

**A Report Card to Evaluate Educational Capacity
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Thomas Jefferson wrote:

“I look to the diffusion of light and education as the resource most to be relied on for ameliorating the conditions, promoting the virtue and advancing the happiness of man.”¹

The social, cultural, political, environmental, economic, health, and lifestyle future of our society is intricately intertwined with the success or failure of our public schools. Across the country there are many examples of schools that are achieving excellent results in enhancing student learning. However, the overwhelming outcome of our current educational system is an acceptance of mediocre student performance by a significant proportion of the student population, particularly at the high school level. Unless we dramatically improve the knowledge, skills and abilities for all students in this generation of young people it will significantly affect the quality of life and future economic vitality of our country.

The National Center for Public Policy and Higher Education has identified an “educational pipeline” trend that is directly related to the nation’s economic and social well-being.² The Center defines the educational pipeline as an integrated system of public schools, universities, governmental agencies, and businesses which increases the number of highly knowledgeable and skilled workers. The educational pipeline is considered to be the key to increasing the “capital” of future workers.

President Bush recently challenged Congress and the nation to continue to support the tenants of educational reform he spearheaded in 2001:

Five years ago, we rose above partisan differences to pass the *No Child Left Behind Act*, preserving local control, raising standards, and holding those schools accountable for results.... Now the task is to build on the success, without watering down standards, without taking control from local communities, and without backsliding and calling it reform."³

The current executive and legislative branch debate over the reauthorization of *No Child Left Behind* shows little promise to expand responsibility for results from what President Bush refers to as “holding those schools accountable” to holding communities accountable.

Broadening the accountability to include local schools, local policy makers, the businesses, school boards, agencies and the general public is critical for society to invest in public education and to ensure our quality of life. We define *community* to include local schools that have a geographic connection and are part of a hub of interdependent social, cultural, political, environmental, economic, health, and lifestyle factors. Current accountability systems hold individual schools responsible for their success in isolation from the geographic and organizational contexts in which they are located. An urban school district is connected to the suburban districts that surround it. A rural district is connected to its nearest large town. A community is larger than the neighborhood, subdivision or county in which one resides. Reinvigorating community responsibility and accountability is vital to the success of public schools.

The support of higher educational standards and advanced degrees for students in our country has many benefits. ⁴ First, workers with higher education levels earn more and provide

more tax revenue for infrastructure and support services. Second, more knowledgeable workers make fewer demands on welfare, crime prevention, and prison services. This improves the safety and quality of life in every community. Third, educated workers make better health and lifestyle choices which, in turn, saves public resources. Fourth, knowledgeable citizens are more independent and capable of taking care of themselves, which decreases the need for community agencies to provide guidance and support. Fifth, educated citizens participate in the democratic process by voting and contributing to discussions on critical local, community, state, regional, national and international issues.

As the work force in America becomes more brown and grey, many challenges will confront our communities. Reaching consensus, establishing a shared vision and promoting a positive, civil and productive work culture all becoming more complex in our increasingly diverse society.⁵ In addition, technological change and the globalization of our economy require workers to be flexible and able to adapt to new job roles and responsibilities. The majority of workers entering the job market this year will change jobs five to seven times during their careers.⁶ Knowledge, educational level, and a commitment to continuing education will determine an employee's and an organization's success. "In this *Innovation Economy*, the most valuable assets are not physical materials or natural resources, but human capital--the skills, capabilities, and education of individuals. Economic growth is driven by brainpower instead of the horsepower that came to define the mass production era of the Industrial Age."⁷

The quality of our local schools is directly related to economic development and to the future quality of life. Business, industry, health care organizations, and government agencies in each community must have an adequate supply of highly qualified employees and leaders to meet the demands of the increasingly competitive, global marketplace.⁸ In addition, the predicted

population growth in some communities and predicted population losses in other communities will create multiple challenges and problems during the next decade. We believe that by bringing together the diverse groups and resources in each community to work together, we can increase the student graduation rate from both high school and post-secondary institutions, establish effective policies for responding to the issues and create a structure for developing problem-solving solutions.

