

March 2, 2014
Comments welcome

What's Up with Education Policy in North Carolina?

By Edward B. Fiske and Helen F. Ladd

efiske@aol.com; hladd@duke.edu

Explanatory Note: The purpose of this document is to help people both outside and inside North Carolina understand what is currently happening to education policy in this state. The document is neither an academic paper nor an advocacy piece. Instead it is simply our best effort to describe and to put into context the significant policy changes affecting education in North Carolina. We write it as concerned citizens and hope it will be useful to others.

We have taken care to be faithful to the facts as we understand them. Whenever possible, we have checked them against relevant documents and with knowledgeable people. We welcome corrections and comments. Please send them to efiske@aol.com

One of us, Helen Ladd, The Edgar Thomson Professor of Public Policy and professor of economics at Duke University's Sanford School of Public Policy, has published many empirical studies of education in North Carolina. The other, Edward Fiske, was the education editor of the New York Times during the 1970s and 1980s and is now an education writer and consultant. Together we have written books on education policy in New Zealand and in South Africa and articles on school finance in the Netherlands. In 2012, at the bequest of William Harrison, the then Chairman of the State Board of Education, we wrote a vision statement for public education in North Carolina.

Last year, in a seven-month frenzy of legislative hyper-activity, the Republican-controlled General Assembly of North Carolina, in concert with Republican Gov. Pat McCrory, enacted a sweeping set of measures aimed at dramatically altering the face of public education in the Tar Heel state.

Flush from elections that gave them total control of the legislative process for the first time since Reconstruction, the Republican lawmakers cut funding for K-12 public schools as part of a broader program to curtail overall government spending. North Carolina schools now have fewer

teachers, fewer teaching assistants in classrooms, larger classes and less money for textbooks and other instructional materials than in the past. Despite five years of stagnant salary levels in the wake of the economic recession, the lawmakers continued a freeze on teacher salaries, which now rank 46th in the country, and ended salary increases for teachers who earn a master's degree.

Other changes took aim at teacher job security and working conditions. The new laws abolish career status by 2018 and pit teachers against one another within schools in a competition for \$500 per year salary increases for four years. Still other legislation moved the state education system in the direction of choice and privatization, including a new school voucher program that diverts taxpayer funds from public schools to private and religious schools. The legislation does not require those private schools to be accountable for producing gains in student achievement, as the state requires of public schools. Initial efforts to make substantial cuts in pre-K spending were unsuccessful, but significant cuts were made in funding for higher education.

These changes were enacted in shock and awe fashion, often with little or no public discussion and sometimes in the early morning hours after being inserted into the budget, and their scope and boldness would be noteworthy anywhere. But they are particularly striking given North Carolina's longstanding reputation as a "progressive" Southern state. In a matter of months, Republican lawmakers managed to reverse decades of progressive educational policies crafted by politicians of both parties. The sweeping nature of the changes in education and other areas has drawn national attention and made the state the butt of jokes by Jon Stewart and other late-night comedians. In a July 9, 2013 editorial entitled "The Decline of North Carolina," the *New York Times* likened the Republican agenda to a "demolition derby" and observed, "North Carolina was once considered a beacon of farsightedness in the South, an exception in a region of poor education, intolerance and tightfistedness. In a few short months, Republicans have begun to dismantle a reputation that took years to build."

The short-term damage to the public education system in North Carolina is palpable, and the possibility of long-term damage is strong.

So what in the world is going on in North Carolina?

A Far-Reaching Agenda

Dramatic as it may be, the Republican assault on public schools in general and teachers in particular is only one part of a much broader effort to reduce the role of government, roll back half a century of progressive social legislation and alter the political system of North Carolina so as to consolidate and perpetuate Republican control for the foreseeable future. The overall agenda flows directly from the playbooks of the billionaire Koch Brothers, Americans for Prosperity, the American Legislative Exchange Council and other well-funded organizations

seeking to promote corporate and right wing values throughout the country. Whereas other states have pursued various elements of this agenda in piecemeal fashion, Republicans in North Carolina opted to implement nearly the entire package all at once.

Central to the Republican agenda was a restructuring of the state's tax code that, while not formally enacted until late in the 2013 legislative session, drove many of the changes. The General Assembly cut corporate and individual tax rates, replaced the 91-year old graduated income tax with a 5.8 percent flat rate, and extended the range of goods and services subject to the sales tax. The N.C. Budget and Tax Center estimates that these changes will eventually cost the state \$1 billion per year – with 75 percent of the tax savings going to the top five percent of taxpayers. Little attention was apparently paid in the heady early days of newly-acquired power to the impact that these cuts would have on education and other government-funded services.

With the pending tax reforms a given, legislators began enacting a social agenda rooted not in mainstream Republican values but in those of the Tea Party and the Koch brothers. Gov. McCrory announced that the state would turn down Federal funds to extend Medicaid even though doing so would cost North Carolina hundreds of millions of Federal dollars and deprive an estimated 500,000 state residents of health care. Republican leaders also declined to extend unemployment benefits at the end of the year, despite the fact that at 9.2 percent the state's unemployment rate was fifth highest in the country.

