

Education Timeline



1985

The 1983 release of The National Commission on Excellence in Education report, “A Nation at Risk,” began a decades-long national discussion on educational inadequacies and what the federal government and the states must do to reverse these trends. Governor Jim Hunt (D) responded to the challenge by establishing The North Carolina Commission on Education for Economic Growth in 1983. The commission proposed a plan for “ensuring the future prosperity and well-being of our children and the continuing soundness of our state’s economy.” It also placed major responsibility on the State Board of Education for ensuring that any new initiatives be implemented in a comprehensive and cost-effective manner. These actions set the stage for the 1985 legislative session.

Teacher pay

► In late 1985, Governor James Martin (R) suggests teachers be held accountable for student progress. Martin believes teacher pay must reflect this accountability and be tied to incentives. Critics balk at his proposal and are quick to remind the governor that poor-performing students are often assigned to the best teachers, making it more difficult even for the “best” teachers to receive incentive pay. Even though conservatives side with the governor, the 1985 Legislature fails to agree on incentive

pay. Eventually, however, Martin succeeds in implementing his Career Development Pilot Program (“Career Ladder”) in 16 public school systems.

► The General Assembly compensation package for teachers includes salary increases of 4.8 percent to 9.6 percent for teachers. The General Fund public school budget is \$2.19 billion, an increase of 15.8 percent over the previous year.¹

Career training

► General Assembly begins a comprehensive study of vocational education in North Carolina and the relationship between vocational education and skills training.

Basic Education Program (BEP) signed into law

► In accord with a previous legislative mandate that the state implement a “rigorous academic course of study for the purpose of ensuring a quality education,” the 1985 General Assembly launches the eight-year, \$799 million Basic Education Program (S.L. 1985-479). The stated purpose of the plan is to improve North Carolina’s flagging school system by increasing state education funding by 34 percent and establishing statewide standards for school construction, class sizes, curriculum and instruction. With respect to the latter, the program places equal emphasis



1985 EDUCATION FUNDING

ENROLLMENT CHANGES

- Public Schools: 3,411 (0.3%) decrease

TUITION & FEE INCREASES

- Average increase of 4% for in-state and 11% for out-of-state UNC students
- No change for community college students

OTHER EDUCATION CHANGES

- New funding for Basic Education Program (\$74 million for class-size reduction, dropout prevention, summer school, and science, math, and computer equipment)
- \$34 million to reduce class size in grades 7 through 9
- \$5 million for remedial summer programs in 1985-86; \$10 million in 1986-87
- \$14 million for dropout prevention
- \$11 million for a pilot Career Development Program
- \$14 million for microcomputer labs
- Basic Education Program enacted
- End-of-course testing program begins

Note: Data on UNC enrollment increases begins with 1989; data on community college enrollment increases begins with 1995.

on the arts, communication skills, foreign languages, vocational education, science, mathematics, and reading.

► Over an eight-year phase-in period, BEP will provide funds for lower student-teacher ratios, up-to-date textbooks and computers for classrooms, and more staff training. When the program is fully implemented in 1993, BEP will bring in \$799 million in new funding and create 3,131 new positions. Although BEP was ultimately superseded by other initiatives, it sets the stage for massive and ongoing funding for the state public school system.

- The Budget Act of 1985 funds BEP at \$223 million and authorizes 454 new positions.
- BEP evokes a variety of reactions from around the state. In an Associated Press article, Topsail High School Principal Tom Benton states: "We're going to see a tremendous expansion of electives. ... I think the state has made it clear that Basic Education means education for becoming a full human being – not just reading, writing and arithmetic." Yet, as one Asheville teacher cautions in a December *Charlotte Observer* article, "The curriculum in the early grades seemed very ambitious and might prevent children from learning the basics of reading, writing and arithmetic."

ENDNOTES:

¹ Fiscal Research Division, North Carolina General Assembly, Overview: 2005 Fiscal and Budgetary Actions (Raleigh: Fiscal Research Division) P-9, P-19.

1986

In February 1986, U.S. Secretary of Education William Bennett gave North Carolina what many children feared most: a

report card. The results were alarming. Among states in which the SAT was the predominant college entry exam, North Carolina ranked near the bottom. Also, Secretary Bennett ranked the Tar Heel state near the top of the list of states for percentage of students who never complete high school. These developments, along with a sluggish economy, helped to frame legislative debate for the year.

