



SREB

North Carolina

Gauging Progress, Accelerating Pace

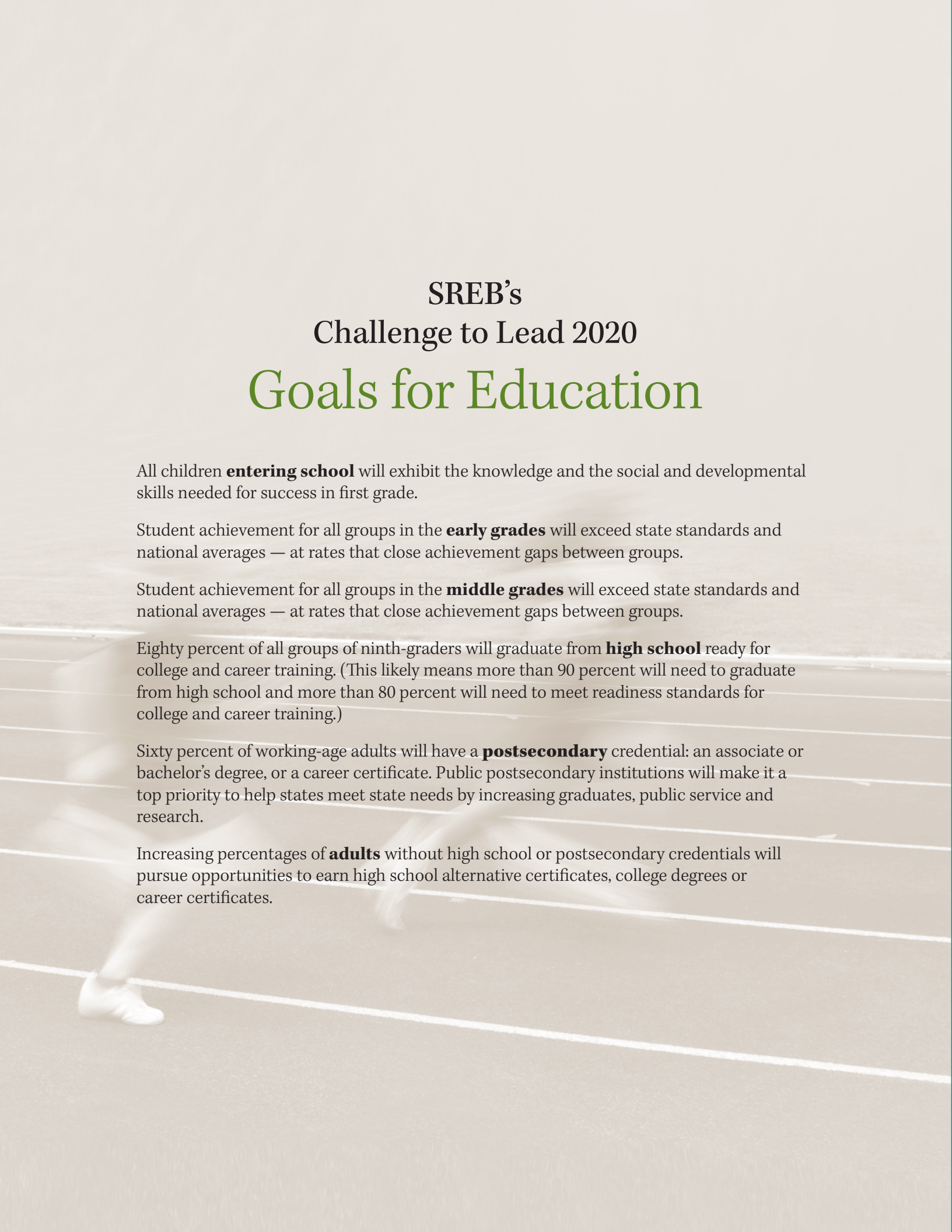
Southern
Regional
Education
Board

SREB.org

2016 State Progress Report

Challenge to Lead 2020

Goals for Education



SREB's Challenge to Lead 2020 Goals for Education

All children **entering school** will exhibit the knowledge and the social and developmental skills needed for success in first grade.

Student achievement for all groups in the **early grades** will exceed state standards and national averages — at rates that close achievement gaps between groups.

Student achievement for all groups in the **middle grades** will exceed state standards and national averages — at rates that close achievement gaps between groups.

Eighty percent of all groups of ninth-graders will graduate from **high school** ready for college and career training. (This likely means more than 90 percent will need to graduate from high school and more than 80 percent will need to meet readiness standards for college and career training.)

Sixty percent of working-age adults will have a **postsecondary** credential: an associate or bachelor's degree, or a career certificate. Public postsecondary institutions will make it a top priority to help states meet state needs by increasing graduates, public service and research.

Increasing percentages of **adults** without high school or postsecondary credentials will pursue opportunities to earn high school alternative certificates, college degrees or career certificates.

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Gauging Progress, Accelerating Pace

**2016 State Progress Report on the
Challenge to Lead 2020
Goals for Education**

Southern Regional Education Board

Jenny Hite, policy analyst, coordinated the SREB team, including former policy analyst, Caitlin Daugherty, that developed this report. It was edited by Matia Edwards, chief editor, Communications, and designed by Lety Jones, senior designer and production manager, Communications.

The report is a part of the larger Challenge to Lead education goals series, led by Jeff Gagné, director, Policy Analysis and Joan Lord, vice president, Education Data, Policy Research and Programs.

A full listing of the goals is printed on the inside front cover. *Challenge to Lead 2020 Goals for Education* is available at www.sreb.org. For more information, email jeff.gagne@sreb.org or call (404) 875-9211.



A Message From the President of SREB

Challenge to Lead 2020 Goals for Education, SREB's latest in a series of education goals, has provided benchmarks and timelines for assessing educational progress in our states since 2012. The customized state reports help states know how well students — from pre-K through adult learning programs — have performed on key education outcomes. SREB has helped states improve and watched as greater percentages of students hit key benchmarks, including math and reading achievement, high school graduation and college completion. But, work remains for states in helping more of their residents meet the education levels necessary for the workforce and as citizens.

That's why we have focused this report on *gauging progress* — and on determining what it will take to help states *accelerate their pace* and reach important education milestones quicker. In the past two years, three SREB commissions made policy recommendations to advance educational achievement. SREB refreshed *Challenge 2020* to link these policy recommendations with the goals. You'll find these commission recommendations have been added to the essential policies' sections of *Challenge 2020* to provide states more guidance on what works and to help leaders bring home success. Be sure to take a close look at *Challenge to Lead 2020: Refreshed 2016*.

We have focused this report
on gauging progress —
and on determining what
it will take to help states
accelerate their pace.

Gauging Progress, Accelerating Pace reports on recent growth on outcomes and policy activity in the SREB region in several key areas:

- **Leading the nation in early childhood education** — SREB states retained their leadership position in the nation on pre-K access and quality. In 2015, four of seven states nationwide that enrolled at least half of 4-year-olds in state-funded pre-K were SREB states. Also, four SREB states — of only six nationwide — met all 10 nationally recognized standards of program quality for state-funded pre-K that year. Another four SREB states met nine of 10 standards.
- **Closing achievement gaps** — Most SREB states gained ground on persistent achievement gaps for black and Hispanic fourth- and eighth-graders in math on NAEP — the National Assessment of Educational Progress — at the Proficient level. For fourth-graders, 11 SREB states saw either black or Hispanic students — or both groups — narrow gaps with their white peers. For eighth-graders, nine SREB states saw one or both groups narrow gaps with their white peers. Taken together, 13 states made gains.
- **Improving high school graduation rates** — SREB states exceeded the national rate in high school graduation for the second year. The most recent high school graduation rate for the SREB region was 3 points ahead of the nation. Fifteen SREB states improved their rates from 2011 to 2014.

This report also details where **North Carolina** stands in education. You and your state can take pride in these highlights on key outcomes measures and policy implementation.

Notable outcomes in North Carolina

- The state-funded pre-K program met all 10 of the nationally recognized standards of quality — one of six programs in the nation to do so.
- Fourth-graders *outperformed* the nation in reading and math achievement on NAEP at the Proficient level. They *outpaced* the region and nation in gains in reading at the Proficient level. Eighth-graders *outperformed* the nation in math achievement on NAEP at the Proficient level.
- The high school graduation rate outpaced the nation in growth — and exceeded the national rate.

A Message From the President of SREB (continued)

- The percentage of graduating seniors who took an Advanced Placement exam while in high school increased at a rate that outpaced the nation.
- The six-year graduation rate for first-time, full-time freshmen who entered public, four-year colleges and universities topped the national and regional rates.

Policy updates in North Carolina

- The state's learning standards are aligned from birth through grade 12.
- The state is one of 10 states in the nation — all in the SREB region — that require school districts to offer full-day kindergarten programs.
- The state has career-academic and readiness standards for career and technical education completers.

I am encouraged by the progress reflected in all the state progress reports. But I also see three challenges in the pages of these reports that warrant all of our attention.

- **While more students in our region are graduating from high school on time, far too many are not ready for postsecondary study.** The readiness gap shows up in ACT and SAT results in high school: for example, 22 percent of students in SREB states who took the ACT met all four ACT college-readiness benchmarks — in English, reading, math and science. That means far too many did not measure up. The readiness gap begins much earlier. NAEP reading results show that a third of fourth-graders in the SREB region — and for some states as many as 40 percent — scored below the NAEP Basic level.
- **College affordability poses a threat to college access.** Nearly 60 percent of public school students in SREB states are from low-income families. Yet last year, declining numbers of high school graduates from this group received federal Pell Grants specifically designed to help them attend college. Pell Grants have shrunk in value over the years. Alone, these grants cannot cover the costs of a college education for these students nor entice them to take some aid and bear the rest of the cost. States need to find a combination of ways to bring college costs in line with the family budgets of these students — or risk losing the chance to attract them. This means cost cuts, programs that save students money and targeted state grants.
- **College completion rates need to rise faster if SREB states are to meet educational attainment goals and workforce requirements.** Research now documents that postsecondary certificates add about 5 percentage points to adult attainment rates nationwide and in SREB states. This research places these credentials in perspective and sharpens the focus on degree completion as a driver of adult postsecondary educational attainment. Some SREB states posted modest increases for bachelor's degrees and some exceeded national bachelor's degree completion rates. Still the median increase from 2012 to 2014 was less than 2 percentage points. At this rate of gain, the region will not fill critical job vacancies.

SREB is committed to working with states to ensure progress continues. We look to state leaders to draw on strong and effective education policies — like the ones just added to *Challenge to Lead 2020: Refreshed 2016*. Together, we can boost student achievement and help SREB states achieve their educational, economic and workforce goals.



Dave Spence

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Foreword

Gauging Progress, Accelerating Pace is the seventh biennial report to SREB states on their progress in meeting SREB's Challenge to Lead goals for education. It provides a customized state progress report for each SREB state. These state reports document progress on both measurable outcomes and state policies. Through effective policy implementation, the goals can help states drive improvements in student achievement, high school graduation, college completion and work force readiness.

SREB's 2002 commission report on goals, ***Challenge to Lead Goals for Education***, boldly declared that SREB states could lead the nation in education progress and established 10 goals for the region. Between 2008 and 2012, SREB hosted four formal policy commissions and several key study groups. Each one made recommendations on essential policies to help states reach the goals.

By 2012, leaders in SREB states could see measurable progress on the 2002 goals, but they knew their work was not finished. So, in 2012, SREB updated the Challenge to Lead goals. This effort resulted in six revised goals to guide SREB states through 2020. State leaders in the region then linked the recommended policies to the goals as a way to ensure their best ideas guided state efforts and promoted increases in student achievement. As states adopt and implement the recommended policies, they cannot guarantee that increases in student results will necessarily follow. Yet, the six goals now set the stage for success.

SREB promised to help states achieve the goals by monitoring, measuring and reporting on outcomes for each state — and by benchmarking implementation of these policies. *Challenge to Lead 2020's* six goals focus on the student — from prekindergarten through postsecondary education and into the adult years. The biennial reports showcase progress on the educational milestones student must reach at each stage. They also pay attention to the transitions between stages. Research shows that many students drop out of school during these transitions because they are not fully prepared for success at the next educational level.

