

Public Ed  Works



**LESSONS**



**LEARNED**

Public Ed Works dives deep into lawmakers' choice to underfund education over the past 25 years. In this series, we will touch on where our state has been and where NC stands now as a result of school-killing tax cuts and more.



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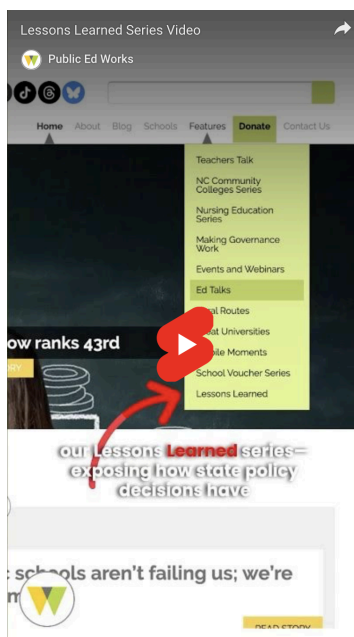


## Lessons Learned: Why don't we invest in our children?

*By Amy Cockerham*

*Public Ed Works*

RALEIGH (August 14, 2025) – As students head back to the classroom, we're diving deeper into the struggles educators are dealing with in our state.





Over the next several weeks, we will publish a series of articles to address how legislative actions – and inaction – in North Carolina over the past few decades have contributed to harm in our public schools.

Our findings show North Carolina is underinvesting in public education, and it's causing problems in the classroom and beyond.

To start with, fewer high school graduates are heading to college. The latest state [report](#) shows in 2015, 66% enrolled. In 2024, only 59% enrolled.

[ACT performance is down](#). In 2015, 59.7% of students scored at or above the minimum composite requirement. In 2024, only 40.2% met the minimum.

**THAT'S JUST** the tip of the iceberg.

Kris Nordstrom is a Senior Policy Analyst with the North Carolina Justice Center. He spends time researching education in the state.

“Our public schools have been chronically underfunded,” Nordstrom said.

“Unconstitutionally underfunded.”

[North Carolina ranks 49th in funding effort](#), or the amount spent on public education as a percentage of the state's economy.

[It all dates back to the Leandro case](#), a lawsuit filed in 1994 that argues low-wealth and some urban counties don't have enough money to provide an equal education for their children. Twice, the NC Supreme Court ruled that *the state* should ensure all students a sound, basic education. However, the case is still being debated.

Low teacher pay is an increasing concern. The latest report from the [National Education Association](#) ranks North Carolina 43rd in the U.S. for average teacher salary.

Flash back to 25 years ago. Based on a table by the [American Federation of Teachers](#), the average teacher salary in 1999-2000 in North Carolina was \$39,404, which ranked around 22nd in the nation.

So how have we gotten here?





During the 2008 recession, state lawmakers **froze teacher salaries** at their 2008-09 levels, and Nordstrom said we haven't kept up since then in salary or overall spending.



“What was different in North Carolina is as our economy recovered, North Carolina did not increase, meaningfully increase, investment in public schools,” Nordstrom said. “We cut taxes for wealthy North Carolinians and corporations. So, that’s what’s driven down our school funding level.”

Instead, our legislators are choosing to take money that could be invested in public schools and put it into a voucher program established in 2013 called “Opportunity Scholarships.”

The program uses taxpayer dollars to help pay private school tuition for families often wealthy enough already to attend and pay for it themselves.

**By 2031-32, more than \$500 million a year, or \$5 billion in total**, will be allocated to vouchers.

**EVEN MORE DISMAL**, tax cuts are reducing the pool of money we have to devote to education.

**Corporate tax rates have been reduced from a 6.9% rate in 2012 to 2.3% today** and are slated to drop to 0%.

This comes as our state is falling behind in important educational programs that benefit low-income families, like NC Pre-K, a pre-school program for 4-year-olds.



Public Schools First NC's report shows **children who attend Pre-K** usually earn better grades in school, are more likely to graduate high school and college and stay out of prison.

NC Pre-K had capacity to enroll 27,928 children in 2023-24— 27,928 were enrolled, but that's only **57% of 49,000 4-year-olds eligible to participate**.

"We've seen a lot of **the business community** call on [the General Assembly] for more investment in Pre-K," said Nordstrom. "For some reason, this General Assembly still fails to act."



Sara Howell is the Public School Forum of North Carolina's Associate Director of Policy & Research. She said more funding from lawmakers is the key to seeing success in public schools.

"There's plenty of research that shows that adequate, equitable school funding leads to improved academic outcomes, especially in districts that have greater need," Howell said. "So you see improved test scores, more years of completed schooling, higher adult earnings, like you name it.

"The research is there. It's just a question of us rising to meet the occasion."

Meanwhile, low pay and lack of resources, among other issues, are driving teachers away from the profession.



About 800 fewer people completed educator preparation programs in 2024 than in the prior year, an 18% decline, data from the North Carolina Department of Public Instruction shows.

“We were speaking with a superintendent for a research setting not too long ago who said that, ‘You know, 10 years ago we’d have 30,15 teachers competing; for this kindergarten teaching spot, and now I’m lucky if I get two,” Howell said.

“It’s across the board. People are feeling the strain.”



## Lessons Learned: NC teacher pay falls to bottom of rankings

***By Amy Cockerham***

***Public Ed Works***

RALEIGH (August 20, 2025) – It's no secret that pay is a concern for North Carolina teachers – the latest report from the [National Education Association](#) ranks the state 43rd in the U.S. for average teacher salaries.

It hasn't always been this way. Based on a table from the [American Federation of Teachers](#), 25 years ago the average teacher salary in 1999-2000 in North Carolina was \$39,404, which ranked 22nd in the nation.

