



New Poll Shows North Carolina Voters Support Federal Efforts to Protect Return on Investment from Higher Education

By Nicole Siegel, Senior Education Communications Manager
Tamara Hiler, Director of Education

As the fallout from the COVID-19 pandemic continues to unfold, we know that a growing number of Americans will turn to our nation's higher education system to gain the new skills and credentials they'll need to weather the current economic storm. Which means that now more than ever, students and taxpayers will depend on our higher education system to deliver economic value.

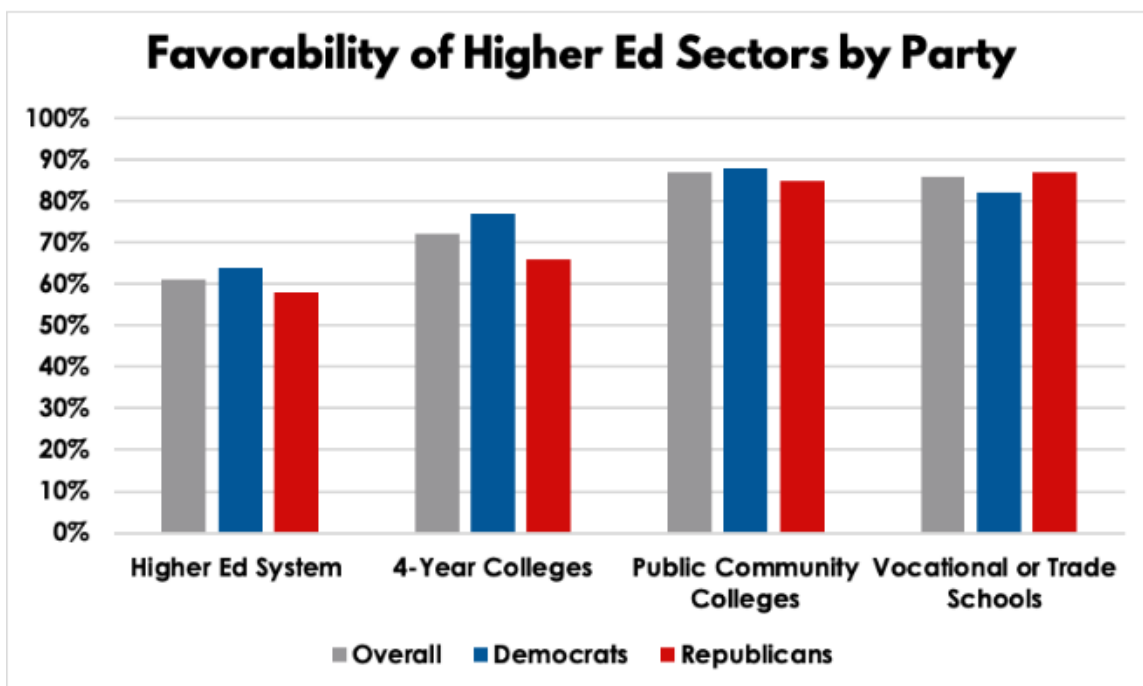
And while we have seen a marked shift by the current administration over the last three years to roll back key consumer protections that would weaken quality assurance across the sector, new public opinion research from likely voters in North Carolina shows that such actions remain deeply unpopular with voters across the aisle. Our latest poll finds that voters believe higher education remains the surest path to economic and social well-being, and that strengthening—not eliminating—basic guardrails across the entire system is critical to ensuring both students and taxpayers see a real return on their investment in higher ed. Some policymakers and the current administration have expressed their desire to push for broad waivers of federal oversight in an effort to let institutions have flexibility over current and future stimulus packages. However, this memo highlights key data points showing that such action would be unpopular, as voters want to see the federal government make a stronger commitment to consumer protection and oversight in higher education.

The following are key findings are from a larger survey that included 300 North Carolina voters, conducted by Global Strategy Group for Third Way fielded from March 4-11, 2020. The precision of online surveys is measured using a credibility interval and, in this case, the interval is $\pm 5.66\%$. The margin on the subsamples is larger, including breakouts by party. Care has been taken to ensure the geographic and demographic divisions on the expected electorates are properly represented based on historical turnout.

Why Voters Need a Strong Higher Education System More Than Ever

With campuses shut down across the country, the impact of coronavirus on our nation's higher education institutions is far-reaching and will have a ripple effect on students, schools, and the entire industry for years to come. But one thing is clear: American colleges will play a crucial role in helping our country recover and equipping our workforce to rebuild. Luckily, a plurality of North Carolina voters has faith that our country's higher education system is up to the task. When asked their views on various sectors and institutions, 61% of likely voters gave the overall higher education system a

favorable rating, with that favorability climbing even higher for four-year colleges and universities (72% favorable), public community colleges (87%), and vocational or trade schools (86%).



Though faith in the higher education sector remains strong, voters on both sides of the aisle recognize that there needs to be increased vigilance to make sure the system serves all students well. By a five-to-one margin (82% to 18%), North Carolina voters (including 87% of Democrats and 80% of Republicans) said that “colleges need to be held more accountable for providing a return on investment to students,” as opposed to agreeing that “colleges are already providing enough return on investment to students.”

