

SCHOOL PERFORMANCE GRADES:

A Legislative Tool for
Stigmatizing Non-White
Schools

July 2021

NCJC  ED LAW
EDUCATION & LAW PROJECT

SCHOOL PERFORMANCE GRADES:

A Legislative Tool for
Stigmatizing Non-White
Schools

By

Kris Nordstrom, Senior Policy Analyst,
Education & Law Project
919/856-3195; kris@ncjustice.org

and

Luke Tillitski, Yale University
luke.tillitski@yale.edu



PO Box 28068
Raleigh, NC 27611-8068
www.ncjustice.org



SUMMARY

Over the past 20 years, many states have adopted school performance grade systems (SPGs) that assign every school an A-F letter grade as a measure of school quality. Ostensibly, such systems are intended to inform the policies of lawmakers, the educational strategies of school leaders, and the school choice decisions of families. Too often, however, SPGs rely on narrow test-based measures of school quality with limited validity. The data seldom inform policymaking or school operations. Instead, such systems all too frequently stigmatize schools for community conditions outside of the school's control.

For the past eight years, education stakeholders have recognized that North Carolina's A-F SPG system disproportionately assigns failing grades to schools that serve students from families with low incomes. This report builds upon this analysis by examining the extent to which SPGs also stigmatize on the basis of race. Such analysis is important because a strong correlation between North Carolina's SPGs and race would imply the need for policy solutions that directly seek to remove the unique barriers that society creates for Black, brown, and Native students in addition to policies that seek to remove the barriers placed in front of students from families with low incomes.

As this report demonstrates, North Carolina’s SPG system needlessly stigmatizes schools that serve Black, brown, and Native students. Schools enrolling such students are much more likely to receive “failing” grades than schools that are disproportionately white and Asian.

One would expect SPG data to spur legislative leaders to act in order to address the apparent school quality deficiencies in schools that serve non-Asian students of color and students from families with low incomes. Sadly, this has not been the case.

Since the inception of North Carolina’s A-F SPG system, lawmakers have made no efforts to target resources or implement school improvement strategies that would meaningfully benefit students of color or students from families with low incomes. At the same time, lawmakers have resisted any reforms to the system that they know stigmatizes schools based on student demographics.

Such resistance calls into question what is motivating state leaders when it comes to addressing inequities in our schools. Are lawmakers indifferent to the plight of students of color and students from families with low incomes that our SPG system tells us are chronically assigned to “failing” schools? Or is it possible they are intentionally trying to stigmatize schools that serve these students?

It does not have to be this way. School accountability does not have to be punitive and discriminatory. Instead, North Carolina should adopt alternative approaches that move beyond simple test-based measures. These alternative approaches have the potential to create actionable data to inform policymakers and school leaders alike in strategies and practices that can boost student performance and lift opportunities for all students.

SPGs in North Carolina

A-F SPG systems date back to 1999 when Florida adopted then-Governor Jeb Bush’s *A+ Education Plan*. The SPG system was partnered with an expanded standardized testing regime and “Opportunity Scholarship” vouchers for students in “under-performing” public schools. These three reforms strongly influenced the next 15 years of conservative education policy across the country, including in North Carolina. As of 2019, 15 states had followed Florida’s lead by implementing an A-F SPG system.¹

Each of these states uses their own formula for assigning grades to schools. That is, each state must decide which data points they want to incorporate into their formula, the weight provided to each of those data points, and the grade scale to convert numerical scores to letter grades.

North Carolina adopted its A-F SPG system in 2012 as a part of the Excellent Public Schools Act, which eventually was integrated into the appropriations bill that year. Initially, North Carolina proposed assigning letter grades based entirely on student achievement levels, or the percent of students scoring above the score representing “grade-level” achievement on end-of-year standardized tests. In the 2013 budget,

however, the formula was amended so that 20 percent of each school’s grade is based on growth – a statistical measure that attempts to quantify how much a student has learned in a year, given a student’s prior test scores.

A-F SPGs were first assigned to North Carolina public schools in the 2013-14 school year using a formula where 80 percent of each school’s grade is based on achievement and 20 percent on growth. There have been numerous efforts to change the formula at the policy level in the ensuing years, mostly to decrease reliance on achievement and increase the weight for growth. Most of these bills have proposed a formula where achievement and growth have an equal weight of 50 percent each, but these efforts have failed.

While North Carolina lawmakers continue to debate the appropriate weight of our SPG formula, other states are moving away from the concept entirely. In 2015, Virginia abandoned A-F SPGs. New Mexico soon followed suit in 2019, hoping that a less punitive system would better uplift the 56 percent of public schools that were graded either a “D” or “F,” mostly in indigenous and other historically underserved communities.² In 2020, the Utah House of Representatives unanimously passed a bill to scrap its A-F SPG system before the bill ultimately died in the Utah Senate.³ Finally, Indiana leaders are lowering the stakes of their A-F ratings, and moving towards a public data dashboard that highlights multiple measures of school performance.⁴

North Carolina’s SPG formula stands out in comparison to other states for its lack of nuance and inclusivity, and its heavy reliance on achievement is an outlier nationally. Only Louisiana places a higher weight on achievement.

North Carolina’s SPG Formula

North Carolina’s SPG formula is based 80 percent on achievement and 20 percent on growth.

The achievement score metrics vary by grade level and include end-of-grade and end-of-course exams in math, reading, and science; passing rates for Algebra II or Integrated Math III; ACT scores; and graduation rates. A school’s score is based on the percent of students scoring above a certain cut score. This measure encourages schools to focus only on students “on the bubble” to the detriment of high- and low-performing students.

The growth component uses a statistical program called EVAAS (Education Value-Added Assessment System) that uses students’ past test results to predict expected future performance. Growth provides an indication of how much learning has taken place within a given school year (as measured by standardized tests). However, the formula is complex and scores for individual teachers can vary substantially from year-to-year.

These scores are converted to a 100-point scale, which are then converted to a letter grade:

SCORE	GRADE
85-100	A
70-84	B
55-69	C
40-54	D
< 40	F

Another important way in which North Carolina stands out nationally is for not including sub-group performance in its school grades. Per the federal Every Student Succeeds Act (ESSA), states are required to report sub-group performance (i.e. how Black or Hispanic students might compare to the total student body on a particular metric). Most states have chosen to include sub-group performance as a metric that contributes to the final school grade. North Carolina is one of only 12 states that has opted out of having sub-group performance contribute to a school's final rating.⁵ As a result, North Carolina's SPG system provides schools with no incentive to address opportunity gaps, and the SPGs fail to provide stakeholders with useful information on the equitability of outcomes.

How SPGs are Supposed to be Used, in Theory

A school accountability system should serve two general purposes:

- Provide policymakers with a valid measure of school quality. This information can then be used to inform policy responses such as changes in resource allocation or implementation of sanctions or new policies.
- Provide educators and school leaders with information that can inform practices such as curriculum and staffing decisions.
- Provide parents with a valid measure of school quality. The information should help inform parents as to which school might be best suited to help their child flourish.

There is no indication that such disparate and complex functions can be captured within a single letter grade.

SPGs, particularly those in North Carolina that are based almost entirely on standardized test results, fail to provide policymakers with a valid measure of school quality. Performance on a single test may not accurately reflect a student's mastery of a subject. The tests themselves are often narrowly focused and fail to capture complex ideas. Additionally, standardized tests fail to measure elements of flourishing such as civic engagement, personal fulfillment and autonomy, and the ability to have healthy personal relationships and treat others as equals.

