



**Calculating the Costs & Consequences:
*What's at Stake for Wake?***

Presented at the October 16 Forum: 2010

“Great Schools in Wake Coalition”

Every Child, Our Child

The Great Schools in Wake Coalition* is a community coalition of organizations, business leaders, parents, students and citizen advocates who are working to ensure educational excellence in the Wake County Public School System.

Our vision: We believe that all children in Wake County, regardless of income, race, ethnicity or residence, should receive the highest quality education possible.

Our mission: Our mission is to provide accurate information to educate the public about policy initiatives that would impact the quality of education, foster well-informed discussions about critical education issues, and advocate for policies that improve public education in Wake County.

Our core values: Wake County citizens expect and deserve schools that:

1. **Produce Great Students.** Our community needs the Board of Education to focus its attention on, and make decisions for, the success and **achievement** of all students to be competitive in both the global and local workforce.
2. **Support Skilled Educators.** We value our teachers and staff and believe that the Board of Education must assure opportunities for professional development and good working conditions. **Every school must be a place where teachers want to teach and students learn.**
3. **Support Diversity.** Our community expects schools and curriculum that **reflect a diverse world**—providing exposure for students to many races, languages, arts, cultures, economic levels and ideas.
4. **Use Resources Efficiently.** Our community expects the school system to **wisely make the most of our limited resources.** We support fair growth funding at a level equal to or greater than the national average per student.
5. **Provide Student Stability.** To the extent that growth in our community permits, we believe that student re-assignments should be minimized, and that calendar continuity should be available for all families.
6. **Foster Partnerships.** We value a school system that fosters partnerships between teachers, administrators, parents, businesses and the community as a whole, with communication and open dialogue as a part of every strategic change.
7. **Model Educational Excellence.** Every school must be a place where teachers want to teach and students learn. As a key component of our community’s quality of life, our community expects our schools to achieve a global reputation for excellence.

*The Coalition was created by WakeUP Wake County, a 501(c)(3) grassroots organization that has earned a reputation as an effective and active citizen voice, advocating through citizen engagement in the public policy arena.
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I. EXECUTIVE SUMMARY

In the fall of 2009, the election of four new board members to the Wake County Board of Education created a five-member majority that has moved rapidly to dismantle the Wake County Public School System's (WCPSS) decade's long commitment to equity for every school across the county. Changes continue to be proposed without the essential evaluation of their costs or consequences. All stakeholders in Wake County must commit to the educational success of our young people. In order to do that, we must not yield to the parties that wish to diminish the public schools. We must use our resources wisely and we must prepare for the student population growth that is forecast for our County.

In order for the public or elected officials to make decisions, the decisions must be preceded by thorough and thoughtful analysis. To selectively pick and choose data is both dishonest and a disservice to the public. Governance demands that the consequences of actions be anticipated and addressed. Major changes bring both intended and unintended consequences. The changes in student assignments currently being discussed by the WCPSS School Board are quite similar to what Charlotte-Mecklenburg Schools (CMS) implemented following the termination of its desegregation plan. It is instructive to look at changes in CMS over the last eight to nine years and compare the two districts. Our goal is that research and data will inform the public and help to anticipate and avoid the quite likely negative consequences of the changes being executed by the new board majority.

Excellent education takes the commitment of many, starting with a family emphasis on achievement in education and support from all members of the community. Successful schools require strong community support, excellence in teaching, and the time and financial donations of parents, PTA members, and other committed volunteers. Balanced classrooms create the opportunity for each and every child to achieve their full potential, help to retain great teachers and assure that financial resources are distributed in an equitable fashion to all schools. Balanced schools are one part of an overall strategy WCPSS needs to provide quality education, but it ***must be accompanied by adequate resources and cost-effective strategies*** in order for each child to reach his or her potential.

Looking at CMS one sees the rapid return of segregated schools and the resulting connection between impoverished schools and failing schools. CMS has been able to increase performance for some of its vulnerable students, but it has come with an expensive price tag and all students do not share in those gains. Just recently, CMS announced the closing of 12 of its schools, and another 20 will "receive help". Included in this report are analyses of both the larger tax burden of Mecklenburg County residents and the substantial per student historical and current spending differential between CMS and WCPSS.

To its great credit, prior to terminating its desegregation plan, CMS acknowledged the research that ***high poverty schools face more challenges than low poverty schools***. CMS put in place

several safeguards to ensure that high poverty schools would have additional resources to combat the increased challenges faced by these schools.

CMS utilized smaller class sizes in high poverty schools, extended school hours, extensive teacher bonuses, Teach for America Program, established a pre-K program, and allocated very high per pupil expenditures to help improve performance of students in high poverty schools. An Equity Commission was also established to monitor the degree to which schools across CMS provided equitable educational opportunities.

However, as CMS is experiencing huge budget shortfalls, the fund for teacher incentives is rapidly diminishing. Just recently the CMS Equity Committee was disbanded, calling into question how CMS will address the inequities in their system and the challenges posed by its many high poverty schools.

Has the WCPSS Board majority anticipated these programmatic needs and costs? We have yet to hear of the costs and consequences of their student assignment policy decisions. Equivalent safeguards to those implemented by CMS have not been considered by the WCPSS School Board. Thus, the reality for WCPSS students if similar student assignment changes are made—without accompanying safeguards and adequate funding—is bleak. Punitive rather than empowering propositions are the only ideas being considered by the new board members. In addition, the economic realities faced by WCPSS at this time are strikingly different from the economic boom underway in the early part of the 2000s when CMS began down this road.

This report explores more fully the comparison between CMS, WCPSS, and in some cases other districts and the state, providing a historical perspective that has been lacking from the recent community debate over the fate of WCPSS. Key conclusions are:

- ***Enrollment in WCPSS has increased steadily over the past decade***, becoming particularly rapid during the years from 2003-04 to 2008-09, and surpassing CMS for the first time in 2007-08. Enrollment in WCPSS continued to grow, but not in CMS. In 2008-09 enrollment in WCPSS grew by 1,972 students to 139,064. In contrast, enrollment in CMS in the same period was essentially flat, dropping by 33 students from 132,072 to 132,042.
- ***Total per pupil expenditures (PPE) and per pupil amounts (PPA) based on county appropriations and supplemental taxes in CMS have consistently been higher than in WCPSS.*** Although differences on the order of \$100 - \$200 per pupil don't seem like much, they are significant when multiplied by the number of students in the system. For the nine year period from 2001-02 to 2008-09, if Wake students were funded on a per student basis equivalent to CMS per student funding, WCPSS would have been funded by an additional \$417 million over this nine year period.
- ***County tax rates have consistently been higher in Mecklenburg County than in Wake County.*** Most recently, in 2009-10, the county tax rate per \$100.00 property value in

Mecklenburg County was \$0.8387 and just \$0.5340 in Wake County. This has resulted in significant local funding differences between CMS and WCPSS. Historical local per pupil expenditures have been consistently higher in CMS than in WCPSS, with the greatest gap in the last decade in 2005-06 at \$273 per pupil.

- **Transportation costs have often been cited as a reason to do away with balanced schools; however, most busing is due to growth and not to diversity.** WCPSS has been efficient with its transportation dollars, using a three-tiered system of busing that does more with less. Importantly, there has been no analysis of the increased busing costs associated with the assignment plans being proposed by the new board. For example, zone assignments without a base school may result in every child on a street going to a different elementary school. Costs must be calculated before a plan is considered as a serious option.
 - CMS currently transports more students on more buses than WCPSS, and spends **more money on transportation than WCPSS** even though CMS now has fewer students than WCPSS and encompasses a far smaller geographic area (546 square miles in Mecklenburg County vs. 857 square miles in Wake County).
 - Approximately 85% of all transportation funding comes from state funds. There is **no evidence offered by the new board members that their proposed student assignment policy changes will result in any transportation savings** that will increase funds available to WCPSS.
- Although overall, **Mecklenburg County is wealthier than Wake County, Mecklenburg's schools currently are populated by about 50 percent economically disadvantaged students;** prior to moving to neighborhood school system this number was about 30 percent, which is similar to WCPSS' current free and reduced lunch student population percentage.
- **CMS schools have become more segregated in terms of student poverty levels.** In 2001-02, CMS had 16 schools with greater than 80% students receiving free/reduced lunches (FRL). By 2009-10, that number had increased threefold to 48 schools. At the same time, the number of schools with 1-20% FRL students also increased, from 20 to 25 schools. Together, these changes indicate a dramatic increase in the SES segregation of students in CMS.
- During the same time period, **Wake County experienced the opposite pattern**, shifting from 6 schools with greater than 80% students receiving free/reduced lunches (FRL) in 2001-02 to 0 schools in 2009-10. During the same time period, the number of schools with 0-20% FRL students decreased from 32 to 28.
- In September 2010, CMS made public a list of 37 schools out of their total of 178 schools that are either overcrowded, underutilized and/or low performing. Twelve (12) schools

out of the total will be closed based on a report in the Charlotte Observer (September 29, 2010), while new schools are being built elsewhere. These schools were not in this condition when CMS moved to a neighborhood system; they were created by CMS' policies. This ***inefficient use of school buildings wastes a valuable capital asset***.

Below are points of comparison between WCPSS and other NC school systems in terms of student achievement. As noted earlier, most comparisons are made to CMS because it is the school system closest in size to WCPSS, and most importantly, has a zoned neighborhood student assignment policy that has led to rapid resegregation of their public schools. Their assignment policy is similar to that being proposed by the majority members of the WCPSS school board.

- WCPSS has ***consistently had a higher graduation rate*** than CMS for all subgroups with the exception of Hispanic and Limited English Proficient students. WCPSS' graduation rate for All Students in 2010 is 78.4 compared with CMS at 69.9 and the State of NC at 74.2. Distortions in data interpretation put forth by members of the WCPSS majority members and their supporters surrounding WCPSS' graduation rate would lead one to assume that CMS' graduation rate is far superior to WCPSS—that is simply false. While there remains much progress needed to get the graduation rates of economically disadvantaged students to the system goal, WCPSS and CMS are statistically at the same number of 59.7 for WCPSS and 59.8 for CMS.
- WCPSS has ***consistently had a lower dropout rate*** than CMS for all student subgroups.
- Historically, WCPSS outperformed CMS in EOG test results; however, since WCPSS' enrollment has grown relative to CMS' enrollment, and per pupil funding has not kept pace in WCPSS, ***some CMS students in elementary and middle schools have gained in some EOG test scores*** relative to WCPSS this past year; this success is not shared by all students at all schools.
- CMS has made progress with high school students' EOC performance in Economically Disadvantaged (ED) and Black student subgroups; however, ***CMS' Black sub-group passing rate for AP exams was less than 20 percent in the four years (2005-2008)*** cited in the Broad 2009 data report, while ***WCPSS Black sub-group passing rate for AP exams was far better than CMS' with over 50 percent passing in three out of the four years*** reviewed by the Broad Foundation.
- Since 2002-03 (the year after diversity was discontinued in CMS), some schools in ***CMS experienced dramatic changes in demographic make-up, with sharp increases in poverty and accompanying decreases in EOG passing rates***, particularly in elementary and middle schools, with performance generally lower than the lowest performing students in WCPSS.

- **Advanced Placement Test passing rates (scoring at or above level III) are higher for WCPSS students** than in the other large urban districts in NC (CMS, Guilford County, and Forsyth Counties).
- **SAT scores are consistently higher for WCPSS** students when compared to CMS, State, and national averages.
- **Higher FRL percentages are accompanied by lower SAT scores.** SAT results by school show that there is a very strong relationship between SAT scores and the percentage of free and reduced lunch (FRL) students in the school. .
- **Wake County students who attend the University of North Carolina system schools outperform students** from the other large districts in the state (Durham County, Forsyth County, Guilford County, and CMS), with more students with higher GPAs, more students returning after their second and third years, fewer students in remedial math or English, and the largest percent of students graduating in five years or less.

WCPSS is a strong system that has been challenged with excessive growth and under funding for years. Fortunately, WCPSS has developed many efficient systems that enable students to achieve at a high level even with less funding. A student assignment policy that strives for balance in income and achievement when making student assignments contributes to the cost savings in WCPSS by maximizing use of school facilities and actively reducing concentrations of poverty in any one school. To abandon efforts to create balanced classrooms without carefully and thoroughly studying the costs and consequences is a sorrowful example of failed governance.

Mission

Great Schools in Wake's mission is to educate the public about the status of public education in our community. Founded on a principle of "Every Child, Our Child," Great Schools has worked to support policies that expand educational opportunities for all children. This Forum's goal is to present the public with **data-driven analysis and policy recommendations** to achieve that goal: **equity and excellence** for all students. The election of four new members to the WCPSS Board of Education in the fall of 2009 brought a seismic change in education policy in Wake County. A new five-member narrow majority moved swiftly to undo decades of policy that had sought to equalize educational opportunity for children in the Wake County Public School System (WCPSS) and fully utilize every school in order to minimize the number of new schools that will need to be constructed.

These recent decisions have been made without supporting research or documentation.

Decades of research support that balancing poverty in our schools is a critical ingredient to student success. In order for elected officials to make any decision affecting the education of 140,000 young people, the analysis must be thorough and thoughtful. Major changes bring

both intended and unintended consequences; therefore, good governance demands that the consequences of actions be anticipated and addressed ***before*** those actions are taken.

Comparison with CMS

While WCPSS compares very favorably to many other urban school systems across the nation in student performance, for this report, the comparison to CMS is deliberate for these reasons: 1) CMS operates under the same state legislative mandates and requirements as WCPSS; and 2) about 10 years ago, CMS chose to pursue an assignment plan similar to one proposed by the current WCPSS Board majority. These two factors provide justification for comparing these two systems. CMS has experienced 10 years of radical change in its school system, some positive, but much negative.

A thorough comparison between the performance of the Wake County Public School System (WCPSS) and the Charlotte Mecklenburg School System (CMS) is both enlightening and instructive. CMS and WCPSS are of generally similar size in terms of student enrollment and number of schools and have similar challenges typical of urban systems. Other school systems in North Carolina just do not compare in terms of size to CMS or WCPSS.

CMS terminated its socioeconomic diversity policy in school assignments in 2001-2002, beginning a decade of change and implementation of a variety of strategies designed to undo the damage of creating high poverty schools. Some changes in CMS have been positive; however, currently there is a great disparity in proficiency among CMS schools. That was not the case prior to 2002. The data in this report will demonstrate that **CMS has created a system of “have” and “have not” schools.**

In May 2005, Wake County Superior Court Judge Howard Manning Jr. issued a ruling in which he accused CMS of "academic genocide" against at-risk, low-income students in low-scoring high schools. While recent EOG scores have indicated that CMS' expenditures focusing on poor and minority high school students have had some success, minority and poor students in many of CMS' racially isolated elementary and middle schools are not faring well. As evidence of that, CMS just recently announced a list of 37 schools that are underutilized, overcrowded and/or low-performing and followed that up with a list of 12 schools that they will be closing. Many of these schools are primarily attended by low-income, Black and Hispanic students. How many more of CMS' schools will be closed in the coming years as severe budget conditions are expected to continue? It is clear that nine years after doing away with efforts to balance schools, CMS has generated significant problems for many students attending CMS.

Data at this forum will be used to compare what has happened in CMS since desegregation efforts were ended in the 2001-2002 school year, in an effort to project what likely will happen in Wake County if the narrow WCPSS board majority continues their policies on Student Assignment based on a zone choice model.

WCPSS Achievement

Over the last 10 years, WCPSS has consistently outperformed CMS in End-of-Grade (EOG) and End-of-Course (EOC) testing during a time that WCPSS sought to balance the number of low SES students in its schools and CMS did not. Only after WCPSS had been flooded with more students and had fewer financial resources (lower per pupil expenditures) than CMS, have gains in CMS' standardized test scores marginally reversed this historic trend with certain student demographic subgroups—primarily with high school students. EOG testing results are important, but they are not the only measure of a school's success. Looking at one snapshot in time is less important than looking at growth of student cohorts over time. The most recent WCPSS EOG scores have also improved. In addition, WCPSS outperforms CMS students in many ways, including some of the most important measures of student success:

- College readiness measures:
 - SAT Scores
 - Advanced Placement Test Scores
- Drop-Out Rates
- Graduation Rates
- College Performance Measures

In this forum, we will demonstrate that while there are genuine needs in our community which the public school system needs to address, the apparently uninformed board majority has made significant assumptions about the root causes of these issues. Proposing solutions, without truly understanding the root causes of problems, leads to failed solutions. We are concerned that dramatic changes to the current WCPSS system, counter to the current Board's stated objective of stability, will in fact de-stabilize WCPSS, negatively impact the majority of students in WCPSS who are being served well, but will also fail to improve the achievement of those students most in need.

