



**NORTH CAROLINA CENTER FOR
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**NORTH CAROLINA VYING FOR FIRST IN ABANDONING EDUCATION REFORMS,
SAYS PUBLIC POLICY CENTER**

One of the first decisions facing newly-elected Governor Mike Easley and the 2001 General Assembly will be whether to continue current school reform efforts or pursue new initiatives. This is because past elections have seen North Carolina abandon previous school reform efforts, says the N.C. Center for Public Policy Research in an analysis released today. The Center examines 10 important education reforms over the past 17 years and finds the state abandoned or failed to fully implement half of them before seeing whether they worked.

“What’s troubling about the state’s approach to public school reform is the tendency to change reform horses with election cycles every two or four years,” says Mike McLaughlin, editor of the Center’s magazine, *North Carolina Insight*, in which the study appears. “Half of the reform efforts were abandoned before they were tried long enough, before they were fully funded, or before they were evaluated.”

Reforms evaluated by the Center trace back to the 1983 publication of the influential *A Nation At Risk*, published by the National Commission on Excellence in Education, which shocked the nation with its conclusion that the nation’s mediocre public schools were failing both students and society. The report launched a wave of reform efforts in almost every state that hasn’t subsided since. North Carolina reforms examined by the Center included:

- (1) In 1983, a pilot program to lengthen the School Day and School Year;
- (2) In 1985, a pilot Career Ladder Program to reward excellent teaching through a merit pay system;
- (3) Also in 1985, the Basic Education Plan (BEP) to provide a minimum curriculum and standards for every school system;
- (4) In 1989, the School Improvement and Accountability Act, or Senate Bill 2, to transfer power to local school systems and hold school systems accountable on specified goals;
- (5) In 1989, the Year-Round School Movement bubbled up at the local level so that North Carolina now has the 5th highest number of year-round schools in the country;
- (6) In 1991, the Outcome-Based Education pilot program;
- (7) Also in 1991, the General Assembly created the Low-Wealth School Fund and Small School Fund to help poor and small school systems;

- (8) In 1996, the legislature authorized the creation of up to 100 Charter Schools, and 95 now are in operation;
- (9) Also in 1996, the ABC Program gave local school boards more flexibility in exchange for more accountability on student achievement; and
- (10) Finally in 1997, the Excellent Schools Act began a four-year drive to raise teacher pay to the national average while holding teachers to higher professional standards.

Five of 10 N.C. Reforms Already Abandoned or Substantially Transformed

The Center says the state abandoned three reform efforts entirely -- lengthening the school year and the school day, the Career Ladder Program for teacher advancement, and the outcome-based education program. The state also never fully funded or evaluated the Basic Education Program or Senate Bill 2, the School Improvement and Accountability Act. Reform efforts still in place include the ABC Plan and Excellent Schools Act, both centerpieces of outgoing Governor Jim Hunt's efforts to raise student achievement and increase teacher pay. The legislature continues to appropriate money to the Low-Wealth and Small School Funds and to support charter school experiments. And local school boards are speeding up efforts to create year-round schools. However, the Center says new political officeholders and new budget imperatives may unravel the current school reform priorities.

New Priorities From the New Governor and Legislature

Governor-elect Mike Easley ran on a platform of instituting a new state lottery and using the revenues to lower class size in grades K-3 and to create a new pre-kindergarten program for at-risk children. He also supports strengthened accountability and a character education program. Meanwhile, many Republican legislators ran on platforms calling for experiments with school vouchers and lifting the limit on the number of charter schools allowed, which currently is capped at 100 such schools.

"If you change the key players in education, you are likely to see changes in policy," says the Center's McLaughlin. "And we already know of four key substitutions among the policy players come January," he adds. In addition to a new Governor, there will be a new director of the N.C. Association of Educators, at least one new co-chair of a legislative education committee, and about 21 new legislators.

Only eight, or 16 percent, of the current 50 state Senators were in the Senate in 1983 at the start of the latest education reform movement, and only 16, or 13 percent, of the current 120 House members were in the House in 1983. "You might say we have a situation where no one remembers where we came from, so there's no guilt about changing where we're going," says McLaughlin.

Changing Demographics and State Budget Picture May Also Derail School Reform Efforts

The Center's analysis notes three other changes in the policy environment that may derail current school reform efforts, including changes in the state's demographics, budget picture, and new initiatives by the State Board of Education.

Demographically, the state faces a boom in student enrollment, with the U.S. Department of Education saying North Carolina will have the fourth largest percentage increase in high school graduates of any state in the country by 2010. North Carolina high school enrollment is projected to increase from 349,000 to 392,000 students. This student enrollment boom also will create a need for new teachers. Even if class size is not reduced, North Carolina is projected to need an additional 45,000 teachers in the next five years. And statewide, about 12 percent of the teachers leave teaching each year.