Achievement-based SPGs, like North Carolina's, simply note where students are performing on state tests at a point in time relative to North Carolina standards. Because achievement is a cumulative process, and students begin the year from different starting places, achievement-based measures fail to show how the school contributed to student achievement in a given year.

Student achievement may largely measure societal conditions over which the school has little control. 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 been replicated in numerous studies and has arguably grown stronger in the subsequent 50 years.⁶ As the income gap between families with low and high incomes has widened, so has the achievement gap between children in these families.⁷ Beyond income, the historic impact of systemic racism also plays a role, as access to healthcare, pollution,

segregation, food insecurity, and neighborhood safety all play important roles in driving disparate levels of school achievement in children.⁸

In contrast, growth measures may show how much progress a school has made on standardized test scores in a given year but provide no indication of where students stand relative to state standards. Students in schools with high growth but low achievement may require additional learning time or additional out-of-school supports in order to ultimately achieve the same outcomes as their peers in schools with high growth and high achievement. But when SPGs are based entirely on growth, it is less clear where additional resources are necessary to benefit students with low achievement.

In both cases, SPGs can mask important differences across groups of students. North Carolina's SPGs fail to provide any information on whether different student groups are performing or growing at different levels or rates. A school with relatively small populations of students of color, English learners, or students with disabilities might receive high marks overall, but fail to address the opportunity gaps faced by specific student populations. But SPGs that incorporate opportunity gap measures necessarily reduce the extent to which the grade is reflecting achievement or growth.

Given the complex nature of student learning, the impact of out-of-school and within-school variables, the various quantitative and qualitative data points, the ambitious and broad-ranging goals of school accountability systems, and the competing values of different stakeholders, it is clear that boiling down school performance to a single letter grade is a fools' errand, more likely to confuse than to inform.

Direct Impact of North Carolina's SPG System

As explained above, SPGs may be used to inform decisions on resource allocations and support for "low-performing" schools. SPGs may affect policy formally, where the consequences of certain school grades codified in state law and policy, and informally, when information derived from SPGs is used to inform budget decisions or programs to support low-performing schools.

In North Carolina, SPGs are used to designate schools as "low-performing" and "continually low-performing." A school is designated as "low-performing" if it receives an SPG of D or F and a school growth score of "met expected growth" or "not met expected growth."

When a school is designated as "low-performing," local leaders must develop an improvement plan. They must also notify parents of the "low-performing" designation and provide access to the improvement plan. Principals in schools that gain the "low-performing" designation can only be retained in their position under limited circumstances.

If a school is designated as "low-performing" in at least two of the past three years, it is then labeled "continually low-performing." For schools that are "continually low-performing" the local school board may implement strategies such as the "turnaround model," under which the district fires the principal and half of the teachers, or the "restart model," under which the school operates with many of the flexibilities granted to charter schools.



Schools considered “low-performing” for three consecutive years may be taken over under the state’s Innovative School District (ISD) program. The ISD is based on a similar program out of Tennessee, which has failed to produce improvements in student performance and is now being unwound.⁹ So far, only one North Carolina School, Southside Ashpole Elementary, has been transferred to the ISD. Thus far, the school’s experience under the ISD has been notable for high levels of turnover, and little evidence of improved results for students.¹⁰

School grades also factor into compensation for school principals. A principal whose school earns a designation of “exceeded growth” receives a 20 percent higher salary than a principal whose school fails meet growth expectations. Principals can become eligible for additional bonuses and salary supplements totaling up to \$45,000 per year based on the school growth designation of their school.¹¹

Clearly, there are high stakes attached to North Carolina’s SPG system, increasing the importance of using SPGs that validly measure school quality and don’t unnecessarily punish schools for factors outside of their control.

Schools that are more than their grade

By **Diamond L. Cotton** - *Principal, Kimberly Park Elementary, Winston-Salem, NC*

Kimberly Park Elementary School is a true neighborhood school with a rich history in the community. The majority of our students are walkers and car riders which allows us to build positive relationships with our parents/guardians each day. Children feel loved and appreciated and parents are respected. The KP expectation is set high for students, parents, teachers, and staff.



The A-F school performance grade assigned to our school is not indicative of the effort, work, and commitment the Kimberly Park staff and families give to make sure students are educated at a high level each day. We provide tutoring for our students and pair it with extracurricular activities to motivate our students to

For our students, education starts with making sure their family life is stable. We work with our parents to alleviate barriers they may face in the household that may impede student success. Parent info sessions are held throughout the school year. Sessions are designed to give them a clear understanding of how to support their child's education while making sure their needs are being met. The Family Engagement Coordinator and School Social Worker diligently work to assist parents with working through tough situations at home. Doing so creates partnerships and a trustworthiness that reinforces our commitment to their children. During remote learning, we had home visits happening every day to get children up, get them logged on, and even to deliver food.

Our school is in a community where families sometimes struggle to provide amenities the school requests. We engage our community to create partnerships of committed volunteers, church partners, neighbors, and community leaders to bridge the gap between our funding and our families' needs. Our partnerships help with school supplies, snacks, and student performance incentives.

stay each day for tutoring. We provide incentives to motivate our students to soar during the school day.

I am particularly proud of our parental outreach, particularly through the challenges of COVID. We took our open house outside to the parking lot, providing masks, bookbags, school supplies, and much needed information to our families. Those that did not attend received home visits. We also held virtual parent conferences over Zoom. By offering Walmart gift cards, we were able to get a participation rate of over 89 percent.

The SPG portrays a negative image that hinders us from attracting students beyond the neighborhood, thus not encouraging diversity and inclusion. Anyone who visits our school, talks to our staff and students, and observes instruction will agree that we are more than the grade assigned. We look outside the norm and our staff consistently goes above and beyond to provide our students what the supports they need.

NOTE: The views and opinions expressed by public school educators in this report are their own and do not necessarily reflect the official views of their schools or school districts.

Indirect Impact of North Carolina's SPG System

SPGs also play a role in maintaining and exacerbating patterns of residential segregation. Many families, particularly wealthy families, heavily consider “school quality” when deciding where to live. Of course, if the measure of “school quality” is highly correlated with the demographics of the student body, then the measures will tend to exacerbate segregation.

This concern is not solely theoretical. Research shows that simplified school rating systems – particularly those that strongly correlate with student demographics – tend to exacerbate school and residential segregation. Multiple studies have found that access to school performance ratings exacerbates segregation

as the ratings are used by families with high incomes to move to neighborhoods with “better schools.”^{12,13}

To the extent that North Carolina's SPGs signify a school's demographics instead of the quality of the school's instructional practices, the system is more likely to exacerbate segregation. The information from biased SPG systems can create a negative feedback loop: segregation leads to failing performance grades, spurring further segregation and greater levels of economic and racial isolation.



North Carolina's SPGs and Race

While other reports, notably from the Public School Forum of North Carolina, have documented the extent to which North Carolina's SPG stigmatize schools based on students' family incomes, this is the first report documenting the extent to which SPGs also stigmatize on the basis of race.¹⁴ The correlation of SPGs with student race implies the need for policy solutions that directly seek to remove the unique barriers that society creates for Black, brown, and Native students *in addition to* policies that seek to remove the barriers placed in front of students from families with low incomes.

