

**UNC System President Margaret Spellings:  
Remarks to April 3, 2018 Meeting of the Joint Legislative Education Oversight Committee**

Thank you, Chair Barefoot. Chairs Johnson and Horn, thank you all for your leadership of this committee.

It's good to see many of you again. I had the chance to see some of you at UNC's Board of Governors meeting in Wilmington, and I saw many of you at the Holshouser Legislative Retreat in Pinehurst.

Thank you for all you do for our state and for your consistent engagement with the UNC System. Our partnership with the General Assembly is critical and I'm excited about a host of ongoing legislative initiatives.

The General Assembly's extraordinary commitment to affordability through NC Promise has yielded momentum, optimism, and a sharp rise in applications at all three of the NC Promise institutions as we approach the first semester of \$500 tuition this fall.

Applications are up substantially at Western Carolina University, Elizabeth City State University, and UNC Pembroke and we are excited about the potential of this program.

In addition, tuition is flat or falling at each of our institutions because of your support.

And with two UNC Lab Schools open, three others coming this fall, and more on the way, that statewide initiative is off to a strong start. Data on student outcomes from our first two schools are forthcoming, but all signs are positive.

Today, however, I appreciate the invitation to speak about another effort: The MyFutureNC Commission.

North Carolina has long been a national leader in higher education and not just because of our early start back in 1789.

While other states have retreated, consistent support from this legislature has enabled our public universities to excel at delivering a high-quality education at an affordable price.

With growth in our graduation rate, overall enrollment, research funding, low-income student access, and a host of other metrics, this university system is stronger than ever.

But while we appreciate being an outlier in discussions of cost and student success, we certainly don't celebrate being an outlier in a different sense: today, we increasingly stand alone as one of just five states without a statewide goal for how many of our citizens need some form of education beyond high school.

Forty-five other states have come together, looked at the research and the specific needs of their state and decided what their education systems must deliver to meet the challenges and opportunities that a rising, shifting economy offers.

We are behind the curve and the lack of statewide goals undermines coordination and collective vision. But the MyFutureNC Commission is working to help change that.

Our students' education, from pre-K to high school to college and beyond is not a set of unconnected experiences. At least not for students.

As policymakers, we have treated them as distinct journeys, but for students it's a continuum, a path that leads from early childhood through early adulthood and increasingly, through their career contributing to North Carolina's economy.

To date, we haven't done enough to align each step of that journey, to remove the barriers along the way or raise our expectations to what's required for our state's 21st century workforce.

In practice, that means we lose far too many kids along the way. As you know, for every 100 9th graders in North Carolina, 87 of those students will graduate high school on time.

Seventy-two of them intend to go to some form of postsecondary education – with the rest aspiring to entering the workforce, or the military.

Fifty-three of those 72 students will enroll in college in the fall. The rest intend to but never do.

Six of those 53 students won't return for the spring semester. Another six won't return for their second year. Eleven more won't complete in six years.

That's a lot of numbers but it boils down to this: of those 100 9th graders – 72 of whom intended to continue their education, only 30 will graduate in six years with a degree- either an associates or bachelors. Another 23 will have some college but no degree.

That's an incredible loss of talent, and it's a status quo that's unsustainable and harms our state's economic vitality.

I'm the first to admit we must do better at the higher ed level. But we all know that the groundwork for college readiness starts long before high school. We need to look at the entire continuum.

This is where MyFutureNC comes in.

In the end, MyFutureNC's mission is simple. Using national and state research, and the wide array of expertise and leadership here in North Carolina, it will help get our state on the same page about our educational needs and how to best meet them.

How many people does this state need to educate – and to what levels – to be economically competitive? How many people in this state need education beyond high school to earn a good job, upward mobility, and a shot at the American Dream?

The commission will recommend a statewide goal for the number of North Carolinians who need education beyond high school.

It will also lay out the benchmarks to hit along the way: including targets for kindergarten readiness, third grade literacy, eighth grade proficiency in reading and math, college readiness, and workforce alignment in critical areas.

And then finally, it will recommend the policy reforms and initiatives necessary to achieve those goals and targets.

The commission's membership is drawn from across the state and from every field – from the business, education, non-profit, and faith communities, as well as from state government.

We're grateful for the engaged membership from Representative John Fraley on the House side and Jim Blaine on the Senate side, as well as the Governor's office.

It's an effort that relies on the buy-in and support of North Carolina's business community, a community that has long been a strong supporter of our state's commitment to higher education.

I'm grateful for the strong leadership from my two fellow co-chairs – Andrea Smith, Chief Administrative Officer for Bank of America in Charlotte, and Dale Jenkins, CEO of Medical Mutual Holdings in Raleigh, who represent those strong ties, as well as a host of business leaders who serve as commissioners.

I'm also grateful for the Commission's steering committee – Mark Johnson, North Carolina State Superintendent of Public Instruction; Jennifer Haygood, Acting President of the North Carolina Community College System; Ann Goodnight, Founder of the Goodnight Education Foundation; MC Belk Pilon, Board Chair of the John M. Belk Endowment; and Anna Spangler Nelson from UNC's Board of Governors.

Governor Nelson's leadership is especially important since MyFutureNC emerged out of the UNC Board of Governor's strategic plan which identified this statewide coordination gap just over one year ago and called on us to address it.