Well aware that such changes were unlikely to survive a popular vote, they pushed through a 57-page election reform bill that is by all accounts is one of the most restrictive in the country. The legislation, which reversed changes by the previous Democratic-controlled General Assembly to expand voting in North Carolina, made it more difficult for groups that tended to favor Democratic candidates – the poor, minorities, the elderly and college students– to exercise their right to vote. The changes included a strict voter ID requirement, reduction in the number of days of early voting from 17 to 10, an end to Sunday voting, same-day registration, straight ticket party voting and paid voter registration drives. Republicans argued that the voter ID requirement is merely a sensible safeguard against fraud – which is virtually non-existent in the state – and that any disproportionate negative impact of the other restrictions on Democratic-leaning groups is strictly coincidental.

Other elements of the social agenda resemble a Tea Party wish list. These include new restrictions on abortion clinics, eased environmental regulations and repeal of the Racial Justice Act, which allowed convicted murderers to have their death sentences reduced to life in prison if they could prove that racial bias influenced their conviction. Holders of handgun permits may now carry their revolvers and semi-automatic pistols into restaurants, parks and other public places, including the parking lots of schools and universities. Some new legislation borders on the comical, including the law outlawing the use of Sharia law in a state where Muslims make up

less than a quarter of one percent of the population. The lawmakers also saw fit to legislate the teaching of cursive writing and the memorization of multiplication tables in primary schools. Fortunately, a proposal to make Christianity the official state religion never gained traction.

How did such monumental social changes come about?

The Elections of 2010

The short answer starts with the mid-term elections of 2010 in which Republicans won control of both houses of the General Assembly for the first time in nearly 100 years (Republicans controlled the House briefly in the mid-1990s). Their victory was the result of a well-organized political strategy orchestrated by Art Pope, a billionaire North Carolina businessman, and other donors, many from outside North Carolina, that was part of a national effort to move the country to the right by gaining control of state legislatures. They spent \$2.2 million seeking to defeat 22 Democratic incumbents in the Legislature, only four of whom survived.

The new Republican majority immediately began pushing long-standing legislative goals that they had not been able to realize while Democrats were in control. For example, in 2011 they passed the Excellent Public Schools Act which among other things ended social promotion for third graders. They also managed to lift the cap on charter schools, albeit because the state had promised to do so to obtain \$400 million in Race to the Top funds from the U.S. Department of Education, and they set up a charter advisory board. Lacking a veto-proof majority, however, they were somewhat restrained by Democratic Gov. Beverly Perdue. She vetoed 19 bills, but with help from House Democrats, Republicans overrode 11 of them. One was a law barring the North Carolina Association of Educators from collecting dues from teachers' paychecks via payroll deduction – an action taken at a special post-midnight session. Republican leaders used the next two years to craft a far-reaching agenda that would be ready for implementation in the event that the next governor would be a Republican.

Republicans also had a critical weapon at their disposal that was to dramatically change the political balance of power in North Carolina. Having taken control of the legislature in a year in which political lines were set to be redrawn to reflect results of the 2010 census, they were in a position to gerrymander districts so as to assure overwhelming Republican majorities in both houses. In doing so, they were aided by the Supreme Court's decision that effectively struck down Section Five of the Voting Rights Act, which required states with previous records of voter discrimination to receive permission before changing their voting procedures. The gerrymandering efforts, reportedly assisted by experts from the national Republican Party and reflecting the active hand of Art Pope, paid off immediately and handsomely. In the November 2012 mid-term Republicans gained super-majorities in both houses – a 77-43 advantage in the House and a 33-17 edge in the Senate despite far more even outcomes in the popular vote.

Republicans won 51 percent of the popular vote for the House and 53 percent for the Senate. Total control of the legislative process was assured when Pat McCrory, the Republican mayor of Charlotte who had lost to Gov. Perdue four years before, won the race for Governor. Thus for the first time since Reconstruction, Republicans had total control of the legislative process in North Carolina.

When the gavel came down to open the 2013 legislative session, Republican leaders wasted little time pushing the ideas that they had been nurturing. New bills, many of them calling for drastic changes, came one after another in rapid succession. Debate was often brief or even non-existent, and relatively little attention was paid to testimony from experts. The fact that a particular policy had been enacted by Democrats appears to have been sufficient reason to reverse it.

North Carolina's Progressive Reputation

North Carolina's reputation as a "progressive" Southern state developed over the second half of the 20th century largely because of far-sighted leaders who pursued what Rob Christenson, a veteran political reporter for the Raleigh-based *News & Observer*, described as a "middle way, spending more on roads, universities and culture, and later on community colleges and research parks, as a way to modernize." This so-called "North Carolina Way" – characterized by Southern historian V.O. Key as "progressive plutocracy" – was embraced by forward-looking business leaders as an alternative to the low-tax, low-regulation strategies of other Southern states. It also benefited from a succession of strong governors from both parties. These included Democrats Luther Hodges and Terry Sanford, who set the tone in the 1950s and early 1960's, and Republicans James Holshouser Jr. in the 1970s and James Martin in the late 1980s and early 1990s.

Teachers were attracted to North Carolina by its relatively low cost of living and a bipartisan commitment to public education. In 1997 the state ranked 43rd in teacher pay level, but by 2001 Gov. James B. Hunt Jr., working with Republican House speaker Harold Brubaker and with strong support from the business community, had ratcheted teacher salaries up to the national average. As recently as 2008 North Carolina was paying teachers better than half the country.

