:
NAEP - 8th Grade Reading:
Black-white achievement gap in NC



three NAEP exams over this period.

The results were similarly poor for low-income students in North Carolina. Across all three NAEP exams, North Carolina students eligible for the free or reduced price lunch program had lower scores in 2015 than they did in 2011.⁴⁴ At the same time, the gap between low-income and other students increased over this period. North Carolina is one of just 13 states that saw its income-based achievement gap increase across all three NAEP exams.

Over half of North Carolina's students qualify for free or reduced lunch. At the same time, over half of North Carolina's students are students of color. When these achievement gaps grow, a majority of the state's children are falling behind.

A system leaving behind a majority of our children is a system that fails all North Carolinians.

It is time for a new approach. If the General Assembly

hopes to return to an education system that is the envy of other states and benefits children from all backgrounds, policymakers must re-dedicate themselves to open, transparent policy processes.

FIGURE 5a:
NAEP - 4th Grade Mathematics:
Income-based Achievement Gap in NC

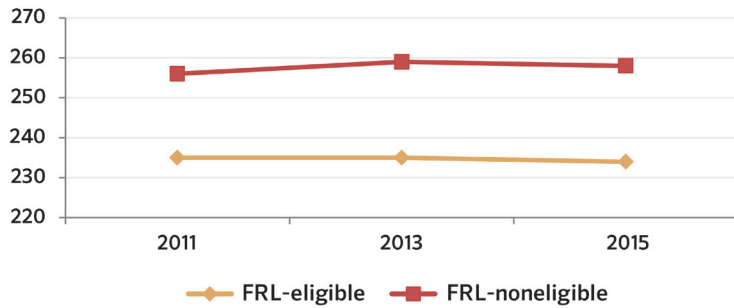


FIGURE 5b:
NAEP - 8th Grade Mathematics:
Income-based Achievement Gap in NC

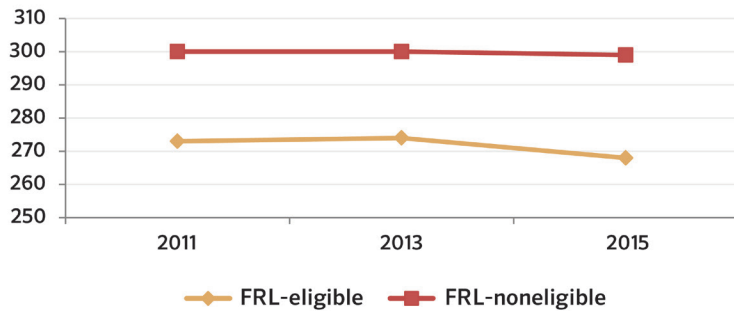
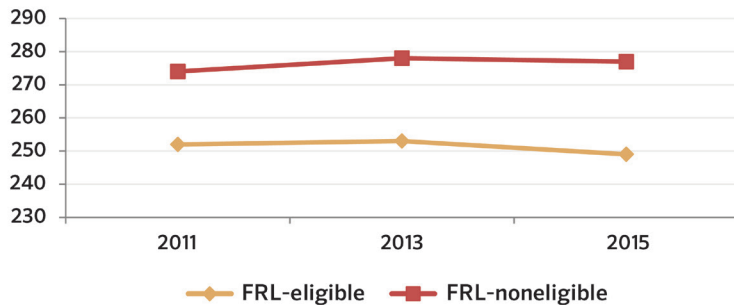


FIGURE 5c:
NAEP - 8th Grade Reading:
Income-based Achievement Gap in NC



Difficult questions must not be avoided; they must be addressed before poorly-crafted policies become law. Major education policies need to be crafted and debated openly in committee settings. Policymakers must welcome, rather than spurn, input from educators, agency personnel, and subject experts. **Without a new approach, the state's children will continue to suffer the consequences.**

A return to serious policymaking and a focus on removing poverty-related barriers to student success could potentially reap incredible benefits to the state.⁴⁵ All North Carolina children deserve the opportunity to learn from great teachers in clean, adequately-supplied classrooms. They all deserve to enter each school day healthy, free of hunger, and focused on learning rather than distracted by a traumatic home life. These challenges will only be met when General Assembly policymakers are willing to treat their job with the importance it deserves. ■

ENDNOTES

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THE UNRAVELING

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