



NORTH CAROLINA GENERAL ASSEMBLY
Legislative Services Office

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Program Evaluation Division
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John W. Turcotte
Director

June 28, 2011

Senator Debbie Clary, Co-Chair, Joint Legislative Program Evaluation Oversight Committee
Senator Fletcher L. Hartsell, Jr., Co-Chair, Joint Legislative Program Evaluation Oversight Committee
Representative Julia Howard, Chair, Joint Legislative Program Evaluation Oversight Committee

North Carolina General Assembly
Legislative Building
16 West Jones Street
Raleigh, NC 27601

Honorable Co-Chairs:

Session Law 2009-451, Section 8.20 directed the Program Evaluation Division to study the most efficient and effective way to administer the local community college system. The legislation also directed the Division to consider the advisability of consolidating community college administration and strategies for ensuring access for students.

Formal responses to this report from Community College System President Scott Ralls and from Mary Kirk, President of the North Carolina Association of Community College Presidents, are printed at the back of the published report. In addition, in order to provide individual community college presidents the opportunity to respond to the report, a draft was sent to each of the 58 presidents. These individual responses are attached and are also available online at www.ncleg.net/PED/Reports/reports.html.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Turcotte".

John W. Turcotte
Director

June 3, 2011

Catherine Moga Bryant
Senior Evaluator
Program Evaluation Division
North Carolina General Assembly
Legislative Office Building, Suite 100
300 North Salisbury Street
Raleigh, NC 27603-5925

Dear Ms. Bryant:

I have had an opportunity to review the confidential draft of the Program Evaluation Division's report on community college administration. I do appreciate the chance to respond to it before the final draft is presented. While data on savings are presented, how the figures were developed is not presented in detail.

First, let me say, I have been a president in the community college system for 20 years, actually serving as President of Martin Community College, one of the smaller community colleges, for eight years. I think I understand the challenges of small schools and the role they play in a community.

The figures used in the summary indicate a savings by merging the fifteen smallest community colleges would result in a \$5.1M savings in administrative costs annually and an additional \$3.5M savings. These 15 community colleges, when merged with larger schools, will result in added expenses also. Each of the larger schools will likely see significant salary increases for presidents, because those schools will move to a higher size category. This would result in approximately a \$10,000-12,000 increase for each of those 15 presidents – a \$150,000-\$180,000 increase.

The merged school will still require a "campus dean" or some equivalent, which would pay in the \$100,000 plus salary each year. There will also be very little compression in administration. Most small schools have individuals who head administrative departments who are what I call "working deans or vice presidents." These types of individuals will still be required at the smaller campuses. All the other support professionals will still be present, such as head librarian or IS staff.

In addition, while there may be some savings in administrative salaries, there will be increases in multi-campus expenses. All of these merged schools will become a multi-campus, costing multi-million dollars per year.

With the instituting of the new instructional funding formula, there will be absolutely no savings in funding instruction. Under the old formula, which must have been used in figuring savings, the first 750 FTEs at

all campuses received a higher funding than those earned after 750. With that buffer gone, there will be absolutely no savings in instructional costs.

Many of the smaller campuses have multi-county service areas. To merge them with other larger campus, will create significant added responsibilities on administration to communicate with these other counties. I can tell you from first-hand experience, that meeting with local administrators is very time consuming. These counties will be less inclined to want to support some of the fringe benefits that larger, more financially-able counties now offer, i.e. Guilford Tech has a supplement for all of its employees, whereas Rockingham does not. It would cost Rockingham County about \$100,000 more per year to fund a 1% supplement for RCC's employees if they were to become part of GTCC.

Merging of community colleges would also cause nightmares for accreditation. Each of the schools accepting a merged community college would be required to file a substantive change with SACS. This would be a substantial change likely requiring a visiting team on campus. The substantive change report would require tens of thousands of dollars in man-hours, and substantial funds to pay the visiting team to come to campus.

Another significant cost to the larger school is assumption of huge cost liability from accepting accrued vacation and sick leave for hundreds of additional employees. This could easily add hundreds of thousands of dollars to the main campus' liability.

My last comment involves foundations from the smaller community colleges. Most all these schools have a foundation. With the schools losing their charter, the foundations fail to exist. What becomes of their assets? Do they get transferred to the larger school? I think there would be great angst in any transfer of funds, if not a legal problem. Now, these small school foundations serve students from their communities, and proportionally, they serve a greater percentage than larger schools.

Bottom line, I think the savings projected will be much smaller than the amount purported. The hidden costs will be much higher than any calculation can make. And, most importantly, will the minimal savings be worth the loss of services that will result in these smaller communities? I think the answer is a resounding "no."

Thank you for the opportunity to provide input. I hope you will use it in revising or eliminating the draft.

Sincerely,



Martin H. Nadelman, Ed.D.
President

c: Dr. Mary Kirk, President
North Carolina Association of Community College Presidents

June 2, 2011

Ms. Catherine Moga-Bryant
Program Evaluation Division
North Carolina General Assembly
Legislative Services Office

Dear Ms. Moga-Bryant:

Thank you for allowing Asheville-Buncombe Technical College the opportunity to respond in writing to you regarding the recommendation to merge 15-22 community colleges into larger multi-campus districts. In these tough economic times, it is always good to revisit old methodologies and assumptions.

