



# Elementary and Secondary Education Act (ESEA) of 1965

NC DEPARTMENT OF PUBLIC INSTRUCTION

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## 71% of Schools Make AYP

Over 70 percent (70.8), or 1,777, of the state's 2,511 public schools given an Adequate Yearly Progress (AYP) status made AYP for 2008-09, while 29.2 percent, or 734, did not. Thirteen (13.2) percent of North Carolina schools missed AYP by only one target. A higher percentage of Title I schools made AYP than the overall total. Among the state's 1,122 Title I schools, 78.1 percent, or 876 schools, made AYP compared to 70.8 percent overall.

NCDPI presented 2008-09 ABCs/AYP results to the State Board of Education (SBE) Aug. 6. LEAs may submit data changes to NCDPI through Sept. 5. Approved changes will become public when the State Board finalizes results at its October board meeting.

Although the 2008-09 percentage rate of 71 percent of the schools making AYP compares favorably with the 31 percent for 2007-08, direct comparisons cannot be made since

retest results for reading and mathematics for students in grades 3-8 factored into this year's AYP calculations. Retesting positively impacted AYP results with an estimated nine to 10 percent more students scoring proficient after retesting.

The positive impact of retesting was evident in the percentage of students counted as proficient in grades 3-8. In mathematics, the change was 7.9 percentage points – from 72 percent before retesting to 79.9 percent with retesting included. In reading, the percent proficient went from 58.5 percent to 67.5 percent with retesting included. For 2008-09, at least 77.2 percent of students in each student group in an elementary or middle school had to score a Level III or IV on the end-of-grade mathematics assessments and at least 43.2 percent had to score proficient on the end-of-grade reading assessments in order for the school/district/state to make AYP. The next target goal increase is set for 2010-11.

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## Schools Benefit From Special Flexibilities in Calculating AYP

Hundreds of schools benefitted from special flexibilities utilized in calculating Adequate Yearly Progress (AYP). These three flexibilities – safe harbor, confidence interval, and AYP growth standard – allow a school to make AYP even if one or more student group(s) misses/miss the targeted proficiency goal if the school meets certain provisions. Below is a brief explanation of these provisions and the numbers of schools benefitting for 2008-09.

### SAFE HARBOR

Safe harbor is the first provisional status calculation applied if a student group meets the 95 percent participation rate but does not meet the proficiency target.

That student group can meet its proficiency target with a safe harbor provision if:

- the student group has reduced the percent of students not proficient by at least 10 percent from the previous year for that subject area; and
- the group shows progress on the Other Academic Indicator.

Schools can apply this safe harbor analysis to any and all group(s) of students that do not meet the proficiency target goal. If a student group does not have the minimum number of students required in the previous year to be calculated as a separate group, then the safe harbor provision cannot be utilized.

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## 71% of Schools Make AYP CONTINUED

Student retest results were included in the performance composite portion of the ABCs model for the first time in 2008-09 in response to recommendations of the North Carolina Blue Ribbon Commission on Testing and Accountability – a representative group of educators, legislators, business leaders and other citizens who advised the SBE on needed changes to the state’s accountability program in 2007. This year, students who earned a Level II score on the end-of-grade tests were retested and the students’ highest scores were used in the accountability model. Original test scores and the first retest scores from school and districts had to be submitted to NCDPI by June 30. A passing score on end-of-grade tests is Achievement Level III or IV. The retest policy for end-of-course retests will be implemented for high school AYP results and performance composites of the ABCs in 2009-10.

State Superintendent June Atkinson congratulated schools on their performance. “Our goal is for students to be proficient in the foundational skills that will allow them to be successful students and adults. This news proves that many schools are successfully helping students achieve that goal. The NC Department of Public Instruction is working on plans to assist those schools that were identified as low performing and will present that to the State Board in September.”

SBE Chairman Bill Harrison said that this year’s data give North Carolinians a clear picture of how well schools are performing. “By including retest results, we can see the number of students who are able to score proficient and demonstrate they are ready for the next grade level. I am pleased that we can give schools credit for this accomplishment.”

Of the 734 schools not making AYP, 401 missed it by one subgroup. Of those schools missing AYP by one subgroup, 32.2 percent missed it due to the Students With Disabilities (SWD) subgroup and 29.7 missed it due to “All Students.”

In addition to counting retest results, two other modifications made in reporting 2008-09 AYP results were as follows:

- For AYP purposes, students taking the Occupational Course of Study (OCS) EXTEND2 assessments were counted as non-participants. The SBE made this decision after the US Department of Education (USED) disallowed the use of NCDPI’s OCS assessments for AYP because the link between the general curriculum and the OCS curriculum was judged to be insufficient during the peer review process. For this reason, OCS students were included in the denominator but excluded from the numerator.
- When an existing Students with Disabilities (SWD) student group missed its AYP target, scores for Students With Disabilities who exited their SWD classification within the previous two years were included in AYP calculations. This same approach has been in place for several years for limited English proficient (LEP) students. Using this approach for the SWD group allowed 81 schools to make AYP that otherwise would not have made AYP.

Numbers and percentages of schools cited in this story do not include schools with “special evaluations” or “under review” status. Materials for local use in releasing and explaining the AYP data are provided online at [www.ncpublicschools.org/nclb](http://www.ncpublicschools.org/nclb).

## Schools Benefit From Special Flexibilities in Calculating AYP CONTINUED

### CONFIDENCE INTERVAL

For each student group, a 95 percent confidence interval, similar to a margin of error applied to polling data, is used around the percentages of students scoring proficient in reading and/or mathematics to determine whether target goals for AYP are met. This analysis is independent of the safe harbor calculations and cannot be combined with safe harbor for any one student group.

