In 1989, the Commission on the Future of the North Carolina Community College System adopted a series of recommendations to improve the operation, funding, and economic and social returns of the state's community colleges. This report looks at each of the major challenges of the Commission, reviews trends and developments that may have altered the situation in the past 3 years, highlights progress to date in achieving the Commission's goals, and points to new areas of concern. The six sections of the report focus on: (1) quality and access, including the colleges' efforts to provide student access to quality teaching and academic support services; (2) accountability and funding, including progress made in increasing planning and research capacities systemwide and decreases in funds allocated; (3) basic and critical thinking skills, including workplace and family literacy programs; (4) service to business and industry, including the expansion of focused industrial training, matching curricula to specific workplace demands, and the establishment of specialized technology centers; (5) partners in education, including partnerships between community colleges and high schools and the University of North Carolina System; and (6) leadership and governance, including the creation of a statewide task force on governance, the Executive Management Leadership Institute, and a leadership program for women and minorities. (ECC)
On the Edge

Three Years After

the Report of the Commission on the
Future of the North Carolina
Community College System

June 1992
The clear message to our state and to our community colleges is that "business as usual" will not work for education, as it will not work for businesses facing an increasingly challenging and demanding economy. Our businesses must adapt to meet new challenges and our community colleges must adapt to meet the needs of those who work in North Carolina. Yet higher expectations for community colleges will only be realized if we invest more in the system.

\textit{Gaining the Competitive Edge, Commission on the Future of the North Carolina Community College System, 1989}

The Economic Challenge Revisited

In 1989, the Commission on the Future of the North Carolina Community College System issued an urgent message to the people of North Carolina: Dedicate attention and resources to our community college system because the state's economy is increasingly dependent on the quality of our workforce.

In issuing the report, Commission chair Sherwood H. Smith, Jr., said that \textit{Gaining the Competitive Edge: The Challenge to North Carolina's Community Colleges} was not intended to sit on a shelf, but rather to be studied, discussed, and implemented. Since that time, a distinguished monitoring group of business, education, and government leaders has tracked the progress toward the report's goals and recommendations. Three years after issuing the report, an assessment of progress on behalf of that monitoring committee finds that the report has been studied and many of its recommendations heeded. Yet many critical areas remain unaddressed because needed new dollars have not materialized. In fact, if anything, the situation appears more grim three years later as the need for workforce development grows more evident. Too many among North Carolina's workforce face a new economic world with obsolete skills. Global competition is clearly here to stay, bringing new demands for quality. North Carolina's educational levels are not competitive with the rest of the nation, much less the rest of the world.

The community college system represents the state's best hope for economic competitiveness and yet the new investments called for by the Commission have yet to be seen. The "open door" that has been the hallmark of the state's community colleges is closing because the colleges lack the resources to keep up with increased demand for services. Here is the ultimate irony: our adults need more education and may get less.
Time has heightened the urgency of the Commission's underlying message that North Carolina's future economic growth is tied to investment in education today. The Commission was especially concerned about the immediate needs of adults who make up the bulk of today's and tomorrow's workforce. Events of the last three years attest to the truth behind the Commission's message and its special concern for workforce development.

Prominent national studies have echoed and reinforced the Commission's conclusions on the critical importance of developing the current workforce. The Commission on the Skills of the American Workforce pointed out in 1990 that the country makes a choice between high-wage, high-skill jobs and low-wage, low-skill jobs by its willingness to invest in its workforce. An examination of workforce trends facing North Carolina suggests that the development of human resources is critical to the long-term health of the state's economy.

- North Carolina's workforce faces global competition. The global economy no longer looms on the horizon, it is here today. Speed, flexibility, and quality are the hallmarks of world markets which demand workers with higher levels of education and skills. Like other Southern states, North Carolina is hindered by lower levels of educational attainment among its existing workforce.

- The majority of North Carolina's workforce of 2000 is already on the job. The future productivity of the economy is dependent on the productivity of adults who make up the bulk of the workforce that will greet the next century. North Carolina's population growth in the 1990s is projected to be half of that experienced in the 1980s, according to the U.S. Bureau of Economic Analysis. And data from the 1990 Census show the number of youth 6 to 25 years of age declined from 1980 to 1990, meaning that there will be fewer new entrants into the workforce over the next decade. North Carolina cannot afford to wait for public school reform but needs to invest in its adults today.

- Education increasingly means economic opportunity. Analysis shows education attainment closely linked to economic achievement. Information from North Carolina's Employment Security Commission projects a declining share of employment in traditional manufacturing and other blue collar jobs in the next decade. Increasingly, opportunities for better pay and career advancement will be concentrated in managerial, professional, para-professional, and technical jobs in all industries. The division between high-skill/high-pay occupations and low-skill/low-pay occupations will become sharper and the opportunities will be reserved for those who have the skills to seize them.

The Governor's Commission on Workforce Preparedness affirmed the importance of further investment in education and reaffirmed the importance of investment in "expanding the effectiveness of our community colleges — the state's first line of defense in economic development and our best hope for the economic health of its citizens."

This report examines how the community colleges have grown in that pivotal role in the three years since the Commission on the Future set out its agenda for the system. It is organized around the six goals set by the Commission and reexamines the Commission's agenda in light of new trends and developments, efforts to meet Commission goals, and further challenges yet unaddressed. The Commission's work was a starting point for a renewed focus on the community college system: an external focus by a broad range of public and private leaders and an internal focus from the boards, administrators, faculty, and staff of the North Carolina Community College System. The system has responded, as this report shows, but the state response does not reflect the urgency of educating the workforce with which the state will greet the next century. The state's community colleges were designed for the manufacturing age and now need the resources to retool and refuel for a new economy. Nothing less than North Carolina's future economic growth depends upon it.
Quality and Access

The Challenge: Provide every student access to quality teaching and academic support services.

