

**President's Report to the
State Board of Community Colleges**

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When I taught the business leadership course at my former college, the favorite part of the semester for my students was when I stopped lecturing and showed the feature film, *Ghandi*. I did that because I believe Ghandi is one of history's greatest leaders, and Ben Kingsley's portrayal in the movie not only reflected Ghandi's life, but also the essence of true leadership.

Ghandi is also the source of so much wisdom and some of my favorite quotes. One of my very favorites is this, "Live today as if you will die tomorrow, learn today as if you will live forever." That is a quote that all of us who champion education can appreciate.

I have often looked to the wisdom of Ghandi when times get tough and times are particularly tough for North Carolinians right now. In fact the *Wall Street Journal* reported last week that North Carolina has had the highest percentage increase in unemployment of any state in the nation over the previous three months.

It is also a challenging time for North Carolina Community Colleges, because in a time when we had hoped to make some long-awaited budget gains, we find ourselves facing bursting enrollments, budget reversions and the suggestion of potential long-term cuts.

But In the face of this challenge, our Creating Success campaign may be even more relevant than we anticipated because while it was developed based on a context of budget expansion, the focus on core priorities I believe suggest the fundamentals we must strive to protect .

So going back to the great teacher, Ghandi, he has this to say: "All compromise is based on give and take, but there can be no give and take on fundamentals. Any compromise on mere fundamentals is a surrender. For it is all give and no take."

So what are those budget fundamentals that we must do our best not to surrender. I would suggest, given our community college family-wide Creating Success discussion, they are four:

First, our per student funding formula. Let's face it, our current funding formula enables us to pay our faculty at a current rate of only 79% of the national average, placing us 40th in the nation. Any compromise of our funding formula will mean our colleges will have to increase class sizes just to be able to pay our faculty at the 79 percent level, and that will mean it is even more difficult to provide the types of training for healthcare and technology intensive careers that will provide the jobs to pull us out of a deep recession.

Our second budget fundamental is equipment. Unlike the other education sectors, our equipment funding is categorical and therefore does not grow to keep pace with exploding enrollments. Our current appropriation allows us to replace our current stock of technology and equipment at a rate of only once every ten years. Any compromise in this area has severe consequences because even with our current equipment funding scenario, we are already moving from mediocrity toward crisis.

The third budget fundamental is our recently gained healthcare funding. Last month was one of the worst months ever for job losses with half a million layoffs nationwide. But even in the face of these contracting job numbers across all sectors, healthcare jobs grew by 37,000 in December. The way we can most immediately impact the economy is by expanding our health care programs and moving North Carolinians off of our program waiting lists, across our graduation stages and into what still appears to be recession proof jobs.

Finally, President-elect Obama's economic transition team last week released a report on projected job gains from the proposed Federal stimulus. One-third of those jobs is expected to be in construction and manufacturing areas, sectors supported by our first weighted funding for technical education, even if that amount is only \$1 million dollars. Governor Perdue is targeting aerospace and defense, green technologies, and a continued push in biotechnology as primary hopes for long-term North Carolina recovery, all sectors primarily supported by our technical education programs. Consequently, even though we recently made only our first baby step in obtaining the funding to restore these programs to their prominence, it is an area where we can not afford any retreat if we realistically hope to attract and grow new job opportunities.

Now there is no doubt that we are likely to face some significant compromises and challenges that will be very disappointing to us given our hopes for finally making some budget progress. But those same challenges are now being faced by individuals and communities throughout our state, like the 2,100 individuals in Mount Holly and Concord who found out late last week they would be losing their jobs at Freightliner, or the 330 folks in my old home town of New Bern who learned the other day that they are losing their jobs at Hatteras Yachts.

But in the face of it all, it will be important that we not compromise our fundamentals, as illustrated by a sad but true story I heard from one of our college presidents yesterday. Turns out that the husband of one of our nursing instructors recently was laid off from his job, and to make family ends meet, our instructor was forced to quit her job teaching North Carolina's future nurses at a community college so that she could significantly increase her personal income by going back to work as a nurse. Now that's what rural wisdom calls "eating your own seed corn," and that is a compromise that North Carolina cannot afford to make.