That’s why when presented with a whole battery of higher education priorities they may like to see their Member of Congress address, North Carolina voters rated their top two as: “making higher education affordable and ensuring it provides a good value to students” (with 76% saying it was important) and “protecting student loan borrowers from predatory institutions that lie to get them to enroll” (an important priority for 83%). These numbers were consistently high across the partisan spectrum, with 88% of Democrats and 66% of Republicans prioritizing the former as important and 85% of Democrats and 83% of Republicans prioritizing the latter. In fact, these priorities significantly outranked more frequently discussed policy remedies like making college free (which 47% of North Carolinians said was important) or cancelling all student loan debt (a priority for only 48%).

At the end of the day, voters want to see Congress focus its efforts on ensuring our nation’s higher education system provides a good economic value to students. And while debates around tuition-free college and student debt cancellation may dominate the national headlines, there are several *other* policies in Congress that would help to expand

all North Carolinians chances of seeing a return on investment from this sector. The sections below lay out the vast support North Carolina voters have for strengthening federal guardrails on our nation's higher education system and the top actions they want to see Congress take up in the months ahead.

Top 4 Ways North Carolina Voters Hope Congress Will Protect Students and Taxpayers:

1. Improving Transparency So Consumers & Policymakers Know Which Programs Serve Students Well.

Deciding where to go to college is not just one of the biggest decisions students and their families will make in their lifetime, it's also one of the biggest investments. As students may enroll or re-enroll in postsecondary education in light of the economic downturn, it's critical they know which programs and institutions will provide them with the best return on their monetary and time investment. Currently the federal government has a limited toolbox to ensure that money is being spent wisely and not funneled into schools where students end up worse off than when they started. To make sure taxpayer dollars go to the colleges that will set students up for success, we need greater transparency to help Americans make informed decisions about where to go to school.

Lawmakers can help by publishing information that shows the outcomes of students who have attended institutions across the country, and there's strong support from voters to do so: 78% of North Carolina voters (including 78% of Democrats and 75% of Republicans) agree "the federal government should be allowed to publish summary data on student outcomes" while only 22% agree that the publishing of such data by the federal government should be banned. And because greater transparency allows better decision-making by consumers and an increased focus on student outcomes by programs and institutions themselves, 85% of North Carolina voters find it important for lawmakers to "increase transparency so that students and their families have all available information about their chances of graduating and their expected earnings by lifting the federal ban on collecting data like graduation rates, loan repayment rates, job placement rates, and post-college earnings."

2. Protecting Borrowers from Predatory Institutions.

When students pursue education beyond high school, they do so in the hopes of gaining the skills or credentials they need to increase their earning potential and lead stable and secure lives. But for many students, this reality never comes to fruition, especially if they attend a predatory institution that engages in illegal recruitment practices, provides fraudulent information to get students to enroll, mismanages finances, and sometimes, without notice, closes their doors altogether. In order to make sure students attend institutions that don't leave them worse off than before they started, voters recognized two key consumer protections they would like to see Congress prioritize:

Closing the 90/10 loophole.

In addition to shoring up transparency, North Carolina voters also believe Congress has a duty to put in place basic guardrails to prevent predatory schools from targeting some of our nation's most vulnerable populations—in hopes of scooping up the taxpayer dollars that follow them.

It was abundantly clear in our survey that voters on both sides of the aisle have little tolerance for this kind of behavior and want to strengthen federal oversight of these bad actors and increase protections for borrowers who have been defrauded by their schools, especially low-income students, first generation students, and student veterans. Sixty-nine percent of voters in the state (including 74% of Democrats and 59% of Republicans) agree that “the federal government has a role to play in protecting students’ and taxpayers’ dollars from going to schools or programs that lie to students to get them to enroll,” while only 33% agree that “it is the students’ job to investigate whether the promises a college or university makes are true.”

For years, predatory schools have skirted a federal law known as the 90/10 rule, designed to prevent the flow of taxpayer dollars to low-value for-profit institutions by taking advantage of the billions of federal dollars allotted to veterans’ higher education. The gaping loophole has opened the door for predatory institutions to waste veterans’ hard-earned GI Bill money and leave them worse off. In our survey, North Carolina voters made clear that this loophole must be closed, with 87% supporting a policy that would help “protecting veterans from for-profit colleges looking to cash in on their federal aid.”

Enforcing the “borrower defense to repayment” rule.

Earlier this year, Congress took a bipartisan vote to reject Secretary Betsy DeVos’ rewrite of the borrower defense rule. In its original form, this rule was designed to protect students and taxpayers by holding predatory institutions accountable for defrauding and misleading students—but Members of Congress on both sides of the aisle worried the DeVos rewrite undermined that goal. Our survey found that voters in North Carolina agree.

