

Budget Cuts Threaten NC Student Performance

Years of cuts mean thousands fewer teachers, even as student population grows

By **Julia Hawes**, NC Justice Center
Communications Specialist

EVERY MORNING DURING the school year, Melinda Zarate stands outside Friedberg Elementary School in Winston-Salem and waits for the throngs of students to arrive. For 30 minutes, she watches out for the safety of 525 children as they arrive by car or bus.

Zarate has been a teacher's assistant in Davidson County Schools since 1995. She works in a 4th grade class and a 5th grade class, aiding small groups of students in reading and other areas. "That's my favorite part," Zarate said. "Just that feeling of joy that comes from knowing you're helping them – it's all about that. I don't know many people who do it for other reasons."

This year, Zarate's elementary school lost one teacher assistant and one teacher. She said the change is most noticeable in the 4th grade class, where there are 28 students, compared to 24 in the 5th grade class. The addition of four students greatly impacts her ability to give students the attention they need, she said.

Because of state budget cuts, students across North Carolina face larger class sizes as teachers and the remaining teacher assistants find themselves stretched thin. The absence of vital support staff such as guidance

counselors, librarians, social workers, nurses, custodians, and receptionists – all figures who play a part in molding a child's education in one way or another – promises to increase the challenges of students and teachers.

True, struggles with budgets and staffing existed before the latest legislative session; schools have been feeling the effects of the economic downturn since 2008. But with this year's \$459 million cut to local school districts, per-pupil state spending in North Carolina is down 14.7%, adjusted for inflation, from 2008—and that includes federal aid that will soon disappear. Faced with such a dramatic reduction in resources, many districts have been forced to make choices that will hurt students' education.

Teachers, Teacher's Assistants Laid Off

More than 6,108 school employees have lost their jobs since the 2008-09 school year, and 76% of those were teachers and teacher assistants. The 2011-12 school year saw the largest number of layoffs at 2,418—including more than 500 teachers and 1,200 teacher assistants.

Those numbers do not take into account necessary positions that were not yet filled and were eliminated. According to data released by the NC Department of Instruction (DPI) in early September, the state's 115 school districts have eliminated more than 17,000 positions,

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State Budget Cuts Almost 30,000 Jobs in North Carolina

By **Allan Freyer**, Policy Analyst for the NC
Justice Center's Budget & Tax Center

NORTH CAROLINA'S economy was just beginning to recovery from the Great Recession when it suffered another tremendous blow – a state budget that will cost the labor force tens of thousands of jobs.

For fiscal year 2011-12, which started on July 1, the state budget cut \$858 million from education, \$817 million from state healthcare programs, and \$165 million from public safety. While those cuts certainly represent thousands of public-sector jobs,

(CONTINUED ON PAGE 4)

Net Economic Impacts of State Biennial Budget by Region

Region	FY2011-12 Labor Income	FY2011-12 Employment	FY2012-13 Labor Income	FY2012-13 Employment
Eastern NC	-\$161 Million	-3,396	-\$190 Million	-4,156
Greater Charlotte	-\$302 Million	-6,173	-\$387 Million	-7,979
Northeastern NC	-\$53 Million	-1,284	-\$65 Million	-1,624
Piedmont Triad	-\$241 Million	-5,104	-\$339 Million	-7,318
Research Triangle	-\$371 Million	-6,936	-\$486 Million	-9,242
Southwestern NC	-\$160 Million	-3,403	-\$194 Million	-4,261
Western NC	-\$172 Million	-3,859	-\$224 Million	-5,113

From BTC Reports: The Jobs and Economic Impact of the FY2011-13 North Carolina State Budget, available at www.ncjustice.org.

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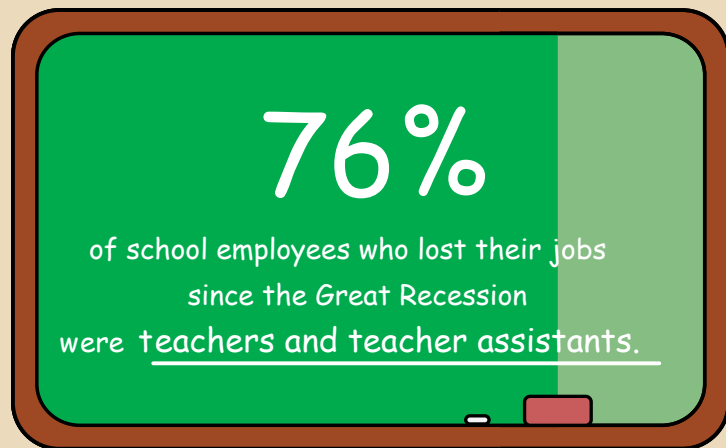
Budget Cuts (Continued from page 1)

filled and unfilled, in the last four years—including an estimated 6,307 this school year. Lawmakers who support education cuts point out that some school districts

past.”

The losses of teachers, teacher assistants and support staff mean students may receive less individualized

Since the 2008-2009 school year,
6,108 NC school employees have lost their jobs.



were able to avoid layoffs by using attrition and retirement to meet reduction targets. Yet Sheri Strickland, president of the North Carolina Association of Educators, dismisses such claims, saying, “When you look at the impact on schools, positions lost are positions lost.”

Students, parents and teachers can expect more education cuts next year, when temporary federal aid runs out and local districts have to make an additional \$74 million in discretionary cuts.

More students, fewer teachers

Recent data from DPI revealed that school enrollment has steadily increased across the state since 2008, making it the first time since the Great Depression that the number of teachers in North Carolina’s public schools has decreased during a time of student growth.

“There are more students in many of our schools than last year, and yet we haven’t provided any funds to account for that growth,” Strickland said. “As we have more students but fewer adults in schools, adults that are there are going to have to do more than they’ve done in the

attention, classrooms may have to be kept clean and safe by the teachers themselves, and fewer courses will be available to students.

“The position is gone but the work still has to be done,” Strickland said of the lost support staff. “This notion that we have attempted to minimize the impact on the classroom – minimizing the impact doesn’t just mean the teacher. It also means all the support people that help the teachers do the best job that he or she can do.”

Other cutbacks can directly affect a child’s daily routine—in particular, transportation. Many students have longer bus rides this year because of budget cuts, and that has a direct impact on how ready they are to do their best in school, Strickland said.

Ultimately, administrators and teachers are working hard to minimize the impact on students. They have already spent the last decade doubling their efforts to improve children’s education, as evidenced by increased graduation rates – up to nearly 78 percent statewide – and improved student achievement.

Yet the question remains as to whether teachers and support staff will be able to maintain this level of success as their numbers shrink and the student body grows.

