



**For Immediate Release**

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## **Public School Forum Calls for Balanced Approach to State Budget**

The Public School Forum Board of Directors is urging the General Assembly to solve the state's budget crisis through a combination of increased revenue measures and budget cuts. The call was issued as a result of the Forum's belief that proposed cuts to virtually every aspect of state government and education could jeopardize progress North Carolina has made in recent decades.

The Public School Forum is headquartered in Raleigh. Its Board of Directors is composed of one-third leaders from the business community, one-third education officials and one-third elected policymakers. The Forum's work is focused on strengthening the public schools of North Carolina.

**The full text of the Position Statement follows:**

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### **Forum Position Statement**

The Public School Forum believes that the proposed cuts throughout state government could set the state back decades. While recognizing that the state must adopt belt-tightening measures, the Forum calls on legislators to consider a balanced approach to solving today's budget crisis. If budget reductions are combined with increased revenue measures, the impact of drastic cuts could be lessened considerably.

Under the North Carolina Constitution the state budget must be balanced. In recent days, House leaders have brought forward new revenue proposals for consideration. To date, however, the proposals to balance the budget have largely relied on cuts to state services, and, with each downward revision of state revenue projections, the cuts have gone deeper and deeper into virtually every area of state government.

For K-12 education, proposed cuts would result in higher class sizes, thousands fewer teachers and teacher assistants working with students, reduced counseling services, the disappearance of special programs for disadvantaged students and over 15,000 students losing afterschool programs. At a time when the unemployed are returning to Community Colleges and public and private colleges and universities, higher education is facing dramatic cutbacks. New proposals would freeze enrollment growth in UNC universities and dozens of specialized programs in higher education are slated for cuts or outright elimination.

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From an economic point-of-view, the cuts currently under consideration would result in over 20,000 job cuts, over 12,000 from K-12 education alone. It is four times the number of jobs that were lost when North Carolina was jolted by the closing of a Pillowtex factory that led to a loss of 5,000 jobs. Putting over 20,000 state employees and teachers out of work will add to the welfare rolls and mean less tax revenue for the state. With the state's unemployment rate already the fourth highest in the nation, it could move North Carolina closer to leading the country in the percentage of unemployed – a distinction that the state neither needs nor wants.

Twice before North Carolina lawmakers were faced with similar situations. In both cases, they rose to the occasion by balancing belt-tightening measures with increases in tax revenue. During the Great Depression the General Assembly enacted a sales tax to keep school doors open. In 1991, a bipartisan effort closed a \$1.2 billion budget deficit by cutting \$600 million from the state's budget while raising an additional \$600 million of new revenue.

Another generation of elected officials now faces a similar decision. Rather than go down in history as the General Assembly that set progress back in North Carolina, the Forum urges the General Assembly to move the state forward with a balanced approach that relies on responsibly increasing tax revenue while holding educational and state service program cuts to a minimum.

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