

The Thomas Willis Lambeth Lecture

---

*North Carolina*

*is Underinvesting*

*in Education*

**JAMES B. HUNT, JR.**

*Governor of North Carolina, 1977–1985, 1993–2001*

*Founding Chair, National Board for Professional Teaching Standards*

---

September 26, 2013

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL

The Thomas Willis Lambeth  
Distinguished Lecture in Public Policy is  
sponsored and published in collaboration  
with the Department of Public Policy,  
University of North Carolina at Chapel Hill  
CB# 3435 Abernethy Hall  
Chapel Hill, North Carolina 27599-3435.

© **James B. Hunt Jr. 2013**  
All rights reserved.

*Lecture and publication costs are supported by the generous gift of an anonymous donor.*

*North Carolina  
is Underinvesting  
in Education*

It is a great honor for me to be chosen to give the 2013 Thomas W. Lambeth Lecture and to be with you all here in Gerrard Hall. I have known and admired Tom Lambeth since I first met him in the 1960 Terry Sanford Campaign for Governor. My role in that campaign was to organize “Students for Sanford” organizations on every college campus in North Carolina and we did it. After we won, Tom did a great job for Terry as his administrative assistant and was the main contact point in the Governor’s Office for us aspiring young leaders who saw Governor Sanford and President John F. Kennedy as “our leaders” for a New South in North Carolina and a New Frontier for America.

Tom was, of course, much more than a political key in the Governor’s Office. He was himself, like Terry Sanford, a man of ideas and aspirations. And as such, he recruited into the Sanford team Joel Fleishman, John Ehle and many others who had the ideas and energy which characterized the vitality and accomplishments of the Sanford Administration. I have always considered Terry Sanford as my mentor in politics and public policy, and Tom Lambeth has been and continues as an authentic voice of the Sanford team and those inspiring times.

But that was just Tom’s start. Ever since he left the Governor’s Office with Terry in January 1965, he has in one way or another – in fact, many others – been North Carolina’s chief education advocate.

We are so fortunate at the Hunt Institute for Educational Leadership and Policy on this campus to have him as a founder and Vice Chairman of our Board. And Tom

doesn't just organize and serve on education boards and commissions; he pushes in public and behind the scenes to have us continue to improve our schools and universities – to make them among the best in America.

And I am glad to be back in Gerrard Hall. I first came here in 1954 to Boys' State. It was here in this building that I learned much about government and heard a talk by North Carolina Secretary of State Thad Eure about the importance of political parties. I realized for the first time that it is a "team sport" and one that I might like to play. And while I did not get elected when I ran for Lt. Governor of Boys' State, I did get chosen as one of two North Carolina delegates to Boys' Nation. Bill Clinton met John F. Kennedy in the Rose Garden at Boys' Nation. I was there with Dwight D. Eisenhower.

But my most cherished times in this historic building were when Carolyn and I came here as early members of Binkley Memorial Baptist Church, which met here before constructing their sanctuary on the 15-501 Bypass. I was in law school and Carolyn was in the excellent UNC School of Education getting her degree in Elementary Education. It was here that I got to know Dean Smith. He sat in that back corner every Sunday with a group of his basketball players. I think he made them come to church. You all saw his four-corners offense and other winning strategies on the basketball court. But I watched him in church every Sunday. I figured he maybe had more connections in the right places than any of us realized.

Tonight I want to talk with you about "winning strategies" for economic growth and the quality of life for North Carolina. And I am delighted that we have someone present who will help us win – the new Chancellor for UNC-Chapel Hill, Dr. Carol Folt.

For most of North Carolina's history we were a dirt-poor state. Unlike most of you, I live on a farm. As a boy, I picked cotton by hand, cropped tobacco and had poor folks as my neighbors. But my mother was a schoolteacher – a wonderful English teacher and librarian. She and my father, one of the original soil and water conservationists under FDR, believed that education was a good thing and people should get all the education they could for a good life.

Later, especially as I did graduate work in economics at NC State, I began to understand the importance of education for economic growth and good jobs. And I saw North Carolina going through an experience that bothered me. The textile industry, which had North Carolina roots but had also shifted to the South from mills in the Northeast, began to leave North Carolina. It headed for Mexico, China and plants across the developing world where labor was cheap. Really cheap. I remember the headlines in the newspapers. Tens of thousands of jobs lost per year. Year after year. And I wondered: “What are we going to do? Will we get more jobs? Where will they come from?”

