

Rep. Hardister,

I read with great interest your September 3rd posting entitled “Public Education Funding: What’s The Truth?” on your blog, *The Hardister Report* (<http://jonhardister.blogspot.com/2015/09/public-education-funding-whats-truth.html>). It was written in response to James Hogan’s essay “The War on Public Education” which was widely read and well received, especially by those in the field of education.

Your post took great offense at the idea that there was a “war on public education” and that Hogan’s essay was a deliberate attempt to “mislead” the public. You said:

“The overarching problem is that the public has a right to know what the facts are, especially as it relates to how their tax dollars are spent. It is perfectly fine to disagree on policy decisions, but it is wrong to spread false information in order to promote a point of view.

Not only did Mr. Hogan’s article contain false information on the state budget, it was full of sensational claims that are not based in reality. He accused the state legislature of embarking on a “war against public education” and “taking aim at teachers.” Statements like that are irresponsible and inflammatory.”

Rep. Hardister, as a veteran public school teacher, I can assure you that Mr. Hogan’s assertions that the North Carolina General Assembly is waging a “war” on public schools are truly correct and that your defense of the GOP-led NCGA’s actions are actually not based on total reality.

In fact, I believe that you are not telling the whole story because a further investigation into your claims essentially helps prove Mr. Hogan’s assertions.

Here are a few important points that I want to take an extended look at based on your post:

1. Concerning the amount of the budget allotted for public education, you took umbrage at Mr. Hogan’s claim that the state spends approximately one-third of its budget on public education. You said,

“There are three sources of funding for public education – federal, state and local. When it comes to education funding as a percentage of the state budget, North Carolina ranks among the highest in the nation. In most other states, local governments fund education at a higher level than they do in North Carolina. As mentioned earlier, over half of our state budget is allocated to public education.”

And you are right. You even included a nice graph from the Fiscal Research Division that shows that the state spends 55.9% of its budget on public education for both K-12 and higher education. You went further and provided a graph from the NEA that ranks NC 9th in the nation for the percentage of public education funds provided by the state (62.1%).

But, do not forget that the state is supposed to finance public education at that level because the North Carolina State Constitution stipulates it.

The Public School Forum of North Carolina’s publication the *2014 Local School Finance Study* provides a great history of the state’s practice in funding public schooling which is rooted in the proclamation that all children in the state ages 6-21 are guaranteed a good public education. The publication stated:

North Carolina’s first state constitution in 1776 included an education provision that stated, “A School or Schools shall be established by the Legislature for the convenient Instruction of Youth.” The legislature provided no financial support for schools.

A century later, the constitution adopted after the Civil War required the state to provide funding for all children ages 6-21 to attend school tuition-free. In 1901, the General Assembly appropriated \$100,000 for public schools, marking the first time there was a direct appropriation of tax revenue for public schools. Today, the constitution mandates that the state provide a “general and uniform system of free public schools” and that the state legislature may assign counties “such responsibility for the financial support of the free public schools as it may deem appropriate.” N.C. Const. art. IX, § 2 (see sidebar, “Sources of Local School Finance Law: The North Carolina State Constitution”).

Apart from the constitutional provisions, a major change in the school funding structure occurred during the Great Depression. Under the School Machinery Act (enacted in 1931 and amended in 1933), the state

assumed responsibility for all current expenses necessary to maintain a minimum eight-month school term and an educational program of basic content and quality (instructional and program expenses). In exchange for the state's expanded role, local governments assumed responsibility for school construction and maintenance (capital expenses). The School Machinery Act established counties as the basic unit for operating public schools, which is maintained today with large county-wide school systems, except in the 11 counties that also have city school systems.

What this means is that the state has the responsibility for the financing of basic functions for public education like salaries for personnel, services for special-needs students, technology, professional development, even textbooks. To say that the state spends 55.9% of its budget on public education and then consider that to be the end-all-and-be-all to the argument is really ignoring the reasons why such a dynamic exists.

In the past before your tenure in the NC House began, the state spent an even higher percentage on public education because THAT IS WHAT THE STATE CONSTITUTION DECLARED. Those percentages of spending are not a badge of honor that this General Assembly gets to wear; it was earned many decades ago. The fact that the percentage is getting lower actually is not a positive sign for this administration. It is a reflection that the NCGA's level of commitment to public education is wavering. Since most of the state funding goes to salaries of certified and classified employees, the fact the percentage of funds from the state is not higher than it was in years past is indicative of the stagnated salaries NC gives to teachers and assistants. With the elimination of funds for professional development and talk of cutting thousands of teaching assistants, how can you brag about the level of money spent on public schooling? And let us not forget the abysmal funds for textbooks to accompany a new common core curriculum.