Additionally, this analysis demonstrates how the two main components of SPGs – achievement and growth – may both be biased measures of school quality in schools enrolling largely non-white student populations. Prior discussions have focused on the inherent bias of achievement measures and the need to provide

greater weight to student growth measures. But this analysis shows that even those growth measures may be biased. Policymakers seeking non-biased measures of school quality may need to abandon quantitative, test-based measures entirely.

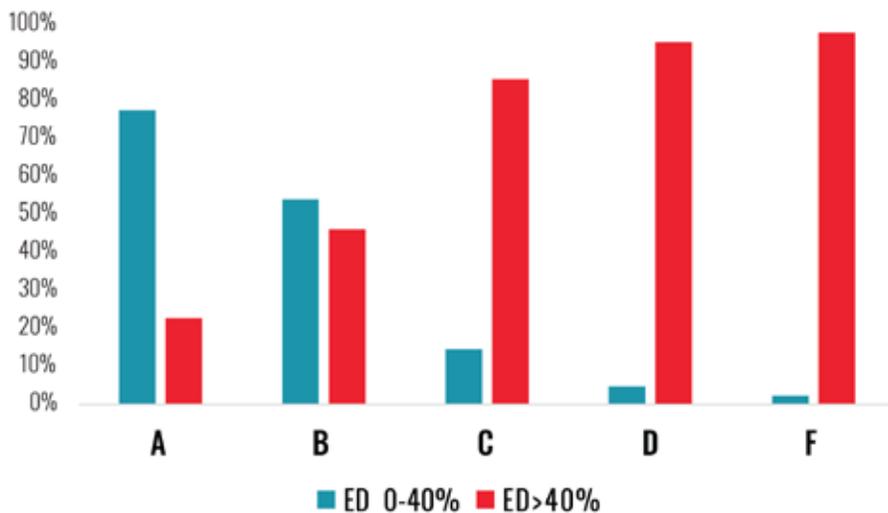
Finally, this analysis lays bare the NC General Assembly’s motives for school accountability. Six years of results under the state’s SPG regime have shown that schools serving students from families with low incomes and students of color are the schools affixed with stigmatizing failing grades. Assuming the grades are valid, we know which students are being failed by current policy and approaches. Yet this data – which has given consistent results since 2014 – has been met with indifference from state policymakers. Our legislative leaders have made no effort to directly address the barriers faced by students from families with low incomes or students of color.

School Letter Grades Are Strongly Associated with Student Race

As seen in Figure 1, there is a strong relationship between a school’s share of economically-disadvantaged students and the SPGs that those schools receive. Schools receiving an “A” or “B” SPG are much more likely to enroll fewer economically-disadvantaged students, while school the schools receiving “D” or “F” grades are almost entirely schools with high shares of economically-disadvantaged students.

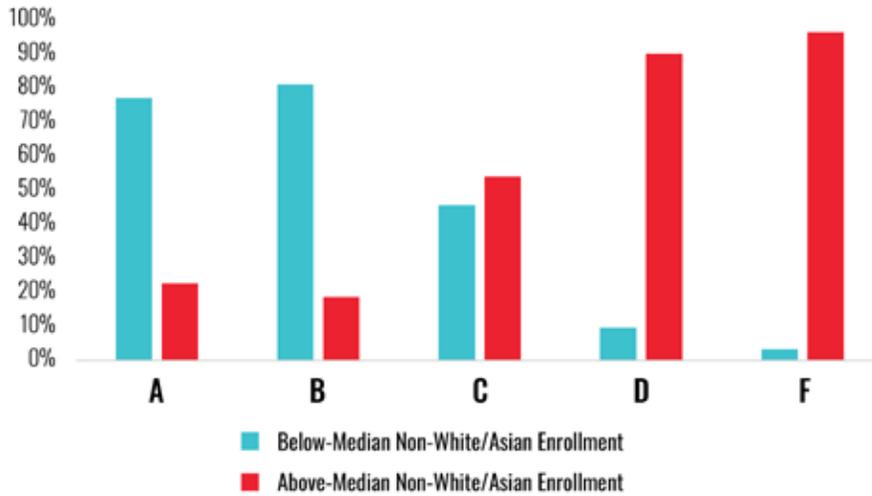
This is the figure that has traditionally been used to demonstrate the extent to which SPGs stigmatize schools that disproportionately serve students from families with low incomes.

FIGURE 1: 18-19 School Performance Grades by Share of Economically-Disadvantaged Students



These patterns are largely replicated when family income is replaced by student race (Figure 2). Schools receiving an “A” or “B” SPG are disproportionately schools with higher enrollment from white and Asian students, while schools receiving a “D” or “F” grade tend to enroll larger shares of non-Asian students of color.

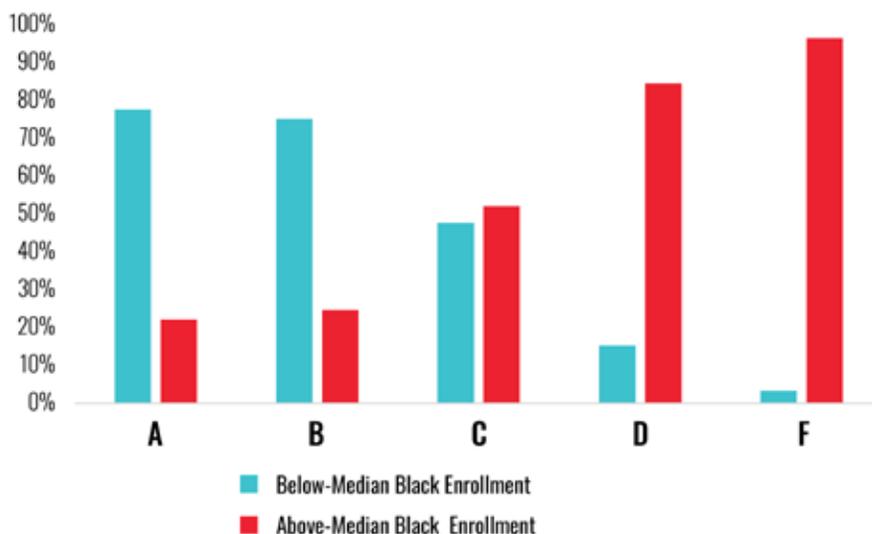
FIGURE 2: 18-19 School Performance Grades by Non-White, Non-Asian Enrollment



If there were no bias in SPGs or the distribution of school quality, then each of these bars would be at 50 percent. However, this chart shows that there is bias in the distribution of school quality and/or bias in the school grades themselves. As a result, only 23 percent of “A” schools have above-state-median share of non-Asian students of color.¹⁵ The results for “D” and “F” schools are even more lopsided. Disproportionately white and Asian schools comprise just 3 percent of “F” schools.

The trends are almost identical when we look at schools by Black enrollment (Figure 3). Schools with

FIGURE 3: 18-19 School Performance Grades by Black Enrollment



above-median Black enrollment (i.e., schools where Black enrollment exceeds 20.24 percent) comprise just 22 percent of “A” schools and a shocking 97 percent of “F” schools.