I have been in the community college world for over 30 years, having worked in four different types of state systems, including the Ivy Tech system which you cited as the only single-college system in the country. You have chosen not to recommend that model and I believe there are many good reasons not to go that route. Good call. But, I do understand that there many different ways a state can operate a system.

However, first and foremost community colleges are all about "community." It's our middle name. We exist only to serve the local community, and as each local community college serves it community; collectively we serve the interests of the state. Whenever, we begin to give up local autonomy and authority, we are losing what is the quintessential core of a community college. So, in our desire to become more efficient, I am afraid that we may be giving up what is the heart of a community college.

To address, specifically, your recommendations:

1. Direct the State Board of Community College to reduce the number of small colleges by merging colleges with fewer than 3000 FTE.

PRO: I believe the merger idea has some merit. There are several small colleges whose FTE is less than the sites of some of the larger colleges. I do believe that the state could operate more efficiently with a lesser number of community colleges. However, I am not sure that 3,000 FTE is the magic number and given that it would be difficult to be supportive of this recommendation.

CONS: As mentioned earlier, community colleges are by their very nature local in orientation. Merging will be difficult as most of us have extensive connectivity to our communities. Many people will see this as a sense of loss.

We need to recognize that there are some downsides to your recommendation, including:

- A. Less representation (read impact) at the national and regional levels on boards such as the American Association of Community Colleges and SACs.
- B. Change of Names: Many of us represent our local counties, and cities. As a regional college most names will need to be changed to reflect a regional flavor. A loss of community identity will be felt because of this.
- C. The farther away from a community, the less influence the community has on the governing entity. How many of us have seen our local banks be taken over by regional or national banks where the decisions are made many miles away from where we live. Many times, decisions made by those far-away are not the same as we would make.
- D. Assimilation/Consolidation will be more difficult than anticipated. Merging boards and creating cross-boundary representation is not easy.
- E. You have planned for consultant fees to give guidance to the merger, but you have not put any dollars aside for the actual merger s themselves. There will be many expenses involved in this, and if colleges are responsible for paying for their own mergers, this is adding insult to injury. I would assume multi-hundreds of thousands of dollars in expenses, if not millions to do legal name changes, boundaries, marketing materials, accreditation instruments, and the like.

2. The General Assembly should direct the NCCCS to establish a unit to develop and maintain purchasing consortiums for community college.

PRO: There may be cost savings in raw dollars only.

CONS: Having been in a state system where this was practiced, in actuality, the savings are not as great, and there are many hidden costs. Some of those hidden costs include:

- A. The need to hire statewide (additional purchasing agents) for state system; while not diminishing the need for local community college to have their own.
- B. We have already determined that using e-procurement currently is more labor intensive, slows down response time and many times is more expensive than using local vendors. Typically, it takes a longer period of time to purchase materials in a centralized system. Additionally, for larger purchases where bids may be involved, this would create the need for increased travel costs.
- C. Going to a statewide procurement system will effect local philanthropy as many of our businesses support us in a wide variety of needs. Not using local vendors, especially, when they are less expensive, will cause local undermining of resources.

In these difficult times, we need to be more business-like and more focused on how we create increased value for our state. I believe most of my fellow presidents would say that we could become more much efficient, and potentially save much more money than this proposal by allowing us to operate in a business-like manner in all of our dealings with the state.

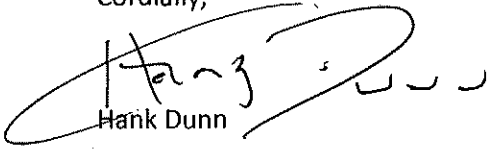
Examples of non-business like limitations of the current community college system are the following rules and regulations:

1. No carry-forward to funding. A private business that could not carry forward profit or retained earnings would soon be out of business. We can become more efficient if we were allowed to use our resources more efficiently to plan for future expenses and save for them.
2. Too may "directed or categorical" pots of funding; most of which are not interchangeable. Giving the community college the ability to use state funds for any purpose that helps a community college meet its mission may be a more effective way of saving money and growing the economy.
3. Requiring community colleges to meet requirements not expected of universities. Why are our bid processes and purchasing requirements different, and more stringent? We are required to use the e-procurement model, even when those prices are not the lowest prices to be found.

These are but a few examples of how community colleges could obtain substantial savings by being allowed to operate in a more business-like manner.

I appreciate the opportunity to reply to this recommendation. I would be happy to talk further if desired.

Cordially,

A handwritten signature in black ink, appearing to read "Hank Dunn", is written over a large, loopy scribble that extends to the right.

Hank Dunn

President

AB-Tech Community College



Beaufort County Community College

P.O. Box 1069 Washington, NC 27889

June 1, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

Beaufort County Community College (BCCC) is a college of less than 3,000 FTE and one of those targeted by Recommendation 1 in the Preliminary Draft of the findings on the North Carolina Community College System Efficiency Study. As President of BCCC, I must add my voice in opposition to the recommended merger of small community colleges such as BCCC with another community college.