### AYP GROWTH STANDARD

Beginning in 2005-06, AYP calculations include a way that schools and districts can be credited for academic growth shown by a student group not initially meeting its proficiency target goal. An AYP growth standard is applied to student groups that don’t initially meet target goals. Nonproficient students who are on track toward meeting the proficiency standards within four years of entering a tested grade in North Carolina, or by the end of 10th grade, can be counted as proficient. The AYP growth standard outlines predetermined incremental progress that students must demonstrate in order to be counted as “on track” and, therefore, proficient. If the percentage of nonproficient students on the set proficiency growth pathway and percentage of proficient students combine to meet the proficiency target goal, the group is considered to have met its target goal. This is analyzed after attempting to use safe harbor and the confidence interval.

### The Number of Schools That Met AYP Using At Least One of the Following Special Flexibilities

(Schools May Be Counted On More Than One Row)

	Special Flexibility	Number of Schools
2008-09	Safe Harbor	987
	Confidence Interval	293
	AYP Growth	61
2007-08	Safe Harbor	350
	Confidence Interval	298
	AYP Growth	11
2006-07	Safe Harbor	447
	Confidence Interval	338
	AYP Growth	12
2005-06	Safe Harbor	626
	Confidence Interval	277
	AYP Growth	0

# SBE Will Approve School Improvement Designations in September

## 60 NC DISTRICTS ARE IN TITLE I DISTRICT IMPROVEMENT

Sixty school districts are in Title I District Improvement for 2009-10, with four exiting and two districts proposed to enter the designation. A school district enters Title I District Improvement by not meeting target goals, not necessarily the same target goal, in the same subject (reading/language arts or mathematics) in each of three grade spans (3-5, 6-8 and high school) for two years in a row.

Year of Improvement (Sanction Level)	Number of Districts in that Level for 2009-10	Number of Districts in that Level for 2008-09
1	12	8
2	13	14
3	16	19
4	10	12
5	8	9
6	1	0
<b>TOTAL</b>	<b>60</b>	<b>62</b>

A Title I District Improvement district must take certain measures, such as informing parents of the district's status, revising its two-year District Improvement plan (for Title I and non-Title I schools in the district) and setting aside 10 percent of its Title I allotment for professional development purposes in the subject area causing District Improvement status. (Please see waiver story below.)

The 35 NC school districts in the third year of Title I District Improvement, the corrective action phase, and subsequent years must take additional measures.

Customized parent notifications for districts in Title I District Improvement will be sent to each affected LEA's superintendent in early September. The letters must be sent to the parents of all students served by the district. Details regarding the logistics of letter distribution will be available on the Web at [www.ncpublicschools.org/nclb/district/faqs](http://www.ncpublicschools.org/nclb/district/faqs).

Listings of districts in Title I District Improvement are available on the Web at <http://aypncpublicschools.org/>. More information on Title I District Improvement is available at [www.ncpublicschools.org/nclb/district/](http://www.ncpublicschools.org/nclb/district/).

Schools' and districts' status in Title I Improvement will be presented at the Sept. 3 meeting of the State Board of Education. This fall, schools will be identified as part of the Statewide System of Support. Selection of schools receiving comprehensive support is based on a variety of factors, including their school district's capacity to address the needs of the schools and to provide the support needed to make long-term improvements. Schools can be included in comprehensive support for consistently low performance composites, not meeting expected growth standards, status as a Title I School Improvement school, and other criteria.

## USED Issues ARRA Title I Waiver Guidance

In July, the US Department of Education (USED) released the final Non-Regulatory Guidance on Title I, Part A waivers. Waivers that the NC Department of Public Instruction (NCDPI) is applying for include:

- The provisions that prohibit a SEA from approving as a provider of supplemental educational services (SES) a school identified for improvement, corrective action, or restructuring or an LEA identified for improvement or corrective action. Conditional approval of this waiver allowed North Carolina to open a second-phase application window for LEAs and schools, as well as other potential providers. The State Board of Education is expected to make final approvals of SES providers for 2009-10 at its Sept. 3 meeting. At that time, it is expected that the US Department of Education (USED) would have granted final approval, although no SEA is guaranteed that it will receive a waiver.
- An LEA's obligation to spend an amount equal to at least 20 percent of its fiscal year (FY) 2009 Title I, Part A, Subpart 2 allocation on transportation for public school choice and on SES (20 percent obligation). The waiver would allow an LEA to exclude some or all of its Title I, Part A, ARRA funds in calculating the set-aside amount.

- The responsibility of a school in improvement to spend 10 percent of its Title I, Part A funds on professional development. The waiver would allow an LEA to exclude some or all of its Title I, Part A, ARRA funds in calculating the set-aside amount.
- The responsibility of an LEA in improvement to spend 10 percent of its FY 2009 Title I, Part A, Subpart 2 allocation on professional development. The waiver would allow an LEA to exclude some or all of its Title I, Part A, ARRA funds in calculating the set-aside amount.
- The responsibility of an LEA to calculate the per-pupil amount for SES based on its FY 2009 Title I, Part A, Subpart 2 allocation. The waiver would allow an LEA to exclude some or all of its Title I, Part A, ARRA funds in calculating the set-aside amount.

Absent a waiver, an LEA's Title I, Part A ARRA funds would be included in the LEA's Title I, Part A, Subpart 2 allocation in determining the "set aside" amounts for the above requirements. The "set-aside" requirement waivers will be granted for the 2009-10 school year.

# NC's Graduation Rate Improves

The state's four-year cohort graduation rate increased from 70.3 percent in 2008 to 71.7 percent in 2009, according to results presented at the Aug. 6 meeting of the State Board of Education. The rate has improved each year since 2006 when North Carolina reported its first measurement of a cohort graduation rate (68.3 percent).



State Superintendent June Atkinson has made increasing the state's graduation rate a focus of her work at the Department of Public Instruction. State Superintendent Atkinson plans to recognize schools and districts with the highest graduation rates at a special event in September.

"Graduating from high school is a fundamental accomplishment that every young person in North Carolina should earn," Dr. Atkinson said. "... I will not rest until North Carolina's graduation rate moves to 100 percent." Last year, she initiated the Web site at [www.ncpublicschools.org/graduate/](http://www.ncpublicschools.org/graduate/) to draw attention to the issue.