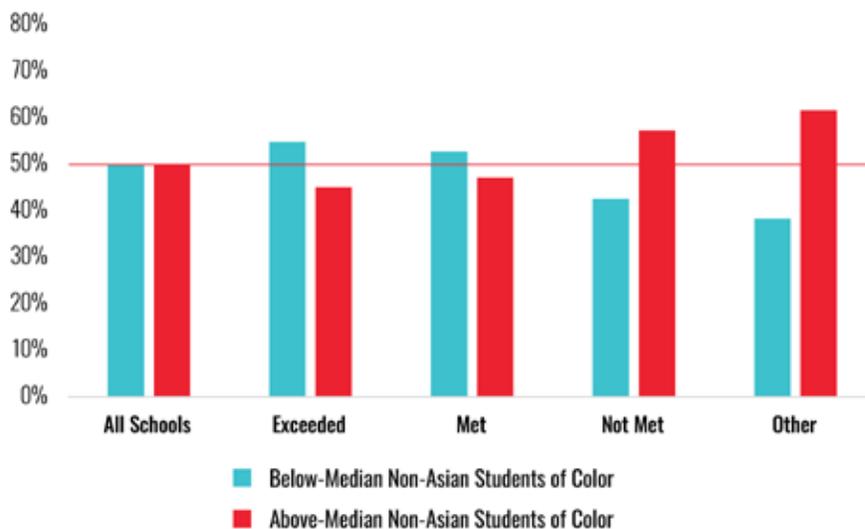
These results are not terribly surprising. North Carolina’s SPG formula is based largely on achievement. As explained above, student achievement on standardized tests remains strongly correlated with race and family income. Given this well-established relationship, policymakers must weigh the value of SPGs as a tool for signaling where additional resources or new strategies are needed versus the effects of stigmatizing schools that serve students of color and/or those from families with low incomes.

To a Lesser Extent, Growth Designations are Also Associated with Student Race

Much of the discussion of the discriminatory nature of North Carolina’s SPG system has focused on the formula’s heavy reliance on achievement scores. Many have proposed amending the SPG formula from 80 percent growth and 20 percent achievement to a new formula that weights both factors equally.

However, an examination of school growth scores also identifies troubling correlations with the race of students. Schools with below-median enrollment of non-Asian students of color are more likely to exceed or meet growth than schools with above-median enrollment of non-Asian students of color.

FIGURE 4: 18-19 School Growth Status by Non-Asian Student of Color Enrollment



This pattern implies two possibilities:

1. The EVAAS formula used to calculate student growth scores is somehow biased against non-Asian students of color.
2. White and Asian students are disproportionately assigned to schools that are more effective in raising student test scores.

These possibilities are not mutually exclusive. Both possibilities should give pause to advocates of test-based SPGs.

School growth accounts for 20 percent of every school's school performance grade. A racially-biased growth measure would contribute to the racial stigmatization of schools. Additionally, if growth scores are biased, that would discourage effective principals and teachers from serving in schools that serve higher shares of non-Asian students of color. Teachers of 3-5th grade reading and 4th-8th grade math compete for annual bonuses based on the EVAAS scores of their students. Principal salaries are boosted by as much as 20 percent for exceeding growth and they can earn additional bonuses of up to \$45,000 based on growth scores.

The other alternative is that the racial differences observed in Figure 4 are driven by unequal access to highly effective educators. We know that non-Asian students of color are disproportionately assigned to novice teachers who are—on average—less effective than their more-experienced colleagues.¹⁶ These assignment patterns could also explain the racial discrepancies in school growth status shown above.

Segregated Schools

As shown above, schools that serve non-Asian students of color are more likely to be labeled as failing under North Carolina's SPG system. This is especially true in schools that are segregated. When a school's demographics substantially differ from the demographics of the community, the racial disparities in SPGs become even more stark.

Tables 5 and 6 assign schools a designation of "segregated" or "highly segregated" based on the school's proportionality index. The proportionality index assigns each school a score between 0 and 1 based on the extent to which each school's demographics differ from the demographics of the public schools located within their county. Schools with scores closer to 0 have demographics similar to those in the county in which they are located. Schools with higher scores are more racially segregated. A school is considered "segregated" if it has a disproportionality score greater than 0.25 (786 of 2,645 schools) and is considered "highly segregated" if it has a score of 0.50 or higher (58 of 2,645 schools).¹⁷

Ninety-eight percent of segregated schools that are disproportionately white and Asian received SPGs of A-C, compared to just 37 percent of segregated schools that are disproportionately non-Asian students of color (zero such schools received an "A"). Just four segregated schools that are disproportionately white and Asian received a SPG of D or F compared to 307 segregated schools that are disproportionately non-Asian students of color.

Not surprisingly, the inequalities are even worse when look at the smaller subset of highly segregated schools.

Similarly, the disparate patterns in school growth designations are amplified when examining just segregated schools. Segregated schools that exclude non-Asian students of color receive higher growth than segregated schools disproportionately serving non-Asian students of color.

The growth status discrepancies among segregated schools are starker than when looking at all schools

FIGURE 5: Segregated White/Asian Schools vs Segregated Non-White/Asian Schools

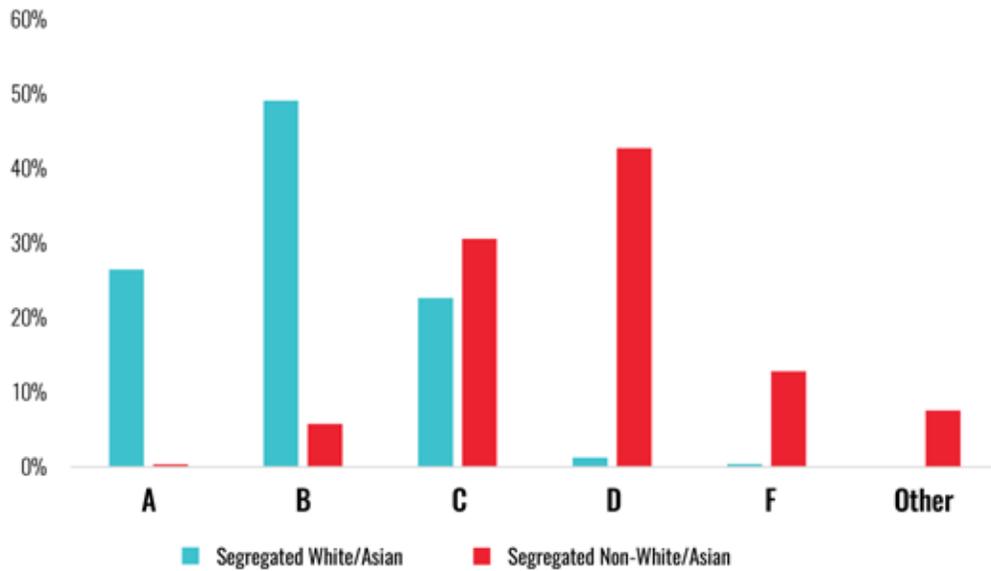
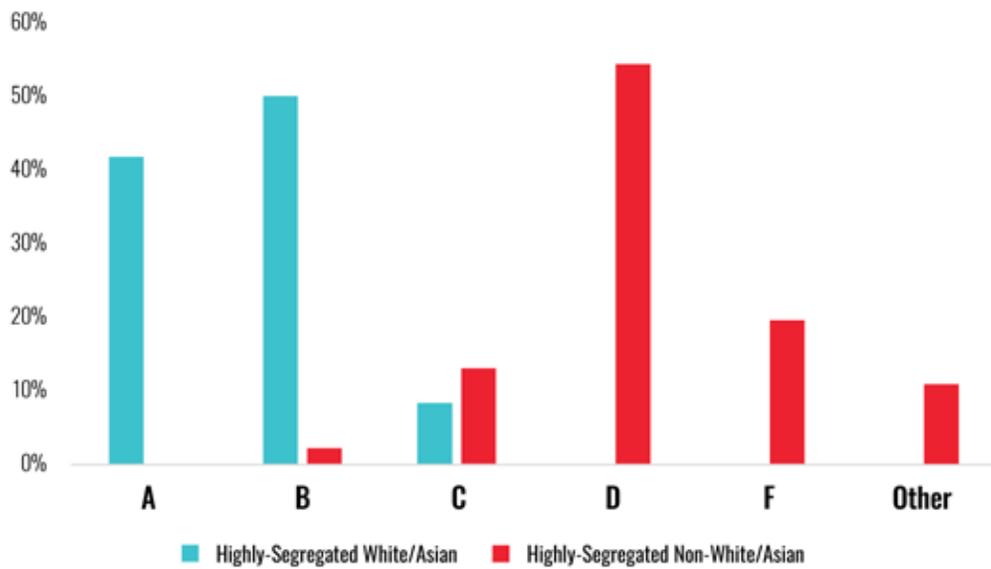