Sadly, the state's rank has dropped about 20 spots over the past 25 years. Adjusting for inflation [using the calculator](#) from the U.S. Bureau of Labor Statistics, the pay back then would be equivalent to \$75,297 now.

"You've got to get people into the profession first, and then you have to respect them and pay them over time," said Don Martin, former Superintendent of Winston-Salem/Forsyth County Schools.

With pay not keeping up, North Carolina school systems are losing teachers to bordering states.



“Clearly we are not competing in teacher salaries between our Southern states – we are fairly similar in our economics and support and wealth, but we’re not competing in salaries, our per-pupil spending is low, and our percent of GDP spent for education is not competitive,” Martin said.

“You look at those three pieces of the data and say, ‘Woah, we’re not doing very well.’”

**SO HOW’D WE** get here?

A history of minimal state pay raises is to blame.

During the recession in 2008, lawmakers **froze teacher salaries** by disallowing any step increases for the 2009-10 fiscal year.

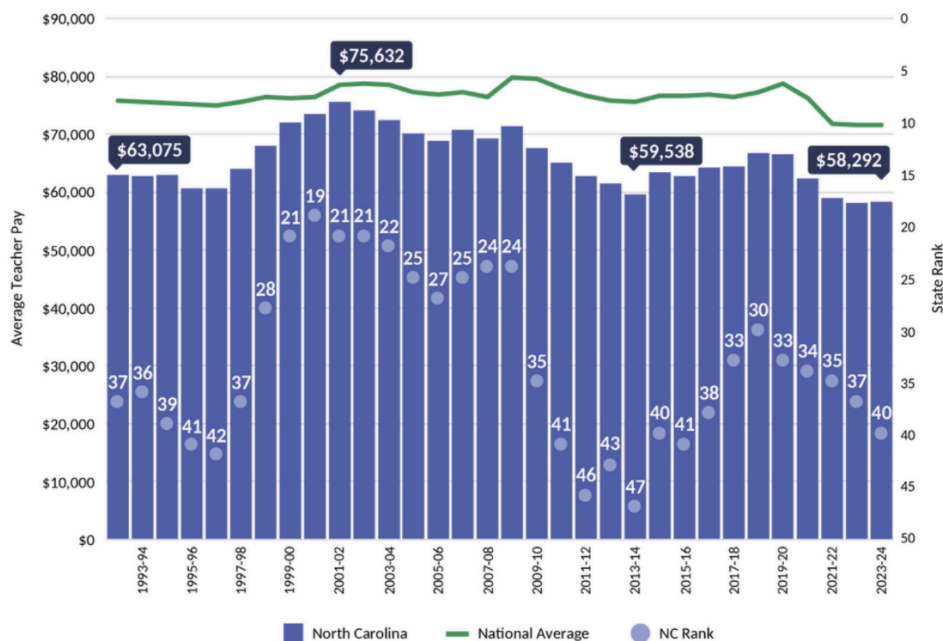
A **1.2% raise** was provided to all teachers in 2012-13 before pay was frozen again in 2013-14. Then in **2013**, **North Carolina** **became the first state in the country** to remove salary increases for teachers with advanced degrees.

The state’s rank in average teacher pay fell to 47th in 2013-14.





**EX IV.11 – Average K-12 Teacher Salary in North Carolina, Inflation-Adjusted to 2024 Dollars (1992-93 to 2023-24)**



**Note:** These figures are adjusted for inflation. Nominal income rose over the last few years, but effective income declined with inflation, both nationally and in North Carolina. Rankings are based on nominal pay, not cost-of-living adjusted.

Source: BESTNC

The 2014 budget included funds for an average 5.5% raise for teachers for the 2014-15 school year. This was accompanied by a dramatic restructuring of the salary schedule. Under this schedule, teachers were locked into the same salary for five-year periods.

**MORE RECENTLY**, inflation has hit Americans hard, and salaries aren't keeping up with the cost of living.

Between 2021-22 and 2022-23, average salaries increased only 2.63%.

The 2023 state budget allocated some funds to increase salaries in 2024-25. The salary for a first-year teacher increased by \$2,000, a 5.13% bump. However, teachers with 7 years to 25+ years of experience received a salary increase of 2% or less.

“The state made a major improvement in beginning teacher salaries several years ago, but they did so at the expense of experienced teachers,” Martin said. “The veteran teachers really felt like they had been pushed aside and not respected with basically a 0% raise for many of them.”



Teachers' pay comes from a combination of state salary and local supplements that vary by district. However, there's a significant disparity between wealthy and rural districts.

For example, Graham County Schools pay no supplement, whereas Wake County Schools recruits by paying one of the largest at \$11,289.

Gerrelyn Patterson is NC A&T's Department of Education Preparation Chair. She said the school's programs have had lower enrollment numbers over the past few years, but numbers are back on the rise after ramping up recruitment efforts.



"That narrative is out there that teachers don't get paid enough, and there's been wage stagnation, and we are falling behind other states in terms of the amount that we're willing to invest in salaries for our teachers," Patterson said.

She said the financial challenge teachers can face is a reason a lot of people think twice about pursuing the career path.

"Many of our students are on financial aid, and then they're coming out of college with their degrees, and they have student loan debt," Patterson said. "Many of our students are looking for a financial pathway that allows them to get their degree, but also fulfills the requirements of repaying any student loans or debts that they may have incurred, while they matriculated through college."

This year, teachers **could be up for pay raises** if the NC House budget proposal is approved. Teachers would see an average raise of 8.7% over the next two years. Yet at





the same time, the board of the State Health Plan voted this week to **increase both premiums and deductibles**.

Public school advocates like Martin support the House proposal.

“If I’m in the North Carolina legislature, I want our students to be, you know, number one,” Martin said. “I want us to be competing and be the best in the country.”