The Commission on the Future found in North Carolina's community college system a competitive advantage for the state. This network of 58 institutions is geographically accessible to all North Carolinians and provides a sampler of the best community college programs offered anywhere. Yet the Commission discovered signs of eroding quality in the system's low salaries, over-reliance on part-time faculty in critical programs, lack of professional development opportunities for faculty and staff, increasing difficulty in funding costly state-of-the-art equipment, and inadequate systems for reaching and training those who need further education most.

Trends and Developments

Since the publication of the Commission's report, evidence has mounted that access to quality community college education is critical if North Carolina's citizens are to enjoy a rising standard of living. Numerous national studies show that rising incomes are correlated with higher educational attainment levels, and across the nation people are responding by returning to the classroom - at the community college. A study by the College Board found that undergraduate enrollment at two-year community, technical, and junior colleges grew at twice the rate of four-year public colleges during the 1980s. In North Carolina, enrollment grew 21 percent from 1987-88 to 1990-91. In 1990-91, the system served 754,500 North Carolinians, or 14.6 percent of the state's population aged 18 and over. By far the area of most rapid growth is in extension programs (such as literacy, fire services, health occupations, practical skills, and law enforcement) which have grown 18 percent over the three-year period between 1988-89 and 1990-91. The fastest growing curriculum areas are health occupations and certain technical areas: for example, associate degree nursing grew 42 percent and industrial electrical/electronics technician grew 48 percent. The average percentage of the adult population served per college has also increased. In 1988-89 the average college in the system served 14.3 percent of the adults in its service area, and in 1990-91, it served 16 percent.

Evidence of excellence within North Carolina's community colleges continues to emerge. This year an instructor at Lenoir Community College was accepted as a Fulbright scholar, students from Rockingham Community College and Central Piedmont Community College were honored as part of USA Today's "All-USA Academic Teams for Community and Junior Colleges," and a National Vocational/Technical Student Award Winner hailed from Alamance Community College. Yet the system still faces critical barriers to access and quality education identified three years ago.

Fiscal constraints threaten access.

The Commission pointed to the financial barriers that keep those adults who need further education the most from attending community colleges. Yet since the release of the report, additional financial barriers threaten to close the "open door" that has been a hallmark of North Carolina's community college system since its inception. The first is the 31.4 percent rise in tuition enacted in 1991 and the additional 16.7 percent in 1992. The second is the constrained funding for enrollment growth that has caused colleges to cancel courses or turn people away from over-filled classes rather than offer additional sections at a time when workforce development is sorely needed.

A survey conducted by the Department of Community Colleges found that almost all colleges reported turning students away, many in critical areas such as nursing and other allied health programs. Wake Technical Community College alone reported turning away about 1,500 students.

Faculty salaries continue below regional average. The Commission sounded an alarm about the low levels of pay in the system and called for the state to increase the level of pay. Despite some increased money, salaries in the North Carolina system were at 81.5 percent of the Southeast average, and the system's salaries ranked last among the 15 Southeastern states, according to the Southern Regional Education Board. Colleges continue to report difficulty in competing with industry to recruit and retain quality faculty.

Special needs of rural community colleges heralded. A study by Duke University public policy students highlighted the particular problems faced by rural community colleges that lack the enrollments and resources that their urban counterparts command. Rural colleges were generally smaller and had difficulty meeting minimum class size and offering a broad range of services. Weaknesses on these campuses compound the problems in rural areas where adult attainment levels are lower, strong remedial efforts are needed, and where adults have fewer educational resources.
Concern is growing about the ability of minorities to compete in the workforce. Lower educational attainment levels among minority groups, especially blacks, put them particularly at risk in an economy now stressing flexible academic and technical skills. As the primary deliverer of educational services for adults already in the workforce, the community colleges are the source to which an increasing number of minorities should turn. Yet a study of student diversity within the community college system conducted by North Carolina State University found that black students were underrepresented in curriculum programs.

**Occupational (and educational) segregation by sex is a barrier to increased per capita income.** A 1991 study by North Carolina Equity found that occupations in the state are still largely segregated by sex and that this segregation begins in the educational systems including community colleges. In 1990-91, 59 percent of those enrolled in curriculum programs and 51 percent of those enrolled in extension programs were women. Yet the Equity study found that women were primarily clustered in a relatively small number of programs of study, including business administration, business computer programming, cosmetology, nursing assistant, and practical nursing.

**Progress To Date**

The following highlights some of the steps taken within the system to improve the quality of and access to community college education.

- **Responses to local needs.** Colleges have begun, revised, or terminated over 2,500 curricula since 1989 in response to the changing needs in the communities they serve. Colleges have implemented a variety of innovative approaches to meet emerging needs of their communities in the last three years, including efforts to measure the competencies required by specific jobs and start specialized programs in advanced technology areas.

- **Focus on quality.** The last three years have brought a new emphasis on institutional effectiveness among North Carolina's community colleges and a renewed quest for quality, spurred by growing demands of employers, funders, and accrediting bodies. In October 1989, the State Board adopted a policy requiring that each college review all its curriculum programs every five years, and some colleges are reviewing more frequently. As of March 1992, 27 percent of the system's approved programs had been reviewed. Program reviews and assessments have incorporated feedback from employers, alumni, faculty, and staff.

- **Student services.** The design for a comprehensive system to monitor the progress of students toward their educational goals has been put together by a coalition of campus administrators, faculty, and staff. If enacted, the student progress monitoring system will combine data collection with student services such as academic advising and job placement.

- **Professional development task force.** While funding for faculty development has not increased significantly over the last five years, 13.7 percent more faculty were served through statewide funds in 1990-1991. A task force examining the professional development needs of the system will issue a report this summer.

- **Student access.** A study of child care services currently offered within the system, a review of barriers to entry and retention, and a study of faculty and staff issues have been or are being undertaken. These are intended to help the system better address the needs of students. The child care study pointed out the value of providing this supportive service: researchers at one of the colleges offering child care found that students who had child care graduated at more than twice the rate of those who did not.