## RESULTS FROM THIS YEAR'S REPORT:

Student Group	NC 4-Year Cohort Graduation Percentage Rates for the Class of 2008 (entering 2005-06 ninth graders)
All Students	71.7 percent
Male	67.0 percent
Female	76.5 percent
Native American	59.9 percent
Asian	83.7 percent
Black	63.1 percent
Hispanic	59.0 percent
Multi-Racial	71.3 percent
White	77.6 percent
Economically Disadvantaged	61.8 percent
Limited English Proficient	52.2 percent
Students With Disabilities	56.8 percent

State Board of Education Chairman Bill Harrison encouraged local school districts to examine practices that can assist students in being successful. "Not graduating from high school should not be an option for any young person," Harrison said. "It is that important as a gateway for higher education and success in adulthood. Local school districts can do many things to encourage graduation and to support students toward graduation."

Since the fall of 2002, local school districts have been accounting for each ninth grader as he or she moves through high school. This record-keeping provides the state with an accurate count of how many students graduate with a diploma in four years. Because some students may need a fifth year in order to earn their high school diploma, a five-year cohort graduation rate also is recorded.

The five-year rate for students who entered high school in 2004-05 was 72.9 percent, compared to the four-year rate of 70.3 percent for that year, showing that about 3,200 students who did not graduate in four years were able to complete their high school requirements with the fifth year. The five-year rate for students who entered high school in 2005-06 (the Class of 2009) will be reported next year.

North Carolina is one of the first states to comply with the National Governors Association compact, a plan begun in 2005 by the nation's governors to implement a common formula to calculate each state's graduation rate.

Under NCLB, schools must show progress on the Other Academic Indicator in order to make Adequate Yearly Progress (AYP). Since 2006, the Other Academic Indicator (OAI) for NC high schools is the four-year cohort graduation rate. Any school or district that graduates seniors is required to meet the state's 80 percent target goal or show an increase of at least 0.1 percentage points from the previous year's rate.

The North Carolina Blue Ribbon Commission on Testing and Accountability, a representative group of educators, legislators, business leaders and other citizens who advised the State Board of Education on needed changes to the state's accountability program in 2007, recommended that the state move to a five-year cohort graduation rate for AYP purposes. That request was denied by the US Department of Education in June 2008. However, the present administration seems open to devising a method where schools would get credit for students who take longer than four years to graduate. A system where states combine more heavily-weighted four-year rates with five-year rates may appear in the reauthorization of the Elementary and Secondary Education Act.

In addition, the present administration is signaling that states will need to ensure that aggressive graduation rate goals and annual targets to show improvement are set. The Asian student group, with a graduation rate of 83.7 percent, was the only student subgroup in North Carolina that met the OAI target goal for high schools without invoking the flexibility where the student subgroup must show at least a 0.1 percentage point increase from the previous year's rate.

The OAI is reported on the bottom line of the disaggregated data tables for each chart on pages 5 and 6.

**NORTH CAROLINA - STATE WIDE RESULTS: State did not make adequate yearly progress. State met 72 (or 88.9%) out of 81 target goals.**

**READING GRADES 3 THROUGH 8**

	All Students	American Indian	Asian	Black	Hispanic	Multi-Racial	White	Economically Disadvantaged	Limited English Proficiency	Students With Disabilities
Number of Students	676,232	9,881	16,747	184,665	71,703	26,475	366,761	326,816	48,969	86,513
Number of Students Tested	674,467	9,847	16,631	184,059	71,339	26,408	366,183	325,852	48,635	86,100
Percent Tested	100%	100%	99%	100%	99%	100%	100%	100%	99%	100%
Met 95% Target Goal?	Met	Met	Met	Met	Met	Met	Met	Met	Met	Met
Number of Tested Students (Full Academic Year)	672,552	9,844	16,014	183,929	70,344	26,384	366,037	324,766	46,725	86,054
Target Goal Percent Proficient (At or Above Grade Level)	43.2%	43.2%	43.2%	43.2%	43.2%	43.2%	43.2%	43.2%	43.2%	43.2%
Percent Proficient (At or Above Grade Level)	67.5%	53.2%	77.5%	49.1%	52.0%	69.8%	79.4%	52.9%	37.4%	36.9%
Percent Proficient with Growth	72.1%	59.2%	81.0%	55.7%	60.1%	74.9%	82.4%	59.5%	48.2%	42.8%
Met AYP Proficiency Goal?	Met	Met	Met	Met	Met	Met	Met	Met	Met w/SH	Met w/SH
Number of Students Included in Growth	548,807	7,488	13,513	135,773	55,535	21,846	314,652	249,289	34,618	45,608
Percent Met Growth Expectation	52.2%	46.2%	58.4%	44.8%	47.8%	52.9%	56.1%	46.7%	43.6%	40.2%
OAI Attendance%	95.9%	94.7%	97.5%	96.0%	96.4%	95.6%	95.7%	95.3%	96.5%	94.7%
OAI Attendance Met?	Met	Met	Met	Met	Met	Met	Met	Met	Met	Met