Fortunately, the Research Triangle Park was getting under way and IBM was coming to North Carolina – eventually to have over 10,000 high-wage jobs and to make the first personal computers. Then Burroughs Wellcome, Glaxo and dozens of others. The Research Triangle Park (and later the University Research Park in Charlotte) was established because good companies value education, adequate public infrastructure and a good quality of life as conditions necessary for their profitable operations. As a CEO from Massachusetts told me once as we traveled Route 128 around Boston: “I put my plants where I can hire bright people and where my managers’ wives want to live. And they want to live where there are good schools.”

But these North Carolina research parks and the companies and jobs around them are examples of the North Carolina approach to economic development. Public education is at its very center – not a simple “piece of the budget” to be negotiated with an interest group.

Tonight we are gathered here in Chapel Hill in the middle of the Triangle in a place of unbelievable growth in:

- health care (look at the world-class cancer centers at Carolina and Duke),
- high tech (SAS is the largest privately held software company in the world),
- biotech (the new Dean of Agriculture at N.C. State says that we are now the “world center of agricultural biotechnology” with BASF, Syngenta, Bayer CropScience), and
- advanced manufacturing.

And although North Carolina was hit especially hard by the recent recession—primarily because of our large manufacturing sector (and even that is being re-invented, as shown at the recent Emerging Issues Forum on “The New Manufacturing”)—we are viewed as one of the best places in America to operate a business. *Site Selection* has North Carolina as one of its top states every single year, and has done so for decades.

Now, during all this time, North Carolina did not have the lowest taxes in the region, but we had the best universities. We were improving our public schools. We had a community college system ranked as one of the top two in the country. We were winning top national awards for early childhood programs: Smart Start, More at Four and Pre-K. And we became a “magnet” for bright people and successful companies.

And then these bright people started up new companies in a big way. When I was in the Office of Governor the first time (1977-85), the big news that excited us was new companies “coming to North Carolina.” Now we are proudest of the IPOs we see in the newspaper every day.

How did we, in North Carolina, make ours a state where people wanted to come and stay and grow? How did we become known as the “Dixie Dynamo” several years back? Why did *Fortune* magazine come to the Governor’s Mansion in November 1993 and take a picture with me and our highly educated workers for their cover, with the headline: “Best Cities for Business. Where to Find America’s Knowledge Workers. Raleigh-Durham, Number One on our list”? How did all this happen here in North Carolina?

Well, it’s a long story that tells us something about the progressive nature of North Carolina, our belief in our people and our commitment to help them become all that they can be.

I believe it is historically accurate to say it began when North Carolina had the vision to establish the first public university in America to open its doors. Then at the beginning of the 1900s, we had a governor who led us to build a schoolhouse every working day he was governor. Charles Brantley Aycock was wrong to believe in racial segregation, but he was right to urge us to educate our children so they might “burgeon out all that was within them.”

Governors Gardner and Ehringhaus keep the schoolhouse doors open through the Great Depression, and after a Brookings Institute study and recommendation, Governor Ehringhaus had the state impose a statewide sales tax to fund the schools and pay the teachers.

Then Governor Kerr Scott paved our country roads so the farmers could get to town and the school buses wouldn't get stuck. (I watched the road-paving machine lay down asphalt on the country road past my house when I was 13 years old. I've never forgotten it.)

Governor Hodges took the early steps of upgrading job training centers into what became, under Terry Sanford, the Community College System. And building on the presence of our major research universities, Hodges pulled together the beginnings of the Research Triangle Park.

Governor Sanford was a model "Education Governor." He enacted a \$100 million plan for K-12 education and the beginnings of our N. C. Community College System. But Terry did far more than that. He took the political risk of imposing a tax on food to finance a major leap forward for public schools and raising pay for public school teachers dramatically. Before that, many of our best young teachers left the state to teach. My college roommate, Dr. Carl Henley, went to Virginia Beach for a far higher salary. Terry also, with the help of Tom Lambeth and Joel Fleishman, created the North Carolina Fund to tackle poverty. He gave a 1963 speech here in Chapel Hill calling for an end to "unfair discrimination" and giving black citizens "a full chance to earn a living" – separating himself and North Carolina from George Wallace and the powerful resistance forces in the South.

Republican Governor Jim Holshouser was an outstanding Education Governor, who refused to cut taxes when first elected and who moved us to 27<sup>th</sup> in the nation in teacher pay. I was proud to help him as he led North Carolina to establish full-day kindergarten with a teacher and teacher assistant in each class.