One way to engage communities in the conversation about public education more specifically is to use a report card on “Community Educational Capacity.” For example, the data from our community show that there are several indicators that could be used to expand the current accountability system under *No Child Left Behind*. Communities can set target goals to impact public school success, including but not limited to academic achievement. This report card is not an indictment of public schools. It is an attempt to measure key variables that impact academic achievement as they relate to community capacity to support public education. We have chosen the criteria for the report card in a similar way that vital signs are used to determine a person’s general health (body temperature, heart rate/pulse, blood pressure and respiratory rate). Our criteria include the achievement gap in Algebra I and English I in high school, high school completion rates of teenagers, adult high school completion rates, overall poverty rates, senior citizen poverty rates and incarceration rates in state prison. Table 1 shows the sample community educational capacity report card for our eight-county community. The number in red is the current aggregate mean for each criterion across the eight counties in our community. The authors developed the grades “A” to “F” based on a review of the scales currently used to independently judge success of these criteria and our own professional judgment. The report card is a place for communities to initiate the conversation about what changes are necessary to

maximize the potential for the educational success of all children. Information for this table was taken from databases of The Eastern North Carolina Poverty Committee⁹ and the North Carolina Department of Correction.¹⁰

Table 1
A report card for assessing current community educational capacity.
Created by John Fischetti and Howard Coleman

Grade	A	B	C	D	F
High School Graduation Percentage	>90%	> 80%	> 70%	>60% (63%)	> 50%
% of Adult Population with High School Degree	>90%	> 80%	>70% (74%)	> 60%	> 50%
Achievement Gap in High School Algebra I and English I Proficiency Rates	< 5%	< 10%	<20% (13%)	> 20%	> 30%
% of Population Below Poverty in all subgroups	<10%	<15%	< 20% (17%)	>20%	> 30%
% of Elderly Below Poverty	<10%	<15%	< 20% (19%)	>20%	> 30%
% of Population Currently Incarcerated in State Correction System	<.001 (1 in 1000)	<.002 (2 in 1000)	<.004 (4 in 1000) (.037)	>.005 (1 in 200)	>.010 (1 in 100)

Following are the definitions for each category in the report card above:

High School Graduation Percentage	Graduation Percentage is the percentage of students who start ninth grade together and then who graduate four years later. Even if one factors in those who complete high school or a GED within two more years, the percentage is approximately 73%. A grade of “A” is proposed for achieving a greater than 90% graduation percentage.
Percentage of Adult Population with High School Degree	With the influx of new residents to many communities, it is vital that those new residents have the knowledge and skills to compete in a global economy. Adult education programs must move beyond high school level equivalents to build capacity for 21st century skills. About ¼ of the adult population of our community does not have a high school degree. A

	<p>grade of “A” is proposed for achieving a greater than 90% high school graduation percentage for the adult population.</p>
<p>Achievement Gap in High School Algebra I and English I Proficiency Rates</p>	<p>The gap between majority and minority students in high school Algebra I and English I proficiency. A grade of “A” is proposed for achieving a gap between majority and minority students less than five percent in English I and Algebra I. There are many indicators of academic achievement that could be included. Fourth grade achievement is generally strong across the United States. Ninth grade is a critical year for educational success. We are proposing that this criterion and the gap between majority and minority students be used a guide for community educational capacity to support all students’ success in school.</p>
<p>Percentage of Population Below Poverty in all subgroups</p>	<p>The percentage of our community’s population below the poverty level is 17%. Sustained or persistent poverty is defined as 20% of the population at or below the poverty level for twenty years. “Poverty” is still considered to be based on a family of four earning less than \$20,000 a year. Black, Latino and American Indian populations average well above 20% in our community. A grade of “A” is proposed for achieving a poverty level below 10%.</p>
<p>Percentage of Elderly Below Poverty</p>	<p>As a subset of the population, elderly makeup an increasing percentage of America’s total population. Elder citizens below the poverty level are most vulnerable to health care, housing and other basic issues. Their increasing demands and needs for community resources are in competition in local, state and national budgets with B-12 education. If we disaggregate the two of the wealthiest areas of our community, our elderly poverty level is 21%. One of every five elderly people in our community is struggling to meet minimum basic needs. A grade of “A” is proposed for achieving a poverty level below 10%.</p>
<p>Percentage of Population Currently Incarcerated in State Correction System</p>	<p>Our community has about 4 in 1,000 residents currently incarcerated in state prison. This does not include those in county jails, furloughs, parolees, etc. Most</p>

	<p>of these inmates were not successful in school. Financially, the number of people held for felony convictions drains considerable community resources. Our goal should be to reduce the prison population by 75% by increased success of public education. A grade of “A” is proposed for achieving an incarceration rate of less than one in one thousand citizens.</p>
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We propose that based on this report card, our community receives an educational capacity grade of “C” (see Table 2). This is not a grade for children, teachers or schools, but a summary of the vital indicators that create educational capacity. They are intertwined and interconnected in ways that enable or inhibit the success of schools, just as blood pressure is connected to heart rate. Our public schools cannot independently provide the educational capacity to support the success of all children. It must be a broader, systemic, effort involving all community stakeholders.