## Lessons Learned: Voucher expansion and public schools

***By Amy Cockerham***

***Public Ed Works***

RALEIGH (August 28, 2025) – North Carolina has seen a vast expansion of vouchers – taxpayer dollars for students to attend private schools – called “Opportunity Scholarships.”

The state is projected to spend \$731 million on its voucher programs this year, according to the NC General Assembly’s [Fiscal Research Division](#).

Heather Koons, Communications and Research Director with Public Schools First NC, said all of this is happening while public schools suffer.

“North Carolina is in the position where it could definitely spend more on public education,” Koons said.

[The intent](#) of the program established in 2013 was originally to provide low- and moderate-income families with an alternative to low-performing public schools.



In 2024, state legislators lifted income limits on who can apply for vouchers. Now even the wealthiest families can get them. Voucher awards range from \$3,360 to \$7,468.

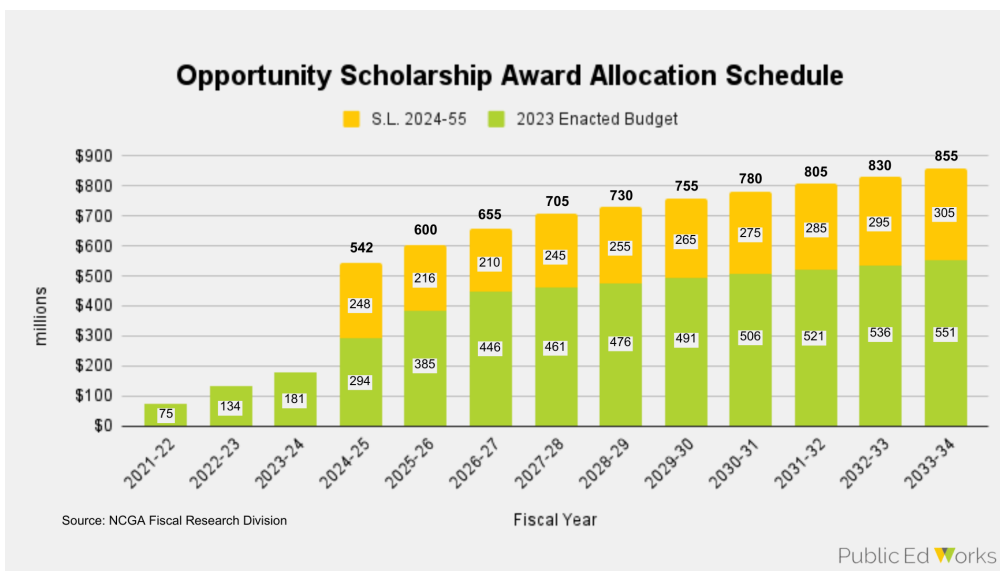
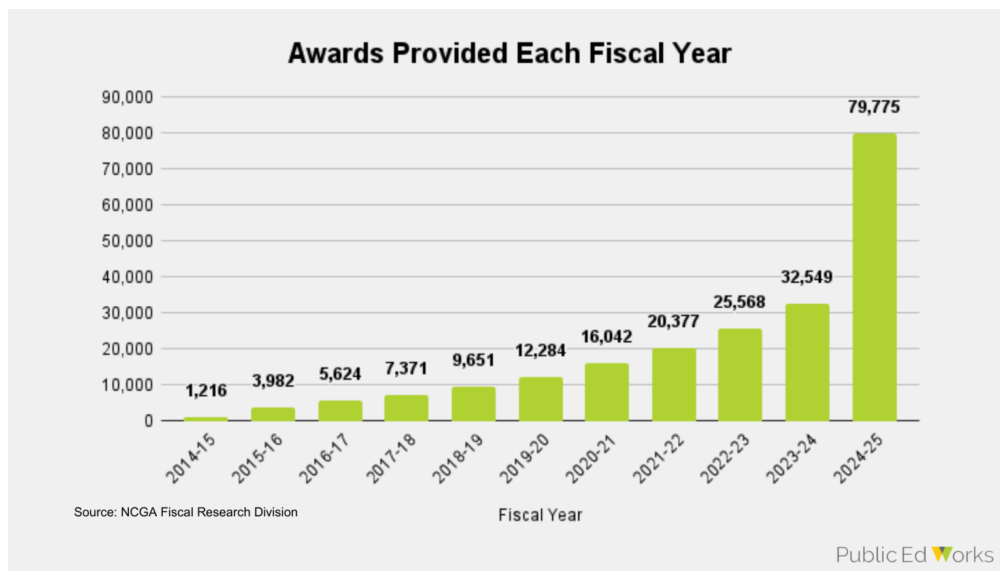
Opportunity Scholarship Program, FY 2024-25				
Tier	Income Calculation	Award Value	Max. Family of 4 Income	FY 2024-25 Recipients
1	<100% RPL	\$7,468	\$57,720	23,711
2	100% to 200% RPL	\$6,722	\$115,440	22,211
3	200% to 450% RPL	\$4,480	\$259,750	22,408
4	450% RPL or No Income Provided	\$3,360	–	11,445
Total				79,775

Source: NCGA Fiscal Research Division

“Why are we spending money to allow millionaires to send their children to private school when they were never going to send them to public school anyway?” Koons said.

Now students who are already in private school can apply for the funds.

“We’ve seen that a number of private schools raised their tuition so that they can get more money,” Koons said.



Another concern: Private schools **restrict who can attend**. If you have a disability or are a member of the LGBTQ+ community, you might not be allowed to enroll.

“We put out a report on the **discrimination in the private schools** that accept vouchers,” Koons said. “Excerpts from the admissions policies and student-parent handbooks from these private schools that state very clearly that they do not admit certain types of students.”