“The teachers are still going to show up every day and do the best that they can and address the needs of every child in their class,” Strickland said. “[But] at some point, you will get to a place where no matter how hard you work, how much you try to do, you are not reaching every child.”

Charlotte’s Challenges

Charlotte-Mecklenburg Schools (CMS) have worked hard to improve student achievement despite funding cuts.

“We’re still not where we were three years ago, when, if you looked at our county, state and federal funding, we were at \$8,900 per student,” Interim Superintendent Hugh Hattabaugh said. “Today, we’re at \$8,400 per student... When we’ve been cutting, we’ve seen an increase in excess of 4,500 students, and the district is still growing. It puts pressure to continue redirecting funds.”

Like many counties across the state, it was CMS’s support and office staff that suffered the most. Custodians were cut back, and the district has lost nearly 300 bus drivers since 2008, Hattabaugh said. While the district did reinstate 164 positions this year, teacher assistants have been eliminated in the 3rd grade all together, and their numbers have diminished considerably across the district’s 100 elementary schools. To top it all off, the pre-existing teachers at CMS—like those in nearly all of North Carolina’s 100 counties—are not receiving pay adjustments for cost of living, even as they are expected to do more.

“The area of support for children like social workers and family advocates – that’s the area that’s been decimated,” Hattabaugh said. “We have social workers serving three to five schools – each.”

Despite these pressures, the Charlotte-Mecklenburg district won the 2011 Broad Prize for Urban Education last month, in recognition of its success at narrowing of the achievement gap between white and minority students. Whether CMS can continue this progress with fewer resources and more students remains to be seen.

Long-term impact of cuts

Some districts like Charlotte-Mecklenburg have made progress despite budget cuts. But advocates point out that because



North Carolina Justice Center

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- Quality public education
- Consumer protections
- Jobs that are safe, pay a living wage and provide benefits
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\$254 million
in temporary federal assistance
is supporting 4,000 to 5,000 jobs
in NC schools this year.



by law it must be used by September 2012

After it's gone, NC schools will have
another deep budget
gap to bridge.



children's education careers span more than a decade, the full effect of the loss of teachers and support staff will not be felt immediately.

"It takes a while to see that impact," Strickland said. "You hear elected officials saying, 'Look, students did fine last year with fewer teachers and fewer resources and fewer supports in the classroom.'" But this will change as the children now in elementary school move through the system. Students currently in middle school, Strickland said, have benefitted

from coming through elementary school with smaller class sizes, greater resources, and individualized attention.

"If we don't find a way to reverse the challenges and budget issues we've faced, we're going to have a number of years of students in elementary school that are not going to have benefitted from all of the hard work we did to get those class sizes smaller," Strickland said. "It took us years to get where we've gotten in improving test scores and achievement gaps and graduation rates."

Hugh Hattabaugh said that while North Carolina's and Charlotte-Mecklenburg's graduation rates have improved – CMS had a 72.5 percent rate last year – the numbers were nowhere near "acceptable." It's difficult to imagine those numbers skyrocketing with more cuts every year.

Both Hattabaugh and Strickland pointed to how a state's education numbers and successes can influence future business, as businesses want to come to and stay in states where they'll be able to hire high-quality workers.

"We need community support, and we need the community to understand the need for a strong public education system – that it will affect businesses being attracted to the community and keep businesses in the community, because not everyone can afford to go to private school," Hattabaugh said.

Businesses want to build and expand with workers who not only have content knowledge but also "know how to be innovative and creative and problem-solve," Strickland said.

"If people are looking at North Carolina and do their homework and see we are now 49th in per-pupil spending, that sends a message about the kind of priority we have for public education in North Carolina," Strickland said.

Ultimately, a bad economy is no excuse

for neglecting an education system. As Strickland pointed out, there are many other states facing an equally dire economic future, "but they are managing to provide funding to their school systems at a level that exceeds what North Carolina has been able to do or willing to do. [The cuts] will begin to tell a story about how we value public education in our state if this is the kind of trend that continues."

Businesses may not be the only entities that disappear with cuts. Educators across the board may feel less inclined to join a profession that, in most counties, has had a pay freeze for the last three years. Zarate and other educators say no teacher does it for the money, but fair compensation is still important.

"It doesn't help morale when people are working more diligently, and they have higher expectations than ever before but they're not being compensated," Hattabaugh said.

"We're fortunate that our leadership and teachers understand that they still had to provide the best education everywhere," he added. "They're definitely focused on doing what's best for each individual child, more than ever before." ■

Policymakers could have protected schools, improved classrooms.

The FY11 - 12 state budget cuts the amount of money available to run North Carolina's **2,515** schools by **\$459 million, or \$2.5 million per school day.**

With just **1** day's worth of state budget cuts to education,
North Carolina could:

Buy more than



computers for classroom use;

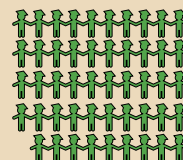
Replace **31** aging school buses with
brand new fuel efficient, 66-seat buses;



qualified teachers for the school year.

With total **FY12** education budget cuts, North Carolina could:

Build **32** brand-new,
100,000-square-foot buildings
without issuing any debt,



Hire **9,800** teachers,
significantly reducing the
average class size in grades K-8;

Spend **\$311** more per enrolled
student over the course of the year.



(Continued from page 1)

the most shocking thing about the state budget may be its devastating effect on private-sector jobs.

Budget cuts affect private businesses in two ways. First, businesses suffer because their customers – those laid-off public-sector workers – no longer have money to spend. With the unemployment rate now above 10 percent in North Carolina, many of these workers will struggle to find new jobs, and in the meantime they will cut back their spending, exhaust their savings, and possibly lose their homes – all of which will further slow business growth and the economy.

Secondly, much of the money that state government pays for public services goes to private businesses. For example, money spent on Medicaid goes to doctors, hospitals, therapists and others. Money spent on infrastructure projects, like roads, goes to private construction companies and their employees. Money spent on pre-kindergarten education goes to child-care centers, most of which are small, locally owned businesses.

State budget cuts mean less business

for private-sector companies, so they have no reason to hire new workers. No new jobs means continued pain for North Carolina's working families and continued stagnation for the state's economy.

Research Triangle Hit Hard

The state budget included \$3.1 billion in tax cuts over two years. But that doesn't come close to making up for the loss of jobs and economic activity from the spending cuts.

The Research Triangle region (see map) will gain an estimated 4,762 jobs from the tax cuts, but it will lose an estimated 14,004 jobs from the spending cuts in the two-year budget. More than half of the jobs lost will be in the private sector. That's \$486 million in labor income that will vanish from the local economy.

