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email tbromley@nccppr.org

For more information,

call Ran Coble at the

N.C. Center for Public Policy Research

at 919-832-2839.

**COMMUNITY COLLEGES ARE KEY TO ADDRESSING TRANSITION IN STATE'S
ECONOMY, SAYS CENTER**

As North Carolina faces an economic transition and possible recession, the state should pay more attention to the N.C. Community College System, says the N.C. Center for Public Policy Research. In a study released today, new Community College System President Scott Ralls identifies four brutal facts facing the system, and the Center makes recommendations to address each of these facts.

"If you ask what is the key issue facing North Carolina today, I think it's our transition economy," says Ran Coble, director of the N.C. Center for Public Policy Research. "We're moving away from the old economy of tobacco, textiles, and furniture and toward a new economy of pharmaceuticals, telecommunications, biotechnology, banking and financial services, and others. Community colleges are the educational system that is most key to navigating this economic transition, as well as dealing with work force shortages and job training – and retraining."

New Community College System President Scott Ralls identifies four brutal facts that must be addressed to take the N.C. Community College System from good to great. Jim Collins suggests in his best-selling book called *Good To Great* that all good companies begin their path to greatness by confronting the brutal facts of their current reality. The Center asked Ralls to outline these issues in the fall of 2007, before he was named System President in December and took office on May 1.

Brutal Fact #1: The Emerging "Non-traditional Student" and the Vanishing African American Male Student – Nationally, only 20 percent of undergraduate students conform to the traditional stereotype of a recent high school graduate who is enrolled full-time and lives on campus in a dormitory. "Nontraditional students" are the new norm for community colleges. Across the United States, 61 percent of community college students are part-time, 57 percent work more than 20 hours per week, 34 percent spend 11 or more hours per week caring for dependents, and 21 percent spend between six and 20 hours per week commuting to and from class. The average age of community college students in North Carolina enrolled in a curriculum program is 28. And, nontraditional students are more likely to attend a community college.

At the same time that those nontraditional students are flooding the community colleges, African American males are vanishing. There are only 21,100 black male degree students in the entire community college system – just 8 percent of the student population seeking degrees. Black male community college graduates have declined in each of the past three years, while the importance of education beyond high school is growing. So, Ralls and the Center say that if North Carolina is going to increase its college-going rates, community colleges will need to serve non-traditional students better and address the needs of black males in particular.

Brutal Fact #2: Facing the Consequences of Low Completion Rates and the Costs of Remediation – Ralls’ second brutal fact is the low completion rates on the back end of community college students’ time in class, and the costs of remediation on the front end. Nationwide, community college completion rates are improving, but North Carolina’s have worsened. Ralls and the Center say this is due to four factors:

- * First, many students never intend to earn a degree, they enroll to take just one or two courses or for specific training.
- * Second, many students are under financial pressure to take a job as soon as possible before finishing a degree, such as machining, construction, or computer jobs.
- * Third, many students are unable to qualify for financial aid.
- * Fourth, many students are not academically prepared when they leave high school. As a result, 48 percent of nontraditional community college students in North Carolina leave community colleges in their first year.

Ralls says lack of academic preparedness also should be of concern to taxpayers because they end up “paying double” for high school graduates to take remedial courses before they even start working on community college credits. Since 1999, the percentage of community college students requiring remediation has ranged from 49 percent to 54 percent.

But, remediation rates vary by region. Tony Zeiss, President of Central Piedmont Community College, says, “We have a growing population of under-prepared students coming out of high schools – 77 percent of our recent high school graduates in Charlotte that come to our school have to be remediated in mathematics, 72 percent in English and reading. So we’ve got a real challenge ahead of us.”

Brutal Fact #3: North Carolina’s Work Force Shortages and the Emerging Role of Immigrants – Ralls’ third brutal fact includes North Carolina’s work force shortages and the emerging role of immigrants in the work force. Between 2006 and 2016, the population in North Carolina is predicted to increase by 15 percent, a trend that will heighten work force shortages in many occupational areas, such as teaching, nursing, trucking, and biotechnology. In order to address these work force shortages and replace retiring workers, the community colleges will need to produce 19,000 more graduates each year – a 75 percent increase over current numbers.

So where will we find the workers to meet these work force shortages? Ironically, it may be immigrants, says the Center. In the last decade, the state’s Asian population increased by 128 percent, and the Latino population increased by 394 percent – the fastest rate of Latino growth in any state in the country. Immigrants are assuming an increasingly prominent role in the work force of North Carolina.

However, immigration has become a hot political issue. Last week, the N.C. Attorney General’s office issued an advisory letter that community colleges and public universities should not admit illegal immigrants as students. However, U.S. Immigration and Customs Enforcement subsequently said each college could “decide whether or not to enroll” illegal immigrants. Currently, only 112 of 297,000

degree-seeking students in N.C.'s community colleges are illegal immigrants, and they pay out-of-state tuition, which the schools say more than covers the cost of their education.

