

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

November 21, 2008

Dr. R. Scott Ralls

In the early nineties, James Carville coached the Clinton campaign to hammer economic issues with the now famous slogan, "It's the economy, stupid." But today, no one needs any reminders. Economic news bombards us every day -- \$700 billion government effort to help the financial sector, potential billion-dollar support for the auto industry, the stock market plunging 48.5% from last October, home foreclosures, business closings, new claims for unemployment benefits at a 16-year high, and the Dow Jones at a five year low. There's no escaping that economic news -- bad economic news -- is the top issue, 24/7, worldwide.

Here in North Carolina, we've seen unemployment rates grow from 4.7% in September 2007 to 7% in September 2008. The new North Carolina rates were announced today at 10 a.m. and are expected to continue to climb...the question is by how much?

As you all know, we've been promoting our new "Creating Success" advocacy campaign with our tagline of "hope, opportunity and jobs." However, given the continuing economic downward spiral, our community colleges may be called on to perform in reverse order -- jobs, opportunity and hope.

What North Carolina needs now is jobs. People need the opportunity to work. Our communities, citizens, business and government leaders need hope.

And while our mission is rewarding in any environment, the work of our community colleges -- North Carolina's economic cavalry -- is especially rewarding...and demanding...in times like this, as our enrollment grows.

Let's consider just a few examples of how our 58 community colleges are working right now to pull North Carolina out of the economic doldrums.

You know from your work here today that we're entering into an agreement with the North Carolina Department of Revenue to offer taxpayer assistance seminars and information through our Small Business Center Network. This is government collaboration at its best -- two agencies working together to provide assistance to business owners when and where they need it. We're not creating another program, not competing, just making sure that our state's small business owners have access to the tax compliance information and help they need when times are toughest.

Additionally, our Small Business Center Network is working with the UNC System's Small Business and Technology Development Centers to begin offering workshops and outreach to small business owners about how to survive tough economic times. And today, you approved contracts that will assist dislocated workers to start new businesses in rural communities through services provided by our Small Business Centers in collaboration with the North Carolina Rural Center and the Commission on Workforce Development. These collaborations bring our expertise to business owners in their communities, as well as additional entrepreneurial assistance services to some of our neediest areas in our state.

Our System's North Carolina Military Business Center, which helps North Carolina businesses identify, understand, compete for and win federal contracts, opened in 2005. Since that time, clients have won 546 contracts worth \$1.03 to \$1.95 billion. The most recent win by one of their clients was a \$14 million award earlier this week to TEAM construction for base growth-related waste water infrastructure at Camp Lejeune. TEAM construction is a Jacksonville, NC-based joint venture between Military and Federal Construction Company, Inc - a woman-owned, small disadvantaged business - and W.T. Humphrey/Humphrey Mechanical, a Jacksonville construction and mechanical contractor. TEAM is also partnered with Apex-based Crowder Construction, a large contractor focused on utility infrastructure construction. The Military Business Center worked diligently with this team to win this contract for North Carolina, a contract that will provide much needed jobs for North Carolinians.

Our customized training programs are working overtime to fulfill the training and retraining needs of our new, existing and expanding companies. Last year, more than 30,000 workers from almost 800 companies participated in 600 skills classes or received specialized training. This effort stretches from the mountains to the coast, crosses all industries, and reaches a broad array of employees, and just this week I approved customized training projects for companies creating new jobs in Charlotte, Hickory, Rutherfordton, and Gastonia.

Just as we're assisting businesses, we're also getting assisted by them. The Duke Energy Community and Technical College Grant Program, founded in 2004 to support community college training focused on manufacturing, will be announcing six new grants on Monday. Projects funded through these grant, which range up to \$250,000 each, must address training, retraining and other efforts to strengthen manufacturing, and they must fall within Duke Energy's service area. To date, the program has awarded more than \$8.5 million in 39 grants to 23 North Carolina community colleges. Duke estimates that 1,000 jobs have been created and 3,800 retained as a result of these grant-funded programs.