The news is much worse for North Carolina's more rural regions. For example, the Eastern NC region will lose 4.2 jobs from spending cuts for every 1 job it gains from tax cuts. That comes to a total of 4,156 jobs lost. While that's less than half of the number of jobs expected to disappear in the Research Triangle, the impact for Eastern NC will be much more severe. The reality is that rural areas

simply have fewer jobs to lose, and as a result, each job lost has a greater impact on the regional economy.

Most rural counties already have significantly higher unemployment rates than the state as a whole. While the statewide average jobless rate was 10.4% in August, Jones County in the Eastern NC region saw its unemployment rate rise to 10.6%. Even worse, in the Western NC region, Rutherford County's unemployment rate climbed to 14.8% in August. All totaled, the state budget will eliminate almost 30,000 jobs, with about half of those being private-sector jobs.

Undermining Economic Growth over the Long Term

Public investments in education, health care and infrastructure are critical for sustainable, long-term economic growth. Labor-market research shows that the skills requirements for private-sector jobs are increasing, and no company is going to move to or expand in North Carolina if it can't find workers with the skills it needs. North Carolina cannot create a competitive workforce without significant investment in public education – from pre-kindergarten through to

community colleges and universities.

Investments in infrastructure will also make North Carolina better for businesses by lowering transportation and communication costs, thereby making businesses more profitable and more likely to hire new workers.

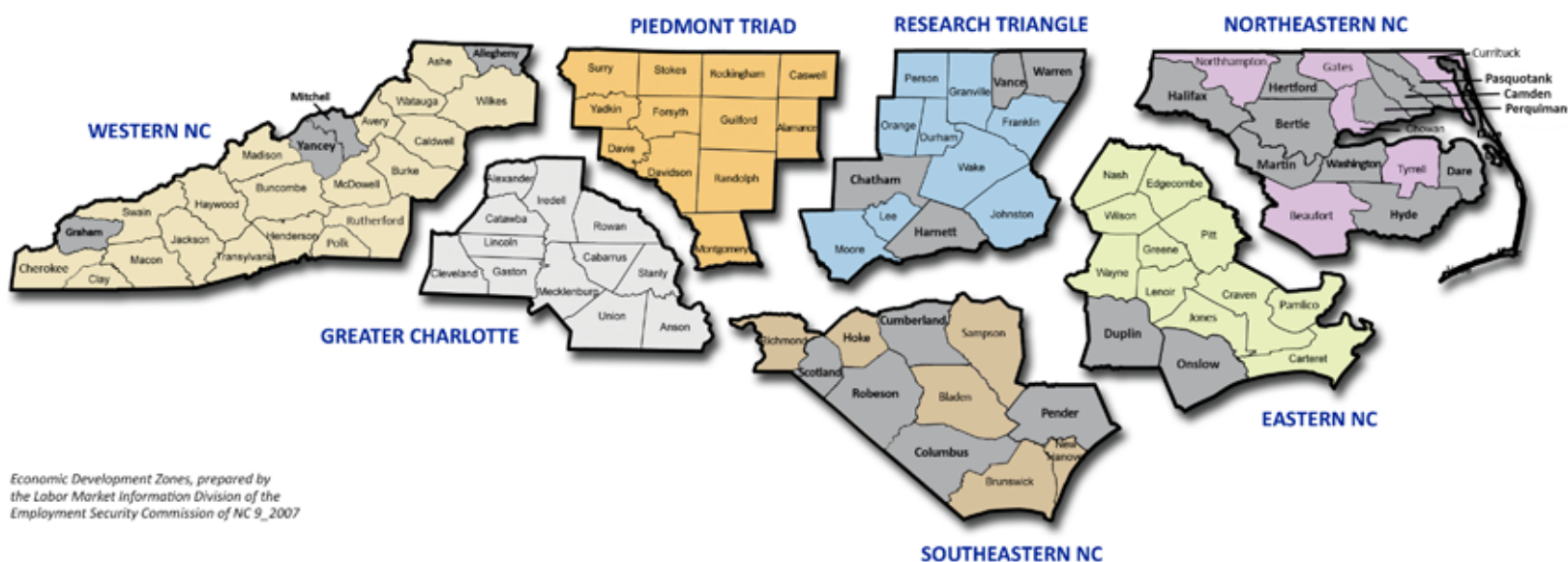
These public investments and others in health care, the environment, and the arts all create a better quality of life, and that is likely to attract more skilled workers to the state. In-demand workers who can choose where they live want to pick a place with quality public services like good schools, a clean environment with recreational opportunities, and neighborhoods adequately protected by police. In turn, their presence in North Carolina attracts companies, encourages business expansion and strengthens the labor force.

The spending cuts in the new state budget put all of these public investments in jeopardy. The budget not only will put tens of thousands of North Carolinians out of work, it will also undermine the state's growth for years to come – unless state leaders act to reverse course soon.

Unemployment Grows across North Carolina

Of North Carolina's 100 counties, 79 of them saw increases in their unemployment rates from August 2010 to August 2011.

■ In 25 counties, the unemployment rate jumped by 1 percentage point or more from August 2010 to August 2011.