BCCC serves Beaufort, Hyde, Tyrrell, and Washington counties and has one of the larger, if not the largest, geographical service areas in the North Carolina Community College System (NCCCS). All four rural counties in the 2,008 square mile BCCC service area are historically designated as Tier 1 and economically disadvantaged counties. BCCC has worked closely with the governments and school systems in all four counties to address educational, workforce training, and economic development requests. Quick response and a vested interest in the students and residents of all four counties by BCCC have resulted in long-standing, mutual trust among all parties. Moreover, BCCC has always sought the most effective and efficient methods for meeting its mission.

A merger of BCCC with another community college will not result in the sought after level of efficiency purported in Recommendation 1. The loss of service to the rural residents of the BCCC service area can in no way be considered "efficient." To maintain the current level of service within a merger will require yet another administrative layer, at the least, which is again counterproductive to cost effectiveness.

While the report indicated in Finding 1 that the physical campuses of many NCCCS colleges are within the 30-mile radius recommended in the Carlyle report and have overlapping service areas, the efficiency report completely ignored the large geographical service areas of some colleges. Of particular note for BCCC is the fact that Hyde and Tyrrell counties, two of the most impoverished counties in the state, will be diminished even further as the result of a merger of BCCC with another community college. Exhibit 4 of the report designating the 30-mile radius around each community college graphically illustrates the disparity. Hyde County is clearly, completely outside of any 30-mile radius depicted. Exhibit 4 shows a small portion of Tyrrell

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Mr. John W. Turcotte, Director

June 1, 2011

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County within the 30-mile radius of College of the Albemarle; however, that radius is across the Albemarle Sound. Implementation of Recommendation 1 will not translate into anything other than reduced opportunities for the residents of these two counties.

BCCC has an exemplary working relationship with the Beaufort County Board of Commissioners which has resulted in sustained budget support of approximately \$2 million annually for the physical plant. In addition, county support very recently was evidenced with a new capital project during the most unsettled economy since the Great Depression. On May 24, 2011, Beaufort County and BCCC broke ground for a new Allied Health and Nursing Building funded through grants and loans sought by Beaufort County in partnership with BCCC. It is unrealistic to assume that county governments will maintain their level of support and commit local tax dollars to facilities that have lost their “trademark” as a result of a merger with an institution in another county.

The presumed savings in Recommendation 1 of \$5.1 million annually resulting from 15 mergers breaks down to \$340,000 per merger. The **ultimate sacrifice**, however, will be in the reduced level of service and thus opportunity for BCCC service area residents. Add to that the eroding local budget support that undoubtedly will occur and the cost will outweigh the savings. The overarching ultimate cost will translate upward to the state level and eventually negate the original effort and intent of the proposed mergers.

In short, Recommendation 1 is not a “win-win,” but only a “lose-lose” situation for all involved. The institution loses, the service area residents of BCCC and the other targeted institutions lose, and, in the long run, the state of North Carolina will lose its standing as the most progressive, most productive, and most student-centered community college system in the nation.

Sincerely,

A handwritten signature in cursive script that reads "David McLawhorn".

David McLawhorn, Ed.D.
President



BLADEN COMMUNITY COLLEGE

Post Office Box 266
Dublin, North Carolina 28332

June 3, 2011

Mr. John W. Turcotte, Director
North Carolina General Assembly
Legislative Services Office
Program Evaluation Division
300 North Salisbury Street, Suite 100
Raleigh, North Carolina 27603-5925

Dear Mr. Turcotte:

Thank you for the opportunity to review the Program Evaluation Division's Purchasing Consortium and Merging Community Colleges Report. As you are aware and cite in your report, the present Community College System in North Carolina was begun by legislative act in 1963. The mission and purpose of the system of colleges has been, since its beginning, to serve the residents of the colleges' service areas. This has been reaffirmed in subsequent legislation and by the State Board of Community Colleges.

The report emphasizes administrative costs for the smaller colleges and identifies these colleges as colleges smaller than 3,000 FTE. Bladen Community College with a student FTE of 1,796 prides itself for efficiency in operation and the administrative costs per student. Bladen's FTE is lower than five of the colleges with enrollments in excess of 3,000 FTE.

For rural communities, such as Bladen County, the local community college, often named for the county or the area, is a source of pride that guarantees enormous support from the community. These communities support the colleges with local allocations for maintenance and updating. Bladen Community College has received a 14 percent increase in funding from the county for the 2011-2012 budget year. These funds support the operation of the college and a building renovation project. This funding would not have been made had the college been part of another county college.

College foundations are an important part of smaller colleges' operation and often help to fund and support the college operation. This aspect of college support is not included in the report and as a funding source would not be continued if

colleges are merged. The foundations of the community colleges that would lose this identity through mergers would lose local support.

The stated savings of up to \$5.1 million in annual savings seems very small when considering the loss of community support that local colleges have. In many counties such as Bladen, the community college is the active partner in all county activities and events. The college is a central hub for every activity that occurs. While the economic benefit for this may not be easily determined, these partnerships would be greatly diminished if the lead college was removed from the county.

I would point out that the information in the report regarding the Kentucky merge of colleges erroneously states that the system of technical colleges and community colleges merged. The technical colleges were part of the Kentucky public school system, and the community colleges were a unit of the University of Kentucky with a chancellor for the system prior to 1998. The community colleges and technical colleges were not part of the same system. By action of the Kentucky Legislature, the two were combined, and a third board was created to oversee the new system of colleges. If there was any savings, it was due to the drastic education budget reductions that the Kentucky legislature imposed for education in the early years of the decade of 2000.

