

(F) General (55 total points)

State Reform Conditions Criteria

(F1) Making education funding a priority (10 points)

The extent to which—

- (i) The percentage of the total revenues available to the State (as defined in this notice) that were used to support elementary, secondary, and public higher education for FY 2009 was greater than or equal to the percentage of the total revenues available to the State (as defined in this notice) that were used to support elementary, secondary, and public higher education for FY 2008; and
- (ii) The State’s policies lead to equitable funding (a) between high-need LEAs (as defined in this notice) and other LEAs, and (b) within LEAs, between high-poverty schools (as defined in this notice) and other schools.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State’s success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (F1i):

- Financial data to show whether and to what extent expenditures, as a percentage of the total revenues available to the State (as defined in this notice), increased, decreased, or remained the same.

Evidence for (F1ii):

- Any supporting evidence the State believes will be helpful to peer reviewers.

Recommended maximum response length: Three pages

F.1. Making education funding a priority

F.1.i. The percentage of total revenues available used to support elementary, secondary, and public higher education for FY 2009 was greater than or equal to the percentage used for FY 2008.

Table 27 demonstrates that NC’s support for education has increased in FY 2008-09 when compared to FY 2007-08. The chart presents education funding in two ways, as a proportion of actual State revenue and as a proportion of total funding available for State expenditures. Actual revenue collected in FY 2008-09 was \$17.6 billion; however, money was transferred from reserves and other accounts to fund NC operations at \$19.1 billion. By either measure, NC increased the State contribution to education.

Table 27: NC’s Support for Education

| | 2007-08 | 2008-09 |
|---|-------------------------|-------------------------|
| | Actual Expense | Actual Expense |
| K-12 - NC Public School Fund | \$8,197,121,797 | \$8,347,474,500 |
| Higher Ed Total | \$3,256,806,228 | \$2,981,417,588 |
| <i>NCCCS - 1600 State Aid</i> | <i>\$2,331,866,255</i> | <i>\$2,123,167,863</i> |
| <i>UNC - Public Higher Ed</i> | <i>\$924,949,972</i> | <i>\$858,249,725</i> |
| Education Total | \$11,453,928,025 | \$11,328,892,088 |
| Actual NC Revenue | \$19,824,083,747 | \$17,626,818,640 |
| <i>Education as % of NC Revenue</i> | <i>57.8%</i> | <i>64.3%</i> |
| NC Revenue: Includes cash transfers/measures to balance budget in FY09 | | \$19,145,677,966 |
| <i>Education as % of NC Revenue</i> | | <i>59.2%</i> |

Note: This table shows the entire NC State Public School Fund (SPSF) state support for K-12 rather than the K-12 primary funding formulae (a subset of SPSF) reported in the State Fiscal Stabilization Fund application.

F.1.ii. The State’s policies lead to equitable funding (a) between high-need LEAs and other LEAs, and (b) within LEAs, between high-poverty schools and other schools.

The State provides sixty-nine percent (69%) of all current expense funding for NC public schools. The State distributes this funding equitably to local education agencies (LEAs) through three main funding vehicles and 25 different allotment formulas. The NC funding structure specifically addresses the sixty-nine (60% of the 115 total) NC LEAs that are *high-need* by directing significant additional NC resources to these LEAs through categorical allotments (targeted supplemental funding).

The NC funding structure is characterized by three main funding vehicles:

1. Basic Support for Classroom Instruction

Guaranteed Position Allotments (59% of all NC public schools funding).

NC distributes position allotments for teachers, instructional support, assistant principals, and principals directly to each LEA based on its number of students in average daily membership (see examples below). For each allocated position, NC guarantees the salary and benefits based on the State Salary Schedule. Some LEAs supplement teacher salaries with local funds, but even the largest of these local supplements (in one LEA) amount to no more than 15% of the state salary. Because NC reimburses the LEAs for such a high percentage of the salary and benefits of allotted positions, LEAs can hire certified educators whose years of experience and education place them higher on the State Salary schedule without being limited by a specific dollar amount. Consequently, each LEA has a different average salary based on experience and the education level of the certified personnel it hires.