Data Sources

Many data sources were used for this document. One source was used for the same type of data, unless otherwise noted. In some cases, educational data was collected from sources that may be one to two years behind the present. For example, the North Carolina Department of Public Instruction (DPI) site was used for much of the data summarized in this report; however, certain reports such as the North Carolina Statistical Profiles are only current through the academic year 2007-2008.

End-of-Grade (EOG) testing data was used in a number of these reports. EOG data passing rates above 95% proficient are not delineated in the reports, therefore any value that was listed as >95% in the dataset was treated as 95% on the graphs. A value on the graph of 95% should be viewed as equal to or greater than 95%.

Other data sources used in this report include:

- NC DPI Statistical Profiles
- WCPSS Demographic Reports
- WCPSS Growth & Planning Reports
- CMS Demographic Reports
- NC DPI Grade, Race and Sex Reports
- NC DPI Disaggregated Reports on Student Performance
- CMS and WCPSS Budget Reports
- CMS Equity Reports
- www.ncdnpe.org
- www.ncpublicschools.org
- The Broad Foundation - <http://broadeducation.org/>
- US Census Data, <http://www2.census.gov/govs/school/08f33pub.pdf>

A committee to annually review equity in CMS schools was formed in response to the loss of the use of diversity in student assignments in CMS. The annual CMS Equity reports were submitted to the Superintendent and the Board of Education for CMS. Especially in the early years after CMS abandoned its diversity efforts, the equity reports provided detailed information about the lack of equity in CMS schools. It is our understanding that these reports will no longer be produced for CMS even though equity is clearly not system-wide in CMS.

A document comparable to the CMS Equity Report is not available for WCPSS. Efforts to obtain the level of detail for WCPSS as provided in the CMS Equity Reports were not successful in time for report preparation.

Cautionary Note: with all educational data, comparison of similar data types from different sources can lead to inaccurate comparisons for many reasons, including different calculation methods or different reporting periods. Care needs to be taken when comparing educational data across reports. We have taken this care when putting together this report.

II. COSTS

There are great costs associated with the paradigm change that the WCPSS board majority is proposing for Wake County. The current structure of the WCPSS is remarkably cost-efficient. Changing the student assignment policy will have a dramatic impact on costs both in immediate costs of new buildings and infrastructure, but also in the costs associated with hiring teachers and reducing class sizes to address the needs of high poverty schools.

The costs of running a school system depend on many factors. This report examines a variety of costs, including enrollment, per pupil expenditures (PPE), per pupil amounts (PPA) based on county appropriations and supplemental taxes, funding sources, impact on local property tax rates, and transportation costs.

School System Statistics

Data below provides a snapshot over the last couple of years in terms of number of schools, number of teachers, and enrollment in both CMS and WCPSS.

Number of Schools

In the 2009-2010 school year, CMS was composed of 178 schools including pre-K and alternative schools, but reports show that there are 52 schools that are overcrowded, underutilized and/or are low performing. Twelve (12) of these schools will be closed.

At the end of the 2009-2010 school year, WCPSS had 159 schools with four new schools opening at the beginning of 2010-2011 school year, making WCPSS' new total 163 schools. This total includes four special/optional schools.

Enrollment

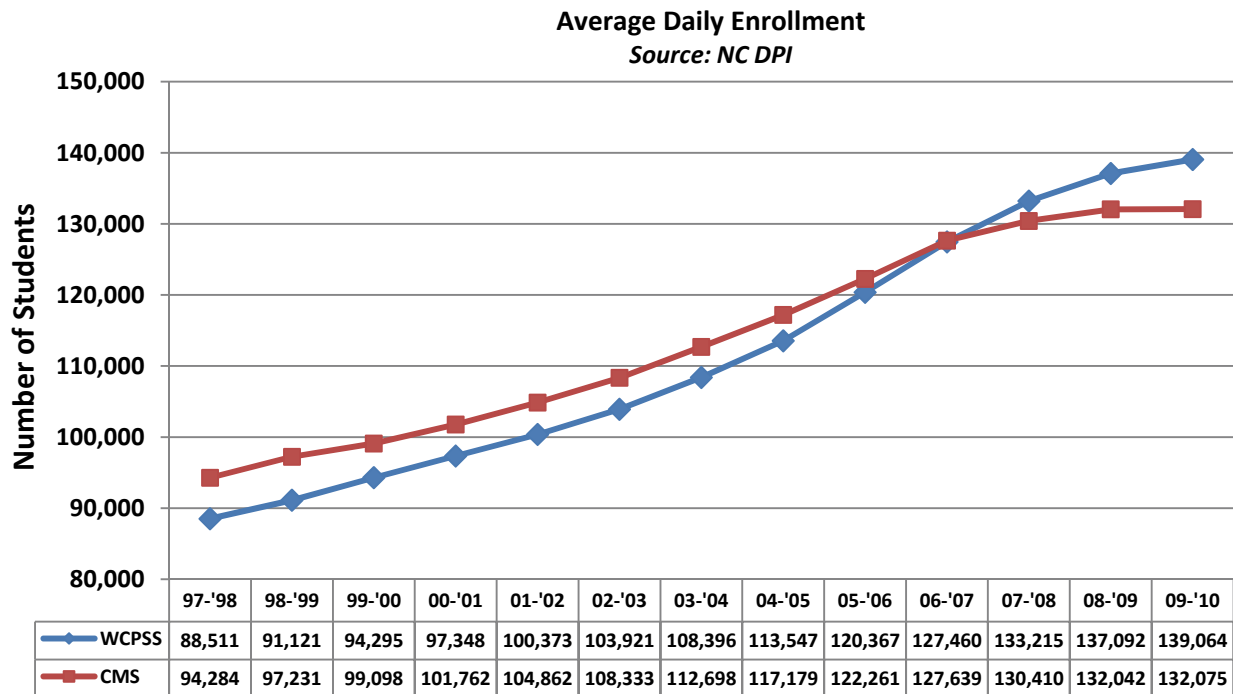
The WCPSS and CMS are two of the largest districts in the country. The city and county systems in Wake County were merged in the 1980s, in part to capitalize on the efficiencies in running a larger school system. One such efficiency leveraged in WCPSS is that a system with more students sharing a common infrastructure can more cost-effectively address the natural population flow of a community. As a result, schools do not have to be built in one area and closed in another area across an artificial border when populations shift or age out in a community.

The proposed zone structure creates new cost inefficiencies by instituting artificial borders within the county. In Wake County in the early 1980s, there were underutilized older school buildings in downtown Raleigh and students residing outside of the city who needed seats in schools. WCPSS developed several strategies to maximize use of these existing school buildings. Using a balanced student assignment strategy is one way to maximize the efficiency

of existing school building usage without prematurely and unnecessarily constructing new schools.

The cost of running a school system depends in part on its size. For many years, the enrollment at CMS was greater than WCPSS. That changed in the academic year 2007-2008 when CMS' public school enrollment flattened out, but WCPSS' continued to increase, as Figure 1 demonstrates. WCPSS enrollment exceeded CMS' by 6,989 students in 2009-2010.

Figure 1. Public School Enrollment, WCPSS and CMS



Number of Teachers

CMS reports (as of December 2009) to have 8,769 teaching positions, which is a drop of 1,223 teachers from the previous year (2008-2009), when CMS reports 9,992 teaching positions. Some percentage of this teacher reduction will be reinstated in the current year due to federal stimulus money; however, CMS is looking at drastic funding cuts and closing some of its schools due to low performance and underutilization.

WCPSS employed 9,208 teachers in 2008-09 and 9,599 teachers in 2009-2010. In 2008-09, CMS had 784 (8.5%) more teachers than WCPSS, even though their enrollment was less than WCPSS enrollment during this time period. In 2009-2010, as CMS laid off teachers due to budget cuts, relied more heavily on inexperienced first time teachers, and reduced its number of teachers to 8,769, WCPSS increased its teaching staff to 9,599 (an increase of 4.2%) to accommodate the increased enrollment in WCPSS.

School Funding Sources

To fully understand funding issues, it is important to understand public education funding sources in general. Funding comes from three sources: federal, state, and local. According to the U.S. Census Bureau for the most recent year for which these data are available, 2007-08, the distribution among these three sources in public schools across the U.S. is approximately 8.1% Federal, 48.3% State and 43.7% Local.

North Carolina exhibits a different distribution for the same year with more funding coming from State sources and less from local sources than compared with the rest of the nation (9.1% Federal, 58.8% State, and 32% Local).

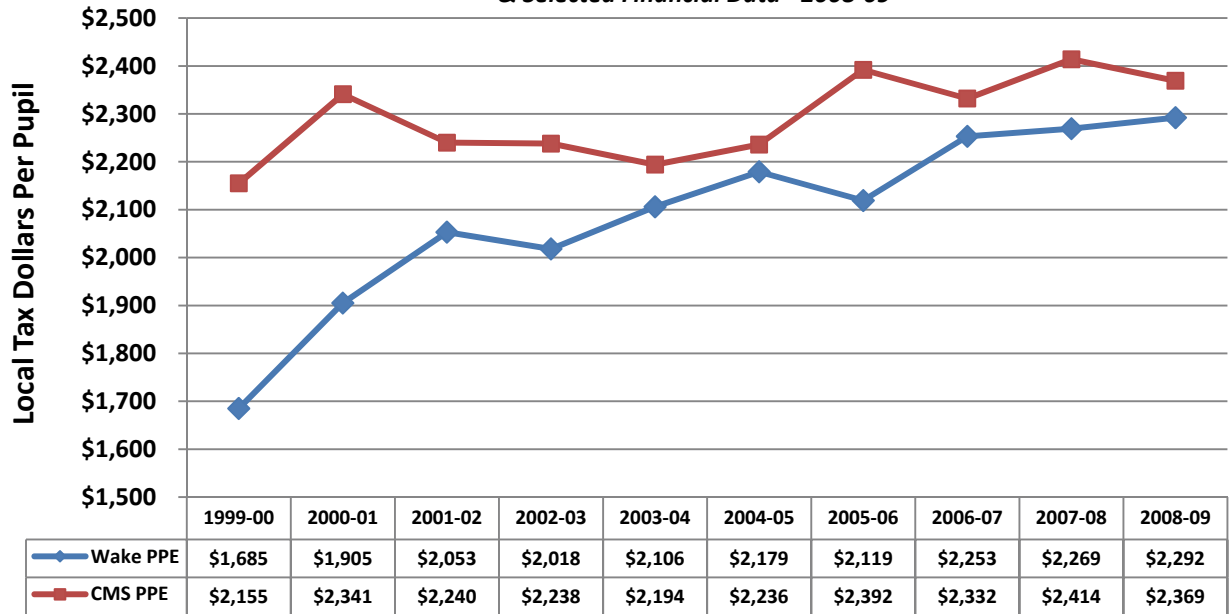
In Wake County and Mecklenburg County, the breakdown for the year 2007-08 based on US Census data yields the following percentages of total funding sources for Mecklenburg County: 7.9% Federal, 51.4% State, and 40.9% Local, and for Wake County: 5.4% Federal, 54.6% State and 39.9% Local.. Mecklenburg County's funds were 6.1% larger than Wake County's, even though the CMS student population was smaller than the WCPSS student population. This difference has a profound impact on per pupil expenditures.

Per Pupil Expenditures

State funding comprises the majority of funding for public schools, yet local funding remains important and reflects the overall commitment of the county taxpayer to the public school system. A comparison of the locally funded amount of per pupil expenditures (PPE) for WCPSS and CMS is provided in Figure 2. This figure demonstrates how PPE in CMS and WCPSS have fluctuated over the years (1999-2000 through 2008-2009), with PPE in CMS always exceeding PPE in WCPSS. CMS local per pupil expenditures clearly exceed WCPSS' local funding during all time periods shown in Figure 2. Note the initial decrease in CMS' per pupil expenditures following the end of CMS' desegregation plan (although it never dipped as low as WCPSS' PPE), and how it increases dramatically in the years after Judge Manning's ruling as CMS poured more money into their increasingly re-segregated schools.

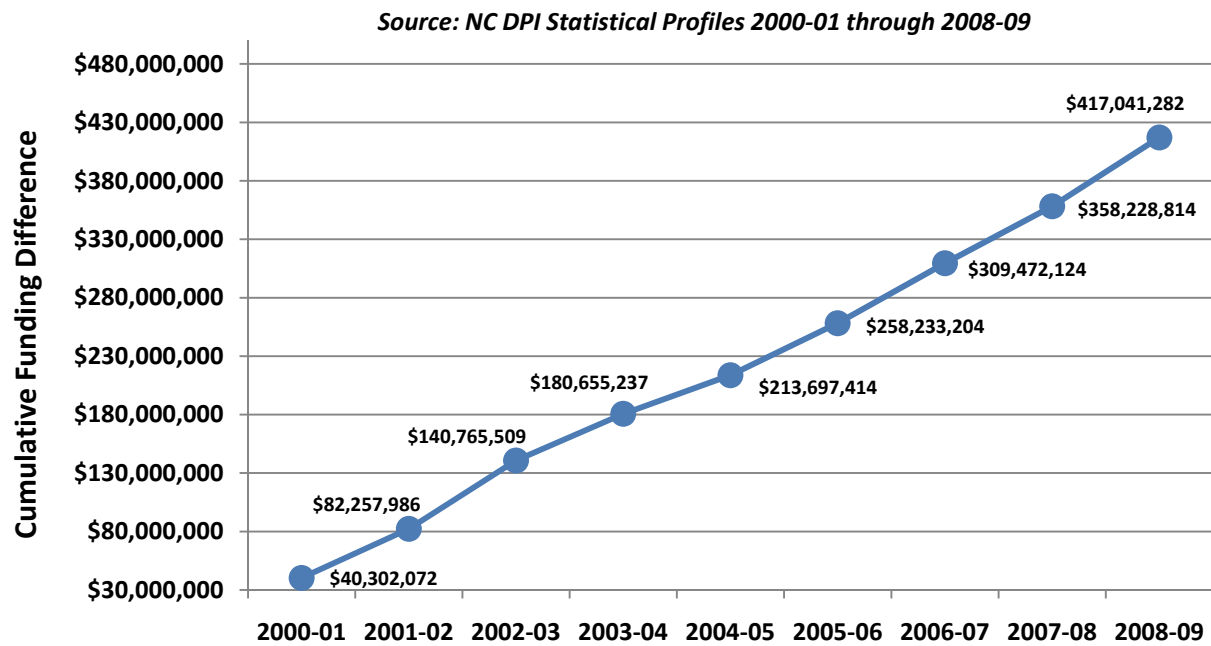
Figure 2. Comparison of Per Pupil Expenditures for WCPSS and CMS (local portion only)
 (Excludes Child Nutrition)

Sources: NC DPI Statistical Profiles 1999-2000 through 2007-08
 & Selected Financial Data - 2008-09



We also look at the differences in per pupil amounts (PPA) based on county appropriations and supplemental taxes from 2001-01 through 2008-09. This is instructive and demonstrates similar differences in appropriations and expenditures between the two systems. Figure 3 illustrates the impact of the funding differences in PPA between the two systems. If WCPSS had been funded as CMS was in the nine years from 2000-01 through 2008-09, given the enrollment of WCPSS (average daily membership ADM) one can calculate the incremental funding that would have been available to WCPSS in each of those years, if it had been funded as CMS had been. These numbers were derived by multiplying the incremental amount in funding (PPA CMS – PPA WCPSS) by the number of students in WCPSS in that year (ADM). The results of these calculations for this nine-year period ranged on an annual basis from a annual difference of \$33 million to \$59 million providing a cumulative total of \$417 million over this nine year period.

Figure 3. Cumulative Incremental Funding to WCPSS if funded as CMS Given Differences in County Appropriations & Supplemental Taxes



It is important to note that although CMS currently comprises over 50% economically disadvantaged students as compared with WCPSS’s 31% (measured by percentage of free and reduced lunch), that Mecklenburg County as a whole ranked as the second or third most wealthy county in North Carolina over the past four years according to the State’s allotment formula for Disadvantaged Student Supplemental Funding (DSSF) with a calculated wealth % ranging from 220.44 to 213.54 for the 2010-2011 year. Wake County’s ranking for the same period ranged from sixth wealthiest in 2007-08 to ninth wealthiest for 2010-11 with wealth percentages of 160.12 to 170.28.