Since the 2014 biennial progress reports were published, three SREB commissions have developed and presented recommendations — including ones that can be linked to the Challenge 2020 goals. By 2018, state progress on implementing these policies will be incorporated in the state progress reports. In the meantime, the 2016 biennial reports have taken note of these recommendations and laid the groundwork for future assessments. These commissions addressed career and technical education, community colleges and early childhood education.

What to expect in this report: The progress reports begin with demographic and economic perspectives to situate SREB states in their regional and national contexts. The South's overall population growth and particularly school enrollment growth have outpaced the rest of the nation in the last decade. The region has become more racially and ethnically diverse during the same period. And, it has been hit hard by the recent economic recession. These perspectives provide a critical back drop for the remainder of the report — underscoring the importance and difficulty of making educational gains in SREB states.

Reporting on outcome measures continues in this report. Policymakers have come to expect SREB to report on such key measures as results on the National Assessment of Education Progress (NAEP), ninth-grade enrollment bulge, high school graduation rates and college-enrollment rates of recent high school graduates. These particular measures give a picture of progress on how well current students are thriving as they move through school

Since the 2014 biennial progress reports were published, three SREB commissions have developed and presented recommendations — including ones that can be linked to the Challenge 2020 goals.

and what challenges SREB states face in helping students make critical education transitions. Whenever possible, the reports show outcome measures in national and regional contexts and over time so that policymakers can determine how students in their states stack up with students elsewhere and whether they are making gains.

Policymakers will also find information about how and whether important policies are implemented in their states. In several instances, the elements of these policies — as they are related to the goals — are laid out in clear tables. In other cases, color-shaded maps of the region allow policymakers to compare states on these policies. These tables and maps now include policy elements recommended by the last three SREB commissions. They give policymakers an indication of where their states stand on these critical, emerging issues.

While the 2020 finish line is nearing, policymakers still have time to *gauge progress* in their states on the following measures:

- How many students are ready for first grade on day one?
- How many students can read proficiently — no later than fourth grade?
- What about the reading proficiency of fourth-graders? What about those from low-income families and English language learners?
- How are all eighth-graders performing in reading and math?
- What percentage of eighth-graders are making successful transitions to high school, so they are ready for its more rigorous curriculum?
- As high school graduation rates improved, have gaps narrowed for students of racial and ethnic groups, for students from low-income families and for students with disabilities?
- What percentage of high school graduates measure up on benchmarks of college and career readiness?
- What percentage of recent high school graduates are enrolling in postsecondary institutions?
- And, what percentage of entering college students make it to their sophomore year?
- What percentage earn a credential?

For policymakers who do not like the answers to these questions — all available in this report — it is not too late for them to set policies and programs in motion that can make a difference. It's time to *accelerate the pace* and ensure that all students measure up by 2020 and thereafter. Chances are, SREB's policy commissions have already made recommendations that can help.

SREB states have already come a long way. In the past dozen years, they have made gains in publicly funded pre-K access, NAEP achievement in reading and math, and high school graduation rates. For the most part, these gains resulted from the efforts of inspired SREB state leaders, who championed research and policy. They implemented important policies with good planning that called for state and local support — and they were committed to putting their plans in place and achieving their goals over the long haul. SREB will continue to help states, especially as they close in on the finish line for the Challenge 2020 goals — by keeping its commitment to measure outcomes and benchmark progress on policy.

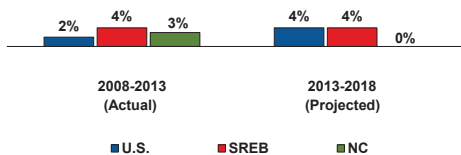


Demographics

This biennial report on each SREB state's progress in meeting SREB's *Challenge to Lead 2020* goals can only be valuable if each state recognizes the contexts that propel its students toward achievement and hinder them from making gains. The goals are ambitious — targeting high achievement for all groups of students and emphasizing the need for states to close stubborn achievement gaps. Striving to meet the goals — even with clear policies laid out — has been all the more difficult in recent years because SREB states have seen rising enrollment and dynamic population changes. At the same time, they have experienced a historic economic downturn. The strains on the region's education systems etched by its demographic and economic profile — more students, more children in poverty, more children entering school not speaking English — only bolstered the states' resolve. Indeed, these strains have not limited what SREB states have been able to achieve. Understanding the challenges they present has been the key to overcoming them.

The overall population in SREB states grew 6 percent from 2008 to 2013, so it is no surprise that **public elementary and secondary school enrollment** also grew. Over the same period, enrollment increased 4 percent in SREB states — slower than the regional population growth but faster than enrollment growth nationally, which rose 2 percent.

Public Elementary and Secondary Enrollment Changes in North Carolina



Source: SREB, based on data from the National Center for Education Statistics

Thirteen SREB states had higher enrollment in 2013 than in 2008, two SREB states had fairly constant enrollment, and one SREB state had a decline. The changes ranged from an increase of 8 percent to a decrease of 1 percent.

Looking ahead, national public school enrollment is projected to increase at a faster rate from 2013 to 2018

than it did from 2008 to 2013. In the region, enrollment is projected to increase by 4 percent from 2013 to 2018. Even so, four SREB states could see declines in enrollment through 2018.

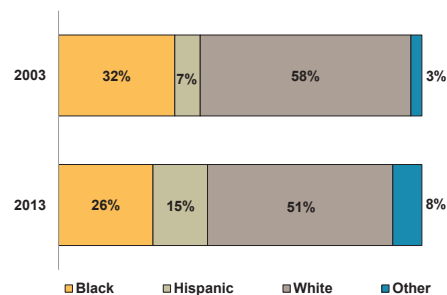
In North Carolina:

- The public school enrollment rate did not keep pace with growth in the SREB region from 2008 to 2013, and it is expected to fall from 2013 to 2018. About 1.5 million students were enrolled in North Carolina's public schools in 2013.
- From 2003 to 2013, the proportions of black and white students enrolled in public schools declined, and the proportion of Hispanic students grew.
- The percentage of children living in poverty increased 1 percentage point since 2009.

Coupled with this sheer growth in numbers in public school enrollment is increased diversity over the past decade. In fall 2013, 50 percent of public school students in the United States were white, down 9 percentage points from 2003. Likewise, the proportion of black public school students declined 1 percentage point from 2003 to 2013. The proportion of Hispanic students in the United States grew from 19 percent of public school enrollment to 25 percent over the period.

All SREB states mirrored the nation in growing **more diverse** from 2003 to 2013. The fastest-growing student group — Hispanic students — increased its share of the overall student population in the region by 18 percentage

Public Elementary and Secondary Enrollment By Race in North Carolina



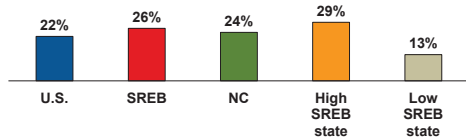
Source: SREB, based on data from the National Center for Education Statistics

points during this time. These students — many from low-income households and with limited English language proficiency — will need extra support to graduate from high school ready for college and careers.

The U.S. Department of Education projects that this trend of rising diversity will continue. Through fall 2020, the proportion of public school students in the nation who are white is expected to continue to decline as other minority groups grow. In particular, the proportions of Hispanic students and students who report themselves as multiracial are projected to rise substantially.

In 2014, most SREB states were still bouncing back from the nation's most recent recession, which began in 2007, during which they suffered lagging state revenues, high unemployment and weak housing markets. These trends led to rising poverty rates, particularly among young families with children. About 15.7 million children under 18 years old in the United States lived in **poverty** in 2014 — about 22 percent of the nation's children. More than 42 percent of the nation's children living in poverty resided in SREB states. The U.S. Census Bureau measures poverty by income and household size. The poverty threshold in 2014 was equivalent to \$24,230 in annual income for a household of four.

Percentage of Children Under 18 Years Old Living in Poverty in North Carolina, 2014



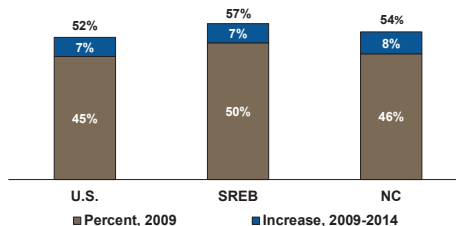
Source: The Annie E. Casey Foundation

The percentages of children living in poverty in the nation and in the region increased from 2009 to 2014. The percentage rose in 12 SREB states. In fact, 12 SREB states had higher childhood poverty rates than the nation in 2014. Across the region, these percentages ranged from 13 to 29 percent of all children.

Likewise, the percentage of students living in **low-income households** in the nation rose from 45 percent

in 2009 to 52 percent in 2014. At the same time, the percentage also grew in the region from 50 percent to 57 percent. In fact, it rose in all but two SREB states. Federal law defines low income as eligibility for free or reduced-price meals in the National School Lunch Program — available to students from households with incomes up to 185 percent of the annual poverty level (for example, up to \$43,568 for a household of four during the 2013-14 school year).

Percentage of Students Eligible for Free or Reduced-Price Meals in North Carolina, 2014



Source: SREB, based on data from the National Center for Education Statistics

Why does low family income matter? Research indicates it can cause frequent family relocation and lead to higher absenteeism — disrupting student learning. It also can result in poor nutrition, inadequate health care and weak family engagement with schools — all factors that affect student achievement.

In addition to students from low-income households, two other student groups — English language learners and students with disabilities — account for a significant proportion of public school enrollment. In fall 2013, 10 percent of all students in the nation were classified as English language learners. And, 13 percent of students nationwide received special education services in spring 2013. That percentage was even higher in five SREB states. Most of the students in these groups will need specialized services and supports to succeed in school.

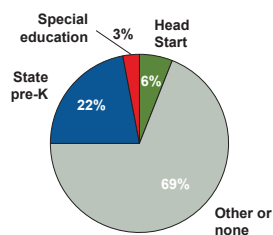
Rising enrollment, growing diversity, continuing economic strain — all are part of the educational back drop for SREB states and the nation. These trends could become excuses. But, with *Challenge to Lead 2020* setting the stage, these trends fuel policymakers' desire to push ahead — to ensure that students in their states make gains despite adversity. And, when they do, the gains are even more meaningful.



Early Learning

The Challenge to Lead 2020 goals call for SREB states to increase the percentages of all groups of 3- and 4-year-olds who enroll in public prekindergarten to above national averages. The goals also caution states to increase the percentages within groups who meet targets for school readiness. The goals stress the importance of both access to early learning programs and the quality of these programs as states take steps to ensure that their pre-K programs are aligned with kindergarten and the early grades.

Four-Year-Old Enrollment in Publicly Funded Pre-K in North Carolina By Program, 2015



Source: National Institute for Early Education Research

Research is clear: if young children enter first grade ready to learn, their chances for success throughout school are greatly improved. SREB states invest wisely when they commit state funds to pre-K so more children can get a firm foundation for reading and math skills as early as possible.

The challenge for all SREB states — strapped by limited financial resources — is to provide adequate **access** to pre-K to serve all the 4-year-olds whose families desire their participation and all the 3-year-olds who are at risk of not being ready for school, while maintaining high standards for programs. Some states stretch public dollars by forging partnerships between public school districts, federally funded Head Start and private providers to deliver pre-K to as many children as possible. Successful partnerships facilitate high standards and provide incentives for programs to reach a common goal: school readiness.

Historically, SREB states have led the nation in pre-K access for 4-year-olds. Two SREB states were the first in the nation to offer universal access to state-funded pre-K programs — Georgia and Oklahoma. In 2005, 14 SREB

states offered pre-K for 4-year-olds; by 2015, all 16 SREB states did. Over this period, the percentage of 4-year-olds enrolled in state-funded pre-K rose in 12 of the 14 SREB states that offered programs. In 2015, four of the seven states nationwide that enrolled at least half of 4-year-olds in state-funded pre-K were in the SREB region.