- Teacher positions are distributed to LEAs based on the number of students by specific grades: grades K-3 (1:18), grades 4-6 (1:22), grades 7-8 (1:21), grade 9 (1:24.5), grades 10-12 (1:26.64);
- All schools with 100 students or seven NC-paid teachers receive a principal position. Assistant principal positions are distributed based on the total number of students; and
- For every 200 students, an LEA receives one instructional support position (used for guidance counselors, media specialist, social workers, *etc.*)

Dollar Allotments (12% of all NC public schools funding). Dollar allotments, which deliver specified per-pupil amounts prorated based on each LEA's number of students in average daily membership, provide funding for teacher assistants, textbooks, instructional supplies, school clerical and custodian support, and central office and other resources needed to offer instructional services to NC public school students.

2. Categorical Funding to Address the Needs of Special Populations

NC's basic support for classroom instruction funding model is designed to meet the education delivery needs of an average student. Categorical allotments (27% of all NC public schools funding) target funding to specific groups of students and school districts to supplement services to students who require additional services. Examples of categorical funding include funding for students at risk of academic failure, funding for students with limited English, funding for children with special needs, and academically/intellectually gifted students. To reduce disparities resulting from local education funding, NC provides low-wealth supplemental funding to LEAs identified as not being able to generate local funding to support their schools at the average level for all school districts in NC. NC also addresses the inability of very small LEAs to realize the full benefits of economies of scale available to larger LEAs by providing small-county supplemental funding for LEAs with less than 4,000 students. Recognizing the special issues that concentrated populations of disadvantaged students present for large urban and rural LEAs, NC has a Disadvantaged Student Supplemental Funding (DSSF) allotment to provide additional funding to these districts.

3. Unallotted Funding to Support Selected School Operations

For a limited set of operational needs the State ensures that all LEAs have the ability to pay the actual cost. LEAs are allowed to expend what is required to cover their worker compensation costs, unemployment claims, longevity payments (a supplement for an employee's years of service), and short-term disability costs. The State then covers these expenditures (2% of all NC public schools funding) out of the State budget.

Promoting Equitable Funding within LEAs, Between High-poverty Schools and Other Schools

NC distributes funding to local boards of education. Each board then determines how to distribute the State-provided resources among its schools to meet the specific needs of the LEA's student population. This flexibility to distribute resources per the LEA's needs allows the LEAs to be innovative and to recognize the schools in their district with specific funding needs. Within this flexibility, NC sets the following boundaries to ensure equitable funding between the schools:

- NC has maximum individual class size laws. This ensures that the LEAs allocate their classroom teacher allotments equitably to all schools and classes;
- All certified personnel, including teachers, instructional support, assistant principals, and principals, are required to be paid no less than the salary that the State Salary Schedule specifies for educators with their experience and education;
- As mentioned above, the LEAs are provided 59% of their funds in positions, not dollars. As a result, schools are provided the same opportunity to hire the most experienced and educated certified personnel without being limited to a specific budget amount; and
- While LEAs have some discretion to allocate NC resources within the LEA, the LEAs must report school-based expenditures to NC. Because NC's ABCs accountability program monitors performance by school, NC can use the information regarding school expenditures and student performance to determine whether local funding decisions are creating inequitable conditions between the schools within the LEA.

(F2) Ensuring successful conditions for high-performing charter schools and other innovative schools (40 points)

The extent to which—

- (i) The State has a charter school law that does not prohibit or effectively inhibit increasing the number of high-performing charter schools (as defined in this notice) in the State, measured (as set forth in Appendix B) by the percentage of total schools in the State that are allowed to be charter schools or otherwise restrict student enrollment in charter schools;
- (ii) The State has laws, statutes, regulations, or guidelines regarding how charter school authorizers approve, monitor, hold accountable, reauthorize, and close charter schools; in particular, whether authorizers require that student achievement (as defined in this notice) be one significant factor, among others, in authorization or renewal; encourage charter schools that serve student populations that are similar to local district student populations, especially relative to high-need students (as defined in this notice); and have closed or not renewed ineffective charter schools;
- (iii) The State’s charter schools receive (as set forth in Appendix B) equitable funding compared to traditional public schools, and a commensurate share of local, State, and Federal revenues;
- (iv) The State provides charter schools with funding for facilities (for leasing facilities, purchasing facilities, or making tenant improvements), assistance with facilities acquisition, access to public facilities, the ability to share in bonds and mill levies, or other supports; and the extent to which the State does not impose any facility-related requirements on charter schools that are stricter than those applied to traditional public schools; and
- (v) The State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State’s success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (F2i):