Even the way state funds are dispersed to LEA's (Local Education Agencies) is a bit disconcerting. North Carolina has 100 county school systems and 15 city systems which combine for 115 LEA's not including charters and other regional schools. Our state practices a system that simply provides all LEA's a certain amount of money based on teacher-to-student ratios (even with class size caps removed in high schools) which mostly disregards the needs that individual LEA's may have, especially in more poverty-stricken areas. Every LEA gets a prescribed amount of money based on a few numbers.

One of the more cohesive explanations of North Carolina's state funding practices is a publication by the Center for American Progress entitled "The Stealth Inequities of School Funding" produced in 2012. It summarizes our state's practices in a fairly concise manner. It says,

"North Carolina simply operates a generally unequalized formula that is also only slightly adjusted for differences in student needs and includes a modest adjustment for low-wealth districts (in place of more substantive wealth equalization). That is, while the states spotlighted in previous sections of this chapter allocated portions of their total state aid through separate unequalized formulas, North Carolina's entire aid formula is of this type. The North Carolina formula is similar in many ways to formulas in other Southern states, including Alabama, which is also highly regressive. The formula is essentially a block-grant formula that determines the amount of state aid to be delivered by calculating the basic cost of providing specific pupil-to-teacher ratios for different grade ranges, as shown in Table 9. The formula provides a handful of supplemental allotments to accommodate special needs. Additionally, the formula assumes an average distribution of county revenue to local schools to support the basic education program (p.46)."

You are correct in that federal and local funds do count for a portion of resources, but the way those funds are allocated is not a simple formula. What happens when federal Race to the Top money runs out? And how do you explain the amount of local funds that can be raised by poorer rural counties as opposed to more affluent areas of the state?

Local funds are usually amassed with property taxes and local SPLOST initiatives. If a county has a fairly affluent population and a high value of its property, then a property tax works really well and good schools in turn help raise property values. If you have a more poverty stricken area, then local funds do not get raised as much. Take a look at the average amount of money spent on students in Orange and Dare counties as opposed to Graham and Hoke counties. LEA's that can offer a higher amount of money for support still get the same amount of state funds, while poorer LEA's almost totally rely on the state.

Remember the Jeb Bush letter grading system that was used to measure school performance this past year? Of the 707 schools that received a “D” or an “F” from the state, 695 qualified as schools with high poverty. If you are bragging about how much money the state is giving all LEA’s, then why are so many schools failing? It’s probably because it is not enough to pay personnel sufficiently to work in hard-to-teach areas, limited technology, lack of resources for special needs students, lack of professional development, or all of the above.

The NEA research report you referenced in your post gives a lot more detailed information about state per pupil expenditures and sheds more light on NC’s state funding. Yes, we rank #9 in the percentage of revenue for public K-12 schools from a state government in 2013-2014 (Table F-10) as you stated. But it also ranks NC #47 in average teacher salary (Table C-11) and #51 in average salary change from 2003-2014 (Table C-13). And our per-pupil revenue spent? Check out Table F-1.

None of that is worth bragging about. In fact, it’s egregious.

2. You stated that as a state we spend more on K-12 education now than when the Democrats were in control in 2009-2011. You specifically state,”

“The former Democratic majority in North Carolina cut the education budget in fiscal years 2009-2010 and 2010-2011. Republicans took control of the legislature in 2011 and we have increased education spending every year since. In fact, education spending has increased by over \$1.2 billion since Republicans took the majority in North Carolina.”

Yes, again you are right, but on a surface level.

First, there was the Great Recession of 2008. Simply put, all state governments had to cut all budgets, no matter what political party was in control.

Secondly, we are now educating many more students. You posted a table showing how the actual number of dollars designated for public education has risen under GOP control in the NCGA. But that is a simplified representation. There is more to consider and much of it has to do with population increase and the need to educate more students. The aforementioned NEA report showed North Carolina as #6 in population growth in the years from 2002-2012. That alone should stipulate more funds for public education, but the growth of funds did not correlate well with growth in student population.

Let me use an analogy. Say in 2008, a school district had 1000 students in its school system and spent 10 million dollars in its budget to educate them. That’s a 10,000 per pupil expenditure. Now in 2015, that same district has 1500 students and the school system is spending 11.5 million to educate them. According to your analysis, that district is spending more total dollars now than in 2008 on education, but the per-pupil expenditure has gone down, significantly to over 2300 dollars per student or 23percent.

