

Section 5 -

Education Issues

**North Carolina Public Education
Reform Initiatives**

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Government Services Management Consulting
for
North Carolina General Assembly
Government Performance Audit Committee
December 1992

Issue Statement

The objective of this issue paper is to assess the results of the recent educational reform in North Carolina and to identify opportunities for improvement.

Background

The North Carolina Department of Public Instruction has been actively involved in providing formal accreditation services for local schools since the mid-1920's. Prior to the early 1970's, these services were focused on school-level accreditation through voluntary participation by the local schools. Over the years, the program thrust remained the same and varied only in modifications of the procedures and requirements for attaining certification. In 1972, the State Board of Education changed direction by undertaking a voluntary accreditation program for local school administrative units that lasted until 1987. By that time, 88 percent of the local school units had successfully achieved accreditation.

Implementing the Basic Education Plan

The most significant change in the evolution of North Carolina's accreditation process resulted from the Legislature's enactment of the Basic Education Plan (General Statute 115c-12) in 1983. Part of this legislation directed that the State Board of Education develop a comprehensive mandatory state accreditation process to monitor each local education unit's implementation of BEP.

This legislative mandate required a massive overhaul of the accreditation and certification process. The new program introduced two types of state-adopted standards--opportunity standards and performance standards. As their name implies, opportunity standards address the availability of educational resources and the conditions within each district. Since a major purpose of the Basic Education Plan is to guarantee that each child throughout the state has access to the same educational program, opportunity standards provide a way to evaluate the "educational climate" within each district through both quantitative and qualitative measures. Compliance with course offerings in the BEP Course of Study and student/staffing ratios are examples of these opportunity standards measures.

The performance standards, which were incorporated into the BEP-revised accreditation process, addressed specific objective measures of student outcomes. These are similar to the types of performance measures used in other states and include test scores on both state competency tests and commercial norm-referenced achievement tests, dropout rates, and attendance rates. The newly defined accreditation process required that each local administrative unit submit annual reports of student performance outcomes and their level of compliance with the opportunity standards. The compliance level for each type of standard was set at 75 percent in order for the local school system to be awarded accredited status. A five-year accreditation cycle, beginning with 1989-90, was also initiated whereby 20 percent of the local units would receive an intensive on-site joint review each year. Those that successfully completed this review would then receive a five-year accreditation, augmented by the annual compliance reports.

School Improvement and Accountability Act of 1989 (Senate Bill 2)

The State Auditor's 1990 Performance Audit report raised several concerns and included several recommendations regarding the appropriateness and validity of the new accreditation process. These recommendations, along with feedback from DPI, local administrative units and several independent policy groups, led to several important changes in the new accreditation process that were incorporated into Senate Bill 2, otherwise known as the "School Improvement and Accountability Act of 1989." The most significant of these were an annual report card process and a stronger focus on outcomes based performance measures.

This changeover from an accountability focus on equalizing educational opportunities (or

inputs) among the local administrative units to a focus on improving student performance (or outputs) resulted in another monumental shift in the accreditation process. Local school administrative units were encouraged to participate in a voluntary Performance Based Accountability Program whereby they would develop multi-year goals and strategies for improving the performance of their students. Incentives for participation in this new program included a waiver from the annual opportunity standards reporting, greater flexibility in spending, an optional differentiated pay program, and the opportunity to apply for waivers from other state regulations and mandates. Not surprisingly, all 134 local administrative units chose to participate in the new program.

The Performance Based Accountability Program(PBAP), as established by the State Board under the directives of Senate Bill 2, required that each local administrative unit develop a three to five year plan of goals and strategies for improving student performance to be measured from among the 30 performance indicators identified by DPI. Unlike previous efforts, the local administrative units were allowed greater flexibility in using these indicators to establish benchmarks and to monitor their yearly progress.