During my terms as Governor, North Carolina established a Reading Program among the best in the nation, adding a full-time teacher assistant to help the teacher



in every classroom in grades 1, 2 and 3. We established higher standards for what our students need to know, put in place regular tests to measure their progress and provide public accountability, and created Smart Start. We also provided major bonuses to teachers whose classes made adequate gains in learning during the year. Those bonuses came to almost \$100 million one year, and we made North Carolina the top state in America with nearly 20,000 nationally board certified teachers. The proof of our results was seen when our NAEP scores improved more than any state in the 1990s. In fact, at the end of my last term, we tied for fourth in the nation on fourth-grade math scores.

But I must say that the accomplishment that I'm most proud that North Carolina made came at the end of my last term as Governor. We increased education investments to put North Carolina at the national average in teacher pay (that was between 19<sup>th</sup> and 20<sup>th</sup> among the states).

I remember as if it were yesterday, the meeting in my office when teachers came to see me before the 1996 campaign began and said: "Governor, we assume you're planning to run for a fourth term. Why don't you run on raising teacher pay in North Carolina to the national average?" I said: "Well, where are we now?" They said: "We've slipped to 44<sup>th</sup> in the nation." And then they really stuck it to me: "And we're one place below South Carolina."

Well, I had a fit. I knew we'd done a lot of good things to improve education, but I had not kept my eyes closely enough on teacher pay. But to jump up to the national average would require a big new investment. The magnitude of it became clear when I told the press corps that I was thinking about a commitment to raise teacher pay to the national average. One of them piped up and said: "Well, Governor, do you know that will require raising the state budget by one billion dollars per year?" By then I'd done my homework and I replied: "Actually, it will require raising the budget by one and a quarter billion dollars, but I think it will be worth it. We'll let the people decide."

In the campaign I asked the people to commit to that goal up and down the state, and their answer was seen in the clear victory we had in the fall election. Over the next

four years, teacher pay increased by about one-third and when I went out of office, we were at the national average. North Carolina had made a major new investment in education in the best place you can make it – in better teachers for our children!

I was succeeded (and preceded) by Governor Jim Martin, a teacher himself (a Davidson chemistry professor) who kept public funding for education strong and supported the wonderful N.C. Teaching Fellows program and early efforts that led to Smart Start.

Governor Easley led our state to make major investments in his More at Four program and reductions in class size, both largely funded by the state lottery he supported. He was also a strong advocate for the early college program, in which North Carolina leads the nation. Many of the early colleges regularly have a 100% graduation rate.

Governor Perdue, whose legislative career and Lieutenant Governorship were marked by strong support for education funding, made the expansion of Pre-K her major achievement and won first-round federal Race to the Top funds for North Carolina.

And I must mention one other big development in education funding in North Carolina that shows the high regard for our institutions and deep public support for higher education.

In the year 2000, the North Carolina Legislature, with the leadership of both Houses and both political parties, put on the ballot a \$3.1 billion bond issue. We had the support of business, education and government. It passed with 73% of the vote. All 100 counties supported it – some of them having never supported any kind of bond issue in their entire history. It remains to this date the largest bond issue passed in any state in America.

That's what we can do. It's an impressive story! North Carolina betting its future on education. Major improvements happening in public education from birth through graduate school. And governors and legislators of both parties over many decades committed to greater investments in education as the key to economic and social development for all of our people.

Greater investments in education and a laser-like focus on increased learning, creativity and innovation have seen nations like Korea, Singapore, Poland, Finland and Germany make giant strides economically. Amanda Ripley says we should make schools harder, and notes a one-to-one relationship between an increase in test scores and GDP growth. More effective teaching by better, well paid teachers using the best new technology in public schools led by excellent principals can surely help us do this.

But today things have changed in North Carolina. Overall, state spending for elementary and secondary schools is down – less than it was five years ago. Our public colleges and universities have been cut. In fact, James T. Gallagher, Professor Emeritus at this university, sees an “educational disarmament” and writes in the *Roeper Review* about how to stop it.

Few big, bold ideas for improving education and the economic growth it generates are being heard where they need to be heard and acted upon in North Carolina. Yet around the world, nations are pursuing the very same strategy of “education for economic growth” that made us as a state so successful.

Looking ahead, it is important for us in North Carolina to study and enact school reform ideas that are well proven. Setting high standards for our students makes sense. And I commend Governor McCrory for endorsing the new college- and career-ready common core state standards for North Carolina. Assessing teacher effectiveness, by means that include data on their students’ learning gains, makes sense. And some “pay for performance” as a part of compensation for teachers is a good idea.

