

## The North Carolina Context

### THE RIGHT TO A SOUND BASIC EDUCATION

North Carolina's efforts to provide a sound basic education for every child date back to the 1868 State Constitution that required the General Assembly to provide "a general and uniform system of public schools, wherein tuition shall be free of charge to all of the children of the State."

While several reforms have been made over the years, the state has struggled to fulfill its educational commitment for all its children, leading to the *Leandro v. State* case in 1994. The 1997 Supreme Court decision unanimously affirmed that the North Carolina constitution guarantees every child of the state "an opportunity to receive a sound basic education" that provides students with sufficient:

- **Mastery of English, mathematics, and physical science "to enable the student to function in a complex and rapidly changing society";**
- **Knowledge of geography, history, economics, and political systems to make informed choices within the democratic system; and**
- **Academic and vocational skills to engage in and succeed in postsecondary education or vocational training.**

Over subsequent years, the courts issued orders requiring the state to:

- **Set a high bar for the achievement level that would demonstrate a sound basic education**
- **Fund preschool programs for at-risk 4-year-olds**
- **Intervene in underperforming Halifax County Schools**
- **Support low-performing schools**

### STATE EFFORTS TO ADDRESS THE *LEANDRO* REQUIREMENTS

North Carolina was recognized during the 1980s and 1990s as an example of how investments in teachers and early childhood support and strong standards could result in sharp increases in student performance and reductions to the achievement gap. [During the 1990s, North Carolina became the first southern state to score above the national average in 4th grade reading and math, and was the most successful state in narrowing the minority-white achievement gap.] However, post-Recession budget cuts and misguided policy priorities have reversed the gains made in previous decades.

Efforts to address *Leandro* have included:

**Strengthening the Educator Workforce:** The Teaching Fellows and Principal Fellows programs provided merit-based scholarships to address the shortage of qualified teachers and principals, while small-scale programs such as the New Teacher Support Program and the Distinguished Leadership in Practice program provide support to beginning educators.

**Preparing Pre-K Students for Success in School:** Head Start, Smart Start, and NC Pre-K

are high-quality programs, but funding has been restricted, leaving many at-risk children unserved.

**Improving Curriculum and Teaching Practices:** Math and reading standards have been regularly updated and strengthened, but lack of funding for professional development has hindered implementation.

**Supporting the Improvement of Low-Performing Schools:** The Department of Public Instruction’s District and School Transformation unit once supported low-performing schools but has been dismantled. Existing systems of support are inadequate.

**Providing School Choice and Extended Learning Opportunities for Students:** Cooperative Innovative High Schools and Career and College Promise have enabled high school students to obtain college credit, while career and technical education (CTE) programs provide many students with workplace skills and credentials.

**Extensive Data Systems to Inform Decisions at All Levels:** The state has high-quality data systems that facilitate evaluation and can be updated to track progress towards providing a sound basic education for all students.

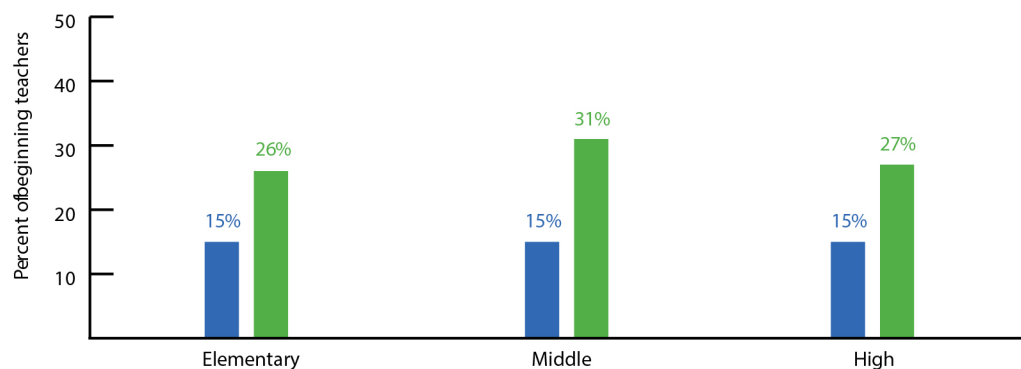
**Funding to Access Critical Needs:** Resources have not been adequate to serve students with greater needs, such as providing support personnel and interventions that increase achievement.

### INCREASED CHALLENGES

Efforts to meet *Leandro* goals have seldom been sustained or brought to scale. As such, they have been insufficient to meet *Leandro* requirements. The state now faces greater challenges than ever in meeting its constitutional responsibilities.

- **Updates to Standards and Assessments:** The adoption of more rigorous standards – combined with a failure to provide the professional development necessary to implement those standards – have increased the challenges to prepare students to achieve proficiency.
- **Shifts in the Educator Workforce:** Enrollment in teacher education programs declined

Exhibit 6. Percentage of beginning teachers, by low- and high-poverty schools, 2016–17



Source: Learning Policy Institute analysis of 2017 NCDPI data

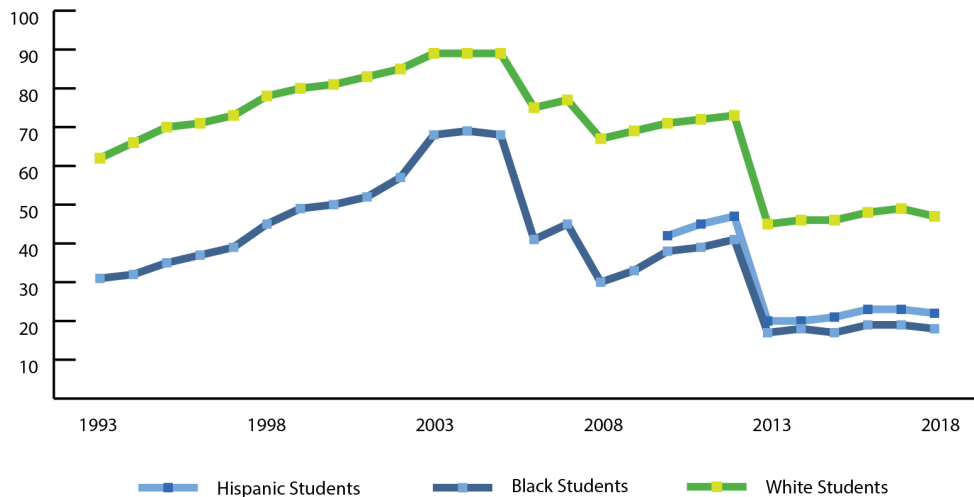
by more than 50% between 2008-09 and 2015-16. Budget cuts have reduced the total number of teachers employed in North Carolina by 5% from 2009 to 2018, even as enrollment increased by 10%. Further, North Carolina’s distribution of teachers is inequitable.

- **State Investments Not Keeping Pace with Education Needs:** In the last two decades, school enrollment has grown by about 25% and the share of children with higher needs (economically-disadvantaged, English learners, etc.) has increased significantly. According to the most recent data, North Carolina’s per-pupil spending declined about 6% since 2009-10 and is the sixth-lowest in the nation.