Senate Bill 2 included the mandate that the State Board of Education develop an annual report for each school. Consequently, the Department of Public Instruction developed and initiated an Annual Report Card for local public school systems beginning in 1990. The stated purpose of the Report Card is to "provide policy makers and operational decision makers at the state and local levels with information for improving student achievement." These report cards provide demographic information and four levels of comparison of student performance for each school system:

- Current levels of performance with those of previous year
- Performance in relation to all other systems in the state
- Comparison with other similar districts
- Performance as measured against minimum standards established by the State Board of Education for all school systems.

Senate Bill 2 also directed that "This assessment (annual 'report card') shall take into account demographic, economic, and other factors that have been shown to affect student performance." Therefore, DPI developed and included an "Index of Advantagement" as a way for similar systems to compare themselves based upon these factors. When first introduced, this index was somewhat controversial because of the way it was measured. However, it now appears that the index is accepted as a normal part of the report card. In fact, the Annual Report Card itself has become institutionalized as part of the accreditation/accountability process.

The last major impact on the accreditation process resulting from Senate Bill 2 was the directive that the State Board adopt a new criterion-based testing program for grades 3 to 12, based on the BEP Standard Course of Study. The status of these tests varies according to the grade level and are either currently under development or scheduled for implementation during this school year. The Annual Report Cards and Performance Based Accountability Program (PBAP) have been adjusted to reflect this changeover of assessment instruments.

While House Bill 1340 and other similar legislation continue to make minor revisions to previous legislative mandates, it is clear that the current focus on the Performance Based Accountability Program (PBAP) and Annual Report Cards have become established as the two most important elements of the accreditation/accountability process. Future plans appear aimed at providing each local administrative school unit with the capacity to develop individual report cards for their schools (a process which some have already begun) and to extend the Performance Based Accountability Program to each school.

Administrative/Organizational Responsibility

Organizational and administrative responsibility for accreditation and accountability programs within the Department of Public Instruction falls under the Division of Accountability Services, within the Office of Research and Development Services. The Division of Accountability Services includes three units—Testing, Research, and Accreditation.

The Accreditation Unit has responsibility for data collection to support the new accreditation process and issues the Annual Report Cards mandated under Senate Bill 2. The unit also provides technical assistance to the Office of Program Services and local school systems in identifying and validating local performance indicators for the Performance Based Accountability Program.

The Research Unit has responsibility for developing and validating the new end-of-course examination in collaboration with the Office of Program Services.

Finally, the Testing Unit has responsibility for coordinating and assisting the local school systems with the administration of the North Carolina Competency Tests and the new criterion-referenced end-of-grade and end-of-course examinations. All three units also provide directly or assist with the necessary staff development to support their initiatives.

Findings

Finding 1: The North Carolina education reform initiatives have raised educational expectations and have increased accountability for performance.

Despite having undergone several (and sometimes massive) changes since 1987, the accreditation/accountability process remains well focused and an important and effective part of the North Carolina K-12 public education program. The introduction of state-level minimum standards, as part of the Basic Education Plan, and Annual Report Cards and the Performance Based Accountability Program, under Senate Bill 2, have contributed significantly to raising the levels of accountability for local school systems and formalizing the state-wide accreditation process.

Perhaps the most significant and laudable aspects of the revised accreditation process are the new outcomes-based focus and a local accountability process that promotes both flexibility and responsibility. The Performance Based accountability Program (PBAP) has the potential to significantly revise how each and every school defines the success of its educational program. This trend is very much in keeping with state and local reform efforts throughout the country.

This evolution of the accreditation process has not been without problems. In fact, many of the changes resulting from BEP and Senate Bill 2 reflect an effort to address these problems and to "fine tune" the entire process. The 1990 State Auditor's Report included several findings critical of the evolving process and the over-reliance on self-reporting. The report suggested a movement toward a more flexible, closely monitored program. It appears that the various problems/recommendations indicated in the Auditor's report as well as through feedback from DPI and local school systems have been incorporated into the most recent version of the Performance Based Accountability Program and the new three-year accreditation cycle.

Finding 2: LEA personnel cannot stay current with the most current requirements.