To address the lack of recent PPE data from the NC DPI Statistical Reports, we pulled the information for this year 2010-11 and last year 2009-10 from CMS and WCPSS Budget Reports. Our calculations are provided in Table 1. Even with the recent reduction in the county appropriations for CMS and the increase in county appropriations for WCPSS, because of enrollment differences, ***the per pupil expenditures in WCPSS remain lower than those in CMS through next year.***

Table 1. 2009-2010 and 2010-2011 County Appropriations, CMS & WCPSS (from Budget Reports)

Wake County					
	County Appropriation*	Student Membership**	Local Per Pupil Expenditure [#]	WCPSS Enrollment	WCPSS Portion of Local
09-10	\$313,503,224	144,805	\$2,165.00	139,599	\$302,232,220
10-11	\$313,503,224	149,131	\$2,102.20	143,432	\$301,522,785

CMS [^]					
	County Appropriation	Enrollment	Per Pupil Expenditure	CMS Enrollment	CMS Portion of Local
09-10	\$317,367,391	139,640	\$2,272.75	134,448	\$305,567,251
10-11	\$302,250,000	140,927	\$2,144.73	135,735	\$291,114,575

Difference (CMS-WCPSS)					
	County Appropriation	Enrollment	Per Pupil Expenditure	Enrollment WCPSS	Incremental Funding WCPSS Would Receive if Funded as CMS
09-10	\$3,335,032	-5,151	\$107.75	139,599	\$15,041,988
10-11	(\$10,408,210)	-7,697	\$42.53	143,432	\$6,099,757
Total for 2 yr period:					\$21,141,746

* includes WCPSS expense and capital outlay

** includes charter students which are partially funded out of County appropriation

[#] includes charter students in the denominator to arrive at Local PPE

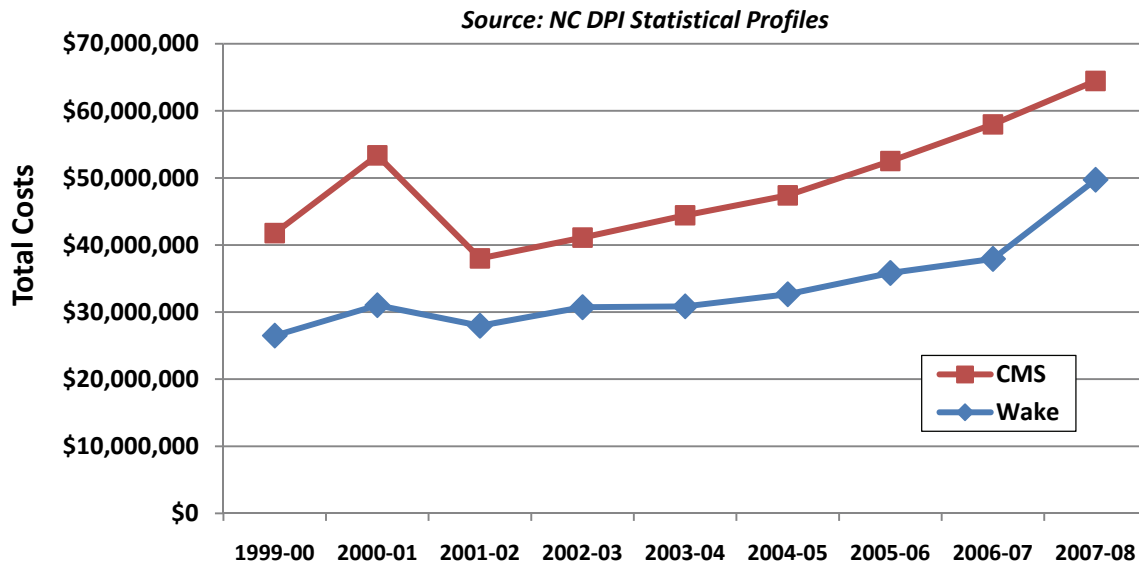
[^] Enrollment for charter school students in CMS in 09-10 at 5192; estimated the same for 10-11.

Transportation Costs

Transportation costs for Wake County are often cited as a reason that we should no longer “bus for diversity.” Comparing transportation statistics between CMS and WCPSS shows that even with a neighborhood student assignment plan which does not ensure a socioeconomically balanced student population, CMS buses more students in more buses than WCPSS does.

Let’s repeat this - CMS currently transports more students on more buses than WCPSS. It also spends more money on transportation than WCPSS even though CMS now has fewer students than WCPSS, encompasses a far smaller geographic area (546 square miles in Mecklenburg County versus 857 square miles in Wake County), and **does not include diversity in its student assignment policy.**

Figure 4. Historic Total Transportation Costs, CMS and WCPSS, 1999-00 through 2007-2008



Current assignments in WCPSS provide a base school for every address as well as calendar and magnet choices. Recently, the WCPSS Board majority, with very little meaningful public input, moved toward a student assignment policy with no base assignments and with “fluid” zones based on the 16 current high school busing patterns. While this particular plan has recently been scrapped, the WCPSS Board majority has not demonstrated how this new plan will save money in transportation costs, efficiently use available building space, or stabilize the school system.

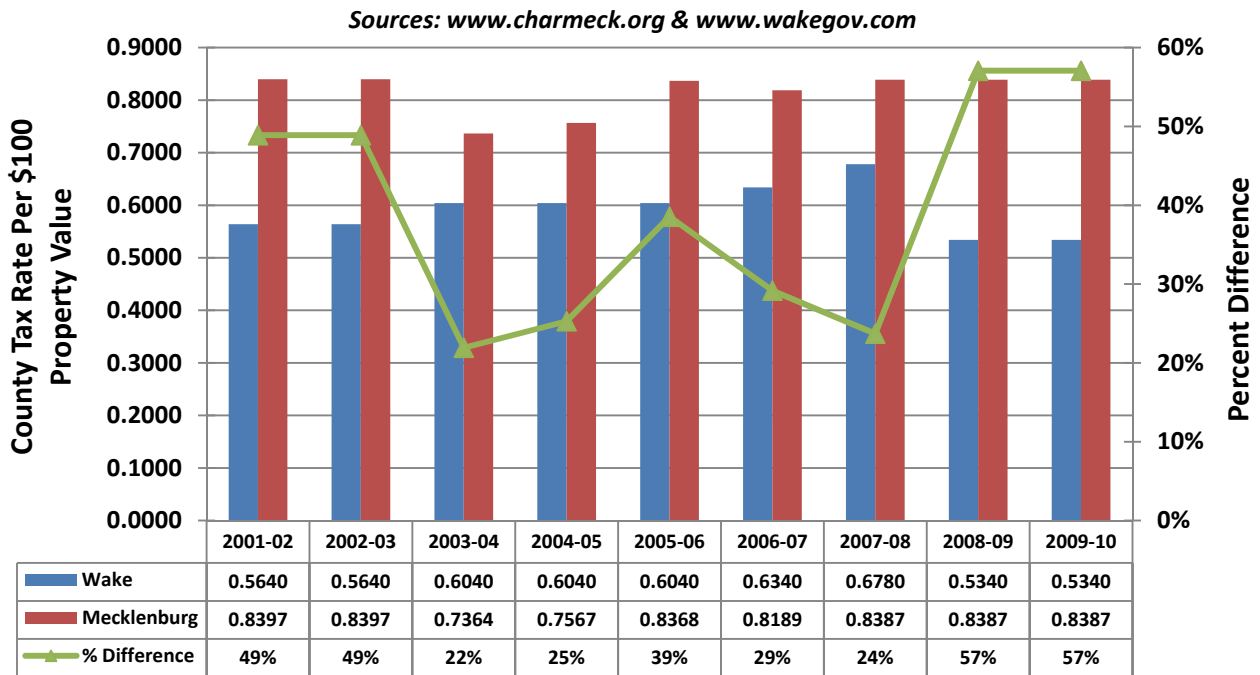
It is important to note that transportation cost savings generally will revert back to the funding sources that would have covered such costs. Funding for transportation costs in CMS and WCPSS are borne by both the state and the county. The proposed budget for 2010-2011 indicates that the state will fund 85% and the county will fund 15 percent of the transportation costs for WCPSS. Thus, only 15 cents for every dollar saved is likely to be available to WCPSS. It is more likely that the new plan will require even more transportation dollars than the existing plan.

Local Property Tax Differences

Mecklenburg County taxpayers pay substantially higher local property taxes than taxpayers in Wake County. A comparison of the historical tax trends for both counties is provided in Figure 5. This figure provides the different county tax rates from 2001-02 through 2009-10 and the percent difference between Mecklenburg and Wake Counties. Note that the y-axis on the left notes the property tax rate while the y-axis on the right shows the percent difference between the two counties in each year. Residents of Mecklenburg County have paid substantially more in property taxes—which help fund the public school system—than Wake County residents over this time period.

The incremental portion of the property tax rate (percent difference) has ranged from 22 percent to 57 percent of Wake’s tax rate. As of the 2009-2010 year, Mecklenburg residents were paying over \$0.30 more per \$100 in property value than Wake residents, which is 57 percent more in property taxes for the same value property (tax rate of \$0.8387/\$100 property value vs. \$0.5340/\$100 property value).

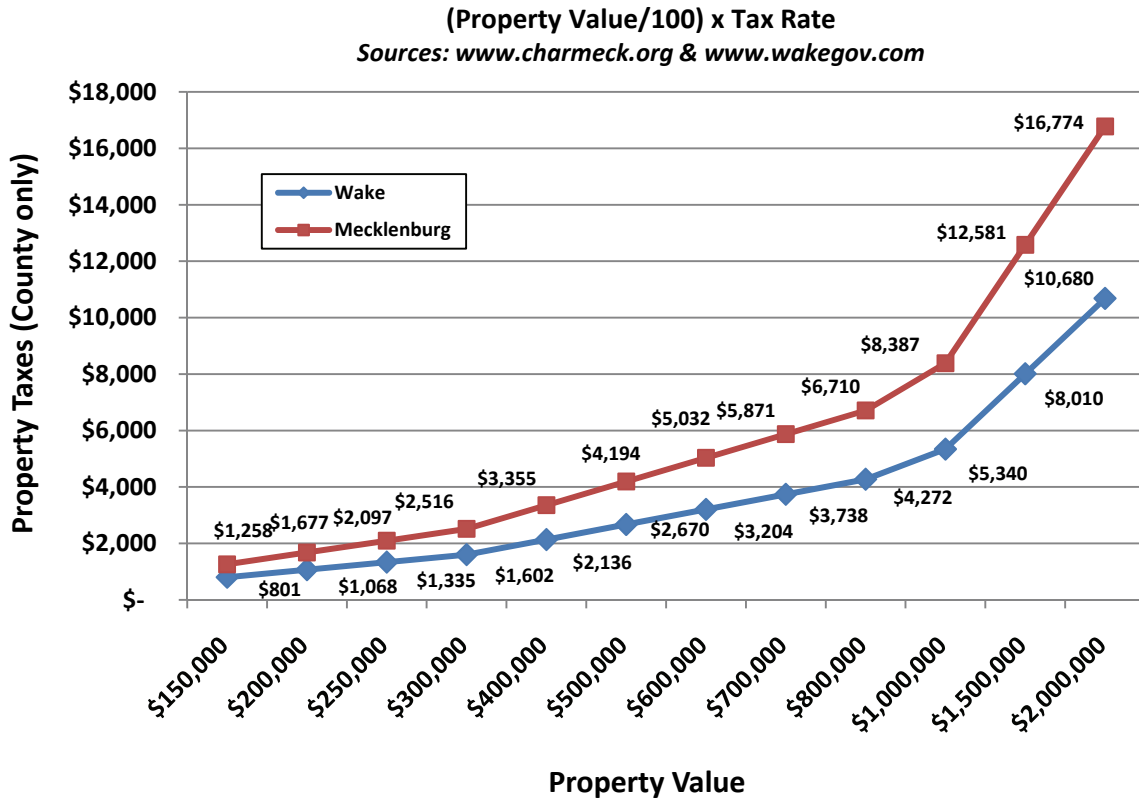
Figure 5. Historical Trend in County Tax Rates – Wake and Mecklenburg Counties



A comparison of local property taxes for a range in property values based on 2009-2010 local tax rates for both counties is provided in Figure 6. To demonstrate the effect on personal property taxes, tax bills for various property values in both Wake and Mecklenburg counties are calculated. The local property tax amount is calculated by dividing the property value by 100 and multiplying the result by the tax rate. Mecklenburg County clearly generates more local funding for CMS than Wake County generates for WCPSS even though as of 2007-2008 WCPSS’ enrollment exceeded CMS’ enrollment.

Note: A revenue-neutral reappraisal process first went into effect in Wake County in 2008-09 and is evident by the reduction in property tax rate in that year; this lowering of the tax rate was paired with higher appraisal values on property so this should not be interpreted as a lowering of an individual’s property taxes. The revaluation process resulted in a lowering of the property tax rate because property values increased. Property values increase when citizens and newcomers find good value in a community’s services. In addition to general economic woes, will de-stabilization of the school system cause property values to fall?

Figure 6. Comparison of Local Property Taxes for a Range in Property Values, Based on 2009-2010 Local Tax Rates – Wake and Mecklenburg Counties



III. CONSEQUENCES

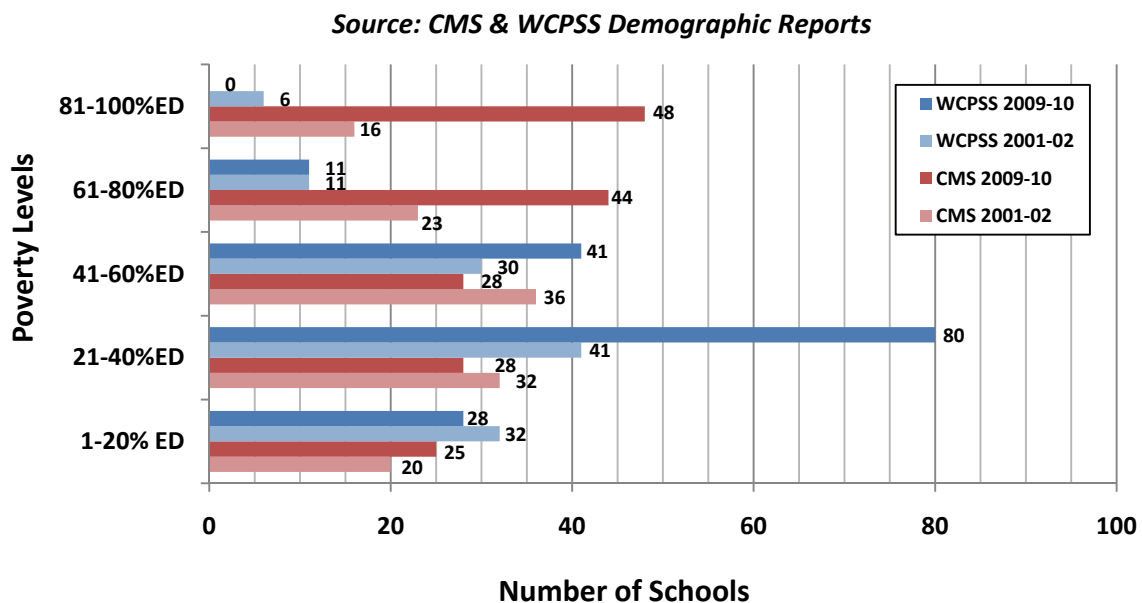
The multiple intended and unintended consequences of the paradigm change that the WCPSS Board of Education is pursuing will be both qualitative and quantitative. Supporters of the new WCPSS Board majority appear to blame the SES diversity component of the student assignment policy for what they perceive as underachievement in the WCPSS school system. Yet in all fairness, one cannot look solely at the use of diversity in student assignment without comparing and contrasting growth, demographics, and PPE/PPA in a school system.

The following data examine some historic statistics and potential outcomes of certain schools in CMS, and performance measurements such as number of high poverty schools, utilization, advanced placement course data, SAT scores, drop-out rates, graduation rates, EOG test scores, and achievement gaps between the two school systems. When possible, we compare time periods when diversity was a factor in assignment in both WCPSS (all intervals presented) and CMS (before and after the 2002-2003 school year).

Number of High Poverty Schools

A comparison of the number of high poverty schools from 2001-02 to 2009-10 in WCPSS and CMS reveals stark differences as shown in Figure 7. CMS has drastically increased its number of high poverty schools (roughly $\geq 61\%$ ED) from a total of 39 in 2001-02 to 92 in 2009-10 (20th day data) since doing away with their diversity policy in 2001-02. While poverty levels have increased statewide and nationwide in this same time period, WCPSS has decreased the number of schools in the $\geq 61\%$ bracket from 17 in 2001-02 to 11 in 2009-10 while the opposite effect is observed in CMS. The number of schools in WCPSS that range from between 40% and 60% ED increased from 30 to 41 in the same time period.