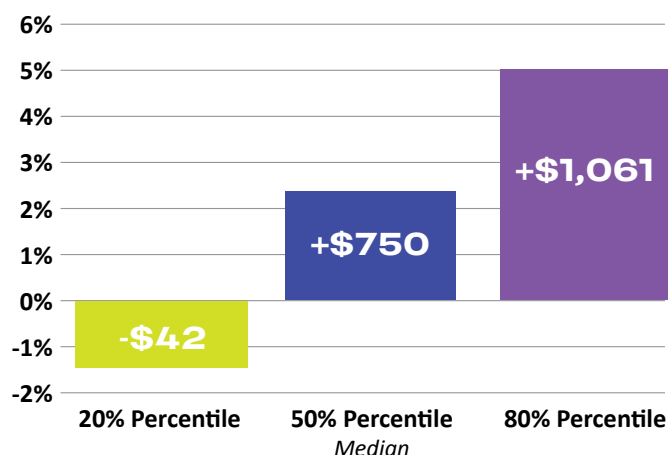


► Support NC Workers, Strengthen the Economy, Share Prosperity

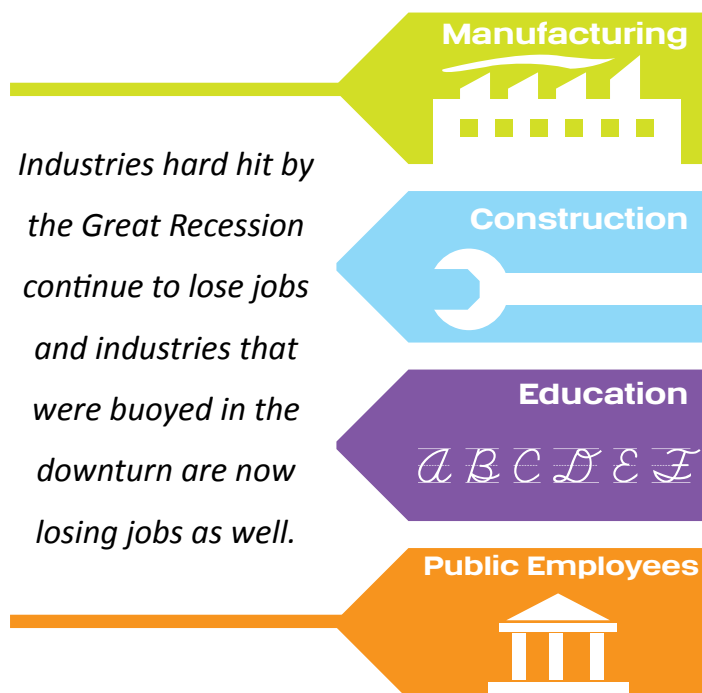
From 2000 to 2010, workers in the lowest fifth of the income distribution saw their wages decline.

North Carolina's workers produce, earn and spend in the state's economy, and their well-being is requisite for a strong economic recovery. However, as North Carolina policymakers try to set the state on a path of economic growth, they often ignore the primary role workers play in a successful economy.

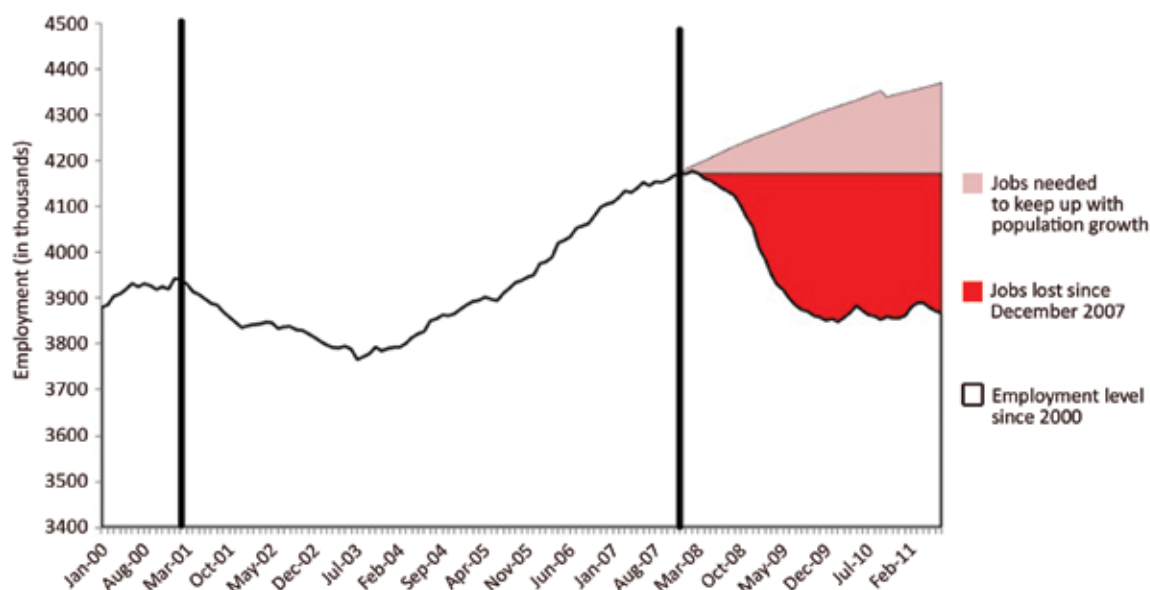
More than 24 months after the official end of the Great Recession, North Carolina's working families continue to struggle with a lack of job opportunities and staggering loss of earnings and wealth.



Nearly half of the unemployed workers in North Carolina have been out of work for six months or more.



The Jobs Deficit in North Carolina Continues to Grow, Surpassing Half a Million Jobs



Meanwhile, most of the occupations expected to have the greatest growth in the next decade pay less than a living income.



Home Health **\$9.73/HOUR**



Food Service **\$8.27/HOUR**



Retail Sales **\$11.11/HOUR**



Office Clerk **\$12.53/HOUR**

► The Vital Role of Pre-kindergarten in Providing a “Sound Basic Education”

By **Matthew Ellinwood**, Policy Analyst for the NC Justice Center’s Education & Law Project

IN JULY, WAKE COUNTY Superior Court Judge Howard Manning ordered that all eligible, at-risk four-year olds be allowed to enroll in the North Carolina Pre-Kindergarten (NCPK) program. The Republican authors of the new state budget, which cut funding to NCPK by 20%, expressed anger and confusion over the ruling, asked for clarification and appealed to the NC Supreme Court.

So how is it that this judge has the authority to rule on the adequacy of pre-kindergarten in North Carolina?

Back in 1997, a Supreme Court ruling known as *Leandro* established that all students in North Carolina have a right to a “sound basic education,” and the court put Judge Manning in charge of making sure the state fulfilled its responsibility to its children.

As part of the state’s response to this mandate, North Carolina leaders created

the high-quality pre-kindergarten program More at Four. For years, they held up More at Four as an effective intervention for at-risk students and as proof they were living up to the constitutional obligation established by *Leandro*. (The legislature changed the name of More at Four to NCPK earlier this year.)

The courts agreed that More at Four was both effective and necessary. In a 2004 follow-up ruling (*Leandro II*), the Supreme Court said the guarantee to a “sound basic education” extends to four-year olds who “demonstrate that they are in danger of being denied an opportunity for a sound basic education by virtue of their circumstances.”

Judge Manning has expressed strong support for More at Four over the years, saying in a 2004 ruling, “the right to an opportunity to receive a sound basic education in the public schools is not to be conditioned upon age, but rather upon the need of the particular child.”

That’s why, in response to this year’s massive budget cuts to NCPK, Judge Manning put as Point #1 of the



summarizing conclusion of his order: **“The State of North Carolina shall not deny any eligible at-risk four year old admission to the North Carolina Pre-Kindergarten Program (NCPK) and shall provide the quality services of the NCPK to any eligible at-risk four year old that applies.”**

State legislative leaders asked for clarification, but it does not get any clearer than that. Judge Manning did not dictate the precise actions the legislature should take, nor should he. As a judge, his duty is to call out the constitutional deficiency of the legislature’s attempt to decrease the availability of high-quality

The Unfair Choice

The state legislature calls for the closure of a school for people with disabilities – but it won’t pick which one

By **Sarah Ovaska**, NC Policy Watch Investigative Reporter

WENISHA RICHARDSON CREDITS the Gov. Morehead School for the Blind with turning her from an outcast into a normal teenage girl who just happens to be blind.

