

**UNC System President Margaret Spellings' Remarks to Raleigh Chamber
March 28, 2018**

Thank you, Adrienne, for that introduction and for your leadership here in Raleigh. And thank you, Chair Goodman, for your leadership of this Chamber.

I'm in the middle of the State of the University Tour across North Carolina, and we've been grateful to have the local chambers as co-sponsors at each event.

I feel right at home on days like this, since I had the privilege of serving as the U.S. Chamber of Commerce Foundation's President in D.C.

The voice of the business community is essential for a pragmatic politics focused on growth and broad opportunity. Those of us who work in education recognize all of you as pivotal partners in everything we do.

So, I'm grateful to talk with you about where our state's university system is heading, and how a changing economy is driving our universities and our business community even closer together.

North Carolina has, without question, one of the finest university systems in the nation.

Seventeen institutions rooted in their communities, backed by a public and legislators that prioritize public higher education, and supported by far-sighted business leaders who recognize a strong university as a competitive advantage and strategic investment.

And we're getting better every day.

We've raised our graduation rate more than six percentage points in the last five years.

We've increased our annual outside research funding by more than \$300 million. The UNC System nets one and a half billion dollars in research investments every year.

Our Triangle universities are national powerhouses in the competition for research dollars. Over \$1 billion in outside funding comes to UNC-Chapel Hill and over \$400 million to NC State. There is simply no question that our public universities have been instrumental in building and sustaining the Triangle's modern economy.

We're filling jobs in vital fields, producing nearly 21,000 graduates each year with degrees and certificates in health sciences, engineering, and STEM — an increase of 29 percent since 2011.

We're graduating nearly 20 percent more low-income students each year than we did in 2011.

And thanks to the legislature's commitment, tuition for North Carolinians is flat or falling at every one of our institutions.

We are getting stronger. But it's no cause for complacency. As I like to say, we're pleased but not satisfied.

The question before us now is how we uphold our core mission in a rapidly changing world.

North Carolina is the place where we can — where we must — answer that charge. Our state mirrors the most significant trends affecting the country — a political battleground with shifting demographics and an economy that’s growing well, but unevenly.

The University System is, as UNC President Bill Friday famously said, a “mighty engine” for shaping these forces. And over the years, its power has come from a willingness to adapt and reinvent.

Land grant universities expanded our idea of “all useful learning” well beyond the classical liberal arts, recognizing higher education’s essential role in a modern economy.

Campuses were transformed once again when the GI Bill expanded our vision of college, ushering in a broad middle class.

And the struggle for civil rights established the opportunity to learn and achieve as the birthright of all Americans.

We’re embracing that legacy of thoughtful change as we set higher expectations for North Carolina.

And as we move ahead, there are three big issues that both keep me up at night and give me confidence in our mission.

Mobility

The first is economic mobility — the defining issue of our time.

The American Dream holds that talent and hard work lead to a better life.

When that belief begins to fray, we all suffer. Our politics become more troubled, and we fail to tap the talent we must have to thrive.

Our region — from Southern Virginia through Mississippi — is struggling with mobility. Children born into poverty in the South have strikingly low odds of bettering their lives.

In North Carolina, our metro areas rank among the worst in the nation for upward mobility, with Raleigh, along with cities like Greensboro, Charlotte, and Fayetteville, all in the bottom 10% of America’s metro areas.

We have the power to change that dynamic, because higher education is a proven route to economic mobility.

In Raleigh, a child born into the bottom income quintile has just a five percent chance of reaching the top quintile.

But if that child enrolls at a UNC System school, those prospects change. Enrolling at NC Central University almost triples the likelihood of making that jump; enrolling at NC State or UNC-Chapel Hill makes that leap six times more likely.

When we meet our core mission — reaching talented students from all backgrounds, getting them in the door, and helping them graduate — we change lives, lift families, and transform communities.

That upward mobility is essential for our economy. Everywhere I go, I hear about the “skills gap” that is hindering your members and holding back economic growth. And at the same time, we’ve got hundreds of thousands of working-age North Carolinians who aren’t in school or on the job.

A modern economy depends on talent, and we’re leaving too much of it untapped.

As the state’s public University System, we’re embracing our responsibility to change that dynamic.

It’s an access issue. Earning a place in college must not depend on the color of your skin, the income of your family, or the zip code where you grew up.