- **Financial access.** An expansion in the number and resources of community college foundations has resulted in an increase in the amount of financial aid available for students. Encouraging private support for financial aid has been a priority of the State Board as well. The local college foundations represent a valuable channel for tapping private community support and expanding the resources available for students. Both the percentage of students receiving financial aid and the average amount of aid received have increased over the last three years.

**Unfinished Agenda**

Despite the efforts made within the colleges and at the system level to implement the Commission's agenda, the fact is that the increased investments called for by the Commission have not been realized. The bulk of new investment called for by the Commission was intended to improve quality and access to community college programs and services. The lack of the recommended new funding has discouraged needed innovations and stifled implementation of plans that have been developed to improve quality and increase access. This severely hinders the community colleges' ability to prepare the state's workforce for competition in the international arena. Funding is critically needed to address the following areas.

- **Funding an expanded role.** While demand for community college services is increasing, the revenues to support an expanded role in educating the adults who make up the state's workforce have not been available. Almost all colleges
reported turning away students at a time when it is clear that more adults need education to deal with a changing economy.

- **Innovation.** The colleges continue to report a lack of funds to start new programs and experiment with innovative approaches to adult education to better meet the needs of a diversity of students and employers across the state. Yet at the same time, colleges face new demands and uncharted areas where different types of services are required. A competitive grants fund is needed to allow colleges to develop innovative curricula and experiment with better methods of teaching adults.

- **Equipment and other support services.** Updated equipment, libraries, and other academic support services are essential to a quality educational experience. The State Board recently requested a bond referendum calling for $243 million to fund capital construction and equipment. A survey of equipment currently in use in the system found that 69 percent of the equipment is more than five years old and 34 percent more than 10 years old.

- **Salaries.** The below-market salary levels offered in the system continue to threaten the colleges' ability to attract and retain the qualified faculty necessary to provide high quality education.

- **Student progress monitoring.** Additional resources are required to implement the student progress monitoring system's information tracking system and the professional network to provide career and academic guidance, job placement, and other critical services. The system also needs to address the increasing need to provide support and information to students about educational and career opportunities. This area was highlighted by the Commission but has not been addressed due to budget constraints.

- **Faculty and staff.** Salaries at the majority of North Carolina's community colleges are competitive with neither those in industry nor those in neighboring states. Yet North Carolina’s adults need skilled instruction to ensure that they are competitive with world-class standards. And just as businesses and industries are recognizing the need to continuously upgrade employees through training, investments in professional development are required to maintain state-of-the-art instruction.

- **Student support.** Colleges will need to continue to find ways to address the rising needs for child care and financial aid as costs of attending community colleges increase. Child care is a particular barrier for women, who are the majority of community college students. Increased financial aid will be required to offset increasing tuition costs. Community college foundations can take an expanded role in providing financial aid in partnerships with local communities.

**Accountability and Funding**

The Challenge: Establish effective mechanisms to promote accountability and increased flexibility in funding.

**Trends and Developments**

Attention to accountability has increased throughout the state, in the General Assembly, and among leaders of the business community. Since the publication of the Commission's report, more and more voices have spoken out for new measures that will enable the public to gauge the value of its investments in education. Demands for accountability reflect both the public's interest in assuring the effectiveness of educational systems and its negative attitudes toward public spending.

The state faces a tightened fiscal climate. The downturn in the state's economy over the last two years severely limited the availability of expansion...
budget dollars across the state. Growth in expenditures in entitlement programs and corrections programs is projected to increase, further limiting the availability of new public dollars for other purposes.

Demand for flexibility and accessible adult education systems rises. Throughout the nation, the focus is increasingly on the need for flexible delivery systems that can provide customized training programs and tailor curricula to respond to the needs of a rapidly changing economy. North Carolina, along with several other Southern states, pioneered the use of customized training through its New and Expanding Industry program. Subsequently, such services were extended to existing businesses through the Focused Industrial Training program. The call for such services from existing industries has increased greatly, and colleges report exhausting FIT funds early in the year. Across the nation, as the demand for these services increases, public policy questions surrounding the use of these funds have arisen, including a call for clarification of the appropriate use of public funds to support private business and industry. Resolution of these issues will be key to the continuation and expansion of these critical services to make North Carolina's businesses more competitive.

Calls for coordinated, accountable workforce development programs increase. On both the national and state level, policymakers are calling for a more accessible and accountable system for delivering education and training programs to respond to the growing need for workforce development. In North Carolina, the Governor's Commission on Workforce Preparedness has been established to develop and oversee a comprehensive plan for workforce development at the state level. Nationally, the call is for local structures that can coordinate the delivery of services and make education and training readily accessible to those in need of it.

Progress To Date

Perhaps the most notable development related to the Commission's agenda is the dramatic increase in planning and research capacities across the system over the last three years. At the time of the Commission report, colleges' attention to planning, accountability, and data collection was limited. In a survey of all 58 presidents conducted in spring 1991, 26 presidents said that planning and/or institutional effectiveness was the most important occurrence on their campuses as a result of the Commission's work.

Funding trends over the last three years are less positive. The Commission concluded that a significant additional investment was required in the colleges because of their unique educational and economic development missions. While General Fund allocations to the system were increased in 1989-90 and 1990-91, the system was allocated $24,310,420 less in 1991-92 due to the state's budget shortfall. Some of the specific developments related to planning and accountability are listed below.

- **Workforce preparedness funds.** In response to the growing consensus on the need to invest further in community colleges, an additional $10 million was allocated to the system for workforce preparedness. This was offset by the overall decrease in funding during the 1991-92 year, but this addition was an important endorsement during a time of scarce public dollars of the critical value added to the state by its 58 community colleges.

