

21st Century Technology and Equipment for Higher Education

Recommendation

Provides \$150 million to ensure the development of a 21st century workforce through access to 21st century technology. Funds will be used for apprenticeship and retraining infrastructure, such as lab and technology for programs in Science, Technology, Engineering and Math (STEM), healthcare, construction, public safety, and other high-demand workforce areas. Funds may also be used to support education technology infrastructure, such as broadband access and service, software, and technology to support easier access to financial aid information. Would allocate \$75 million to the North Carolina Community College System (NCCCS), \$45 million to the UNC System, and \$30 million to the North Carolina Independent Colleges and Universities (NCICU).

Statement of Need

21st century jobs require fluency in the digital world and familiarity with current technology. The coronavirus pandemic has further highlighted the need to invest in modern facilities and technology to support long-term learning and success in STEM and other high-demand fields and ensure employers can find the talent they need.

- The Bureau of Labor Statistics (BLS) estimates that an additional 800,000 STEM jobs will be added to the economy over the next 9 years.¹ Students must be educated to fill these roles.
- Aging infrastructure and obsolete equipment limit the ability of universities and community colleges to provide the hands-on experience necessary for students to graduate with adequate training on current technology and equipment required in high-demand fields.
- Many rural colleges, especially those serving our economically challenged regions, operate on outdated infrastructure or lack systems needed to fully extend broadband across their campuses and to their students.
- Instructors need professional development on how to effectively use the technology available, and students need education on how to be responsible digital learners.

Recommendation Detail

- Provides \$150 million to help North Carolina postsecondary institutions modernize facilities and invest in equipment and technology necessary to ensure development of a 21st century workforce. Funds will be used for:
 - Apprenticeship and retraining infrastructure, including, but not limited to, simulation labs, technology needs, and other building and materials required for programs in STEM, healthcare, construction, public safety, and other high-demand fields.
 - Education technology infrastructure, including, but not limited to, broadband access and service, wiring, Wi-Fi access points and devices, educational software, professional development to improve blended learning, and development of statewide evidence-based plans to decrease the digital divide. Funds may also be used to streamline online access to student services and information, such as financial aid or counseling.

¹ Bureau of Labor Statistics. "[Why computer occupations are behind strong STEM employment growth in the 2019-2029 decade.](#)"

Expected Impact

Investment in modernized infrastructure and equipment at postsecondary institutions is expected to have the following impacts:

- Increased capacity to train on updated simulation equipment for health care, public safety, and first responders; training equipment for high-demand, living wage occupations; and equipment and technology for STEM programs.
- Improved technology and equipment to support online learning and provide flexible learning options.
- Increased number of students graduating from degree and credential programs with skills and experience using current technology and equipment utilized by employers in high-demand fields.
- Modernized IT infrastructure and expanded broadband access at 20 rural community college campuses, including expansion of Wi-Fi access points to provide high speed internet access to students without reliable home internet.

NC Guarantee and Other Financial Aid

Recommendation

NC has long been committed to providing a quality and affordable postsecondary education to any resident. In fact, our state constitution requires it. The NC Guarantee builds on this constitutional requirement by promising that students from families making \$60,000 a year or less will be guaranteed at least \$6,000 per year to cover the cost of tuition, fees, and other expenses at any UNC institution or NC community college. In conjunction with supplemental aid targeted at the neediest students and flexible funding to support degree acceleration through summer school and meet emergency situations, this proposal makes significant strides in making college more affordable and accessible to North Carolinians.

Table 1: Allocation of Funds to by Aid Program

NC Guarantee Scholarship for UNC/NCCCS	\$ 350,000,000
Recovery Scholarship for UNC/NCCCS	\$ 270,000,000
Recovery Scholarship for Independent Colleges	\$ 95,000,000
Summer Accelerator Grants	\$60,000,000
Finish Line Grants	\$ 60,000,000
Grand Total	\$ 835,000,000

Statement of Need

The state of North Carolina has set an ambitious attainment goal that by 2030, 2 million North Carolinians will have a postsecondary degree or credential. However, the pandemic has threatened progress towards this goal and students from low-income families, students of color, and students in rural communities are disproportionately falling out of the education system:

- More than half of NC parents report that their K-12 students are spending less time on learning activities than pre-pandemic.¹ Most of these families have lost income due to the pandemic.
- While tuition and fees are among the most affordable in the country in North Carolina, growth in the overall cost of attendance still poses a barrier to low- and middle-income students.
- The complexity of North Carolina’s existing aid programs leads many students and families to assume that higher education is too expensive to afford.
- FAFSA completions, a leading indicator of college enrollment, are down 6.2% compared to this time last year. FAFSA completions are disproportionately low in Title I eligible schools (10.6% vs. -3.5% in non-Title 1 schools) and rural schools (-9.0% vs. 6.1% and 4.9% in urban and suburban schools, respectively).²
- New student enrollment dropped 20% in NCCCS in Fall 2020 compared to Fall 2019 among curriculum students.³ The UNC System saw a 3% decrease among new undergraduate students.⁴

¹ US Census Bureau. [Household Pulse Survey, Week 25](#).