Figure 7. Changes in Poverty Levels of Public Schools from 2001-02 to 2009-10, CMS and WCPSS



Most social science researchers and educators define high poverty schools as a school with 65% or greater of the students designated as low SES. Contrary to the assertions of new WCPSS board members who use 40% as a high poverty threshold and that have claimed very high numbers of high poverty schools in WCPSS, WCPSS had only 6 (including one alternative school) schools with a FRL subgroup equal to or greater than 65%, while CMS had 84 schools in this category during the 2009-2010 school year. This equates to about 3.8% of the total WCPSS schools contrasting with 47.2% of CMS' schools, a difference of 43.4 percent.

Schools with 40 to 50 percent of students designated as low SES are considered to be more balanced schools where students tend to do better academically as well as socially. Research in Wake County found that a student population of around 40% low SES students was optimal for retaining high quality teachers, minimizing teacher turnover, and maintaining high student performance. However, explosive growth in Wake County over the past decade caused some school populations to exceed the 40% goal and many of these schools have strong student achievement. It has been the case that as the percentage of high poverty students in a school increases, especially as it rises above 50%, the challenges faced by the school increase and performance declines.

Overcrowding, Underutilization, and School Closure

Extreme overcrowding or extreme under-utilization in schools is to be avoided because both result in increased costs, increased reassignments, and decreased stability for students. Buildings are costly to close, with limited markets for resale, especially in tough economic conditions like those that we are currently experiencing across the nation. Assuming that students are attending a school in close proximity to their home, school closure can result in additional busing costs as students are reassigned to schools in other neighborhoods and perhaps in other zones.

Many of CMS' schools are overcrowded, underutilized or low-performing. As a result, CMS has been planning major changes to their school system since November 2009. Decisions have been made to modify, close or consolidate a total of 52 schools, which is roughly 30% of the total number of schools in CMS. An excerpt of a *Charlotte Observer* article (September 9, 2010) provides information about the issue facing CMS.

“In summary, facing a \$50 million budget shortfall, CMS Superintendent Peter Gorman announces the potential closure of up to 14 schools that are under-enrolled. However, 17 schools, many in the northern suburbs, are more than 133 percent over-capacity. One elementary school is at 169 percent capacity.”

The article lists the schools that will be closed and those that will be changed. On September 29, 2010, CMS announced that it had selected **12 schools for closure:**

- Amay James Pre-K (students reassigned to PreK-8 home schools)
- Irwin Avenue Elementary (students to be reassigned)
- Pawtuckett Elementary (students to be reassigned to Whitewater Elementary)

- Villa Heights Elementary (magnet school for gifted children will be moved to Elizabeth Traditional)
- Chantilly Montessori
- Highland Mill Montessori
- Smith Language Academy (K-8; students and staff reassigned to Waddell High; Waddell High students move to South Mecklenburg, West Mecklenburg and Harding High Schools)
- Bishop Spaugh Middle
- J.T. Willams Middle
- Wilson Middle
- Davidson IB Middle (IB program moves to Alexander Middle)
- University Park Elementary (combines with First Ward Elementary)

A total of **20 schools will be “changed.”** Proposed changes include moving school assignment boundaries and creating K-8 schools at former elementary schools. Schools affected include the following:

- Winding Springs Elementary
- Myers Park Traditional
- Marie G. Davis Military/Leadership Magnet
- Ballantyne
- Highland Creek
- Torrence Creek
- Community House
- Mint Hill
- Oakhurst Elementary
- Billingsville Elementary
- Rama Road Elementary
- Ashley Park Elementary
- Thomasboro Elementary
- Westerly Hills Elementary
- Walter G. Byers
- Druid Hills
- Lincoln Heights Elementary
- Berryhill Elementary
- Reid Park Elementary
- Cochrane Middle

The 20 schools listed as those that will be “receiving help” include:

- Barringer Elementary
- Billingsville Elementary
- Cotswold Elementary
- Huntingtowne Farms Elementary

- Lansdowne Elementary
- Pinewood Elementary
- Sedgefield Elementary
- Shamrock Gardens Elementary
- Albemarle Road Middle
- McClintock Middle
- Randolph Middle
- Ranson Middle
- East Mecklenburg High School
- Myers Park High School
- North Mecklenburg High School
- Garinger (multiple small schools)
- Olympic (multiple small schools)
- Oaklawn (K-8)
- Park Road Montessori (pre-K – 6)
- Northwest School of the Arts (6-12)

At the present time, WCPSS is making no such announcements regarding potential school closures or consolidations. Utilization of existing school buildings by creating balanced school enrollment in student assignment and year-round options for certain schools has avoided this consequence in Wake County.

The level of instability that these sweeping changes will bring to CMS families is dramatic. One can certainly surmise that if CMS parents had had balanced school populations to choose from, underutilized schools and overcrowded schools would not have been created. Parents are willing to leave over-crowded suburban schools, but not without the promise of a high quality education for their children. A student assignment policy focused on balancing SES levels across schools will help ensure a high quality education for all.

A chart demonstrating a potential utilization issue confronting the current WCPSS Student Assignment Committee is shown below. Although the 16 high school zone plan was recently halted, the following illustrates a significant building utilization inefficiency inherent in a neighborhood school model. A lack of a substantial number of seats in many of the 16 high school zones will occur if all students residing in those zones are required to attend the elementary, middle and high schools in those zones. A total of 10,640 students would need to be bused to a zone other than their resident zone based on this data provided by the WCPSS Growth & Planning in July 2010, and as updated on August 31, 2010.

Schools in many zones will be severely overcrowded, while others will be underutilized. As shown in Figure 8 below, students in high school in the Apex Zone, Cary Zone, East Wake Zone, Garner Zone, and Wakefield Zone will not have enough seats; middle school students in the Enloe/SE Raleigh Zone, Green Hope Zone, Knightdale Zone, & Leesville Zone will not have enough seats; and elementary school students in the Athens Drive Zone, East Wake Zone,

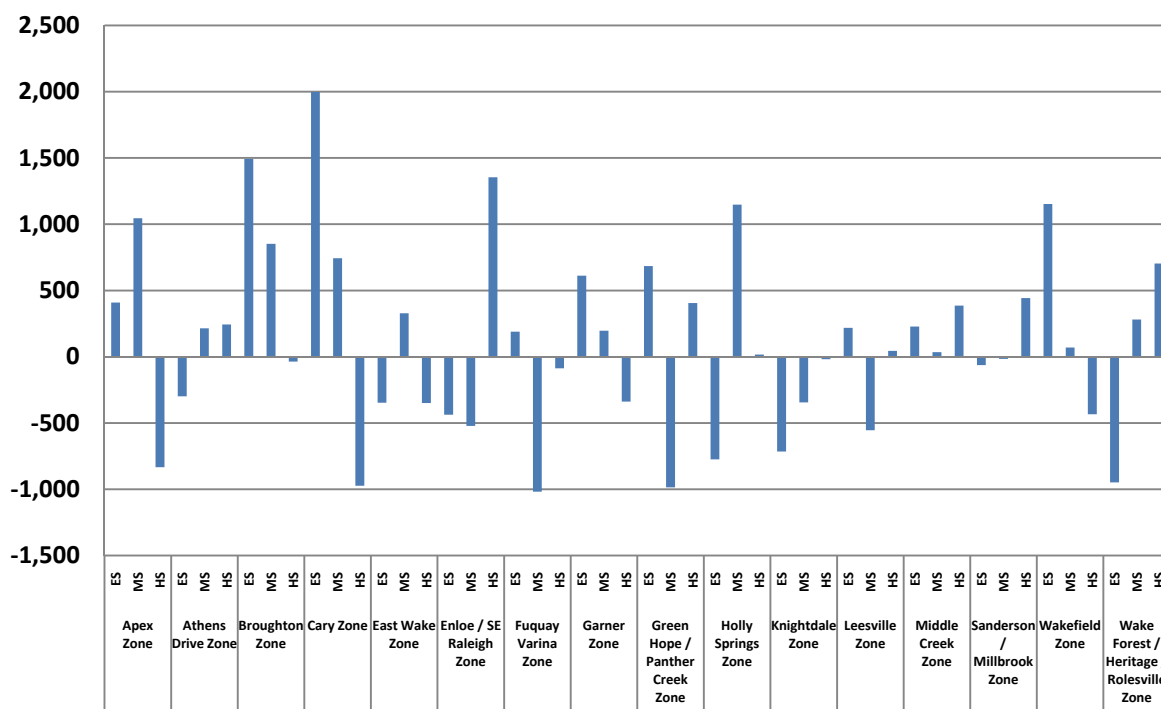
Enloe/SE Raleigh Zone, Holly Springs Zone, Knightdale Zone, Sanderson/Millbrook Zone, and Wake Forest/Rolesville Zone will not have enough seats. For example, under this scenario the Cary High School zone will lack almost 1,000 seats for its high school students as will the Fuquay-Varina and Green Hope/Panther Creek Zones. These data are likely to be updated as boundary lines are drawn and re-drawn by the WCPSS board.

GSIW would like to see the existing student assignment plan modified to address parents' legitimate concerns about school assignment. It is inevitable that complete overhaul of the student assignment process at this time will only bring turmoil to WCPSS such as that being experienced in CMS.

Figure 8. Capacity Differences – 2012, WCPSS Zones Based on Current High School Zones

(Negative Seats Will Require Inter-Zone Busing)

Source: WCPSS Office of Growth & Planning for Student Assignment Committee, July 27, 2010 & August 31, 2010



College Readiness

There are many ways in which school achievement can be measured. We provide a discussion of many of the key achievement measures in the following comparison of CMS and WCPSS.

CMS was announced as a finalist for the 2009 Broad Prize for Urban Education sponsored by the Broad Foundation. A factor in choosing Broad Prize finalists is **relative improvement (and not absolute performance)** in the participation rate and performance of students in urban environments, particularly those subgroups that historically do not perform as well as their peers. Therefore the Broad Foundation seeks urban districts that show relative gains in

performance, and they are less interested in absolute performance. Although CMS is a finalist for the Broad Prize, the data that the Broad Foundation used for this decision demonstrates that WCPSS students often outperformed CMS students on an absolute measure, but that CMS had a higher relative positive change. This is an important distinction to make.

The Broad selection committee looks to a wide variety of data, including college readiness. Measures of college readiness include performance in advanced placement courses, performance on national standardized tests such as the SAT, drop-out rates, and graduation rates. We use some of the Broad data reflecting these measurements in both CMS and WCPSS analysis below.

Advanced Placement Courses

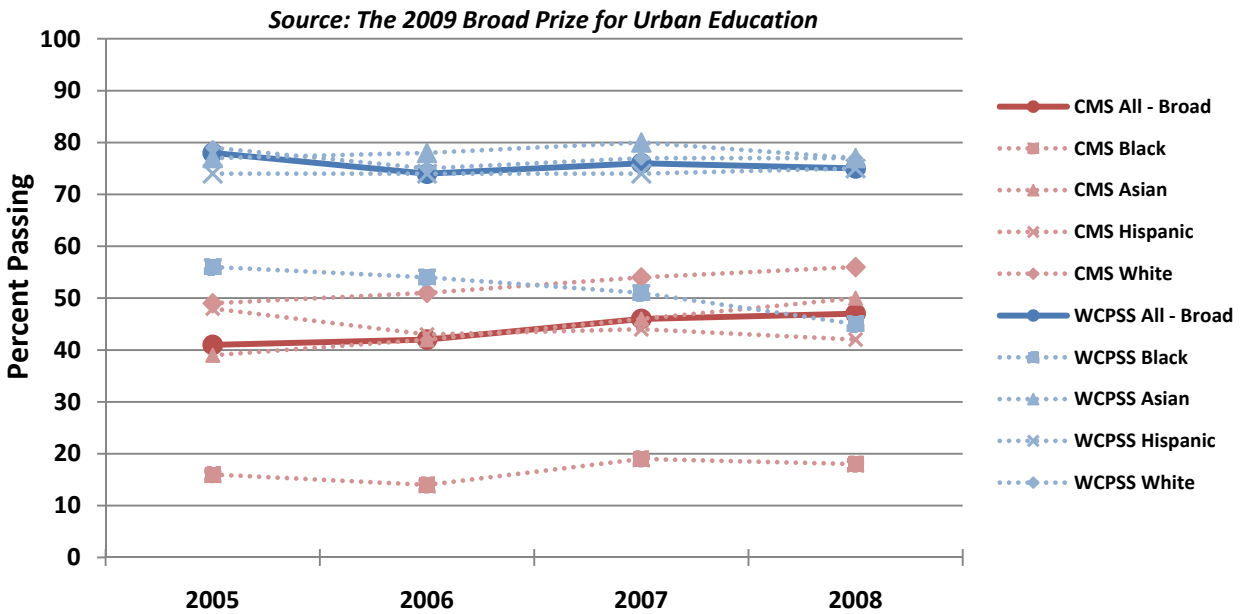
Advanced placement (AP) courses which help prepare a student for college are provided at many high schools. Not all students are interested in going on to college, but for those who are, AP courses are important. The number of AP courses a school offers is not dependent on district funding, but on student demand for the class, so schools with larger numbers of college-bound students will usually offer a larger variety of AP courses than schools with fewer college-bound students.

Below is an analysis of AP participation rates for CMS and WCPSS high school students in 2005 through 2008; student performance during the same period for all subjects; and AP test scores for core subjects for selected NC districts, including WCPSS, CMS, Forsyth County and Guilford County in 2008. The data used are those collected by the Broad Foundation for consideration of the Broad Prize for Urban Education. One new WCPSS Board member used the data set incorrectly to suggest that “Wake’s data just wasn’t strong”, but a critical review of these data indicate that simply isn’t true.

Overall, CMS has a higher rate of students in all sub-groups taking AP exams; however, as demonstrated in Figure 9, except for White students in the years 2007 and 2008, all sub-groups were at or below the 50 percent pass rate for AP exams. Generally, **CMS’s performance pass rates ranged from less than 40 percent to about 56 percent.**

WCPSS, on the other hand, had pass rates of about 75 percent to 80 percent for all sub-groups except the Black students, which had a greater than 50% passing rate for all but one year. In contrast, CMS’ Black sub-group passing rate for AP exams was more than 30 points lower than WCPSS with less than 20 percent passing in all four years.

Figure 9. Advanced Placement Tests with Scores of Level III or IV, CMS and WCPSS, 2005 through 2008



CMS has a higher percentage of students taking AP exams in the years 2005 – 2008 in all subgroups as compared with WCPSS. However, WCPSS’ higher passing rates on the AP exams for all sub-groups suggest that although CMS is more successful in offering AP courses to their students, WCPSS’ students who take the exams are well prepared for those exams and pass them at a significantly higher rate (Figure 9). Both school systems have lessons to be learned and acted upon from this comparison.

SAT Data

SAT data was obtained from NC DPI SAT reports and from the Broad Foundation website. The source for the data is presented on each of the graphs. Disaggregated data for the 2009 and 2010 SAT results were not available by report production time and are not included in this report. The US and NC scores include both public and non-public school SAT performance data.

Figure 10 provides a historical average of SAT scores (math and reading) from 1995 through 2010 for the State of North Carolina, the United States, WCPSS and CMS. As the figure demonstrates, WCPSS has the highest performing students.