Yet, too few SREB states serve 3-year-olds in their state-funded pre-K programs, as called for in *Challenge 2020*. In 2015, seven SREB states enrolled 3-year-olds in their state programs — five of which enrolled them at rates at or above the national average of 5 percent. However, only two of them served more than 10 percent of 3-year-olds statewide. All SREB states face challenges ahead to provide sufficient access to high-quality pre-K programs for 3- and 4-year-olds who are at risk of not being ready for school.

While access is important, quality is the key to achieving long-term gains for young children. The National Institute for Early Education Research (NIEER) has identified 10 **standards of quality**, most of which are now widely accepted as the basic elements of *structural quality* necessary for a pre-K program. These include class-size limits, child-to-staff ratios and state monitoring requirements. SREB states have been national leaders in implementing these standards. The first states to implement and maintain all 10 were SREB states — Alabama and North Carolina. In 2015, six states in the nation met all 10 standards — four of which were SREB states. Another four SREB states met nine of the 10 standards.

While structural quality contributes to high program quality, recent research indicates that it does not guarantee long-term outcomes for young children. SREB's 2015 Early Childhood Commission recommended that states

In North Carolina:

- In 2015, approximately 22 percent of 4-year-olds were enrolled in the state-funded prekindergarten program.
- Since 2005, state-funded pre-K enrollment for 4-year-olds has increased 12 percentage points.
- NIEER reported that North Carolina met all 10 standards of quality for pre-K in 2015, including all four teacher standards. North Carolina is one of six states nationwide that met all 10 standards, and one of eight states that met all four teacher standards.

push toward *process quality*, which is more closely related to instruction, learning and long-term academic gains. It is associated with program elements, such as developmentally appropriate and evidence-based curricula, aligned standards, and most importantly, highly skilled teachers.

Challenge 2020 emphasizes strong **teacher qualifications** and continuing professional development for early learning teachers. National standards spell out the minimal specialized training and staffing requirements that lead and assistant pre-K teachers need to be prepared for their roles. Four of the 10 NIEER standards relate to these types of staff qualifications. Eight states in the nation met the four NIEER teacher qualification standards in 2015 — five of which were SREB states.

Research points to a correlation between pre-K teachers who hold a bachelor's degree and their students' academic outcomes. Specifically, it shows a stronger positive relationship if pre-K teachers have specialized training in early childhood education. Assistant pre-K teachers need the Child Development Associate (CDA) Credential. Ongoing, hands-on professional development is also important for all classroom teachers. Despite this, few pre-K teachers and their assistants have the degrees, credentials and training they need.

The SREB Early Childhood Commission report, *Building a Strong Foundation: State Policy for Early Childhood Education*, recommends that states align high-quality programming from pre-K through third grade. Research indicates this so-called **P-3 alignment** helps resist the fade-out of academic gains some studies of publically

funded preschool programs report. To ensure a state's early childhood system is aligned, the state should implement key policies: statewide, comprehensive early learning standards that recognize the cognitive, social, emotional, physical and language domains of child development; full-day programs for young learners; and childhood development and learning assessment from an early age.

Teacher Quality Standards for State-Funded Pre-K In North Carolina, 2015

Teacher Quality Checklist	
Standard	State Required
Lead teacher has bachelor's degree	✓
Lead teacher has specialized pre-K training	✓
Assistant teacher has the CDA Credential or equivalent	✓
Teachers earn at least 15 hours/year of in-service professional development	✓

Source: National Institute for Early Education Research

Every SREB state has developed comprehensive early learning standards, and most have aligned them to state K-12 academic standards. Only 10 states in the nation require school districts to offer full-day kindergarten programs — all are in the SREB region. Clearly, SREB states are leading the way as they begin to develop aligned P-3 education systems, ensuring children are set for success when they enter the early grades.

P-3 Alignment in North Carolina

Policy Elements	Status	Comments
Adopted statewide, comprehensive early learning standards	Yes	Learning standards are aligned from birth through grade 12.
Aligned early learning standards to K-12 standards	Yes	
Requires providers to offer full-day, state-funded pre-K	Yes	
Requires school districts to offer full-day kindergarten	Yes	
Requires early childhood learning and development assessment in kindergarten	Yes	

Source: SREB analysis of state documents and National Institute for Early Education Research



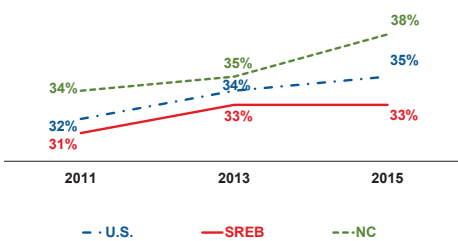
Early Grades

Challenge to Lead 2020 goals call for 90 percent of fourth-graders to score at or above the Basic level in reading and math on the National Assessment of Educational Progress (NAEP) and for percentages of fourth-graders scoring at or above the Proficient level in these subjects to increase regularly — to above national averages. The NAEP Proficient level is most closely associated with college and career readiness.

Known as the Nation's Report Card, NAEP's series of exams measure student achievement in specific subjects and grades. It is given every two years, most recently in 2015.

In **reading**, the percentages of fourth-graders in the nation and SREB region scoring at or above the NAEP Basic and Proficient levels improved from 2011 to 2015. Gains in SREB states in the percentage of these students scoring at or above the Basic level kept pace with the nation, and 12 SREB states made gains during the period. No SREB state reached the 90 percent Challenge to Lead goal set at the Basic level for fourth-graders in reading. However, six states reached 70 percent or more.

NAEP Fourth-Grade Reading in North Carolina
Percentage Scoring At or Above Proficient

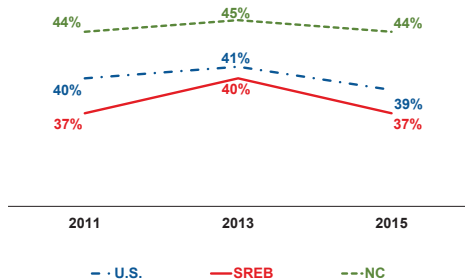


Source: National Center for Education Statistics

From 2011 to 2015, the percentage of students in SREB states scoring at or above the Proficient level in reading increased at a slower pace than it did for their national peers. Even so, 14 SREB states increased the percentage of students scoring at or above the Proficient level. In 2015, six SREB states had a greater percentage scoring at or above this level than the nation. The SREB region is making progress toward the Challenge to Lead 2020 goal in reading at the Proficient level.

In **math**, the percentages of fourth-graders in the nation and region scoring at or above the NAEP Basic and Proficient levels did not rise from 2011 to 2015. The percentage of students in SREB states achieving at or above the Basic level matched the national percentage in 2015. While no SREB state reached the 90 percent goal at Basic in math, half of SREB states are within 10 percentage points of the goal.

NAEP Fourth-Grade Math in North Carolina
Percentage Scoring At or Above Proficient



Source: National Center for Education Statistics

Nine SREB states increased the percentage scoring at or above the Proficient level from 2011 to 2015, and seven SREB states had a greater percentage of fourth-graders scoring at or above Proficient than the nation in 2015.

The early grades' goal emphasizes the need for SREB states to close achievement gaps for students of racial

In North Carolina:

- In math, the gap between black and white students scoring at or above Proficient on NAEP narrowed by 3 percentage points from 2011 to 2015 — to 37 points. The gap for Hispanic students widened by 1 point over the period — to 26 points.
- In reading, the gap between black and white students scoring at or above Proficient narrowed by 1 point from 2011 to 2015 — to 28 points. The gap for Hispanic students widened by 3 points over the period — to 28 points.

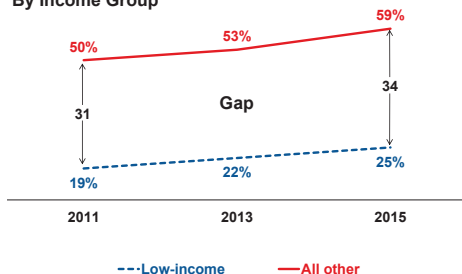
and ethnic groups, for those from low-income households, and for those who are English language learners.

In reading and math at the NAEP Proficient level, white fourth-graders outperformed their black and Hispanic peers in SREB states in 2015. Achievement gaps in **reading** at the Proficient level between black and Hispanic students and their white peers widened in the region from 2011 to 2015.

In **math** at the Proficient level, black students narrowed the gap with their white peers in the SREB region during the period. Hispanic students outpaced achievement gains made by their white peers in the region and narrowed the achievement gap. Moreover, Hispanic fourth-graders in the region outperformed their national peers during the period.

The gaps in **reading** achievement at both the Basic and Proficient levels on NAEP between fourth-graders from low-income families and all other fourth-graders in the region narrowed from 2011 to 2015. In **math**, the gaps at the Basic and Proficient levels did not improve over the period for children from low-income households. These fourth-graders in the region outperformed their national peers in reading and math achievement at the Basic and Proficient levels. Despite regional gain, academic outcomes related to household income contribute to some of the largest and most pervasive achievement gaps across the nation.

NAEP Fourth-Grade Reading* in North Carolina Percentage Scoring At or Above Proficient By Income Group



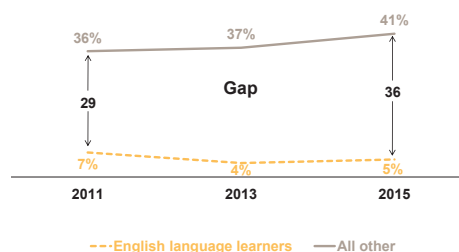
* In **math**, the gap widened by 3 points — to 37 points in 2015.

Source: National Center for Education Statistics

English language learners often enter school with little to no exposure to the English language and struggle in U.S. classrooms, especially in reading instruction. Data indicate this group will account for an increasing proportion

of enrollments in SREB states in the immediate future. In 2015, these fourth-graders in SREB states outperformed their national peers in **reading** at the Proficient level. Still, significant achievement gaps persist between them and other classmates. In reading at the Proficient level, this gap in SREB states remained constant from 2011 to 2015, while the respective gap in the nation widened. In **math** at the Proficient level, the gap between English language learners and their other classmates in the region widened over the period.

NAEP Fourth-Grade Reading in North Carolina Percentage Scoring At or Above Proficient For English Language Learners



Source: National Center for Education Statistics

Despite growing enrollments, demographic changes and the persistence of achievement gaps, many SREB states made promising gains in reading and math achievement. Even so, many SREB states still have a high proportion of school-aged children considered at risk of falling behind and dropping out of school — that is, unless states intervene to help them meet standards and reach higher academic levels.

The 2015 report of the SREB Early Childhood Commission, *Building a Strong Foundation: State Policy for Early Childhood Education*, emphasized the significance of reading proficiency in the early grades. Research suggests that persistent language gaps develop in the first months of life. These early language and literacy deficits lay the foundation for later reading problems. By the end of third grade, a child who is not reading proficiently is four times more likely not to graduate high school on time than a child who can read proficiently. States should monitor each child's early language and literacy development from prekindergarten through at least the third grade to ensure that more children have the necessary skills to flourish later in school.



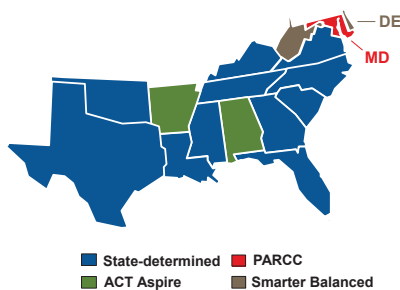
Early Grades

State leaders need strong tools to measure student progress in key subjects and by grade if they are to know whether more children make the transitions from early to middle grades with skills they need to be successful. In 1983, the National Commission on Excellence in Education published *A Nation at Risk*, which called for states to address perceived shortfalls in public education that jeopardized national security. In response to the report's call, state leaders initiated education reforms that would span more than 30 years. Committed state leaders, especially in SREB states, led the way.

The efforts of these leaders over the three decades produced three powerful policy tools, still widely used — standards, assessments and accountability. Since 2002, states have regularly revised their standards and assessments for elementary, middle and high school. Expectations have changed periodically — with college and career readiness being the latest focus — so the tools have needed to be honed and sharpened.