It has been the tradition of the community colleges in North Carolina to serve local needs. This most important part of our mission as a system will be jeopardized with the implementation of recommendation 1. The North Carolina System of Community Colleges is viewed as the best system in the country by our peers and outside constituents. The recommendation proposed seriously erodes the individual strengths of our colleges.

Sincerely,

A handwritten signature in black ink that reads "William Findt". The signature is written in a cursive style with a long horizontal flourish extending to the right.

William Findt
President



Dr. Molly A. Parkhill
President

June 2, 2011

John W. Turcotte, Director
North Carolina General Assembly
Program Evaluation Division
300 North Salisbury Street, Suite 100
Raleigh, NC 27603-5925

Dear Mr. Turcotte:

This letter is in response to your Office's recent study on the North Carolina Community College System and additionally reflects the position of Blue Ridge Community College (BRCC). As you know, Blue Ridge is one of 22 institutions that under the plan would lose its identity and merge with another college.

I would first like to say that the 42-page study appears to be fair and balanced and your staff did a good job on the research and data compilation. Although your recommendation to establish a unit to develop and maintain purchasing consortiums for community colleges is wise, the second recommendation, of merging colleges with fewer than 3,000 student full-time equivalents with another nearby college, is not. We wholly agree with the position outlined by Dr. Mary Kirk, President of the NC Association of Community College President's Association who recently stated that such mergers would be ill-advised and would result in:

- A negative impact on economic development.
- Loss of community colleges as the hubs of education.
- A potential loss of County funding.
- Only a fractional total system-wide budgetary savings (\$5.1 million).
- A reduction in contributions to college foundations that provide scholarships.
- Difficulties in student access to programs including literacy and workforce development.
- A negative impact on community relations and community needs.

The following items are specific to Blue Ridge Community College and are in response to items specified in the Study:

Broader Mission: To analyze administrative activities of the 58 institutions, the Study used a benchmark of 3,000 Student Full-time Equivalent (FTE) to determine a cost per student and found that the larger schools (above 3,000 FTE) tended to be more efficient. The Study,

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however, omitted several critical student groups for which administrative expenses are of course required. Those groups include: students receiving remediation, workers enrolled in Customized Training (CIT), clients receiving Small Business Center assistance, and students enrolled in Community Enrichment programs. The stated mission of North Carolina community colleges includes education, training, and workforce development, but also service to communities to improve the quality of life. BRCC's service area has a uniquely large senior population and, proportionally, one of the largest community enrichment programs in the state. In the past year, the College served more than 14,000 individuals. BRCC prides itself on its wide range of Continuing Education offerings and an awesome array of programs through the Center for Lifelong Learning. Clearly, the report's assumptions are not truly representative of our institution and the case for merger to save administrative expenses is flawed.

Loss of County Support: BRCC maintains 17 buildings in Henderson and Transylvania Counties, which total \$78 million in value (replacement cost). Currently 11% of the College's operating budget is county funded, which includes money for custodial and maintenance personnel, overhead costs (utilities, vehicles, insurance, security, etc.), and salary supplements. All are subject to being reduced depending on county finances, but also the political climate. Traditionally, local county support has accounted for a significant investment at BRCC. Most recently, local government has provided \$16 million to construct a Technology Education and Development Center at the Henderson County Campus and \$2 million to construct an Applied Technology Building at the Transylvania County Campus. Both facilities include state-of-the-art technology not found at any other community college in NC. Dividends are being realized in computer-assisted virtualization as well as a NATEF-certified automotive training lab - all as a response to local needs. This kind of investment would be unlikely under a merged institution with no pride of ownership, no local initiative, and no reason to excel.

Classroom Technology Is Not a Back Office Operation: The Study implies that common "back office functions" such as administration, human services, financial services, etc. can be performed at less cost in larger institutions. The Study also included information technology in this group. While some functions of information technology such as servers, telephones, and computer software are more akin to the payroll office or the print shop which are typically found in one location, another part of information technology is very different. BRCC has a large investment in technology that serves students. We maintain five distance learning classrooms, provide ITV class instruction, and will launch an education channel next month. BRCC has some 8,000 students participating in some form of online instruction and staff maintains 16 instructional computer labs. None of these components are "back office" and it would be incorrect to assume that they can be managed at less cost at a larger institution.

Administrative Costs Do Not Follow the Model: The Study bases its recommendation for merger on saving administrative costs, assuming that smaller colleges have proportionally higher costs than larger ones. BRCC's cost per student runs counter to this argument. Although the Study states colleges with fewer than 3,000 student FTE were significantly more costly to administer, BRCC's administrative costs are only \$862 per student FTE, far less than the average (\$983) and more importantly, less than that of its neighboring college of which the study indicates would become the main campus. This was stated as a prime reason for merger but it would save nothing for either institution.

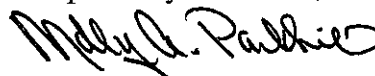
Potential Loss of Private Funding: Blue Ridge Community College Educational Foundation has allocated up to \$1.2 million annually to support mission-critical needs of the College. BRCC's Foundation assets total \$9.2 million and ranks fifth among the 58 community college foundations (net assets / total FTE). For a small college, this shows exceptional local support that would suffer without name recognition. Planned giving is a very personal issue and requires that relationships be nurtured and built upon over time. Just the mention of "merger" may be enough for many donors to question their charitable decision-making. The Blue Ridge community clearly understands the benefits and local needs of the College. If this institution lost its local foundation administration and autonomy, local support would decrease. This continued support should not be put in jeopardy.