Figure 10. Historical Average SAT Scores, 1995 through 2010

Source: NC DPI SAT Reports

Note: US & NC Scores include both public & non-public data

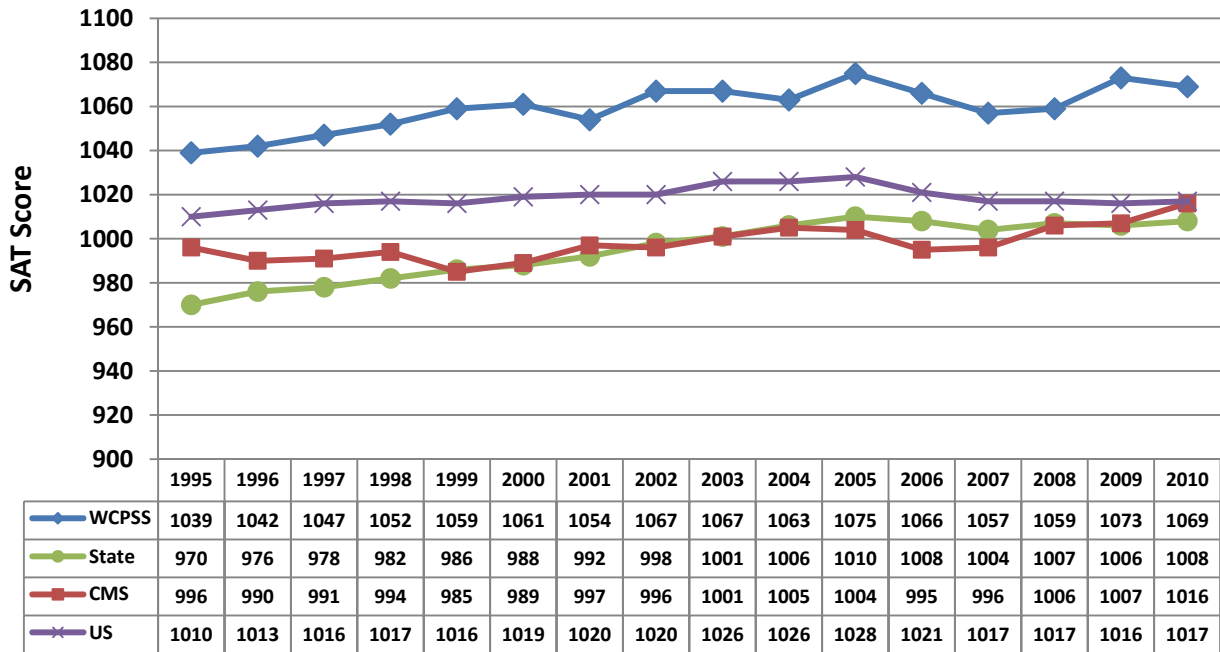
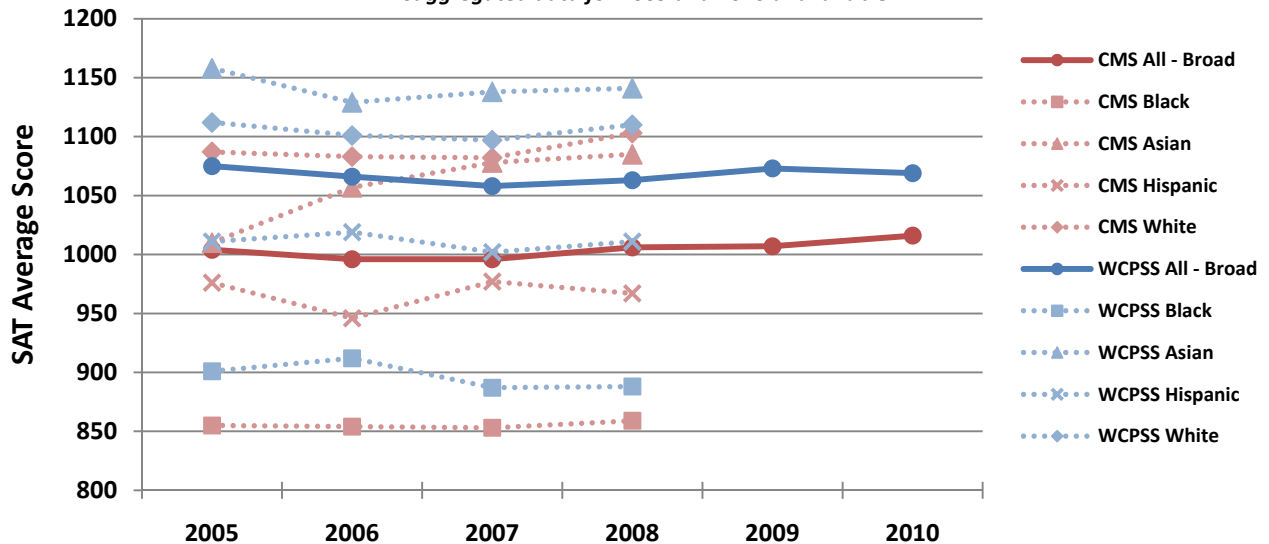


Figure 11 provides SAT performance for sub-groups in 2005 through 2008 and for all students in 2009 and 2010 (disaggregated SAT data is not yet available for 2009 or 2010 through the Broad Foundation website). Students in WCPSS outperformed CMS in the following sub-groups: Asian, White, All students, Hispanic, and Black populations.

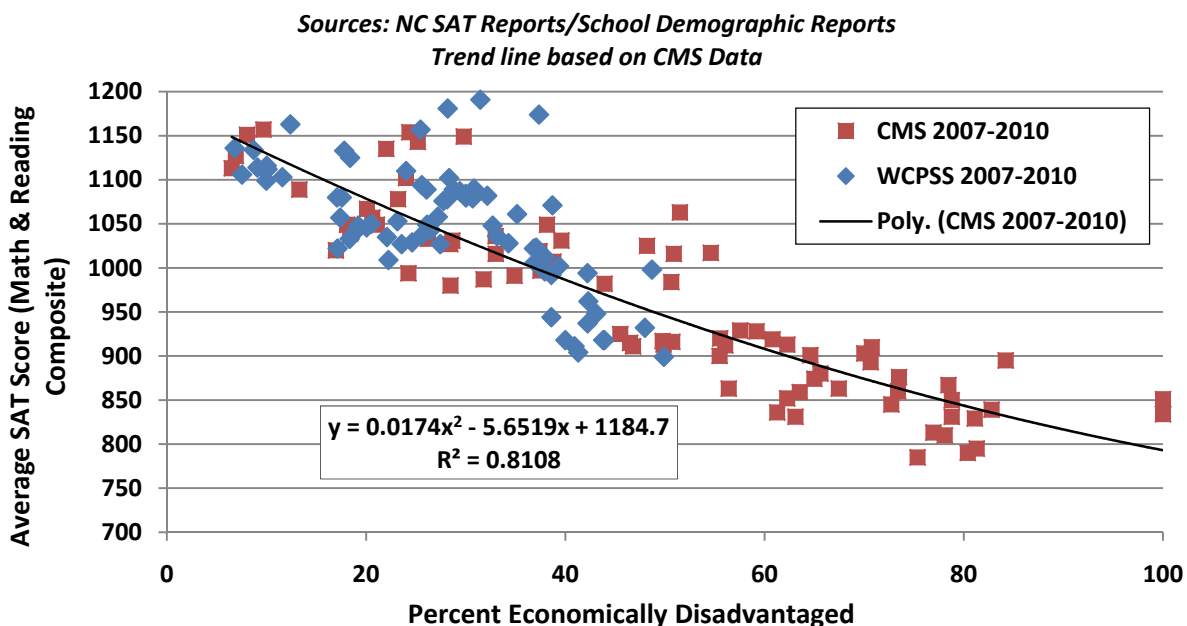
Figure 11. SAT Performance, CMS and WCPSS, 2005 through 2008

Sources: The 2009 Broad Prize for Urban Education (2005-2008) & the NC SAT Report (2009 & 2010)
Disaggregated data for 2009 and 2010 unavailable



Below, Figure 12 demonstrates that SAT scores negatively correlate with the percent economically disadvantaged (as defined by the percent of students eligible for free or reduced price lunches) in the student population at a given high school. As the ED percentage rises in a school, the average SAT scores for the school typically falls. **This is a powerful yet undesirable consequence of creating high poverty schools.** This trend ($R^2 = 0.8108$) is based on four years of CMS data (2007 through 2010). An overwhelming number of CMS data points representing individual schools' results plot below an SAT combined reading and math score of 1000, while the opposite is true of WCPSS' data. During this time period, WCPSS was minimizing the number of high poverty schools by including socio-economic diversity as a factor in student assignment, while CMS was not.

Figure 12. SAT Scores vs. % Economically Disadvantaged Student Population, WCPSS and CMS, 2007-2010



Drop-Out Rates

Drop-out rates are provided by reports on the NC DPI website. **With the exception of 2004-05, dropout rates for CMS have consistently been higher than in WCPSS in Grades 7-12 (Figure 13) and Grades 9-12 (Figure 14).**

Figure 13. Dropout Rates, All Student Sub-groups, Grades 7-12

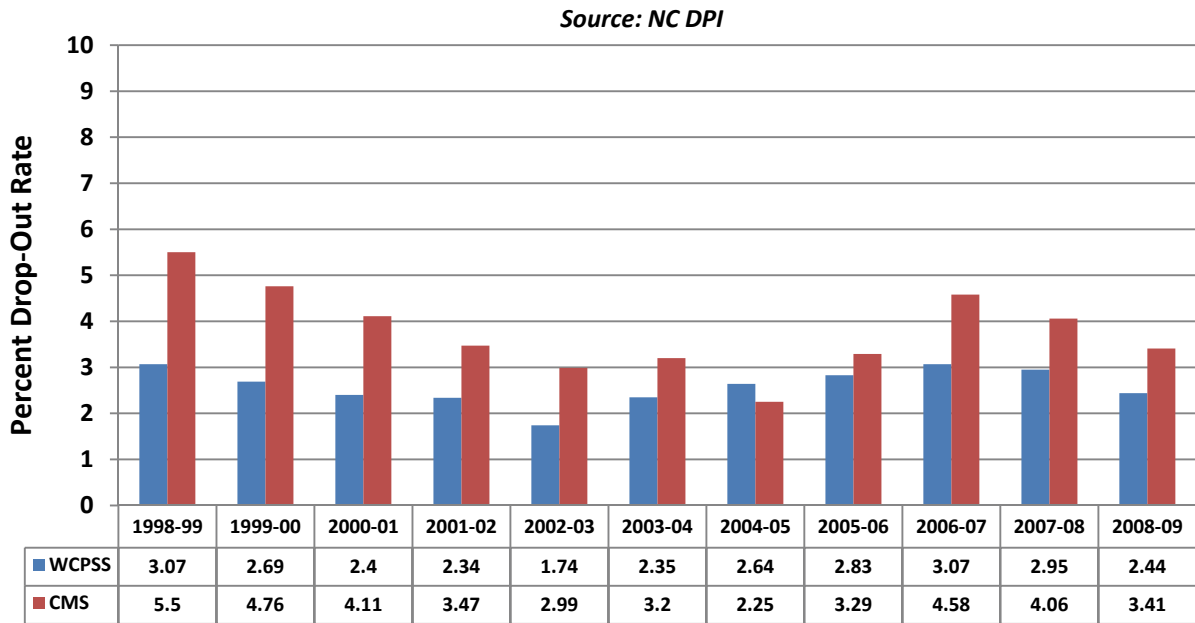
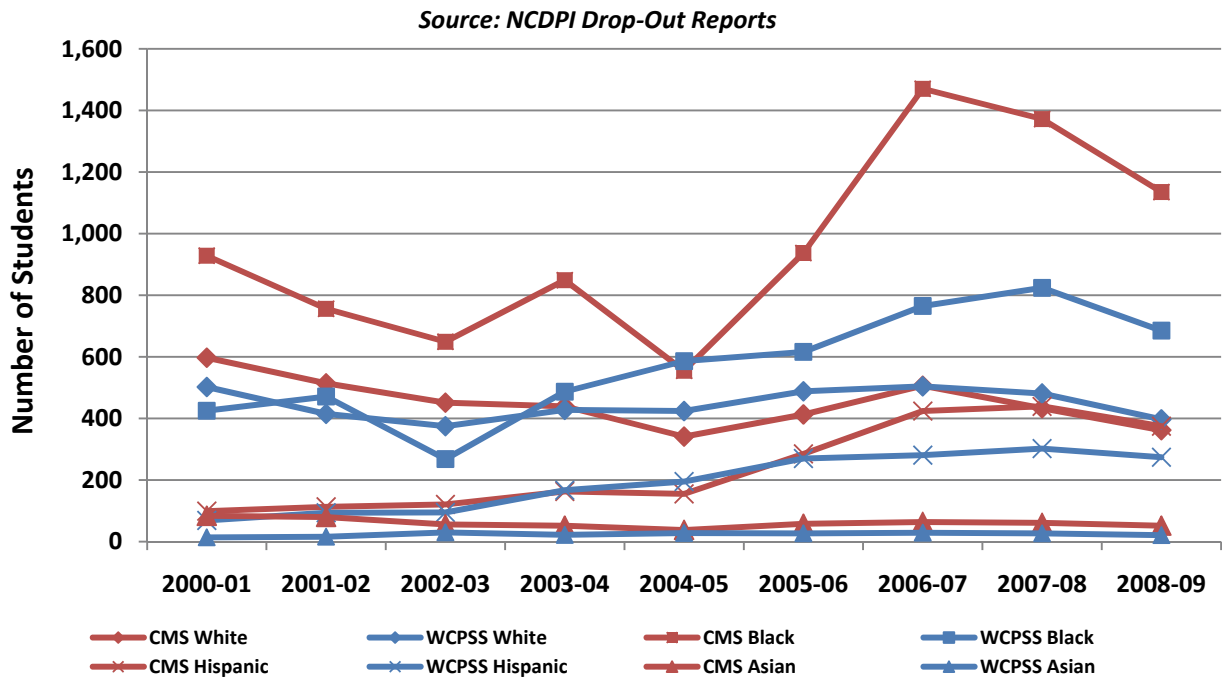


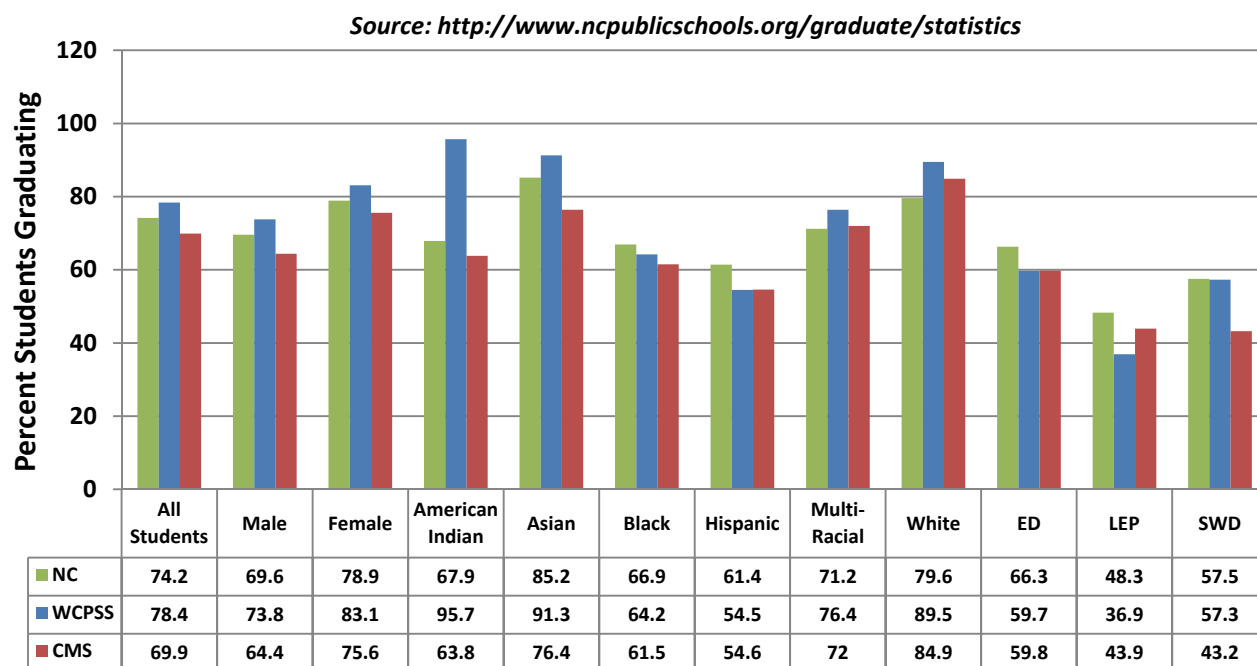
Figure 14. Comparison Drop-Out Students by Demographic Group, Grades 9 through 12: CMS and WCPSS 2000-01 through 2008-09



Graduation Rates

Graduation rates can be calculated in a number of ways, and it would be inappropriate to compare graduation rates that were calculated differently. Graduation rates in the following figures are calculated as a four-year cohort for disaggregated student groups as presented in the www.ncublichschools.org/graduate/statistics website. Figure 15 presents the 4-year cohort for disaggregated student groups graduating in 2010 or earlier. WCPSS outperforms North Carolina in all but three sub-groups (LEP, Hispanic, and ED students), and outperforms CMS in all but one (LEP students).