- **Development of system plan.** The goals and recommendations developed by the Commission were incorporated into the system-wide planning process and widely distributed and discussed among colleges.

- **Augmentation of college planning.** The designation of a planner/institutional effectiveness officer at every campus and development of college-level annual or biennial plans marks important progress since 1989. Planning has led some colleges to review their missions and others to revive advisory groups that had become dormant. At the college level, planning has also improved communications and started dialogues among administrators, faculty, and staff.

- **Student progress monitoring system.** A coalition of educators and administrators from around the system have developed a plan for a student progress monitoring system. When implemented, the system will enable the system to collect information on the progress of all community college students toward their goals and ensure that necessary student services are being provided in a timely manner. This information can be a valuable piece of an accountability system to ascertain the effectiveness of the programs and services of the colleges and should increase the ability of students to meet their goals.

- **Development of "critical success factors."** The measurement system for marking progress toward system-wide goals provides a series of key indicators, or critical success factors, that can be tracked over time to measure the performance of the community college system. Both input measures (such as faculty salaries and age of equipment) and outcome measures (such as performance on licensure exams, literacy student completion rates, and performance of transfer students) are included, representing a major step toward outcome assessment of community college education.

- **Design of new funding formula.** The Task Force on Funding oversaw the development of a new funding formula using a broad-based approach to develop system-wide consensus. The revised formula addresses the Commission's goals to give colleges a larger funding base, more flexibility, funding for occupational extension at the same level as curriculum programs, and dedicated resources for...
While plans for the system are underway, the funding to implement the data collection and to hire needed student support personnel have yet to be secured.

- **Performance incentives.** The adoption of performance incentives for literacy funding represented an important step toward tying performance with funding. Colleges receive a bonus for every student who receives a GED or Adult High School diploma.

- **System research.** The formation of the research unit in the Department of Community Colleges has augmented the department's ability to track and monitor critical trends. Studies on college transfer in coordination with UNC General Administration and on diversity data to undergird a critical study on diversity throughout the system have been conducted, among others.

- **Monitoring group.** The appointment of the monitoring group to follow progress toward the commission's goals and recommendations and to identify future trends occurred in direct response to the commission's recommendation. This group of business, education, and government leaders has acted as an advisory body to the State Board of Community Colleges since 1990 and responds to the Commission's concern that the system develop more direct ties with business and industry.

### Unfinished Agenda

In 1989, the Commission on the Future found a system with a vital mission, yet one that had long been treated as a second-class citizen when it came to resources. Since that time, it has become clearer that investment in the education of our adults is key to economic prosperity. Yet despite the progress that has been made, for many the legacy of the Commission is more bitter than sweet due to the failure to gain additional resources to fuel the system. Of particular concern are the following areas.

- **Funding.** The failure to receive significant increases in funding continues to stymie the colleges in their attempts to respond to today's workforce challenges. Funding for quick-turnaround, nondegree courses remains below the level of curriculum programs despite an increased interest in this type of education. Funding levels make it difficult for colleges to accommodate enrollment growth already experienced, much less start new programs and experiment with more effective approaches to workforce development. Yet awareness of the community colleges' vital role in addressing the state's workforce and economic development needs is growing. A cross section of state leaders has validated the themes the Commission sounded, and the General Assembly has acknowledged the importance of further investment in the community college system.

This business, education and government alliance is required to find the resources to continue to upgrade the system.

- **Performance-based funding.** While performance-based funding incentives have been implemented on a limited basis in areas such as literacy, more study is needed of how performance incentives could be used to enhance quality and increase the strategic use of college resources.

- **Coordination with other education and training providers.** In an era when workforce development sharpens the competitive edge, North Carolina's Commission on Workforce Preparedness is a fledgling attempt to promote comprehensive planning at the state level. Strong participation from the community colleges—the state's presumptive deliverer of adult education—is required to keep this body from becoming merely a paper-shuffling coordinating committee. Complementary use of education and training programs is in the best interest of the state's workers who will require ongoing access to quality education and training.

- **Student progress monitoring system.** Implementation of the student progress monitoring system will enable community colleges to collect information on the progress all students make toward their goals. This information can be invaluable to colleges seeking to ascertain the effectiveness of their programs and in improving student access to services.
Basic and Critical Thinking Skills

The Challenge: Provide opportunities for all adult North Carolinians to master the basic critical thinking skills demanded in a complex and competitive economy.

The plight of our state's least educated adults is more starkly delineated every year. As North Carolina products enter the international marketplace and as North Carolina workers run up against world-class standards, the economic costs of illiteracy become clear. Three years ago the Commission called upon the state's community colleges to accept the great challenge of ensuring that all North Carolinians are prepared to meet rising skills requirements. They called upon the community colleges to increase the number of undereducated adults served, to continue to seek ways to reach the least skilled, and to increase the effectiveness of the educational experiences offered through basic skills training.

Trends and Developments

In the last three years, the community colleges have responded to the Commission's challenge in the area of basic skills by increasing the number of people served and by expanding the ways in which undereducated adults are served. Colleges have teamed with businesses to provide programming tailored to the needs of particular workers, and new models to increase quality as well as quantity have been tested. Yet one need only talk to employers to realize that many North Carolinians remain in need of opportunities to develop a wide range of basic skills including writing, reading, math, and communications; and the state will continue to rely on the community colleges to provide this education so critical to economic success.

Concern is rising about the ability of those least prepared within the labor force to compete in the emerging economy. Literacy has become an issue of concern to the nation as a whole and especially to the South. Concern about the low educational attainment levels of American workers has repeatedly made the headlines. Educational attainment levels are lower in Southern states, including North Carolina, and those most at risk of workplace obsolescence are rural residents and minorities.