### STUDENT ACHIEVEMENT SINCE THE 1997 LEANDRO DECISION

**Achievement on North Carolina End-of-Grade Tests:** There has been almost no progress since the current standards were set in 2013, with only about one-third of students in grades 3-8 reaching proficiency in both math and reading. Opportunity gaps for Black and Latinx students narrowed in the 1993 to 2005 period but have increased in recent years.

Exhibit 11. Percentage of grade 3–8 students proficient in both ELA and mathematics, 1993–2018 (by student group)



Source: North Carolina Department of Public Instruction, Historical Trends and Results (n.d.)

**Achievement on the National Assessment of Educational Progress:** NAEP results similarly show a lack of progress in improving achievement and in closing racial opportunity gaps.

**Graduation Rates and Preparation for Postsecondary Education:** Graduation rates have increased from 70% in 2008 to 86% in 2018, however, college completion rates show that few students are prepared for postsecondary education or the workforce.

### **NORTH CAROLINA'S CURRENT EDUCATION GOALS**

North Carolina's achievement goals under ESSA are ambitious but would still leave more than one-third of students in grades 3-8 below proficient in reading and more than one-fourth below proficient in math.

### **CURRENT STATUS OF *LEANDRO* COMPLIANCE**

Both Judge Manning's final court order in 2015 and Judge Lee's 2018 ruling concluded that North Carolina is failing to meet its constitutional obligation to provide every child with a sound basic education and that a plan of action is necessary to meet the state's duties.

**The requirements of the Leandro decision remain as relevant as ever, as today the state is further away from meeting its constitutional obligation to provide every child with the opportunity for a sound basic education than it was when the original Leandro decision was issued more than 20 years ago.**

## Findings and Recommendations

### CRITICAL NEEDS TO BE ADDRESSED THROUGH THIS PLAN

The overall goal of the Leandro Action Plan is to guide North Carolina in implementing systemic approaches to increasing the capacity of its Pre-K–12 public education system to ensure every child receives a sound basic education.

The findings and recommendations described in this plan address the following critical needs to enable the state to meet this constitutional requirement:

- 1. Revise the state funding model to provide adequate, efficient, and equitable resources.** These resources should be aligned to student needs in every school and district.
- 2. Provide a qualified, well-prepared, and diverse teaching staff in every school.** Working conditions and staffing structures should enable all staff members to do their job effectively and grow professionally while supporting the academic, personal, and social growth of all their students.
- 3. Provide a qualified and well-prepared principal in every school.** Principals should be prepared and supported to effectively lead continuous school improvement; support the use of a well-designed curriculum aligned with state standards; and establish a culture in which all students feel welcome, safe, supported, and challenged as learners.
- 4. Provide all at-risk students with the opportunity to attend high-quality early childhood programs.** These programs should develop all students' personal, social, cognitive, and language skills in order to prepare them to begin kindergarten fully ready to learn.
- 5. Direct resources, opportunities, and initiatives to economically disadvantaged students.** A strong focus should be placed on addressing the needs of economically disadvantaged students to address the greater challenges in those contexts.
- 6. Revise the student assessment system and school accountability system.** The systems should provide the information needed by educators, parents, policymakers, and others about the educational effectiveness of each school, and about the learning and progress of individual children and of subgroups of children. The system should also produce data to inform the evaluation and continuous improvement of educational programs and to enable the court to track progress, identify areas of concern, and monitor compliance with the Leandro requirements.
- 7. Build an effective regional and statewide system of support for the improvement of low-performing and high-poverty schools.** The state should define its approach to school improvement and develop the state system for assisting low-performing and high-poverty schools to: recruit and retain effective staff; provide high-quality professional development; use evidence-based instructional practices and curriculum; create effective school cultures; provide student supports; use data for continuous improvement; engage families; and foster collaborations across schools and districts.

8. **Convene an expert panel to assist the Court in monitoring state policies, plans, programs, and progress.** This monitoring should ensure the state’s ongoing compliance with the Leandro requirements.



## Finance and Resource Allocation

### CRITICAL NEED

Revise the state funding model to provide adequate, efficient, and equitable resources. Resources should be aligned to student needs in every school and district.

### KEY TAKEAWAY

School funding should be adequate (*is there enough funding?*), equitable (*is funding distributed based on need?*), flexible (*are districts able to deploy resources where most needed?*), and relatively stable (*can districts engage in long-term planning?*). Each of these four components must be addressed to ensure schools have the resources necessary to ensure a sound basic education for all students.

### FINDINGS

- 1. Funding in North Carolina has declined over the last decade.** As of fiscal year 2017, North Carolina's total per-pupil spending was 6th lowest in the nation. When adjusted for inflation, per-pupil spending in North Carolina has declined about 6% since 2010.
- 2. The current distribution of education funding is inequitable.** North Carolina's funding system is inequitable in two ways: (1) school districts lack the funding necessary to meet the educational needs of historically underserved student populations, and (2) funding across districts is inequitable due to differences in both local funding, state funding received through the Classroom Teacher allotment, and regional costs.
- 3. Specific student populations need higher levels of funding.** The research team's quantitative analysis and the professional judgment panels both indicated – consistent with existing research – that more funding is required to produce the same outcomes for student populations with greater needs (e.g., English learners, economically disadvantaged students, and exceptional children). As the share of such students increases, so does the school's per-student cost of education.
- 4. Greater concentrations of higher-needs students increase funding needs.** Districts with higher concentrations of economically disadvantaged students and higher concentrations of English learners need higher levels of per-pupil funding. Many North Carolina schools have high concentrations of high-need students. For example, in approximately 31% of schools, more than 90% of students are economically disadvantaged.
- 5. Regional variations in costs impact funding needs.** The cost of educating students in some regions of the state is higher than others, primarily due to regional variation in labor costs. The cost of employing teachers is up to 21% higher in some parts of North Carolina than others.
- 6. The scale of district operations impacts costs.** As the number of students goes up, the cost to produce the same academic growth goes down, except in very large school districts, where the marginal costs begin to creep up again. This does not mean that the state should mandate specific district sizes. But funding can be adjusted to assist districts unable to take advantage of economies

of scale. Alternatively, the state could support districts' efforts to develop shared services within regions.

**7. Local funding and the Classroom Teacher allotments create additional funding inequities.**

Approximately 42% of state funding to districts is provided via the Classroom Teacher allotment, which covers teacher salaries and benefits for a certain number of teachers. The analysis found that wealthier districts receive, on average, more funding through the Classroom Teacher allotment than do less-wealthy districts. Nevertheless, CFOs largely support the position allotment, noting that position allotments enable school leaders to hire teachers based on their qualifications, rather than on budgetary impact.