“I was that kid who was sitting in the back of the classroom that couldn’t read,” Richardson, 18, of Lumberton, told a crowd of 250 people at a recent public hearing about the historic Raleigh school.

As part of its efforts to scale back education spending, the Republican-led state legislature decided to close one of the state’s three residential schools for people with disabilities – the Morehead School in Raleigh, the NC School for the Deaf in Morganton, or the Eastern NC School for the Deaf in Wilson. But instead of making a decision, the legislature saddled the Department of Public Instruction (DPI) with the difficult responsibility of picking which school will be shut down. DPI has been holding public hearings on the question and must present its decision to the state legislature by January 15.

Richardson wants Morehead to stay open so other blind children can have the same opportunities she had. It wasn’t until she moved to the school that she learned Braille and began to realize she had something to give the world.

“My Fs turned into Bs. I talked so much teachers had to tell me to stop,” Richardson said.

Sadly, the new state budget pits the fates of deaf children and blind children against each other. The potential closure has sent waves of concern throughout the disabled community, where the schools are seen as lifelines for some children who are deaf or blind and are unable to reach their potential in traditional school settings.

At the public hearings, advocates from both groups fought to protect their schools.

“It will be a death sentence,” said Gary Ray, who heads North Carolina’s chapter of the Federation of the Blind. “That may sound harsh, but not when you consider the unemployment rate among the blind is 70 percent. Any kid you don’t educate appropriately, then there’s no chance.”

The three residential campuses have long been targets in the budget process because of their price tags. The state spends more than \$100,000 per student in these schools each year.

But outcries from the state’s deaf and blind communities have thwarted previous attempts to close or consolidate the schools. These schools, advocates successfully argued, provide essential services to children not fortunate enough to have eyes capable of reading a blackboard’s lessons or ears that can hear a teacher’s lecture.

Regardless of what happens with the residential campuses, the state will still bear the expenses of educating deaf and blind students, Ray pointed out,

pre-kindergarten programming to at-risk students. It is up to the legislature to figure out how exactly to live up to its constitutional obligation in the best way for the state.

It's been more than three months since the order was released, and the General Assembly has refused to take any action to comply with it, even though school is now well underway. That inactivity has left pre-kindergarten providers understandably confused. They are stuck trying to perform an increasingly difficult balancing act in order to comply with the 20% funding cuts from the legislature, a constitutional directive to expand pre-K services to all at-risk students from the judiciary, and an executive order from the governor reinforcing the need to comply with the directive.

The General Assembly's intransigence in complying with Judge Manning's order is perplexing given the astonishing number of accolades More at Four received over many years. UNC's Frank Porter Graham Child Development Institute and Duke's Center for Child and Family Policy have given the program sparkling evaluations each year since its inception in 2001-02. Nationally, North Carolina's pre-K program

has repeatedly been held up as a model for other states by evaluators such as the National Institute for Early Education Research. A growing body of research by education policy experts and economists, including Nobel Prize winner James Heckman, demonstrates that early childhood interventions produce large academic achievement gains and cut educational costs in the long run. Next year's federal "Race to the Top" grant competition focuses exclusively on increased access to pre-kindergarten services.

Even House Speaker Thom Tillis—one of the chief architects of the budget that cut pre-kindergarten funding—admits the importance of such services. In a recent written statement, he stated, "The majority in the General Assembly has no higher priority than providing services to pre-K students."

Comments like that give hope that the legislature will stop fighting the courts and common sense in the name of crippling this successful program designed to give every child a sound, basic education. Otherwise, the state will only see more costly litigation, and it is the children who will suffer. ■

either by retrofitting some of the existing schools or covering the increased cost of teaching students in their home districts.

At the public meetings, some attendees begged the education committee to recommend keeping all three schools open and reject the legislature's edict to shutter one of them.

"We're just put to the side, the deaf and the blind," Diane Palmetto, a deaf woman, signed at the public hearing in Raleigh. "We need people to stand up and speak for us instead of doing whatever the legislature wants."

"They don't know us. They look at us like a number. They need to look at us like human beings with special capabilities."

Disability rights advocates say the residential schools serve a special population of students who often have compound disabilities, may feel isolated, and end up being significantly underserved in traditional school settings that don't have the money or ability to provide them with the proper resources.

The residential schools fill a need for children to learn skills that can help them cope with their disabilities in an environment where they won't be ostracized by their peers, said Vicki Smith, director of Disability Rights North Carolina.

Smith said the legislature's decision to close a school, which happened late in the budget process and without much public awareness, shows how out of touch lawmakers are with the needs of people with disabilities.

"It continues to demonstrate that legislators frequently don't understand the needs of the disabled community at large," Smith said. "They seem, as a body, unwilling to listen to that special perspective." ■

► The Cost of Not Funding Higher Education



By **Alexandra Forter Sirota**, Director of the NC Justice Center's Budget & Tax Center

POST-SECONDARY EDUCATION provides workers with a solid footing on a narrowing path to middle-class status.

Projections for North Carolina suggest that, by 2018, 3 out of 5 jobs will require some type of post-secondary education. In addition, there is increasing evidence, in the wake of the Great Recession, that educational attainment can offer some protection against the highest levels of unemployment and provide the opportunity to build assets over a lifetime and for future generations.

Amidst such evidence—and along with the state's long history of prioritizing education—it would make sense to continue to invest and even expand investment in the attainment of post-secondary education for more North Carolinians. After all, as of 2010, just 1 out of every 3 North Carolinians over the age of 25 had an associate's degree or more, suggesting the state has a significant way to go to prepare and compete for the jobs of the future.

But this year's state budget cuts to both community colleges and the public university system will make it harder for many North Carolinians, especially working adults, to get the credentials they need. The cuts represent 10.7 percent of the current service level for community colleges and 12 percent for the university system. Individual North Carolinians and entire communities will feel the effects of these cuts immediately and well into the future.

The new state budget makes post-secondary education less affordable, thereby discouraging those with limited means from attending and making it more difficult for students to complete their educational programs. It reduces faculty and class offerings, limiting opportunities for academic support and extending the time it takes to complete coursework. It fails to invest adequately in the latest technology and instructional resources, making it more difficult to deliver the skills training needed in a 21st century economy. Finally, it fails to support students in their effort to get an education by diminishing resources for mentoring programs, child care and

transportation support.