We must be careful, however, not to overstate the "progressive" nature of North Carolina. Much of the state is rural, poor, deeply religious and conservative on social issues such as abortion and gay marriage, and race relations are always just under the surface of public policy issues, including education. North Carolina successfully delayed implementation of the 1954 U.S. Supreme Court decision banning segregated schools until the late 1960s and early 1970s, and when it did come many whites moved their children to private schools. Gov. Sanford once observed in an interview that North Carolina was often within "just a few percentage points" of going in the direction of Virginia and other Southern states that took a hard line approach on

matters such as school desegregation. The current push to balkanize the statewide public education system through charter schools, vouchers, virtual schools and home schooling is viewed by many observers as a 21st century form of white flight and segregation academies. The trend has been reinforced by a growing number of evangelicals who regard public schools as bastions of secular values.

While the Republicans' sweep of the 2012 elections was the proximate cause of their successful assault on the state's progressive traditions, the longer answer to the question of what's happening to education in North Carolina is, of course, more complex.

The Republican legislative triumphs were the result of sophisticated strategic thinking and substantial financial resources, both from inside and outside the state, over a period of years. Frustrated at efforts to reclaim the White House, Karl Rove, the Koch brothers and other forces on the right have effectively invested hundreds of millions of dollars to win control of state governments and pursue their political goals with a "bottom-up" rather than a "top-down" strategy. Parallel efforts to systematically undermine public education in North Carolina can be found in other Republican-controlled states, including Florida, Louisiana, Michigan, Ohio, Tennessee and Wisconsin.

Moreover the North Carolina political landscape was changing. Although Democrats as late as 2009 had controlled the executive and legislative branches, the coalition of corporate, educational and other leaders built by Gov. Hunt had already run its course. Barack Obama in 2008 had become the first Democrat to capture North Carolina's electoral votes since Jimmy Carter in 1976, but Mitt Romney put the state back in red category four years later. The Democratic National Committee offered minimal help to local candidates, while the Obama campaign maintained its own campaign funds and organizational structure and drew some of the best volunteers away from local campaigns.

The North Carolina Democratic Party, weakened by the illness and subsequent resignation in 2011 of Senate Leader Marc Basnight, became complacent, marked by in-fighting and division, and, in extreme cases, corruption. Gov. Mike Easley, who served from 2001 to 2009, became ensnared in controversies involving campaign finance infractions, the use of taxpayer funds for personal travel expenses and an ill-advised state job for his wife. His Democratic successor, Bev Perdue, had earned her stripes in the state House and State Senate and subsequently as lieutenant governor, but she struggled as governor, especially during the last two years when she was battling a Republican-controlled Legislature. Perdue was handicapped by scandals involving persons in her administration, and Democrats of all kinds were affected by fallout from the scandal involving former Senator and Presidential candidate John Edwards. In January 2012 Gov. Perdue announced that she would not seek re-election.

In addition to being handed an opportunity to walk into a political vacuum, Republicans also benefited from an economic situation described by East Carolina University political scientist Tom Eamon as “the meanest economic crisis and revenue shortfall since World War II.” North Carolina, which had been watching manufacturing and textile industry jobs move overseas for many years, was hit hard by the Great Recession of 2008, especially the collapse of the housing market. Unemployment soared above 11 percent, and voters were frustrated and fearful. Perdue’s enacting of a temporary .075 percentage point increase in the state sales tax to help schools became a lightning rod in the election, and Republicans sounded the theme of “jobs, jobs, jobs” without offering any specifics. Republicans also whipped up anti-immigrant sentiments that played well in rural areas.

When votes were counted in the 2012 gubernatorial election, Pat McCrory, reversing his loss to Perdue four years earlier, easily defeated Lieutenant Governor Walter Dalton, the Democratic nominee. For Democrats in 2012, observed Eamon, “the recession and partisan wrangling had created the perfect storm.”

The nature of the North Carolina business community has also been changing. While major corporations based in Charlotte such as Bank of America and Lowe’s had traditionally taken a strong interest in state and local politics and the nurturing of effective leaders, many of them now have headquarters outside the state and are increasingly likely to view their primary interests as global. In 2000, corporate leaders had worked hard to push through a \$3.2 billion bond issue to benefit the University of North Carolina and community colleges, but current leadership seems less inclined to put their weight behind education as the state’s economic engine of North Carolina. In 2006, Phil Kirk, a strong advocate of public education, stepped down as head of North Carolina Citizens for Business and Industry, now the North Carolina Chamber of Commerce, and was replaced by leadership for which education is a lesser priority. Moreover, whereas corporations were once the dominant force in political donations, much of the balance has now shifted to wealthy individuals, such as Art Pope and the Koch brothers.

The current Republican leaders have also departed from the state’s hitherto progressive brand of conservatism in other ways. None of them were born in North Carolina and none are graduates of the University of North Carolina, the longstanding breeding ground of state political leadership. Gov. McCrory was born in Columbus, Ohio, Sen. Berger in New Rochelle, NY and Speaker Tillis in Jacksonville, FL. Perhaps more important, a large number of the legislators swept into office in 2012 are novices with little or no experience as office holders at lower levels of government and little sense of how the legislative process has traditionally operated. The General Assembly Leaders, especially Sen Berger, knew what they wanted to do and ran a tight ship. They had control of funds that could be used to support primary challenges and did not shy away from using them. Anecdotes regarding political retribution against perceived enemies such as the North Carolina Association of Educators abound.