It’s also a student success issue. Your odds of graduating should depend on work ethic and academic performance, not your parents’ resources.

And it’s a community impact issue. The jobs created by our alumni, the healthcare provided by our hospitals and medical graduates, the new industries developed by our researchers — they improve the quality of life for everyone, not just those who study at our campuses.

That is our obligation as the People’s University — to think beyond those who enroll.

I’m not a believer in college-for-all, and I don’t know any university president or business leader who is. But I am a believer in education and training beyond high school for everyone, whether that’s on a campus, on the job, or through military service.

We’re steadily losing jobs for high school graduates and gaining work that requires more education. Meeting that demand will take a whole new level of connection between our universities and the state’s business community. We must support apprenticeship programs, grant credit for military service, and partner with employers to offer on-the-job training that counts toward a degree or a certificate.

The students we serve today are far more diverse than those we served a quarter-century ago. We need realistic options for a 35-year-old who trained as a welder but now needs a business degree to enter management; for a working mom who relies on part-time classes to help elevate her career; for a growing company that needs homegrown talent to expand.

Universities don’t have to fill every role, but we need to work more seamlessly with business partners, community colleges, and the emerging players that are offering innovative approaches to education. There’s enough work for all of us.

We’ve formed the My Future NC Commission to take a hard look at how North Carolina can coordinate better and eliminate some of the hurdles that keep students from progressing beyond high school.

We're one of just seven states without an established goal for educational attainment beyond high school. That must change. My Future NC is going to set a target, and define the steps we need to take to hit it.

We have representatives from government, education, nonprofit institutions, the faith community, and business leader like you. I'm grateful to have two outstanding co-chairs lead the commission alongside me — Dale Jenkins from Medical Mutual Holdings and Andrea Smith from Bank of America.

One of the single most important things we can do as a University to promote economic opportunity is keep college within reach for North Carolina's families.

North Carolina has some of the lowest tuition in the country, thanks to a long history of public support.

But relative affordability offers little comfort to parents looking at a \$22,000 cost of attendance. They're not comparing our schools to a carefully selected group of national peers.

They're comparing us to their savings accounts and paychecks, neither of which have kept up with the tuition hikes over the past two decades.

Which is why, through the leadership of the General Assembly, the UNC Board of Governors, and our Trustees and Chancellors, we've put a lid on tuition.

The UNC System's strategic plan caps tuition at the pace of income growth in our state. And we've mandated flat tuition for students who stay on track for graduation.

Most remarkably, thanks to a bold investment from the General Assembly, the NC Promise initiative has dropped tuition to just \$500 per semester at UNC Pembroke, Western Carolina University, and Elizabeth City State University, fulfilling our Constitutional mandate to be as free as practicable.

If we want to build a college-going culture, we cannot price average families out of the market. Economic mobility can't become a luxury good.

Accountability

The second key issue for the University system is accountability.

Higher education has suffered from a 'send us the money and leave us alone' kind of attitude. What we do is legitimately hard to measure, and many of the benefits we bring to both individuals and the broader society take a long time to mature. So we've told people to trust us.

That era is over.

I understand the frustration with tests and metrics, and the appeal of rhetoric about local control. But blaming data collection for the failings of education is just shooting the messenger.

Done right, better data and higher standards are tools for greater flexibility and better decision-making at every level.

Accountability doesn't hinder talented leaders — it lets them work effectively.

That's what our strategic plan is all about, and why it won unanimous support from the UNC Board of Governors.

We've signed 17 customized performance agreements with each chancellor in the UNC System, all of them embracing measurable outcomes as a route to excellence.

These are unique blueprints that outline targets and goals for each institution. At NC State, for instance, Chancellor Woodson has committed to attracting almost 20 percent more outside

research funding; awarding 12 percent more critical workforce credentials; and improving the five-year graduation rate by nearly five percent — all by 2022.

NCSU's progress — along with every other campus and the system as a whole — will be on display in newly launched data dashboards, showing the public exactly how we're doing.

This isn't a new approach to those in the business community. A strategic plan with ambitious goals, backed up by specific, measurable targets that hold each institution or division accountable for its contribution, with progress clearly communicated to stakeholders and board members. That's how a business is run.