Enrollments in community college literacy programs have grown, but the need is still great. Estimates from 1990 Census figures found that North Carolina had about 1.3 million people age 24 and over who lacked a high school diploma and almost 540,000 people with less than an eighth grade education. In 1987-88, North Carolina's literacy programs reached 5.0 percent of the target population while in 1990-91, they reached 6.9 percent. Enrollments increased to 120,043 in 1990-91, up from 87,033 in 1987-88. While progress over the last decade is evident, the need continues to increase the educational levels of these undereducated citizens.

Progress To Date

Highlights of the progress to date by individual colleges and the system to improve the basic skills levels of adult North Carolinians include the following.

- Workplace literacy programs. Since 1989, the demand by employers for literacy programs held on-site at their places of business has increased dramatically. In 1990-91, 381 sites provided workplace literacy training, indicating a growing awareness among employers of the importance of this type of community college education.

- Family literacy. Funds from the Kenan Charitable Trust Fund and the Department of Community Colleges piloted family literacy programs at four community colleges in 1988-89. This program takes an intergenerational approach to literacy by working with both parents and children. Response to this approach has been strong in the last three years and, in 1991-92, there are 36 family literacy sites in the state using a variety of federal and private funding sources.

- Collection of attainment data. A tracking program for students entering literacy programs has been adopted. The Literacy Education Information System will enable colleges to track student progress and attainment. Data on student progress toward their educational goals will also be available in the future. Performance incentives for Adult High
School diplomas and GED completion also represent the increased emphasis on educational outcomes.

- **Links with curriculum programs.** Individual colleges have undertaken efforts to strengthen the links between remedial and advanced courses, for example, by offering developmental courses concurrent with curricular classes. In response to the Commission's report, a system-wide task force was formed to examine the specific recommendations relating to the quality and quantity of basic skills training provided through the community colleges.

- **Literacy policy.** Recognizing the community college system's role as the primary deliverer of literacy education, the Governor's Commission on Literacy has been moved into the community college system to better coordinate its policymaking with that of the State Board of Community Colleges. This offers a valuable opportunity for continuing to strengthen relationships between community colleges and other public and private literacy efforts.

- **Service to the least skilled.** The Commission emphasized the need for community colleges serve those least prepared for work or further education. It recommended that the Human Resources Development program aimed at the chronically unemployed be expanded and augmented. Enrollment in this program has increased at an average annual rate of 10 percent. Funding for this program is tied to performance of graduates, and the program has increased incomes and reduced public assistance payments. In addition, the colleges have been working with the JOBS program under the Family Support Act. This program is designed to move clients of the Aid to Families with Dependent Children program into employment, education, and training. JOBS programs have been implemented in 75 counties, and 53 community colleges are prepared to implement the basic skills component of the program.

- **Training and staff development.** The Commission recommended attention to professionalizing and training basic skills instructors. In 1991-92, a state conference, teleconference, and regional workshops will offer further training to about 1,500 faculty and staff.

### Unfinished Agenda

Despite the progress that has been made over the last three years, meeting the basic skills needs of North Carolina's workforce will require continued attention by both the community colleges and employers. Critical issues that remain include the need for:

- **Business and industry involvement.** The escalating number of workplace literacy sites around the state indicates employers' growing interest in education for their employees. Continued involvement of employers, both in encouraging increased enrollment in basic skills programs and monitoring the results of these programs, is critical.

- **Continued attention to quality and the needs of adult learners.** Available information indicates that a significant number of students continue to exit basic skills programs without completing the program. The need to find ways to make literacy programs more responsive to the needs of adult learners continues, including monitoring their progress and providing counseling about further educational opportunities available through the community colleges. The rapid increase in workplace literacy programs needs to be assessed to discover what approaches are working and why. In addition, colleges and the system will need to continue to work cooperatively to improve the quality of information provided through the Literacy Education Information System.

- **Professionalization.** The need for increased professionalization of basic skills instructors to increase the effectiveness of literacy programs remains. Attention to instruction in this area is critical because, as the Commission learned, so many are part-time, poorly compensated, and paid only for time in the classroom and not for preparation time. In 1990-91, only 7 percent of faculty and staff in basic skills programs were full-time, 34 percent were volunteers, and 59 percent were part-time.
The Challenge: Help business and industry adapt to technological change and promote small business development throughout the state.

The growing recognition of the relationship between economic and workforce development has particular implications for the state's 58 community colleges. As the primary provider of adult technical and vocational education, these two-year colleges have historically maintained close ties with business and industry. Squeezed by competition from both highly productive nations, such as Germany and Japan, and low-wage, developing countries, North Carolina's businesses and industries face increased pressure to produce products and services that can compete in an internationalized economy. To compete in this world market, North Carolina's businesses and industries need workforces with strong basic skills and the flexibility to adapt to changing demands. This forecasts an even more vital role for the education and training services of community colleges.

Employers increasingly call for workers with a strong foundation of critical skills including reading, math, communications, and analytic thinking. And vocational and technical programs, curricula, and courses require constant revision to meet the changing requirements of jobs.

Businesses are increasingly aware of the need for worker training. The growing number of workplace literacy sites and the use of customized training programs for new, expanding, and existing businesses and industries indicate the private sector's growing concern over the condition of its workforce. North Carolina has been a pioneer among states in developing approaches to serving the needs of business and industry. The New and Expanding Industry program was started in 1963 as one of the nation's first customized training programs to support industrial growth. Today all Southern states have such programs. North Carolina expanded on this concept in 1981 when it set up the Focused Industrial Training program for existing industries in need of workforce retraining. In recent years, demand for the program has taken off, constrained primarily by the limited pool of money available for such activities.

Awareness of muddied lines between public and private investments grows. As business demand for customized services grows and calls increase for more public investment in programs providing customized services, the use of public investments in augmenting private concerns is being questioned. The issue of when public money should subsidize private businesses is being examined at both the federal and state levels. This issue will continue to grow more important as competition for dollars in customized training programs increases.

