*my*FUTURE**NC**

LISTENING TOUR

A Statewide Perspective
on Education, Attainment
& Opportunity

6

**FISCAL CHALLENGES & BARRIERS TO STUDENT
ATTAINMENT & RELATED RECOMMENDATIONS**

Introduction

In the fall of 2017, the President of the University of North Carolina System, the Acting President of the North Carolina Community College System, and the North Carolina State Superintendent of Public Instruction partnered with representatives from the education, business, policy, philanthropy, faith-based, and nonprofit communities to establish myFutureNC, a statewide commission focused on educational attainment. For over a year, the Commission worked on developing a comprehensive Call to Action that included an attainment goal for the state, benchmarks to measure progress toward that goal, and Focus Areas and Priorities to guide the state's work as it continues to reach for the goal.

During the spring of 2018, the Friday Institute for Educational Innovation at North Carolina State University organized a Listening Tour to gather feedback from stakeholders across the state about the Commission's emerging Call to Action and its components. In each of the state's eight prosperity zones, Tour staff convened stakeholders at a central location and conducted focus groups and panels all related to the theme of attainment. At many of the stops, staff also led focus groups at local schools or colleges, as well as at local businesses, in order to collect information from teachers, students, employees, and others who otherwise would not have been able to participate in the events. Over the course of the tour, nearly 400 event participants and over 170 on-site student, teacher, and employee participants provided input in the following locations: **Asheboro, Cherokee, Elizabeth City, Greensboro, Jacksonville, Kannapolis, Lenoir, Pinehurst,** and **eastern Wake County**. In addition to the daytime events, EducationNC hosted evening gatherings in surrounding communities, allowing for even greater participation from community members who were unable to attend the daytime meetings. Concurrent with the Listening Tour and evening gatherings, EducationNC and Gallup administered two surveys to different constituencies. To include the voices of more North Carolinians and those who were not able to participate in face-to-face convenings, this report includes responses to relevant corresponding survey items.

Data collected on the myFutureNC Listening Tour and from other myFutureNC-related meetings (including Commission meetings) coalesced into two broad categories of findings—*Challenges and Barriers* to meeting personal and statewide attainment targets, and *Recommendations* for moving forward. We have grouped the challenges and barriers into six thematic areas: *Foundational, Structural, Social, Place-Based,* and *Fiscal Challenges and Barriers,* along with *Challenges and Barriers to Engaging Students and Families.*

Organization of the Briefs

Six documents summarize the Challenges and Barriers identified during the Listening Tour (one for each of the different themes), as well as the related Recommendations provided by Listening Tour participants. Where appropriate, we have supplemented participant comments with relevant data from the statewide EducationNC and Gallup surveys.

Challenges and Barriers

What are the problems we need to solve in order to improve attainment? What are the structural elements that get in the way? Challenges and barriers can be either *within- and cross-sector or out-of-sector.* "Sector" refers to the major education provision levels (pre-Kindergarten, K-12, community colleges, and four-year colleges and graduate schools); "out-of-sector" refers to other variables outside of formal schooling that influence attainment.* This brief details challenges and barriers that we have categorized as **Fiscal Challenges and Barriers**. Fiscal Challenges and Barriers are instances in which *funding and other financial considerations* add to challenges and barriers, both for students and for sector providers.

Recommendations

For many focus group participants, recommendations are based on existing or past local-level actions or programs. In some cases, recommendations are speculative and are not grounded in current projects or initiatives. Recommendations for addressing identified challenges and barriers are included at the end of each section.

Source Codes

At the end of each section, abbreviations indicate the Listening Tour sessions during which the topic of that section was discussed.

Disclaimer

The themes shared in these six summary documents are not presented here as statements of fact or as indications of the Commission's preferred recommendations. The information is simply a reflection of the conversations held across the state—a record of how North Carolinians who participated in the Listening Tour sessions think about the issue of attainment and of the work necessary to improve attainment outcomes for people in their communities.