Some charter schools in North Carolina are a positive development: good charter schools. They are public schools. And the original idea that charter schools would be innovative places developing ideas that traditional public schools could adopt is still valid. In my view, however, vouchers are not a good idea.

But while we may differ on some of these matters, there are a whole host of things that we ought to be doing in North Carolina that should unite us:

- fully funding Smart Start,

- adequate funding of More at Four and Pre-K, which the courts say is constitutionally required – perhaps even statewide 4-year-old kindergarten,
- restoring the teacher assistants so badly needed in our schools,
- restoring the extra pay to teachers for their Masters Degree,
- developing and funding a full program for the use of educational technology in our schools – including connections, devices, training of teachers and adequate staff to teach teachers and maintain equipment,
- providing the equipment and programs needed by our Community Colleges in this competitive economy, and
- funding the personnel and programs needed in our University of North Carolina System and independent colleges across our state.

Our colleges and universities are where our students begin to really think and analyze, and to develop vision and values about what it is to be “fully human.” The arts and humanities are critical to that. Here at the University of North Carolina at Chapel Hill and throughout the UNC System, good citizens are formed and business and government leaders are shaped and inspired. I remember the effect that Al Lowenstein had on me, and the burning determination to build a better state that Abe Holtzman sparked in me at N.C. State.

We have heard talk recently about education to “fill jobs.” And that is needed. But our great research universities in North Carolina do the basic and applied research to create new jobs. That is the essence of the Research Triangle. And public policy schools and programs like the one here in Chapel Hill teach us about the issues we face and the policy choices in dealing with them, and get students excited about the democratic process in our state. The life of Tom Lambeth in philanthropy, education and politics is “Exhibit One” that it works.

It is not unreasonable for us to even shift our thinking from all the cuts required in the University of North Carolina System to how it can better serve us and what new investments that will require. I see that the University of Connecticut is hiring extra faculty and accepting more students because the Connecticut legislature just

approved more than \$1.5 billion in new bonding and appropriated \$137 million from the state's general fund for U-Conn's science, technology, engineering and math programs. Their goal is to bring thousands of jobs to Connecticut and revitalize the state's economy. U-Conn's president said their hope is to follow the example of the Research Triangle in North Carolina, which she described as "a place that really links industry and university and education."

Now, let me speak to an economic and, I believe, a moral issue: the treatment of our 90,000 public school teachers in North Carolina.

Teaching is the most important job in our society. And it is the hardest job in our society.

Investing in our teachers is an investment in our future. I've used the term "investment" in this lecture because every dollar we put in education is a dollar that can pay dividends down the road. But it isn't just how much money we spend; it is how we spend it. Investing in our teachers is the best way to boost our entire system of education. The people of North Carolina understand and believe this. They also understand that we in North Carolina are not investing wisely now.

Last week one of the most noted school superintendents in our state told me that his daughter, a recent college graduate, has just gone to teach in South Carolina. He said: "She's making \$41,000 per year. She'd have to teach in North Carolina 15 years to reach that level." And he said, the people in South Carolina told her: "We love North Carolina. Because of North Carolina's low teacher pay, we can get all the special education, math and science teachers we want in South Carolina."

That is wrong. And it is hurting our state. Our teachers should be paid a salary that will attract them into teaching, help them pay off college loans, and be able to provide a decent life for their children. When we fail to do that, we are showing them – our hardworking teachers – disrespect. And it tells them that we don't have faith in them.

When you have faith in people, they begin to have faith in themselves. When you tell teachers that their work matters, that their profession is of the utmost importance to our community and our nation, then they believe it. Let us never forget that it's

our teachers who prepare our future doctors, architects, engineers, social workers and governors. And when you show teachers that they matter through investing in them, then they know you mean what you say.

The truth is that teachers are heroes. They are heroes just the same as soldiers, police officers and firefighters. They are on the front lines of the fight for our future. A lot of people started talking about our teachers being heroes after the tragedy in Connecticut, and those teachers were absolutely heroes in the face of evil.

But we ought to remember that teachers are standing up for our children every single day. One study showed that fifty-three percent (53%) of our teachers pay for food for their students out of their own pocket. Fifty-three percent. Teachers arrive early and stay late. They clean the bathrooms when janitors are let go due to budget cuts, answer the phone whenever it rings, and do all that they can to improve themselves so that they might improve the lives of our children. Teachers are combating the evils of poverty, childhood hunger, and neglect every single day that they walk through the schoolhouse doors. We must have an educational culture in North Carolina and in America that honors and invests in our teachers.