Differences in local funding present much larger inequities across districts. For example, Asheville City Schools gets \$5,676 in per-pupil local funding, nearly 2.5 times as much as Jackson County's \$2,292 in per-pupil local funding. This discrepancy in local funding causes Asheville City's total per-pupil funding to be 28% higher than Jackson County's, even though Jackson County has a higher proportion of higher-need students.

**8. New constraints on local flexibility hinder district ability to align resources with student needs.**

In recent years, legislators have restricted schools' financial flexibility. In 2010-11, districts were allowed to allocate about 75% of their state funds to where they felt money would be best spent. By 2018-19, local flexibility was granted to only about 20% of state funding. Lack of flexibility restricts district leaders' ability to make decisions about how to allocate resources to make the greatest impact on student outcomes given their local circumstances.

**9. Restrictions on Classroom Teacher allotments reduce flexibility and funding levels.**

Prior to the 2012-13 school year, districts could transfer Classroom Teacher allotment funds to another area at the statewide average teacher salary level. Now, districts can only transfer these funds at a starting teacher salary level, rather than the average salary level.

**10. Frequent changes in funding regulations hamper budget planning.**

The unpredictability of funding regulations and frequent legislative changes creates instability in the system and limits their ability to do longer-term budget planning.

**11. The state budget timeline and adjustments create instability.**

The state's process for finalizing each district's budget involves many adjustments after the school year begins, creating instability for budget planning. In particular, the transfer of funding from districts to charter schools is a particularly unnecessary administrative burden.

**12. There is inadequate funding to meet student needs.**

The researchers used a cost function analysis to estimate the funding necessary to ensure every student receives a sound basic education. The cost function analysis uses cost and performance data to estimate the cost of achieving certain school outcomes, given variations in spending, student needs, and other factors.<sup>1</sup>

This analysis shows that the state needs to make short-term investments to bring under-performing students to grade-level. These investments would be phased-out after an eight-year period. Additional ongoing investments would ensure all students continue to make grade-level growth each year.

The report presents multiple scenarios for short-term and ongoing investments. Under the scenarios most accurately reflecting Leandro standards, short-term investments would increase per-pupil state spending 38% over an eight-year period, and then be phased out. Ongoing investments would increase per-pupil



state funding by 45% over an eight-year period. This equates to \$3.7 billion in today's dollars, an increase of approximately \$463 million per year over the next eight years.

### RECOMMENDATIONS

- 1. Increase cost effectiveness of the North Carolina funding system so that public education investment prioritizes higher-need students and provides appropriate flexibility to address local needs.**
  - Add weights to the position allotments to account for higher-need student groups.
  - Increase the cap on exceptional children funding.
  - Provide accountability and guidance for districts to align resources with students' needs.
  - Increase flexibility by lifting restrictions on allotments so that district leaders can make resource allocation decisions based on local needs.
  - Collapse allotments other than those for positions and for higher-need students.
  
- 2. Modify the school finance system to ensure future stability in funding for public education, including predictable, anticipated funding levels that acknowledge external cost factors.**
  - Account for annual increases in cost within the state's school funding formula.
  - Incorporate factors accounting for regional differences in cost and adjustments for small districts and for low-wealth communities.
  - Revise the funding mechanism for charter schools so that funds are distributed directly from the state rather than funneled through public school districts.
  - Phase in a student-weighted funding formula, collapsing all remaining allotments aside from the position allotments.
  
- 3. Increase the overall investment in North Carolina's public schools first by identifying a small number of foundational, high-impact investments. Continued investment in these foundational areas are most critical to setting the system up for success in the future.**
  - Some examples of these investments include:
    - i. Early childhood staff compensation and time
    - ii. Reframing of teacher supply pipeline and compensation
    - iii. Principal preparation
    - iv. Whole-child support, such as counselors and social workers

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1. The presentation at this link provides additional detail on WestEd's methodology: [https://files.nc.gov/governor/NC\\_4.10.18.Commission\\_Presentation\\_final.pdf](https://files.nc.gov/governor/NC_4.10.18.Commission_Presentation_final.pdf)

## A Qualified and Well-Prepared Teacher in Every Classroom

### CRITICAL NEED

Provide a qualified, well-prepared, and diverse teaching staff in every school. Working conditions and staffing structures should enable all staff members to do their job effectively and grow professionally while supporting the academic, personal, and social growth of all their students.

### KEY TAKEAWAY

North Carolina was once a leader in recruitment, retention, and support of its teacher workforce due to targeted reforms and investments in the 1980s and 1990s, resulting in the near elimination of teacher shortages across all districts, strong gains in student achievement, and narrowing of the opportunity gap. However, most of these successful policies and practices during this time – including the NC Teaching and Principal Fellows Programs, rigorous standards and accreditation requirements for teacher preparation training, mentoring and support for beginning teachers, rich professional development opportunities, and teacher compensation near the national average – have since been eliminated or reduced. The effects have been detrimental across the board but are most pronounced in lower-wealth districts. Substantial investments and policy changes are necessary to ensure that North Carolina becomes teaching destination again and that all students have equitable access to effective teachers.

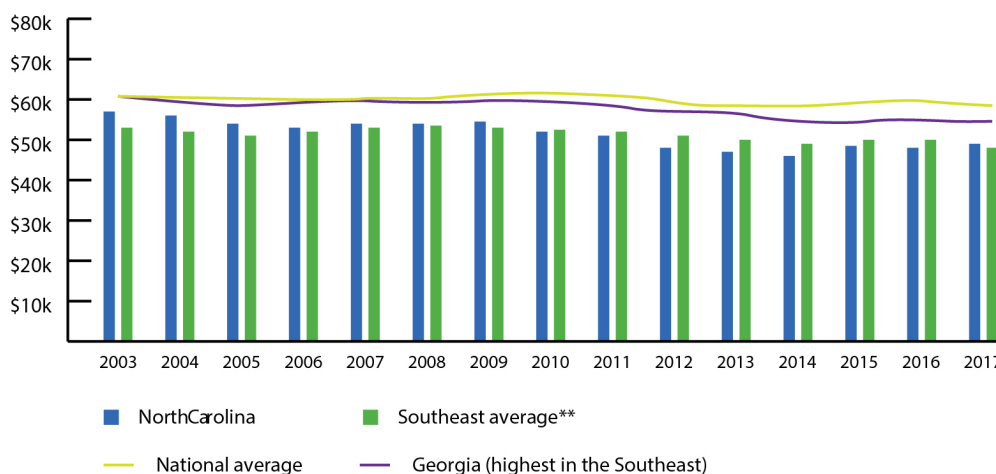
### FINDINGS

- 1. Teacher supply is shrinking, and shortages are widespread.** North Carolina has a massive teacher shortage, fewer candidates are entering Educator Preparation Programs, and attrition rates are higher than the national average. In 2017-18, the state reported 1,621 teacher vacancies that could not be filled by qualified teachers, especially for teachers of exceptional children, elementary teachers, math teachers, and career and technical educational teachers. Shortages, vacancies, and concentrations of unqualified teachers are highest in high-poverty communities.
- 2. The average quality of teachers entering the workforce has declined.** North Carolina teachers are less qualified and prepared than in years past – the share of teachers who are not fully licensed has doubled since 2011, and in high-poverty schools, up to 20% of teachers are unlicensed. Teachers prepared in North Carolina schools of education are generally more effective and more likely to stay in the classroom than those prepared through other pathways, including lateral entry.
- 3. Experienced, licensed teachers have the lowest annual attrition rates.** In 2017-2018, experienced, licensed teachers had an annual attrition rate of approximately 7%, while Teach for America teachers had the highest rate, at 28%. The attrition rate for other lateral-entry teachers was 15%. These attrition rates are in line with national trends and are tied to student learning because more experienced teachers positively influence student achievement.
- 4. Teacher demand is growing, and attrition increases the need for hiring.** The total number of teaching positions that need to be filled is estimated to grow 4.6% between 2017 and 2026. The