FIGURE 6: Highly Segregated White/Asian Schools vs Highly Segregated Non-White/Asian Schools



Schools that are more than their grade

By Margaret S. Feldman - Principal, Dillard Drive Magnet Middle, Raleigh, NC

Dillard Drive Magnet Middle School is so much more than an A-F grade. To understand us, you need to talk to many of our students, families, and teachers. When doing so, you will find what it is they value, and why they think DDMMS is a great place to learn and thrive. You

would and hear a very different story than a letter grade on a page. If we organized the school into five major categories: teachers and the teaching environment; school culture; resources; academic learning; and citizenship and well-being, we would score an A. One would find that public perceptions of our school improves when people use a wide array of performance data rather than just standardized-test scores, which tend to correlate strongly with family income.

Our staff is passionate, dedicated, and loves our students. We are excited about teaching and always look for opportunities to give our students the chance to have their voices heard. We provide rigorous and engaging instruction daily and work as a family to ensure that all students succeed. Anyone who comes into the building feels the warmth, love, and dedication of our staff. We are a



positive and nurturing learning environment for students of all backgrounds. The energy in the building is contagious and you see it in students as well faculty.

In a school we think only about education

and grades, but we are so much more behind the scenes. We're watching students grow as people intellectually, and socially. Relationships are key to any team's success. Our student population is diverse in socio-economic status, experiences, languages, religions, and ethnicities. These are challenges, but also strengths. We learn from one another (staff and students) so much more than can be evaluated in a standardized test. We share our experiences, our languages, our cultures, and our values, creating true learning that will benefit our students for years to come.

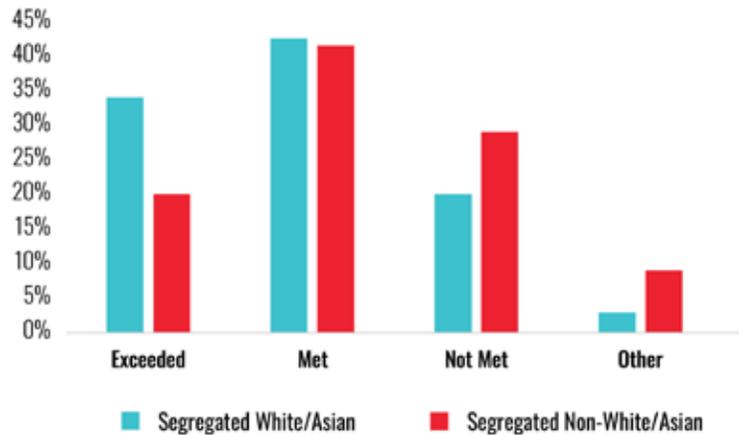
NOTE: The views and opinions expressed by public school educators in this report are their own and do not necessarily reflect the official views of their schools or school districts.

as in Figure 4. These results provide further evidence that some combination of biased scores and teacher sorting are baked into growth scores.

Taken together, this examination of segregated schools shows that North Carolina's SPG system amplifies and reinforces the discrepancies already inherent in segregated schools. Particularly, discrepancies in growth measures strongly imply that segregated schools of color are systemically denied the resources necessary to meet

school test-score growth expectations. The discrepancies in SPGs are publicized, which confirms biases and informs and exacerbates residential segregated residential patterns.

FIGURE 7: Segregated White/Asian Schools vs Segregated Non-White/Asian Schools



Individual Student Chances of Attending “Successful” or “Failing” Schools

The prior results are based on school-level chances of being labeled failing or successful. But we can also look to the student-level to examine the chances of each student group being assigned to “successful” or “failing” schools.

For example, in 2018-19, North Carolina students had a 42 percent chance of attending a school receiving an A or B SPG, compared to an 18 percent chance of attending a school receiving an SPG of D or F.

Of course, not all students face those same odds. Unlike other North Carolina students, Native students and Black students are more likely to attend a D or F school than an A or B school. Meanwhile most white students (54 percent) attend an A or B school. Just 7 percent attend a D or F school.

Overall, North Carolina's white and Asian students have a 55 percent chance of attending an “A” or “B” school, compared to just 28 percent for non-Asian students of color. White and Asian students have just an 8 percent chance of attending a “D” or “F” school, compared to 28 percent for non-Asian students of color.

Similarly, non-Asian students of color have a lower chance of attending schools that exceed or meet growth expectations.