Progress To Date

North Carolina's community colleges continue to strengthen their ties with the state's business and industry and to support the state's economic development. It would be impossible to list all the ways individual colleges are improving their abilities to serve the state's business and industry, but examples of progress across the system to date are highlighted below.

- **Expansion of Focused Industrial Training.** Customized training is now available through 31 FIT centers designed to work directly with industry to assess training needs and develop programs tailored to specific needs. This represents a 30 percent increase in the number of centers and a 33 percent increase in the total number of trainees. These funds can be used to help businesses achieve specific objectives: for example, Robeson Community College worked with the Campbell Soup Company to provide the training to support an expansion in operations that would produce an additional one million cans of soup a day. One center is a consortium between two colleges, and...
colleges without a center have access to a limited pool of funds on a project-by-project basis. Resources from the Worker Training Trust Fund augment the programs at existing sites.

- **Matching curricula to specific workplace demands.** Colleges are increasingly interested in matching curricula to changing standards and workplace demands and are working closely with employers through advisory committees, boards, and other planning bodies. For example, a partnership between Vance-Granville Community College and the Certain Teed Corporation integrates basic academic and functional skills training with technical training. The company has built a training center and the college is providing instructors, counseling services, and curriculum materials. Grants from the Department of Community Colleges supported the development of the program.

- **Establishment of specialized technology centers.** The establishment of the Textile Center in conjunction with the Center for Applied Textile Technology integrates basic academic and functional skills training with technical training. The Deming Center serves as a resource for area industry and individuals and will house a collection of materials related to quality initiatives. It will also work with other community colleges to spread the principles of Total Quality Management.

## Unfinished Agenda

What has become increasingly evident in the last three years is the close relationship between workforce development and economic development. Businesses and industries face a new level of competition and a new standard of excellence. Ongoing education and training is becoming an integral part of doing business in an era increasingly dependent on information. And while the demands for community college services to business and industry have grown and colleges have renewed their historic commitment to the support of local economic development, resource limitations continue to constrain their ability to provide services, leaving colleges unable to address the following critical areas.

- **Service to small business.** The Commission identified the need to increase effectiveness of the small business center network by providing access at every college and increasing the ability of the centers to more effectively serve a variety of small businesses. Since 1989, the need for more service to smaller businesses has become clearer since it is smaller businesses that have the most trouble affording the training their workers need to remain competitive.

- **Focus on quality.** Community colleges are helping businesses and industries adjust to global demands for quality. For example, Catawba Valley has established the Deming Center for Excellence as part of its North Carolina Quality Center. The Deming Center serves as a resource for area industry and individuals and will house a collection of materials related to quality initiatives. It will also work with other community colleges to spread the principles of Total Quality Management.

- **Customized training for existing industries.** Increased expansion of customized training services will be required to meet the growing demand for these services. Despite the expansion of the FIT program, funds for this program continue to be very limited on the individual college level, and colleges report running out of these funds early in the year. As the nature of business-education partnerships continues to change, key public policy questions will need to be addressed, such as the proper cost-sharing between public and private sources for customized training services.

- **Occupational extension.** Currently, colleges have a disincentive to provide quick-turnaround programs through occupational funding because these programs are funded at a lower rate than curriculum programs.

- **Equipment.** Many programs lack access to the equipment found in today's workplace, a problem rapidly escalating in an era of accelerated technological change. Increased funding and partnerships with business and industry are needed to overcome this barrier to quality.

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Partners in Education

The Challenge: Build strong partnerships with the public schools and the state's universities to establish a comprehensive education system in North Carolina.

Across the nation, there is an increasing call for a new approach to the delivery of educational services. A high school diploma is no longer enough to guarantee that a young person will be qualified to perform in a range of increasingly complex jobs, and postsecondary education is rapidly becoming the path for the majority. North Carolina's community college system represents the foundation on which a new education and training system can be built, yet community college leaders need to demonstrate their willingness to work cooperatively with other education and training providers.

Trends and Developments

Nationally, increasing emphasis is being placed on community and technical colleges' pivotal role in the educational continuum. The bridge between high school and baccalaureate education, community colleges are also the bridge between school and work and a natural source of the continuing education that is expected to be demanded by a growing number of jobs.

Postsecondary education is lauded as path for all. Education after high school was once considered the path for a chosen few. Yet changes in the demands of work mean that postsecondary education is increasingly seen as the path for the majority. In the 1980s, those who realized the most income gains were those with the most education, so investment in education is recognized as the best chance to increase individual earning power. Community and technical colleges, with their focus on teaching and on practical education, are an obvious choice for the majority of those who previously would not consider education past high school. Two years of postsecondary education is increasingly seen as a part of the basic education all citizens will require to compete in an economy that values high skills and high productivity. Continued education is also seen as essential for those who were not adequately served by high schools and who therefore have a deficit of skills needed to function in today's complex world.

Across the nation, interest in Tech Prep has skyrocketed. The educational phenomenon of the last three years has been the growth of interest and implementation of Tech Prep, an articulated program of study between the high school and community college. It was virtually unheard of six years ago and is now being implemented in over 800 sites across the country. The expansion of this approach is tied to the growing recognition that those in "general education" courses in high school emerge prepared for neither work nor further education. Planners of a conference of the National Tech Prep Network last year expected 800 people to attend; 1,900 showed up. New federal seed money for Tech Prep has increased interest, and private sector leaders such as R.J. Reynolds and BellSouth have provided support in the South. The Southern Regional Educational Board is working with high schools and community colleges to increase the effectiveness of high school vocational education programs by linking them to postsecondary programs. North Carolina was a pioneer in the Tech Prep arena with the development of a model program in Richmond County. Virtually every county in North Carolina is planning or implementing a Tech Prep program.