**MATHEMATICS GRADES 3 THROUGH 8**

	All Students	American Indian	Asian	Black	Hispanic	Multi-Racial	White	Economically Disadvantaged	Limited English Proficiency	Students With Disabilities
Number of Students	676,230	9,881	16,747	184,665	71,703	26,474	366,760	326,815	48,969	86,513
Number of Students Tested	674,597	9,847	16,701	184,059	71,443	26,410	366,137	325,889	48,750	86,076
Percent Tested	100%	100%	100%	100%	100%	100%	100%	100%	100%	99%
Met 95% Target Goal?	Met	Met	Met	Met	Met	Met	Met	Met	Met	Met
Number of Tested Students (Full Academic Year)	672,720	9,844	16,094	183,932	70,468	26,386	365,996	324,813	46,878	86,030
Target Goal Percent Proficient (At or Above Grade Level)	77.2%	77.2%	77.2%	77.2%	77.2%	77.2%	77.2%	77.2%	77.2%	77.2%
Percent Proficient (At or Above Grade Level)	79.8%	71.0%	91.3%	64.4%	74.6%	80.7%	88.3%	70.0%	67.3%	53.8%
Percent Proficient with Growth	82.4%	74.6%	92.7%	69.0%	78.7%	83.5%	89.6%	73.9%	73.0%	57.8%
Met AYP Proficiency Goal?	Met	Met w/SH	Met	Met w/SH	Met w/SH	Met	Met	Met w/SH	Met w/SH	Met w/SH
Number of Students Included in Growth	578,630	8,157	14,222	146,613	59,779	22,660	327,199	268,064	38,235	50,712
Percent Met Growth Expectation	61.4%	57.9%	71.9%	55.8%	61.6%	61.6%	63.4%	57.6%	61.2%	50.1%
OAI Attendance%	95.9%	94.7%	97.5%	96.0%	96.4%	95.6%	95.7%	95.3%	96.5%	94.7%
OAI Attendance Met?	Met	Met	Met	Met	Met	Met	Met	Met	Met	Met

**READING GRADE 10**

	All Students	American Indian	Asian	Black	Hispanic	Multi-Racial	White	Economically Disadvantaged	Limited English Proficiency	Students With Disabilities
Number of Students	102,738	1,274	2,528	30,238	7,515	2,635	58,548	38,863	4,207	10,454
Number of Students Tested	98,605	1,189	2,466	28,292	7,160	2,526	56,972	36,521	3,938	8,069
Percent Tested	96%	93%	98%	94%	95%	96%	97%	94%	94%	77%
Met 95% Target Goal?	Met	Met w/SH	Met	Met w/SH	Met	Met	Met	Met w/SH	Met w/SH	Not Met
Number of Tested Students (Full Academic Year)	94,472	1,135	2,387	26,441	6,788	2,380	55,341	34,621	3,707	7,641
Target Goal Percent Proficient (At or Above Grade Level)	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%	38.5%
Percent Proficient (At or Above Grade Level)	65.9%	48.1%	73.6%	48.6%	50.0%	70.8%	75.9%	48.8%	27.9%	25.0%
Percent Proficient with Growth	65.9%	48.1%	73.6%	48.6%	50.0%	70.8%	75.9%	48.8%	27.9%	25.0%
Met AYP Proficiency Goal?	Met	Met	Met	Met	Met	Met	Met	Met	Not Met	Not Met
Number of Students Included in Growth	864	12	12	355	77	14	394	514	54	102
Percent Met Growth Expectation	73.3%	*	*	75.2%	74.0%	*	71.1%	72.2%	79.6%	70.6%
OAI Attendance%	71.7%	59.9%	83.7%	63.1%	59.0%	71.3%	77.6%	61.8%	52.2%	56.8%
OAI Attendance Met?	Met w/SH	Met w/SH	Met	Met w/SH	Met w/SH	Met w/SH	Met w/SH	Met w/SH	Met w/SH	Met w/SH

\* not calculated due to insufficient data (less than 40 students in the subgroup)

**MATHEMATICS GRADE 10**

	All Students	American Indian	Asian	Black	Hispanic	Multi-Racial	White	Economically Disadvantaged	Limited English Proficiency	Students With Disabilities
Number of Students	102,621	1,273	2,521	30,199	7,507	2,634	58,487	38,809	4,202	10,375
Number of Students Tested	96,945	1,103	2,438	27,539	7,010	2,485	56,370	35,728	3,833	7,847
Percent Tested	94%	87%	97%	91%	93%	94%	96%	92%	91%	76%
Met 95% Target Goal?	Met w/SH	Not Met	Met	Not Met	Met w/SH	Met w/SH	Met	Met w/SH	Not Met	Not Met
Number of Tested Students (Full Academic Year)	90,018	1,033	2,189	25,192	6,419	2,229	52,956	33,325	3,457	7,389
Target Goal Percent Proficient (At or Above Grade Level)	68.4%	68.4%	68.4%	68.4%	68.4%	68.4%	68.4%	68.4%	68.4%	68.4%
Percent Proficient (At or Above Grade Level)	73.1%	64.3%	85.2%	55.3%	65.4%	76.1%	82.0%	60.0%	53.5%	42.0%
Percent Proficient with Growth	73.1%	64.3%	85.2%	55.3%	65.4%	76.1%	82.0%	60.0%	53.5%	42.0%
Met AYP Proficiency Goal?	Met	Met w/SH	Met	Met w/SH	Met w/SH	Met	Met	Met w/SH	Not Met	Not Met
Number of Students Included in Growth	6,471	123	70	2,250	580	195	3,253	3,380	321	653
Percent Met Growth Expectation	80.1%	82.1%	78.6%	84.5%	87.4%	74.9%	76.0%	82.5%	90.0%	82.1%
OAI Attendance%	71.7%	59.9%	83.7%	63.1%	59.0%	71.3%	77.6%	61.8%	52.2%	56.8%
OAI Attendance Met?	Met w/SH	Met w/SH	Met	Met w/SH	Met w/SH	Met w/SH	Met w/SH	Met w/SH	Met w/SH	Met w/SH

## USED Denies EOG/EOC Math Redundancy Amendment

In a June 2009 letter, the US Department of Education (USED) denied North Carolina's proposal to allow students enrolled in Algebra I in middle school to take an Algebra I end-of-course (EOC) test in place of the end-of-grade mathematics assessments and count the results of the Algebra I EOC assessment in Adequate Yearly Progress (AYP) determinations for eighth grade mathematics, and to allow those students to take a different EOC test, such as geometry or Algebra II, in high school and count the results of that other EOC assessment in AYP determinations for high school mathematics. In denying the proposal, the USED cited Section 1111 (b)(1)(B), (C)

requiring that a state's academic content and achievement standards "be the same academic standards that the State applies to all schools and children in the State" and "include the same knowledge, skills and levels of achievement expected of all children."