Budgetarily, the new Governor and the next General Assembly will face a rather stark budget landscape. Legislative fiscal staff already project a \$500 million budget shortfall. Passage of the state higher education bond issue and previous bonds authorized result in a total of \$344.6 million in debt service payments next fiscal year, and these claim first priority in any budget. And, Superior Court Judge Howard Manning Jr. has ruled in a school finance lawsuit that the state must expand its pre-kindergarten classes for all children who are at-risk of academic failure in order to meet the state constitutional guarantee of a "sound basic education." Initial estimates by the N.C. Department of Public Instruction say this could cost the state anywhere from \$300 million to \$700 million.

Meanwhile, the State Board of Education has initiated two new reform efforts with implications for both budget priorities and efforts to continue current school reforms. The Board voted last year to end social promotions, but this policy did not go into effect until this school year. The Board and a legislative study commission also are looking at the racial gap in achievement scores, and both groups will make recommendations to the 2001 General Assembly. Fewer than half of the state's 400,000 African American school children passed state tests in reading and math, with scores only slightly better for Native American and Hispanic children. "All of these factors will make it extremely difficult for the new Governor and next legislature to continue current public school reform efforts or to fund new initiatives," says the Center's McLaughlin.

Are Current Reforms Working? Views Differ on Early Results

Though the ABC Program and Excellent Schools Act have been in effect for less than five years -- the minimum time the Center says is necessary to evaluate progress -- the state's current reforms have received mixed reviews in the 2000 election campaigns. Some candidates pointed to rising test scores on reading and math since the ABC program began in 1996-97. Supporters also point to the state having achieved the nation's largest percentage gains between 1990 and 1996 on the greatest number of indicators in the National Assessment of Educational Progress. Other candidates pointed to the fact that North Carolina's end-of-grade test scores leveled off for the 1999-2000 school year, that North Carolina's 5th and 8th graders still score below the national average on the Iowa Test of Basic Skills, and that the state is 48th in SAT scores among graduating high school seniors.

In his 1999 State of the State address, Governor Jim Hunt noted, "When the '90s began, North Carolina had begun falling behind, there had been too much start and stop reform. Like a lot of states, we'd jumped on a new reform bandwagon every couple of years -- a flavor-of-the-month approach," said Hunt.

The Center's McLaughlin says, "As we approach 2001, we could see yet another flavor being tasted in public school reform. The danger of this is that it could leave a sour taste in the mouths of both the public and professional educators and leave them too reform-weary to start all over again."

The N.C. Center for Public Policy Research is an independent, nonpartisan, nonprofit corporation created to study public issues facing North Carolina and to evaluate state government programs. The Center receives general operating support from the Z. Smith Reynolds Foundation in Winston-Salem, with additional funds from 13 other foundations, 190 corporate contributors, and almost 1,000 individual and organizational members across the state. In addition to publishing *North Carolina Insight*, the Center also publishes book-length research reports, a citizens' guide to the legislature, and textbooks for teachers of state and local government. The Center recently published a report on how public universities are governed in all 50 states and a report on all 38 state lotteries. It currently is conducting research on key issues facing Eastern North Carolina.

Copies of the issue of *North Carolina Insight* containing the Center's research on the state's record in sustaining public school reforms in North Carolina are available from the Center for \$20.00 each, which includes tax, postage, and handling. To order, write the Center at P.O. Box 430, Raleigh, N.C. 27602, call (919) 832-2839, fax (919) 832-2847, or order through the Center's web site at www.ncinsider.com/nccppr.

For more information, call Mike McLaughlin, editor of *North Carolina Insight*, at (919) 832-2839.

Key Education Reforms in North Carolina

Name: Lengthen the School Year and School Days

Begun: 1984

Statewide or Pilot: Pilots in Halifax and Polk Counties

Projected Funding Duration: Three years.

Original Objective: To improve the quality of education by providing local flexibility in the school year and school day schedules

Projected Cost: Not available

Actual Appropriations: No funds appropriated specifically for this project—existing funds spent not available

Actual Duration: 1 year

Outcome: Dropped because of community objections in pilot counties

Name: North Carolina Basic Education Program (BEP)

Begun: 1985

Statewide or Pilot: Statewide

Projected Funding Duration: 1985–1993

Original Objective: To provide a standard minimum course of study and the funding to support it for every student in North Carolina

Projected Cost: \$751.9 million

Actual Appropriations: \$607,487,939

Actual Duration: Still in existence in revised form

Outcome: Not fully funded as of 1999–2000

Name: Career Development Program (also known as Career Ladders)

Begun: 1985

Statewide or Pilot: Pilot in Alexander County, Buncombe County, Burke County, Burlington City, Charlotte-Mecklenburg County, Edenton-Chowan County, Greene County, Harnett County, Haywood County, Montgomery County, New Hanover County, Orange County, Perquimans County, Roanoke Rapids City, Salisbury City, and Tarboro City

Projected Funding Duration: The original 16-county pilot lasted four years, but participants were grandfathered into pay levels they had achieved through the program.