As our previous reporting shows, leaders in **rural North Carolina counties** without any private schools have voiced concern about the state's school voucher program. Each public school district loses **tens of thousands, if not hundreds of thousands**, of dollars due to students leaving their public schools with a voucher.

A report by the NC Justice Center shows **20% of this year's** new voucher recipients are from families in the highest income bracket, with an income of \$259,750 or more for a family of four.

Kris Nordstrom published the report. He's a Senior Policy Analyst with the North Carolina Justice Center.



“Most folks want strong public schools,” Nordstrom said. “We want integrated schools where folks from different backgrounds can learn from each other and work together.”

**NORTH CAROLINA** isn't the first to invest in vouchers.

Arizona **expanded** its voucher program in late 2022, and news outlets in Phoenix report **at least 20 public schools** across several districts have closed in the past year or so amid enrollment drops.

The enrollment decline has even caused some public schools to **work with recruiters** to convince parents to still enroll their students and find out what they want to see in public schools.

**By 2031-32, nearly \$5 billion in total** will be allocated to North Carolina's vouchers.



“I don’t think any voters really asked the legislature to take on this additional responsibility of funding the private school system when we currently have an underfunded public school system,” Nordstrom said.

Roughly two-thirds of this state’s students will continue to attend public schools. Yet North Carolina ranks 49th in the country for the percentage of our economy we devote to those schools. School choice can be a good thing, but it’s not an either/or decision. We can probably do both.

But we should fully fund our public schools first.



## Lessons Learned: Spending per student among lowest in nation

**By Amy Cockerham**

**Public Ed Works**

RALEIGH (September 4, 2025) – Lack of funding is the root of many issues facing North Carolina public schools today, as legislators have failed to allocate enough funds to keep up with surrounding states, setting our state behind.

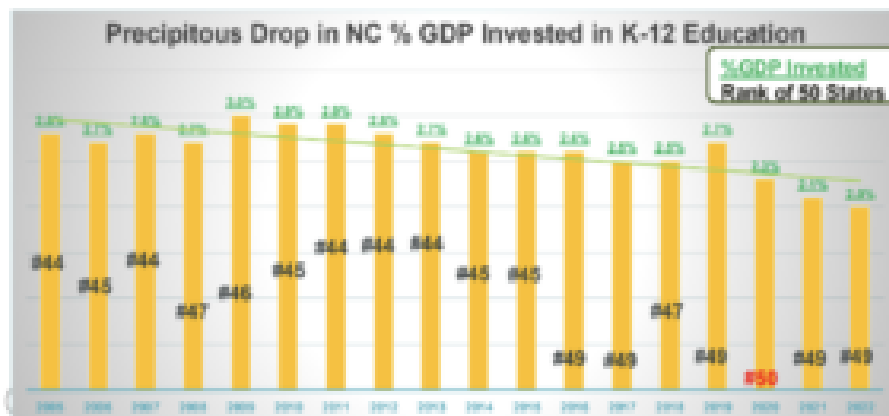
GDP, or Gross Domestic Product, is the value of goods and services produced in a state. In 2024, North Carolina dedicated just 2.4 percent of its GDP to spending on public schools, putting our funding effort below every state except for Arizona.

We ranked 49th.

This is a problem, said Sara Howell, the Public School Forum of North Carolina's Associate Director of Policy & Research.

"It's a long history of it," Howell said. "We're

**Did you know that for 2022 NC ranked 49 out of 50 states in percentage of GDP invested in K-12 education?**







hoping to turn the tides. But ... recent years have not been helpful.”

The **Leandro case**, a lawsuit filed in 1994, argues low-wealth and some urban counties don’t have enough money to provide an equal education for their children. Twice, the NC Supreme Court ruled that the state should ensure all students a *sound, basic education*.

However, the case is still being debated 31 years later.

“You go back to 2010-ish and before and ... we’re doing pretty well,” Howell said. “We’re meeting national average... In the Southeast, we’re kind of standing apart as an example of how to do it right in terms of education funding and teacher pay and all that good stuff.”



“After that you start to see the North Carolina percent spending on education and teacher salaries freeze and ... we just never recovered from the 2008 recession, right? We never started spending adequate funding on education after that point.”

In the latest data from the nonprofit **Education Law Center**, North Carolina spent \$11,777 per student in pre-K through 12th grade, compared with a national average of \$16,131.

We ranked 48th.



Don Martin is the former Superintendent of Winston-Salem/Forsyth County Schools, so he knows how important fully funded schools are.



“If we don’t invest in K-12 education now, we’re going to end up with kids that can’t do very well or are not doing very well 10 to 15 years from now,” Martin said. “And then I don’t think we’ll be **first in business** anymore.”

“We’re not competing in salaries, our per-pupil spending is low, and our percent of GDP spent for education is not competitive. You look at those three pieces of the data and say, ‘Woah, we’re not doing very well.’”

Howell said the pool of money the state draws from for education is dwindling rapidly.

“Due to some scheduled corporate and personal income tax cuts in North Carolina, we are now looking down the barrel of a budget shortfall in the coming years,” Howell said.

North Carolina legislators have yet to establish a budget for 2025-27. We challenge them to increase school spending to give our next generation of students a fair shot.

“There’s plenty of research that shows that adequate, equitable school funding leads to improved academic outcomes, especially in districts that have greater need,” Howell said.

“You see improved test scores, more years of completed schooling, higher adult earnings, like you name it. The research is there. It’s just a question of us rising to meet the occasion.”





## Lessons Learned: NC leaves young learners behind

***By Amy Cockerham***

***Public Ed Works***

RALEIGH (September 10, 2025) – Legislators’ refusal to properly fund education even affects our youngest learners in North Carolina.