On one hand, Governor Mike Easley supports admitting illegal immigrants while still requiring them to pay out-of-state tuition, as did former Community College System President Martin Lancaster. On the other hand, the candidates for Governor in both political parties say they want community colleges and public universities closed to illegal immigrants.

Brutal Fact #4: Balancing Rising Enrollments, Lagging Faculty Salaries, and Inadequate Equipment Funds – Ralls' fourth brutal fact includes rising enrollments, low salaries for community college faculty, and inadequate funding for equipment. Fast-growing enrollment is putting great pressure on community college resources. But, the system's total of 800,000 students are taught by faculty whose salaries rank 46th among the 50 states. And, those faculty have to make-do with out-of-date equipment.

Recommendations by the Center

For North Carolina to deal with these four brutal facts, the N.C. Center for Public Policy Research makes five recommendations:

(1) **Change the Funding Formula** – Community colleges are counter-cyclical institutions with enrollments that typically rise during economic downturns as displaced workers seek retraining. State funding for community colleges, however, is allocated according to the prior year's enrollment. So, even if enrollment rises quickly, the system is obligated to serve students for whom no state dollars are available. The Center says such funding formulas need to be "recession-proofed," so that colleges are able to receive funding for all the students they actually serve in a given year.

(2) **Increase Faculty Salaries** – To deal with low faculty salaries, the Center recommends that the General Assembly raise salaries for faculty at community colleges to the national average. The average full-time faculty member at the 16 public universities is paid about \$81,000, ranking North Carolina 13th in the nation. The average public school teacher is paid about \$46,000, ranking the state 27th in the nation. But, the average full-time faculty member in the community colleges earns about \$41,000, ranking North Carolina 46th in the nation.

(3) **Update Equipment** – The Center also says there's a stark need to update equipment in community colleges. Ralls says that one piece of used but vital machinery at his former job at Craven Community College cost 28 percent of its entire equipment budget for the whole year. Limited resources already have forced the elimination of 98 programs with expensive equipment needs. With an annual equipment appropriation per student of only \$214, the Center says the current level of investment in equipment will not take North Carolina's community college students into the world of 21st century technology.

(4) **Differentiated Funding for Higher-Cost, High-Demand Programs** – To further community colleges' nimbleness in responding to work force shortages, the Center recommends that the state provide differentiated funding for higher-cost, high-demand community college programs. For example, certain high-demand fields like health science programs cost \$1,520 more per full-time-equivalent student than cosmetology, yet all programs currently receive the same funding per student regardless of cost.

(5) **Support for Student Services** – To help community colleges serve non-traditional students and increase completion rates, the Center recommends expanded funding for student services. Sixty-one percent of community college students are non-traditional, and 46 percent of these non-traditional

students leave school in their first year. Former System President Martin Lancaster told the Center, "Student services such as academic counseling, tutoring, financial aid, and child care services are key to student success. Until these services are boosted dramatically, the student success we're capable of and which the students deserve will never happen. We are criticized for the low number of completers, but the fact of the matter is that only a small percentage of our stop-outs and drop-outs leave for academic reasons. They are not flunk-outs. They just need more help to stay in and persist to a certificate, diploma or degree."

New System President Scott Ralls says, "In a world economy where increasingly what you earn is based on what you learn, too many North Carolinians fail to appreciate the value of North Carolina's community colleges."

In 1964, Dallas Herring, the father of the Community College System in North Carolina, said, "We must take the people where they are and carry them as far as they can go." Center director Ran Coble adds, "Today, to be great, the community college system must not only carry the people as far as they can go, it must also take the economy of North Carolina where it is and carry it as far as it can go."

The N.C. Center for Public Policy Research is an independent, nonpartisan, nonprofit research corporation created in 1977 to evaluate state government programs and to study public policy issues facing North Carolina. The Center is supported in part by a grant from the Z. Smith Reynolds Foundation in Winston-Salem, with additional support from nine other private foundations, 120 corporate contributors, and about 600 individual and organizational members. The Center recognizes and thanks the N.C. GlaxoSmithKline Foundation in Research Triangle Park and The Cannon Foundation in Concord for their grants in support of this research on community colleges in North Carolina. The Center publishes a journal called *North Carolina Insight*, a citizens' guide to the legislature, and in-depth research reports such as a recent study of governance of the state's public universities. The Center also has conducted studies of ways to prevent high school dropouts and ways to reduce domestic violence, as well as an evaluation of charter schools. Upcoming studies will examine North Carolina's policies on student financial aid, state water policy, and key issues facing the state's aging population.

The Center's 230-page study of the future of community colleges in North Carolina is available for \$24. To order, write the Center at P.O. Box 430, Raleigh, NC 27602, call (919) 832-2839, fax (919) 832-2847, or order by email from tbromley@nccppr.org.

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For more information, call Ran Coble, executive director of the N.C. Center for Public Policy Research, at (919) 832-2839.