Another education governor

A slowing economy limits the majority of legislative spending to adding resources to existing programs. Still, Governor James Martin (R) is committed to making his mark on education policy. In a February 1986 article in the *Charlotte Observer*, the governor states: "My two predecessors were education governors, and I am, too. ... Education is not, and has never been a partisan issue."



1986 EDUCATION FUNDING

ENROLLMENT CHANGES

- Public Schools: 1,765 (0.1%) decrease

TUITION & FEE INCREASES

- Average increase of 4% for in-state and 12% for out-of-state UNC students
- Increase of 26% for in-state and 95% for out-of-state community college students

OTHER EDUCATION CHANGES

- \$6 million to reduce the allotment ratio in grade 9, to 1 teacher for every 26 pupils
- \$4 million increase for Teacher Effectiveness Program
- \$14 million for improvements in UNC accounting systems
- Statewide promotion program implemented

Education budget

Steady growth in the education budget reflects the rising importance of education as a policy issue. The operating budget for public schools increases 7.3 percent (\$160 million) over the previous year.¹

Basic Education Program

Sluggish economic projections cause some policymakers to question whether the state can afford to meet its third year of the BEP phase-in (\$153 million) – without raising taxes.

Governor Martin, who ran on a pledge not to raise taxes, proposes cutting spending in order to avoid a tax increase. Martin recommends smaller pay raises for teachers and delaying a planned \$32 million expansion of summer school programs. Later in the year, the governor reiterates his support for full funding – \$800 million over eight years – of the state’s BEP program, but requests that local school boards be given greater autonomy on how to spend funds.

The 1985 budget bill (S.L. 1985-479) increases

BEP funding by \$6 million for 1986-87 (over and above the new funding authorized for FY 1985-86). In the final 1986 budget (S.L. 1985-1014), the General Assembly increases BEP funding another \$12 million, for a total of \$18 million in additional funds.

ENDNOTES:

¹Fiscal Research Division, North Carolina General Assembly, Overview: 2005 Fiscal and Budgetary Actions (Raleigh: Fiscal Research Division) P-9.

1987

The campaign for the 1988 gubernatorial and legislative elections began in earnest in 1987. As a result, the governor and the Democrat-controlled Legislature were both eager to place their stamp on education policy for the year.

The governor and the education budget

► Governor Martin recommends full funding – minus summer school expansion – for the next two years of BEP (\$357 million), expansion of the Career Ladder program and a 4.5 percent salary increase for teachers and state workers. Martin also proposes hiring hundreds more teachers and support staff and increasing funding for school construction.

► Martin’s budget proposal balances the budget without a tax increase. He proposes a public education budget of \$2.64 billion for FY1987-88 and \$2.93 billion for FY1988-89 – revenue comprise just under half of the state’s General Fund. The FY1987-88 proposal is a 12 percent increase over the previous year.

The legislature and the education budget

► Democrats offer various proposals for raising taxes to fund education. Lieutenant Governor Gardner also takes issue with the governor’s Career Ladder program. Likewise, Democrats oppose Martin’s plan to fund new school construction with a \$1.5 billion local-



1987 EDUCATION FUNDING

ENROLLMENT CHANGES

- Public Schools: 590 (0.05%) decrease

TUITION & FEE INCREASES

- Average increase of 5% for in-state and 8% for out-of-state UNC students
- Increase of 12% for in-state and 39% for out-of-state community college students

OTHER EDUCATION CHANGES

- Increase funding for Basic Education Program (\$125 million in 1987-88 and \$260 million in 1988-89)
- Enhance BEP with additional teachers (\$39 million in 1987-88 and \$88 million in 1988-89)
- Increase funding for vocational education teachers (\$21 million in 1987-88 and \$41 million in 1988-89)
- \$17 million for remedial summer programs in 1988-89
- Additional non-faculty positions (\$15 million in 1987-88 for clerical positions and \$42 million in 1988-89 for clerical and instructional support positions)
- \$12 million in 1987-88 and \$26 million in 1988-89 to continue a 16-pilot Career Development Program
- \$12 million for medical education expansion at UNC
- \$7.5 million for optical disk manufacturing training equipment at Central Piedmont Community College; \$3 million for new and expanding industry support

option bond program. While Democrats in the General Assembly charge that Martin's plan burdens local districts with interest payments, the only alternative they propose is to raise the corporate income tax from 6 percent to 7 percent.