- A description of the State’s applicable laws, statutes, regulations, or other relevant legal documents.
- The number of charter schools allowed under State law and the percentage this represents of the total number of schools in

the State.

- The number and types of charter schools currently operating in the State.

Evidence for (F2ii):

- A description of the State’s approach to charter school accountability and authorization, and a description of the State’s applicable laws, statutes, regulations, or other relevant legal documents.
- For each of the last five years:
 - The number of charter school applications made in the State.
 - The number of charter school applications approved.
 - The number of charter school applications denied and reasons for the denials (academic, financial, low enrollment, other).
 - The number of charter schools closed (including charter schools that were not reauthorized to operate).

Evidence for (F2iii):

- A description of the State’s applicable statutes, regulations, or other relevant legal documents.
- A description of the State’s approach to charter school funding, the amount of funding passed through to charter schools per student, and how those amounts compare with traditional public school per-student funding allocations.

Evidence for (F2iv):

- A description of the State’s applicable statutes, regulations, or other relevant legal documents.
- A description of the statewide facilities supports provided to charter schools, if any.

Evidence for (F2v):

- A description of how the State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

Recommended maximum response length: Six pages

F.2. Ensuring successful conditions for high-performing charter schools and other innovative schools

F.2.i. The extent to which the State has a charter school law that does not prohibit or effectively inhibit increasing the number of high-performing charter schools

NC law authorizes the State Board of Education to issue up to 100 charters. Greater than 10% of NC's schools are either State Board-chartered, or "charter-like" autonomous, innovative schools operating under either the 2010 Reform of Continually Low-Performing Schools Act or the 2003 NC Innovative Education Initiatives Act (Appendices 40 and 44). The number of high-performing charter schools in NC has grown rapidly in recent years. NC charter school law does not restrict student enrollment in charter schools.

Of the 2,495 schools operating in North Carolina during the 2009-10 school year, ninety-six (96) were State Board-chartered schools operating under the State's Charter School law (G. S. 115C-238.29A). NC law does limit the total number of State Board-chartered schools to 100 and does limit the number of charter schools the State Board may authorize in any single LEA to five per year. (G.S. 115C-238.29D). If one of the 100 charters is available, NC law requires the State Board of Education to issue a charter to any qualified applicant. One hundred (100) charters equals 3.8% of the total number of NC public schools. Those 100 charters, however, represent only a fraction of the public schools that operate outside the usual State statutory and regulatory requirements. Under the 2003 Innovative Education Initiatives Act (provided in Appendix 44), NC also has additional schools (described in Sections E2 and F2.v) that meet the RttT definition of "innovative, autonomous public schools." These innovative schools function as "charter-like schools" in that they have the same autonomy and emphasis on innovation promoted in the best charter schools. There are currently 70 Early College High Schools, and 36 Redesigned High Schools in NC operating under the auspices of the Innovative Education Initiatives Act. There is no limit on the number of these innovative schools that LEAs may create, in partnership with an institution of higher education. When existing innovative schools are included in the count of "charter-like schools," 8.3% of NC's schools are either charter or charter-like innovative schools. The number of innovative schools and their proportion of NC public schools could increase to well over 10% if LEAs so choose.

The NC General Assembly has just established a new statute (115C-105.37B) that gives LEAs increased opportunity to create charter-like innovative, autonomous schools (Appendix 40). This new statute authorizes the State Board to approve a request by an LEA to reform, through adoption of one of four USED turnaround models, any of its schools that meet the State Board definition of continually low-performing (as defined in G.S. 115C-105.37A). These four now-statutory models are the same RttT-aligned State models described in Section E2. Under the *School Restart* model, an approved LEA would be granted the authority to operate its reformed school with “the same exemptions from statutes and rules as a charter school” that is State Board-chartered.