FIGURE 8: 2019 Chances of Attending an A/B or D/F School by Race

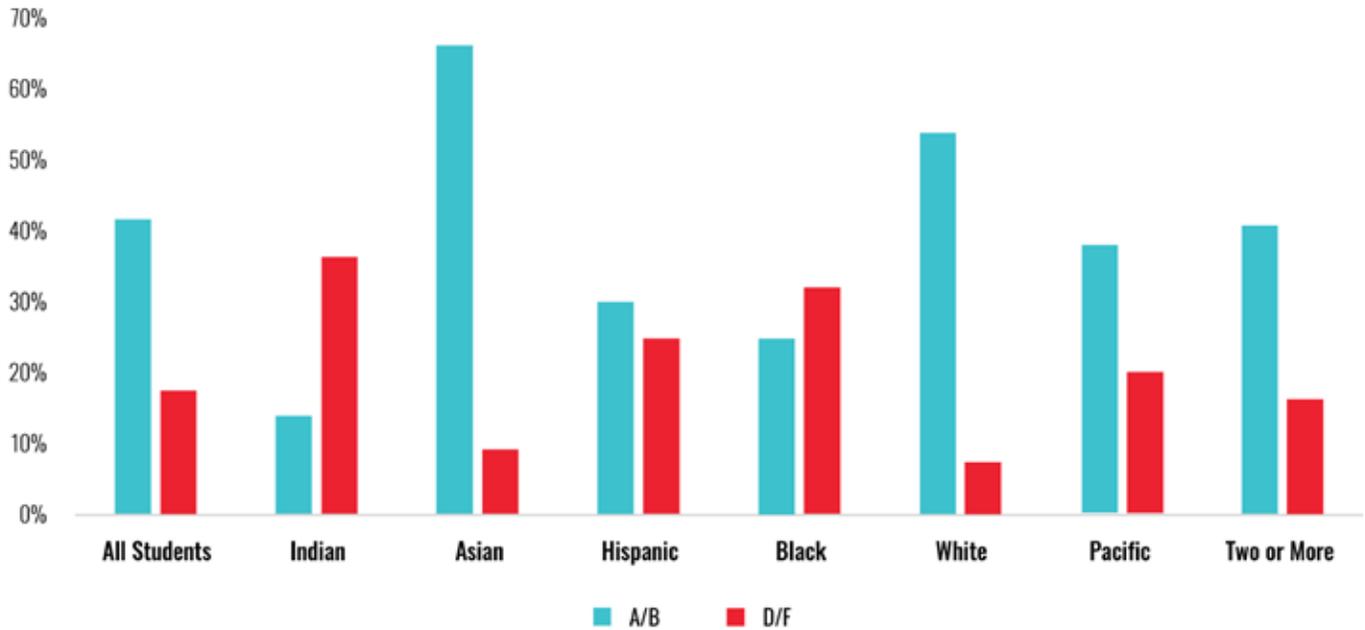
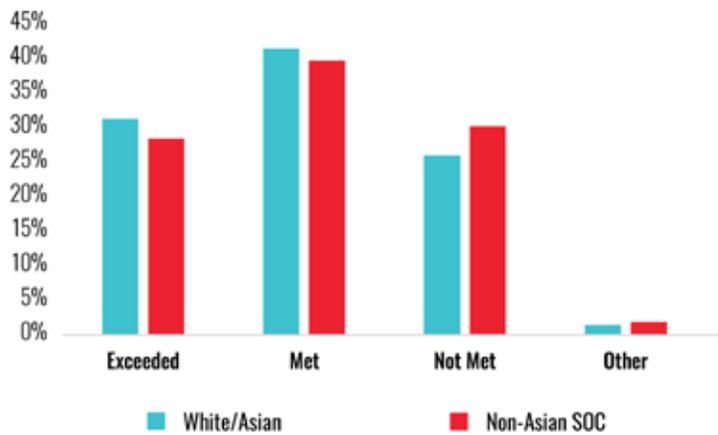


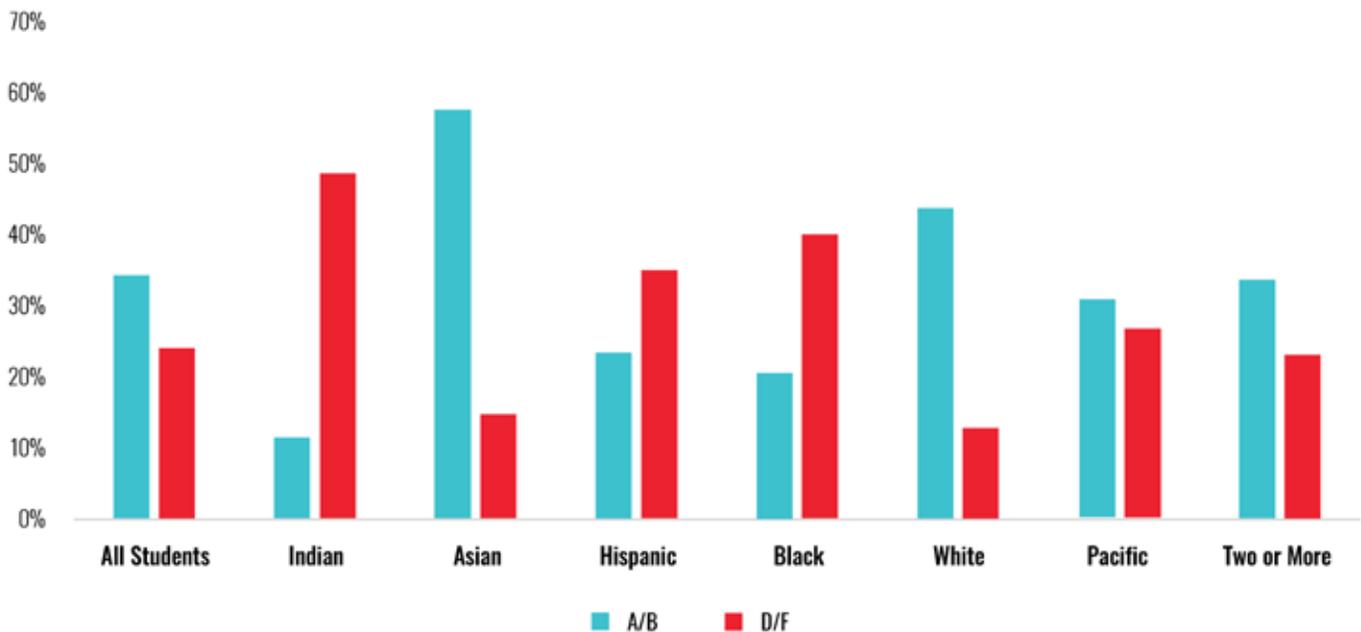
FIGURE 9: 2019 Chances of Attending a School by Student Race



Lack of Legislative Response

The racial inequalities in school performance grades are not a new phenomenon. These racial inequalities have been present since school performance grades were first calculated in the 2013-14 school year. While the specific figures have changed, non-Asian students of color have consistently been more likely to attend D and F schools than their white and Asian peers.

FIGURE 10: 2014 Chances of Attending an A/B or D/F School by Race



Knowing that lawmakers have had access to this data since 2014, it is important to examine the extent to which this information has been used to address education at the state policy level. As mentioned previously, a primary purpose of SPGs is to provide policymakers with a valid measure of school quality that can be used to inform policy. Unfortunately, there is no evidence that North Carolina’s state lawmakers have used SPGs for this purpose.

Examining each budget bill from 2014 through the vetoed 2019 budget bill, it does not appear that legislators have been compelled to remedy the inequalities documented in this report. Major initiatives have included:

- **Virtual charter schools:** In 2014, legislators approved the creation of two virtual charter schools that, since inception, have been among the state’s lowest-performing schools. As measured by student growth, both schools were in the bottom 1 percent of schools in 2019.
- **The Innovative School District:** To date, only one school has entered the ISD and it has been marred with rampant turnover and reported disfunction. There is no evidence that handing the school’s governance to a charter operator has improved performance.

- **Personal Education Savings Accounts:** This voucher program is available to approximately 300 students with disabilities to enroll in a private school. Similar programs in other states have been marred with fraud.¹⁸
- **Municipal charters:** Legislators authorized four wealthy and majority-white suburbs of Charlotte to create and fund charter schools that would be for the benefit of municipal residents, creating a de facto segregation from Charlotte-Mecklenburg Schools, where white students comprise less than 30 percent of students. To date, none of the four municipalities have taken advantage of this authority.