The demand for college transfer programs is increasing. College transfer programs through the community college system are gaining increased attention from both adults who wish to use them as an accessible pathway to four-year college and university programs and from policymakers who recognize that college transfer programs in community colleges offer a way to raise overall educational attainment levels. On the national level, discussion centers around the importance of increasing community colleges' capacity to serve the needs of those who were not adequately served by high schools and who therefore have a deficit of skills needed to function in today's complex world. North Carolina's community college system represents the foundation on which a new education and training system can be built, yet community college leaders need to demonstrate their willingness to work cooperatively with other education and training providers.

Coordination among educational systems is needed to increase effective use of educational dollars. As postsecondary education becomes the best chance for economic advancement in the workplace, more North Carolinians will use community colleges as a cost-effective source of education past high school. Education has been a major priority for state spending over the last ten years in many states, and North Carolina is no exception. Yet the painful reality is that the needs for educational spending have outpaced the public resources available to pay for them. This has led to an increased call for coordination of resources to ensure that students progress efficiently from one level of study to another. Emphasis has been placed on the development of curricula that match...
courses of study at the high school level with postsecondary study to reduce duplication.

Coordination of job training and adult education programs becomes an issue. The need to increase workforce preparation at a time when new public funds are limited has led to an emphasis on coordination and reduction of duplication among existing programs. Policymakers from President Bush to local employment and training administrators are worrying about how to get a bigger bang for the current buck. In North Carolina, the state-level workforce preparedness commission is currently undertaking an inventory of public education and training programs. Preliminary assessment efforts have already revealed that the community colleges and the public schools are the two primary providers of these services, although a number of programs and agencies are involved in funding these programs.

Progress To Date

The community college system has invested time and effort over the last three years in developing its role in the educational continuum. Progress includes the following.

- **High school/community college partnerships.** A center of innovation in the development of Tech Prep programming is found within Richmond County, and the establishment of the Tech Prep Leadership Development Center has allowed the lessons of Richmond Community College to spread throughout the state. These efforts have been enthusiastically supported by a broad cross section of the state's business, education, and governmental leaders. As of 1991, 42 community colleges were implementing Tech Prep with 66 school systems, and 35 colleges were in the process of planning to implement the program with 64 additional school systems. The state boards of education and community colleges adopted a joint policy statement supporting the expansion of Tech Prep to all 100 counties and establishing a state advisory committee to oversee the expansion. In addition, other community colleges continue to find ways to innovate to serve public school students through college advancement programs and advanced vocational studies. The Departments of Community Colleges and Public Instruction published a manual on cooperative programs in 1990 to encourage coordinated programming among high schools and community colleges.

- **Community college partnerships with UNC system.** Enrollment in college transfer programs increased 25 percent in terms of the number of full-time equivalent students enrolled from 1988-89 to 1990-91. In addition, work has been done to increase the success rate of students seeking to transfer from the community colleges to various University of North Carolina schools. Community college system representatives visited with all UNC chancellors to ascertain issues and opportunities for mutual cooperation. The first system-wide conference on transfer was held in January 1990. Individual partnerships have also developed between community colleges and regional universities for delivery of remedial and developmental education which community colleges can deliver more cost-effectively.

- **Joint board meetings and meetings of three CEOs.** Coordination among the three systems has been enhanced by convening joint board meetings and by meetings among the heads of the three public education systems. At the second joint board meeting, the State Board of Community Colleges, State Board of Education and the Board of Governors of The University of North Carolina at Chapel Hill adopted a resolution containing ten specific goals for raising the education levels of North Carolina's citizens. Joint board meetings have also occurred at the local level in places such as Wilmington.

Unfinished Agenda

Over the last three years, the relationship between education and economic opportunity has been reinforced. The community colleges offer a critical bridge between school and work and between school and university study. If North Carolina is to ensure that all the state's citizens have access to a continuum of quality education, the following areas need to be addressed.

- **Tech Prep.** The rapid surge of interest in Tech Prep is promising, but careful monitoring and assessment will be needed to ensure that meaningful change in the educational experiences of students occurs. Tech Prep will increase the demands on the community college system which is ill-prepared to assimilate a dramatic increase in students with current funding.

- **Partnerships to reduce costs.** Continued partnerships between community colleges and UNC system schools to explore opportunities are needed to provide complementary services such as the delivery of remedial education by community colleges.

- **Technological education.** Increased articulation between community colleges and four-year universities is required to ensure that bachelors of technology programs are spread.

- **Career and educational planning.** Students need educational guidance and career awareness programs to understand how best to plot a course of study from high school to community college and beyond. This career exploration and counseling needs to start at the middle school level since opportunities to choose paths of study are made in high school under the Tech Prep model.
Leadership and Governance

The Challenge: Develop strong leadership for the system and its colleges.

The Commission noted that unless action was taken to enhance leadership and clarify governance responsibilities, the system’s future development and quality would be impaired. The system has taken conscious efforts to prepare its leaders to meet the increased demands for workforce development that the community colleges are uniquely equipped to address.

Trends and Developments

All the trends identified in this report ultimately affect the work of leaders at the state and local levels, both administrators and board members who struggle together to meet changing demands.

The ability to utilize diversity has become a critical leadership skill. Changing demographics mean a changing student population. Community colleges have already seen an increase in the number of women enrolled in their programs, and they are being called upon to expand their services to minorities who have been traditionally underserved by public education systems. A recent study of diversity within the North Carolina Community College System confirms that the system lacks the diversity of leadership to respond to the demographics of the state’s population. This study compares the percentage of administrators and board members who were women or minorities to the demographics of the service areas. It found the system sorely lacking in female and minority administrators and, in some cases, faculty. The issues raised by this study appear to be priority concerns for both the State Board and local Boards of Trustees.