* This brief also refers to the "continuum," which is used to describe education sectors from P-12 to postsecondary in addition to the business and industry sector that follows.

Fiscal Challenges & Barriers to Student Attainment & Related Recommendations

Increasing Student Debt

The financial aid students receive rarely matches their need, leading students to accumulate debt as they pursue higher education credentials and degrees.

Students, parents, and counselors spend a lot of time figuring out how to pay for higher education—not only because the education itself is expensive, but also because associated costs that are not always straightforward and transparent continue to emerge as students progress through their programs. Even after that commitment of time, for many, financial aid still falls short of financial need. Some high school students are not able to obtain needed information from parents to fill out the Free Application for Federal Student Aid (FAFSA) form or are ineligible all together; both mean that they cannot take advantage of available scholarships. Even middle school students interviewed during the Listening Tour were aware of the costs of higher education, listing affordability as a barrier. For some students who do figure out how to pay for college, minor but unexpected financial setbacks or the challenges of balancing work and academics still can lead to dropout. Many of those who finish struggle to pay off their loans post-college. Overall, all of these additions to student financial burden contribute to a negative narrative about student debt that further deters students from pursuing postsecondary credentials.

Relevant Survey Findings

- EducationNC survey respondents rated "more financial aid opportunities" as the most helpful way to increase educational attainment among students in their community.

- About half (48%) of Gallup survey respondents were satisfied with the affordability of 2-year community colleges. This percentage was 26% in relation to public colleges and universities and 14% in relation to private colleges and universities.

- The majority (78%) of Gallup survey respondents were of the opinion that the cost of a four-year degree was a major reason students were unable to complete their degrees. In reference to two-year colleges, 31% of respondents said that cost was a major factor in non-completion.

- Of EducationNC survey respondents who had not reached their desired level of education, 35% said that they stopped attending school was too expensive, and 15% said that they did not reach their desired level of education because they did not feel that the benefits were worth the cost.

Recommendations from Participants

- Connect students who are unable to fill out the FAFSA with needed information so they can take advantage of financial aid

- Change the FAFSA form to accommodate students who are unable to get needed information from parents/guardians

- Expand the reach of credit-earning programs in high school (like Career and College Promise) to defray postsecondary costs

- Provide emergency funds for students to ensure that those facing unexpected financial crises are able to stay in school

- Provide more paid internships for college students

- Consider locally-funded (that is, municipal and/or county) and/or lottery-funded supplements or scholarships for community college students

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- Increase needs-based grants for community college

- Make community college free for all students

- Expand public and private tuition reimbursement programs

- Expand loan forgiveness programs for students who choose service careers or career pathways that are in high demand

- Provide additional scholarships for adult working students who do not otherwise qualify for financial aid and those who want to return to school but cannot afford to quit working

(C, EC, G, J, L, P, W)

Insufficient Financial Literacy

Student preparation for the real world should include financial literacy training.

Many students do not have an understanding of credit, budgeting, financial aid, and scholarships, and are unprepared to make financial decisions when they enter higher education and the workforce.

Recommendations from Participants

- Embed lessons about finance into curriculum and give students opportunities to demonstrate literacy

(EC, K, W)

Inequitable Funding within and across Sectors

Funding is variable within and across sectors. Areas of education that receive more financial support tend to receive more attention, leading to an unbalanced valuing of sectors and services.

At many Listening Tour stops, participants talked about inequitable funding along the continuum. Some felt that the inequity introduced competition (for example, among teachers, within schools, or across districts), placing emphasis on some segments of the continuum (grade levels, institutions, etc.) over others. There also was concern that inequitable funding across sectors can stress inter-sector partnerships.

Within sectors, participants highlighted several examples:

- In pre-Kindergarten, because even state-supported pre-Kindergarten programs are not fully funded by state, districts have to contribute as well in order to offer them, but many do not have the funds to do so.