Many NC charter schools meet the RttT definition of *high-performing*. Since the State Board issued the first charters in 1996, it has worked diligently to increase the number of high-performing charter schools. Evidence shows that, under State Board direction, the NC Office of Charter Schools has helped 50 charter schools increase their overall student performance composites between 2007-08 and 2008-09 (up from a total of five over the prior four years). Equally important is the fact that, between 2007-08 and 2008-09, only four charter schools registered a decline in overall student performance composite (down from 28 during the 2005-06 and 2006-07 school years). The Board has used the following three strategies to work toward having all charters be high-performing:

1. The State Board uses a comprehensive evaluation/selection process for awarding new charters (see Section F2.ii below);
2. NCDPI provides support and tools that have proven effective in high-performing charter schools (*e.g.*, Education Value-Added Assessment System) to the charter schools that are not high performing; and
3. The State Board has effective procedures for closing charter schools that fail to meet the State Board guidelines for student performance or financial compliance (see Section F2.ii below).

The support NCDPI provides to charter schools includes the following:

- Instructional seminars on reading and writing across the curriculum;
- Information and training regarding how to disaggregate and use student test data to improve instruction;
- Information and training regarding how to differentiate instruction;

- Teacher evaluation tools to improve instruction;
- Information and training regarding how to increase student use of higher order thinking skills;
- Training for charter personnel in state and national curriculum initiatives; and
- Training for charter school boards of directors in finance, governance and policy development.

In the past three years, nine *low-performing* charter schools have also received more intensive, tailored support. Of those nine charter schools, eight improved to the point where they then met the high-performing definition.

F.2.ii. The extent to which the State has laws, statutes, regulations, or guidelines regarding how charter school authorizers approve, monitor, hold accountable, reauthorize, and close charter schools

As noted above, any LEA, either in partnership with an institution of higher education or with State Board approval in cases of continually low-performing schools (G.S 115C-105.37B), may establish an autonomous, innovative school that has all the hallmarks of a charter school (see, Sections E2, F2.i, and F2.v). Under NC law (G.S. 115C-238.29A), the State Board is the sole body authorized to issue charters. An independent panel of experts reviews all applications for State Board charters to determine if each applicant meets the required legislative criteria. The panel then presents all qualified applicants to the State Board for review, interviews, and recommendations (the State Board reserves the right to consider and interview any applicant, regardless of the panel’s review). The State Board has final authority to grant all charters. Research suggests this approval structure creates the strongest probability of promoting high performing charter schools.¹²

When awarding charters, the State Board follows the authorizing legislation [G.S. 115C-238.29G(a)1] to make sure student achievement is a factor in charter school selections. The State Board also considers whether the proposed charter school would expand learning opportunities for all students, particularly those who are identified as being at risk of academic failure or academically

¹²A recent Stanford study concluded that States that empower multiple entities to act as charter school authorizers realize significantly lower growth in academic learning in their students (CREDO, 2009).

gifted, and whether the charter school would provide expanded choices beyond the types of educational opportunities that are available within the public school system. State Board regulations favor award of charters to applicants who have a sound marketing plan that promotes a diverse student population. Once granted, the charter gives the applying non-profit corporation the right to receive NC and local funding to operate a school free from many NC laws that could inhibit innovation or the independence of the school.

In addition to standardizing the application process, State Board policy establishes a standard charter renewal process, specifies the grounds and procedures for revoking a charter, and describes the mechanism for funding charter schools. The State Board also has several policies in place to ensure that students attending charter schools are receiving appropriate instruction and that charter schools operate in accordance with sound financial and accounting principles.

To assist with the implementation of its policies, the State Board has created an Office of Charter Schools within NCDPI that is dedicated to supporting and monitoring all charter schools. The Office of Charter Schools assigns personnel to each charter school to serve as a point of contact for the charter school and a resource for services, data, and information. The Office of Charter Schools staff visit all assigned charter schools annually to perform monitoring and support functions.