One concern raised in the Auditor's Report that the "accreditation procedures are constantly changing and LEA personnel cannot stay abreast of the most current accreditation requirement" remains relevant even today. This concern was raised again in our interviews with local school district officials and with management staff at DPI. While the Department of Public Instruction appears to be providing adequate training and technical assistance to support the new initiatives, this problem will require extra vigilance until the accreditation process stabilizes itself over the next few years. The success of the new program will be difficult to evaluate until it has been fully established

in the individual classrooms and local communities.

Finding 3: The differentiated pay program has not had a positive impact on teacher performance to date.

The implementation of the Performance Based Accountability Program also included a closely-related differentiated pay program. The idea of relating extra remuneration to increases in student performance or extra duty assignments is intuitively appealing with its emphasis on the "carrot" over the alternative "stick." Unfortunately, the reality of implementing such a high-profile innovation can cause a variety of political and logistical problems, especially during difficult economic times.

Most local school systems voted to convert their differentiated pay programs to an across-the-board alternative. It is clear that the differentiated pay program will need more time and effort to work effectively. The implementation of the differentiated pay program may require additional oversight because of its close relationship to and potential effect on PBAP. Caution must be exercised so that both programs do not place too large of a burden on local school districts and local schools to simultaneously develop and implement both types of plans.

Finding 4: It is too early to evaluate the results of Senate Bill 2 accountability reforms.

The draft "Developing a Systemwide School Improvement Plan" provides an implementation plan and schedule to support the revised Performance Based Accountability Program. The plan appears realistically adapted to the capabilities of the local school systems and the Department of Public Instruction and addresses the legislative mandate. However, it is too early in the implementation process to identify any serious problems. Again, close monitoring of the process is required to determine if additional assistance will be required. The potential benefits of the program justify any short-term financial, personnel, or training requirements to help it work successfully.

The Annual Report Cards are another significant element of the focus on outcomes-based and performance-based accountability. While perceptions of the program vary among the local school systems (which can probably be correlated to how well they were rated), the Annual Report Cards provide a systematic approach for interpreting and comparing a variety of data related to student (and institutional) performance. The PBAP annual reports and Annual Report Cards are important formative evaluation tools for policy makers, decision makers, school system personnel, and parents.

However, even good data cannot become useful information unless it can be interpreted. Therefore, it is imperative that both DPI and local school systems continue to aggressively develop the appropriate communications and training materials to help the various stakeholders understand and use the data effectively. This is especially important as the statewide assessment process changes from norm-referenced tests to the new end-of-course and end-of-grade exams.

Finding 5: End-of-course and end-of grade examinations represent significant progress towards the goal of accountability for performance.

The implementation of the end-of-course and end-of-grade examinations is a monumental step forward for aligning the assessment process with the curriculum. The movement away from norm-referenced achievement tests places North Carolina in the vanguard with several other states such as Maryland, Kentucky, Maine, and Florida. The over-dependency on norm-referenced achievement indicators, which is prevalent throughout the country, forces teachers into the dilemma of choosing between content that is part of the curriculum and not necessarily tested on the achievement tests and content that is tested on the achievement tests and not necessarily part of the curriculum.

Since the end-of-course and end-of-grade examinations are totally aligned with the BEP Course of Study, teachers will be more inclined to follow the curriculum guides more closely. One caveat that

must be raised is the added importance of regularly validating and, if necessary, revising the BEP Course of Study Guides and the new examinations.

One final area that must be addressed is organizational structures in DPI, the local administrative units, and the local schools that have supported the implementation of the new accreditation and accountability process. These various offices and their staffs should be commended for their efforts, thus far, in implementing the rapidly evolving program. The demands of the next stage of implementation may require additional staffing at all levels to ensure that the program's success continues.

Recommendations

Recommendation 1: The accreditation and accountability process should be stabilized for the proposed three year cycle beginning in 1994.

The revised accreditation and accountability process, with its focus on the Performance Based Accountability Program and Annual Report Cards, should be stabilized for the proposed three-year cycle. Revisions, if any, during that time period should be minimized to allow local school systems to adapt to the new changes. While the new accreditation process appears programmatically sound, it should also be remembered that massive changes require several years before their effects can be realistically evaluated.