What we haven't seen are the types of policies and investments that would directly address students' unequal access to highly rated schools. Legislators have done nothing to:

- **Increase investment in allotments that are distributed on the basis of student income or that are correlated with student race.** There have been no legislative increases to the allotments for disadvantaged students, at-risk students, low-wealth counties, or English learners. Overall, per-student state funding remains 3 percent below pre-Recession levels when adjusted for inflation.¹⁹ Legislators have been presented with a well-researched, evidence-based plan to improve the adequacy and equity of North Carolina's school funding system as part of the state's long-running *Leandro* lawsuit.²⁰ To date, however, legislative leaders have expressed no interest in implementing these reforms.²¹
- **Encourage school integration measures that would limit the number of racially and economically isolated schools.** Legislative leaders have advanced ideas such as unfettered charter school growth and municipal charter schools that exacerbate segregation. Lawmakers have floated other ideas, such as breaking up large integrated county districts, but have never considered measures such as transportation grants, technical support for revised student assignment practices, or mandating the merger of segregated city and county districts.
- **Create programs to address the symptoms of poverty.** States and districts interested in addressing symptoms of poverty in their schools have taken measures such as creating school health clinics and food pantries, providing universal free school meals, and implementing community school models that "partner with community agencies and local government to provide an integrated focus on academics, health and social services, youth and community development, and community engagement."²²
- **Provide training and materials in culturally relevant instruction.** As schools have become increasingly diverse, culturally relevant instruction has become an important practice for engaging all students and creating meaningful bonds between students and their learning. Culturally relevant instruction uses "student culture as the basis for helping students understand themselves and others, structure social interactions, and conceptualize knowledge."²³ Despite the demonstrated effectiveness of these practices, 2021 has been marked by a noted backlash against instruction that acknowledges and confronts race and other social issues in the classroom.
- **Provide state support to low-performing schools.** Current leadership has decimated state support for low-performing schools. The NC Department of Public Instruction used to employ over 200 experienced educators who worked alongside district leaders to identify and address local barriers to success. As of August 2020, these positions have

been cut by 84 percent, leaving just 32 individuals providing these services.²⁴

- **Eliminate policies that discourage educators to serve students of color and students from families with low incomes.** Substantial portions of principal and teacher pay are tied to student EVAAS scores. Some highly effective educators are less willing to move to the schools that need them the most due to the perception (perhaps valid) that it is more difficult to achieve high EVAAS scores for students of color and students from families with low incomes. These policies could be eliminated in favor of incentive models that are not tied to student performance on standardized tests.
- **Develop alternative SPG formulas that do not disproportionately stigmatize schools serving students of color or from families with low incomes.** Discriminatory SPG formulas can potentially create a self-fulfilling prophecy where low school grades encourage exit or avoidance from wealthier families. However, many schools labeled as failing by the state are places where students experience tremendous learning and growth. Test-based school accountability regimes ignore schools' contributions to human flourishing that are difficult to measure such as whether students are happy, self-reliant, and able to work well with others.

If lawmakers believe SPGs are legitimate measures of school quality, their action is inexcusable. Since at least the 2014 school year, SPG measures have shown that non-Asian students of color and students from families with low incomes are disproportionately assigned to “failing” schools. The NC General Assembly has not funded any initiatives to help “failing” schools overcome the barriers they face, nor has the General Assembly pursued school integration policies to stem the increasing number of racially- and economically-isolated schools.²⁵ The lack of action to remedy this situation would indicate that members are simply wholly indifferent to the plight of non-Asian students of color and those from families with low incomes.

The alternative interpretation is that lawmakers may not actually believe that SPGs are legitimate indicators of school quality. There is a great argument for this stance. After all, standardized tests capture just a sliver of what families want from their schools. But if lawmakers do not believe the grades are legitimate, the only purpose they serve is to stigmatize schools serving non-Asian students of color and those from families with low incomes.

This interpretation is consistent with the controversial idea that lawmakers' ultimate goal for the SPG system is to facilitate the dismantling of public schools. If one were trying to dismantle public schools, an important strategy would be to undermine sentiment for schools. One way to do that would be to create SPGs that undermine public support, while providing no additional investment to improve performance.

Options for Overhauling North Carolina's SPG System

It does not have to be this way. Other states and countries have created systems that are more effective at holding schools “accountable,” providing useful information to families, and informing policy.

Multiple Measures

The North Carolina State Board of Education recently looked towards Ohio's School Report Cards as an example of a state that effectively uses multiple measures of school quality in a dashboard that is useful for families and policymakers alike.

Under Ohio's system, districts and schools earn letter grades on each of the six components, several individual measures, and an overall summative rating. Most notably, Ohio's system includes measures on closing school opportunity gaps. Other measures states may consider include student attendance, teacher qualifications, school building quality, availability of advanced coursework, enrichment opportunities such as field trips and after-school activities, music and arts programs, student satisfaction, availability of community decision-making models, and student discipline.

Recently, Rep. Cecil Brockman introduced a first-of-its-kind bill, H948, to add measures of school segregation and other measures of opportunity gaps to North Carolina's school report cards. The bill would use each school's proportionality score to determine which individual schools are the most segregated in relation to other public schools in the same county. Additionally, the bill would examine the equitable distribution of opportunities and resources across schools and student subgroups within a district. It would measure equality of access to instruction in arts and music, as well as access to support personnel such as psychologists, counselors, and nurses.

Such reforms would move North Carolina far beyond the current narrow approach that mostly stigmatizes schools on the basis of their student demographics.

Inspectorate Model

One policy prescription North Carolina could implement to remedy the problems with its SPG system is to simply abandon it entirely in favor of an inspectorate model. This would entail professional inspectors going to schools and drafting qualitative reports to be released publicly which detail the strengths and weaknesses of each school. One of the biggest upsides to this accountability model is that a more qualitative approach which engages student, teacher, and parent feedback allows for a final report that better reflects if the school is meeting the particular needs of the community it serves. The inspectors – teams of experienced educators and school administrators – serve more as consultants, identifying areas where schools can strengthen their practices.

The inspectorate model provides the needed specificity to properly identify a school's issues and determine the possible causes of those issues. This approach stands in stark contrast to test-based accountability systems, which can only identify that a school is underperforming, not why. By examining root causes, inspectorate models are more likely to identify new approaches that can serve to advance the broader scope of what is necessary for schools to promote student flourishing.

Inspectorate models are rare in the United States but have been quite successful globally. England, the Netherlands, New Zealand, South Korea, Taiwan, and many other countries utilize the inspectorate model to much success.²⁶ Domestically, some New York City and Massachusetts schools have implemented the inspectorate model for charter and low-performing schools.²⁷

Conclusion

North Carolina is not alone in relying on a discriminatory SPG model to rate (or stigmatize) its schools. For example, analysis of Texas's SPG system has revealed a similar relationship between school ratings and family incomes.²⁸ But North Carolina stands out for:

- **Emphasizing achievement-based measures that are most correlated with student demographics;**
- **Minimizing or ignoring the impact of non-test-based measures of school quality;**
- **Creating high stakes for schools based on these discriminatory SPG measures;**
- **Failing to shift policy or increase funding to meet student and community needs.**

It remains unclear whether lawmakers' adherence to such a flawed SPG scheme is motivated by indifference to students, a desire to stigmatize and dismantle schools, or both. Ultimately, the precise motivation is less important than the tangible impact: North Carolina's SPG system needlessly stigmatizes schools enrolling students of color and those from families with low incomes. The system is not being used to inform policy, nor does it provide useful information for parents or school leaders. It causes harm and must be abandoned.