Collaboration: Findings from the study noted that community colleges are not taking advantage of opportunities to collaborate to purchase products and services. This is simply not true. Blue Ridge Community College has an ongoing relationship with neighboring institutions including Asheville-Buncombe Technical Community College and Haywood Community College. Staff from our institutions enjoy regular meetings where we solve common problems in human resources, finance, public information, planning, information technology, student services, and foundation matters. We collaborate on grants, articulation initiatives with schools, faculty sharing, job fairs, and more. Collaboration will continue without the expense of merger.

Community Is Paramount: By their very nature, community colleges that serve rural areas are often the life-blood of those communities. They stay above the fray of politics and offer not just education and training, but stability and professionalism. Their location within each community allows them to respond quickly to needs of local business and industry and to promote economic development. Likewise, the communities have a commitment to their local community college. But a regional approach would significantly lessen the availability of valued programs and decrease the incentive for larger, more regionalized colleges to invest in such rural communities. The importance of the history, mission of the community college system should not be compromised for less than .5% savings in the system-wide community college budget.

Therefore, as president of Blue Ridge Community College, I stand firmly in opposition of recommendations of the Study that propose merger of Blue Ridge Community College with any peer institution, as this effort is clearly not in the best interest of the North Carolina Community College System, the Blue Ridge Community College stakeholders, and particularly, its students.

Respectfully submitted,



Molly A. Parkhill, Ed.D.

Cc: Mary Kirk
NCACCP President



Carteret Community College

Dr. Kerry L. Youngblood, President
3505 Arendell Street
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"Education for Life"

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June 3, 2011

John W. Turcotte
Director, Program Evaluation Division
North Carolina General Assembly
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Raleigh, NC 27603-5925

Dear Mr. Turcotte,

In response to the proposal for merging community colleges with a student FTE base of less than 3,000, I offer both personal and data driven perspectives. I believe the plan is not only shortsighted, but will have devastating effects on the communities involved, and will in the long-run hurt the very people we aim to serve. The consolidation recommendations have few if any real advantages, the projected savings are miscalculated and difficult if not impossible to achieve, and the cost of instituting the plan will be far greater than the projected savings.

While I am relatively new to North Carolina, I have worked for more than 25 years in community colleges, including working in both a system-wide environment and a locally owned and operated entity. While advantages and disadvantages exist with any system, I believe the consolidation recommendations degree of merit is primarily limited to an increased purchasing power via consortium.

I was recruited for a job in North Carolina at the peak of my career and chose to come because of the state's national reputation for having a high-quality community college system that exhibits a balance between a strong state system model combined with local government support and oversight. There is no more money in the North Carolina system than most other states. Like other systems, we are managing very limited resources both in personnel and finances. However, our system's strength lies in the balance of support we receive from the state and the local communities we serve. The consolidation recommendation would undermine that balance and decrease our ability to attract much needed local support.

What sets us apart from other systems are the ties we have with our local communities. I believe the title "community" college defines why we are here and who we serve while shaping every aspect of our mission and values. The unique physical and social characteristics of Carteret County provide insight that is not achievable from the macro level or by only taking into account the FTE of an individual college. The size of a college is far more complex than its student FTE base.

Carteret Community College is heralded as one of the great institutions in Carteret County. We are literally surrounded by the satellites of three state universities. About 10 years ago, North Carolina State University built its Center for Marine Sciences and Technology on our campus because it was viewed as a symbiotic, cost effective move that would enhance the university's ability to conduct marine science research. For Carteret Community College, it meant increased classroom and lab

space in the most cost effective manner, plus the opportunity for our students to be exposed to applied marine science opportunities.

The county's own newspaper, a conservative, well respected community based publication, listed my selection as the fourth president of Carteret Community College as one of the top 10 stories of the year. The inclusion was not because of me, nor was it due to a lack of credible news; rather it was because of the importance the Carteret community places on its college.

Another example of the college's outstanding community reputation involves the largest Veterans Day Parade in North Carolina, which occurs in Carteret County every fall. The parade regularly has over 3,000 participants. With military bases located nearby, and a significant military retiree population in the area, it's a strong statement of respect that the parade organizers reserve a place for the Carteret Community College president on the same reviewing stand with the generals, admirals, and other high ranking military personnel and community leaders.

The college's ties with the community date back 50 years, when it began as an industrial education center, training men and women for the jobs that were unique to the community. Marine diesel, welding, and nursing were among the first programs. Today, we still are heavily involved in training local men and women in marine trades, health science, and other occupations unique for our coastal/resort community.

Carteret County is one of a kind with the college residing over 40 miles from the nearest campus. Nearly 100 miles long, the county is a ribbon of land and barrier islands separated by sounds, bays and creeks, and made up of a dozen distinct communities each with its own family lineage and heritage. Shortly after my arrival, I participated in numerous celebrations of the 300th anniversary of Beaufort, N.C. Until then, I was unaware of how strong the family roots run in this county. Many inhabitants are direct descendants of ancestors who landed here more than 300 years ago. Some still live in the original homes or original home sites. A visit to Harkers Island will lead you to families who can trace their heritage 12 generations or more and who, to this day, speak with a strong Elizabethan brogue.