Figure 15. 4-Year Cohort Graduation Rate Report, Disaggregated Student Groups, Graduating in 2009-2010 or Earlier



In addition, the statewide graduation rate for the Black student population was higher than WCPSS or CMS; **however, WCPSS still graduated a higher percentage of Black students than CMS in this time period.**

College Performance

College performance statistics for freshman in the NC university system are presented in Table 2. Wake County students who attend schools in the NC university system outperform students from all the other large districts in the state. Over 36 percent more freshmen who graduated from WCPSS enrolled in NC universities than from those from CMS; the figure goes up to 75 percent more WCPSS graduates than Guilford County graduates.

Higher percentages of students from WCPSS have higher college GPAs, and return after their second and third years of college. WCPSS also has the highest percentage of students graduating in five years or less. In addition, a lower percentage of graduates of WCPSS require remedial math or remedial English classes upon arriving as freshmen at NC universities.

Table 2. NC University System College Performance, Freshman Performance Measures

Source: <http://www.northcarolina.edu/ira/ir/analytics/fresh.htm>

	WCPSS	CMS	Cumberland	Durham	Forsyth	Guilford
Freshmen Enrolled Fall 2008						
Total Number of Freshmen	3,088	2,268	843	640	1,034	1,756
% of Freshmen w GPA \geq 2.0	83.2	79.2	67.7	73.0	74.6	73.6
% of Freshmen w GPA \geq 3.0	46.0	42.8	29.0	32.9	36.8	36.2
% Freshmen returning after Yr 2	87.7	84.5	77.4	84.6	82.4	80.0
% of Freshmen in Remedial English	1.4	3.2	3.8	6.0	3.9	3.6
% of Freshmen in Remedial Math	5.0	14.1	9.3	24.1	13.4	10.9
% of Freshmen in Honors Program	8.5	4.6	8.6	4.0	6.0	6.5
Freshmen Enrolled Fall 2007						
% Freshmen who Returned for Yr 3	79.4	74.4	65.6	72.9	71.2	69.5
Freshmen Enrolled Fall 2004						
% Freshmen who Graduated in 5 Yrs or less	61.6	58.5	43.9	51.9	51.6	51.5

Historical EOG Scores

Historical End of Grade test scores are compared for North Carolina, CMS and WCPSS for the period 2001-02 through 2009-2010. Earlier data is not available on the NC DPI website.

Great caution should be taken in comparing End of Grade test scores for the past ten years in North Carolina. In 2005-06 new EOG and EOC tests in mathematics were administered that were developed to align to the new NC mathematics standard course of study adopted in 2003. At the same time, new proficiency standards were set and new test norms were established. As a result, student scores for the years 2005-2006 and later should not be directly compared to student scores from previous years; however, comparisons between districts or schools in any given year are still valid.

In the school year 2007-2008 new EOG and EOC tests in English were administered that were developed to align to the new NC English Language Arts standard course of study adopted in 2004. At the same time, new proficiency standards were set and new test norms were established. As a result, student scores for the years 2007-2008 and later should not be directly compared to student scores from previous years; however, comparisons between districts or schools in any given year are still valid.

As a result of higher passing standards on the new tests, fewer students achieved passing scores in the first few years of the new test administrations. A large drop in the percent of students passing the exam occurred throughout North Carolina. In addition, scores from

retesting were used for reporting for the first time in 2008-2009, so the best scores from individual student EOG retests were used in calculating EOG scores for a given group. Therefore test scores prior to this time should not be directly compared with test scores starting in 2008-2009. Reporting changes such as including scores from students with disabilities (SWD) in other relevant sub-groups also served to drive testing results down from previous years.

For all of these reasons, it is critical that caution be used when interpreting data from the longitudinal EOG result graphs. Longitudinal interpretations of the data that compare recent test scores with scores before new tests were introduced are not appropriate. However, note that it is still valid and appropriate with data in any given year to make comparisons between districts, or between districts and the State. These types of comparisons are informative as to the relative performance of each of these districts and to the State as a whole. It is also important to remember that the demographics of urban areas like Raleigh and Charlotte are different from other areas around the State.

Keep in mind that during the time period that these graphs represent, balanced schools were a factor in student assignment in WCPSS. In contrast, effective in the 2001-2002 school year CMS abandoned their efforts to balance student populations across schools. Prior to this time period, CMS managed their assignments based on diversity by pairing schools. CMS did not have the same student assignment policy that WCPSS had adopted.

Figures 16 through 18 reflect the historical EOG reading scores for NC State-wide, CMS and WCPSS, respectively. Note that with the reading scores, for any given year, prior to renorming of the EOG reading test which occurred in 2007-2008 (note the drop in test scores), all student subgroups (All student composite, White, Black, ED, Non-ED, Student with Disabilities (SWD), and Limited English Proficiency (LEP) were performing at a higher level on these tests than those in CMS.

After renorming, there was a drop in performance across the state, including in CMS and WCPSS, as reflected in the 2007-08 test scores. Scores in 2008-09 and 2009-10 generally increased with the exception of LEP students in the State, CMS, and WCPSS. In part, this is likely due to the recent change in reporting in which students who score a level I or II are able to retest, and the better of the EOG retests is reported. Also, there were changes in how students were classified as having Limited English Proficiency.

Figure 16. Historical EOG Reading Scores, North Carolina State-Wide 2001-2002 through 2009-2010; note test was renormed 2007-08

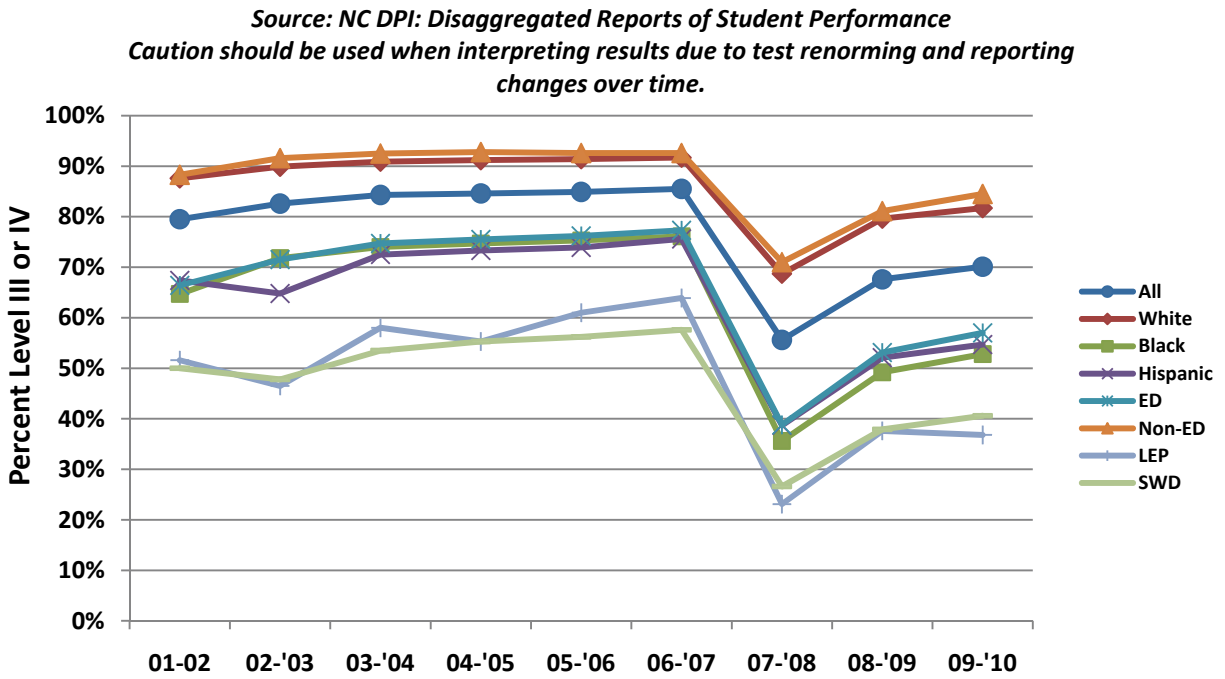


Figure 17. Historical EOG Reading Scores, WCPSS, 2001-2002 through 2009-2010; note test was renormed 2007-08

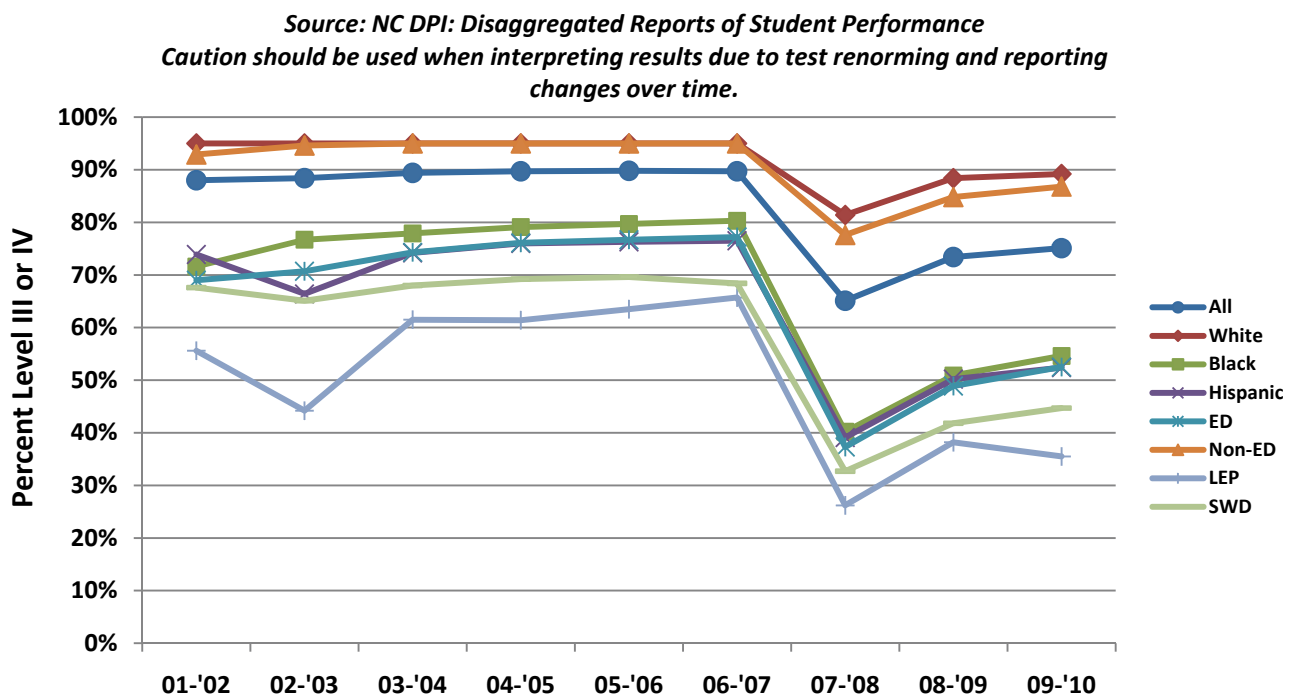
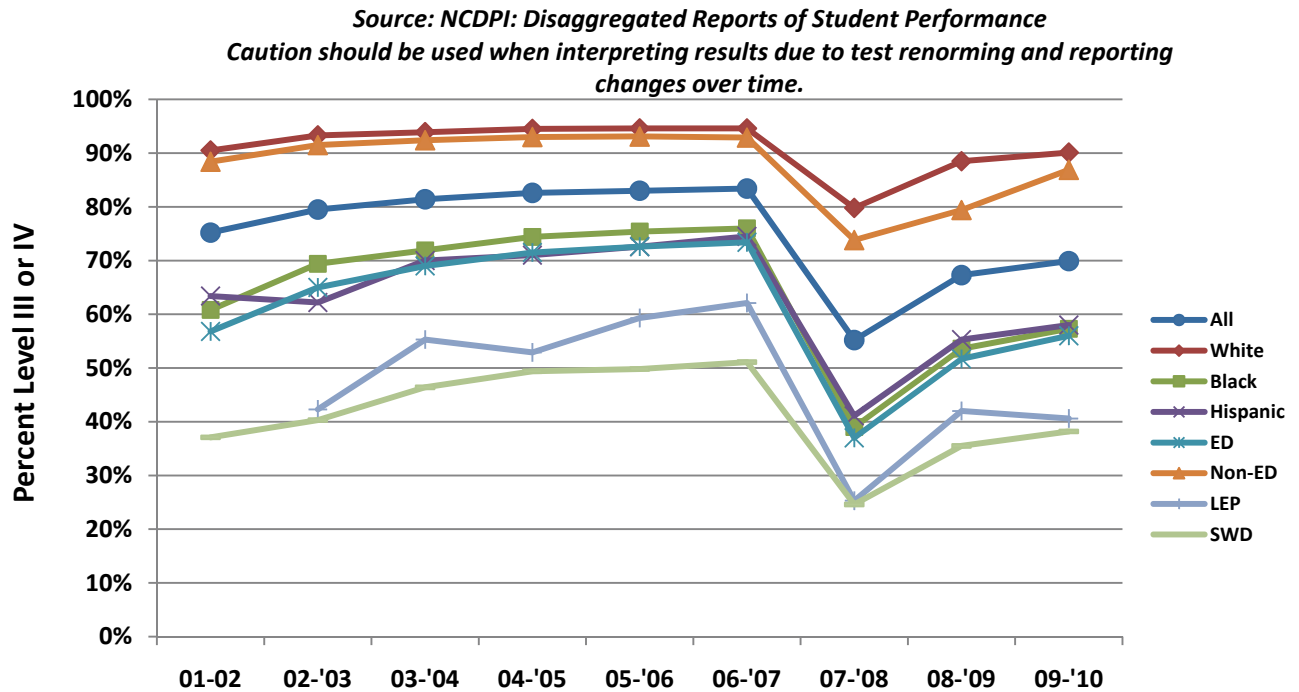


Figure 18. Historical EOG Reading Scores, CMS, 2001-2002 through 2009-2010; note test renormed 2007-08



Please note that in 2007-2008, enrollment in WCPSS increased by 5755 students and exceeded CMS for the first time. At the same time, WCPSS was funded at a **significantly lower level** than CMS by \$366/student, based on county appropriations. This per student number is significant when multiplied times the Wake student population of 133,215. **The resulting funding differential on this basis simply for the 2007-2008 school year is over \$48 million!** Even with this significant funding difference, better funded CMS reports only marginally better EOG reading scores for Black, Hispanic and ED sub-groups as opposed to WCPSS’s students in the same sub-groups. In 2009-10, White, Black, Hispanic, ED, and LEP students do marginally better in CMS as compared to WCPSS, with the opposite being true for the remaining sub-groups.

Although the average EOG test scores for these sub-groups in some CMS schools are higher than WCPSS, the lower range in test scores for these same sub-groups in high poverty, primarily minority schools in CMS is much lower than the average being reported. We take a closer look at the EOG test score differences between the two public systems in the next section.

A Closer Look at EOG Test Scores 2009-2010

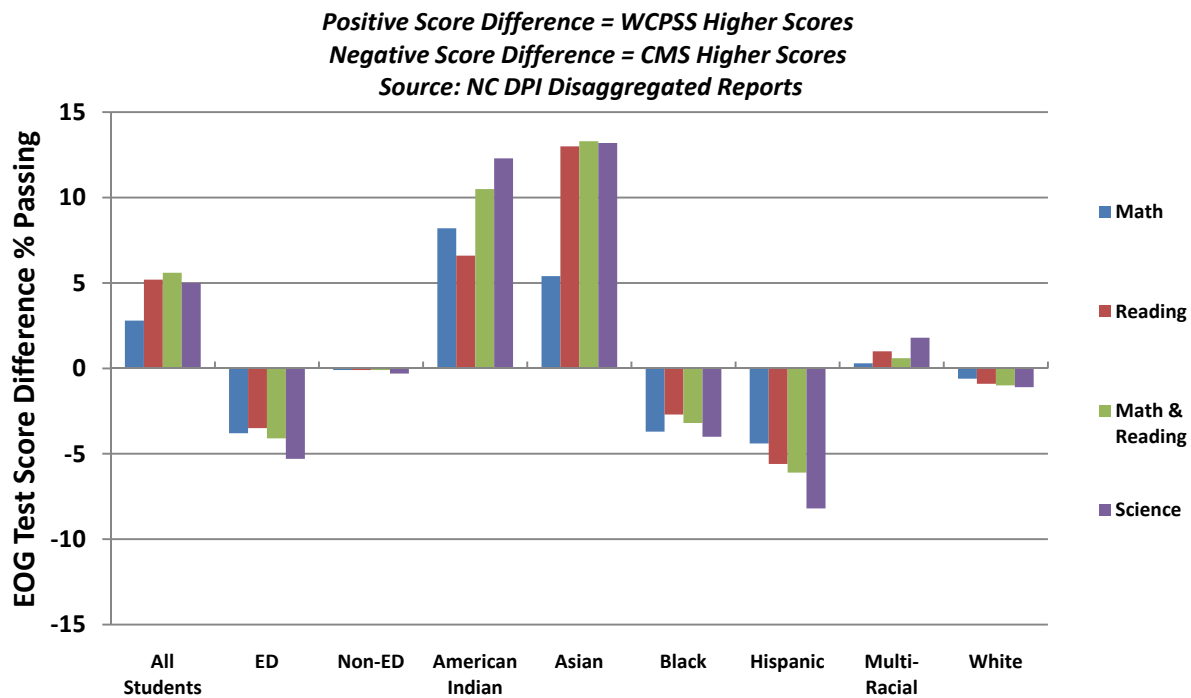
While CMS had EOG test scores that surpassed WCPSS for some subgroups, they also were significantly better funded than WCPSS due to WCPSS’ lower PPA over this time period. As we’ve already demonstrated in Figure 3, based on county appropriations and supplemental taxes, differences in per pupil amounts between the two counties result in an incremental local funding differential in WCPSS’ appropriations of \$417 million over the nine-year period from

2001-02 through 2008-09, if WCPSS would have been funded to the same extent as CMS on a per pupil basis.