In just the first months of classes, the impact of the budget cuts on students and staff is emerging. Students are being counseled that they will no longer be able to complete a bachelor's degree in four years because of limited course offerings (and despite the fact that their financial aid is now limited to just four-and-a-half years).



That one factor will impact the state's entire economy for decades. Students will have to pay more for the education, but financial aid is limited and many students will be forced to take out expensive loans or increase their work hours. But evidence shows that when a student works more than 20 hours a week he is significantly more likely to either stop taking classes or drop out of school altogether. In combination with limited course offerings, students will find it more difficult to take the classes they need, resulting in additional challenges in completing a program on time. Without completion, students will earn less, will be able to save less, and will be less likely to secure a strong foothold in the middle class.

But the effects don't stop at the student. The choice to underinvest in post-secondary education will negatively impact the broader economy. As North Carolina falls far short of producing a workforce with the education and skills training necessary for future jobs, the state's attractiveness and ability to generate its own entrepreneurial energy diminishes.

The final budget has abandoned a long-held belief in North Carolina that education can be the tool to alleviate individual hardship while building a stronger economy. In so doing, it has blocked off the key pathway to a stronger middle class in the state, at a time when security and stability are greatly needed. ■

► Medicaid Cuts Target North Carolina's Most Vulnerable

Families struggling to avoid sending loved ones to institutions have fewer services, options

By **Adam Linker**, Policy Analyst
with the NC Justice Center's Health
Access Coalition

THE NEW STATE BUDGET cuts nearly \$1 billion from Medicaid. Considering that more than 90% of Medicaid's spending goes to children, pregnant women, seniors, and people with disabilities, it is safe to assume that these are the people who will suffer because of this enormous decrease in funding.

The cuts are already hurting families like Sandra Adams and her son, Matthew, of Jacksonville. While still a teenager, doctors diagnosed Matthew with schizoaffective disorder. His mother said his symptoms are well-controlled with medication, but that Matthew is also near-sighted and needs tests to determine if he has glaucoma.

Adams had an eye appointment for her son lined up for mid-October. Then she received a letter from Medicaid saying the state would no longer cover adult vision care. So she had to cancel her son's appointment. He can't afford the tests and the new prescriptions, she said.

Adams is troubled by the budget and not just because of her son. She thinks

families across North Carolina will be devastated as they learn what legislators have done. Adams notes that it is difficult for average people to follow budget battles in Raleigh. "I feel like it's a done deal before we know about it," she said.

Adams added that she's not happy her representatives voted to cut services to her son. "I am displeased with my local legislators," she said. "I am disappointed in them for voting for this budget. This is going to be an upheaval."

More Cuts to Come

In the state budget, the NC General Assembly ordered the NC Department of Health & Human Services to save \$90 million this fiscal year through efficiencies. But health-care advocates have said the target is unreasonable and unreachable without hurting essential services. If efficiencies do fall short and cutting vision care is not enough, then DHHS will have to slice deeper. In that case, almost all Medicaid benefits will be imperiled.

Sarah Gamble is another mother whose son, Cameron, gets support from Medicaid. Cameron is six years old and suffers from Bartter syndrome, which

affects his kidneys, and cerebral palsy. Despite his disability, Cameron lives at home, attends elementary school, and plays T-ball thanks to the assistive devices and therapists he can access through a Medicaid benefit called the Community Alternatives Program, or CAP.

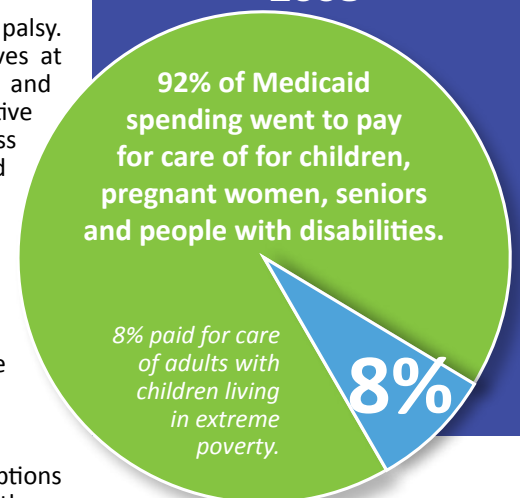
Sarah says she couldn't imagine her son living in an institution. "I think that these CAP benefits make it feasible for me to manage his care at home with support," she said.

Time to Reverse Course

North Carolina has other options besides pulling support from mothers, seniors and children. The state can find some funds from reducing the amount paid to doctors for treating Medicaid patients. But even this option is a bad long-term strategy as doctors will stop accepting Medicaid patients as reimbursement rates dwindle.

Ultimately, legislators need to do something legislators don't often do—recognize that they made a mistake and fix it. In the next convening of the General Assembly, lawmakers can put

BREAKDOWN OF NC MEDICAID SPENDING, 2008



Source: Medicaid Tables, NC Department of Health and Human Services, Division of Medical Assistance,
<http://www.ncdhhs.gov/dma/2008report/2008tables.pdf>

more money into critical health services.

Admittedly, the prospects for such an epiphany aren't good. As Sandra Adams, the Jacksonville mother, said, "When you give some men a little power they forget who they are."

Let's hope legislators remember who they are and who they were sent to Raleigh to represent. ■

► Immigration Memo Fails to Offer Real Solution

By **Jessica Rocha** of the NC Justice Center
Immigrants' Rights Paralegal

WHEN PRESIDENT OBAMA announced this summer that 300,000 pending deportations would be reviewed on a case-by-case basis to focus on "high-priority" individuals, immigrants and their advocates didn't really know what to make of it.

Some believed it was a political move to curry favor with Latino voters. Others felt it was an acknowledgement that the immigration system works as a tawdry that catches and destroys everything in its path. Nobody thought it went far enough.

"I was happy to see that they were trying to bolster their position... about granting prosecutorial discretion," said Paromita Shah, associate director of the National Immigration Project at the National Lawyers Guild. But Shah says she's in "wait-and-see" mode to see how it's really applied.

Many immigrant advocates worry this new policy will provide further justification to prosecutors who want to target and deport immigrants for minor

offenses. "Many immigrants are forced to do things that break minor laws just to survive—like drive without a license," explained Dani Moore, immigrant advocate for the NC Justice Center. "This new policy opens a door for prosecutors who want to further vilify and abuse immigrant members of their communities."