Endnotes

1. The Hunt Institute, "School Accountability and Performance Grades Issue Brief," 2019, as found at: <https://www.hunt-institute.org/wp-content/uploads/2019/04/HI-NC-SAA-ISSUEBRIEF-0419-FULL.pdf>
2. Cindy Long, "New Mexico Gets Rid of A-F School Grading System," *NEA News*, April 16, 2019, as found at: <https://www.nea.org/advocating-for-change/new-from-nea/new-mexico-gets-rid-f-school-grading-system>
3. H.B. 175 Education Accountability Amendments, as found at: <https://le.utah.gov/~2020/bills/static/HB0175.html>
4. Emma Kate Fittes, "After repealing consequences for failing schools, Indiana will revisit A-F grades," *Chalkbeat*, May 11, 2021, as found at: <https://in.chalkbeat.org/2021/5/11/22423623/indiana-a-f-school-grades-state-takeover>
5. The Alliance for Excellent Education, "Too Many States Minimize Student Subgroup Performance in ESSA Accountability Systems," September 2018, as found at: <https://all4ed.org/wp-content/uploads/2018/09/ESSA-Subgroup-Performance-State-Accountability-Systems.pdf>
6. Borman, Geoffrey D., and Maritza Dowling, "Schools and Inequality: A Multilevel Analysis of Coleman's Equality of Educational Opportunity Data." *Teachers College Record* 112(5): 1201–46, 2010, as found at: https://www.onemack.org/wp-content/uploads/2016/03/BormanDowling_2010_Schools-and-inequality_TCR.pdf
7. Sean F. Reardon, "The Widening Academic Achievement Gap Between the Rich and the Poor: New Evidence and Possible Explanations," July 2011, as found at: <https://cepa.stanford.edu/sites/default/files/reardon%20whither%20opportunity%20-%20chapter%205.pdf>
8. David C. Berliner, "Poverty and Potential: Out-of-School Factors and School Success," *Education and the Public Interest Center & Education Policy Research Unit*, March 2009, as found at: <https://nepc.colorado.edu/sites/default/files/PB-Berliner-NON-SCHOOL.pdf>
9. Marta W. Aldrich, "Tennessee unveils plan to move struggling schools out of its failed program to rescue them," *Chalkbeat*, December 7, 2020, as found at: <https://tn.chalkbeat.org/2020/12/7/22160244/tennessee-unveils-plan-to-move-struggling-schools-out-of-its-failed-program-to-rescue-them>
10. Greg Childress, "PW exclusive: State Board of Ed urged to jettison firm hired as part of controversial Innovative School District scheme," *NC Policy Watch*, June 2, 2020, as found at: <http://www.ncpolicywatch.com/2020/06/02/pw-exclusive-state-board-of-ed-urged-to-jettison-firm-overseeing-controversial-innovative-school-district/>
11. See S.L. 2019-247
12. Hasan, Sharique and Kumar, Anuj, "Digitization and Divergence: Online School Ratings and Segregation in America," July 23, 2019. Available at SSRN: <https://ssrn.com/abstract=3265316> or <http://dx.doi.org/10.2139/ssrn.3265316>
13. Figlio, David N and Maurice E Lucas "What's in a grade? School report cards and the housing market." 2004, *American Economic Review* 94(3):591–604, as found at: <https://www.jstor.org/stable/3592944?seq=1>
14. Lindsay Wagner, "Yes, 'A' Still Stands for Affluent in NC School Performance Grades," *Public School Forum of North Carolina*, September 6, 2019, as found at: <https://www.ncforum.org/yes-a-still-stands-for-affluent-in-nc-school-performance-grades/>
15. The median school enrollment of non-Asian students of color in 2018-19 was 46.81%.
16. Nicholas P. Triplett and James E. Ford, "E(race)ing Inequities," Center for Racial Equity in Education, 2019, as found at: [https://static1.squarespace.com/static/5f68eb9cb662f642afcb0e2b/t/5f724023bf128a585f978db1/1601323047349/E\(race\)ing-Inequities.pdf](https://static1.squarespace.com/static/5f68eb9cb662f642afcb0e2b/t/5f724023bf128a585f978db1/1601323047349/E(race)ing-Inequities.pdf)
17. "Segregated" includes schools considered "highly segregated." For additional information on how the disproportionality score, see: <https://www.centerfordiversityandequalityineducation.com/related-links/>
18. Yvonne Wingett Sanchez and Rob O'Dell, "Parents spent \$700K in school voucher money on beauty supplies, apparel; attempted cash withdrawals," *The Republic*, October 30, 2018, as found at: <https://www.azcentral.com/story/news/politics/arizona/2018/10/29/misspent-school-voucher-funds-exceed-700-k-little-recovered/1780495002/>
19. Author's calculations. It is important to note that traditional measures of inflation such as the Consumer Price Index (CPI) underestimate the budgetary pressures faced by schools such as the increasing costs of employee benefits. In North Carolina, the cost increases of health care and retirement benefits have far exceeded CPI.
20. Alex Granados, "Comprehensive Leandro plan submitted to court," *EdNC*, March 15, 2021, as found at: <https://www.ednc.org/2021-03-15-comprehensive-leandro-plan-submitted-to-court-nc/>
21. It is important to note that the *Leandro* Comprehensive Remedial Plan includes recommendations to 1) "adjust the

weighting between student proficiency and student growth in the State's School Performance Grades," and 2) include "additional measures of progress toward meeting the Leandro tenets, including indicators that provide information on students' opportunity to access a sound basic education, in addition to student performance on State standardized assessments."

22. Jeannie Oakes, Anna Maier, Julia Daniel, "Community Schools: An Evidence-Based Strategy for Equitable School Improvement," *Learning Policy Institute and the National Education Policy Center*, June 5, 2017, as found at: <https://learningpolicyinstitute.org/product/community-schools-equitable-improvement-brief>
23. Ladson-Billings, G. "Reading between the lines and beyond the pages: A culturally relevant approach to literacy teaching," *Theory Into Practice*, 1992, as found at: <https://www.jstor.org/stable/1476313?seq=1>
24. Department of Public Instruction, "District & Regional Support Theory of Support," presentation to the State Board of Education, August 6, 2020, as found at: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=10399&AID=227727&MID=7384>
25. Kris Nordstrom, "Stymied by Segregation: How Integration Can Transform NC Schools," *North Carolina Justice Center*, March 1, 2018, as found at: <https://www.ncjustice.org/publications/stymied-by-segregation-how-integration-can-transform-nc-schools/>
26. Helen F. Ladd, "Now is the time to experiment with inspections for school accountability," *Brookings Brown Center Chalkboard*, May 26, 2016, as found at: <https://www.brookings.edu/blog/brown-center-chalkboard/2016/05/26/now-is-the-time-to-experiment-with-inspections-for-school-accountability>
27. Bob Rothman, "Inspectorates: How Top-Performing Nations Hold Schools Accountable," *National Center on Education and the Economy*, May 30, 2018, as found at: <https://ncee.org/2018/05/how-top-performing-nations-hold-schools-accountable/>
28. Eva-Marie Ayala and Holly K. Hacker, "A-F outrage spurs lawmaker's move to kill Texas' new school grading plan," *The Dallas Morning News*, January 6, 2017, as found at: <https://www.dallasnews.com/news/education/2017/01/06/a-f-outrage-spurs-lawmaker-s-move-to-kill-texas-new-school-grading-plan/>

SCHOOL PERFORMANCE GRADES:

A Legislative Tool for Stigmatizing Non-White Schools

By

Kris Nordstrom, Senior Policy Analyst,
Education & Law Project — 919/856-3195;
kris@ncjustice.org

and

Luke Tillitski



PO Box 28068

Raleigh, NC 27611-8068

www.ncjustice.org

© Copyright 2021