Research shows pre-kindergarten can be a crucial stage to a child’s development. North Carolina has a high-quality Pre-K program, but the state isn’t serving all the kids it can.

Last year, NC Pre-K enrolled 27,928 children, only 57% of about 49,000 four-year-olds from lower-income families who were eligible.

Jenna Ramsey, Director of Wake County Public Schools Preschool Programs, knows first-hand the difference preschool can make in a child’s life.



“There has been a plethora of research done regarding the positive effects,” Ramsey said.

“We know that children that receive Pre-K are more likely to be able to graduate on time, attend college and are more likely to have higher test scores in elementary schools.”

Ramsey said NC Pre-K primarily serves children whose families gross income is at or below 75% of the state median income.

“I definitely think we need to expand capacity, and that means creating more seats to serve a higher percentage of our eligible students,” Ramsey said.

“I think we also need to support the workforce in general, whether teachers are in the private sector or in the public school system. Our preschool teachers continue to deserve competitive compensation.”

**SO WHY** aren’t we able to serve all the kids we should be serving?

Enrollment in NC Pre-K grew steadily between 2001—when the More at Four Pre-Kindergarten Program was established—and 2009, when enrollment peaked at nearly 33,800.



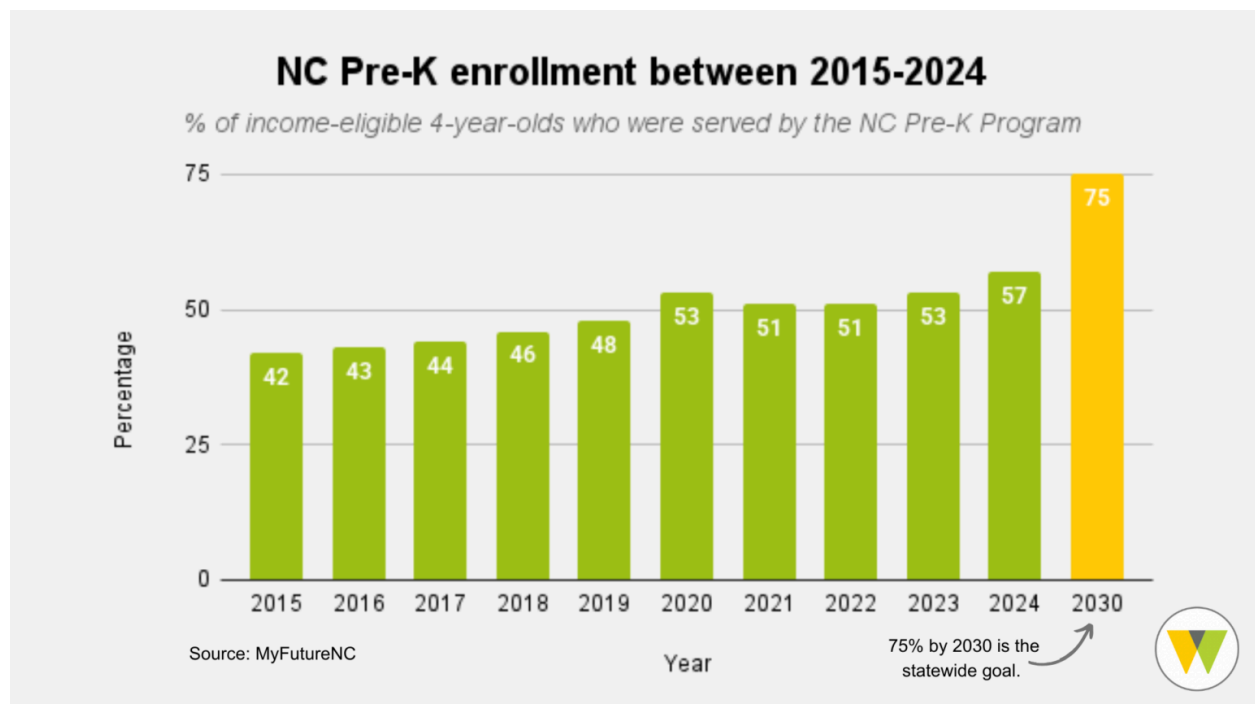
But in the years after that, state legislators budgeted less for the program and **only 26,780 children** were served in NC Pre-K in 2015-16 – 7,000 fewer than in 2009, despite a burgeoning state population.

Funding expansions that began in 2017 increased enrollment in the 2019-20 school year to more than 31,000, representing 53% of eligible children.

But following that, the number of children served decreased by about 900 in 2020-21, by about 200 more in 2021-22, by another 100 in 2022-23, and **by 1,914 in 2023-24, the largest decrease since the 2017 expansion.**

A glaring issue under North Carolina’s funding model is that the state pays about 60% of the cost, and the local community pays 40%. **Many of the state’s poorest counties do not have funds to cover their portion, so they wind up forfeiting the state funds.**

“It’s just dependent county to county,” Ramsey said. “When counties have a high priority on early childhood, they do tend to be able to figure out ways where local funding can be contributed.”





By 2030, North Carolina **needs 8,686 more low-income 4-year-olds to participate** in NC Pre-K to meet the statewide goal of 75% enrollment of eligible children in each county.

“We are having a difficult time based on a variety of different funding streams, being able to have all the funding that we need to be able to support all of the students that might benefit,” Ramsey said.

“I mean the core issue is really a funding gap.”

**WHY IS IT** our legislators will not properly fund access to Pre-K when research clearly shows the advantage of it for children? Is it that they don’t care? Or maybe they won’t accept proven facts and research?

We clearly have the resources, given the hundreds of millions of dollars in taxpayer-funded vouchers we lavish on students who already attend private schools.

Or is it that we voters don’t understand or don’t care?

Our legislators should be held accountable.