Finally, I want to say a word to the students in this audience tonight. The history I have described of building North Carolina came about because we believed that we were a state of destiny. We had a vision. We believed we could compete with Silicon Valley and Shanghai. We thought we could be the leading state in the South, and then we wanted to lead the Nation. We still do. We made great strides toward our goal in one generation. Tom Lambeth, Joel Fleishman, and I were here with Terry Sanford. We – Tar Heels – made great education investments in our lifetimes. Our lifetimes.

But you need to understand that this progress can be turned back in one generation. It can be turned back in your lifetime. Don't let that happen.

The future of public education in North Carolina comes down to this debate. Either you believe that we're capable of greatness, that all of our children can succeed with the right opportunities, and that we still have a common destiny – or you believe

that our best days are behind us, that our policies ought to pick winners and losers, and that only some of us can ascend to the mountaintop of success.

Our future, as always, resides on your shoulders, yours and the shoulders of the sixteen-year-old who dreams of attending UNC or N.C. State, the shoulders of the four-year-old in Fayetteville who is fighting for a chance, and it will reside on the shoulders of children not yet born.

You are capable of greatness. North Carolina is capable of leading the way. That is both our story and our future. Go forth and do great things.

## Biography



Governor James B. Hunt Jr. has been a national leader in promoting excellence in education and effective public policies for education at all levels. As governor from 1977 to 1985 and again from 1993 to 2001, he led a wide range of education reforms including creation of a primary reading program, teacher pay raises, and one of the nation’s most rigorous programs for measuring student performance, requiring mastery for promotion and graduation, and providing assistance to turn around failing schools. He also established the “Smart Start” early childhood education initiative, which received the Innovations in American Government Award from the Ford Foundation and Harvard University’s John F. Kennedy School of Government.

Governor Hunt chaired the National Board for Professional Teaching Standards for ten years, and founded and led the Hunt Institute for Education Leadership. He was named National Education Policy Leader of the Year by the National Association of State Boards of Education in 2013, and his contributions also have been honored with the prestigious Harold W. McGraw, Jr. Prize, the American Academy of Pediatrics’ Child Health Advocate Award, the Columbia University Teachers College Medal of Distinguished Service, and the first Public Service Award of the American Association for Educational Research, among others. Author of the 2010 book *First in America: An Education Governor Challenges North Carolina*, Governor Hunt earned his bachelor’s and master’s degrees from N.C. State University, and his law degree from UNC-Chapel Hill.



## *Thomas Willis Lambeth*



The Lambeth Lecture honors Thomas Willis Lambeth, who led the Z. Smith Reynolds Foundation as its executive director for more than two decades until his retirement in 2000. Born in Clayton, North Carolina, Lambeth graduated from the University of North Carolina in 1957 with a bachelor's degree in history, and served as Administrative Assistant to Governor Terry Sanford and to U.S. Representative Richardson Preyer before being named to lead the Foundation in 1978. Described by one journalist as “the

state's do-gooder-in-chief,” Lambeth throughout his career has exemplified the qualities of personal integrity, a passionate devotion to education, democracy, and civic engagement, and wholehearted pursuit of the ideals of the public good and of progressive and innovative ways of achieving it.

During his tenure, the Reynolds Foundation awarded grants totaling more than \$260 million to address many of North Carolina's most pressing public policy issues, particularly social justice and equity, governance and civic engagement, community-building and economic development, education, and protection of the state's natural environment. Tom Lambeth also has made a strong personal impact on many key public policy issues in North Carolina and nationally, including leadership of the Public School Forum of North Carolina, Leadership North Carolina, the North Carolina Rural Center, and a task force of the national Institute of Medicine on the problems of people who lack medical insurance. He also has been a national leader in improving the management and effectiveness of family philanthropic foundations themselves.

*The Thomas  
Willis Lambeth  
Distinguished  
Lecture in  
Public Policy*

The Lambeth Lecture was established in 2006 at the University of North Carolina at Chapel Hill by the generous gift of an anonymous donor. Presented annually, its purpose is to bring to the UNC campus distinguished speakers who are practitioners or scholars of public policy, particularly those whose work touches on the fields of education, ethics, democratic institutions, and civic engagement. The lecture is administered by the Lambeth Lectureship Committee composed of faculty members, students, and distinguished individuals engaged in public policy, in collaboration with the Department of Public Policy.



*The Thomas Willis  
Lambeth Distinguished  
Lecture in Public Policy*



UNC  
COLLEGE OF  
ARTS & SCIENCES