► Despite differences on financing, the governor finds considerable legislative support among Democrats. So much so, that Senator Ken Royall (D-Durham) accuses Martin of

hijacking the Democrat education agenda. Says Royall, "That's our education plan. ... I'm glad he's finally following it."

The budget: the final version

► The \$5.98 billion budget, passed in August of 1987, represents a significant increase in education spending over the previous year. Public school spending increases from \$2.19 billion in FY1986-87 to \$2.6 billion in FY1987-88.¹ Major budget provisions include: \$357 million in new spending (over two years) for the Basic Education Program (BEP); \$39 million in additional BEP spending for new teachers in FY1987-88 and \$88 million in FY1988-89. Remedial summer programs receive \$17 million. Also, state teachers receive a 5 percent salary increase.

► Spending for the Basic Education Program (BEP) increases faster than the governor's original recommendation. For FY1987-88, BEP spending totals \$125 million; for 1988-89, it is \$260 million: a 108 percent increase.²

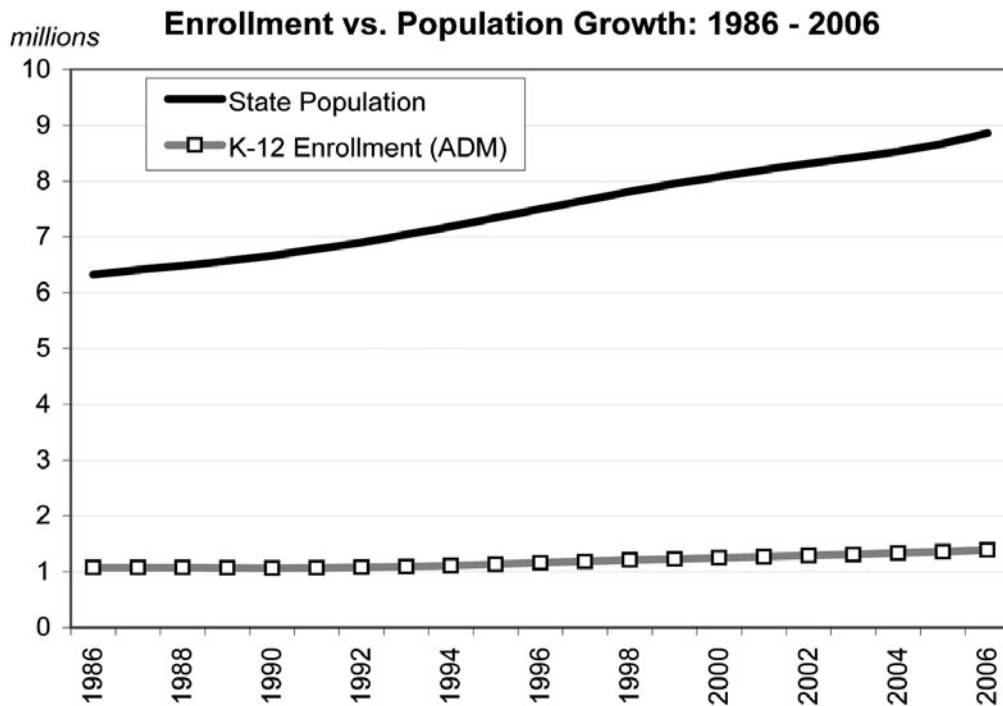
School construction

► Escalating BEP costs and rising student enrollment lead Governor Martin to propose a \$1.5 billion dollar bond project to finance new schools. The Democrat majority in the Legislature is successful in defeating the plan.

► In July the governor ratifies "The School Facilities Finance Act of 1987" (S.L. 987-622) to assist in the financing of new schools. Corporate income tax rates are increased from 6 percent to 7 percent to raise funds for the new initiative. In addition, the Public School Building Capital Fund and the Critical School Facility Needs Fund are created to assist schools in raising funds for specific construction needs.

National certification for teachers

► Former Governor James Hunt is appointed to chair a national planning group that later evolves into the National Board of Professional Teaching Standards. This group will eventually



devise a program of national certification for highly qualified teachers.

ENDNOTES:

¹Fiscal Research Division, North Carolina General Assembly, Overview:2006 Legislative Session Fiscal and Budgetary Actions 2006(Revised) (Raleigh: Fiscal Research Division) Q-9.