total number of openings, including for teachers who need to be replaced, is expected to be 72,452 by 2026. This is nearly entirely due to teacher attrition.

5. **Changes to the North Carolina Teaching Fellows program have decreased its ability to positively improve the quality and supply of the North Carolina teacher workforce.** The once robust and selective NC Teaching Fellows program expanded the teaching pool and led to increased retention rates among alumni. Teaching Fellows in NC were among the most effective teachers in the state. In 2011, the original program run by the Public School Forum of NC that recruited nearly 11,000 teachers into the profession was cancelled by the state legislature. A scaled-back version was reintroduced in 2018, run by the UNC system, with less funding and support for teacher candidates.
6. **Salaries and working conditions influence both retention and school effectiveness.** Research shows that teacher attrition is predicted by the extent of preparation, extent of mentoring and support, adequacy of pay, school climate, and teaching/learning conditions on the job. Budget cuts from the legislature have led to reduced teacher salaries, deteriorating working conditions, and decreased investment in mentoring. North Carolina was once a leader in average teacher salaries among the southeast, and now is among the lowest in the region.

Exhibit 36. Average annual K–12 teacher salaries, 2003–2017 (in constant\* 2017 dollars)



Source: National Education Association, Estimates of School Statistics, selected years, 2004–05 through 2016–17

\* Constant dollars are based on the Consumer Price Index, prepared by the Bureau of Labor Statistics, U.S. Department of Labor. \*\* Southeastern states include Alabama, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

7. **Although there has been an increase in the numbers of teachers of color in teacher enrollments, the current teacher workforce does not reflect the student population.** Twenty percent of North Carolina’s teacher workforce is teachers of color, while the student population is over 50% students of color. Teachers of color are tied to positive achievement and attainment outcomes for students of color, and are more likely to enter through alternative teaching routes, which have higher attrition rates.
8. **Disadvantaged students in North Carolina have less access to effective and experienced teachers.** High-poverty schools and schools serving higher percentages of students of color are less

likely to employ effective and experienced teachers. Eliminating disparities in achievement requires that disadvantaged students have access to the most effective teachers.

9. **Access to, and the quality of, professional learning opportunities vary across schools and districts, and state-level efforts that support teacher growth and development are inadequate and inequitable.** There are disparities across districts in terms of the frequency, approach, and quality of professional learning opportunities. State funding for professional learning and mentoring has been greatly reduced, making it very difficult for districts to offer the learning opportunities that are critical to ongoing teacher learning and retention.
10. **Changes to North Carolina's New Teacher Support Program have limited its ability to effectively support North Carolina's new teacher population.** Research has shown that NTSP has a positive impact on teacher practice and student outcomes. However, the General Assembly recently reduced funding for the program, putting the burden on individual districts to cover costs. Moreover, the program currently partners with only nine institutions of higher education, which limits its capacity and reach.
11. **Teachers are often not compensated for taking on advanced teacher-leader positions, though these positions have been shown to support their professional growth and help retain new teachers.** Teacher-leader roles have shown to be associated with higher retention rates and improved instruction. Of teacher leadership roles, only advanced teacher-leader positions provide higher pay. Instructional coaches are paid according to the regular teacher salary schedule. The researchers found that teachers were deterred from taking on additional responsibilities through leadership roles because they were not compensated- especially those in high poverty districts.

### RECOMMENDATIONS

1. **Increase the pipeline of diverse, well-prepared teachers who enter through high-retention pathways and meet the needs of the state's public schools.**
  - Build and update the capacity of UNC-system teacher preparation programs with targeted funding to support increasing capacity and enrollment of teacher preparation programs at HBCUs
2. **Expand the North Carolina Teaching Fellows program.**
3. **Support high-quality teacher residency programs in high-need rural and urban districts through a state-matching grant program that leverages ESSA Title II funding.**
4. **Provide funding for Grow-Your-Own and 2+2 programs that help recruit teachers in high poverty communities.**
5. **Significantly increase the racial-ethnic diversity of the North Carolina teacher workforce and ensure all teachers employ culturally responsive practice.**
  - Set data-informed goals to increase the racial-ethnic diversity of the teacher workforce
  - Partner with LEAs to identify ways to be more intentional about recruiting and retaining a diverse teacher workforce
6. **Provide high-quality comprehensive mentoring and induction support for novice teachers in their first three years of teaching to increase both their effectiveness and their retention.**

- Expand the New Teacher Support Program
  - Require greater levels of mentor support and training for teachers who are not yet fully licensed, partly by creating incentives for National Board-certified teachers to serve as mentors
- 7. Implement differentiated staffing models that include advanced teaching roles and additional compensation to retain and extend the reach of high-performing teachers.**
  - 8. Develop a system to ensure all North Carolina teachers have the opportunities they need for continued professional learning to improve and update their knowledge and practices.**
    - Invest in high-quality professional learning opportunities for teachers
    - Provide teachers with the time and support to engage in high-quality professional learning opportunities
  - 9. Increase teacher compensation and enable low-wealth districts to offer salaries and other compensation to make them competitive with more advantaged districts.**

## A Qualified and Well-Prepared Principal in Every School

### CRITICAL NEED

Provide a qualified and well-prepared principal in every school. Principals should be prepared and supported to effectively lead continuous school improvement; support the use of a well-designed curriculum aligned with state standards; and establish a culture in which all students feel welcome, safe, supported, and challenged as learners.