But for higher education, this is new territory. It's overdue, but I'm proud of our institutions' responses. Our leaders are embracing this opportunity and are seeing accountability as a tool to aim higher. And as a System, we're demonstrating a new approach to accountability with national consequences.

To truly understand our own operation, however, to evaluate our programs, and drive better decision making, we must also reform and align some of the clunky data systems we currently use.

No business could operate with 17 different data systems that don't talk to each other. No business could operate with key questions about cost and efficiency and outcomes unanswerable because of data gaps.

But that's the reality for this \$10 billion institution. And that's why data modernization is my top priority for May's legislative short session

And, with a better understanding of our own enterprise, we can move toward a funding model that better serves our priorities and puts our money where our mouths are.

If we care about graduation rates, achievement gaps and creating a 21st century workforce, our resources must match our rhetoric and our goals.

Nationally, we're seeing a deeply discouraging retreat on shared standards and accountability.

But I'm proud that North Carolina is charting a different course, pulling back the curtain, and letting measurable results guide our actions and tell our story.

Public Good

Our bottom line matters. But so do the values that are hard to show on a dashboard.

Fulfilling our historic mission to advance the public good is our third, and in many ways the most fundamental issue we face. It's the reason this University exists — the bedrock of everything we do.

A great many of the people in this state who run businesses, teach our children, heal our families, enrich our culture, and set our public policy will pass through the doors of our universities.

What we teach, the behavior we expect, and the standards we model as teachers and public officials helps set the tone for our graduates and the world beyond.

And that's an enormous responsibility.

We live in a world of instant headlines about campus protests and disinvited speakers. A thoughtless remark from a student, a professor, or a university administrator can ricochet across the country, sending everyone to their assigned corners to denounce or defend.

What we do every day as educators and public institutions matters. We have to stand behind the core values of free expression, intellectual diversity, and patient engagement with new ideas.

Our institutions aren't new to this debate. We've long been at the center of American cultural life and the passion and sentiments that accompany it. For the business community, however, the recent pressure to take sides in hot button debates is more intense than ever.

So today, we're all in this together. And as we both navigate a supercharged media landscape, driven by social-media and fueled by knee-jerk reactions, we have a lot to learn from each other. And we have a lot we can do to support each other as well.

Business leaders know that a successful workforce is one that's drawn from different backgrounds, with different experiences, and different perspectives. We need your voices making that point and underscoring that truth.

Because fostering that diversity is core to our model. Our campuses bring together people from different backgrounds to gather in the same place, debate the same books, and navigate the same social life. A college education remains one of the most integrated and intellectually demanding experiences in American life.

Our students recognize the privilege of thinking and learning. They want to live up to that gift, to leave the world in better shape than they found it.

Anyone who says that college students have lost their heads or their desire to be good citizens just isn't paying attention.

But I promise you this — our students are paying attention to us. They're watching how we lead and govern, how we engage in public debate, and how we adapt to the needs of our time.

It's up to us to show that public institutions are an ally in the effort to make a better world. That public service is honorable and effective. That trust in our fellow citizens, and faith in the country that unites us, is vital to any vision of real progress.

Conclusion

The people who come to work every day in our labs and classrooms, on our police departments and maintenance crews, in our hospitals and health clinics — they're here because they want to make a difference. And they do — all across this state, in all 100 of North Carolina's counties.

Our job as a System is to enable that good work. It's to build a college-going culture that encourages every North Carolinian to see education beyond high school as pivotal to their future.

Cultivating higher expectations is what leadership is all about. As managers and entrepreneurs, you know this. If you can elevate the expectations of the people around you, progress will follow.

We need your help to make that big lift here in North Carolina. We need to hear your voices — to your employees, to your lawmakers, to the media.

This will be a major priority for me over the coming years. I will be making the case to the people of North Carolina that higher education is not an elite luxury but a tool for all of us. Something that's within reach and relevant to the world we're facing.

UNC System President Friday used to issue a powerful challenge to students.

"Every morning," he said, "a million North Carolinians get up and go to work for wages which leave them below the poverty line, so they can pay taxes that finance the education you receive. Your job is to figure out how you're going to pay them back."

I'm proud to say that we have been and are answering that call. And with your support and advocacy, I'll be standing here again in a few years to report an even stronger, more effective University of North Carolina System.