More than 30 percent of our students live in the downeast communities and the unique beach towns on the southern outer banks. Some students drive in excess of 40 miles to reach the college. Philosophically and socially, the downeast communities are independent minded, suspicious of government intrusion, and clannish in nature. While they are intelligent, friendly and polite, they are skeptical about the motives of outsiders or people "from off" as they call them.

Most recently, I attended a reception for the new Superintendent of the Cape Lookout National Seashore at the Core Sound Waterfowl Museum on Harkers Island. The event also unveiled an art exhibit from known professional artists and students from Carteret Community College. Called *Sand, Salt and Soul*, the exhibit conveyed the deeply held sense of community that exists here. The exhibit organizers selected the word *Soul* to represent the community's connection with the land, the sea, and the "community."

How many other North Carolina counties during the 2000 higher education bond referendum had a TV commercial featuring a commercial fisherman and his young daughter supporting passage of the bond as being in the best interest of the community? Only in Carteret County, where the bond passed by an overwhelming majority, allowing increased opportunity for area citizens, and the largest campus improvement in its 50-year history will you find that kind of culture-driven, local buy-in.

The county provides over 15 percent of the college's budget each year. The amount accounts for more than \$2 million used for utilities, maintenance, and upkeep. Carteret Counties elected officials have a well-earned reputation for being thrifty, demanding and highly scrutinizing of government spending. Being located close to the marine environment presents unique and demanding challenges, having support for maintenance and upkeep is critical. Despite increased enrollments over the past three years, state support is projected to be cut by at least 10 percent this year alone. During this same time, while county officials have been forced to make cuts in many areas; local support to Carteret Community College has remained stable with modest increases over the past two years.

To help make up funding decreases, the college has an aggressive advancement and community relations program. We have enjoyed successes that have provided a number of significant grants, and donations for scholarships and projects such as creating an onsite nursing lab, business facilities and supporting marine trades. One of the factors that helped was that donors could identify with the local impact of the community college on their community combined with the fact that they live and work with their local leadership. The college president is one of the single most visible people in the community. It was their college and their students they were supporting. Now with the prospects of regionalization for efficiency, we can expect skepticism to increase and local support to decline from both local government and from private organizations and individuals.

It is only natural that this highly independent, self-reliant Carteret society will look at the consolidation as a another case of government intrusion cutting the college they created from World War II Quonset huts 50 years ago.

The perspective presented here is not because of my own self interests in keeping a job. I submit this response for what I truly believe to be in the best interest of this wonderful and unique community. It will be unfortunate that the consolidation for efficiency message will overshadow the hope, success, and opportunity message we have worked so hard to convey to our local audience.

As for saving money through the elimination of certain positions, the savings that will be gained at Carteret are miniscule compared to the other costs and lack of program opportunity resulting from the change.

Such a plan might work in larger urban areas where community differences are not as distinct, and people are more mobile, but be assured e-mails will fly, and the telephones will ring for members of the General Assembly with overwhelming disapproval if this plan goes forward as citizens will not stand by quietly while they are relegated to a satellite community. In the long run, it will hurt the stature of Carteret Community College and the system to which it belongs.

In closing I want to thank you for the opportunity to review and comment on the efficiency study. I look forward to discussing the matter with our elected officials and Trustees as we continue to plan for the future educational needs of our county residents.

Sincerely,



Kerry L. Youngblood, Ph.D.
President

June 3, 2011

Mr. John W. Turcotte, Director

NC General Assembly

Program Evaluation Division

300 N. Salisbury Street, Suite 100

Raleigh, NC 27603-1406

Dear Mr. Turcotte;

Thank you for the opportunity to review and comment on the Preliminary Draft of the findings of the North Carolina Community College System Efficiency Study. The research work of the Program Evaluation Division in this study is commendable. The data provided is thorough and objective despite the difficult assignment.

There are many questions and concerns raised by the recommendations of the report. Although I realize the possible implementation of the recommendations will involve extensive planning and review some of the most critical concerns are noted in my following response to the draft report .

Recommendation 1: The General Assembly should direct the North Carolina Community College System to reduce the number of small colleges by merging colleges with fewer than 3,000 FTE with another college. Assuming 15 mergers would be phased in and completed by 2018, merging could save up to \$5.1 million in administrative costs annually and up to \$3.5 million in additional savings.

1. A key assumption in the proposal is that course offerings, services and community involvement at the consolidated campuses would not be negatively impacted. However the study also notes that an average of 27% of funding comes from the host county. If the respective county commission views the consolidation of their college as a diminutive action then county support could be diminished, resulting in a reduction in services and quality at the campus. Also of concern is the potential legal issues and possible extended litigation on the part of the county. The consequences of reduced funding and expensive legal actions would have a devastating impact on both the local campus and the parent college's operations.
2. If the consolidated college has a foundation, the disposition of those assets and the reaction of former and future donors is also a concern. Our greatest support base is from the communities we serve, disenfranchising the local businesses and community leaders could diminish the confidence our supporters and students have at all the community colleges in North Carolina.
3. Undertaking the administratively, politically and educationally difficult task of consolidating 15 colleges to ultimately realize a savings of \$681,239 per college per year does not appear to be a

reasonable return for the efforts and costs invested. Although the report notes on page 5 that each college now receives an instructional support base of \$2,056,736 annually, the disposition of those funds is not apparent in the calculation of cost savings.