The proposed amendment was aligned with steps marked for immediate action in the State Board's "Framework for Change: The Next Generation of Assessments and Accountability" presented June 2008. That document called for the State to "eliminate the redundancy in EOC and EOG testing by allowing relevant EOC scores to count as EOG scores in middle grades."

## EXTEND2 Impacts AYP for High Schools

Some high schools did not meet the 95 percent participation target goal due to the US Department of Education's decision to uphold the previous administration's ruling that the NCEXTEND2 Occupational Course of Study (OCS) assessments in reading writing, math and science (Occupational Writing, English I, Occupational Mathematics I, and Occupational Life Skills Science I and II) could no longer be used to meet the high school testing requirements that determine Adequate Yearly Progress (AYP). OCS students had to take the NCEXTEND2 assessments to meet ABCs requirements, but students who took these tests were counted as non-participants for AYP purposes.

Statewide for 2008-09, the Students With Disabilities (SWD) student subgroup did not meet the 95 percent tested requirement

for Grade 10 in reading/language arts. The SWD student subgroup and three other student groups did not meet the 95 percent tested requirement for Grade 10 in mathematics for a total of five missed targets. Only two participation rate targets were not met for Grade 10 in 2007-08.

The next edition of OCS tests will need to be more closely tied to the new standards of the general curriculum. Drafts for new content standards for mathematics, science, English 10, OCS, and Information and Technology Skills K-12 have been developed through the Accountability and Curriculum Revision Effort (ACRE). (Please see related story on page 11) Benchmarking tools for this first set of essential standards are expected to be operational by July 2011 and assessments should be operational for the 2012-13 year.

## National ESEA Reauthorization Task Force Appoints Fabrizio

**Dr. Louis Fabrizio**, director of accountability policy and communications at the North Carolina Department of Public Instruction (NCDPI), has been appointed to the Council of Chief State School Officers (CCSSO) Elementary and Secondary Education Act (ESEA) Reauthorization Task Force. Dr. Fabrizio will join about a dozen federal government liaisons, state education officials and state education agency staff from across the country to review, update and provide recommendations to Congress regarding the ESEA.

The CCSSO is forming the task force in the wake of renewed efforts by the US House and Senate Committee leadership to change the ESEA, reauthorized in 2001 as the No Child Left Behind (NCLB) Act, to reflect the present administration's education priorities. The task force will work to develop recommendations to present to Congress this fall. The ESEA was due for reauthorization in 2007, but national elections took precedence before bipartisan differences could be resolved.

Dr. Fabrizio, who began serving as NCDPI's director of accountability services in 1996, oversaw the ABCs accountability program, the statewide testing program and the implementation of the state's accountability and assessment requirements for NCLB. In 2008, he was named to his current position where he focuses much of his work on the State Board of Education's "Framework for Change," developing the state's next generation of assessments and accountability programs.

Dr. Fabrizio also serves on the national Standing Task Force on Assessment and the Assessment Subcommittee of the CCSSO Education Information Management Advisory Consortium. In 2007, he was appointed to the National Assessment Governing Board (NAGB) which sets policies for the National Assessment of Educational Progress (NAEP).

### WHAT WILL ESEA REAUTHORIZATION LOOK LIKE?

What changes will be made in the reauthorization of the Elementary and Secondary Education Act (ESEA), reauthorized in 2001 as the No Child Left Behind Act? Assurances necessary to access funding through the American Recovery and Reinvestment Act of 2009 (ARRA) and similar criteria outlined in the Race to the Top (RTT) grant program are probably indicative. The four pillars that emerge as certain to be emphasized in the reauthorized ESEA are:

- College- and career- ready standards and high-quality, valid and reliable assessments for all students;
- Development and use of pre-K through post-secondary and career data systems;
- Increasing teacher effectiveness and ensuring an equitable distribution of qualified teachers; and
- Turning around the lowest-performing schools.

# State Budget Cuts Education Funding

The \$19 billion two-year State budget passed in August 2009 represents a 4.75 percent decrease or cut in funding from 2008-09 levels after federal stabilization off-set.

The State Board of Education must divide a \$225 million cut this year among all local school districts, including charter schools, based on anticipated student enrollment. (For LEA allocations and links to the budget, please visit [www.ncpublicschools.org/fbs](http://www.ncpublicschools.org/fbs).)

In addition, the budget requires that the North Carolina Department of Public Instruction (NCDPI) cut 64 positions for the 2009-10 fiscal year and 36 more, 25 of which could be from now state-funded positions, next year. Position and operating fund cuts represent a 14 percent reduction in the NCDPI budget.

State public school funds are budgeted for \$7,456,261,240 in 2009-10 and \$7,358,833,223 in 2010-11, down from \$7.9 billion in 2007-08.

Budget Item	Reduction Dollar Amount for 2009-10
reduction in non-instructional support personnel (clerical assistants, custodians, substitute teachers, etc.)	(379,668,352) <i>This non-recurring cut was replaced with federal stabilization funds.</i>
LEA adjustment: discretionary reduction for public schools	(225,000,000)
textbooks (adoption of math textbooks in grades 6-12 delayed)	(47,977,278) <i>non-recurring reduction</i>
transportation (salaries of transportation personnel and bus maintenance)	(15,000,000)
central offices (tiered reduction: LEAs of less than 8,000 students, 7.5 percent reduction; LEAs of 8,000-30,000, 14 percent reduction; LEAs of more than 30,000, 18 percent reduction)	(14,613,199)
literacy coaches	(12,034,400)
school technology	(9,613,872) <i>non-recurring reduction</i>
eliminated improving student accountability	(38,339,798)

Carryover was not allowed in most cases, but, when allowed (At-Risk and other funds), the carryover was limited to 50 percent of the June 30 balance.

This year's total State budget is cut by \$2 billion compared to last year. This smaller budget includes federal stimulus money (\$1.3 billion) and additional tax revenue (\$990 million), which together cover about half of the more than \$4 billion shortfall.