### KEY TAKEAWAYS

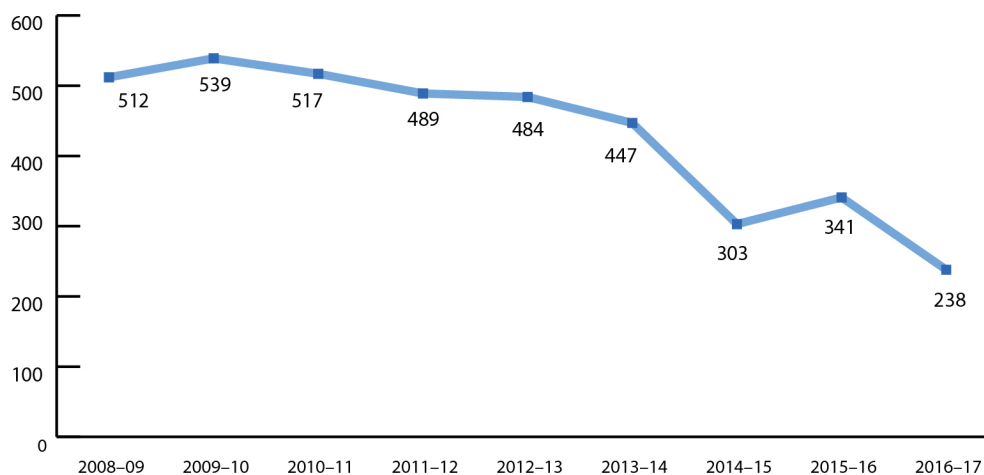
Principals are the second most important in-school factor on improving student performance. The need for effective principals is especially important in persistently low-performing and high-poverty schools. These schools tend to have less-prepared and less-experienced teachers, much higher teacher turnover rates, higher needs students, and fewer resources. The current principal compensation structure may be a disincentive to becoming a principal, particularly in low-performing schools.

### FINDINGS

- 1. There is a strong evidence-based consensus about the elements needed for an effective principal preparation program, including one that prepares principals for high-need schools.** Access to high-quality preparation programs, internships, and mentors significantly reduces the likelihood that principals will leave their schools.
- 2. North Carolina principals are prepared through multiple pathways, which have different outcomes on the supply and retention of principals.** UNC Masters of School Administration (MSA) graduates are the most likely to remain in their position in a NC public school.
- 3. North Carolina has made significant progress in building innovative and effective preparation programs that incorporate recommended best practices.** The North Carolina Education Leadership Academy (NELA) and the Transforming Principal Preparation Program (TP3) are examples of effective preparation programs following best practices.
- 4. The Principal Fellows scholarship program successfully attracts strong candidates to principal preparation programs.** Principal Fellows have better retention rates than their peers and have more positive impacts on student absenteeism, teacher retention, and school working conditions.
- 5. Although there are high-quality preparation programs in the state, they are training fewer and fewer principals.** Since 2009, UNC trained principals have decreased by 60%. Three major factors influence principal supply and turnover: level of preparation and mentoring, compensation, and working conditions.
- 6. School leaders need ongoing professional learning opportunities, and North Carolina has well-designed programs for current principals and assistant principals that need to be scaled up.**
  - Surveys show that principals would like to receive more professional development on ways to better meet kids' physical and mental health needs.

- The demand for professional development exceeds the number of openings available in principal professional development programs.
- Superintendents indicate that they would like to provide additional local professional development, but rigid state statutes prescribing the school calendar and limited funding hamper their ability to do so.
- There is inadequate state funding to support leadership mentoring.

Exhibit 40. UNC system–prepared principals, 2008–2016



Source: North Carolina Department of Public Instruction; University of North Carolina System Office; Educational Policy Initiative at Carolina, University of North Carolina

### 7. **The current compensation system creates disincentives for principals to remain in the principalship and creates disincentives for effective principals to work in underperforming schools.**

- Compensation is listed as the number one factor causing principals to leave the profession.
- The average principal salary in the state is \$64,416. The national average is \$95,310.
- In 2017, the North Carolina General Assembly made significant changes to school administrator salary. Compensation is based on school size, growth, and average daily membership (ADM). This creates a disincentive for principals to work in underperforming schools which often take more than one year to improve and meet targets for growth.
- There are no bonuses or incentives for principals to lead hard-to-staff and low-performing schools, principals are no longer eligible for advanced and doctoral degree salary supplements, and principals hired after 2021 will not receive health benefits in retirement.
- There are incentives to stay on the teacher salary schedule.

### 8. **Working conditions influence principal retention.** These conditions include workload, job complexity, and disciplinary environment, as well as the availability of school resources, such as money and staff, and relationships with students, families, teachers, and district administrators.

### RECOMMENDATIONS

- 1. Update the state's principal preparation and principal licensure requirements to align with national standards.**
- 2. Continue to expand access to high-quality principal preparation programs.**
  - a. Expand Principal Fellows and TP3.
- 3. Expand professional learning opportunities for current principals and assistant principals.**
  - a. Create a formal statewide mentorship program for beginning assistant principals and principals.
  - b. Provide a grant program to support development or expansion of professional learning opportunities.
  - c. Apply at least some of the option 3% set aside allowed under ESSA to provide professional development to school and district leaders.
- 4. Revise the principal and assistant principal salary structures and improve working conditions to make these positions more attractive to qualified educators, especially those in high-need schools.**
  - a. Create incentives for working in high-need schools and consider whether other compensation incentives are needed to offset disincentives created by elimination of retiree health benefits and pension benefits.
  - b. Ensure salaries for assistant principals and principals are higher than what they would receive as a teacher.
  - c. Reward school progress on broader indicators, not just achievement on standardized assessments, including teacher recruitment and retention, school working conditions, opportunities to learn, and student achievement growth.
  - d. Improve working conditions including more autonomy to allocate resources and more specialized support personnel (e.g. nurses, counselors, social workers, and psychologists).
  - e. Create mentoring and coaching opportunities for the existing principal workforce.



## Early Childhood Education

### CRITICAL NEED

Provide a qualified and well-prepared principal in every school. Principals should be prepared and supported to effectively lead continuous school improvement; support the use of a well-designed curriculum aligned with state standards; and establish a culture in which all students feel welcome, safe, supported, and challenged as learners.

### FINDINGS

#### 1. High-quality early childhood education is available in NC.

- North Carolina has two programs, NC Pre-K and Smart Start, that provide high-quality programs and have been shown to have a strong positive impact on school readiness and future success in school.
- NC Pre-K is a state-supported, part-day program during the traditional school year that serves four-year-old children, primarily from families with low incomes. They currently serve just over 29,500 children.
- Smart Start provides coordination for early education services for families with children from birth to five years old, including parenting classes, child-care program consulting, and case management or referral services for families.
- Evidence shows that participation in these programs raises children's math, language, and behavior skills and reduces the likelihood of special education placement and grade repetition in elementary school.

#### 2. Participation in high-quality early childhood education varies in North Carolina and lower-wealth communities often lack an adequate supply of early childhood programs.

- Only about half of eligible NC Pre-K children are served and the unmet need is around 33,000 children per year. Only 25 out of 100 counties are meeting their target participation rate of 75% of eligible children in their county.
- Lower wealth counties in particular lack an adequate supply of high-quality early childhood programs.