The State Board requires all public schools, including charter schools, to be accountable for public funds and to improve student performance. Although the State Board could authorize an alternative accountability model for charter schools, all current charter schools use the same accountability model used in other public schools. With respect to student performance, State Board policy requires that any charter be revoked if, for two of three consecutive school years, the charter school does not meet or exceed expected growth and has a Performance Composite below 60% (based on NC's ABCs accountability system, as described in Section D2).

A charter school can decide to relinquish its charter, the State Board can decide to not renew a charter, or the State Board can revoke a charter. Since 1996, 44 charter schools have been closed in NC. We have included the following appendices related to this item:

- Charter School Application Statistics: Appendix 48 outlines the number of applicants by year since 1997-98, the number of charters awarded, and the number of charters relinquished, renewed, and revoked;
- Closed Schools 1997-2009: Appendix 49 identifies all the charter schools that have relinquished their charter or whose charter was revoked by the State Board; and
- Curriculum Information for Charter Schools: Appendix 50 is a list of all charter schools operating in NC, their locations, their grade structures, and brief descriptions of their core missions.

F.2.iii. The extent to which the State’s charter schools receive equitable funding compared to traditional public schools, and a commensurate share of local, State, and Federal revenues

Under the NC funding system for charter schools, the State and LEAs must provide charter schools with the same per pupil operating funding provided to students in regular public schools.

State Funding for Charter Schools

In accordance with NC G. S. 115C-238.29H, the State provides each charter school with the exact same level of appropriations, on a per pupil basis, as the State provides to LEAs. As described above in Section F1.ii, NC allocates funding to LEAs in various funding categories. The State totals these allocations for each LEA and divides the total allocations by that LEA’s average daily membership (a figure similar to enrollment that is used for student accounting and budget purposes) to calculate the State allocation for each LEA in dollars per child. To that figure the State adds an amount equal to the per student proportion of any unallotted dollars to account for State funding from unallotted State funds used by LEAs (for example, unemployment compensation, worker’s compensation; annual leave, etc.). The State then provides a charter school with the total allotted and unallotted per pupil funding for each student enrolled in the charter school from a particular LEA. As a result, each charter school receives the same amount of State funding per capita (including that for transportation, supplies, textbooks, teachers, etc.) that the student’s home LEA would have received if the student had enrolled in a school operated by the LEA.

In accordance with legislation, several categorical State funding categories are not included in the dollar per pupil calculation. In those cases, the charter school is included in the state formula on the same terms as an LEA and receives the funds generated by the formula. Funds for Children with Disabilities (\$3,545 per student) and Limited English Proficiency (\$3,300 per student) are examples of such headcount-targeted funding. Also some funding for Driver's Training remains at the LEA to provide services for all students in the county.

All State funding generated through the standard allotment formulas based on the number of students enrolled in the charter school is allotted to the charter school for its use. NC does not withhold a percentage of the State funds available to a charter school, as is a common practice in other states.

Local Funding for Charter Schools

NC law [G.S. 115C-238.29H(b)] also requires each LEA to provide each charter school with a proportionate share of its current local operations funds based upon the number of students from the LEA who attend the charter school. The formula for disbursement of local funding for charter schools is as follows:

$$\text{Dollars in the LEA Operating Fund} / \text{Students Enrolled in the LEA} \times \text{Number of LEA Students Enrolled in a Charter School} = \text{Base Funding Allotment for the Charter School}$$

Federal Funding for Charter Schools

Charter schools are included in Federal funding formulas just as are LEAs and receive those Federal funds based on eligibility. Charter schools will participate in and receive any funding generated as a result of the NC RtT effort.

F.2.iv. The State provides charter schools with funding for facilities, assistance with facilities acquisition, access to public facilities, the ability to share in bonds and mill levies, or other supports

NC laws require charter schools to operate under the same facility requirements as required for any public school. NC does not impose stricter or additional facility-related requirements on charter schools. A charter school can use any State or local funds (as described above in Section F2.iii) to lease facilities, tenant improvements, or pay debt service on loans used to secure facilities. The State does not own local facilities; but local education agencies are required to work with charter schools when facilities are available and not in use by the local district. NC does not directly appropriate a separate/specific funding stream to charter schools only for facilities and county commissioners are prohibited from providing charter schools with local funds specifically for capital outlay projects.