A WRAL report from this past school year (<http://www.wral.com/nc-still-lags-in-teacher-pay-student-spending/14522762/#33P0B4EUgZPAHKm0.99>) stated, “In terms of per-pupil spending, an NEA report ranks North Carolina 46th in the United States in 2014-15, up from 47th in 2013-14. But spending actually drops from \$8,632 to \$8,620 per student from last year to this year.” Even the Census Bureau confirms that we are spending less per student than in years past (<http://www.governing.com/gov-data/education-data/state-education-spending-per-pupil-data.html>).

3. Lastly, you commented on the salary increases that were given for starting teachers as a signal of great things to come. You stated,

“The legislature provided teachers with a pay increase in 2014 and reinstated teacher pay steps, which were frozen by Democrats in 2009. Starting pay for teachers was increased by 7 percent in 2014 with another 6 percent increase planned for this year. Our long-term goal is for teachers in North Carolina to be among the best paid in the nation.”

This is a gross misrepresentation of what really happened. Not all teachers got a raise and longevity was pulled from veteran teachers to help finance this politically spun “historic” raise. Allow me to refer to an op-ed I wrote for the *Winston-Salem Journal* last October entitled “The legislature’s farce on public education” that stated,

“That is why the GOP powers passed a secretly crafted budget that included a “7 percent average raise for teachers.” But this budget is a pure political farce. It was really just a reallocation of money and a calculated way to give the public the illusion that the General Assembly is a champion for public education.

N.C. Senate President Pro Tem Phil Berger said, “Now by providing the largest teacher pay raise in state history, we’ll be able to recruit and retain the best educators to prepare our children for the future.” He’s wrong. N.C. House Speaker Thom Tillis is airing a campaign ad about his leadership in strengthening public education. He’s misleading you. That historic raise is funded in part by eliminating teachers’ longevity pay. Similar to an annual bonus, this is something that all state employees — except, now, for teachers — gain as a reward for continued service. The budget rolled that money into teachers’ salaries and labeled it as a raise. That’s like me stealing money out of your wallet and then presenting it to you as a gift.

Also, the bulk of the pay raise comes in the lower rungs of the pay scale. The more experience a teacher has, the less of a raise he or she sees, down to less than one percent for many teachers with more than 30 years’ experience and advanced certification. And new teachers who start graduate work will never be rewarded for becoming better at what they do. In fact, this current budget ensures that no teacher who begins a career in North Carolina will actually finish that career here. No matter the qualifications or experience a teacher possesses, he or she will never receive a competitive salary like other states offer.”

That graph about teacher pay that you placed at the end of your post is further proof of this. Before pay was frozen, we had step increases every year; now that you have “reinstated them” those steps now take place every five years. You are still freezing pay for the years in between. Also, look at the most a teacher can make if he/she enters the field in NC: \$50,000. Compare that to other states and see how that matches.

You even mentioned a proposed “6 percent” raise for this next year. I will believe that when my paycheck reveals it. And the word “proposed” is a fluid word, especially considering that we do not even have a budget passed and it is Labor Day weekend.

You concluded your essay with an interesting statement. You said, “Our legislative leadership and Gov. Pat McCrory care deeply about public education, and we are committed to building and maintaining a strong education system.” I thought we had a stronger education system before the governor took office, but opinions may differ. What I do know is that under McCrory, your legislative leadership, and the current state Board of Education, North Carolina has enacted the following:

- The financing of failed charter schools that have no oversight.
- The funding of vouchers (Opportunity Grants) that effectively remove money for public education and reallocate it to private schools.
- The underfunding of our public university system, which forces increases in tuition, while giving tax breaks to companies who benefit from our educated workforce.
- The dismantling of the Teaching Fellows Program that recruited our state’s brightest to become the teachers of our next generation.
- The removal of the cap for class size for traditional schools and claiming it will not impede student learning.
- The removal of graduate pay salary increases for those new teachers who have a Master’s degree or higher.
- The administration of too many tests (EOCTs, MSLs, CCs, NC Finals, etc.), many of which are scored well after grades are due.
- The constant change in curriculum standards (Standard Course of Study, Common Core, etc.).
- The appointment of non-educators to leadership roles in writing new curricula.
- The engagement with profit-motivated companies and no-bid contracts with entities like Pearson that dictate not only what teachers are allowed to teach but also how students are assessed.

And now add to that the Taxpayer Bill of Rights (TABOR), which will put a tourniquet on funds for public education if enacted.

Rep. Hardister, that is not an impressive list, but if that is what “building and maintaining” a strong education system is, then I will have to “honestly disagree” with you.

Stuart Egan, NBCT

West Forsyth High School