Between 2010 and 2014, nearly all states adjusted their standards and assessments. By 2016, 11 of 16 SREB states administered state-determined **assessments** in grades three through eight. Two others administered ACT Aspire, and two administered Smarter Balanced — all to students in grades three through eight. One state administered PARCC in these grades.

Assessments in the Early and Middle Grades in SREB States, 2015-16



Source: SREB analysis of state documents

Each of the new assessment results in English and math can be reported in categories that define a range of student performance by levels. Nearly all states designate at least two levels for passing: one group demonstrating subject mastery and who are ready to move on without assistance and one group not demonstrating subject

mastery but who are ready to move to the next grade with assistance.

SREB began comparing student results on state assessments to NAEP results in 2005 to help state policymakers understand better how their state standards and assessment results compare in a larger context. SREB's 2016 analysis focuses on the percentages of fourth-graders achieving subject mastery on state-adopted assessments in reading and math to the percentage of these students scoring at or above the NAEP Proficient level — the level closely associated with college and career readiness.

Fourth-Grade Assessment Results In North Carolina, 2015

Subject	Percentage Scoring At or Above Proficient		Gap* (Percentage Points)
	NAEP	State Assessment	
Reading/English	38%	59%	-21
Math	44%	56%	-12

*A negative gap number indicates that a greater percentage of students were at or above proficient on the state assessment than on NAEP.

Sources: National Center for Education Statistics and North Carolina Department of Public Instruction

In **reading**, a higher percentage of fourth-graders performed at or above the mastery level on state-adopted assessments than at or above the Proficient level on NAEP in 13 SREB states. The gaps in these states ranged from 1 to 37 percentage points. A lower percentage of students performed at or above the mastery level on the state-adopted assessments than at or above the NAEP Proficient level in two states, and in one state the percentages were equal.

In **math**, a higher percentage of fourth-graders performed at or above the mastery level on state-adopted assessments than at or above the Proficient level on NAEP in 11 SREB states. The gaps across the 11 states ranged from 2 to 37 percentage points. A lower percentage of students performed at or above the mastery level on the state-adopted assessments than at or above the NAEP Proficient level in five states.

When the percentage of students scoring at or above benchmarks on state assessments is close to the percentage scoring NAEP Proficient, the standards, cut scores and reporting categories likely indicate college and career readiness.

Educator Effectiveness

Challenge 2020 recognizes the significance of educator effectiveness. The six goals include essential policies for success that focus on developing effective teachers. As SREB states implement the Every Student Succeeds Act (ESSA) of 2015, state education agencies will be able to adopt strategies that prioritize high-quality feedback and professional growth in their educator evaluation systems. Before state leaders consider how to set priorities, they should review SREB's essential policies and its research on educator evaluation systems.

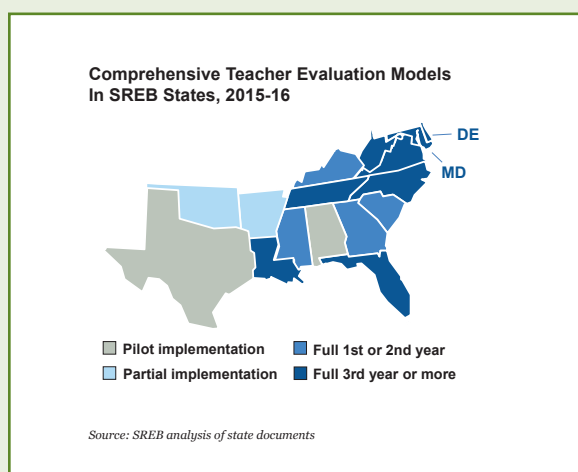
Several SREB states surveyed teachers in 2014 and 2016 about their **comprehensive teacher evaluation models**. They asked teachers to indicate their level of trust in the process and whether the process led to instructional improvement. Educators in some states reported more positive attitudes toward their evaluation systems in 2016 than in 2014. Yet, a significant percentage of educators doubted that the evaluation and feedback systems contributed to their professional growth.

While many SREB states reported an increase in the amount of feedback given to teachers in these systems from 2014 to 2016, evidence showed it lacked quality and specificity. SREB conducted focus-group research with hundreds of teachers, principals and district staff in SREB states. In these focus groups, the researchers found examples of enterprising educators creating roadmaps for how to transform evaluation by delivering what teachers and principals need to improve their effectiveness.

SREB researchers also found local leaders who embraced the difficulty of the work and did not hesitate to offer feedback to the state on how to improve the system. These leaders reported the importance of refining the evaluation process to help educators bring about immediate and purposeful changes in their instruction. SREB concluded that the opinions expressed in the surveys were important, but they should not mask promising developments in classrooms and schools.

SREB also provided technical support to help states address the challenges they face in educator evaluation. This work informed a regional report, SREB's *State Actions to Advance Teacher Evaluation*. The report recommends 10 actions for states to consider as they refine their educator evaluation systems.

First, the report encourages states to emphasize high-quality expert feedback and greater use of student data as they consider refinements to their educator evaluation systems. It also recommends that state leaders clarify the role and use of student growth measures and to understand why the growth measures they have adopted have met widespread teacher resistance.



Second, the report includes examples of how state education agencies have contributed to the implementation of district evaluation systems. The examples show how to help district leaders build a culture of professional growth in every school by equipping school administrators with better evaluation tools; rewarding educators who provide support to peers during the evaluation and feedback process; and linking observation and feedback to professional learning opportunities.

The report also urges states to use their data to pinpoint where and whether evaluation strategies are working. An annual evaluation of the state model could help leaders reform the evaluation system and make smarter resource decisions. Monitoring could surface local success stories leaders could use to spread as successful practices.

Throughout, state leaders should solicit feedback from all stakeholders being evaluated. While no SREB state has perfected its educator effectiveness system — even after years of effort, what has emerged over the years are better tools and strategies for improvement.



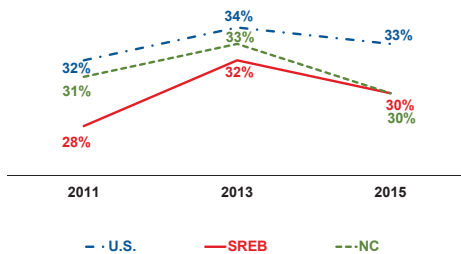
Middle Grades

Like the goals set for fourth-graders, *Challenge to Lead 2020* calls for 90 percent of eighth-graders to score at or above the Basic level on NAEP in reading and math. It also calls for percentages of these students scoring at or above the Proficient level to increase regularly to above national percentages. The Proficient level is closely associated with college and career readiness.

While no SREB state has reached the 90 percent target for eighth-graders in reading or math on NAEP, and few have exceeded national percentages, SREB states did make some notable gains. But, significant challenges remain.

From 2011 to 2015, national and SREB regional percentages of students scoring at or above the Basic level in **reading** remained flat. However, five SREB states made gains in the percentage of these students scoring at the Basic level. Six states met or outperformed the nation in the percentage of students scoring at Basic in 2015.

**NAEP Eighth-Grade Reading in North Carolina
Percentage Scoring At or Above Proficient**

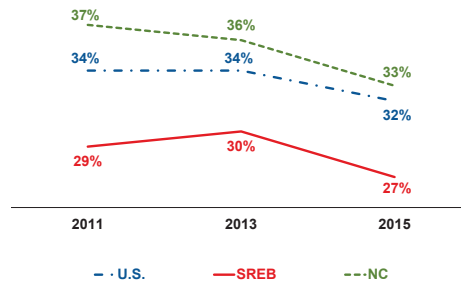


Source: National Center for Education Statistics

From 2011 to 2015, the percentages of eighth-graders in the nation and SREB region scoring at or above the Proficient level on NAEP in reading rose. In fact, SREB states outpaced the nation in gains. Seven SREB states increased the percentage of these students scoring at or above the Proficient level over the period. In three SREB states, a greater percentage of eighth-graders scored at or above the Proficient level in 2015 than their national peers. In four states, students made greater gains from 2011 to 2015 than their national peers.

In **math**, achievement waned for middle-graders in SREB states and in the nation from 2011 to 2015. The percentages of eighth-graders in the region and nation scoring at or above the NAEP Basic and Proficient levels fell during the period. One SREB state increased the percentage of students scoring at or above the Basic level during the period. Yet, in 2015, most SREB states were further from the 90 percent target for eighth-graders in math than in 2011.

**NAEP Eighth-Grade Math in North Carolina
Percentage Scoring At or Above Proficient**



Source: National Center for Education Statistics

Percentages of eighth-graders scoring at or above the Proficient level in math fell equally in both the SREB region and the nation from 2011 to 2015. Two SREB states increased the percentage of eighth-graders scoring at the Proficient level during the period. In 2015, three SREB states had a greater percentage of students scoring at or above the Proficient level in math than the nation.

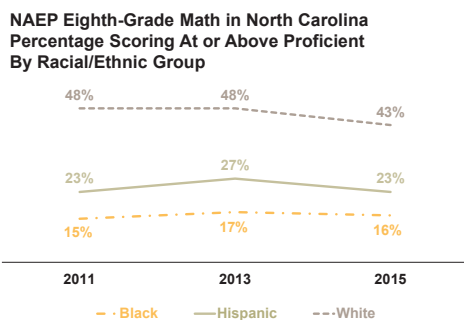
In North Carolina:

- In reading, the percentages of black, Hispanic and white students scoring at or above Proficient on NAEP did not improve from 2011 to 2015.
- In reading, the gap between students from low-income families and all other students scoring at or above Proficient widened by 4 percentage points from 2011 to 2015 — to 30 points. In math, the gap widened by 3 points over the period — to 33 points.

The middle grades' goal emphasizes the need for SREB states to close achievement gaps for all groups of students — including those of racial and ethnic groups, those from low-income households, and students with disabilities.

In reading and math, white students outperformed their black and Hispanic peers in the SREB region at the NAEP Proficient level in 2015, perpetuating achievement gaps. The gap in **reading** achievement at the Proficient level between Hispanic students and their white peers in the region widened from 2011 to 2015, while the gap between black and white students in the region remained the same.

In **math** at the Proficient level, Hispanic students in the region narrowed the gap with their white peers from 2011 to 2015, while the gap between black and white students remained constant.

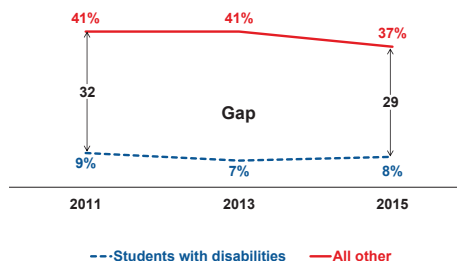


Source: National Center for Education Statistics

At the same time, gaps in reading and math achievement at the Proficient level between eighth-graders from low-income families and all other students in the region held steady, although these same gaps widened in the nation. Even so, substantial gaps based on income continued in most SREB states in 2015.

For students with disabilities in SREB states, achievement gaps with their classmates on NAEP continued in 2015. These gaps in **reading** at the Basic and Proficient levels widened from 2011 to 2015. In **math** at the Proficient level, eighth-graders with disabilities narrowed the gap over the period. At the Basic level, however, this gap remained the same. Even with gains in some SREB states, performance on NAEP at the Basic and Proficient

NAEP Eighth-Grade Math in North Carolina Percentage Scoring At or Above Proficient For Students With Disabilities



Source: National Center for Education Statistics

levels in reading and math for eighth-graders with disabilities in the region lagged behind their national peers.

Despite growing enrollments and demographic changes in public schools, some SREB states made promising gains in reading achievement on NAEP and narrowed long-standing reading and math achievement gaps between student groups. Even so, gaps remain in all 16 SREB states. Too many states have a high proportion of middle grades students considered at risk of falling behind or dropping out of high school — unless states implement policies and programs that can make a difference.

Just as reading proficiency is a stumbling block for many children in the early grades, math mastery begins to hinder student success in the middle grades. The root of academic problems often extends back to the early grades. SREB has a long record of supporting state efforts to align math curriculum so students are ready for middle grades and high school math.