## Lessons Learned: NC struggles to recruit and retain teachers

***By Amy Cockerham***

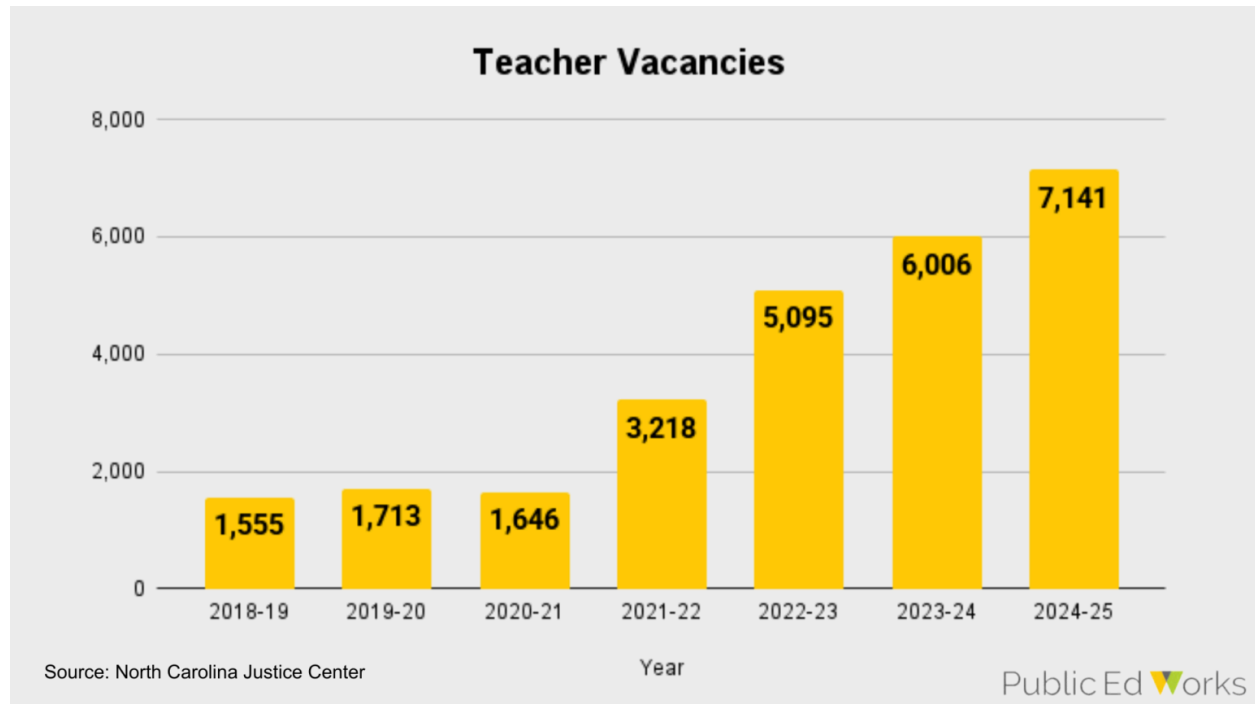
***Public Ed Works***

RALEIGH (September 17, 2025) – Thousands of teachers leave North Carolina classrooms every year – and legislators ignoring the needs of educators could be to blame.

Low pay and lack of respect, among other problems, are cited as reasons why school districts have trouble filling teaching positions.

The latest attrition rate, or what percentage of teachers left their jobs in a public school, was 9.88% for 2023-24.

Unfilled positions have grown each year, according to the NC Department of Public Instruction.



Erin Horne is the College of Education Assistant Dean for Professional Education and Accreditation at NC State University.

“A lot of times people want to be educators, but sometimes the narrative and the stories that are around them kind of talk them out of it,” Horne said.

A lack of proper funds for support staff such as teacher assistants, nurses and school counselors is another concern for today’s educators.

About 800 fewer people completed educator preparation programs in 2024 than in the prior year, an 18% decline, data from the Department of Public Instruction shows.

Horne said NC State has actually seen an increase in candidates after ramping up recruitment efforts.

“Over the past couple of years we’ve increased our scholarship moneys for students,” Horne said. “So that increases their opportunity to leave, to graduate, with as little debt as possible.”



Financial aid is important for students considering a career in teaching – the latest report from the [National Education Association](#) ranked North Carolina 43rd in the U.S. for average teacher pay.

North Carolina public schools also have a hard time attracting teachers of color. In the 2023-2024 school year, 57.2% of North Carolina’s public school students identified as students of color, while [only 29.4% of the state’s educators were nonwhite](#).

Gerrelyn Patterson is the Department of Education Preparation Chair at N.C. A&T State University. A&T has seen low enrollment in teacher-prep programs as well.



“We have experienced those same statistics as other educator-prep programs,” Patterson said. “But we do see a slight increase that we think some of our recruitment efforts have played a major part in.”

She said program leaders are trying everything from speaking to current students to bringing high school students to campus to learn about becoming an educator.

“We need lawmakers who are going to listen to the realities of what it means to be in the profession,” Patterson said. “What some of those joys and wonderful things are about the profession, and what challenges or barriers may be in place that lawmakers have jurisdiction over.”

Local school systems cope with vacancies by hiring [international teachers and non-traditional path teachers](#).



“Every week, almost every day, I get an email from someone who’s looking to hire an A&T future teacher, Patterson said.

Temporarily licensed teachers make up 10% of North Carolina’s teacher workforce. But many of them leave because they find it difficult to meet the requirements to earn a full teaching license which is required to teach for longer than three years.

Looking ahead, a step in the right direction may come if the budget advanced by the NC House is passed, as it would take steps to significantly raise teacher pay in the state.



“It’s kind of a cliché to say, but teachers make all the other careers happen,” Horne said. “When you make connections with children and can change the trajectory of their lives as an educator, there’s no greater reward.”