Recommendation 2: In addition, the General Assembly should direct the North Carolina Community College System to establish a purchasing unit to develop purchasing consortiums for community colleges.

Central Piedmont Community College has participated with nine other North Carolina and two South Carolina community colleges in the Charlotte Regional Workforce Development Consortium. This organization which includes 30 counties is closely aligned with the Charlotte Regional Economic Development group, local chambers of commerce and workforce development boards. Our purpose has been to collaborate on many fronts including business development, curriculum development, grant applications and occasionally purchasing of services or goods. The administration and coordination of the group rotates among the eleven member colleges.

The concept of a purchasing consortium is a sound idea. The concerns raised are that we don't create another bureaucracy which impedes the colleges' ability to respond quickly and efficiently to the needs of our students and community. The report suggests adding staff and the NC Department of Community Colleges to facilitate centralized purchasing. If this model is adopted the additional staff, even if they are System employees, should be located at colleges across the state where they have access to the Datatel system and can regionally coordinate major purchases, issue RFPs and create purchase orders on-line.

In the seventies and early eighties all purchases and cataloging of library materials was centralized at the NC System Office. This created a bottleneck of services and delivery resulting in delays of up to one year before colleges received library books and materials on their campuses. The report cited a potential savings of assessment test of 45 cents per test, however if the colleges do not have testing materials to process students in a timely fashion the cost of losing that student is far greater than the savings on the test. Any consolidation of purchasing must assure not only cost savings but efficient and timely delivery of the goods or services to the end user.

Thank you for the opportunity to submit this response.

Sincerely,

Tony Zeiss, President

Central Piedmont Community College

Cc: Dr. Mary P Kirk, President

North Carolina Association of Community College Presidents Association

DCCC

THE COLLEGE OF
DAVIDSON AND DAVIE COUNTIES

OFFICE OF THE PRESIDENT

June 2, 2011

Mr. John Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N Salisbury St, Suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

Thank you for the opportunity to respond to the Preliminary Draft of the findings on the North Carolina Community College Efficiency Study.

While your research reviewed data about our 58 community colleges, there is a need for additional quantitative and qualitative information. This additional information must be taken into account before a final report is made. Therefore, by knowing the unique community story of each college, it will clarify why some of the recommendations made violate the philosophy and intent of the community college system in North Carolina. The study did not address the academic performance outcomes associated with the mission of the community college. The study's quantitative analysis merely addressed the business outcomes.

Davidson County Community College serves 16,000 students each year of which 5,800 are curriculum credit students. They are county residents of Davidson and Davie counties. They identify with their community college and do not tend to travel beyond the county for education. This was always the intent of the community college system; access for citizens within their communities. We, in fact, at Davidson have broadened our outreach to meet this need with three additional city and community based sites. We have recognized the need and delivered.

Davidson Campus
P.O. Box 1287
Lexington, NC 27293-1287
336.249.8186

Davie Campus
1205 Salisbury Road
Mocksville, NC 27028
336.751.2885

While Davidson has not been identified as one of the 15 colleges for consolidation, the impact will affect all. This plan dilutes the value and success of what 58 colleges historically have provided North Carolina.

In addition, there would be a negative impact on economic development, community relations and a reduced response to community needs. Funding support from counties and to their Foundations would be jeopardized. Also, a negative impact would be imposed on the sense of importance these colleges provide to their service area. Education is the priority and access provides that opportunity. Proposed consolidation and regionalism diminishes the importance of the State's education agenda, literacy, learning, workforce development and college completion.

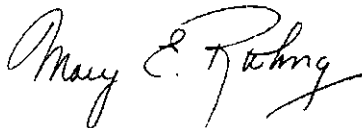
Above all, is a 5.1 million dollar savings of a 1.2 billion dollar budget resulting in a savings of less than ½ of 1% of the total budget, worth compromising what we know is working throughout North Carolina? – A community based community college system.

Finally, we have addressed operational efficiencies both locally and regionally. I do believe we can improve. A focused approach on processes and procedures on how to improve our business operations should be conducted with community college Presidents and CFO's. Recommendations for future study in this area are: purchasing, payroll, HR policies, student records, admission and financial aid practices.

Please note we have been successful for what we do both as a system and as autonomous colleges; for example, Davidson County Community is an "Achieving the Dream" college, "Completion by Design" college, and recent "Aspen Prize" candidate. Let's not destroy a nationally recognized quality system and colleges.

Thank you again for the opportunity to submit this response.

Sincerely,



Mary E. Rittling, Ed.D.

President

Davidson County Community College



May 31, 2011

Mr. John W. Turcotte, Director
North Carolina General Assembly
Program Evaluation Division
300 North Salisbury Street, Suite 100
Raleigh, NC 27603-5925

Dear Mr. Turcotte:

Edgecombe Community College appreciates the opportunity to review and comment on Report No. 2011-04, a result of Session Law 2009-451 that directed the Program Evaluation Division to evaluate the administration of the North Carolina Community College System. We thank you for the time and effort that you took to understand the state's complex community college system.