Studies indicate algebra is the critical building block to high school math success. *Challenge to Lead 2020* calls for all students to pass Algebra I in eighth grade — but not later than ninth grade. Unfortunately, the 2015 NAEP results indicate that too many SREB states struggled with raising math achievement for most middle-graders.

Challenge to Lead 2020 calls for stronger standards, better alignment of standards and curricula, effective teacher professional development, attention to STEM (science, technology, engineering and math), and access to technology to promote learning and to address literacy and math achievement in the middle grades.



Middle Grades

Policymakers have long been interested in the percentages of students who meet performance benchmarks on state assessments in English, math, science and social studies. SREB's 2016 analysis of assessment results focuses on the percentages of eighth-graders who achieved subject mastery on state-adopted assessments in English and math compared to the percentages of these students scoring at or above the Proficient level — the level most closely associated with college and career readiness — on NAEP in reading and math.

In **reading**, a higher percentage of eighth-graders scored at or above the mastery level on state-adopted assessments than at or above the Proficient level on NAEP in 15 SREB states. The gaps in these 15 states ranged from 1 to 46 percentage points. A lower percentage of students performed at or above the mastery level on the state-adopted assessments than at or above the NAEP Proficient level in one state.

In **math**, a higher percentage of eighth-graders scored at or above the mastery level on state-adopted assessments than at or above NAEP Proficient in 12 SREB states. The gaps in these states ranged from 4 to 36 percentage points. A lower percentage of students scored at or above the mastery level on the state-adopted assessments than at or above the NAEP Proficient level in four states.

When the percentage of students scoring at or above benchmarks on state assessments is close to the percentage scoring NAEP Proficient, the standards, cut scores and reporting categories likely indicate college and career readiness.

SREB's 2011 Middle Grades Commission developed a framework for advancing the middle grades: hold schools and districts accountable for meeting the mission; focus

**Eighth-Grade Assessment Results
In North Carolina, 2015**

Subject	Percentage Scoring At or Above Proficient		Gap* (Percentage Points)
	NAEP	State Assessment	
Reading/English	30%	53%	-23
Math	33%	43%	-10

*A negative gap number indicates that a greater percentage of students were at or above proficient on the state assessment than on NAEP.

Sources: National Center for Education Statistics and North Carolina Department of Public Instruction

the curriculum on literacy and STEM disciplines; intervene to help students likely to drop out of school; and refocus teacher professional development. This framework remains important and is captured in the essential policies delineated in *Challenge 2020*.

The commission also called for states to ensure that all students create an **academic plan** for success in high school and identify and explore potential careers. Developing such a plan helps students develop the vision and commitment needed to achieve their goals. Students may change their plans in high school. But, having a plan helps students to focus on the paths that will help them succeed in high school and pursue a postsecondary credential.

While 15 states require all middle school students to develop high school graduation plans, 13 SREB states also require that all middle grades students begin exploring various career options. Eight SREB states require middle school students to learn about the various postsecondary options available to them after high school graduation.

Middle Grades Career and Academic Planning in North Carolina

Policy Element	State Required	Policy Type
Students develop high school graduation plans	No	NC Board of Education rule does not specify activities or timelines.
Students explore careers	No	
Students learn about postsecondary education options	No	
Summary of eighth-grade requirements	NC Department of Public Instruction recommends specific academic and career planning activities in middle grades and high school.	

Source: SREB analysis of state documents



High School

SREB states have made strides toward the target of a 90 percent high school graduation rate, adopted in SREB's *Challenge to Lead 2020* goals for education. In 2014, eight SREB states had high school graduation rates above 85 percent. When the first Challenge to Lead goals were set in 2002, the median graduation rate in SREB states was 69 percent, 2 percentage points below the national average. By 2014, the SREB rate was 85 percent, 3 points ahead of the nation.

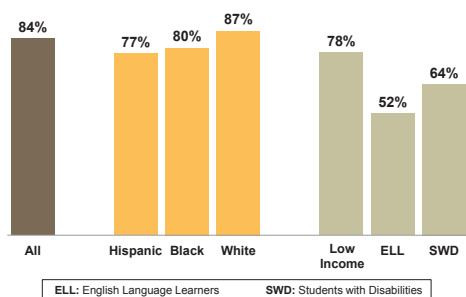
In 2014, SREB began reporting high school graduation rates using the federal **Adjusted Cohort Graduation Rate (ACGR)**. Unlike rates used previously, ACGR does not estimate who completes high school in four years. Instead, it accounts for cohorts of students across their high school careers. It requires states to identify all first-time ninth-graders each fall and track the freshman cohort over the next four years. Documented transfers are added to or subtracted from their respective cohorts, particularly to ensure that transfers and dropouts are not confused. Ultimately, ACGR reflects the students who graduate in four years with a standard diploma.

In 2014, 76 percent of students from low-income families in SREB states graduated from high school — outpacing their peers across the nation. The percentages ranged from 62 to 84 percent for the 16 SREB states. Percentages for these students in 11 SREB states exceeded the national rate. In SREB states, English language learners and students with disabilities graduated from high school at rates higher than their peer groups nationwide.

In North Carolina:

- The high school graduation rate increased by 6 percentage points from 2011 to 2014.
- As graduation rates for white, black and Hispanic students increased from 2013 to 2014, the gaps in rates also narrowed between black and white students and between Hispanic and white students.
- The percentage of ninth-graders progressing to 12th grade in four years increased from 71 percent in 2011 to 76 percent in 2014.

High School Graduation Rates in North Carolina, 2014



Source: U.S. Department of Education, Ed Data Express

Graduation-rate gaps between black and white students and between Hispanic and white students persisted from 2013 to 2014, but they narrowed. In 2014, 75 percent of black students, 76 percent of Hispanic students and 88 percent of white students in the SREB region graduated from high school on time. Black and white students in SREB states graduated at rates higher than their peers nationwide in 2014, while Hispanic students in the region graduated at a rate lower than their peers nationwide.

No doubt SREB states improved on graduation rates from the early days of the Challenge to Lead goals. But, the previous formula for calculating rates only provided estimates through 2010. ACGR was first reported in 2011, and the SREB regional rate was 78 percent, one point below the nation. By 2014, SREB's graduation rate increased 7 percentage points. Fifteen SREB states' high school graduation rates increased from 1 to 14 points. At the same time, over half of the SREB states had graduation rate increases for student groups based on income, native language, disability, race and ethnicity.

Ninth-Grade Enrollment Bulge

For every 100 eighth-graders in North Carolina in 2012-13,



there were 10 MORE ninth-graders in 2013-14.

$$100 + \text{10 stick figures} = 110$$

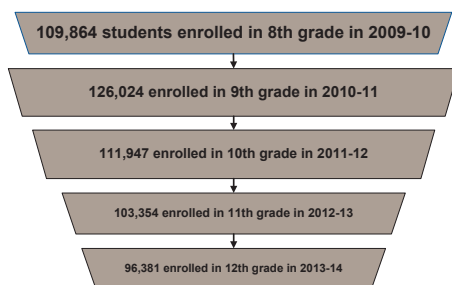
Source: SREB, based on data from the National Center for Education Statistics

SREB states have consistently noted the swell in the ranks of ninth-grade enrollment — compared to eighth-grade enrollment — as a possible indicator that middle-graders did not make a successful transition to high school. This **ninth-grade enrollment bulge**, seen both in the nation and the SREB region, is calculated by comparing the enrollment of ninth-graders in a given year to that of eighth-graders the prior school year. It generally indicates that ninth-graders failed to pass enough subjects in a year to be promoted — and continued to be classified as ninth-graders for a second year.

In most states, some bulging is expected as middle-graders from private and home schools enroll in public high schools for the first time. This cohort growth is somewhat offset by eighth-graders who exit public schools for private high schools. Such shifts in enrollment differ by state and require state analysis.

It remains, however, that in SREB states, 10 more ninth-graders were enrolled in public schools in 2014 for every 100 eighth-graders in 2013. The 2014 ninth-grade enrollment bulge rate in SREB states ranged from 3 to 18 points. States need to monitor eighth- and ninth-grade enrollments to ensure that all students are well-prepared for high school, can make a smooth transition and receive the supports they need to be successful in high school.

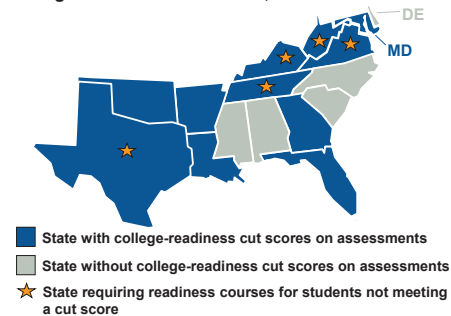
Grade-Level Progression in North Carolina



Source: SREB, based on data from the National Center for Education Statistics

The ninth-grader is not the only one who is likely to struggle and ultimately drop out of high school. States need data systems that monitor **grade-level progression** from high school entry to graduation so they can identify other problem areas and show state leaders where their state needs policies and programs to support success.

Link Between High School Assessments and College and Career Readiness, 2015-16



The Every Student Succeeds Act of 2015 (ESSA) gives state policymakers and education leaders greater flexibility and responsibility than previous federal legislation. ESSA gives states the lead designing their state accountability systems with two requirements. At a minimum, states must incorporate indicators of assessment participation, academic proficiency on tests in reading, math and science, a measure of progress for students learning English as a second language, and an additional indicator, which may include a measure of individual student growth or a statewide indicator of student learning for elementary and middle grades. States must also include graduation rate for high schools and one non-academic indicator related to school quality, such as teacher or student engagement. States must place greater weight on the academic indicators.

ESSA also encourages states to include indicators for college and career readiness as part of their accountability systems. By 2016, many SREB states had adopted a college- and career-readiness agenda linked to their accountability systems. Eleven SREB states have college- and career-readiness cut scores associated with their statewide high school assessments. Five SREB states also require that students failing to meet this college- and career-readiness cut score participate in interventions to catch up with their peers in high school — and prepare for postsecondary study.

Challenge to Lead 2020 goals recognize state accountability systems that incorporate a strong college- and career-readiness focus tied to high school graduation as a key policy lever for academic quality and postsecondary readiness.



High School

While SREB states applaud the substantial progress they made in raising high school graduation rates to above national rates, they also acknowledge their college- and career-readiness indicators show far too few recent high school graduates are prepared to succeed in careers and postsecondary endeavors. SREB's *Challenge to Lead 2020* calls for states to close this substantial gap between high school graduation and postsecondary readiness by getting 80 percent of ninth-graders ready for college and careers by the time they complete high school.

The College Board and ACT established college- and career-readiness (CCR) benchmark scores for their respective college admissions tests — SAT and ACT — based on results from each. By 2015, 28 percent of the nation's high school graduating seniors who had taken the **ACT** while in high school met all four ACT college-readiness benchmarks — in English, math, reading and science. Graduating seniors in the SREB region trailed, with 22 percent meeting the benchmarks in these four subjects. Of the nation's graduating seniors who had taken the **SAT** while in high school, 42 percent met the SAT college- and career-readiness benchmark.

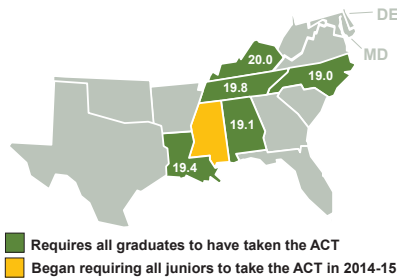
2015, the SREB regional score declined from 20.3 to 20.1. Across the SREB region, the percentage of students taking the test grew from 54 percent in 2012 to 69 percent from 2012 to 2015.

The median SAT composite score among SREB states was 1450, compared to 1490 nationally. The SREB regional median score dropped 15 points from 2012 to 2015. Participation rates have grown from 50 to 53 percent from 2012 to 2015.