## Lessons Learned: Troubling tax cuts harm public schools

**By Amy Cockerham**

**Public Ed Works**

(RALEIGH) – While North Carolina school systems are grappling with underfunding, corporations and millionaires are paying less and less taxes.

Corporate tax rates were reduced from a 6.9% rate in 2012 to 2.3% and are planned to drop to 0% by 2030. In the year 2000, the rate was 7%.

Funds from corporate taxes flow into the N.C. General Fund and are spent on public services, the largest one being public education.

Kris Nordstrom is a Senior Policy Analyst with the North Carolina Justice Center. He said tax cuts are severely harming education.

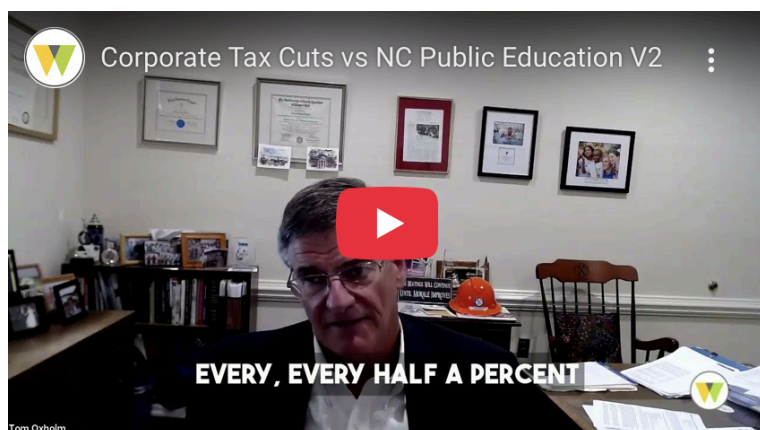




“That’s what’s driven down our school funding level, is that we’ve provided wealthy families and corporations tax cuts that are really being paid for on the backs of public school students,” Nordstrom said. “Other states haven’t made that choice, and that’s why we’ve plummeted down the rankings while other states have...used their growing economies and recovering economies to reinvest in the public school system.”

North Carolina imposes less taxes on corporations than most other states, ranking at #45. Although, the state does impose a franchise tax, which is considered an economically harmful tax that is payable even if the corporation does not turn a profit and reduces the incentive for new investments.

Tom Oxholm is a retired Executive Vice President of Wake Stone Corporation. He said funding issues started around the Great Recession.



“In 2010, we made major cuts to the biggest expense in our budget, which is public education. Cutting supplies, cutting textbooks to a dollar per student per year, cutting teacher assistance, cutting, cutting, cutting as they had to do, and when the economy turned around and came back, instead of restoring those allocations for psychologists, social workers, etc. those have never been restored.”

Now, we are cutting taxes even further. All while teachers deal with low pay, lack of supplies, among other financial barriers. Oxholm said businesses suffer from the decline of public education too.



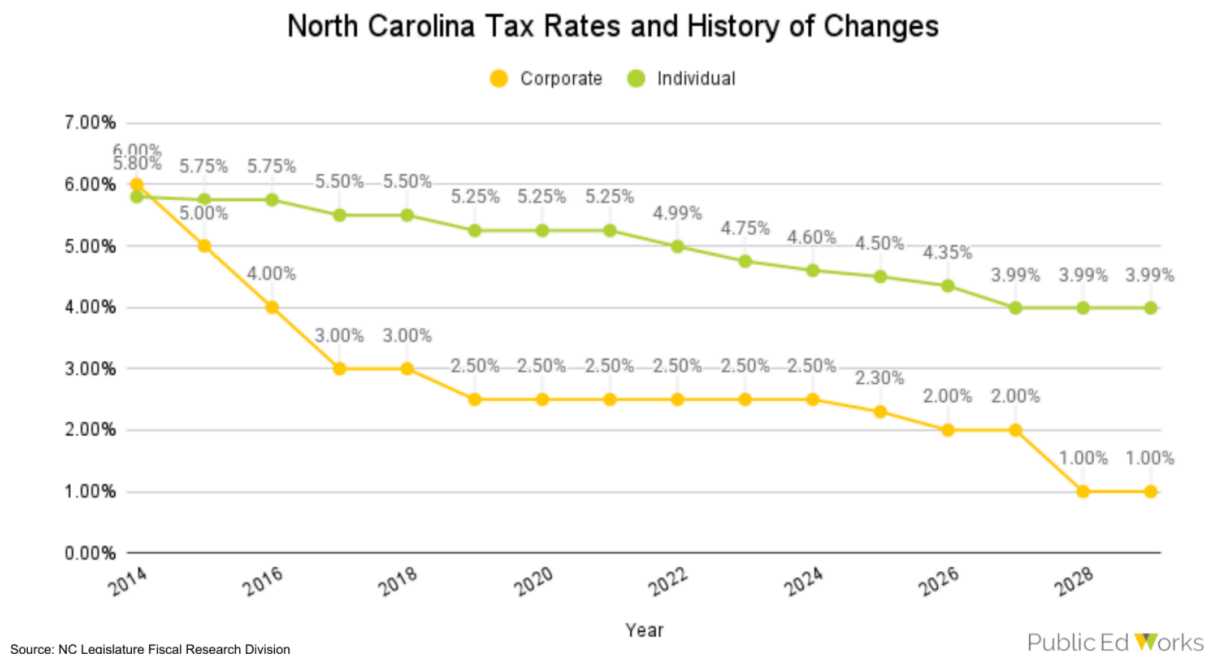


“Never met as a CPA, in my nine years in public accounting, or in all my years in business, a business person that said, “We’ve got to plan around this state income tax because it’s really a beast. Yep. Whereas they all say, ‘How can we get better educated workers?’”