In our Human Resource Development programs, NC Community Colleges are working closely with some of our state's most difficult-to-place workers. For example, Stacy, a mother who moved with her small children from New Jersey to New Bern – my former home town -- to escape a domestic violence situation. She had no prospects for employment and no contacts. After seeing a flier, she decided to enter the HRD program at Craven Community College. Upon completing the program she applied for a job with the Craven County Health Department. Through the employment resources the HRD Program has established with employers, along

with the staff providing her with strong references, Stacy won the new role. Before long, she applied and was hired for a position at the Craven County Department of Social Services, which resulted in a \$10,000 pay increase. Stacy says the HRD program not only gave her the skills necessary to make herself attractive to potential employers, but it also boosted her self esteem and gave her the courage necessary to better herself and follow her dreams. In the last year, Stacy has successfully started her own business in finance and debt management.

NC Community Colleges are on the front line of 21st century jobs. Yesterday, the NC Biotechnology Center announced that our state has put \$1.2 billion into developing our biotech sector, including the exceptional efforts of our workforce training programs and our world-class BioNetwork.

On Tuesday of this week, Vance-Granville Community College held an open house for their new Bioprocessing Technology program. The open house showcased a laboratory with state-of-art equipment, much of which was purchased through grants from our own BioNetwork. Few people in attendance would have guessed how far Vance-Granville has come since 2001 when the college first offered BioWork. Classes were held at its Franklin campus using older, donated equipment from Novozymes. But this program's success is exemplified by Manuel, who attended the open house and who is a current student in the Bioprocessing Technology program. Manuel was an accountant who relocated to North Carolina and decided to make a career change. Interestingly it was his son, Jason, who he now calls "classmate" that inspired Manuel to enroll in the program. Now, father and son are on track to graduate next semester and have already begun testing the job market. Several life science companies represented at the open house were actively recruiting Manuel and his son as well as other students from the program for new opportunities in the emerging job market.

But what about in areas experiencing large layoffs? Over 500 jobs were lost when the Henredon Furniture plants in Burke County recently closed. Many of these displaced workers had been in the furniture industry their entire lives, some even second generation carpenters. And most of them didn't have a high school diploma.

The Continuing Education Division at Western Piedmont Community College is teaching displaced furniture factory workers the basics of carpentry and the theories behind woodworking so that they may take a lifelong trade and turn it into a skill. The students want to earn their GEDs and are willing to come back to school with students less than half their age for a second chance to learn a skill so they can get back in the workforce.

Program Instructor Ronno Cooke said, "They are a team. The loss of a job has been a life-changing experience, because they have also lost their homes, their families, their confidence and self-esteem. This class has created in them the feeling of worth again, building their self-confidence, pushing them towards nobility and success."

These are just a few examples of how we are on the front lines every day, fulfilling North Carolina's economy needs as much as we can, across our state, across industry sectors, in every county.

We're working to provide jobs in high-demand, still growing areas such as defense, aviation, healthcare and life sciences; we're offering opportunity for small business owners to survive in these difficult times; and we're providing the hope of a new start for citizens gaining new employability skills for when the economy does begin to shine once more.

We're facing escalating enrollments at the same time we're adjusting to budget reversions and other economic stresses. But we're still leading the charge for our state. This is why we must continue to fight for our budget requests for faculty and staff salaries, technology and equipment improvements, critical careers such as healthcare and technical education, and customized training to keep our businesses moving forward.

We must push on even though the battle will be uphill...and even though it may take longer than our originally planned four years.

Our partners and allies are working to help us. Last week, I had the opportunity to present to the UNC Board of Governors, and our good friend, Erskine Bowles, president of the UNC System, said that he was going to fight just as hard for our legislative requests as he does for his own. The NC Economic Development Board is finalizing a letter to the General Assembly today that lists many of our budget priorities as their priorities. The NC Economic Developers Association, the NC County Commissioners, the NC Hospital Association and others have all given nods of support.

The cavalry has friends, and we're going to need the support of those friends and allies as well as a cohesive, comprehensive community college family effort to make the gains we need during the upcoming long session.

NC's economic cavalry is charging every day to offer jobs, opportunity and hope. With a little help from ourselves and our friends, we can make an even bigger difference in helping North Carolina through this tough economic battle.