In North Carolina:

- In 2015, 18 percent of graduating seniors who had taken the ACT while in high school met all four ACT college-readiness benchmarks: 32 percent met the math benchmark, and 34 percent met the reading benchmark.
- From 2012 to 2015, ACT participation rose 80 percentage points from 20 to 100 percent of graduating seniors.
- In 2015, 39 percent of graduates had taken at least one AP exam while in high school, compared with 37 percent in the nation.

ACT Average Composite Scores for 2015 Graduating Seniors Required to Take the ACT in High School



Sources: ACT, Inc. and state departments of education

Student performance on existing state and national assessments provides states with important information about the rigor of state standards and curricula and the college and career readiness of students. They have long looked to such national measures as the ACT, SAT and Advanced Placement (AP) exams and state end-of-course exams as measures of their students' postsecondary readiness.

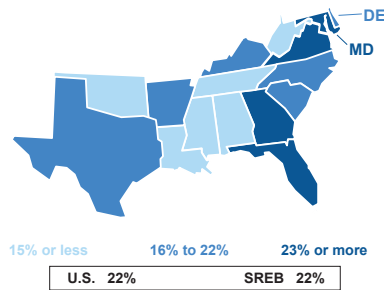
In 2015, the SREB regional average composite ACT score was 20.1, compared to 21.0 nationally. From 2012 to

Increases in the proportions of graduating seniors taking the ACT and SAT partially explain why scores fell in SREB states. Generally, as a greater proportion takes a college admission test, the state average score drops. The expanding group includes as many students as ever who are prepared for college, but — with the increases — it includes more students who are not as prepared.

By 2015, eight SREB states required all high school students to take a college admissions test, generally in their junior year. Of those states, seven required the ACT, and one required the SAT. Six of these states use ACT results as a measure of college readiness. These results are also tied to high school accountability systems to help schools improve. Using the test results as measures of college readiness can help schools work more effectively with students in their senior year to become more prepared for postsecondary study.

Challenge 2020 calls for graduating seniors in SREB states to take **AP exams** while in high school at rates higher than the national average. These courses can help students prepare for college while still in high school. Research shows that students who take AP courses in

Percentage of Graduating Seniors Scoring 3 or Higher On One or More AP Exams, 2015



Source: The College Board

- adopt CCR standards for math and literacy
- assess student progress on CCR
- offer transitional readiness courses to students who do not meet the readiness standards
- align college admissions and placement policies to state readiness standards
- make postsecondary readiness a high school accountability measure.

SREB states have developed partnerships with business and industry to reduce the gap between student preparation and employer needs. As state economic development priorities underscore the necessity for career readiness, education leaders realize that serious career exploration needs to occur well before high school and extend to postsecondary education. Twelve SREB states explicitly require career exploration for students in the middle grades and extend it into high school.

high school and attempt the exams are more successful academically as college freshmen, even if they do not earn a score of 3 or higher on the test — considered passing and generally sufficient to earn college credit.

In 2015, eight SREB states exceeded the national average in AP participation. Four of these states also outpaced the nation in the number of graduates who earned scores of 3 or higher on at least one AP exam. In fact, one SREB state, Maryland, led the nation with the highest percentage of the class of 2015 passing an AP exam during high school. To help states meet the Challenge 2020 goal of graduating 80 percent of ninth-graders ready for college and careers, SREB states developed a **college- and career-readiness action agenda**. It calls for the adoption of five policies statewide:

Eight SREB states currently require — or offer — students who do not meet the college-readiness cut score on their state exam to take a readiness course in math or literacy. These readiness courses are purposely designed to help students learn and think independently, read for information and solve problems. They are designed to help close the gap between high school and college by providing reading, writing and math skills that students need to succeed in the workplace and college. For all the students who do not meet state college-readiness benchmarks in high school, state leaders will continue to look for policies that will ensure more students are ready for college.

College and Career Readiness (CCR) in North Carolina

Policy Element	Status	Details
Adopted statewide readiness standards	Yes	North Carolina Essential Standards
Gives assessment to high school juniors with CCR test	Yes	ACT Plan and ACT
Offers readiness courses to juniors or seniors not ready for college and careers	Yes	State has implemented SREB Readiness Courses
Requires postsecondary institutions to use grade 11 results for college placement	Yes	
Exempts “ready” students from placement testing	Yes	
Incorporates CCR measures into state’s accountability system	Yes	End-of-course exams: Algebra I, English II, biology College-ready: School averages on ACT composite Career-ready: ACT WorkKeys

Source: SREB analysis of state documents

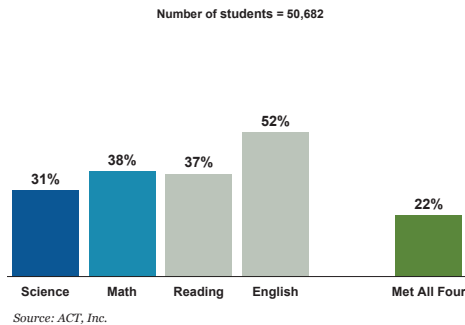


High School

With an eye on economic development and projected workforce needs, SREB states have focused on increasing the proportion of seniors who complete high school prepared to pursue careers in science, technology, engineering and math (STEM) — and health. SREB’s 2015-2016 Commission on Computer Science and Information Technology studied ways to help SREB states support computer science education and prepare more students for key technology careers. The charge was to help reduce critical workforce shortages that could stymie economic progress in years to come. Particularly threatened by a shortage of highly trained technical workers are fields such as cybersecurity and computer programming.

ACT’s 2015 college-readiness benchmark report spotlights the gap between the percentage of students graduating from high school and those ready for college while ACT’s *Condition of STEM 2015* focuses on graduating seniors who took the ACT while in high school and expressed an interest in **STEM** careers — about half of all tested graduates across the nation in 2015.

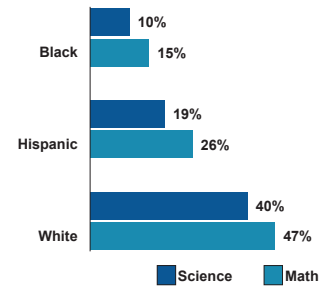
STEM-Interested Seniors Who Met ACT’s College-Readiness Benchmarks in North Carolina, 2015



Nationally, 33 percent of the STEM-interested students who took the ACT while in high school met all four college-readiness benchmarks compared to 26 percent of the STEM-interested seniors in the SREB region. Far too many of the STEM-interested students were not ready to pursue a STEM major.

Lower percentages of black and Hispanic STEM-interested graduating seniors met the ACT college-readiness benchmarks in science and math than their white peers in every SREB state in 2015. The gaps on the science and math benchmarks between black and Hispanic STEM-

STEM-Interested Seniors Who Met ACT’s College-Readiness Benchmarks in North Carolina By Racial/Ethnic Group, 2015



interested seniors and their white peers ranged from 2 to 47 percentage points in SREB states.

Also, lower percentages of STEM-interested females met these benchmarks than their male peers in every SREB state in 2015. In SREB states, the gaps on the science and math benchmarks between STEM-interested females and males ranged from 6 to 19 points.

As SREB states make strides toward the high school graduation goal adopted in *Challenge to Lead 2020*, they remain a long way from the college-readiness goal. Achieving the goal will require a strong focus on high school paths that emphasize postsecondary readiness and career preparation.

Challenge 2020 encourages SREB states to offer more than one path to high school graduation — with at least one path built on high academic rigor and career technical programs of study. Almost every SREB state has established college- and career-readiness standards and has some industry exams for high school students that

In North Carolina:

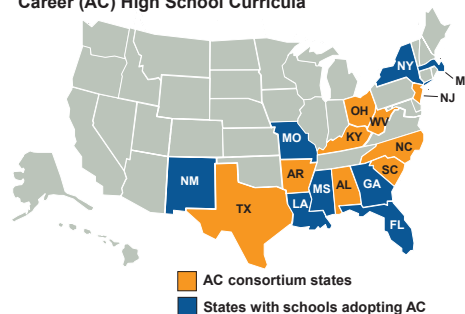
- Of the 2015 graduating seniors taking the ACT, 34 percent of female students interested in STEM careers met the ACT college-readiness benchmark in math, compared with 41 percent of males.
- Of these students, 28 percent of females met the ACT benchmark in science, compared with 34 percent of males.

lead to credentials. SREB’s 2015 Commission on Career and Technical Education urges states to expect all students to graduate ready for both college and careers.

The Commission’s report describes the **essential elements of career pathways** from high school to higher education and high-demand, well-paying jobs. It recommends that SREB states develop meaningful pathways from secondary to postsecondary education involving links to industry that ensure students graduate ready to be productive in critical industries. The report urges states to provide sufficient funding and appropriate accountability systems to develop these critical career pathways — not just in high schools and technical centers, but in community and technical colleges and other postsecondary institutions.

In developing career pathways that lead to well-paying jobs in high-demand fields, SREB states need to invest in new curricula that blend college-readiness academics with challenging technical studies and provide a framework for creating rigorous assignments. The Commission recommends that state K-12 and postsecondary agencies work together with employers to identify, evaluate and approve industry certification examinations, technical skill assessments, dual credit courses and end-of-course assessments that are part of a system of stackable credentials that offer long-term value to students, employers and the economy. On the outcome side of the equation, accountability systems need to reward high schools and postsecondary institutions that increase the number of students who earn recognized industry credentials and secure high-skill, high-wage jobs.

States and Schools Adopting SREB’s Advanced Career (AC) High School Curricula



Source: SREB’s High Schools That Work, January 2016

To aid in this effort, SREB has partnered with states in developing model pathway courses — **Advanced Career (AC) pathways** — in advanced manufacturing, aerospace engineering, clean energy technology, energy and power, global logistics, health informatics, informatics, innovations in science and technology and integrated production technologies. Designed with secondary, postsecondary and industry experts, each AC pathway includes four courses built around challenging projects that incorporate rigorous academic and technical knowledge and encourage students to explore careers. AC provides high school students with a greater depth of knowledge and skill — and prepares them for more options after they graduate.

High School Career and Technical Education (CTE) in North Carolina

Policy Element	State Required
State has career-academic and readiness standards for CTE completers	Yes
State has approved industry-recognized exams for specific CTE courses	Yes
Students who pass industry-recognized exams earn postsecondary credit	Yes
State-established goal for increasing credentials in high-demand career fields	Yes
New alternatively certified CTE teachers must:	
Hold an appropriate industry certification in the field taught	Yes
Pass a core-academic test	Yes
Be under contract early enough to participate in intensive professional development before the school year starts	No

Source: SREB interviews with state CTE directors, February 2016



High School

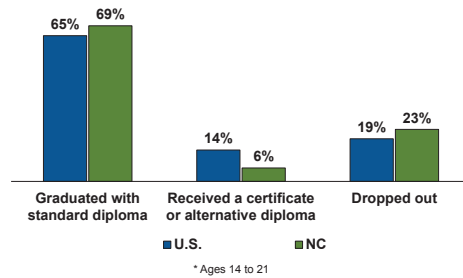
As SREB states worked to increase high school graduation rates since 2004, they developed an array of policies to grapple with the problems underlying poor graduation rates, starting with the most basic: absenteeism. Noted researcher Robert Balfanz estimated that more than five million students missed about a month of school every year. Absenteeism is associated with lower grades, dropping out and juvenile crime, so getting students to school is key. Keeping them in school is also crucial.

In 2009, the National Governors Association called for all states to raise the **minimum dropout age** to 18. In 2005, SREB reported that nine SREB states set the compulsory attendance age at 16, three states set it at 17, and four states set it at 18. Five of these states raised the age since then. While states focused on ways to make it harder for students to drop out, SREB's 2014 report, *Focus on Compulsory Attendance Policies*, documents that meaningful classes and strong support are just as critical for students at risk of dropping out.

As SREB states have made progress toward the Challenge to Lead high school graduation target of 90 percent, with strong state policy implementation and local efforts, they continue to struggle to raise rates for specific student groups. None has been more discouraging than the results for students with disabilities.

earned a standard diploma was significantly lower than the national average in nine SREB states. These results are particularly disappointing because only a minority of these students have disabilities that prevent them from being successful in postsecondary courses.