#### 3. Costs and other challenges for communities and families create barriers to accessing early childhood education.

- Smart Start funding was cut in 2011 and adequate funding has not been restored. NC Pre-K state funding only covers 60% of costs and individual counties must cover the remaining 40%.
- Lower resource counties need support beyond just funding to expand childhood services beyond just funding. Many low-income communities also lack the necessary number of qualified teachers to fill teaching slots, enough eligible/high-quality private programs to meet the need, the ability to meet the local funding match requirement, and transportation that enables families and program staff to get to centers.

4. **Lack of availability to supply the necessary numbers of qualified teachers is an additional barrier to the expansion and increased access to early childhood education.** The turnover is high and the base pay for early childhood educators is lower than teachers in public schools and typically doesn't include benefits.
5. **The transition from early childhood education environments to K-12 environments is challenging for children and families.** Very few principals have training in early childhood development and elementary schools are often not equipped to support the developmental transition of young children into K-12, including through appropriate and proportional staffing of school support staff (e.g. nurses, social workers, counselors)..

### RECOMMENDATIONS

1. **Increase the volume and quality of the early childhood educator pipeline.**
  - Link pay to public school schedules.
  - Provide supplemental funds for NC Pre-K teacher compensation for parity between private centers and public schools.
  - Adequately fund the child-care subsidy system to eliminate waiting lists.
  - Implement an accessible statewide system of ongoing professional development.
2. **Scale up Smart Start to increase quality, access, and support for at-risk children and families.**
  - Adjust funding sources that support Smart State to ensure the most effective use of dollars to best enable communities to meet the local support needs of children and families.
  - Increase allocation to account for rising costs and address specific barriers to the expansion of Smart Start programs.
  - Increase overall investments.
3. **Expand NC Pre-K to provide high-quality full-day, full-year services to all at-risk four-year-old children.**
  - Target four-year-old children in high-poverty communities and low-income families.
4. **Align and improve early-grade K-12 settings to support successful transitions to K-3 and promote early-grade success.**
  - Fully-fund teaching assistants and support staff in the early grades.
  - Expand effective professional development for principals in early childhood education.
  - Improve student access to specialized personnel support (e.g. nurses, counselors, psychologists) in alignment with nationally recommended ratios and offer competitive salaries to fill positions.

## High-Poverty Schools

### CRITICAL NEED

Direct resources, opportunities, and initiatives to economically disadvantaged students. A strong focus should be placed on addressing the needs of those students in high-poverty schools, to address the greater challenges in those contexts.

### KEY TAKEAWAY

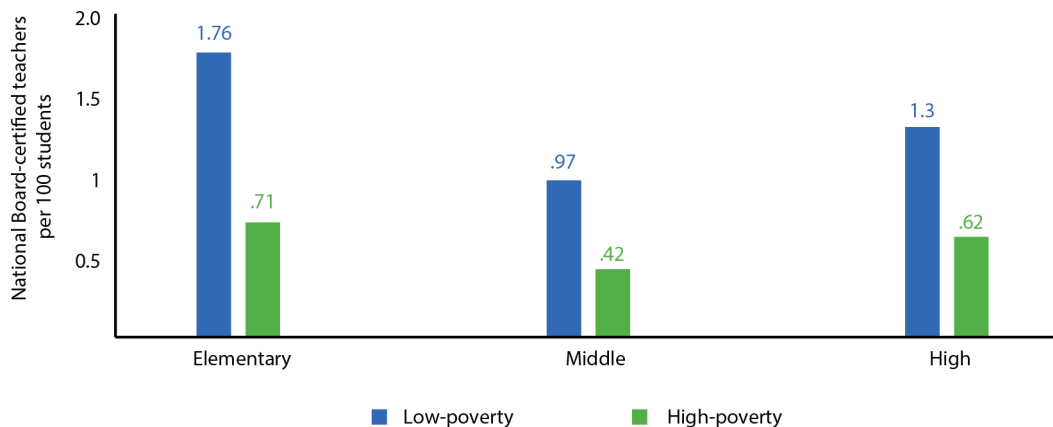
Over one-quarter of North Carolina students attend high-poverty schools (schools in which over 75% of students qualify for free or reduced lunch), which comprise about one-third of schools in the state. Schools serving a high proportion of students in poverty also serve a disproportionate number of students of color, those with limited English proficiency, those whose parents have low levels of educational attainment, and/or students living in single parent homes. Economic disadvantage is tied to lower achievement levels on measurable academic outcomes. Schools serving high proportions of economically disadvantaged students require focused attention and additional resources to provide all students with the opportunity to receive a sound basic education.

### FINDINGS

- 1. North Carolina has large numbers of high-poverty schools and students attending high-poverty schools.** Only 7% of traditional public schools are low-poverty (less than 25% of students economically disadvantaged), while 46% of charter schools are low-poverty. Most high-poverty schools are in rural communities, but high-poverty schools can be found in all areas of the state. About 21% of North Carolina's children are in families below the federal poverty level. Poverty rates are higher among African American, Hispanic and American Indian families. Larger percentages of students of color attend high-poverty schools.
- 2. Students attending high-poverty schools are far less likely to receive a sound basic education.** For example, among high school graduates, only 40% of economically disadvantaged students meet college and career readiness benchmarks, as compared with 71% for students who are not economically disadvantaged.
- 3. The opportunity for a sound basic education is compromised at high-poverty schools, in large part due to less access to the Leandro tenets of qualified teachers, qualified principals, and sufficient educational resources.** The lack of access to adequate resources at high-poverty schools is tied to lower academic outcomes at these schools. There are far fewer licensed teachers and teachers with advanced degrees at high-poverty schools. State accountability policies sanctioning high-poverty schools for being "low-performing" make it even more difficult for these schools to attract and retain high-quality teachers.
- 4. High-poverty schools often lack resources and opportunities that promote positive student outcomes and that are especially important for economically disadvantaged students.** Students in high-poverty schools are far less likely to have access to challenging curriculum such as

advanced high school courses and gifted education programs. For example, at low-poverty schools, 35% of students enroll in at least one AP or IB course – four times the rate of students at high-poverty schools. Excessive use of school suspension is also more prevalent in high-poverty schools, undermining student engagement and instructional time.

Exhibit 46. Fewer National Board–certified teachers in high-poverty schools, 2017



Source: Learning Policy Institute analysis of NCDPI data

5. **Students’ equal opportunity for a sound basic education is limited in high-poverty schools by a lack of supports and services to help mitigate barriers to learning associated with adverse out-of-school conditions in communities of concentrated poverty.** Students’ basic foundational needs, including access to adequate nutrition, high-quality early childhood opportunities, health care, and housing are closely tied to the ability of students to obtain a sound basic education. Effective strategies to address this include expanded access to high quality pre-K programs, whole-child approaches, wraparound services, increasing access to school support personnel, additional learning time, and opportunities beyond the school day.
6. **Current policies need to be revised in order to provide adequate funding and resources to high-poverty schools.** High-poverty schools are underfunded, especially given the number of students and families in the state who are living in poverty. The steady decline of funding over the last decade has compromised the ability of high-poverty schools to provide the necessary supports to ensure a sound basic education to each of their students.