Capital funding in North Carolina is primarily a local expense. Annual State appropriations for capital average less than \$250 million (3% of public school funding). As noted in Section F2.iii, NC does not withhold a percentage of the State funds available to a charter school (often 5% in other States).

F.2.v. The State enables LEAs to operate innovative, autonomous public schools other than charter schools

North Carolina has a vigorous program for encouraging innovative and autonomous public schools. In addition to charter schools, 106 such schools, each of which meets the RttT definition of “innovative autonomous public schools,” currently are operating in North Carolina.

As noted above, in 2003 NC enacted General Statute 115C-238.50 which authorized the Cooperative Innovative High School Programs. Under this legislation, an LEA and one or more NC institution of higher education can jointly apply, to the State Board of Education, to establish a cooperative innovative high school program. All the cooperative innovative high school programs:

1. Prepare students adequately for future learning in the workforce or in an institution of higher education.
2. Expand students' educational opportunities within the public school system.
3. Center on the core academic standards represented by the college preparatory or tech prep program of study as defined by the State Board of Education.

4. Encourage the cooperative or shared use of resources, personnel, and facilities between public schools and colleges or universities, or both.
5. Integrate and emphasize both academic and technical skills necessary for students to be successful in a more demanding and changing workplace.
6. Emphasize parental involvement and provide consistent counseling, advising, and parent conferencing so that parents and students can make responsible decisions regarding course taking and can track the students' academic progress and success.
7. Are held accountable for meeting measurable student achievement results.
8. Encourage the use of different and innovative teaching methods.
9. Establish joint institutional responsibility and accountability for support of students and their success.
10. Effectively utilize existing funding sources for high school, college, university, and vocational programs and actively pursue new funding from other sources.
11. Develop methods for early identification of potential participating students in the middle grades and through high school.
12. Reduce the percentage of students needing remedial courses upon their initial entry from high school into a college or university.

These innovative high schools are required to either target students who are at risk of dropping out of high school before attaining a high school diploma or offer accelerated learning programs. Cooperative innovative high school programs may include the creation of a school within a school, a technical high school, or a high school or technical center located on the campus of a college or university. Once approved, the school can obtain waivers from NCDPI that free it from restrictions on the use of State funding and from other specific State laws and policies.

The State Board has approved 70 Learn and Earn schools under this law. These schools operate on a community college or university campus and allow students to graduate in five years with a high school degree and two years of college credit. In addition, 36 restructured and/or STEM high schools have been approved by the State Board of Education. A restructured high school is a large

school which has been administratively reorganized into smaller independent high schools operating on the same campus as the previous large high school. Each independent restructured high school adopts an educational theme (such as STEM) and students select the high school that best addresses their interests.

Finally, as noted above, the NC General Assembly has just established a new statute (115C-105.37B) that gives LEAs increased opportunity to create charter-like innovative, autonomous schools (Appendix 40). This new statute authorizes the State Board to approve a request by an LEA to reform, through adoption of one of four USED turnaround models, any of its schools that meet the State Board definition of continually low-performing (as defined in G.S. 115C-105.37A). These four now-statutory models are the same RttT-aligned State models described in Section E2. Under the *School Restart* model, an approved LEA would be granted the authority to operate its reformed school with “the same exemptions from statutes and rules as a charter school” that is State Board-chartered.

(F3) Demonstrating other significant reform conditions (5 points)

The extent to which the State, in addition to information provided under other State Reform Conditions Criteria, has created, through law, regulation, or policy, other conditions favorable to education reform or innovation that have increased student achievement or graduation rates, narrowed achievement gaps, or resulted in other important outcomes.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (F3):

- A description of the State's other applicable key education laws, statutes, regulations, or relevant legal documents.

