President’s Report
Dr. R. Scott Ralls
State Board of Community Colleges
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Wednesday was the seventh time I have had the opportunity to make an annual presentation of our System’s budget goals to the Joint Education Appropriations Committee of the North Carolina General Assembly. It was a very familiar setting but with a noticeable difference.

In addition, to the legislators who had taken their normal seats around the tables, the gallery crowd was overflowing to standing room capacity, packed with community college leaders. Approximately thirty college presidents, from Murphy to Manteo, or as we say from Tri-County to College of The Albemarle, ventured to Raleigh to be present for the 8:30 a.m. meeting and to walk the legislative halls that afternoon. It was the biggest turnout of community college leaders I have seen at a legislative meeting during my almost 18-year tenure with the System.

Why did these stewards of our colleges make such a collective effort? Because they have a great concern about the future of our System, and a sense of urgency that this could be one of the most important legislative sessions in our history as Garrett Hinshaw, President of Catawba Valley Community College and of the NC Association of Community College Presidents, frequently expounds.

We collectively believe that the community colleges in our state are the engine driving North Carolina’s workforce, and recent data confirms those beliefs. The NC Department of Commerce reports that more than 40 percent of all the wage earners in our state have been a student at one of our 58 community colleges in the past ten years, a remarkable number given North Carolina’s significant growth.

The recent higher education economic impact study indicated that our community colleges have the greatest statewide impact on alumni wage differentials – the difference in wages after participating in an educational program – because of our jobs-focused education and the fact that our students stay in their communities and in North Carolina’s workforce. That impact was estimated to be $19.6 billion in 2012-13, the equivalent of 322,000 new jobs. Consequently, for every $1 invested by taxpayers in our
community colleges, economists estimate that $1 results in $4.10 in added tax revenues and public-sector gains.

So we are an engine for North Carolina as the economy continues to rebound, but our urgent concern is that the community college engine is at great threat of stalling. North Carolina’s community colleges can no longer be the best if our instructors continue to be among the worst paid in the country. Today, we rank among the bottom third of states in the Southeast region for community college faculty pay, which has traditionally been the lowest ranking region in the country.

Today in North Carolina, the average four-year public college faculty salary is $78,318, or 65 percent more than a community college faculty member’s salary. Among the 16 states in the Southeast Regional Education Board region, only Delaware – which I struggle to think of as a Southeastern state – is the only one with a larger disparity between faculty salaries among public four-year and two-year institutions.

Now, rankings and comparisons are not the reason why our salary issue is a crisis issue for community colleges, but rankings and comparisons serve as an objective indication of the severity of our plight. This is a fundamental economic issue for North Carolina because attracting and retaining community college instructors – the molders of North Carolina’s workforce – is becoming increasingly difficult at current pay levels. These same instructors are prime targets for employers seeking to fill skilled job openings as the economy improves.

I see this problem all the time, and I hear it without even going out to look for it among the colleges. In passing recently, a community college president bemoaned that he had just lost his best machining instructor who was offered twice what the college can pay. At a meeting a few weeks ago, another president said she couldn’t afford to lose another nursing instructor to the hospital.

Our instructors do not teach at our community colleges because of money, and they don’t expect to make the same salaries at our colleges that they could in the private market. But when the differentials are so great – when you can make significantly more money being a machinist or a nurse rather than teaching North Carolina’s future machinists or nurses, or when you can make so much more money as a university math or English teacher...
than as a community college math or English teacher – it creates a problem that is much more than a community college problem. It’s a North Carolina problem.

Desperate to fill their skills needs, our instructors who are at the front lines of solving the skills gap issue in North Carolina are prime targets. Plucking community college instructors into their workplaces makes sense from an individual employer perspective, but for the state’s workforce skills gap issue, it means we are eating our seed corn.

In looking at this issue, some rightly point out that we have among the lowest tuition in the United States and among the lowest paid instructors in the nation. Perhaps we are overlooking that connection.

Our students do still enjoy one of the nation’s most reasonable community college tuition rates, but that is changing. Our tuition has increased by 44 percent in the past six years and has been one of the fastest rising in the nation, although, in all fairness, we did start from a very low place.

But should students be asked to pay for instructor salaries? When we represent the open door to education for working-class families, that solution gives me great pause.

I continue to hope that we can be what we have always been, the best community college system in the nation and also one of the most reasonable and accessible. During the six-year period our tuition increased 44 percent, student debt across the nation doubled, and I think there is great value in our being a part of the solution, not part of that higher education problem.

When our system grew out of the Industrial Education Centers more than 50 years ago, it was based on aspirations that North Carolina did not want to continue as one of the poorest states in the nation. State leaders saw job-focused education and training as a way up. Legend has it, people commonly said the only other state at the time with worse economic conditions than us was Mississippi, thus sparking the often said phrase, “Thank God for Mississippi.”

For the current Legislative session, I do not believe our community college aspirations are audaciously out of bounds. Our main priority for the biennium is to convert a $59 million management flexibility reduction that
our colleges face each year instead into $59 million that our colleges could use to address the salary crisis. Doing so would launch us right above mediocrity, into the top half of the Southeastern states, above Mississippi.

Shortly after making my presentation to the Joint Legislative Education Committee on Wednesday, I joined all of my community college colleagues in the audience to hear the presentation by the Legislative Fiscal Research Division on community colleges. I was struck by a slide they presented showing one state in the Southeastern Region with lower median resident tuition and fees for community colleges than North Carolina in 2012-2013, the year before Tennessee went to free tuition. That state was Mississippi.

It again reinforced to me that our aspirations for this biennium are not out of whack. We as North Carolina community colleges are not trying to get above our raising and be like everybody else. We would just like to be like Mississippi.