## RECOMMENDATIONS

1. **Attract, prepare, and retain a highly qualified, diverse, and stable K–12 teacher and leader workforce in high-poverty schools.**
2. **Provide additional time, resources, and access to the programs and supports that meet the educational needs of all students in high-poverty schools, including at-risk students.**
  - Ensure that students in all high-poverty schools have access to dual enrollment, advanced coursework, and high-quality career and technical education (CTE) opportunities.

- 3. Revise the school accountability system so that it credits successful efforts in high-poverty schools and supports further success.**
- 4. Provide comprehensive whole-child supports, including professional staff such as nurses, counselors, psychologists, and social workers.**
- 5. Provide resources, opportunities, and supports to address out-of-school barriers to learning that constrain schools' abilities to meet the educational needs of all students in high-poverty schools.**
  - Provide state funding and support for community schools in high-poverty communities
  - Provide free breakfast and lunch to all students in high-poverty schools

## State Assessment System & School Accountability System

### CRITICAL NEED

Revise the student assessment system and school accountability system. The systems should provide the information needed by educators, parents, policymakers, and others about the educational effectiveness of each school and about the learning and progress of individual children and of subgroups of children. The system should also produce data to inform the evaluation and continuous improvement of educational programs and to enable the court to track progress, identify areas of concern, and monitor compliance with the Leandro requirements.

### KEY TAKEAWAY

Changes are needed to ensure that North Carolina has a robust and high-quality assessment system. High-quality assessment systems enable schools, districts, and the state to measure the learning and growth of individual students as well as groups of students over time. North Carolina must also have a comprehensive set of measures for evaluating the state's progress toward providing all children with access to a sound basic education.

### FINDINGS: ASSESSMENT

- 1. The state summative assessments meet federal requirements and are aligned to North Carolina academic standards but lack some elements of rigor and depth that are articulated in the academic standards.** State assessments rely heavily on multiple-choice items, lacking opportunities for students to demonstrate their abilities to reason, solve complex problems, and communicate effectively.
- 2. The state's achievement levels do not clearly indicate whether students are ready for college and careers or what is necessary for a sound basic education.** North Carolina utilizes five achievement levels (Levels 1–5) when reporting results for state assessments. Level 3, means achieving “on-grade-level,” and Level 4 means achieving “college and career readiness.” North Carolina's accountability system focuses on students scoring at Level 3 or above, but past Leandro rulings indicate that students are expected to achieve at the college- and career-readiness level.
- 3. There are opportunities to increase coherence between curriculum, instruction, and assessment in North Carolina.** While the Department of Public Instruction provides instructional support materials through its website, none are vetted or endorsed by the state.
- 4. Supporting assessment for learning, including interim assessments, can enable a more balanced and student-centered assessment system.** The state has the opportunity to use newly-required district reports on their testing requirements to create a more balanced, comprehensive assessment system.
- 5. There is a lack of alignment between the state assessment system and the state's theory of action as articulated in Every Student Succeeds Act (ESSA) plan.** Although the state claims it is

working to create an “adaptive and personalized learning environment for every student,” the state’s assessment system fails to do so.

### RECOMMENDATIONS: ASSESSMENT

1. **Establish a more balanced and student-centered assessment system.**
  - DPI should promote the use of the NC Check-Ins to replace local assessments.
2. **Clarify alignment between the assessment system and the state’s theory of action.**
3. **Include additional item types that provide a broader understanding of students’ knowledge, skills and abilities.**
4. **Improve coherence among curriculum, instruction and assessment.**
  - DPI should bolster professional development efforts and state-provided resources related to standards-based instruction
5. **Revise achievement levels to align with the court’s standard of a sound basic education.**

### FINDINGS: ACCOUNTABILITY

1. **North Carolina’s accountability system is primarily based on measures of student performance on summative assessments and does not include, or uses only in limited ways, a number of opportunity-to-learn indicators.** Opportunity-to-learn indicators include measures that can capture how students are experiencing learning, such as measures of school climate, chronic absenteeism, student suspensions and expulsions, extended-year graduation rates, and access to programs that support college and career readiness.
2. **The accountability system emphasizes students’ proficiency status over their growth, which results in a strong bias against schools that largely serve economically disadvantaged students and fails to credit these schools with successful efforts that are foundational to their students’ receiving a sound basic education.** Research demonstrates that there is a strong negative relationship between achievement measures and poverty at the school level. Therefore, focusing primarily on achievement to evaluate school performance biases the evaluation system against schools that serve large percentages of economically disadvantaged students and rewards schools with wealthier populations.
3. **The accountability system does not take critical factors into account when determining which schools are identified as being among the lowest-performing schools in need of state-provided interventions and supports.** North Carolina uses school performance grades to identify the lowest-performing schools. Focus on this single, narrow data point can result in students’ and schools’ specific needs being unidentified and unaddressed.

### RECOMMENDATIONS: ACCOUNTABILITY

1. **Amend the current accountability system, including the information provided by the North Carolina Dashboard, to include measures of progress toward providing all students with access to a sound basic education, several of which North Carolina currently uses.**
  - Include measures of student opportunities to learn.
  - Expand measures of student outcomes.

- 2. Include in North Carolina Dashboard state, district and school performance and growth (both overall and by student subgroup) on a comprehensive set of measures that would indicate progress toward meeting the Leandro tenets and is inclusive of the reporting requirements under ESSA.**
  - Include information on teacher and principal qualifications, early childhood access, prekindergarten access, and funding levels, in addition to student outcomes.
- 3. To measure progress toward meeting the requirements of Leandro, North Carolina's accountability system should be structured to reward growth in school performance on an indicator, in addition to status on select indicators.**
- 4. Use a process for identifying schools for support and improvement that includes a set of decision rules to meet the requirements under ESSA and Leandro.**
- 5. Use data from the accountability system at the state, district, and school levels to guide planning and budget decisions and to assess school progress and improvement efforts.**
  - Require all districts to complete an accountability plan articulating their three-year policy goals and accompanying budget allocations across the Leandro tenets.
- 6. Use the data provided in the North Carolina Dashboard to identify the appropriate evidence-based interventions and supports.**



## Regional and Statewide Supports for School Improvement

### CRITICAL NEED

Build an effective regional and statewide system of support for the improvement of low-performing and high-poverty schools. The state should define its approach to school improvement and develop the state system for assisting low-performing and high-poverty schools to recruit and retain effective staff; provide high-quality professional development; use evidence-based instructional practices and curricula; create effective school cultures; provide student supports; use data for continuous improvement; engage families; and foster collaborations across schools and districts.