With the increased funding per pupil that CMS has enjoyed and the increase in enrollment that WCPSS has over CMS, the small disparities in the performance comparing both school districts coupled with the low performance observed in many high poverty, racially isolated elementary and middle schools in CMS are not cause of celebration, and certainly cannot be used to justify removing SES from WCPSS' student assignment policy.

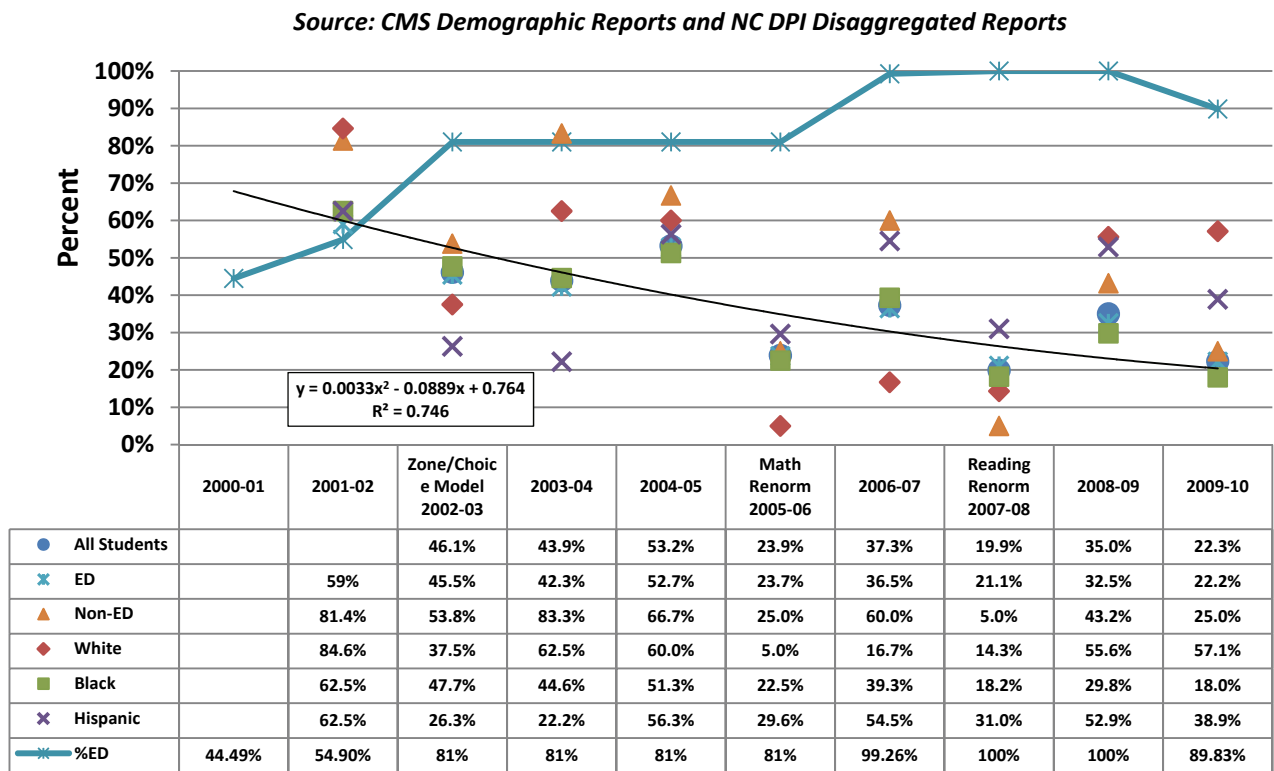
Differences in sub-group performance (i.e., the difference in percentage points proficient for math, reading, math and reading and science EOG test scores for each sub-group) are provided in Figure 19.

Figure 19. Difference in EOG Test Scores 2009-2010 by Sub-group



CMS has many examples of schools that remain low performing. As you can see in Figure 20, Billingsville Elementary School, which was a magnet school prior to the change in diversity policy in CMS, is now a high poverty school with declining EOG scores even when accounting for renorming periods. Billingsville Elementary School is one in which extended hours and other strategies to improve student performance have been attempted; yet, this school is one of the schools that CMS recently placed on the “needs help” list.

Figure 20. Historic Trend in EOG Performance Composite – Reading and Math, CMS – Billingsville Elementary School

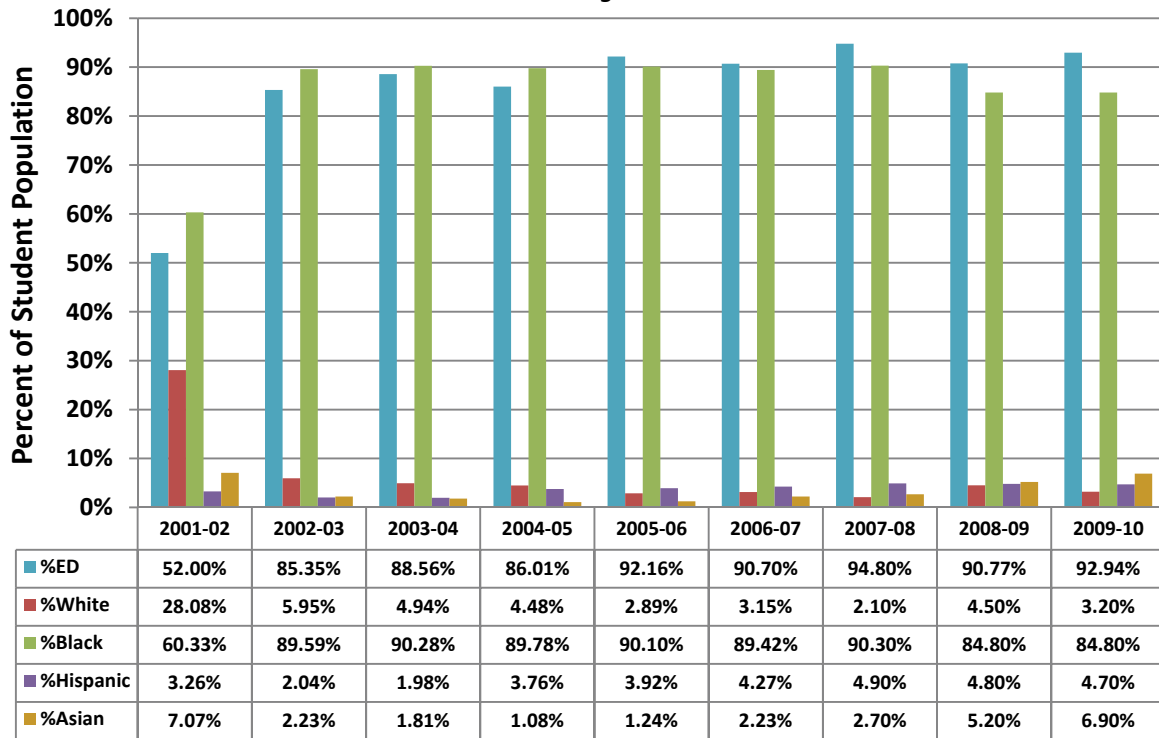


Similar trends can be seen with CMS middle schools. One example is Bishop Spaugh Community Academy (formerly Bishop Spaugh Middle School). An estimate of the demographic composition of the school was attempted based on the number of valid EOG tests in each demographic subgroup because historic data for Bishop Spaugh was not readily available. There was a rapid shift in student demographics from 2001-02 to 2002-03. Bishop Spaugh changed from a school with an estimated population of 60 percent Black students to an estimated 90 percent Black students in one year (Figure 21). This is consistent with the estimated increase in poverty for the school—in 2001-02, the school had a Free and Reduced Lunch rate of 52 percent, and it jumped to more than 85 percent the next year.

Bishop Spaugh is one of the 12 CMS schools that is now on the “to be closed” list.

Figure 21. Estimated Demographic Composition 2001-02 to 2009-10, Bishop Spaugh Community Academy (formerly Bishop Spaugh Middle)

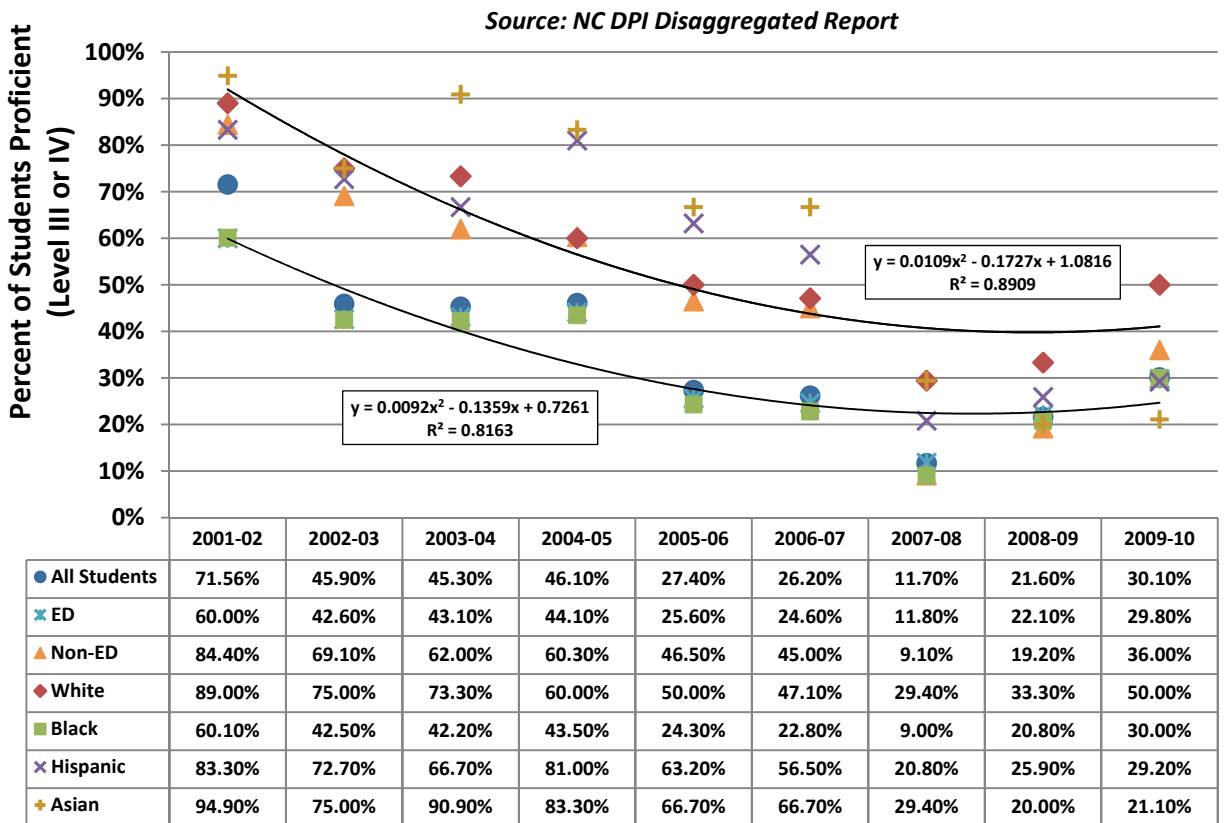
*Source: NC DPI & Demographic Reports
Demographic Data estimated from number of EOG tests by subgroup for 2001-02 through 2006-07*



As noted in Figure 21, Bishop Spaugh is now an approximately 85 percent minority, 90 percent ED school. The historic EOG scores for the Bishop Spaugh Community Academy demonstrate the impact of this change in demographic pattern within the school. A general decline in performance occurred after diversity was removed from the assignment policy in CMS. Care must be taken when making conclusions based on this graph due to the changes in the EOG tests, but this school does not exhibit the magnitude of the bounce-back in test scores as other schools do. Instead, the test scores show a general decline, with only a slight increase in scores after retests are included in the reporting.

Billingsville Elementary and Bishop Spaugh Community Academy are two of 12 schools that will be closed by or “receive help” from CMS because both of these schools are currently underutilized in addition to underperforming. For the 2009-2010 school year, Billingsville had 445 students (67 percent capacity) while the average elementary school in CMS has 664 students. Bishop Spaugh had 529 students (57 percent capacity) while the average middle school in CMS had 932 students.

Figure 22. EOG Test Results – Performance Composite Reading and Math, Bishop Spaugh Community Academy (formerly Bishop Spaugh Middle), Trend lines based on Non-ED and Black Student Populations



Historical Achievement Gap Data

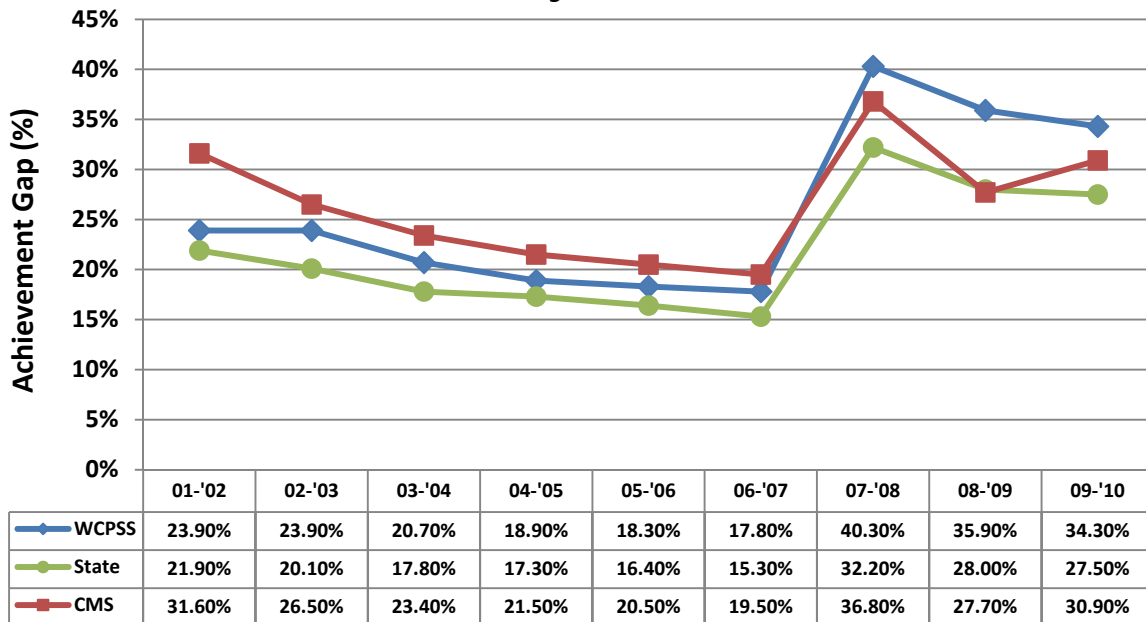
Historically, when comparing CMS and WCPSS with NC Statewide EOG data, the introduction of new tests/standards and reporting changes are noted in the trends of achievement gap data and both districts display simultaneous dips in achievement. Achievement gap data based on the reading EOG test scores between WCPSS and CMS shows that WCPSS outperformed CMS during the period prior to when new tests/standards were introduced when a focus on balanced schools was in effect in WCPSS, but not in CMS. This was also the period prior to the explosive growth in WCPSS student enrollment, which surpassed CMS enrollment for the first time in 2007-2008.