And I'm very grateful for the strong leadership from MyFutureNC's executive director Kristy Teskey and her deputy, Matthew Chamberlain, both of whom are here today.

The commission has met twice so far, with its most recent meeting in Winston-Salem delving into the barriers that exist between each step in our system.

Over the coming months, the commission will be releasing white papers from leading scholars in the state to outline where we stand today, what obstacles stand in the way of improving our performance, and what potential reforms we can pursue to move our state forward. We'll be releasing those papers on [myfuturenc.org](http://myfuturenc.org) as public resources for everyone to see.

MyFutureNC will recommend a roadmap with broad buy-in and a bold vision to lead North Carolina forward and better coordinate our efforts.

On this, we can look to other states for lessons. One nationally recognized example is our neighbor to the west: Tennessee.

That state's Republican Governor, Bill Haslam, was in Chapel Hill last month speaking to students and he spoke about what it took in Tennessee to implement the Drive to 55— a highly successful effort to educate 55 percent of Tennesseans with a degree or credential beyond high school.

To me, four things stood out.

First, he made clear that the business community was crucial. CEOs get it, they know they need a well-educated workforce to be competitive. That same dynamic is clear in North Carolina and our business community is solidly behind this effort.

Second, he argued that while there are many ideas about how to provide opportunity and economic mobility, higher education is the investment, the intervention that data show works.

It's the proven method for tackling what I believe is the defining issue of our time. That doesn't necessarily mean a four-year degree, but any high-quality credential or degree after high school.

Third, while any effort takes the entire state's support to succeed, the strong support of the Legislature is essential. In Tennessee, that support came through the Complete College Tennessee Act, and strong budgets that were passed alongside the state's largest-ever tax cuts.

Here in North Carolina, I see that same strong support, through NC Promise, the strongest budget for higher education in a decade, and the broad appetite I see from leaders throughout both chambers to take the next big step.

And finally, Governor Haslam underscored a point that UNC's Board of Governors made clear in our strategic plan.

The hardest thing that leaders or institutions must do is raise expectations.

That's why the process is so important – this can't be a backroom initiative. We must come together as a state and collectively commit to a bold vision.

All these key points – the need for broad support beyond the education sector, a focus on upward mobility as a rationale for this work, the pivotal role of the Legislature, and a priority placed on creating higher expectations as a catalyst for all future progress – have been tenets of North Carolina's approach.

Once we finish our work, MyFutureNC's recommendations and attainment goals – which will be released as this body is convening for long session and will be North Carolina's answer.

So, what does this look like in practice?

The latest research indicates that two-thirds of new jobs will require some form of education beyond high school. The Lumina Foundation advocates for a 60 percent attainment goal nationally by 2025.

Right now, 47 percent of North Carolinians have a degree or credential beyond high school. That varies widely by county, from upwards of 60 percent in Wake County, to rates in the 20s and 30s in many of our tier 1 and tier 2 counties.

If we were to attempt to meet, for example, the Lumina goal, we would need to educate about 1.8 million more North Carolinians with a postsecondary credential by 2025. Today, we are helped by immigration, but any way you slice it, we need more North Carolinians prepared for the future.

MyFutureNC is a home-grown effort that is taking our unique context and history into account. Our goal must and will be tailored to North Carolina's needs. This is not a national one-size-fits all approach.

What about our recommendations for achieving it? What will those look like? From our work so far, it's becoming clear what some of the barriers are that we'll need to address.

Barriers, like the crazy quilt of credit transfer requirements, make moving from community colleges to four-year universities, or between four-year universities, more difficult than necessary.

Or our complicated web of financial aid programs. While financial aid remains the most powerful tool we have for increasing access and retention, its impact is limited by an application process that's difficult to navigate, a confusing system of duplicative state and national financial aid sources, and poor communication to prospective students and their families.

That means a high-school sophomore whose parents never went to college may have no idea that financial aid drives the cost of a degree to be far less than they might expect.

Or our teacher preparation and support system. A system that produces too many teachers who have not been prepared to implement — on day one — the kinds of evidence-based teaching practices that can drive student learning.

And a system that drives too many of our committed teachers to leave the profession after just a few years, often because they see too few opportunities for advancement within it.

Or our state's still incomplete work to reform our frustrating data systems, which hinder our ability to get a true sense of how we're serving students as they move across the educational continuum and into options beyond high school.

These are issues that don't just affect one part of our pipeline. To address them, it will require coordination and action by all of us.

For me, this commission is an encouraging moment.

Last month, the president of the Education Commission of the States, a highly respected policy group that supports state-level education policy, came to Raleigh for a Belk Endowment event around the state of North Carolina's education landscape.

Armed with the latest data from our state and around the country, his message was clear. All the ingredients are here.

Our state is well-positioned to build on our success at every level and create the future we want through education. But we must integrate and connect the dots between our different silos.

Our state is coming together through this commission in good faith, to ask where we must go and how we best get there, so that every North Carolinian has a shot at a better future.

We must seize this opportunity and emerge with actionable recommendations and bold goals that enjoy broad-based support.

I look forward to working with the legislature during the coming sessions and in the months ahead to ensure that happens, and I welcome your questions and comments today.

Thank you, Mr. Chairman.