Advocates have reason to be cynical about Mr. Obama's immigration-related rhetoric. From the start of his presidency in January 2009 to September 12, 2011, the Obama administration deported 1.06 million immigrants, according to Reuters. That's about 25 percent of the total number of people deported since 1892.

Under Mr. Obama, U.S. Immigration and Customs Enforcement (ICE) has worked at breakneck speed to enlist local law enforcement agencies in the so-called "Secure Communities" program, which allows police officers and sheriff's deputies to check a person's immigration status for as little as a traffic infraction. Many of the most abusive law enforcement incidents—racial profiling, forcing parents to leave their children unattended, deporting people who have been in the United States most of their lives—have occurred under

the Secure Communities program and the related but now out-of-favor 287(g) program.

And just weeks after the president's announcement, ICE announced its largest roundup of immigrants in history. The agency arrested 2,901 people during the last week of September, including 139 immigrants in North Carolina.

These developments are in sharp contrast to Mr. Obama's public speeches to pro-immigrant audiences, in which he has said he wants comprehensive immigration reform that is compassionate and fair, keeps families together and allows for a legal flow of immigrants that benefits the country.

"We have heard elegant statements of priorities before, and the problem is that those announcements have been belied [by] the administration's actions," Chris Newman, legal director for the National Day Laborer Organizing Network.

The Memo

In August, the White House announced the Department of Homeland Security and the Justice Department will increase efforts to target criminals for



The Children of Eastern North Carolina Lose Again

By **Rob Thompson**,
Executive Director of the Covenant
with North Carolina's Children

CHILDREN IN EASTERN North Carolina suffer from disproportionately high rates of obesity, infant mortality, smoking and other health-related problems. Sadly, the 2011-13 state budget will only worsen the health disparity between the eastern counties and the rest of the state.

Federal, state and local governments have spent decades creating a broad infrastructure of health-related programs and services in an effort to improve the health and well-being of our children. This infrastructure is particularly crucial in

areas suffering from a high concentration of poverty, like many parts of eastern North Carolina. In three eastern counties, the childhood poverty rate tops 40%, and in over a dozen others the rate exceeds 30%.

North Carolina's 41 eastern counties have tragically high rates of infant mortality and poor birth outcomes. Despite the clear need, the legislature failed to renew funding for the East Carolina University High-Risk Clinic—for a savings of \$325,000, which is less than 0.1% of the state's overall budget. The ECU clinic has played a key role in preventing infant deaths in eastern counties, where there is little availability of specialized pre- and post-natal care.

The budget cut has drastically reduced the capacity of the clinic, leaving many expecting mothers who have high risks of birth complications with nowhere to go.

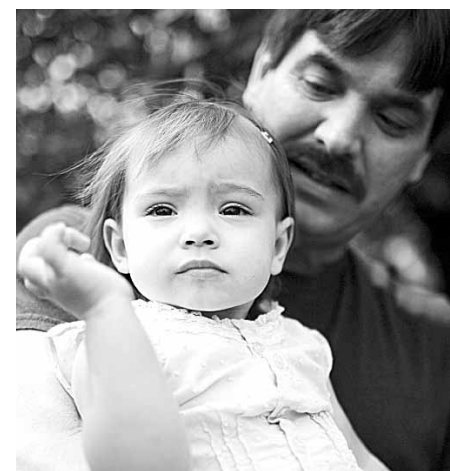
Later in life, care for these children and thousands of others will largely fall to the state's over-burdened Medicaid program. But they may have trouble finding care because of recent budget cuts. The state cut its reimbursement rates for health-care providers who treat children with Medicaid, so it's likely fewer providers will be willing to serve

these children, particularly those needing intensive treatment. This problem will be particularly severe in the eastern counties where there is dense poverty and high Medicaid enrollment.

Furthermore, the loss and weakening of public health programs will have a disproportionate impact on children in rural and eastern parts of the state. For example, the Children's Environmental Health Agency will be moved from the Department of Environment and Natural Resources to the Department of Health and Human Services, a move that strips the agency of much of its regulatory power. The weakening of this agency is particularly dangerous in eastern North Carolina, where there is a substantial amount of sub-standard housing and exposure to lead and mold.

Additionally, the elimination of the Health and Wellness Trust Fund, the state's primary funder of obesity and smoking prevention programs, means that many children who already lack access to basic health care will be at greater risk of becoming obese or starting smoking.

The story doesn't end with the aforementioned examples — cuts to mental health care, Smart Start and



even support staff in schools will have a negative impact on the healthy development of children in eastern North Carolina. Right now, we don't know exactly what the picture will look like five, ten or fifteen years from now, but we do know this: closing the health disparity that exists between children from the east and children from the rest of the state won't be accomplished by eliminating services and resources from families and communities in need.

Sadly, state lawmakers have taken a bad situation and made it worse. ■

Cuts to mental health care, Smart Start and even support staff in schools will have a negative impact on the healthy development of children in eastern North Carolina.

Many immigrants are forced to do things that break minor laws just to survive—like drive without a license.

deportation. As a result, people who are considered low priority for deportation may have their cases dismissed or may not be arrested to begin with, according to an August 18 blog post on www.whitehouse.gov by White House Director of Intergovernmental Affairs Cecilia Muñoz.

The administration will also review all pending deportation cases to see if they are high priority, Muñoz wrote. People who were brought to the United States as young children, military veterans and students would not be priorities.

"This means more immigration enforcement

pressure where it counts the most, and less where it doesn't," the post continued.

The announcement refers to a June memo from the Department of Homeland Security that outlines what types of circumstances can be taken into account when the government decides who to pursue for deportation. The memo also calls for "prosecutorial discretion" in how cases are handled by ICE and immigration judges.

Stuck in Limbo

Advocates have flagged a host of potential problems surrounding how the memo will be used.

First, the announcement has created so much confusion within the immigrant community that the American Immigration Lawyers Association issued a news release warning immigrants that the new policy was not an amnesty.

"There is NO 'safe' way to turn yourself in to immigration and there is NO guarantee that your case will be considered 'low priority,'" AILA stated.

There is nothing requiring immigration officers to actually exercise their discretion in any given case, said Lisa Chun, supervising attorney of the Immigrants Legal Assistance Project of the NC Justice Center. "Just because they can does not mean that they will."

High-profile denials of low-priority cases have already begun.

In North Carolina, 22 immigrants on a bus driving home from a church event were ordered deported at the end of September, even though the Department of Homeland Security is investigating whether the group's civil rights were violated by the traffic stop.

Additionally, immigrants who can afford to hire lawyers to argue that they are "low priority" are more likely to benefit from any discretion, Chun said. This disadvantages low-income immigrants without lawyers who may not know to make that same argument on their own.