## STATE FISCAL STABILIZATION FUND (SFSF) GUIDELINES

LEAs can use SFSF funds for most expenditures with the following exceptions:

- maintenance costs;
- stadiums or other facilities used for athletic contests or exhibitions or other events for which admission is charged to the general public;
- purchase or upgrade of vehicles;
- improvement of stand-alone facilities whose purpose is not the education of children, including central office administration or operations or logistical support facilities;
- any aquarium, zoo, golf course, or swimming pool; and
- the provision of financial assistance to students to attend private elementary or secondary schools, unless the funds are used to provide special education and related services to children with disabilities as authorized by the Individuals with Disabilities Education Act.

The General Assembly reduced non-instructional support and used stabilization funds to maintain the services. LEAs do not have to use funds for this purpose, but only 11 million remains in this allotment for the 2009-10 fiscal year.

LEAs must obligate all SFSF monies by no later than September 30, 2011.

## SPENDING FREEZE

The Governor's spending freeze signed July 24 was lifted August 14. Although Executive Order Number 20 has been rescinded, LEAs should be very conservative with how they utilize state funds.

## SBE GRANTS BUDGET FLEXIBILITY TO LEAS

In August, the State Board of Education (SBE) approved changes to the ABC Transfer Policies in the Allotment Policy Manual that will be in effect for fiscal years 2009-10 and 2010-11. This temporary flexibility lifts many previous restrictions regarding transfer of funds between line items to enable LEAs to better manage the significant budget reductions for these fiscal years. The transfer flexibility will end June 30, 2011, unless additional action is taken by the State Board to extend or alter that flexibility.

**The SBE's action was based on Section 7.8 of Senate Bill 202, which authorized the SBE to adopt emergency rules to grant maximum flexibility to LEAs regarding the transfer of State funding with the two following restrictions:**

- 1) Allocation of teachers and K-3 class size requirements must remain unchanged.
- 2) Fund transfers from school-based positions to the central office are not allowed.

LEAs are to make every effort to minimize the budget adjustments that impact classroom instruction and classroom activities. LEAs must also maximize the use of federal recovery funds to assure that, when appropriate under federal grant rules, the funds are used to expand or maintain classroom support. As required by the federal recovery funding guidance, the State will be monitoring and reporting the types of jobs created and saved by LEAs due to federal recovery funds. This reporting will be monthly and will be posted to the Web for public access to expenditure information.

Expenditures will be captured in the Program Report Code (PRC) from which funds are expended and reported per Uniform Education Reporting System (UERS) requirements every 30 days. All positions/months are transferred at the statewide average salary. If converting Instructional Support, Career Technical Education Months of Employment or School Building Administration for the purpose of paying for a different certified position from that being transferred into PRC 010 (Certified Positions converted to dollars), the dollar amount converted will equal the average salary of the position including benefits. The salary of the position to be paid from PRC 010 will be a dollar allotment and not a guaranteed salary. Converting certified position allotments to dollars for the purpose of hiring the same type position is not allowable.

No transfers will be allowed from Children with Disabilities Special Funds (PRC 063) and Behavioral Support (PRC 029).

**Transfers will be allowed to or from the following categories (for FY 2009-10 and FY 2010-11):**

- Limited English Proficiency
- Low Wealth Supplemental Funding
- School Technology
- High School Learn and Earn
- Disadvantaged Student Supplemental Funding
- At Risk Student Services/Alternative Schools: Funds can be transferred into or out of this category.
- Classroom Teachers: Transfers from teachers are not restricted. Note the legislation requires LEAs to minimize the dismissal of classroom-based personnel and that class size requirements in grades K-3 must remain unchanged. The legislation also states that LEAs shall use allotted positions to maximize student achievement in grades 4-12.
- Teacher Assistants: Transfers into or out of teacher assistants are acceptable. Grade placement may be waived if it is in a school's improvement plan to serve students primarily in grades K-3 when the personnel are assigned to an elementary school to serve the whole school.
- Academically and Intellectually Gifted: Funds may be transferred to other categories.

- Classroom Materials/Instructional Supplies/Equipment: Funds may be transferred into or out of this category.
- Textbooks: Transfers into and out of this category are allowed. There is no change in carryover provisions as outlined in policy.

**Limited transfers will be allowed for the following categories:**

- Central Office Administration: Transfers from central office administration are acceptable. Transfers into this category are not allowed.
- Transportation funds may be transferred, but will impact efficiency ratings.
- Career Technical Education: Funds may be transferred between Months of Employment (MOEs) and Program Support. Transfers out of Career Technical Education (MOEs) for other categories is allowable up to the amount of increase in the State allotment for each fiscal year. The Department is requesting a waiver of the federal maintenance of effort restrictions that will allow for additional transfers if approved.
- Non-instructional Support: Funds may not be transferred out of this category.
- Children with Disabilities: Funds can be transferred from this category up to the amount of increase in the State allotment for each fiscal year and only if the dollars per eligible student is maintained at the FY 2008-09 level as adjusted for legislated adjustments. (Federal recovery money can be used as part of the dollar per eligible student calculation). The Department is requesting a waiver of the federal maintenance of effort restrictions that will allow for additional transfers if approved.

The final date for transfers is the last work day of May each year. Transfers received after this date cannot be approved.

**SEVEN STATE PRCS ARE REMOVED**

Due to the passing of the Senate Bill 202, seven state Program Report Codes (PRCs) are now removed from the current Chart of Accounts effective July 1, 2009. The seven state PRCs are:

- PRC 028 - Staff Development
- PRC 033 - ABC Incentive Award
- PRC 045 - Compensation Bonus (Legislated)
- PRC 052 - Literacy Coaches
- PRC 072 - Improving Student Accountability Standards
- PRC 080 - Math Science Teacher Supplement
- PRC 093 - High Priority Schools

The PRCs will remain open for refunds only until Aug. 28, 2009 for LEAs that have coded expenditures to the above PRCs.

