



## Our hopes for 2023

RALEIGH (January 4, 2022) – With the elections and the holidays behind us, Higher Ed Works has some hopes for the new year.

North Carolina is not investing in public education to keep pace with its No. 1 business climate<sup>1</sup> ranking. The state ranks 49th for the percentage of its gross domestic product it devotes to K-12 public education.<sup>2</sup> Our economy needs skilled workers. So our hopes for 2023 are about making North Carolina not just No. 1 in business, but No. 1 in education:

- **North Carolina increases salaries to keep up with inflation for teachers at every level.** Raises in the state budget lawmakers and Gov. Roy Cooper approved in July came nowhere near the rate of inflation – they amounted to a pay cut.<sup>3</sup> If we hope to repair a broken teacher pipeline, we need to pay the folks who teach our kids, whether a new approach to teacher licensure and compensation is adopted or not. Any new plan will take a few years to implement. But we can't wait that long to raise teacher pay.
- **The Leandro plan is fully funded.** We need to make public education great again in North Carolina. After 28 years of litigation over state support for education as an entire generation of children passed through our schools, the NC Supreme Court ordered state officials to bypass the General Assembly and provide the money agreed to by the parties in the long-running dispute. A state analyst determined last month that the latest state budget falls \$677.8 million short of what's called for in the plan.<sup>4</sup> That includes \$133.9 million in underfunding for the NC Pre-K and Smart Start pre-school programs.<sup>5</sup>
- **K-12 public school teachers and state administrators reach compromise on a new plan for teacher licensure and pay.** There's distrust among teachers and some lack of clarity in an overly complicated plan. But the plan adopted by the Professional Educator Preparation and Standards Commission, or PEPSC, and approved by the State Board of Education might be the only way for teachers to win substantial raises.
- **The General Assembly implements common-sense recommendations from the UNC Governance Commission.** The bipartisan commission Cooper appointed in November is headed by former UNC System Presidents Tom Ross and Margaret Spellings. The UNC System Board of Governors is appointed only by the General Assembly, and members of the Board of Trustees at each of the 17 campuses are appointed by the General Assembly and Board of Governors. Governing boards have demonstrated multiple instances of politicization and micromanagement in recent years. Commission members hope to address the appointment process as well as the proper role of board members. Legislators need to pay attention to the commission's recommendations.

- **Find funds for free community college.** While our Republican neighbors in Tennessee pioneered free community college, Republican legislators in North Carolina don't seem to get it. Cooper used federal Covid-relief funds to provide at least \$2,800 to cover tuition and most fees for students from low- and middle-income families at the state's community colleges with what are known as Longleaf Commitment grants. The grants are available to 2021 and 2022 high school graduates, and they have helped 25,700 students so far.<sup>6</sup> But those federal dollars expire after 2023.
- **Students at every level continue to recover from pandemic learning loss.** The experts say this won't happen overnight – it will take several years. But our children – especially the youngest – deserve extra attention to regain what they lost through no fault of their own.
- **The General Assembly uses big surplus dollars wisely.** Despite a \$6.5 billion surplus for 2022-23, legislators stashed \$4.1 billion into reserves, including \$1 billion into an inflation reserve. Those funds should be used in responsible ways to meet pressing needs, including bonuses to help teachers and other state employees keep up with inflation, extending Longleaf Commitment grants, and expanding subsidies for both child-care workers and parents, making child care more affordable.<sup>7</sup>

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<sup>1</sup> <https://www.cnbc.com/2022/07/13/north-carolina-is-no-1-in-americas-top-states-for-business.html>.

<sup>2</sup> <https://nces.nsf.gov/indicators/states/compare-indicators/public-school-expenditures-to-state-gdp>.

<sup>3</sup> <https://www.businessinsider.com/raise-keep-up-with-inflation-7-percent-pay-cut-2022-12>.

<sup>4</sup> <https://www.wral.com/affidavit-nc-still-677-8m-short-of-leandro-education-plan/20641247/>.

<sup>5</sup> [https://wwwcache.wral.com/asset/news/education/2022/12/22/20641250/Grozav\\_Affidavit\\_Ex\\_3\\_Agency\\_Breakout\\_DHHS-DMID1-5xbxb78z.pdf](https://wwwcache.wral.com/asset/news/education/2022/12/22/20641250/Grozav_Affidavit_Ex_3_Agency_Breakout_DHHS-DMID1-5xbxb78z.pdf).

<sup>6</sup> <https://governor.nc.gov/news/press-releases/2022/12/28/under-governor-coopers-leadership-north-carolina-announces-record-number-new-jobs-makes-historic>.

<sup>7</sup> <https://ncbudget.org/missing-the-mark-for-north-carolina-2022-23-state-budget-fails-to-address-the-many-effects-of-inflation/>.