The Tax Reform as a Driving Force

It is difficult to overstate the direct and indirect importance of the tax restructuring that was a major priority for Republicans as they took control of the state government. Smaller government is, of course, a traditional Republican mantra, and it was their dominant theme during the 2012 election campaigns – reduced corporate taxes as a means to make North Carolina business friendly. Once in power, they did exactly what they said they would do. The first step was to decline to renew the temporary increase in the sales tax that Gov. Perdue has pushed through in support of education. Then they reduced corporate and individual taxes by 28 percent and eliminated the state inheritance tax, which already exempted all estates under \$5.1 million. In a move that was widely regarded as simply mean-spirited, they abolished the Earned Income Tax Credit Program for the state’s poorest residents. Taken as a whole, the Republican package of tax changes represented a major shift of the tax burden from wealthy North Carolinians to their middle class and poor fellow citizens.

The wider implications of the tax cuts for education in North Carolina were huge. In their rush to reduce taxes, Republican leaders either gave little prior thought to the implications for the spending side of the ledger or saw reduced revenues as a means of justifying spending cuts that were already on their agenda. Whether all of the inexperienced legislators in the Republican ranks understood what was going on is an interesting question. In any case, once the decision to reduce revenue was taken, budget cuts were inevitable; and given that public schools take such a large share of the state budget, they were an obvious target.

North Carolina had already experienced a downward trend in teacher salaries, with average pay dropping nearly 16 percent between 2002 and 2012 in inflation-adjusted dollars. The average pay for teachers in North Carolina in 2011-12 was \$45,947, well below the national average of \$55,418 and 46th in the country. As she struggled with the state budget during a recession Gov. Perdue was unable to change this trajectory even with the help of federal stimulus aid. Over the previous five years teachers had received only one raise – 1.2 percent in 2012. Teachers in North Carolina routinely take second jobs, and many of those with children qualify for Medicaid and food assistance. In North Carolina it takes a beginning teacher 15 years until he/she earns \$40,000.

Republicans at first showed no interest in addressing the decline in teacher compensation. Teachers were, after all, the most visible face of a bloated state government that, in their view, needed to become smaller. Moreover, Sen. Berger and other Republican leaders viewed the North Carolina Association of Educators, while not a union, as the face of the Democratic Party and hence a political enemy. Although public schools were serving 33,000 more students in 2013-2014 than in 2008-2009, the Republican budget called for \$293 million less in state

funding than five years earlier. Gov. McCrory and Sen. Berger made claims that they had enacted a 5 percent increase from 2012-13 to 2013-14, but the claim is based on invalid comparisons of spending during the two years.

Republican legislators also looked for savings by ending the practice of salary bumps to teachers who obtain master's degrees, thereby removing the major opportunity for teachers to improve their salaries beyond lockstep formulas based on seniority, the "step-pay" that continues to be frozen. The General Assembly eliminated funding for 5,200 teachers and 3,850 teaching assistants. In light of the budget crunch, funding for textbooks has been cut by 80 percent in the past four years by both political parties, just as the state has been switching to the new content standards in all subject areas, including the new Common Core, State Standards for mathematics and English Language Arts. School districts now receive \$14.26 for instructional materials for each student, down from \$67.15 in 2008-09, an amount that is insufficient to purchase a single textbook. School districts have been delaying book purchases and North Carolina teachers routinely dip into their own pockets for school supplies.

The Attack on Teachers and the Teaching Profession

While Republican lawmakers may have justified budget cuts for public schools on budgetary grounds, other aspects of their education agenda seemed rooted in a desire to discredit and dismantle teaching as a profession in a state where there is no teacher's union. Since 1971 teachers with four years on the job have qualified for "career status," which in North Carolina does not mean a guarantee of lifetime employment but rather gives them certain employment rights, including the right to a hearing in the event of dismissal.

The General Assembly voted to eliminate career status by July 1, 2018 and to replace it with a system whereby all teachers would lose job protection and be offered contracts ranging from one- to four years at the discretion of school administrators and local school boards. It also eliminated the potential for career status for all teachers who have not yet achieved it. In addition, districts will now be required to use performance data to identify the top quarter of their teachers and offer them four-year contracts with cumulative increases of \$500 each year in exchange for teachers relinquishing their rights to job protection immediately. Lawmakers set aside \$10 million in the budget to pay for these salary boosts during the first year. Whether the increases will be sustained during the four-year contracts is unclear because the General Assembly cannot bind future elected bodies. Critics scratch their heads at a policy that claims to strengthen the teaching profession by removing job security for top teachers while leaving it in place, at least temporarily, for others.

Citing data that only 17 North Carolina teachers were dismissed in 2011-12, Sen. Berger, who led the effort to phase out career status, argued that the practice is an impediment to removing

bad teachers and that the phase out provides meaningful education reform by basing job security and pay on performance. However, his figure of 17 dismissals does not take account the significant number of teachers who are counseled out of the profession before facing termination.

Professional development is essentially a thing of the past in North Carolina. Professional development programs were gutted at the same time that an additional \$5.1 million was found to hire novice teachers through Teach for America, a majority of whom can be expected to leave after two or three years and will not be hanging around to collect pensions down the road. The state's nationally-acclaimed N.C. Teaching Fellows program, a tool designed to steer bright young people into teaching and keep them for at least four years, was eliminated.