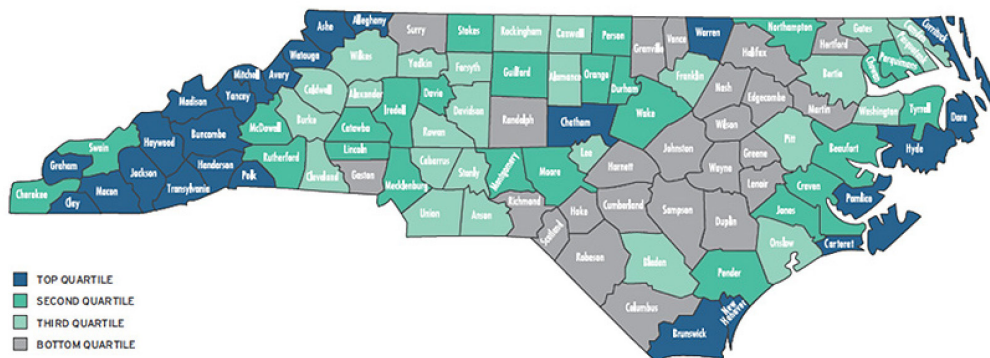
### KEY TAKEAWAY

Low-performing schools require substantial supports to enable their students to achieve a sound basic education. The state has significantly reduced the supports it previously provided for school improvement. To address the Leandro requirements, it is critical that the state provide adequate school-improvement supports to the many schools needing them.

### FINDINGS

1. **North Carolina’s low-wealth districts with small student populations have very limited staff and resources to provide critical services, including those that are essential for school improvement.** Of North Carolina’s 115 school districts, 47 have less than 5,000 students. The [annual local school finance study by the Public School Forum](#) documents that many of the districts with small student populations have limited local tax ability to support the schools. The gap in real estate value between wealthy and poor counties in North Carolina has increased dramatically over the past 20 years. Low-wealth local education agencies (LEAs) with small student populations have very limited staff and resources to provide critical services, including school improvement planning, data analysis, professional development for educators, technology infrastructure purchasing and supports, curriculum and instructional materials review and selection, supports for students with disabilities, and physical and psychological health supports for students.

Exhibit 55. North Carolina counties, by quartile of wealth per average daily membership



Source: Public School Forum of North Carolina (2018)

- 2. Some North Carolina schools are showing strong growth in student achievement for economically disadvantaged and other at-risk students, through the work of teams of talented and dedicated educators.** Researchers identified several schools that are showing strong growth in test scores of at-risk students. However, even with strong leadership and dedicated teachers, the level of need of the students combined with the lack of adequate staffing and resources makes it impossible for these schools to provide all students with the supports they need to successfully obtain a sound basic education.
- 3. Research has shown that integrated, whole-child approaches to learning, such as a community-schools approach, can help improve struggling schools.** Community schools are public schools that partner with families and community organizations to provide well-rounded educational opportunities and supports for students' school success. Community schools can help mitigate out-of-school barriers, reduce gaps in both opportunity and achievement, and contribute to collective social and economic benefits. The state's Whole School, Whole Community, Whole Child Model is the only state-run program aimed at making schools hubs of supports for students and families experiencing adverse out-of-school conditions that impact school success. Although this model holds considerable promise, it is being implemented in only 11 counties.
- 4. Low-wealth districts generally have poorer academic performance and face greater challenges than other districts, and they also lack the supports and resources they require for improving their schools.** 33% of traditional public schools in North Carolina are high-poverty (at least 75% of the students are economically disadvantaged) compared to 21% of charter schools. A school's performance is highly correlated to its poverty level. 98% of the schools that receive a grade of F and 92% of the schools that receive a grade of D have school populations comprising 50% or more economically disadvantaged students. Children from families with low incomes face more out-of-school barriers to success than their wealthier classmates and are, on average, taught by fewer fully-licensed, experienced, and highly-credentialed teachers. High-poverty schools also tend to offer fewer enrichment programs and opportunities for advanced coursework. Without substantial supports provided by the state, high-poverty schools will continue to fall short in ensuring every child's right to a sound basic education.
- 5. The state's system of support for improving low-performing schools is insufficient to ensure all students obtain a sound basic education.** The Department of Public Instruction's (DPI) District and School Transformation model (DST), was a proven model for driving significant improvements in student performance in low-performing schools. General Assembly budget cuts have eliminated this model. Districts lack the resources or the expertise necessary to replace what the DST model used to provide. At this time and with current resources, DPI does not have the capacity or a viable plan for how it will support low-performing schools.
- 6. Regional collaboratives can be beneficial to districts, particularly small, low-wealth districts.** Small, low-wealth districts benefit the most from regional collaboratives that enable districts to share expertise, provide professional development programs, form professional communities of practice, support new initiatives, and reduce costs through collaborative purchasing.
- 7. Evidence-based practices for school improvement that are already in place and are highly valued by North Carolina educators offer promise to the state's struggling schools.** Successful school-improvement practices in North Carolina schools include the Multi-Tiered System of Supports (MTSS) for school improvement; the School-Wide Positive Behavioral Intervention System

(SW-PBIS) for providing social, emotional, and behavior supports; and the NC Check-In formative assessments.

### RECOMMENDATIONS

- 1. Rebuild the state’s capacity to fully support the improvement of its lowest-performing schools.**
  - Rebuild the capacity of DPI’s DST model
  - Support the development of increased capacity in Regional Education Service Alliances
- 2. Provide resources, opportunities, and supports for low-performing and high-poverty schools to address out-of-school barriers to learning, using a community-schools or other evidence-based approach.**
- 3. Provide statewide and/or regional support to help schools and districts select high-quality, standards-aligned, culturally responsive core curriculum resources and to prepare teachers to use those resources effectively.**
- 4. Extend the supports already available to schools to help them further implement MTSS, SW-PBIS, and NC Check-In approaches.**

## Monitoring State Compliance

### CRITICAL NEED

Convene an expert panel to assist the court in monitoring state policies, plans, programs, and progress. This monitoring should ensure the state's ongoing compliance with the *Leandro* requirements.

### KEY TAKEAWAY

North Carolina is far from meeting its constitutional obligation to provide every child in the state with an opportunity to receive a sound basic education. The challenges have grown over the past 20 years and are likely to continue to increase in the coming years. Bringing the state's education system into compliance with the *Leandro* requirements needs to be an ongoing effort, with a deep commitment from the state and all stakeholders. To ensure the state is effective in its efforts to comply with the *Leandro* requirements, the court will need to continue to monitor the state's proposed actions, its implementation of those actions, and the results.

### RECOMMENDATIONS

- 1. The court should appoint a panel of education experts to help the court monitor the state's plans, initiatives, and progress in meeting the *Leandro* requirements.**
  - The panel should include education experts in the areas of policy, accountability, leadership, teaching workforce, school improvement, equity, and whole-child supports, along with any other areas in which the court seeks ongoing advice.
  - The panel should review the state's plans and the progress data to inform the court about the state's compliance efforts and advise the court on any additional information needed to monitor compliance.
- 2. The court should require annual reports of plans and progress on meeting the *Leandro* requirements from the North Carolina State Board of Education and the North Carolina Department of Public Instruction.**
  - Plans should include metrics that can be used to monitor annual progress toward complete compliance.