²Fiscal Research Division, North Carolina General Assembly, Overview: 1986 Legislative Session Fiscal and Budgetary Actions (Raleigh: Fiscal Research Division) P-41.

Program’s (BEP) next scheduled expansion (\$150 million). The uncertainty does little to stem the tide of education spending.

► Public education expenditures increase from \$2.64 billion in FY1987-88 to \$2.93 billion in FY1988-89, an 11 percent increase. Fiscal Research Division figures reveal a cumulative increase of almost 55 percent in education expenditures since FY1984-85, with spending rising from \$1.85 billion to \$2.86 billion in FY1988-89.¹

► Major provisions of the FY1988-89 budget include: \$19 million to increase wages for adult school bus drivers; \$7 million for the Uniform Education Reporting System; and \$4 million to local school systems for latchkey care.

1988

As 1988 began, North Carolina and the nation enjoyed a stronger than expected economy. By the middle of the year, however, projected revenue growth slowed to less than half the expected 6.3 percent. The changing economic news worried many. Senator Ken Royall (D-Durham) commented on the downturn, when he cautioned: “If revenues don’t improve, we are going to have to cut the budget. ... This is the slowest rate of growth in collections for any comparable 12 months since 1973-74.”

The spending continues

► Conservatives remain apprehensive over the state’s ability to meet the Basic Education

A shift in focus

► As the economy slows, the focus of education policy shifts as well. Efforts to improve assessment gain consideration. Representative Anne C. Barnes (D-Orange) encourages the passing of a new annual testing program to assess the effectiveness of the state’s public education system. The proposed legislation would give the state board of education responsibility for implementing a statewide testing program in basic subjects for the third,



1988 EDUCATION FUNDING

ENROLLMENT CHANGES

- Public Schools: 4,134 (0.4%) decrease

TUITION & FEE INCREASES

- Average increase of 4% for in-state and 8% for out-of-state UNC students
- No change for community college students

OTHER EDUCATION CHANGES

- \$19 million to increase wages for adult bus drivers from \$4.91 per hour to \$6.10 per hour, plus additional benefits
- \$7 million for the Uniform Education Reporting System
- \$4 million in incentives to local school systems for after-school care (Latchkey)
- \$12 million for a supercomputer for UNC research and training and science-based economic development
- General Assembly transfers fiscal functions to Superintendent of Public Instruction

► Although Barnes' bill fails to pass, the discussion signals a shift in the education debate from acquiring resources to assessing how well these resources are being used.

ENDNOTES:

¹Fiscal Research Division, North Carolina General Assembly, Overview: 2006 Legislative Session Fiscal and Budgetary Actions (Revised), (Raleigh: Fiscal Research Division, 2007) Q-9.

1989

A sluggish economy continued to cast a shadow of uncertainty over the state. The slow-down impacted budgets and expectations,

including education. Instead of an expected \$3.4 billion in new education spending, lawmakers learned that only \$232 million was available for recurring additions to next year's budget. The session ended with the largest single tax increase in state history.

A slowing economy

► As the economy slows, state leaders reiterate that everyone is expected to share in the sacrifice. In a January 1989 *Charlotte Observer* article, State Auditor Ed Renfrow says, "Education is no more sacrosanct, as far as I am concerned, than any other department." Martin's budget chief, C.C. Cameron, holds the same sentiment, commenting, "Many worthwhile government programs were being shortchanged because the education budget was considered hands-off while others faced cutbacks."

► In light of changing economic conditions, Governor Martin revises his original education budget and proposes funding only half of the fifth year of the Basic Education Program (BEP). Martin delays merit raises for state workers until April of 1990. He continues to voice his full support for BEP.

► Even with the economic slowdown, spending on education continues to rise. Compared to the previous year, total operating expenditures on public education (K-12) increase from \$2.93 billion to \$3.13 billion.¹ Final budget figures include an increase of \$69 million dollars in funding for BEP in FY1987-88 and \$181 million in FY1988-89 for teachers, support personnel, and clerical positions.

► Teachers receive a 6 percent pay increase, paid for in part by reducing BEP funding, increasing various sales taxes (S.L. 1989-692) and transferring revenue to the General Fund from a new tax dedicated to the newly created Highway Trust Fund (S.L. 1989-69). (See Budget and Transportation guides for more detail.)

