

President's Report
State Board of Community Colleges
Dr. R. Scott Ralls, President
Friday, April 15, 2011

Three years ago this month, I left a community college campus and returned to work here at the System Office. As the seventh president of the North Carolina Community College System, I have in a relatively brief period of time garnered the record as the worst economic president in the history of our system. The month I began work here, North Carolina's unemployment rate was only 5 percent. Within less than a year, it had shot up to over 11 percent. I appreciate you all having patience with me.

Three years, approximately 275,000 lost jobs, and the greatest recession in our state's history later, we are hopefully back on an upward economic trajectory, albeit at very slow pace. And getting to this place has not been without pain, strain and stress – across the state and across our System. The North Carolina Community College System, being what I believe is the most jobs-focused form of education in the country, sees its demand inextricably linked to economic circumstances. You all know this very well.

In the past three years, our system has grown by 25 percent while our per-student state funding from the general fund appropriation has dropped by 12 percent. The growth in our system in just the past three years is as if you had dropped in the number of students at both North Carolina State University and the University of North Carolina at Charlotte into our rich student gumbo. Long story short, it's been one heck of a three years.

But the challenges we face are certainly not ending. The road to economic recovery, which I often say runs right through middle of our system, will be a very long one. In fact, if we are to reach December 2007 employment levels in North Carolina, it will take five years of adding over 4,500 net new jobs every month.

It is for that reason that we now find ourselves in the midst of our greatest budget challenge in our System's history. Not as many people are working today and therefore not paying as much in state taxes as they once did. However, the demands on community colleges are greater than ever before and continue to grow. Today, there are 18 percent more people living in North Carolina, but fewer people working than there were ten years ago.

Thus, we are now reaching a budgetary day of reckoning that we all knew was coming and the glimpses of the pain from that day of reckoning were revealed this week when the House leaders rolled out their proposal for a ten percent funding reduction to the North Carolina Community College System, as well as many other cuts throughout state government. In total, those cuts represent the funding to support 1,000 positions at our colleges and programs for approximately 25,000 full-time students. Each one percent cut to our budget is the equivalent to 2,800 students that we cannot serve or approximately the number of students at Nash Community College in Rocky Mount – or looked at another way, 10 Nash Community Colleges.

The impacts of those cuts will obviously be very painful. In just the past three months alone, community colleges across the state have terminated 52 programs and the pace of program cuts will undoubtedly continue and accelerate. With ten percent reductions in funding, the impacts will be felt in our class rooms, shops and laboratories, not just our administrative offices, and we will lose valuable teachers, counselors, and administrators. Our progress in program enhancements and initiatives will be slower than we may have wanted, and our challenges in keeping pace with 21st century workplaces will be greater.

But while the already stretched infrastructure of our great community college system will undoubtedly be weakened, will our resolve be diminished or our sense of purpose in providing hope, opportunity and jobs and creating student success be stymied? Absolutely not. That's just not the spirit of our system.

Several years ago when I was new to the community college system, I learned a great lesson in community colleges when listening to the then President of A-B Technical Community College who now serves as a member of our State Board.

As I recall, there were several of us sitting around this day, bemoaning the budget challenges of that day, how could funding be regenerated so that institutions and programs were not impacted, etc. Overhearing all this, my recollection is that President K. Ray Bailey stepped-in and, in this Lincolnesque-way, said, “Folks, my experience tells me that when you serve the needs of the community, all that other stuff takes care of itself.” It was a simple lesson that I have recalled over and over during my years working with community colleges.

And throughout my years, I am continually in awe of the impact our colleges make both in the lives of individuals and communities when we place the purity of our mission above all things including our institutional worries.

I had the feeling of community college awe several months ago while touring some of the JobsNOW training programs at Isothermal Community College. One of our most successful programs has been a pipefitting training program there where graduates have had remarkable success in gaining employment in the fast growing energy sector. While visiting the makeshift outdoor teaching shop on a cold afternoon, one of the students stopped me to say thanks for the opportunity he was receiving from the college.

Picture in your mind a college student and Tim Price would not look like that image. Several years earlier, Tim had been a victim of the furniture layoffs that hit many folks in that part of the state hard, and his family had faced a number of other challenges that would have been difficult for a family in any circumstances. A big burly, mountain of a man, all wrapped up that day in his work clothes, Tim with a little bit of emotion in his voice said he wanted to offer his thanks to all us in the community colleges for what he said was the first real ray of hope he and his family had experienced in several years. A few weeks ago we called back to check on Tim and found out he is employed full-time with Shaw Energy making \$16.40 cents an hour with medical coverage for his family -- a personification of our “hope, opportunity, and jobs” tag line.

So as we face the year of reckoning and the inevitable budget challenges that await us, I really am not worried about whether irreparable harm will be done to our institutions. We are way too resilient a system for that to happen. But I do

worry greatly about the limits placed on our capability to fulfill our mission for the many Tim Prices, all across North Carolina, who need us right now.