- In K-12, teachers in certain grade levels earn bonuses when their students attain proficiency. Some stakeholders felt this was unfair, because the system rewards a single teacher for her or his work, but not teachers in the preceding grade levels who helped students build foundational skills in order to reach proficiency.

- In higher education, small community colleges are unable to provide opportunities that rival those of the larger colleges. Further, they receive funding based on the previous year's enrollment, which means that there are gaps in coverage when trying to launch new programs, and that it is difficult to expand programming in response to changing job markets.

Participants also offered an example of unequal funding between sectors:

- Some career coaches have joint appointments between a high school and a nearby community college. While the state allocates funding to high schools to support the

Source Key
- **A:** Asheboro
- **C:** Cherokee
- **EC:** Elizabeth City
- **G:** Greensboro
- **J:** Jacksonville
- **K:** Kannapolis
- **L:** Lenoir
- **P:** Pinehurst
- **W:** Wake County
- **O:** Other

career coach position, community colleges are responsible for funding the other half of this individual's salary. In many cases, it is difficult for community colleges to support this position with available funding.

Relevant Survey Findings

- The majority (74%) of Gallup survey respondents were of the opinion that lack of funding was the biggest challenge facing K-12 schools in their communities.

Recommendations from Participants

- Encourage more districts to think about their use of resources at the district level rather than at the school level

- Develop more agreements among community colleges to offer critical programs with low local enrollments at the regional instead of the local level

- Attach adequate funding to goals and expansion needs

- Give districts and institutions more funding flexibility—not only to experiment and innovate but also to allow local entities to better tailor their use of funds to their unique contextual needs

(A, C, EC, G, J, K, L, P, W)

Mismatches between State Funding Frameworks and Local Funding Needs

Greater awareness of funding challenges at the school and district levels may help policymakers revise their approach to allotting state funding for programs and staffing.

Listening Tour participants cited two separate but important challenges related to funding frameworks that are pervasive across the continuum. First, they noted that the state often mandates policies without including appropriate or adequate funding for effective implementation. Second, they raised concerns about reliance on non-recurring funding, which, if used to hire staff, offers no guarantee that they will have funds to sustain those positions from one year to the next.

Recommendations from Participants

- Encourage external funders, including community organizations, foundations, and non-profits, to provide funds for sustaining and scaling programs in addition to start-up funds for new programs in schools

(C, G, K, W)

Inadequate Funding for Key Components of the Education Process

Stakeholders noted a few key areas that they believe are in greatest need of additional funding.

At every Listening Tour stop, attendees discussed different challenges posed by inadequate funding, but four in particular emerged as most important to a many of them:

1. *Dedicate more funding not just to teacher salaries but also to support personnel positions*

   Focus group participants felt that the state does not fairly compensate educators, and that schools suffer as a result. Local tax supplements contribute to inequities in teacher pay between districts, meaning that districts differ in their ability to attract and retain talent. Furthermore, a lack of funding for support personnel means that students are unable to access needed non-instructional services in schools, like counseling and job coaching.

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Representatives from higher education specifically highlighted the challenges of recruiting and retaining community college instructors, as community colleges generally cannot compete with the pay their instructors can earn in their respective fields. For this reason, many colleges rely on adjunct instructors, which can lead to program instability.

2. *Commit more funds to key supplemental programs*

    In addition to funding for educator salaries, participants called for more funding to support programs like universal pre-Kindergarten, special education, English as a Second Language, career and technical education programs, and summer school (especially in higher education).

3. *Provide better coverage for material costs*

    Material costs are not always a part of funding formulae, and participants wanted to emphasize the burden this places upon educators, who often purchase their own supplies to stock their classrooms. Representatives from higher education stressed the importance of advertising their available programs and of making expensive industry-grade equipment and technology available to students.

Finally, many participants emphasized the importance of framing all conversations about public education expenditures as investments, not as expenses. They contended that a lack of adequate investment in public education now will lead to necessary growth (and, as a result, greater investment) in corrective public services down the road (for instance, law enforcement).

(A, C, EC, G, J, K, L, P, W)

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