Original Objective: To reward excellent teaching

Projected Cost: Funding covered within existing educational budget

Actual Appropriations: \$262,357,370 (records available from 1987–88 to 1998–99)

Actual Duration: The pilot program lasted from 1985 to 1989, but participants continued to be paid according to the program's guidelines through 1998–99

Outcome: Not extended statewide in 1989 because of cost

Name: School Improvement and Accountability Act (Senate Bill 2)

Begun: 1989

Statewide or Pilot: Statewide

Projected Funding Duration: Open-ended

Original Objective: To boost student performance by holding schoolsystems accountable for meeting specified goals

Projected Cost: \$45 million per year for merit teacher pay plan

Actual Appropriation: \$194,670,614

Actual Duration: 1989–1996

Outcome: Senate Bill 2's merit pay for better teachers was replaced by the ABC incentive awards in 1996, and the bill's educational reforms were folded into or replaced by the ABC Program.

Name: Year-Round Schools

Begun: 1989

Statewide or Pilot: Neither. Unlike the other reforms mentioned in this chart, year-round schools are a local initiative. There currently are 121 year-round schools sprinkled across the state, or 5.6 percent of the 2,154 public schools in North Carolina.

Projected Funding Duration: N.A.

Original Objective: To replace the traditional long summer break with shorter, more frequent breaks so that students attend school during all seasons of the year. The theory is that students benefit because they are never away from school long enough to forget what they've learned.

Projected Cost: The state does not appropriate extra funds for year-round schools.

Actual Appropriations: N.A.

Actual Duration: N.A.

Outcome: In existence.

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Name: Outcome-Based Education Program

Begun: 1991

Statewide or Pilot: Pilot in (1) consortium of Alamance County, Johnston County, and Granville County; (2) consortium of Madison County and Mooresville Graded School District; (3) Charlotte-Mecklenburg County; (4) Elizabeth City-Pasquotank County; (5) Polk County; and (6) Vance County

Projected Funding Duration: Three years

Original Objective: To base education on defined, real-world outcomes for individual students rather than on generalized academic outcomes

Projected Cost: \$2.9 million

Actual Appropriations: \$8,331,240

Actual Duration: Three years

Outcome: Dropped due to inconclusive results and political conflict between local school boards and the state Department of Public Instruction

Name: Low-Wealth and Small School Funds

Begun: 1991

Statewide or Pilot: Funds available to qualifying schools on a statewide basis.

Projected Funding Duration: Ongoing

Original Objective: To provide supplemental funds in counties with limited resources to allow those counties to enhance the instructional program and student achievement.

Actual Appropriations: In 1991, low-wealth schools received \$6 million while small schools got \$4 million. By 1999–2000, the appropriation had grown to \$77.3 million for the low-wealth fund and \$22.2 million for the small schools fund.

Actual Duration: In existence

Outcome: School finance issue remains unresolved.

Name: Charter Schools

Begun: 1996

Statewide or Pilot: Statewide

Projected Funding Duration: Open-ended

Original Objective: To offer citizens the opportunity and flexibility to open their own, state-supported schools while being held accountable to limited state guidelines

Projected Cost: Normal per-pupil expenditures from local school systems to follow students from public schools to approved charter schools—no extra costs

Actual Appropriations: \$48,703,638 million in existing

public school funds have been transferred to charter schools

Actual Duration: In existence

Outcome: As of August 2000, there were 90 charter schools in operation. However, there are five other approved charter schools that delayed opening for one year, bringing the total to 95. State law allows 100 charter schools. See text, pp. 81–84, for preliminary results.

Name: School-Based Management and Accountability Program (ABC Program)

Begun: 1996

Statewide or Pilot: Statewide

Projected Funding Duration: Open-ended

Original Objective: To give individual schools the flexibility to boost student achievement and simultaneously to hold them accountable for measurable achievements

Projected Cost: \$120 million per year

Actual Appropriations: A total of \$267,541,794 through FY 1999–2000

Actual Duration: In existence

Outcome: See text, pp. 84–97, for preliminary results.

Name: Excellent Schools Act

Begun: 1996

Statewide or Pilot: Statewide

Projected Funding Duration: Four years (through 2000–01 budget)

Original Objective: Raise NC teacher pay to the national average of \$41,928 (the projected average in 2001)

Projected Costs and Actual Appropriations: \$874,204,134 (through 2001)

Outcome: 2000 General Assembly authorized fourth of four installments.

Name: Student promotion/achievement standards—end of social promotion (part of ABCs)

Begun: 1999

Statewide or Pilot: Statewide

Projected Duration: Open-ended

Actual Appropriations: \$31,318,761 (Note: The General Assembly approved these funds to support the implementation of standards that changed status from “recommended” to “mandatory” in April 1999. These are part of the state’s ABC program.)

Outcome: In existence

Source: Paul LeSieur, N.C. Department of Public Instruction, Office of Finance, October 1999.