An even larger portion of money for education comes from income taxes.

Over 40 percent of the General Fund in Fiscal Year 2022-23, or **\$15.5 billion**, came from personal income taxes. Another five percent comes from corporate income and franchise taxes.

The 2025 state individual income tax rate is 4.5%, which is down from 5.25% in 2021. As part of **previously passed legislation**, this tax rate will decline to 4.25% in 2026, and 3.99% for the years 2026 and beyond.



This budget cycle, North Carolina Governor Josh Stein proposed freezing individual and corporate tax cuts.

“They are recognizing the landscape that is ahead of us,” Public School Forum’s Associate Director of Policy & Research Sara Howell said. “They know what we’re





heading towards and they're saying, 'Let's at least pause it.' The governor's budget has proposed reversing the tax cuts to make sure we have enough state revenue to pay for the services and goods that, you know, our citizens rely on."

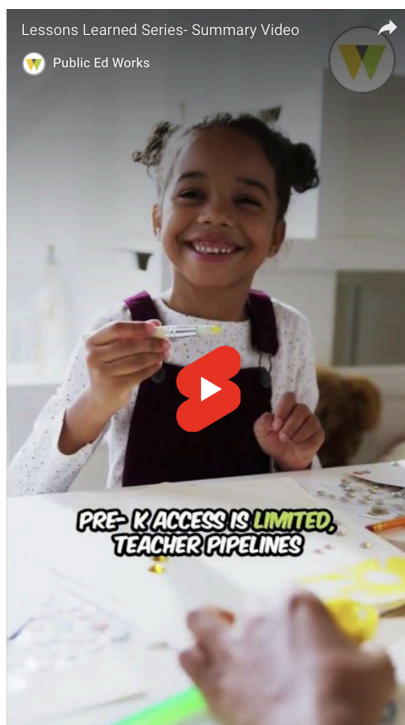
Months behind schedule, the North Carolina legislature has yet to set the 2025-2027 budget.



***By Amy Cockerham***

***Public Ed Works***

RALEIGH (October 2, 2025) – Over the past several weeks we’ve looked at a range of issues in North Carolina’s public schools, but one theme stands true throughout – most problems stem from a lack of funding.





## **Low teacher pay**

Low pay is a major concern for North Carolina teachers. The latest report from the [National Education Association](#) ranks the state 43rd in the U.S. for average teacher pay.

Just 25 years ago, North Carolina was ranked 22nd in the nation, based on a table by the [American Federation of Teachers](#).

As inflation hits all Americans hard, teacher salaries haven't kept up with the cost of living.

It drives potential and current teachers away from the profession, or causes them to cross state lines for better pay.

## **School vouchers overfunded**

In recent years, North Carolina has seen a vast expansion of “Opportunity Scholarships,” or vouchers, which are taxpayer dollars for students to attend private schools.

[The intent](#) of the program established in 2013 was originally to provide low- and moderate-income families with an alternative to low-performing public schools.

Now – with no limit on the income of families who qualify – wealthy families and students who are already in private school can apply for the funds.

The state is projected to spend \$731 million on voucher programs this year, according to the NC General Assembly's [Fiscal Research Division](#).

Each public school district loses [tens of thousands, if not hundreds of thousands](#), of state dollars due to students leaving their public schools with a voucher.

## **Low per-student spending**

Legislators have failed to allocate enough funds to public schools to keep up with surrounding states.



GDP, or Gross Domestic Product, is the value of goods and services produced in a state. In 2024, North Carolina dedicated just 2.4 percent of its GDP to spending on public schools, putting our funding effort below every state except Arizona.

In the latest data from the nonprofit Education Law Center, North Carolina spent \$11,777 per student in pre-K through 12th grade, compared with a national average of \$16,131. We ranked 48th in the country.

### **Low Pre-K enrollment**

Research shows pre-kindergarten can be a crucial stage to a child's development. Kids are more likely to be able to graduate on time, attend college and are more likely to have higher test scores in elementary school.

Though it receives high ratings for quality, NC Pre-K doesn't serve all the kids it should. Last year, the program enrolled 27,928 children, only 57% of about 49,000 four-year-olds from low-income families who were eligible.

North Carolina's funding model pays only about 60% of the cost, and the local community pays 40%. Many of the state's poorest counties do not have funds to cover their portion, so they wind up forfeiting state funds.

### **Struggles to fill teacher pipeline**

Low pay, lack of respect and inadequate resources are big reasons why school districts have trouble filling teaching positions.

The latest attrition rate, or percentage of teachers who left their jobs in a public school, was 9.88% for 2023-24.

Even in a state that is growing steadily, about 800 fewer people completed educator-preparation programs in 2024 than in 2023, an 18% decline, data from the NC Department of Public Instruction shows.

We need more teachers, not less.

### **Increasing tax cuts for corporations and the wealthy**



While North Carolina's public school systems grapple with underfunding, corporations and millionaires pay less and less taxes.

Funds from corporate taxes flow into the NC General Fund and are spent on public services, the largest of which is public education.

Corporate tax rates were reduced from a 6.9% rate in 2012 to 2.3% and are scheduled to drop to 0% by 2030. 25 years ago, the rate was 7%.

An even larger portion of money for education comes from personal income taxes.

The 2025 state individual income tax rate is 4.5%, which is down from 5.25% in 2021. As part of previously passed legislation, this tax rate will decline to 4.25% in 2026, and 3.99% for the years 2026 and beyond.

## **Conclusion**

As public school funding has dipped over the past couple of decades, our ability to recruit, pay teachers well and educate our children properly has suffered.

We call on North Carolina legislators to adequately fund our public schools, so our state can continue to thrive in education, business and beyond.