Recommendation 2: The PBAP should be made mandatory.

To reduce future administrative complications, the Performance Based Accountability Program should also be made mandatory since every local school system is already implementing it. A modified, less stringent, version of opportunity standards reporting should be incorporated into the three-year cycle to ensure that local school systems continue to meet the criteria of the Basic Education Plan.

Recommendation 3: The minimum instructional standards set out in the BEP must be raised to achieve the level of educational performance desired in North Carolina.

A regular process, including an advisory panel of local school system personnel and accountability experts, should be instituted for reviewing and revising the minimum standards that appear in the Annual Report Card. The same or a similar process could also be instituted for the end-of-course and end-of-grade examinations and the BEP Course of Study.

The development and implementation of the end-of-course and end-of-grade examinations should be continued, as planned. Special attention must be given to the effectiveness of the BEP Course of Study and local instructional practices, as reflected in the new assessment results. The new assessment process will also require patience over time before significant changes in test scores and other related performance indicators can be determined.

The use and function of the "Index of Advancement" on the Annual Report Cards needs to be further explored and refined. A collaborative effort with the appropriate state university experts in this area is also recommended.

Recommendation 4: Assistance must be provided to schools to achieve the desired results in assessment and accountability.

Consideration should be given to augmenting the Technical Assistance Center staffs with regional assessment coordinators and/or accountability experts to help the local school systems implement PBAP and the end-of-course and end-of-grade assessments. This should be part of an intensified staff development and communications program to promote the merits of the new outcomes-based

focus of these programs and to assist the appropriate stakeholders with interpreting and using evaluative data.

Implications:

The implementation of the above recommendations will require several minor changes to existing programs and practices related to the accreditation and accountability process:

1. Mandatory implementation of PBAP and a stabilized three-year accreditation process will require revisions to existing legislation that makes participation optional. Reinstitution of less stringent opportunity standards will also require new authorization. Organizational changes should be minimal since all districts currently participate and the legislation will remove the potential for a dual process.
2. Establishment of an accountability advisory panel will require necessary legislative authorization and funding. This panel or some other oversight mechanism will also need to regularly review the minimum standards used for the Annual Report Cards.
3. Continued development and refinement of the end-of-course and end-of-grade examinations will require higher funding levels for test development, administration, and staff development until process is completed.
4. Consultant funds may be required to further refine the use of the Index of Advantagemet, especially if the Index is used to identify and target special assistance to local school districts.
5. Placement of regional assessment and/or accountability experts in the Technical Assistance Centers will require both organizational re-alignments and increased funding to support the additional staff positions and to underwrite staff development and public information costs. This investment will substantially contribute to the success of the new assessment program.

These additional cost to implement these recommendations is estimated to be \$340,000 annually for the next five years. This is based upon the assumption that assessment and accountability will continue to be important areas of education reform for the foreseeable future. At the end of five years, the programs should be implemented to the extent that the program can be scaled back to a maintenance level of 50 percent of full cost. The costs to implement this recommendations are as follows:

Additional professional position at DPI	\$ 44,000
Six additional TAC consultants	264,000
Travel costs for TAC consultants & DPI consultant	42,000
Travel costs for advisory group	<u>10,000</u>
Total Annual Cost	<u>\$ 360,000</u>

Source: Costs are based upon the average 1992 salary cost for DPI staff and a benefit load factor of 26.4 percent.

Exhibit 1 on following page summarizes the estimate costs.

EXHIBIT 1
Estimated annual costs for adding TAC accountability consultants

	Fiscal Year ending June 30 (\$ in millions)							
	1994	1995	1996	1997	1998	2000	2001	2002
Operating costs	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.18	\$ 0.18
Savings								
Investments								
Net savings/costs	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.36	\$ 0.18	\$ 0.18
Cummulative savings/costs	\$ 0.36	\$ 0.72	\$ 1.08	\$ 1.44	\$ 1.80	\$ 2.16	\$ 2.34	\$ 2.52