Other changes had the effect of making the classroom climate more difficult and strenuous, including the lifting of restrictions on class sizes and, of course, fewer teaching assistants. Critics charge that some of these changes smack of political retribution against those who had resisted their new agenda. The N.C. Teaching Fellows program, for example, was a creation of Gov. Hunt and run by the Public School Forum, a progressive advocacy group. Likewise the legislation rescinding direct dues payments seemed designed to make it more difficult for the NCAE, whom leaders view as an arm of the Democratic Party, to engage and sustain members. Teachers in North Carolina can thus look forward to a professional situation characterized by mediocre pay, increased stress and little professional respect – at least from the current majority of policy makers in the General Assembly.

In another move, the General Assembly adopted a policy, already in place in Florida, under which all public schools, including charters, will be graded on an A to F scale based on student test scores and, in the case of high schools, criteria such as four-year graduation rates. The grading system is widely expected to have the effect of discrediting public schools, especially those serving disadvantaged students. In looking to Florida's original plan for inspiration, lawmakers ignored the fact that Florida had by then recognized serious flaws in this rigid rating system.

Charters and Vouchers

Another set of educational changes – the subject of at least 20 bills during the legislative session – were designed to introduce more parental choice and privatization into the state education system. Charter schools were first authorized in North Carolina by Democrats in 1996, partly as a political strategy to head off school vouchers, with a provision that the number be capped at 100 statewide. The General Assembly removed the cap in part to comply with promises made in return for Federal Race to the Top funds. There are now 127 charter schools in North Carolina, compared to approximately 2,500 traditional public schools, but 26 more have been approved to open this fall, with 71 others hoping to open in 2015. By that year, the state could have more

than 200 charter schools operating – double the number before the cap was lifted. Charters need not operate on a non-profit basis.

Republican legislators also moved to reduce accountability standards for charter schools by lowering the number of certified teachers they must have and allowing them to expand by one grade level each year without seeking state approval. Language specifying that the population of charter schools “shall reflect” the population as a whole was replaced by language saying that operators need only “make efforts” to achieve this goal. The General Assembly backed away from a plan to set up a separate governance system for charter schools over which the State Board of Education would have no control. Instead they created the North Carolina Charter Schools Advisory Board to advise the State Board on which new applications to approve and renew. Significantly, they specified that members of the new advisory board must have demonstrated “a commitment to charter schools as a strategy for strengthening public education.” Thus, advisory board members include charter school operators who are, for all practical purposes, governing themselves. Moreover, some charters are run by for-profit companies that, while obligated to set up non-profit boards, have incentives to ensure profitability by hiring low-wage teachers who are mostly uncertified. The new legislation also eliminated the right of local school boards to submit impact statements to the chartering authority explaining how a proposed new charter school would affect existing schools and communities.

Charter advocates argue that the proliferation of charters gives parents more choice in deciding where to send their children to school and promotes healthy competition that will redound to the overall benefit of the education system. Critics argue, however, that many charter operators demonstrate little or no interest in economic or racial diversity and lack a commitment to serve the full range of students in the district. Critics also maintain that charters undermine the ability of school districts to plan for the future. “It’s difficult to accurately predict what the elementary school population will be in the district in the next five years,” said Heidi Carter, chairwoman of the school board in Durham, where officials say they are losing \$14 million a year for schools they operate because of students attending charter schools. An editorial in the *News & Observer* suggested that the rapid expansion of charters is a sign that “some want charters to become some sort of publicly funded private system.”

In addition to encouraging a proliferation of charters, the General Assembly enacted a voucher program – billed as “Opportunity Scholarships” – that will provide up to \$4,200 in taxpayer dollars for low-income students to attend largely unaccountable private schools, a majority of which are religious, starting in the fall of 2014. While cutting funding for traditional public schools, legislators nevertheless found \$10 million from public education funds to support the voucher program for the first year. Legislative leaders tout vouchers as a way to come to the assistance of poor students and disparage critics as socially irresponsible. As Sen. Berger explained in a statement, “Not only are these lift-wing interest groups fighting every attempt to

improve public education, they want to trap underprivileged and disabled children in low-performing schools where they will continue to fall behind their peers. Their shameful and defeatist mission will only hurt these students and our state.” Critics, however, question the motives behind Republicans’ newly-discovered concern for poor children. A recent *News & Observer* editorial charged that they are being used as “ideological cover for a broader movement toward vouchers” that would endanger “the entire edifice of public schools.”

Voucher critics point out that North Carolina does not enforce academic standards or accountability measures for non-public schools, which can also choose which students to admit and need not admit special education students. Private schools receiving vouchers will only be required to administer a nationally-recognized standardized tests of their choosing to students in grades three and higher each year. Critics also view the voucher measure as a tax break for families who would have sent their children to private schools anyway. In other states, voucher programs have rapidly lifted income restrictions in order to quickly expand in scope.

Early Childhood Programs

The situation regarding early childhood education in North Carolina is complicated. Evidence demonstrates the success of both the highly touted Smart Start program for 0-5 year olds, introduced by Governor Hunt in the early 1990s, and the More at Four pre-school program for four year olds, introduced by Governor Easley in the early 2000s. In 2011 the General Assembly transferred the More at Four program from the Department of Public Instruction to the Division of Child Development and renamed it NC Pre-K. Although Republican lawmakers introduced legislation early in 2013 to reduce the number of pre-K slots by 10,000 and to tighten eligibility requirements, these were not adopted. The 2013 budget provides for 2,500 NC Pre-K spots to expire but does not call for funding decreases for Smart Start.