High School Exit Status of Students With Disabilities* In North Carolina, 2013



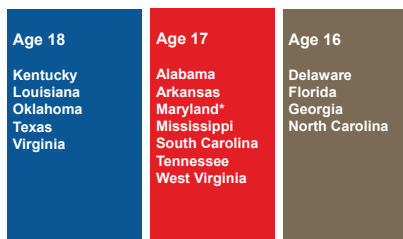
Source: Education Week Research Center

In 2013, about one in six students with disabilities in the nation left high school with an **alternative diploma or certificate of completion** — a credential that is not recognized for admission by postsecondary institutions or diploma-equivalent by employers. Another 19 percent of these students dropped out of high school in 2013.

Students with disabilities need strong preparation to transition out of high school successfully. Through age 21, these students can receive comprehensive services and supports through public schools under the Individuals with Disabilities Act (IDEA). This funding ends when these students exit high school, making this transition lifechanging beyond school. IDEA requires that transition planning begin by age 14 and services be in progress by age 16. To help more students with disabilities graduate from high school ready for college and careers, states should ensure that these students receive the early preparation, credentials and transition services they need for success beyond high school.

Policymakers and education leaders should find ways to make high school more meaningful to all students. This will require paths to graduation that connect students to the future. In doing so, states can help more students graduate on time, ready to pursue some type of postsecondary credential and a better career.

Earliest Age Students Can Drop Out of High School In SREB States, 2015-16



Note: Maryland moves to Age 18 in 2017-18.

Source: SREB analysis of state documents

Too many students with disabilities leave high school without the diploma they need to enroll in postsecondary education or to enter a career. In 2013, the median rate for these students who earned a standard diploma in SREB states was 61 percent. The rate ranged from 29 to 85 percent. In fact, the percentage of these students who

Education Data

Educators have long relied on research and data to identify effective teaching and learning strategies. Policymakers and others have depended on access to accurate data to identify critical education issues, gauge progress and assess policy implementation. In today's digital world, electronic data offer greater promise for informing policy. At the same, they require more secure systems to guard against breaches and better training to ensure necessary privacy, especially of students and teachers. The balance between security and privacy on the one hand and access to data on the other is tenuous. Current research and best practice provides states with clear recommendations.

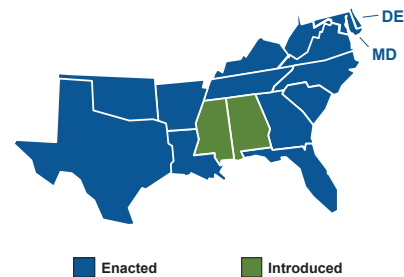
State policy needs to clarify data governance for P-20 education data collection, access, sharing and security. Policy should also specify notification processes for misuses of data and data breaches.

In 2013, Oklahoma became the first state to enact legislation to address student data privacy and security. Other states quickly followed its lead. Between 2013 and 2015, more than 300 bills addressing education data privacy and security had been introduced in state houses nationwide. These bills sought to address specific education data privacy and security issues, including data governance, processing, storage, collection, sharing and transparency. In all, 34 states — including 12 SREB states — enacted **education data privacy and security laws** during this time.

As states adopt new laws, policymakers should monitor implementation to ensure their states strike the balance between security, privacy and access. If the scale tips, states need mechanisms to correct the balance. In 14 SREB states, boards of education have rule-making authority on data governance, making it easier for them to adjust policies as needed.

Maryland and Virginia have comprehensive privacy training requirements for education personnel. These policies ensure that personnel who have access to student data know how to secure, protect and use it effectively and ethically. IBM reports that human error is a factor in 95 percent of data security incidents. Experts say many data breaches could be avoided if personnel were properly trained and supervised. Yet, school-level data are all too often entered by the employees with the least training.

Education Data Privacy Legislation in SREB States, 2013 to 2015 State Legislative Sessions



Source: National Association of State Boards of Education

Public concern about data privacy and security in recent years has been fueled in part by lack of trust, which in turn was founded on a perceived lack of transparency about how state data were collected, used and made available. State data policies should ensure strong communication that informs the public, especially students and parents, about current policies and proposed changes.

Communication about data policies should be easy for the public to find — not buried on websites. The text should be concise and easy to read, without jargon. It should indicate how data are collected, shared and used; who has access; and what safeguards protect student privacy. In 2016, the National Association of State Boards of Education reported that Colorado, Louisiana, West Virginia and Wisconsin increased transparency on state education privacy policies with methods that respectively included published fact sheets, a published state guide, statewide forums and a well-designed, privacy-focused website.

SREB's Education Technology Cooperative (ETC) has identified education data privacy and security as one of its 10 Critical Issues. It will focus attention on the issue and develop strategies to help states for at least the next three years. During this time, the ETC will develop materials to help states improve policies and communication strategies in this area.

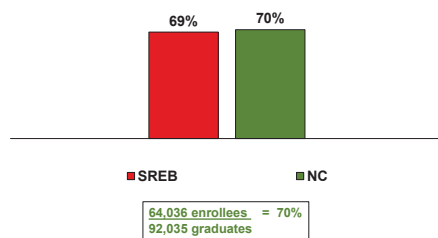


Postsecondary

To achieve the goal that 60 percent of working-age adults earn some type of postsecondary credential, states need to increase postsecondary enrollment rates for recent high school graduates. Considering the demographic profiles of SREB states, they will need to focus more effort on increasing the enrollment of students who are first-generation college-goers.

In fall 2014, 69 percent of the SREB region's recent high school graduates were enrolled in postsecondary education. The range among SREB states was 58 to 83 percent. For the first time, SREB calculated these rates using state-provided high school graduate counts. These numbers were also the basis for state calculations of the adjusted cohort graduation rates — ACGR. In prior years, the **recent enrollment rate** was based on state definitions of “graduate.” With the ACGR, the formula has now been standardized for all states.

Postsecondary Enrollment Rates of Recent High School Graduates in North Carolina, Fall 2014



Source: SREB, based on data from states and the National Center for Education Statistics

Increasing college enrollment rates for student groups is a critical step in closing college completion gaps and raising overall state postsecondary attainment rates. From 2009 to 2014, postsecondary enrollment in the SREB region decreased for black and white students, while Hispanic students increased by 29 points. This increase may result from the 2012 federal Deferred Action for Childhood Arrivals.

Providing sufficient student financial aid is important for improving student access to postsecondary institutions. Most SREB states provide some combination of need-based and merit aid. While state aid programs vary considerably by SREB state, financial aid remains an important tool in closing the **affordability gap** for

In North Carolina:

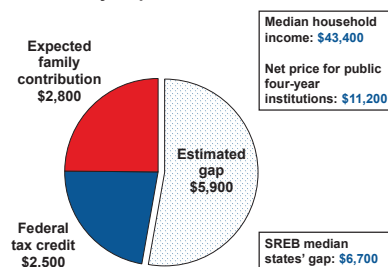
- From 2011-12 to 2013-14, the number of Pell Grant recipients decreased by 8,994 or 3.9 percent.
- For 2013-14, the average Pell Grant award per recipient attending public colleges across the nation was \$3,536, compared with SREB's median of \$3,506.
- From 2008 to 2014, the average student loan debt for graduates of four-year public and private colleges increased by \$6,818 or 37 percent.

students. The 2016 SREB Affordability Commission's recommendations addressed the critical challenge of increasing degree completion — a challenge that grows yearly as more students are priced out of postsecondary education and better careers.

Federal Pell Grants assist students from low-income families by providing federal funding support that does not have to be paid back after graduation. The proportions of college costs Pell Grants actually cover has declined steadily over the last decade. In 2013-14, the median Pell awards by state in the SREB region ranged from \$3,228 to \$3,947. Even so, all 16 SREB states saw the number of students receiving Pell Grants decrease from 2011-12 to 2013-14.

In 2014, SREB began using net price data as a cost indicator. National Center for Education Statistics defines net price as the total cost of attendance minus the average state, federal, and institutional scholarship and grant

College Affordability Gap in North Carolina, 2014



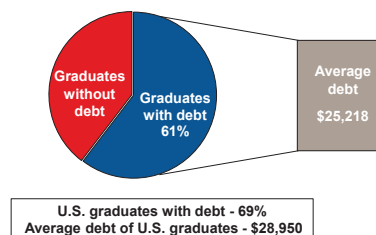
Sources: The College Board, National Center for Education Statistics, SREB Data Exchange and U.S. Department of Education

aid. It factors in what students can expect, on average, to receive in all types of financial aid, including state-aid programs.

The total cost of attendance is the sum of tuition, fees, books, supplies, and a weighted average room, board and other expenses related to living costs for on- and off-campus students. The net price cost for one year for undergraduate students to attend a public four-year institution in SREB states ranged from \$9,164 to \$16,211 in 2014. Families are expected to pay a share of these costs. When they complete the federal financial aid application, their expected contribution — called the Expected Family Contribution (EFC) — is calculated based on tax and financial aid information.

Tax credits and loans can help reduce the remaining cost. All students whose families pay taxes are eligible for the federal American Opportunity Tax Credit, up to \$2,500. The full credit is available to individual taxpayers whose modified adjusted gross income is \$80,000 or less — or \$160,000 or less for married taxpayers who file a joint return. For 2014, the EFC and the federal tax credit, taken together, did not cover the net price at public four-year colleges for students from median-income families for any SREB state. State, institutional and private scholarships can offset a portion of this affordability gap. Student loans can also help cover this gap, but loans stretch out the cost with interest added — requiring students to make payments that can span a decade or more beyond graduation. Approximately 69 percent of U.S. college seniors graduated with **student debt** in 2014. Their average debt was \$28,950. Across the SREB states, average debt ranged from \$23,000 to \$29,400.

Debt Status for 2014 Graduates of Public and Private Nonprofit Colleges and Universities* in North Carolina



* Four-year institutions only
Source: Projectonstudentdebt.org

Interest rates on federal student loans doubled to 6.8 percent, beginning in 2014. In addition, many college graduates can find it difficult to get jobs in their fields at wages that permit them to make significant dents in repaying their college loans. Rising student debt and interest rates may push more students to enroll part time, delay attending or not apply.

Cost and debt are serious concerns for many high school students and their parents. Many need choices to find one viable postsecondary path to fit their budgets. Students should feel confident that if they choose to start their postsecondary studies at two-year or technical colleges, they can progress along an academic and career pathway to good paying jobs without impediments when they **transfer** to another institution. Well-designed pathways can lead the way to advanced credentials — helping high school graduates with viable short- and long-term educational and career possibilities.

Affordability and Transferability in North Carolina

Policy Questions	Status	Notes and References
Which group sets tuition?	4 yr: HES 2 yr: HES	University of North Carolina Community college system
Provides financial aid (merit, need, both)?	Need	80% of aid is need-based.
Guarantees full transfer of general education credits?	Yes	Comprehensive Articulation Agreement [§ 116-11(10c)]
Guarantees full transfer of associate degree credits?	Yes	

Note: HES=higher education system

Source: SREB analysis of North Carolina General Statutes and NASSGAP Survey 2013-2014



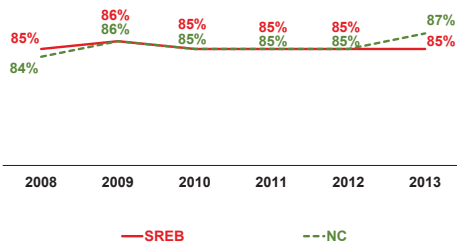
Postsecondary

While college enrollment rates of recent high school graduates in SREB states increased steadily from 2004 to 2010, they remained relatively flat from 2010 to 2014. The opposite is true for college completion rates for students attending four-year institutions. These completion rates were relatively flat from 2004 to 2010, but the rates increased steadily from 2010 to 2014.

To achieve the Challenge to Lead 2020 goal of 60 percent of working-age adults with degrees and certificates by 2020, SREB states will need to increase college enrollment for recent high school graduates, especially for those students who would be first in their families to attend college. Many of the first-generation college-goers will need greater levels of support services to help them enroll, apply for financial aid and successfully complete some type of postsecondary credential. States will also need to attract working-age adults to their postsecondary programs. Strong state access and support policies can help ensure that postsecondary institutions provide the kinds of support all these students need to succeed.