The effect of the increase in student enrollment in WCPSS and the lower PPE/PPA funding created “the perfect storm” situation in WCPSS that has nothing to do with diversity in student assignment. CMS performance improves when student enrollment slows and while PPE/PPA remained high. At this time, growth and funding differences reached a critical point in WCPSS. Figure 23 presents the historical EOG reading achievement gap data for the Non-ED/ED student sub-groups. Again caution should be used when interpreting these longitudinal data for

reasons previously stated; *however, it is appropriate to compare districts or districts to the State of NC in any one year.*

Figure 23. Non-ED/ED Achievement Gap, EOG Reading Scores – 2001-2002 through 2009-2010

*Source: NC DPI Disaggregated Reports of Student Performance
Caution should be used when interpreting results due to test renorming and reporting changes over time.*



A Comparison of Lowest Performing Schools

An important measure of a school system is how its most vulnerable students are performing. With that in mind, a comparison of the lowest performing elementary, middle, and high schools in CMS and WCPSS was attempted. The list of schools selected for this analysis was based on the performance composite ranking of CMS schools available in the CMS Equity Report. The WCPSS school performance composite recently published by the district was used to generate the list of WCPSS schools. The school districts were compared based on 2009-2010 data only. It should be noted that a different set of schools might be considered the “lowest performing” under a different set of selection criteria.

*These data do indeed point to the need in WCPSS to develop additional strategies that reach economically disadvantaged, Black, and Hispanic students who are struggling academically. But when combined with the funding and recent growth disparities between the two systems, **these data do not point to a need to remove diversity from the student assignment policy.***

Figures 24 through 26 provide an illustration of selected demographic sub-group and performance data for the lowest performing elementary schools in both districts (as ranked by

performance composite values). The demographic composition of the 10 lowest performing elementary schools in CMS and WCPSS are provided in Figures 24 and Figure 25, respectively.

Figure 26 shows the EOG performance of several sub-groups in the three lowest performing elementary schools in each district. These data are combined on the same chart for the reading and math composite scores, reading scores, and math scores. Please note that the first series of data points show the reading and math composite scores indicated by R&M on the data table with the seven following demographic groups broken down (All Students, ED, Non-ED, White, Black, Hispanic & Asian), the second series of data points on the same chart shows the reading scores only for each of these seven demographic subgroups and the third series shows the math scores.

Demographic differences between the two school districts are readily apparent. The lowest performing elementary schools in CMS in 2009-2010 are overwhelmingly high poverty with primarily Black and Hispanic students. The lowest performing elementary schools in WCPSS in 2009-2010 contain a more balanced mix of ED/non-ED, and students of various ethnicities and races specifically because of the use of socioeconomic diversity in student assignments.

Figure 24. Percentages of Selected Demographic Groups, CMS 2009-2010, 10 Lowest Performing Elementary Schools

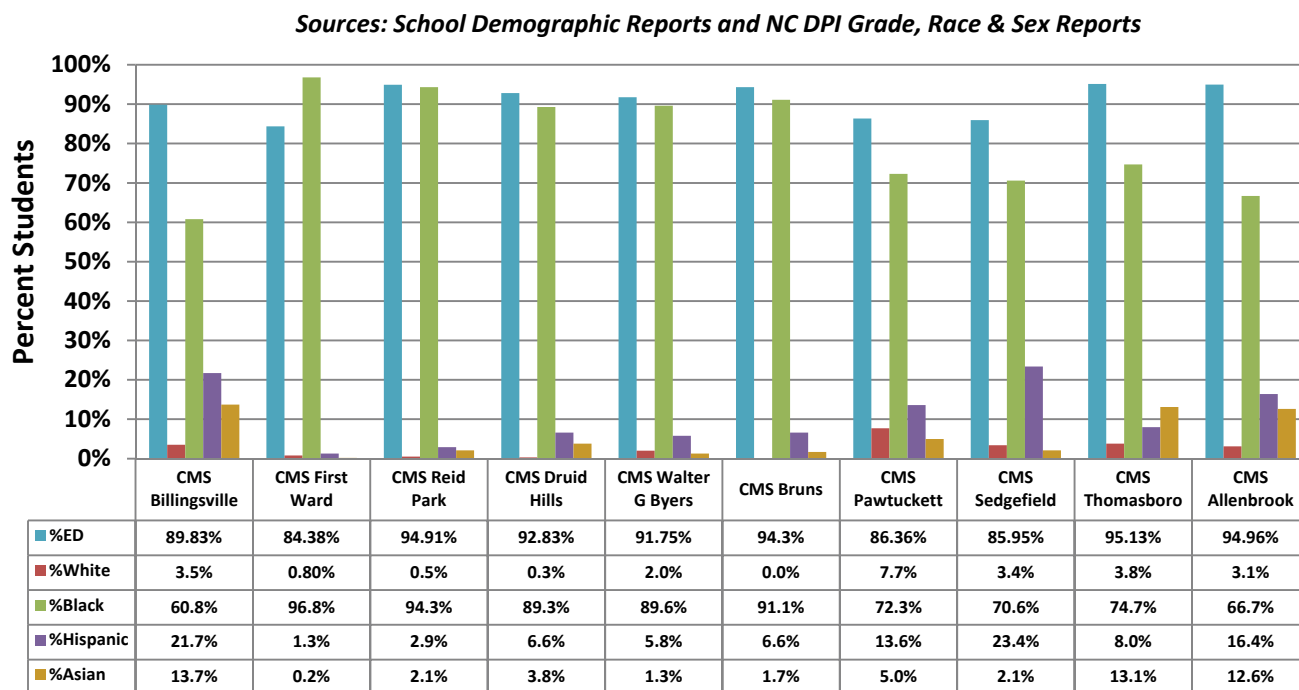
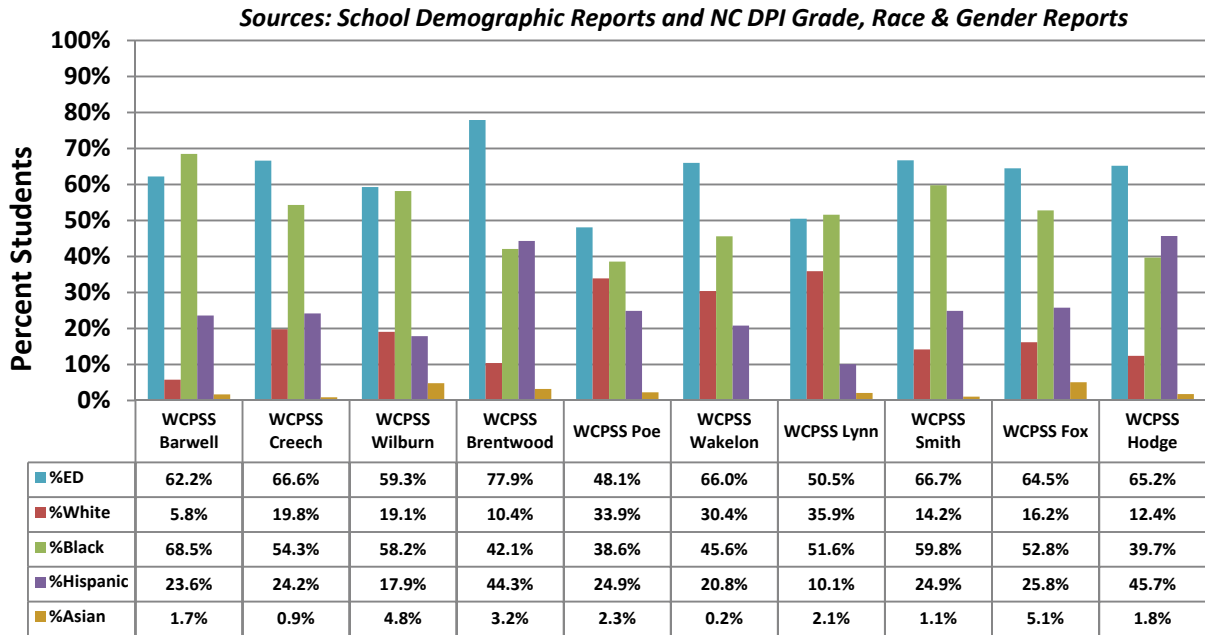
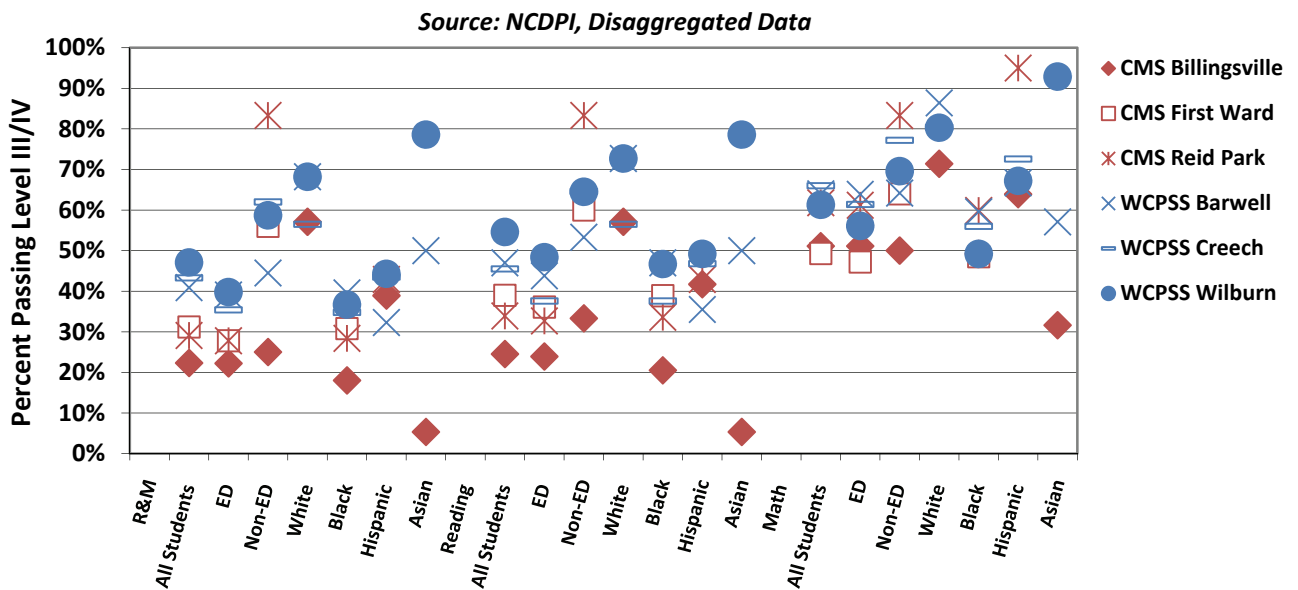


Figure 25. Percentages of Selected Demographic Groups, WCPSS 2009-2010, 10 Lowest Performing Elementary Schools



Although there is some overlap of reported scores, of the elementary schools noted in Figure 26, with the exception of the non-economically disadvantaged (non-ED) students in two out of the three CMS schools, and the Hispanic subgroup in one WCPSS school, WCPSS generally outperforms for all of the student sub-groups in the EOG tests of Reading, Reading & Math, and Math, even in a year when CMS' PPE/PPA continued to be larger than WCPSS' PPE/PPA.

Figure 26. EOG Performance Data – Reading and Math, Reading, Math, Three Lowest Performing Elementary Schools in Each District (Based on Performance Composite Results; Excludes Special or Alternative Schools; CMS & WCPSS - 2009-2010)



IV. SUMMARY

Although CMS has made achievement gains in recent EOG/EOC test scores, CMS students who are most vulnerable in elementary and middle schools are not doing well since diversity was removed as a factor in student assignment despite great infusions of funds to low performing schools. CMS' recent listing in the Charlotte Observer (September 29, 2010) of 52 schools that will be either closed, consolidated, or provided with extra help (not specified as to scope or cost) due to conditions such as underutilization, overcrowding, and low performance indicate that great disparities exist in their system even though certain subgroups at certain schools are performing well. This appears to be related to the use of "neighborhood" schools, where student achievement depends largely upon which neighborhood students call home.

Given the dire economic situation that North Carolina faces and the impact felt in our urban areas including Mecklenburg County and Wake County, what will the future hold for our public school children and their families? Are the recent marginal test gains in CMS sustainable?

How will Wake County obtain the additional funding needed to handle the demands of the impoverished schools that will be generated through student assignment policies that turn a blind eye to poverty and racial segregation? How is a neighborhood assignment policy fair and equitable to those who live in impoverished neighborhoods? Proximity to a school does not equate with student achievement. If it did, wouldn't all neighborhood schools be high performing?

The WCPSS Board majority is doing a disservice to the Wake County taxpayer by its failure to craft a workable assignment plan that increases student achievement and saves the county money before removing a system that has demonstrated its value in past achievement data and in the qualitative benefits that diversity offers, and without critically analyzing the other factors that negatively affect student achievement.

All Wake County residents—taxpayers, teachers, administrators, students, business people—deserve *much better*.

Appendix A

Data-driven research shows Wake County Schools are among the least segregated schools

In a recent report “Segregation and Exposure to High-Poverty Schools in Large Metropolitan Areas: 2008-09” published by *diversitydata.org*, researchers Nancy McArdle, Theresa Osypuk, and Dolores Acevedo-García investigated racial/ethnic school composition across public, primary schools in the nation’s 100 largest metropolitan areas.

A summary of their findings include:

- “Schools are a key environment influencing child development, and research has documented the negative effects of concentrated-poverty schools as well as the advantages of racially/ethnically diverse learning environments. Yet, minority children continue to attend high-poverty, high-minority schools, separate from the vast majority of white children.”
- “Children in high-poverty schools face enormous challenges, with classmates who are generally less prepared, have lower aspirations and graduation rates and have greater absences; parents who are less involved, with less political and financial clout; and teachers who tend to be less experienced and more commonly teach outside their fields of concentration.”
- “Residential segregation and the routine assignment of students to schools based on geographic proximity are the underlying causes of school segregation and differential exposure to high- poverty schools.”

The good news...and the likely bad news for Wake County:

Residential patterns—namely high levels of neighborhood segregation—typically result in high levels of school segregation. However, the assignment plan currently in place in Wake County has helped avoid these high levels of segregation and the creation of high poverty schools. As the data presented in the body of this report illustrates, the 2002 implementation of the *family choice* (neighborhood school) assignment policy in Charlotte-Mecklenburg has resulted in, among many things: more high poverty schools, significantly higher concentrations of high poverty students in those schools, costly teacher/staff incentive programs, substantially higher per pupil costs, and the flight of great numbers of families from the public schools.

We in Wake County have the opportunity to preserve the balance we currently enjoy in our public schools. Following the path taken 130 miles down the road in Charlotte, we are likely to see Raleigh/Wake County disappear from the following table—in short order.

The following table shows the top 10 most and least segregated metropolitan areas for black and hispanic students.

Table 3. Top 10 Most and Least Segregated Metro Areas for Black and Hispanic Students, 2008-09

Most Segregated		Least Segregated	
Black students	Hispanic students	Black students	Hispanic students
1. Chicago, IL	1. Los Angeles, CA	1. Lakeland, FL	1. Honolulu, HI
2. Milwaukee, WI	2. Springfield, MA	2. El Paso, TX	2. Palm Bay, FL
3. New York, NY	3. New York, NY	3. Honolulu, HI	3. Raleigh, NC
4. Detroit, MI	4. Boston, MA	4. Boise City, ID	4. Virginia Beach, VA
5. Cleveland, OH	5. Hartford, CT	5. Albuquerque, NM	5. Lakeland, FL
6. Youngstown, OH	6. Cleveland, OH	6. Modesto, CA	6. Augusta, GA
7. Syracuse, NY	7. Chicago, IL	7. Raleigh, NC	7. Jacksonville, FL
8. Cincinnati, OH	8. Milwaukee, WI	8. Greenville, NC	8. Colorado Springs, CO
9. Springfield, MA	9. Providence, RI	9. Las Vegas, NV	9. Akron, OH
10. Indianapolis, IN	10. Allentown, PA	10. Santa Rosa, CA	10. Toledo, OH

Source: "Segregation and Exposure to High Poverty Schools in Large Metropolitan Areas: 2008-09" http://diversitydata.sph.harvard.edu/Publications/school_segregation_report.pdf