The Broader Right-Wing Agenda

The Republican education agenda in North Carolina is familiar to anyone who has seen parallel efforts in other states. Former Florida Gov. Jeb Bush has visited North Carolina trumpeting his now-familiar package of reforms that include testing, charter schools and an A-F grading system. While visiting Hendersonville, NC to talk about pending legislation, Sen. Berger was quoted as saying that, contrary to evidence, the proposed policies have worked well in Florida for several years: “We don’t need a pilot in this state to see if it’s going to work – we know it will work.”

Much of the architecture of the Republican education agenda in North Carolina can be traced to the American Legislative Exchange Council (ALEC), a corporate non-profit that produces model legislation designed to further conservative and corporate interests. The *News & Observer* reported on Dec. 5, 2013 that roughly a third of North Carolina legislators – 54 of 170 – are

members of ALEC. House Speaker Tillis was named ALEC's "Legislator of the Year" in 2011, and he and Asheville Rep. Tim Moffitt serve on the ALEC board of directors, where they are regarded as key fundraisers. The language of many of the Republican education bills mirrors ALEC priorities (voter ID, private school vouchers) and some has been taken directly from ALEC documents. ALEC praised North Carolina's new tax structure as a "monumental tax reform."

The major driving force behind the Republican takeover of North Carolina has been Art Pope, a conservative multimillionaire who inherited and then expanded his father's chain of 400 low-wage discount stores, scattered over 13 states, that sell low-priced goods to poor people. Pope invested more than \$40 million in building an infrastructure of tax-exempt right-wing think tanks, including the Civitas Institute, the John Locke Foundation, Real Jobs NC and the N.C. Institute for Constitutional Law. The Citizens United decision of the U.S. Supreme Court liberated them from legal restraints and public disclosure. He gradually built up the Republican Party in North Carolina by funding conservative challengers to moderate incumbents of both parties. He is close to ALEC, and Gov. McCrory named him to be his state Budget Director. Pope was famously featured in Jane Mayer's *New Yorker* article, "State for Sale." (Oct. 10, 2011)

The Republican assault on public education in North Carolina is all the more disturbing because there is no validity to claims that the system is "broken" and needs to be "fixed," as Republicans are wont to claim. By all accounts, North Carolina students do well on measures of academic performance, and high school graduation rates have increased consistently over the last decade. The four-year high school graduation rate is at all-time high of 82.5 percent, up by 14 percentage points since 2006. The latest results of the National Assessment of Educational Progress, popularly known as "The Nation's Report Card," show that North Carolina eighth graders perform well above the national average in science and math and just as well as all but six of 47 developed countries.

The system is not perfect and needs to evolve, but many of the persistent problems are related to the fact that North Carolina is a state with high levels of poverty. In 2013, the state's overall poverty rate was 16.8 percent, well above the 14.9 percent in the U.S. As of 2011, more than one of four children in North Carolina was growing up in poverty, a significant increase from one in five in 2008.

No one seriously disputes the fact that levels of poverty are closely associated with academic achievement. Even in countries such as Finland and Singapore with highly successful school systems, poor children achieve at lower rates than their more privileged peers. Educators are not in a position to eliminate poverty itself, but they are in a position to help children from disadvantaged backgrounds deal with the special physical, educational, social and other

challenges they bring with them when they come through the schoolhouse door. Numerous efforts are underway in North Carolina and elsewhere to address this issue through early childhood education, health clinics in schools, extended school days, nutrition programs and other means. The Republican education agenda makes no mention of any such policies, which are routine in countries with high performing students. Virtually the only time that Republicans discuss disadvantaged children is when they are used as an argument for expanding parental choice through vouchers.

Impact of the Republican Agenda

Teachers in North Carolina have reacted as one might expect to signals from the General Assembly that North Carolina does not really value their work. The *News & Observer* reported on Feb. 9, 2013, “North Carolina’s teacher pipeline is leaking at both ends. Public school teachers are leaving in bigger numbers, while fewer people are pursuing education degrees at the state’s universities.” Teacher turnover in 2012-13 reached the second highest rate in a decade; early retirements are up; and enrollment in teacher training programs at the University of North Carolina institutions declined by nearly 7 percent in 2013. School officials in Wake County, which hires more than 1,000 new teachers annually, have expressed concern that they will not be able to recruit enough high-quality teachers this coming fall. There are widespread, if anecdotal, reports of teachers planning to leave their positions at the end of the current school year or to seek more remunerative jobs in neighboring states. Teachers moving to Georgia can expect an immediate increase of \$7,000 , and Virginia has launched an explicit campaign to lure North Carolina teachers. The Emerging Issues Forum in Raleigh in February featured a panel of former North Carolina teachers who have either left the classroom or sought employment in nearby states. They cited as reasons not only the absence of enough income to support their families but a growing lack of professional autonomy and respect for them and their profession. Sharon Boxley, who moved to Maryland, where she expects to earn at least \$15,000 more, told the *News & Observer*, “I decided I needed to be paid my worth, and North Carolina couldn’t do that.” Vivian Connell, who left her job in the Chapel Hill-Carrboro system out of frustration at constant standardized testing and other mandates, explained, “I was tired of not having a voice. No one listens to teachers.”