Challenging era makes innovative community college leadership essential. The demands on the state’s community colleges are probably as strong as they have been since the system was founded. Then the system’s mission was to help the South make the change from a predominantly agricultural economy to one largely dependent on manufacturing. Today as in the 1950s and 1960s, the colleges are called upon to help the state’s workforce respond to a major shift in the nature of work. Yet as Terry O’Bannon, director of the League of Innovation in the Community College, noted in an address at North Carolina State University this year, today the colleges are facing these additional challenges without additional resources. These times demand the same emphasis on efficiency and quality from the community colleges that business and industry will demand from community college students. As the North Carolina Association of Community College Presidents noted in adopting a proposal to begin an internship program to broaden the base of leaders, “The times demand creative leadership as never before if the System is to remain responsive to its charge to help the adult citizens of this State raise their level of living.”

Progress To Date

Efforts to build leadership and strengthen governance throughout the system include the following.

- Task Force on Governance. A systemwide task force was appointed and worked to clarify the division of responsibility between local boards and the State Board of Community Colleges and to develop a series of responses to the Commission’s concerns about governance. The Task Force laid the foundation for closer working relationships between the colleges and the Department of Community Colleges in a number of critical areas.
- Executive Management Leadership Institute. This joint effort of the North Carolina Association of Community College Presidents, the Department of Community Colleges, and North Carolina State University provides those interested in top administrative positions an opportunity for intensive training.
- Leadership program for women and minorities. The North Carolina chapters of the American Association of Women in Community and Junior Colleges and the Council on Black American Affairs have held a special program for women and minorities interested in advancing to positions of leadership within the community colleges. This program was supported by the State Board.
- Enhancing NCSU doctoral program. The Commission was concerned about the access to comprehensive professional education for community college leaders. In the last three years, courses providing credit toward the doctoral program at North Carolina State University have been made available to residents in other parts of the state, and an endowed chair in community college studies has been established. ACCLAIM, a pilot...
leadership development program based at North Carolina State University and funded by the Kellogg Foundation, addresses several areas of concern to the Commission. It provides a continuing education program to assist administrators in community-based programming and an interdisciplinary doctoral program with fellowships for potential candidates, especially women and minorities.

- State Board involvement. Adoption of a working committee system for the State Board of Community Colleges has allowed the Board to become more involved in setting the direction of the system. Also, the Department of Community Colleges was reorganized in response to the Commission's recommendation that it become more of a resource to the State Board.

- College trustee involvement. The North Carolina Association of Community College Trustees has expanded opportunities for trustees to learn more about issues affecting community colleges. The development of training videos for trustees as well as the increased activity of that organization speaks to the commitment of the trustees who must map out the future directions for community colleges.

- Internship program. The North Carolina Association of Community College Presidents adopted a proposal in April to begin to develop an internship program to provide challenging work experiences for both college and state agency employees that will help them gain broader understanding of college or departmental operations while completing needed work.

- Ongoing training. Instructors conferences and orientation for instructional administrators are held every two years. These sessions are designed to develop the skills and knowledge base of key personnel. The last orientation was held in 1991 with 45 in attendance. The last conference was held in 1990 and had about 1,600 in attendance.

Unfinished Agenda

Diverse leadership is essential if community colleges are to continue to assist the state in meeting the challenges of economic and demographic change. Further attention is needed in the following areas.

- Leadership development. Continued support for leadership programs that have been started, both within the system and within North Carolina State University, will prepare colleges to meet the chaos of change. There is a continued need to develop talented female and minority leaders in administration and on boards through an expansion of the Executive Management Leadership Institute and the continuation of the leadership training program for women and minorities.

- Diversity. The diversity study called for improved leadership development,
Epilogue

Three years ago, the Commission on the Future of the North Carolina Community College System issued a challenge to the system and its 58 colleges: retool to serve the new needs of North Carolina's people and its economy. At the same time the Commission challenged the state's leaders to make critical investments in the system to ensure the state's continued economic and social progress into the next century.

Since 1989, the North Carolina Community College System has worked to respond to the Commission's recommendations and to North Carolina's changing needs. The responses can be found in the plans and activities of every one of the 58 community colleges, testimony to their flexibility and their commitment to serve. And this work has occurred without significant new resources in a system that received a declining percent of the state's education dollar during the 1980s.

Over the last three years, the community college system has laid the foundation for the expanded role the Commission laid out. It now has an infrastructure for planning and for accountability, one that is working more effectively with public schools and with four-year universities and with business and industry. Yet the most essential pieces of the Commission's agenda remain unaddressed.

Three years ago, the Commission found a system that was struggling to provide quality education in a rapidly changing economy. In the past three years the message has become only clearer: North Carolinians need world-class education if our workplaces are to compete with the world for high-paying, skilled jobs. Community colleges are our best hope for providing that education in a timely and cost-effective way, yet they still struggle to maintain quality with outdated equipment, underpaid faculty, and part-time instructors in critical areas such as basic skills education. Colleges lack funds to innovate in new program areas, to augment existing programs to meet changing requirements from industry, or to pioneer with new teaching methods to improve the effectiveness of adult education.

In 1989, the Commission lauded the "open door" policy that provides every adult North Carolinian an opportunity for education but cautioned that it wasn't enough for community colleges to open that door and then wait to see who walked through it. Too few of the adults most in need of community college education are recruited, admitted, and assisted in the pursuit of their educational goals, the Commission said. Yet in the past three years, a more fundamental threat to access has occurred as funding constraints and tuition increases are beginning to ease the door shut just as more and more adults are beginning to see education as a key to their individual success and more employers see workforce preparedness as a critical part of retaining a competitive edge. Today more than ever, the state needs the community colleges as active partners in the struggle to develop the workforce, but colleges face turning away students and capping enrollments because the resources to support expanded services are not available.

Over the last three years, the state's public and private leadership joined forces to communicate the essential role community colleges play in developing people and supporting economic development. This partnership must be continued until needed investments of both attention and dollars are made to allow community colleges to meet the workforce development imperative facing North Carolina. With this support the community college system can become North Carolina's bridge to the next century and the economic salvation of its workforce.
Monitoring Committee
Commission on the Future of the North Carolina Community College System

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