² National College Attainment. [Network FAFSA tracker, 4/2/21](#).

³ [NCCCS dashboard](#).

⁴ [UNC enrollment dashboard](#).

- Among adults who planned on taking college classes this year, 30% canceled such plans, largely due to income changes due to the pandemic.⁵ 71% of them earn less than \$75,000 per year.

Recommendation Detail

College affordability and accessibility is critical for reversing trends and meeting the State’s attainment goal. NC Guarantee provides a clear, simple message that communicates the availability of financial aid and other targeted aid will further help students and families that have been disproportionately impacted by the pandemic.

NC Guarantee Scholarship for Students at UNC/NCCCS (\$350 million)

- Provides a guaranteed scholarship of at least \$6,000 to any North Carolina resident whose family income is less than \$60,000. The amount of the guaranteed scholarship would phase out as family income increases up to \$75,000. Guarantee would factor in Pell and other state sources of need-based aid, filling any gaps with ARP funding. The scholarship could be used towards the cost of full or part-time attendance at any North Carolina community college or university (part-time students would receive a pro-rated guarantee amount).
- The program would be administered by the State Education Assistance Authority (SEAA) and would be complementary to existing aid structures. To be eligible, students must have completed the FAFSA. In addition to allowable administrative costs for SEAA, up to \$1.5 million may be used for outreach and development of interactive web-based tools to aid students in understanding institutional costs and aid eligibility.

Recovery Scholarship for Students at UNC/NCCCS (\$270 million)

- Ensures financial stability for low-income students attending public postsecondary institutions by providing an additional \$500 per semester for students with an Expected Family Contribution (EFC) up to \$1,000 (equates to a median AGI of approximately \$35,000). Includes part-time students at a pro-rated amount. Examples of ways students could use these grants may include paying for childcare, maintaining a mode of transport, avoiding food insecurity, or other costs of attendance.
- The program would be administered by the SEAA and would be complementary to existing aid structures. To be eligible, students must have completed the FAFSA.

Recovery Scholarship for Students at Independent Colleges (\$95 million)

- Ensures financial stability for low-income students attending private postsecondary institutions by providing an additional \$875 per semester for all full-time students receiving Need-Based Scholarship funds. Part-time students or students enrolled in a lower cost program would receive \$500 per semester. Examples of ways students could use these grants may include paying for childcare, maintaining a mode of transport, avoiding food insecurity, or other costs of attendance.
- The program would be administered by the SEAA and would be complementary to existing aid structures. To be eligible, students must have completed the FAFSA.

⁵ US Census Bureau. [Household Pulse Survey, Week 25](#).

Summer Accelerator Grants (\$60 million)

- Provides additional funding to institutions for summer school assistance. With a focus on educational attainment, institutional allocations would provide funds for students attending summer courses to achieve an accelerated degree or credential, and/or students in need of remedial courses or other summer supports to get and stay on track in their programs to graduate on time.

Finish Line Grants (\$60 million)

- Provides funding to institutions to assist students with degree completion by providing up to \$1,000 per semester for financial emergencies that threaten the student's ability to graduate.
- Eligible students must have completed or be enrolled in courses that constitute 50% completion towards a degree or credential program and have a minimum GPA of 2.0. Financial emergencies must arise through no fault of the student and may include inability to pay for course materials, housing, subsistence, medical needs, transportation, and dependent care.

Expected Impact

This proposal is expected to have the following impacts:

- Financial aid will be more consumer friendly and more predictable based on family income levels. Improved transparency aims to allow families to make more informed choices about education.
- Across all programs, over 200,000 students will receive additional financial support.
- The NC Guarantee Scholarship would provide additional aid to over 72,000 students. When combined with Pell and other need-based aid, this additional aid will ensure approximately 167,000 students with family income under \$60,000 receive the guaranteed aid minimum.
- Approximately 120,000 of the state's neediest students will receive additional aid through Recovery Scholarships.
- Finish Line Grants will support emergency aid to at least 20,000 students per year, reducing the possibility of an unexpected financial emergency derailing their ability to graduate.
- Additional support and transparency in aid availability is also expected to improve student retention rates and increase the number of North Carolinians pursuing degrees.

Reconnect the Workforce

Recommendation

Provides \$25 million to the Division of Workforce Solutions (DWS) within the Department of Commerce (DOC) to support people who are disconnected from the workforce and increase their access to education, training, and support needed to obtain quality employment. DWS will use these funds for eight initiatives, including grants supporting work-based learning, rural youth mentorship, and programs to target underrepresented populations. Funds will also support a re-entry program partnership with the Department of Public Safety and a program aiding veterans and their families.