A survey of 630 practicing teachers and administrators in the summer of 2013 by Scott Imig and Robert Smith of UNC-Wilmington found, among other things, that 97 percent think that the legislative changes have had a “negative effect on teacher morale, 66 percent believe think they have done likewise to the quality of teaching and learning in their own school, and 74 percent are now “less likely to continue working as a teacher/administrator in North Carolina.” The researchers concluded that “these findings indicate that we may well be at a tipping point with regard to the quality of education in North Carolina.”

<http://people.uncw.edu/imigs/documents/SmithImigReport.pdf>

Some of the practical impacts of the Republican agenda are already being felt. Local school boards are struggling with their new obligation to offer four-year contracts to 25 percent of their teachers based on the average scores on the state evaluation system for the prior two years. They argue that since the selection process is based on classroom observations by principals and assistant principals, it will be a challenge to find ways to assure objectivity and to avoid hurting school morale and complicating efforts to recruit new teachers. They also worry that retroactively rescinding career status from vested teachers constitutes a violation of basic property rights. Some districts are reportedly using a lottery to identify the top quarter of teachers because of concerns about legal issues and morale. On February 12, 2014 the school board in Guilford County voted unanimously to seek relief from the provision, which it claims is unconstitutional, vaguely worded and “represents yet another thinly veiled attack on public education and educators.”

Since funding is only guaranteed for the first year, some school board members also question whether teachers will actually receive the promised \$500 annual raises. “It’s a leap of faith that the General Assembly will continue to fund this,” Kevin Hill, a member of the Wake County school board, told the *News & Observer*. The N.C. Association of Educators has filed a lawsuit on behalf of career status teachers and is encouraging members not to relinquish their career status rights for new contracts with the \$500 salary supplements.

Facing a public backlash in an election year and nervous about the reports of teachers leaving either the state or the profession, Republicans have begun making promises to do something about teacher salaries in the short session of the Legislative that convenes in May 2014. Gov. McCrory, who acknowledged that teachers have a “legitimate gripe,” has begun talking about making modest increases in teacher salaries. “I don’t think we have any choice,” he told the *Charlotte Observer* editorial board. “Being 48th in the country is unacceptable.” In February he announced a plan, worked out with Sen. Berger and Rep. Tillis, to raise the base pay for early-career teachers from \$30,800 to \$35,000 by 2015-16 – with additional changes to come. Critics immediately noted that the raises would apply to only the minority of relatively new teachers, not to the majority of the experienced teachers. McCrory repeatedly refused to endorse a plan to move North Carolina toward the national average – a goal that former Democratic Gov. Hunt, whom McCrory has described as “a hero of mine” and “a great adviser to me” – has been pitching in recent weeks. Gov. McCrory said that the state had \$200 million to pay for the increases in basic pay without raising taxes. He also backtracked slightly on the decision to end supplemental pay for teachers who earn masters degrees by announcing that the legislature would continue these supplements for teachers who had completed their coursework by July 2013.

Pushback in the Courts and Elsewhere

The courts are dealing with a series of lawsuits challenging several aspects of the Republican agenda, starting with the new restrictions on voting. The U.S. Dept. of Justice filed a lawsuit in September alleging that the new voting laws are a deliberate violation of the federal Voting Rights Act and the 14th and 15th Amendments of the U.S. Constitution. Not trusting Attorney General Roy Cooper, a Democrat, to defend the law, Republican leaders have hired an outside law firm with strong Republican ties to do so using public funds.

The new voucher program faces two lawsuits from residents and organizations. A group of 25 plaintiffs, backed by the NCAE and the N.C. Justice Center, have challenged the school voucher legislation in Wake County Superior Court on the ground that it violates the provision of the state Constitution stating that public funds “are to be used exclusively for establishing and maintaining a uniform system of free public schools.” The N.C. Association of School Boards, joined by over 40 local school boards, has filed a similar suit

The North Carolina Association of Educators, smarting under the loss of its automatic dues payments, has also gone to court to challenge new legislation eliminating tenure. It argues, among other things, that rescinding tenure from vested teachers is a violation of fundamental property rights guaranteed by the state and U.S. Constitutions.

Some of the state’s most influential business figures, apparently disappointed at lack of leadership from the State Chamber of Commerce regarding the education legislation, have begun pushing for a rebalancing of priorities. They have formed Business for Education Success and Transformation North Carolina (BEST NC). Its 65 members include Ann Goodnight of SAS, Jim Goodmon of Capital Broadcasting, former UNC system president C.D. Spangler Jr., and Brad Wilson, president of Blue Cross and Blue Shield of N.C and former head of the UNC Board of Governors. Also involved is Walter McDowell, retired regional CEO for what is now Wells Fargo. BEST NC recently hired an executive director.

Several grass roots organizations have been formed to resist the General Assembly’s assault on public education. The most active are the Raleigh-based Public Schools First NC, a nonpartisan group informing and advocating across the state, and MomsRising, the NC chapter of a national group working for a more family-friendly environment. Scholars at major universities in the state have formed Progressive Scholars of North Carolina to conduct and publicize research on what is happening to public education and other public services in North Carolina. A group of wealthy Democratic fund raisers have organized under the banner Aim Higher NC with a special focus on voter turnout.