# NC Plans to Apply for RTTT Grant Phase 1

In July, the US Department of Education (USED) published a draft of its selection criteria for the \$4.35 billion Race to the Top (RTTT) fund, part of the nearly \$100 billion allotted to education in the American Recovery and Reinvestment Act of 2009 (ARRA). The USED plans to make RTTT grants in two phases and the North Carolina Department of Public Instruction (NCDPI) is working with the Governor's office and other alliances in trying to position the State as a first-phase grantee.

Phase 1 applications will open in late 2009. The application deadline should be in December and winners will be announced in March 2010 when funding disbursements begin. LEAs will receive 50 percent of the State's grant award and that 50 percent would be allocated based on the Title I formula, although it would not be distributed based on that formula.

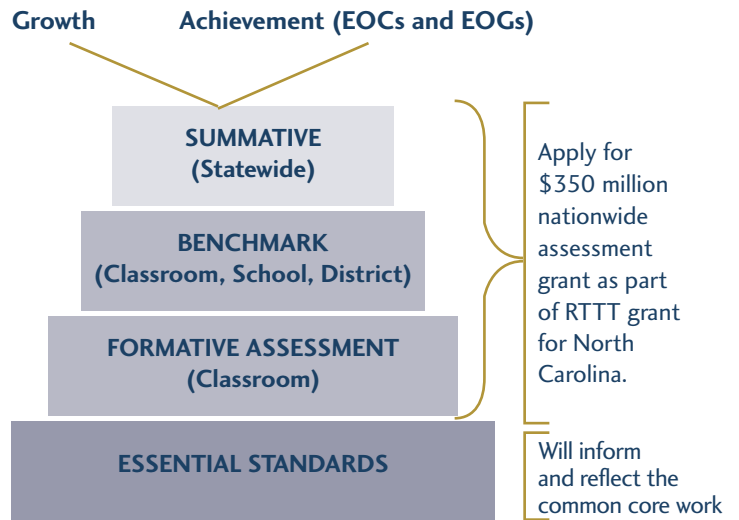
The North Carolina Department of Public Instruction (NCDPI) is working to secure a grant (\$350 million nationwide) for the development of assessments as part of the RTTT proposal for North Carolina. This initiative is aligned with the RTT core reform areas and ARRA work, which is designed to encourage states to develop a comprehensive and integrated system of standards, assessments, curriculum, instructional materials, data, teacher and principal development, and student support.

The four RTTT core reform areas are: 1) developing and adopting common standards and related high quality assessments; 2) fully implementing a statewide longitudinal data system using data to improve instruction; 3) providing alternative pathways for teachers/principals and differentiating teacher/principal effectiveness based on performance; and 4) supporting the lowest-performing schools and LEAs and raising achievement and closing gaps.

Developing and adopting common standards and related high quality assessments is related directly to the Accountability and Curriculum Reform Effort (ACRE) project North Carolina has engaged in and the national common core standards drive North Carolina has joined. (A related story is available in the May 2009 edition of *NC NCLB News*.)

Implementation of a statewide longitudinal data system used to improve instruction relates to several efforts in North Carolina including NCWISE, CEDARS work with unique student identifiers, graduation rates and benchmarks for rates, reading end-of-grade and end-of-course assessments which have included a Lexile component, the most widely adopted reading measure in use today, and possible use of Quantiles, also developed by MetaMetrics, as a universal matrix for mathematics. (A related story on Lexiles is available in the May 2009 edition of *NC NCLB News*.)

## PROPOSAL FOR INTEGRATION OF ACRE AND RTTT



Teacher and principal effectiveness might possibly be tied, in part, to the c-scale (change scale) used in the ABCs to track a student's academic change.

Last year, the NCDPI built on previous models to develop and implement the Statewide System of Support which served 165 schools and six school districts. Further developing this system of support to include struggling schools that may not appear on the ABCs/AYP radar will be important in addressing how to support low-performing schools and raise achievement and close gaps. Although state education funding was cut drastically for 2009-10, "Assisting High Need Schools" received a \$2.5 million increase for this year and the next.

The NCDPI and other partners in this endeavor will be seeking statewide support and commitment as well as ideas and comments for the RTTT application this fall. LEAs will be asked to deliver feedback through their regional centers.

NC'S CURRICULUM DESCRIPTORS	RTTT/ARRA CURRICULUM DESCRIPTORS
Essential	Essential
Narrow, Deep, Prioritized, Focused	Focused
Readiness for College and Career	Readiness for College and Career
Clear and Concise	Fewer, Higher, Clearer
Rigorous and Relevant	Rigorous

# “Framework for Change” Essential Standards Enters Phase 2

The Phase 1 draft of essential standards for K-12 mathematics, English 10, the Occupational Course of Study, and information and technology skills was presented to the North Carolina State Board of Education (SBE) for discussion in August. The draft is online at [www.ncpublicschools.org/acre/standards](http://www.ncpublicschools.org/acre/standards). Benchmarking tools for these standards will be developed this year and next. All assessments for Phase 1 – formative, benchmarking and summative – will be operational for 2011-12. An elementary diagnostic assessment is being piloted this year.

Essential standards for Phase 2 subjects (K-12 English/language arts, social studies, second languages, science, and the arts) are being developed now.

Defining essential standards for K-12 is the key foundation of the Accountability and Curriculum Reform Effort (ACRE). Essential standards are focused, rigorous and coherent curriculum goals that all students should reach at each grade level. The work of Phase I has incorporated the feedback from over 12,000 survey respondents as well as analysis of trends and standards from around the country and the world. Opportunity for input through surveys will continue as part of the ACRE work.

New assessment prototypes connected to the new essential standards are being developed. Assessments will include formative for classroom use; benchmark for classroom, school and district use; and summative for statewide use.

Phase 1 benchmark assessments under development differ from many benchmark assessments of the past and more attention is focused on formative and benchmark assessments, which

are diagnostic in nature, in addition to the required summative assessments at year’s end. Rather than mini-multiple choice tests, new benchmark assessments are innovative, open-ended, and utilize student-friendly technology. Results from these diagnostic tests will not be collected by the state.