Cracks in the foundation: DPI and BEP

► Because education expenditures account for about half of the state's General Fund, State Auditor Ed Renfrow, along with State Superintendent Bob Etheridge, calls for a full-scale audit of the Department of Public Instruction to determine whether the state is getting its money's worth.

► Based on the FY1989-90 budget (S.L. 1989-752), by the end of BEP's eight-year expansion,



1989 EDUCATION FUNDING

ENROLLMENT CHANGES

- Public Schools: 3,401 (0.3%) decrease
- UNC: 82 (0.05%) decrease

TUITION & FEE INCREASES

- Average increase of 12% for in-state and 14% for out-of-state UNC students
- Increase of 18% for in-state and 19% for out-of-state community college students

OTHER EDUCATION CHANGES

- Increase funding for Basic Education Program (\$69 million in 1987-88 and \$181 million in 1988-89 for 6,343 teachers, support, and clerical positions by 1988-89)
- Through UNC, fund a portion of the recommendations of the Study Commission on Nursing
- \$5 million in 1989-90 and \$10 million in 1990-91 for a "Restoration Fund" to help fund program needs at a more sufficient level
- School Improvement and Accountability Act approved by General Assembly

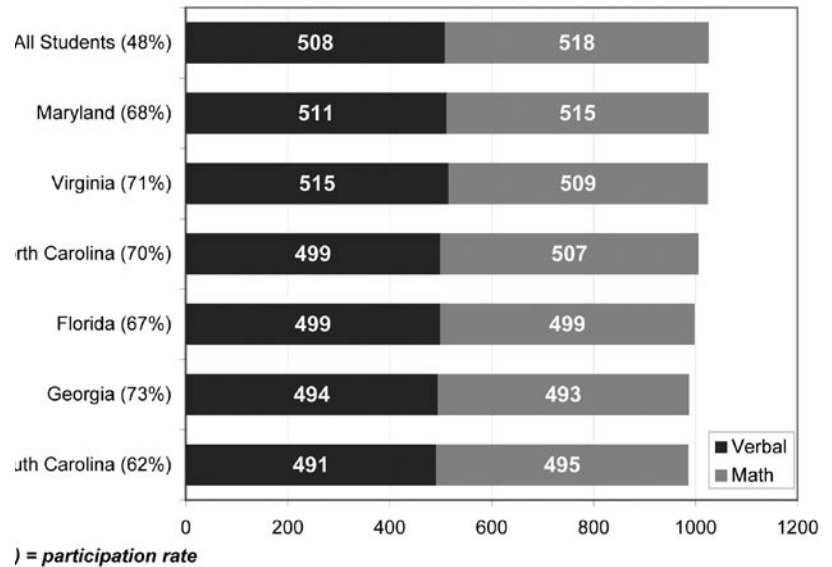
more than 14,000 non-teacher positions will have been added to the school system a 27 percent increase over previous levels.

- DPI reports a slight (0.1 percent) decrease in student enrollment from 1986-87. The lower numbers concern legislators, who, amid a flurry of responses, have invested millions in taxpayer funds to reduce student-teacher ratios, based on rising enrollment projections.
- In the spring, test results place North Carolina dead last in national average SAT scores.

A new direction: School Improvement and Accountability Act (SIAA)

- In a June *Charlotte Observer* article, House Speaker Joe Mavretic (D-Edgecombe) claims, "We simply are not teaching our K through 12 students the subject matter they need to learn." Likewise, Governor Jim Martin declares, "The system isn't producing the results we want."

Southeast SAT Scores: 2004



- Under the leadership of Senators James Conder (D-Richmond) and Marvin Ward (D-Forsyth), the School Improvement and Accountability Act (SIAA) (S.L.1989-778) is passed by the General Assembly and signed by the governor. The act is designed to make the system more accountable and provide teachers with the flexibility, freedom and resources they need to help students achieve. Progress tests will be given to all students, and the State Board of Education must release "report cards" on local districts and the entire state. The report cards are intended to assess the schools' progress in improving student outcomes.
- SIAA represents a major victory for those wanting to shift the education policy discussion toward accountability. The legislation underscores the gradual, but very real, transfer of resources and decision-making authority away from centralized administrative structures, like the Department of Public Instruction, toward LEAs, schools, and school personnel.