Recommended maximum response length: Two pages

F.3. Demonstrating Other Significant Reform Conditions

North Carolina has been a national leader in successful statewide early childhood programs (Smart Start, More at 4), services for high-needs students (State Improvement Project, Joint Legislative Commission on Dropout Prevention and High School Graduation, Personal Education Plans), and recruitment and retention of high-quality teachers (National Board Certification support, Fast-Track Math and Science licensure). These innovations have increased student achievement and graduation rates (as outlined in Section A3) and ensured that greater numbers of students enter elementary school prepared to learn.

NC RttT proposal Sections A through E describe various efforts through which NC supports, through law, regulation, and/or policy, conditions favorable to education reforms and innovations that have increased student achievement and graduation rates and narrowed achievement gaps. NC also has implemented other initiatives, not detailed above, that further reflect this systematic commitment to continuous improvement of our education system. Highlighted below are some of the most significant initiatives, which are designed to improve early learning outcomes, support at-risk students, and recruit and retain high-quality teachers and principals.

Improving Early Learning Outcomes

For over a decade and a half, NC has been a national leader in efforts to improve educational outcomes for the youngest high-need students through several programs focused on improving school readiness and the transition between preschool and kindergarten.

Smart Start (1993)

Smart Start is NC's nationally recognized and award-winning early childhood initiative designed to ensure that young children enter school healthy and ready to succeed. Smart Start is a public-private initiative that provides early education funding to all of NC's 100 counties. Annual state funding for Smart Start stands at around \$200 million, and the program has raised more than \$257 million in donations since it began. These funds are used to improve the quality of child care, make child care more affordable and accessible, provide access to health services, and offer family support. Smart Start is considered a model for comprehensive early childhood education initiatives, and, in 2001, a Smart Start National Technical Assistance Center was established to assist other states with the development of their own early education initiatives. Since Smart Start's inception in 1993, the number of children in NC receiving

higher-quality child care has increased from 20% to nearly 70%, and independent research concludes that children who attend these higher-quality child care centers score significantly higher on measures of skills and abilities deemed important for success in kindergarten (as measured on the *Peabody Picture Vocabulary Test-III*, the *Social Skills Rating System*, the *Concepts about Print* literacy assessment, and the *Woodcock-Johnson Applied Problems* subtest) than do children from lower-quality centers (Bryant *et al.*, 2003).

More at Four (2001)

More at Four is NC's statewide initiative for at-risk 4-year-olds, designed to prepare children for success when they enter school by providing a high-quality, pre-K educational program. More at Four funds classroom-based programs at a variety of sites, including public schools, private for-profit, and non-profit child care centers, and Head Start programs. Children are eligible for More at Four based on poverty status and other risk factors, with priority for service given to children who are otherwise not served by a preschool program. An independent statewide evaluation of the program concluded that participating children exhibit significant growth in multiple skill areas (*e.g.*, language and literacy skills [receptive language, letter-word knowledge, print knowledge, phonological awareness], math [applied problems, counting], and social skills), that the program has had even greater benefits for children with lower levels of English proficiency, and that More at Four offers "an important and ameliorative experience for children who otherwise may not have such opportunities in the pre-K year" (Peisner-Feinberg & Schaaf, 2008).

NCDPI Office of School Readiness (2005)

NC created the Office of School Readiness to administer and coordinate all of NC's state and Federally-funded pre-kindergarten programs. The Office of School Readiness sets the educational standards and expectations for pre-kindergarten implementation statewide. The rapid expansion of State funding for the More at Four Pre-Kindergarten Program, along with the program's high-quality standards, were the catalysts for coordinating and leveraging all sources of pre-kindergarten funding, expanding access to high-quality pre-kindergarten, and raising the quality of early education statewide. The Office of School Readiness supports a diverse delivery system for pre-kindergarten, including public schools, licensed child care centers, and Head Start. Through the Office and

other partners, NC provides intensive technical assistance for pre-kindergarten in all settings, as well as teacher education, licensure (including support for teachers in the nonpublic sector who wish to pursue state licensure), and ongoing professional development. (Note: The Office has recently been renamed the “Office of Early Learning” to reflect a new focus on aligning of early education standards, assessments, and teacher supports across the PK-3 continuum.)