The ACRE project was initiated in response to the SBE’s mandate to move to an essential standards model that was outlined in the “Framework for Change: The Next Generation of Assessments and Accountability,” adopted in June 2008. These mandates were developed in response to the report from The Blue Ribbon Commission on Testing and Accountability delivered in January 2008. However, the work seems to be dovetailing with recent national initiatives including the national common core standards movement, which North Carolina committed to in April, requirements for applying for American Recovery and Reinvestment Act of 2009 (ARRA) funding, and Race to the Top (RTTT) grant assurances.



*“We feel very positive that our work fits right in,” said Deputy Chief Academic Officer **Angela Quick**. “The work outlined in “Framework for Change” and the ACRE project are integrated with the Race to the Top (RTTT) assurances and with the common core work.”*

The RTTT initiative seeks to positively impact four areas – teacher effectiveness and equitable distribution, standards and assessments, the collection and use of data, and turnaround efforts for struggling schools.

## ACRE TIMELINE

2008-2009		2009-2010		2010-2011		2011-2012		2012-2013	
JULY		JULY		JULY		JULY		JULY	
<b>P1</b> Essential Standards	<b>P1</b> Item Development	<b>P1</b> Field Test	<b>P1</b> Essential Standards and Assessments Operational						
	<b>P1</b> Benchmarking Tool for First Set (P1) of Essential Standards Operational July 2011								
	<b>P2</b> Essential Standards	<b>P2</b> Item Development	<b>P2</b> Field Test	<b>P2</b> Essential Standards and Assessments Operational					
		<b>P2</b> Benchmarking Tool for Second Set (P2) of Essential Standards Operational July 2012							
	Elementary Diagnostic Assessment Piloted Results in June 2010	<b>D</b>	Elementary Diagnostic Assessment Operational	<b>D</b>					
Innovative Assessment Team Report (July 09)									
Criteria for Choosing Constructed Response Items (Sept 09)									<b>P1 = Phase I</b> (Math, Science, Eng 10, Information and Tech Skills, Occupational)
Formative PD Modules 1-5 (Aug-Dec 09)	Modules 6-13 (June 09)								<b>P2 = Phase II</b> (ELA, Social Studies, Other Subject Areas)
Online PD Community Launch (June 2010)									<b>D = Elementary Diagnostic Assessment</b>
Case Studies on Administering 21st Century, Computer-Based Assessments (Jan 2010)									
New Accountability Committee Report (Sept 09)									

# ARRA Reporting Differs From Other Federal Reporting

Use and reporting of federal dollars is and will be intensely scrutinized. Documentation is more important than ever. Reporting for federal recovery funds is different from reporting requirements for other federal funds. In addition, North Carolina's Title I, Part A program will be monitored this year and federal officials will begin their work in North Carolina in October. The federal Government Accountability Office (GAO) has selected North Carolina as one of 16 states that will receive special attention regarding how it uses the federal stimulus dollars and LEAs may be contacted as part of this process.

Under the American Recovery and Reinvestment Act of 2009 (ARRA), federal awarding agencies and recipients must adhere to new transparency and accountability requirements. Monitors will look to ensure compliance with the following accountability objectives, as set forth in the ARRA guidance:

1. Recipients and uses of funds are transparent to the public;
2. Public benefits of these funds are reported clearly, accurately, and in a timely manner;
3. Funds are used for authorized purposes; and
4. Occurrences of fraud, waste, error, and abuse are mitigated.

As ARRA spending increases in 2009, so will its effects on audits. Recipients and subrecipients must identify ARRA funds properly including:

- What has been expended and a description of the activity.
- An estimate of the jobs created or retained.
- Details on sub-awards.

To accommodate the reporting requirements, the North Carolina Department of Public Instruction (NCDPI) will modify the BUD program (used to submit budget amendments) to include data related to positions and standard descriptions or to establish a new Web-based system to collect the needed information. More information on ARRA reporting requirements is available online at [www.ncpublicschools.org/fbs](http://www.ncpublicschools.org/fbs).

In addition to reporting requirements, Gov. Beverly Perdue would like all job postings associated with ARRA funds to be posted with the Employment Security Commission (ESC). Since it will be very difficult to separate ARRA positions from ordinarily occurring job openings, NCDPI is asking that all job openings be posted with ESC.

The Office of Inspector General (OIG) issued a report, *Fiscal Issues Reported in ED-OIG Work Related to LEAs and SEAs*, on July 21 that outlined pervasive fiscal issues found in audit reports for fiscal years 2003 through 2009 for the Title I, II, and V, and the IDEA programs. Those issues included: unallowable or inadequately documented personnel and non-personnel expenditures, violation of the supplanting prohibition, inadequate inventory control systems, unallowable costs related to LEAs' not meeting program requirements, inability to demonstrate that program requirements were fulfilled, ineligibility for the programs, and inadequately documenting program eligibility. The report is online at [www.ed.gov/about/offices/list/oig/areports.html](http://www.ed.gov/about/offices/list/oig/areports.html) under "Office of the Secretary."

## Harrison Announces Retirement, Continues as SBE Chair



Superior Court Judge Robert Hobgood ruled on July 20, that the North Carolina Constitution gives state schools Superintendent June Atkinson authority to run the North Carolina Department of Public Instruction (NCDPI). Dr. William Harrison was named the Chief Executive Officer of the NCDPI by Gov. Beverly Perdue shortly

after she assumed office. Following the judge's ruling, Dr. Harrison announced his retirement effective Aug. 31, 2009, from the position of CEO of the Department. He will retain his position as chairman of the North Carolina State Board of Education.

## SES Pilot Program

At presstime, the NC Department of Public Instruction had submitted a letter to the USED requesting continued participation in the federal pilot program that enables districts to offer SES prior to public school choice in the first year a school is in Title I Improvement. Last year, 35 districts participated in the pilot. The plan was to open the opportunity to all interested LEAs. Districts interested in participating in the pilot for the 2009-10 school year should keep checking the Web at [www.ncpublicschools.org/program-monitoring](http://www.ncpublicschools.org/program-monitoring) for news of this opportunity.

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