ESSA grants states more authority over their school accountability systems than did NCLB. Three of the most important improvements states can make are to: (1) assign to schools annual ratings that are clear and intuitive for parents, educators, and the public; (2) encourage schools to focus on all students, not just their low performers; and (3) measure and judge all schools fairly, including those with high rates of poverty.

To determine whether North Carolina’s proposed ESSA accountability system accomplishes these three objectives, this analysis evaluates its state plan, as submitted to the U.S. Department of Education on September 18, 2017, as explained below.

**Are the labels or ratings for schools clear and intuitive for parents, educators, and the public?**

North Carolina’s plan is **strong** on this point because it proposes to use an A–F grading system for schools’ annual ratings. This model immediately conveys to all observers how well a given school is performing.

**Does the rating system encourage schools to focus on all students?**

There are two primary ways for state accountability systems to encourage schools to focus on all students: (1) use a performance index and/or scale scores in place of proficiency rates when measuring achievement and (2) measure the growth of all students. North Carolina receives a grade of **weak** because it measures achievement with proficiency rates, which may encourage schools to focus on pupils near the proficiency cutoff—and because a measure of growth for all students constitutes just 20 percent of schools’ annual ratings, which is apt to lead schools to disregard the educational needs of higher-achieving children, especially those in high-poverty schools.

**Is the rating system fair to all schools, including those with high rates of poverty?**

North Carolina gets a **weak** here because academic growth will constitute just 20 percent of schools’ annual ratings. Growth measures gauge changes in pupil achievement over time, independent of prior achievement, and are therefore less correlated with poverty—thus affording high-poverty schools the opportunity to earn positive ratings.