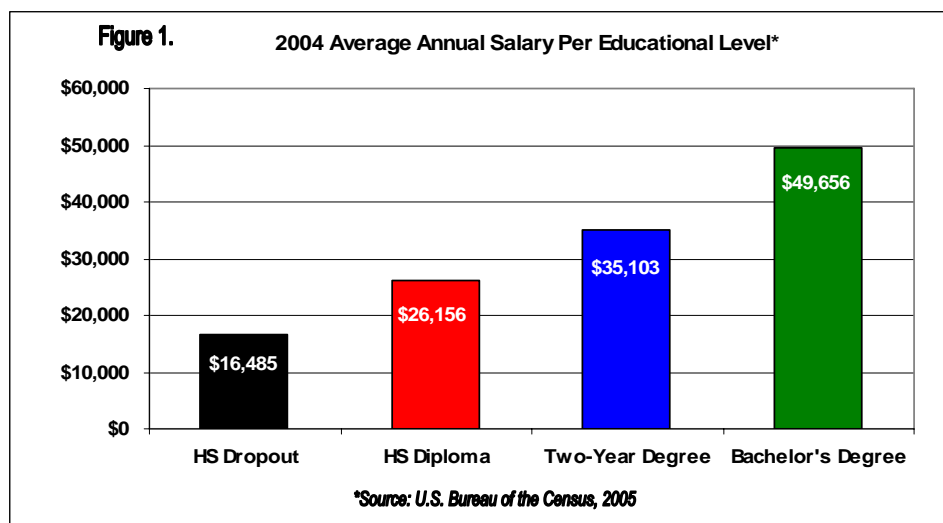
Table 2
Grading our Community

Grade	A	B	C	D	F
High School Graduation Percentage	>90%	> 80%	>70% (63%)	>60%	> 50%
% of Population with High School Degree	>90%	> 80%	>70% (74%)	>60%	> 50%
Achievement Gap in High School Algebra I and English I Proficiency Rates	< 5%	< 10%	<20% (13%)	> 20%	> 30%
% of Population Below Poverty in all subgroups	<10%	<15%	< 20% (17%)	>20%	> 30%
% of Elderly Below Poverty	<10%	<15%	< 20% (19%)	>20%	> 30%
% of Population Currently Incarcerated in State Correction System	<.001 (1 in 1000)	<.002 (2 in 1000)	<.004 (4 in 1000) (0.4%)	>.005 (1 in 200)	>.010 (1 in 100)

Education and Economics

The economic impact of student educational levels on our citizens and our communities can be determined by calculating the number of students who graduate from high school each year. In 2006, the North Carolina Department of Public Instruction, for the first time, calculated the *four-year cohort graduation rate* for all high schools in our state. The four-year cohort graduation rate is determined by comparing the number of 9th graders attending high school four years ago with the number of 12th graders who graduate four years later. The overall 2006 graduation rate for traditional high school students (those receiving a diploma in four years) in our community was 63%. This means that 37% of our ninth grade students in 2002 did not graduate in 2006. In real numbers, 3,000 students who were ninth graders in 2002 did not graduate from high school four years later.¹¹

These 3,000 dropouts will earn lower annual salaries and provide significantly less tax revenues for our community infrastructures and services. The average annual salaries for educational levels are presented in the Figure 1.¹²



The difference between a high school dropout's average annual salary and a high school graduate's average annual salary is \$9,671 (\$26,156 - \$16,485). If we multiply the number of

students in our community who did not graduate from high school in 2006 by this annual salary difference, their total *annual lost income* is equal to \$29,013,000. If we use an average tax rate of 28% to calculate the taxes that would have been paid by the 2006 high school dropouts in our community if they had completed high school, the *annual lost tax revenue* is equal to \$8,123,640.

State Fiscal Projections

A recent study conducted by the National Center for Higher Education Management concluded that despite recent economic gains, all 50 states will be facing potential budget deficits by 2013.¹³ The study identified several reasons for the predicted state revenue deficit gaps: 1) economic growth will not generate major annual surges in capital gains income; 2) sales tax revenues will decline due to the steady shift in consumption from goods to lightly taxed services, and the increasing difficulty of collecting taxes on internet transactions; 3) excise taxes will not keep pace with overall economic growth; 4) spending will be increasingly dominated by the rising cost of Medicaid; and 5) the federal budget will continue to deteriorate (Jones, 2006). Although most state budgets for 2006 have improved, the long-term state-level funding projections indicate that every state will face gaps between the revenues and expenditures from 2007 to 2013.¹⁴ As an example, if current trends continue, North Carolina is projected to have 6.7% deficit between tax revenues and spending by 2013.¹⁵

Majority/Minority Achievement Gap

The North Carolina Accountability Model has established *proficiency* standards to determine the academic performance and progress of students in our public schools. If a student meets proficiency standards, this means that the student is well-prepared for the next grade level. At the high school level, English I and Algebra I end-of-course test scores are used to assess the

percentage of students who are meeting proficiency standards. In the 2006 school year, 82.1% of our high school students met English I proficiency standards and 80.7% of our high school students met Algebra I proficiency standards.