FirstSchool Demonstration Projects (2010)

FirstSchool is a pre-K-grade 3 initiative led by the Frank Porter Graham Child Development Institute and the School of Education of The University of North Carolina at Chapel Hill to promote aligned public school efforts to become more responsive to the needs of an increasingly younger, more diverse population.

Providing Comprehensive Services to High-Need Students

NC State Improvement Project (NCSIP, 2000; NCSIP II, 2005)

Funded through the USED’s Special Education Program, NCSIP seeks to improve the quality and effectiveness of programs and instruction for students with disabilities. NCSIP focuses on recruiting, training, and retaining highly qualified teachers who effectively address the needs of students with disabilities in order to increase academic achievement and decrease dropout rates. As noted in Section A3, over the first five years of the project, the proportion of students with disabilities performing at or above grade level on State math and reading tests has increased significantly (more rapidly than the proportions of non-SIP students with disabilities or even mainstreamed students), and the overall graduation rate for students with disabilities has increased by nearly 15% since 2006.

Personal Education Plans (2001)

Under NC law, any child who does not meet grade-level proficiency is eligible for a Personal Education Plan. A Personal Education Plan aids parents, teachers, and administrators in planning the special interventions a student may need. These interventions can include, but are not limited to, smaller classes, tutorial sessions, extended school days, and alternative learning models. The statute regarding Personal Education Plans (§ 115C-105.41) is included in Appendix 51.

Joint Legislative Commission on Dropout Prevention and High School Graduation (2007)

The NC General Assembly funds grants to focus attention and resources on innovative programs and initiatives that promote keeping at-risk students in school and increase the number of at-risk students who graduate from high school prepared to further their postsecondary education or enter the workforce. NC appropriated \$15 million for these programs in FY 2008. The Commission identifies, funds, oversees and evaluates initiatives with the potential develop effective, sustainable, and coordinated dropout prevention and re-entry programs. The Session Law regarding Joint Legislative Commission on Dropout Prevention and High School Graduation is included in Appendix 52.

Recruiting, Compensating, Promoting, and Retaining High-Quality Teachers and Principals

This proposal already has described several relevant NC policies, initiatives, and resources already in place or available across the State, including:

- NC policies designed to support recruitment of high-quality teachers and principals (licensure for Teach for America teachers, innovative and experimental lateral entry programs for teachers and administrators; see Section D1);
Development of a comprehensive Educator Evaluation System, along with various compensation initiatives supported by the Federal and local funds (Section D2);
- The NC Virtual Public School (which provides high-quality instruction to students in all LEAs; see Section D3);
- Ongoing research into the effectiveness of the State’s teacher preparation programs (Section D4); and
- A variety of high-quality professional development providers (Section D5).

In addition, NC has dedicated significant resources to two other related programs that address issues of high-quality teacher and principal recruitment and retention.

Incentives for National Board Certified Teachers (1994)

NC has the highest number of National Board-Certified teachers in the nation, and they make up by far the single largest group of expert teachers in the state. NC supports these teachers by paying the National Board assessment fee, providing paid release time to

candidates, granting renewal credit for those teachers who complete the assessment, and paying Board-Certified teachers a salary differential of 12% of their State salary. The NC Association of Educators has been and continues to be a major support provider for National Board candidates. The State Board of Education Policy concerning National Board of Professional Teaching Standards is included in Appendix 53.

UNC-BEST (Baccalaureate Education in Science and Teaching): Fast-Track Licensure for Science and Math Teachers (2007)

UNC System President Bowles has implemented a national model for recruiting and producing K-12 teachers, as highlighted in the National Academy of Sciences report, *Rising above the Gathering Storm* (2007). In place at four university campuses across NC, these fast-track licensure programs help undergraduate STEM majors earn teacher certification without the need for additional years of study. Candidates receive tuition support, and program completers who go on to teach math or science in NC receive annual stipends of \$5,000 for up to five years. Two cohorts of BEST teachers (17 overall) have graduated since 2009, and 29 more currently are in the pipeline.