Table 1: Allocation of Funds to Reconnect the Workforce

Creating Work-Based Learning Opportunities	\$10,000,000
Engaging Rural Youth in Work Experiences	\$ 3,000,000
Increasing Opportunities for Underrepresented Workers	\$ 3,000,000
Supporting Active-Duty Military and Veterans	\$ 2,000,000
Expanding the Re-entry Program	\$ 2,000,000
Overcoming Substance Abuse	\$ 2,000,000
Leveraging Technology and Online Services	\$ 2,000,000
Marketing NCWorks Statewide	\$ 1,000,000
Grand Total	\$ 25,000,000

Statement of Need

The pandemic has had a significant impact on North Carolina's workforce.

- While many people have returned to work, the March 2021 unemployment rate of 5.2% remains higher than before the pandemic (3.9% in March 2020).¹
- Many people have left the labor force and are not being counted in the official unemployment numbers. Between February 2020 and March 2021, an estimated 89,000 North Carolinians left the workforce.²
- The pandemic has impacted certain portions of the population more than others, including women, people of color, and people working in the service industry. For example, around 80,000 more women than men lost or left employment since March 2020.³
- Individuals need the appropriate credentials to qualify and compete for desired positions, but too many fall short of completion. The high school graduation rates and percentage of Black and Latinx individuals with a bachelor's degree or above lag their white counterparts.⁴
- Even for those who pursue and attain postsecondary degrees, pipelines are not currently keeping up with all growing industries. For example, North Carolina ranks 26th in STEM graduate production as a percentage of graduates.⁵

¹ NC Department of Commerce. "[North Carolina Labor Market Conditions March 2021.](#)"

² U.S. Bureau of Labor Statistics. "[Civilian Labor Force in North Carolina.](#)"

³ IPUMS, U.S. Census. Current Population Survey 2020.

⁴ myFutureNC. "[High School Graduation Rate;](#)" BEST NC, "[Facts & Figures Education in North Carolina 2018.](#)"

⁵ EMSI; Integrated Postsecondary Education Data System (IPEDS), National Center for Education Statistics (NCES).

Recommendation Detail

- Provides \$10 million to DWS to establish a three-year, work-based learning program targeting businesses with fewer than 25 employees with funding for On-The-Job Training, Work Experience, Incumbent Worker Training, and apprenticeships to aid in business retention and expansion. The program will focus on historically underutilized businesses, industries most impacted by the pandemic (including manufacturing, agribusiness, and hospitality), and priority industries with substantial occupational skills gaps (including life sciences and technology). Dislocated workers with transitional skills will also be targeted as priority job candidates.
- Provides \$3 million to better engage rural youth in work experiences. Specifically, DWS will establish a \$2 million grant program to fund youth work experiences and summer jobs. Local Workforce Development Boards will identify companies to participate in this program. In addition, \$1 million will extend a grant for the Communities in Schools high school youth mentoring program.
- Provides \$3 million to better engage women and Black, Latinx, and American Indian youth to prepare them for careers in high-demand sectors, such as life sciences and technology.
- Provides \$2 million to the Military Spouse Economic Empowerment Fund within DWS to assist veterans and military spouses with training and employment opportunities by funding seven time-limited staff positions at military installations statewide. Funding also will assist veterans transitioning from active duty to find meaningful employment.
- Provides \$2 million to DWS to enhance the Department of Public Safety's re-entry program, which supports individuals involved in the justice system by connecting them to employment opportunities prior to transitioning back into the community.
- Provides \$2 million for a program that assists individuals battling substance abuse to enter and stay in the workforce. The program will be modeled after a successful Mountain Area Workforce Development Board program, UpSkill WNC.
- Allocates \$2 million to procure technology and enhance online services available to help people learn about and connect to in-demand jobs. New technology identified during the pandemic has created more ways for NCWorks Career Centers to connect with people across the state. Procuring these new technologies will help more people find work through virtual career fairs and tailored online services.
- Provides \$1 million to expand Local Workforce Development Boards' outreach to industry and community leaders. Those connections will inform the Boards as they prepare job seekers for and connect them to available positions in their region. Services include training for relevant positions, career information and guidance, and job search assistance.
- Uses 3% of these funds for administration of these programs.

Expected Impact

These investments will ensure people further disconnected from the economy by the pandemic have the opportunity to rejoin the workforce.

- The work-based learning program will provide an estimated 400 On-the-Job Training participants with an average of \$25,000 in reimbursed salary.
- An additional 500 youth will participate in summer apprenticeship programs, increasing each individual's earnings by \$4,800.
- The re-entry program will serve about 9,000 justice-involved individuals after their release.