The data show North Carolina voters across the partisan spectrum firmly align on supporting strong borrower defense for students that have experienced “misconduct by their institution” and prioritize protecting the investments of taxpayers and students. In fact, 77% of voters (including 78% of Democrats and 73% of Republicans) agree the government should prioritize saving taxpayer dollars by ensuring more federal aid doesn’t flow to fraudulent institutions, while only 23% agree that the federal government should instead prioritize saving taxpayer dollars by cutting off debt relief to students who take out loans to attend fraudulent institutions. And 90% support giving students ways to protect themselves from unreasonable debt incurred at predatory colleges, with a whopping 93% believing we should hold institutions accountable that mislead students so that they take out loans to attend.

3. Targeting Resources to Programs That Will Lead to Good Job Prospects.

North Carolina voters also made clear that a top higher education priority for Congress should be to make sure tuition and taxpayer dollars only go to programs and institutions that have a demonstrated ability to set students up for success and find good employment prospects after they leave school.

Voters on both sides of the aisle agree the federal government has a role to play in ensuring colleges and universities set their students up for success, where 77% of North Carolinians (including 83% of Democrats and 73% of Republicans) agree “the federal government should provide basic guardrails to ensure that students aren’t taking out loans or using taxpayer-funded grants to attend predatory institutions or programs that will leave them worse off than when they first enrolled” and only 23% of North Carolinians agree that the federal government should not try to influence where students spend their higher education loans.

And when asked specifically about the quality of job training programs, 72% of voters agree (including 73% of Democrats and 73% of Republicans) that “the federal government should allow students to use taxpayer-funded higher education grants for eight-week job training programs only if a program meets basic standards to ensure that it is providing value to the student,” compared to only 28% who believe this funding should be allowed “regardless of whether students who attend those programs usually get good paying jobs.”

In fact, when asked which priority voters would like their member of Congress to focus on, “giving students complete freedom to decide where they use federal taxpayer-funded loans for higher education” ranked *dead last*.



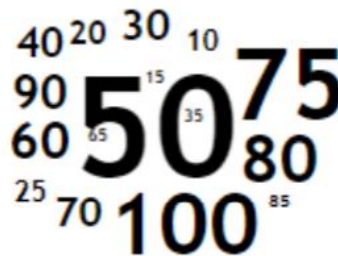
THIRD WAY

How important of a priority should each of the following be for your member of Congress?	North Carolina Voters	North Carolina D's	North Carolina R's
	Important (%)	Important (%)	Important (%)
	Top priority (%)	Top priority (%)	Top priority (%)
Protecting borrowers from predatory institutions.	83 58	85 64	83 53
Requiring institutions receiving taxpayer money to be accredited.	74 43	76 49	72 41
Making higher ed more transparent so students know how well a program's graduates fare in the job market.	79 40	78 38	79 38
Limiting access to federal grants and loans at programs that leave students with loan debt higher than they can earn.	60 30	64 29	58 33
Allowing defrauded students to cancel their loans.	63 39	76 49	52 30
Making higher education free.	47 30	74 48	23 14
Requiring institutions funded by taxpayer dollars to spend at least a third of tuition on teaching.	65 32	69 36	60 30
Requiring short-term job programs that receive federal dollars demonstrate positive employment outcomes for students.	67 29	69 41	56 25
Cancelling all student loan debt.	48 33	72 54	21 16
Giving students complete freedom to decide where they use federal taxpayer-funded loans for higher education	58 24	67 32	47 19

4. Making Sure Federally Funded Institutions Prioritize Their Spending on Student Instruction.

Lastly, North Carolina voters know that the benefits of earning a college degree are numerous. But too often, federal policy focuses almost entirely on getting students *to* college rather than *through* it with the instruction and skills they need to succeed.

A big part of ensuring students are equipped with the skills and credentials they need to pay back their loans is schools targeting tuition and fees on instruction itself, not on things that don't benefit their students, like big salaries for administrators, or marketing and recruitment. Voters instinctively understand this commonsense principle: 85% of North Carolinians (77% of Democrats and 90% of Republicans) support requiring institutions of higher education funded by taxpayer dollars to spend *at least* a third of student's tuition on teaching and other instructional expenses. In fact, when given the opportunity to answer an open-ended question about what percentage of tuition should be spent on instruction, voters' answers (as evidenced by the word cloud below) indicates they would *go even higher* than that threshold—with a majority saying at least half of all tuition revenue should be dedicated towards instruction, and some even saying 100%.



Institutions make choices when spending their resources, which ultimately impact students' outcomes. But voters' overwhelming support for targeting funds towards instruction shows they believe federally funded colleges should have to spend taxpayer money in ways that directly benefit students. And as many students move to a world of online education in the wake of the global pandemic, the need to ensure instruction remains schools' primary investment will only increase in the months to come.

Conclusion

As we anticipate more Americans will turn to the postsecondary system in light of the looming economic recession, it's more critical than ever our institutions of higher education serve as engines of social mobility—opening new doors for students, rather than closing them.

And it's clear there's robust bipartisan support from North Carolina voters for the federal government to usher in new policies that will strengthen, not weaken, students' and taxpayers' return on investment from our nation's higher education system. While support for policies like free college or blanket debt cancellation remain more partisan, there is rare bipartisan unity around voters' desire to focus on protecting defrauded borrowers, targeting federal aid to programs that set students up to succeed, and ensuring institutions prioritize their spending on instruction and other resources that will serve students.