Finally, neither the announcement nor the memo say how a low-priority case would be handled if a person isn't deported. If a case is simply dismissed, that person will still be left living in the shadows. The only way to change that is with comprehensive immigration reform.

"A memo is hardly the answer to this massive problem," Chun said. A major overhaul to immigration policy is the only way to develop and enforce fair and humane solutions to the United States' immigration challenges. ■

► Unleashing a Culture War

By **Rob Schofield**, NC Policy Watch
Director of Research and Policy
Development

There's been some talk in light of the General Assembly's recent decision to approve the so-called "marriage amendment" that "not much will really change." According to this line of thinking, all the decision to send the amendment to the May ballot does is preserve the current situation.

"So, we'll have a vote next year on something that's already barred by law," say the supporters. "What's the big deal?"

Whether it's sincere or knowingly deceptive, this is ridiculous, head-in-the-sand talk. The hard truth of the matter is that, whatever the outcome of the debate that takes place during the next seven months, North Carolina and its citizenry

will be profoundly affected and changed by the process.

As one lawmaker told his fellow lawmakers during the debate over the amendment in the House of Representatives:

"We can stir up this whole state, get everybody pitted against one another, get everybody angry. And what I'm really concerned about in that regard is what we're hearing from the business community. They really don't like it when we're declaring – when we're unleashing culture wars in this state."

Think about it for a minute. The lawmaker is completely right. Think about the millions of dollars worth of TV, radio and internet ads to which we can now look forward. Think about the flyers that will start materializing on the windshields of churchgoers, bingo players and Friday night football game attendees. Think about the business boycotts. Think about

the rumors and innuendo and deceptions that will be sprayed about. Think about the Thanksgiving table and bar room arguments.

This isn't going to be just any old, run-of-the-mill campaign – it's going to be a knockdown, drag-out, no-holds-barred brawl; a pitched battle for the very heart and soul of our state.

As a result of this decision, North Carolina is about to enter uncharted waters. For perhaps the first time since the Vietnam War, when we were half our present size and not nearly so well-connected, all North Carolinians – nine million people – will be forced to choose sides.

And you know what else will happen? Innocent people – kids probably – will be harmed and maybe even die.

If this strikes you as alarmist, stop for a moment and think again.

As many amendment opponents have

"The hard truth of the matter is that, whatever the outcome of the debate that takes place during the next seven months, North Carolina and its citizenry will be profoundly affected and changed by the process."



noted, LGBT kids already face horrific discrimination and bullying in our society. Their suicide rate is far greater than that of their straight counterparts. Now, this will be compounded by the unleashing of a tide of TV ads and speeches and forced side-choosing.

Are there any positive developments that might come of the next eight months?

Maybe.

Polling indicates that if voters truly understand all of the consequences at stake in the vote, the amendment may well lose. Many, many people still uncomfortable with the idea of same-sex "marriage" support the concept of same-sex domestic partnerships and will likely chafe at the threat that the amendment language poses to such relationships.

And, regardless of the outcome of the vote, there can be no doubt that the months to come will speed up the process – already well underway – in which North Carolinians are coming, at long last, to accept and embrace the concept of LGBT equality. The trend on this matter is strong and irreversible and the impending campaign will abet it.

But the price of this rapid escalation will likely be high. As with all "wars" – be they actual armed conflict or simply cultural – there will be lots of collateral damage in the months to come. Let's hope it turns out to be worth it. ■

► The agenda of disenfranchisement

By **Chris Fitzsimon**, NC Policy Watch
Executive Director

IN LATE JULY, when the House failed to override Governor Beverly Perdue's veto of the Republicans' voter ID law, it looked for a moment like the issue was dead until the 2013 session.

But then House Majority Leader Paul Stam immediately invoked a parliamentary procedure to keep the bill alive for another veto-override vote that could happen any time before the General Assembly adjourns its short session next summer.

House Minority Leader Joe Hackney told the House not to allow Stam to keep the veto override alive forever, saying that the voter ID issue had been decided.

Stam responded that "it's not settled until it's settled right." It was a telling moment and not just because of the arrogance of the statement.

Republicans came to Raleigh with a long agenda this year, but making it more difficult for people to vote was near the top. That was clear not only from the passage of one of the most restrictive voter ID bills in the country and Stam's troubling maneuver to keep it alive, but also from other proposals that surfaced, all of which remain alive for consideration in next summer's short session.

They include limiting the length of the early voting period, prohibiting voting on Sundays, and even regulating efforts to drive people to the polls.

Republicans in North Carolina don't seem to want a large voter turnout, especially from people more likely to vote for Democrats, so they are intent on putting up barriers to make it harder for seniors, people with a disability and low-income citizens to make it to the polls and cast a ballot.

It turns out that Republicans in North Carolina did not come up with the idea. Instead they seem to be following a script provided by national Republican leaders.

A recent study by the Brennan Center for Justice at the New York University Law School found that new laws and executive orders in 14 states will make it significantly harder for more than five million people to vote in 2012, most of them young, minority and low-income voters.

All three of those groups generally vote Democratic. Virtually all the states that passed legislation to restrict voting rights are controlled politically by Republicans.

The study also finds that the states that have made it more difficult to vote will account for 171 electoral votes in the 2012 election, almost two-thirds of the 270 a candidate needs to be elected president.

And those are just the numbers where the legislation has passed. They do not include North Carolina and more than 20 other states where voter ID legislation or other voting restrictions were introduced.

Twelve states considered bills to require a birth certificate or other proof of citizenship to vote, and 13 considered proposals to abolish or shorten early voting, limit voter registration drives, and end Sunday voting—

all ideas that Republicans brought up in North Carolina this session.

It is hardly a coincidence that the explosion of voting restrictions happened this year. Republicans took control of 19 more state legislatures in the 2010 election and now hold a majority in 26 states.

The study finds that before 2011 legislative sessions, only two states had imposed strict voter ID requirements for voting.

Four times that many states impose them now, and

legislation is pending in many more. The study points out that more than 21 million citizens do not have government-issued photo ID.

There's a reason Rep. Stam jumped up on the House floor in late July to keep the disenfranchising voter ID law alive.

He and his fellow Republicans across the country know that if they want to stay in power, they need to make it as tough as possible for people to vote against them—even though it's their constitutional right. ■



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To effect this transformation, the Justice Center employs five interconnected strategies.

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Our advocates work with policymakers to secure laws and policies that improve the lives of low- and moderate-income families and to oppose policies that would take the state backward.



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Our experts analyze policies and challenges that impact low-income North Carolinians, identify strategies for improvement, and publish their findings in an array of well-respected reports and issue briefs.



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