States need to monitor their freshmen **persistence rate** as a key performance indicator. This rate measures the percentage of first-year students who return to their college for a second year of college study. Colleges and universities in SREB states collect and report these data to SREB as part of the SREB Data Exchange.

First-Year Persistence Rates at Public Four-Year Colleges and Universities in North Carolina



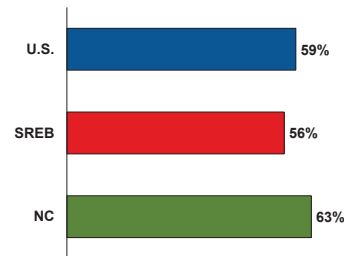
Source: SREB Data Exchange

Unlike other persistence rates reported across the country, the SREB freshmen persistence rate counts data about students who transfer to other colleges their second year. In 2013, the persistence rate for students attending public four-year institutions in SREB states

was 85 percent. Among SREB states, the rates ranged from 76 to 92 percent. Seven SREB states increased their rates from 2008 to 2013.

Another key performance indicator for states is the **six-year graduation rate** for four-year public colleges and universities. Institutions must report this rate to the U.S. Department of Education.

Six-Year Graduation Rates for Fall 2008 First-Time, Full-Time Freshmen at Public Four-Year Colleges And Universities in North Carolina, 2014



Source: SREB Data Exchange

Federal law defines the rate as the percentage of freshmen who enter college in the fall term and remain at the same institution through graduation. It provides evidence of how well the institution serves this group. But, the rate does not account for students who enroll in other terms, part-time students and those who transfer from other institutions. Thus, it provides an incomplete picture of college graduation rates.

The SREB region increased its six-year graduation rate for four-year colleges and universities for first-time freshmen from 53 to 56 percent from 2010 to 2014. It trailed the nation on this indicator by 3 percentage points in both 2010 and 2014. Six SREB states had graduation rates that exceeded the national average of 59 percent for students who enrolled in 2008 and graduated by 2014. Graduation rates for black, Hispanic and white students in five of the six states exceeded rates for their respective peer groups nationwide. Among SREB states, graduation rates for black students ranged from 25 to 54 percent. For Hispanic students, the range was 39 to 78 percent.

While many students graduate from college within six years, a large number of others show significant progress toward graduation — but do not finish within that time. The SREB Data Exchange and its partnering states

In North Carolina:

- Percentages of working-age black and Hispanic adults with bachelor's degrees or higher trailed the rates of their respective peers in the nation and region.
- Percentages of working-age Hispanic adults with associate degrees or higher trailed the rates of their peers in the nation and region.
- The postsecondary attainment rate for all postsecondary credentials, including certificates, exceeds the rate for associate degrees and higher — by 5 percentage points.

track students for up to 10 years from the year they enter college to calculate the SREB progression rate — the percentage of first-time freshmen who complete a bachelor's degree, remain enrolled or transfer to another institution after initial enrollment.

In 2014, the SREB progression rate at the six-year mark for the students who entered public four-year colleges and universities in 2008 was 77 percent. This percentage includes 56 percent who graduated in 2014, plus 21 percent who remained enrolled or transferred to other institutions. States and institutions should step up efforts to help this large percentage of students who are still actively pursuing a credential after six years.

SREB states have considered three types of policies to address college completion:

- greater access to a variety of postsecondary programs
- rewards for postsecondary institutions that meet or exceed completion performance targets
- alignment between the needs of postsecondary education and the workforce.

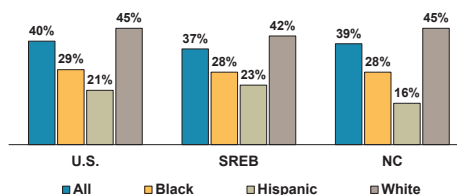
Opening more pathways to postsecondary certificates and degrees is important for several groups: (1) recent high school graduates who want to enter the workforce; (2) working adults who need to retool their skills; and (3) adults with some college but no credential who want better paying jobs. Strategies vary for increasing the number of students in certificate and degree programs from each group.

SREB's 2015 Community College Commission recommends that states and institutions create clear, well-defined pathways to help students complete postsecondary credentials. Community colleges also need to evaluate their program offerings regularly against state economic development priorities to ensure they support workforce development. They need strong advisement programs with student assessment on entry, help in tracking progress, feedback and support — all designed to keep students on track to graduate.

The Challenge 2020 **adult educational attainment** goal of 60 percent of working-age adults in SREB states with a postsecondary credential by 2020 counts postsecondary certificates as well as associate and bachelor's degrees.

In the SREB region, 37 percent of working-age adults, ages 25 to 64, held an associate degree or higher in 2014 — trailing the nation by 3 percentage points. Three SREB states matched or exceeded the national average of 40 percent. The percentages of black and white adults with an associate degree or higher across the SREB region trailed their respective peer groups across the nation in 2014.

Percentage of Working-Age Adults With Associate Degrees or Higher, By Race/Ethnic Group In North Carolina, 2014



Source: U.S. Census Bureau

The U.S. Census does not currently include individuals with postsecondary certificates in its measurements of adult attainment. However, the Lumina Foundation reports that the attainment rate rises by 5 percentage points nationwide when postsecondary certificates are considered. The regional rise is also 5 points, while the range across SREB states is 3 to 15 points.

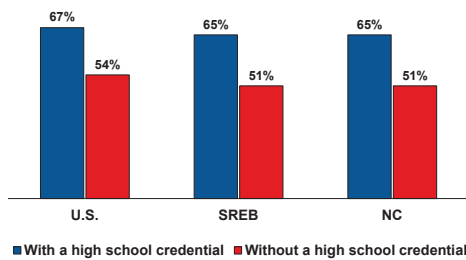


Lifelong Learning

Working-age adults who have met the Challenge to Lead adult attainment goal — and have a postsecondary certificate or degree — **earn higher wages** and have better health than their peers — and have an improved quality of life. They also are generally less dependent on state and federal services and contribute more in tax revenues.

Adults, ages 25 and older, who graduated from high school earned on average \$7,300 more in 2014 than adults who did not graduate from high school. Those with bachelor's degrees earned on average \$22,600 more than those with only high school diplomas and \$29,900 more than those without high school diplomas.

Employment Rates for Adults, Ages 25 to 64, Without a Postsecondary Credential in North Carolina, 2014



Source: U.S. Census Bureau

The 2007-2009 economic recession hit adults who had a high school diploma or less the hardest, especially in **employment opportunities**. According to a 2012 study by Georgetown University, job losses exceeded 5 million among those with high school credentials or less. Those with bachelor's degrees or better, however, gained 187,000 jobs during the recession. In 2015, Georgetown University reported that of the 2.9 million “good jobs” created since 2010, only 100,000 were filled by adults with less than a bachelor's degree. Good jobs typically pay above the median wage for that occupation and offer workplace benefits. Job market projections show that higher educated adults will continue to be more employable.

States can improve their adult **educational attainment** rates if they can attract more adults to education programs and help them to complete postsecondary credentials. In particular, state programs can help three groups of adults improve their levels of education:

In North Carolina:

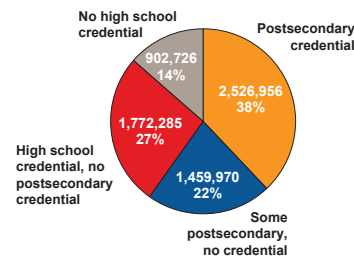
- The earnings gap between adults over age 25 with a bachelor's degree and those with only a high school credential was \$17,920 in 2014.
- In that year, the percentage of adults over age 25 without a high school credential was higher than the national rate by 1 percentage point.

- adults with some postsecondary education but no credential
- adults with a high school credential but no postsecondary education
- adults without a high school credential.

In total, these three groups comprised between 55 and 74 percent of the adult population in SREB states in 2014. To meet future job needs, states and colleges need to ensure that more adults enroll and move progressively toward college completion — and then earn degrees.

Unfortunately, about one in five adults in the SREB region and in the nation fall into the first group — those who earned some college credits but no credential. In 2013, researchers at the Institute for Higher Education Policy studied adults who had earned substantial credits but had not earned degrees. They evaluated more than 41,000 former students from 60 postsecondary institutions that offer associate degrees — including colleges in SREB states. These students each accumulated 60 credit hours

Educational Attainment of Adults, Ages 25 and Over, in North Carolina, 2014



Note: The sum of categories does not equal 100 percent, due to rounding.

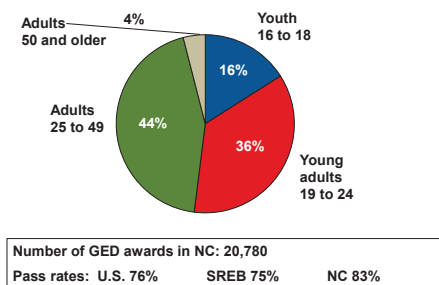
Source: U.S. Census Bureau

but left school without a degree. The researchers found that more than 16 percent of these adults were eligible for degrees without additional courses.

The third group holds significant promise for improving statewide college completion rates. All SREB states provide adult education programs for adults who have not completed high school, generally through their K-12 or community college agencies. With federal funding, they provide basic literacy and math skills through Adult Basic Education (ABE) programs, English instruction through English Language Acquisition (ELA) programs, and preparation for high school equivalency credentialing through Adult Secondary Education programs, including **GED** (or General Education Development) programs.

In 2014, more than two out of five adults, ages 25 and older, who did not finish high school nationwide had not completed ninth grade. These adults likely need ABE or ELA programs.

GED Awards by Age in North Carolina, 2013

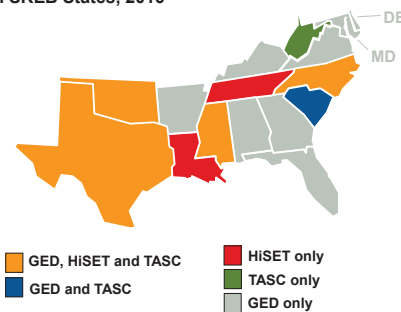


Source: American Council on Education

Traditionally, GED preparation programs serve mostly younger adults who recently dropped out of high school. In 2013, more than half of GED recipients in the SREB region were 16 to 24 years old. These numbers suggest that too few adults, ages 25 and older, who need high school equivalency credentials took advantage of preparation programs.

The options for high school equivalency credentials changed substantially in recent years. The 2002 series GED test was last offered in 2013. An updated, more college- and career-readiness-aligned GED test was released in January 2014. It is more rigorous and expensive than previous GED tests. States saw surges in the numbers of GED recipients in 2013 as people rushed to take the

High School Equivalency Assessments Offered In SREB States, 2016



Source: SREB analysis of state documents

expiring test. From 2008 to 2013, the number of GED recipients nationwide rose 13 percent, compared to an 11 percent rise in the SREB region.

With the roll-out of the new GED test in 2014, two alternate **high school equivalency assessments**, the HiSET (or High School Equivalency Test) and the TASC (or Test Assessing Secondary Completion) emerged. These assessments provided greater flexibility to test takers than the GED, including lower cost and more testing formats. Some states began to administer more than one of these assessments to provide adults with choice.

The U.S. Office of Vocational and Adult Education provides states with grant funding for adult education programs. Congress appropriated about \$569 million for adult education in 2015. SREB states received approximately \$222 million or 39 percent of the funds allocated to states.

The federal formula grant for adult education distributes funds to states based on the number of adults over age 16 in each state who are not enrolled in and have not completed high school. In turn, states must provide a 25 percent in-kind match for the federal funding they receive and satisfy a “maintenance of effort” provision, requiring that they spend at least 90 percent of what they spent in the prior year on adult education programs. SREB advises states to invest more state funds in adult education than required by the grant to promote higher educational attainment.

By focusing on all three groups of adult learners — those with some college credit but no degree, those with only a high school credential, and those without a high school credential — states can ensure more residents complete college and succeed in the job market.

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