The drastic nature of the Republican attack on the social fabric of the state has precipitated a social movement reminiscent of the civil rights and anti-poverty movements in the 1960s and 1970s. The North Carolina chapter of the NAACP, led by the Rev. William J. Barber II, began organizing weekly Moral Monday rallies outside the legislature and, when the legislative session concluded, these were extended across the state with rallies drawing thousands of people. These have continued, and at least 945 persons were arrested and charged with trespassing. Prosecutors have been stymied in their efforts to win convictions, however, in part because, as the crowds grew larger, it became difficult to build narrow cases against individuals. Trials thus far have yielded mixed verdicts, with at least 26 demonstrators convicted on at least one charge but charges against many others being dismissed. The Moral Mondays framed the issues in terms of fundamental human rights, economic justice, and an assault on the poor. Gov. McCrory, who declined to meet with Barber and other leaders, and other Republican leaders have been universally dismissive of the protests – describing protestors as “outsiders” – and have never attempted to rebut allegations that the General Assembly’s actions have been fundamentally immoral.

On Saturday Feb. 8, tens of thousands of protestors from North Carolina and beyond converged on Raleigh for a Moral March on Raleigh, billed as “the largest civil rights demonstration in the South since Selma,” to push back against the legislative Republican legislative agenda on issues ranging from voter suppression and the failure to expand Medicaid to the cuts in public education. The rally was led by Barber, who described the occasion as “a movement, not a moment” and promised to continue the protests throughout the state as long as they were needed. As with the Moral Monday protests, Republican leaders dismissed the protests out of hand. Art Pope commented, “Barber’s ‘moral march’ is nothing more than a partisan political rally endorsed by the Democratic Party and fringe far-left groups like Move-on.org and Planned Parenthood, which have recruited liberal activists from other states to attend.” -

What’s Next?

Many North Carolinians are pinning their hopes for a bit of political relief on the end of the Republican supermajority in the 2014 elections and most importantly the race for governor in 2016. Pat McCrory’s popularity ratings are low, and he is increasingly perceived as a weak leader more interested in being Governor than in pushing a legislative agenda of his own. Gene Nichol, UNC law professor, described him as “hapless Pat” in an Oct. 14, 2013 op ed in the *News & Observer*. Republican leaders in the Legislature have seemingly abandoned their initial strategy of trying to assure McCrory’s re-election by shielding him from reaction against their controversial policies. Considerable support is mobilizing around Roy Cooper, the Democratic Attorney General who has begun taking strong public stands on issues. He has been particularly critical of the voting rights legislation, which his office is charged with defending in court.

The fact remains, though, that Republicans are positioned to retain power in the Legislature for years to come. Perhaps the General Assembly elections of 2014 will send strong signals of discontent. A big question is what role the business community will choose to play going forward.

What's Ultimately at Stake: the Future of Public Education in North Carolina

Two years ago we had the privilege of working with the State Board of Education to craft a “Vision of Public Education in North Carolina” affirming the importance of a strong public education system in our state and laying out the basic features of such a system. The document was formally adopted by the State Board in October 2012.

The Vision Statement begins with the assertion that “great states have great public education systems,” and it points out that such a system generates both private and public benefits – providing individuals with knowledge and cultural capital while promoting public purposes such as workforce development and an informed citizenry. It notes that the North Carolina Constitution requires maintenance of “a general and uniform system of free public schools,” but adds that while a strong public education system must be coherent, it need not be monolithic. It allows for diverse approaches to the delivery of teaching and learning – including charter schools and virtual schools – so long as they embrace “the central values of the public school system of which they are a part.” In practice, this means that they are accessible to all students and adhere to the same high academic and fiscal standards as regular public schools receiving taxpayer funds.

To fully understand the radical nature of the General Assembly’s recent actions with regard to schooling in North Carolina, one need only to examine the Republicans’ program against the fundamental values laid out in the Vision Statement. It is clear that it has rejected these values in at least four ways.

First, members of the General Assembly have distanced themselves from the fundamental premise that North Carolina needs a strong public education system by undermining two of the basic bedrocks of such a system: adequate funding and a strong teaching force.

Second, the Republican education agenda violates the constitutional mandate for a “uniform system of free public schools” through its enactment of vouchers and its push for untrammelled expansion of charters with little concern for their impact on existing schools and with minimum standards of accountability for how they spend public funds.

Third, Republicans have aggressively sought to upset the traditional balance of private and public interests in education by privileging the former. The charter expansion has already put

millions of public funds in the pockets of entrepreneurs whose ultimate responsibility is to a bottom line rather than to quality education, while vouchers divert much-needed funds from traditional public schools to largely unaccountable private schools, a majority of which are religious.

Fourth, the Republican actions with regard to education demonstrate little or no concern for the fundamental obligation of public schools to serve each and every child in North Carolina, including those from disadvantaged backgrounds and those with special needs.

If one were to devise a strategy for destroying public education in North Carolina, it might look like the following: Repeat over and over again that schools are failing and that the system needs to be replaced. Then seek to make this a self-fulfilling prophecy by starving schools of funds, undermining teachers and badmouthing their profession, balkanizing the system to make coherent planning impossible, putting public funds in the hands of unaccountable private interests, and abandoning any pretense that diversity and equal opportunity are fundamental values.

We do not know what motives have driven Gov. McCrory and Republican leaders of the General Assembly to enact their education agenda. We do know that their actions look a lot like a systematic effort to destroy a public education system that took more than a century to build and that, once destroyed, could take decades to restore.

##