These percentile proficiency ratings represent the aggregate test results for all high school students. An analysis of student subgroup performance reveals lower proficiency ratings for minority students in our community. The average achievement gap between majority and minority students is 12.9%. A review of graduation rates discovered a similar achievement gap between majority and minority students. Graduation rates for minority students in our community are 11.4% less than for majority students.

The majority/minority achievement gap will directly affect our community's productivity over the next 13 years. By 2020, our area's population growth is projected to increase from 621,140 to 841,910.¹⁶ During this time period, the minority portion of our workforce is projected to double from 18% to 37%.¹⁷ If the current achievement gap continues, the greatest increase in our workforce population will be minorities with lower education levels.

This educational workforce deficit will directly affect our community's ability to compete in the global economy. Our future workers will not have knowledge or skills comparable to their counterparts in other nations. Among developed countries, the U.S. is currently ranked 17th in high school graduation rates.¹⁸

Incarceration Rates

The United States has the highest incarceration rate in the world. "One in thirty-seven adults are in prison or have served time. If current trends continue, it means that a Black male in the United States would have about a one in three chance of going to prison during his lifetime. For a Hispanic male, it's one in six; for a White male, one in seventeen... We have the wealthiest

society in human history, and we maintain the highest level of imprisonment. It's striking what that says about our approach to social problems and inequality' ...By 2010, the number of American residents in prison or with prison experience is expected to jump to 7.7 million, or 3.4 percent of all adults.”¹⁹

Those who commit felonies and are sentenced to state or federal prison are more likely to have been unsuccessful in school and turn out to be extraordinary economic drains on our society. The culture in some parts of our communities is deeply rooted in close family members serving time. This negative drain on our human capacity is rarely discussed as part of the educational continuum and should be paramount in the goal of enabling the success of all children. If our goal is to cut the prison rates by 75% in the next generation, dramatic changes in our educational, health care, housing and social service systems will have to take place. Communities must include reducing incarceration rates in their discussions about school accountability.

Future-Ready Students

Government, public schools, colleges, universities, and businesses must all play a role in ensuring we can maintain a civil society in our community through an educated and skilled workforce. The continuing changes in technology and the global economy will require future workers to have the ability to change and adapt to new employment and market conditions. The academic performance of students in our community does not make the grade. We are programming our future citizens and our communities for economic failure.

Our community's high school dropout rate significantly reduces our educational capacity. The 3,000 students who exited our community's high schools in 2006 without diplomas represent a tremendous waste of human and economic potential. In addition to high school

graduates having higher salaries and providing greater tax revenues, studies have also identified the following benefits: high school graduates live longer;²⁰ high school graduates are less likely to commit crimes;²¹ and high graduates are less likely to depend on government health care, welfare services and housing assistance.²²

Recommendations

We propose that the discussion of accountability under NCLB be enlarged to include a community-wide report card on educational capacity.²³ Each community can then convene all of those who have a stake in the success of public education for extended conversations about working together to:

- Define and affirm the “community”
- Include all of the political, economic, social and environmental agencies, boards, action committees and other policy-makers and advocacy groups in the discussion of the success of public education in the community
- Increase the capacity to support children, families and the elderly who are entrenched in sustained, persistent poverty
- Improve the graduation rates
- Decrease the population who are incarcerated
- Enhance adult education programs to support 21st century knowledge and skills
- Recruit and retain high quality teachers and administrators in our public school districts
- Develop and implement strategic planning structures involving all government agencies, businesses, and educational institutions which will maximize the use and allocation of our community resources

- Respond to the predicted population changes which will create significant challenges, opportunities and problems during the next decade
- Provide affordable medical, dental and vision care to all citizens

Next Steps

We encourage community members to take the following next steps:

1. Refine our proposed report card. Adjust the criteria based on community input.
2. Determine the levels of the report card, grades “A-F.” What are the appropriate measures for a grade of “A” for each criterion?
3. Agree upon steps and timelines to achieve the goal of an “A” for each of the criterion.
4. Establish a process for assessing progress toward our goal of an “A” in each area.
5. Participate in state and national conversations to determine those criteria that might be agreed upon at the national level, so that certain aspects of a community’s report card can be aggregated into the nation’s report card on educational capacity.

Jefferson’s vision is as relevant today as it was at the beginning of schooling in America: “If the children are untaught, their ignorance and vices will in future life cost us much dearer in their consequences than it would have done in their correction by a good education.”²⁴

By redefining *school* accountability to *community* accountability and by bringing together boards, agencies and citizens from across currently disparate political turfs, our goal should be to create a society to ensure that our citizens and communities will succeed in a global, innovation-based economy and interdependent world.²⁵

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