We understand that improving the financial management of community colleges is essential. However, we disagree that merging community colleges will bring positive outcomes for the state's 58 colleges, their students, and the communities they serve. The North Carolina Community College System is the third largest community college system in the nation. It is a flagship system, a model for two-year institutions of higher learning in the nation and world.

Community college students in North Carolina pay the lowest tuition in the Southeast. Ninety-six percent of the state's community college students on average earn a passing rate on licensing or certification exams. Ninety-nine percent of North Carolina's community college graduates are employed within one year. Approximately 86 percent of all public safety personnel in the state train at a community college.

At every turn, we strengthen the lives of individuals, thereby strengthening families and communities. An essential component in our success lies in the "local" nature of our colleges. Educational curricula and training programs are driven by local needs. Community college administrations unite with local leaders in business, industry, education, government, and economic development to develop new initiatives that will benefit their community. Merging community colleges dilutes this essential local process.

Our responses relative to the two report recommendations follow:

Report Recommendation 1. *The General Assembly should direct the State Board of Community Colleges to reduce the number of small colleges by merging colleges with fewer than 3,000 student full-time equivalents with another nearby college.*

1. The potential savings of \$5.1 million in administrative costs annually is a relatively meager sum compared to the negative impacts that would surely be sustained by small communities affected by mergers. While these impacts may include less quantitative measures, such as pride and unity, they are no less valuable. In many small communities, the community college serves as a focal point for activities, not only for higher learning but also for community events, such as meetings and receptions, and cultural events, such as performances and exhibits. Small communities demonstrate a very strong sense of ownership regarding "their" community college, which in turn strengthens the college and its ability to meet the needs of the community.

The mergers are sure to create a political upheaval in local communities, involving the County Commissioners, the Community Colleges' Boards of Trustees, the Town Councils, and other community leaders. Suddenly, the conversation would change – the political discourse would no longer be centered around preparing students/citizens for the workforce. Instead, the discourse would focus on the loss of a community hub of economic development, educational, and cultural activities in order to save \$5.1 million annually. The cost of the mergers would not be worth the savings. Community colleges cannot place a value on the deep-rooted, community-oriented relationships and partnerships that exist – those relationships and partnerships are priceless.

2. Many costs of merger were not considered in the efficiency study. These costs could easily exceed \$500,000 per affected college. Examples include revising campus entrance and directional signage, connecting phone systems, uniting IT systems and possibly email systems, buying common software systems, revising marketing materials, and reviewing and revising policies and procedures.

3. The formation of all the community colleges in North Carolina represents a carefully constructed partnership between the State and the host County. The host County voluntarily agreed to support the physical plant of the college. As stated in the North Carolina Community College Efficiency Study, "In 2009-10, counties provided 19% of the total community college funding..." The State has a moral and ethical obligation to continue the present relationship until it requests and receives approval from the respective county commissioners to revise the agreement.

Furthermore, counties may be less responsive financially to a community college whose main campus is located in another county. Though some colleges' service areas consist of more than one county currently, equitable funding is difficult to achieve and often takes years for the adjoining counties to assume adequate financial responsibility.

Report Recommendation 2. The General Assembly should direct the North Carolina Community College System to establish a unit to develop and maintain purchasing consortiums for community colleges.

Purchasing consortiums would be a resourceful strategy for improving financial management. Our 58-member community college system has a long and successful history of developing and maintaining successful consortiums and partnerships, such as the statewide efforts to design and implement the Common Course Library, curriculum improvement projects, placement assessment strategies, and developmental studies' projects. Likewise, we support the establishment of a unit to implement and manage purchasing consortiums.

Thank you for the opportunity to comment on this report. Edgecombe Community College supports your efforts to determine the most efficient and effective way to administer the North Carolina Community College System. We encourage you to keep in mind the context in which each community college operates locally as well as the critical and distinctive role each college plays within its unique community. The strength of our system lies in the diversity of each member, a diversity that would be compromised by proposed mergers.

Sincerely,



Deborah L. Lamm, Ed.D.
President

June 3, 2011

John W. Turcotte, Director
Program Evaluation Division
NC General Assembly
Legislative Services Offices
200 North Salisbury Street, Suite 100
Raleigh, North Carolina 27603-5925

Dear Mr. Turcotte:

Thank you for the opportunity to review and respond to the Program Evaluation Division's report on the most efficient and effective way to administer the local community college system. The report includes two primary recommendations. First, it is recommended that most colleges with less than 3,000 full-time equivalents be merged with other colleges in order to achieve a relatively small amount of annual savings. Secondly, the report recommends that colleges pool their purchasing power in order to lower the costs of goods purchased by all colleges.

North Carolina's community college system has long been recognized as one of the best community college systems in the nation. While the recommendation to merge and consolidate smaller colleges could result in modest savings, I believe those savings will come at a significant cost to the effectiveness of colleges in serving their local area. Unfortunately, the recommended mergers would disproportionately occur in rural eastern and western North Carolina. The counties that would lose community college main campuses are the very counties that have the fewest resources to fill the gap created by the loss. These rural areas already face significant challenges fighting poverty, fighting illiteracy, and growing their economy. Community Colleges are among the most effective weapons counties have to tackle these issues and any loss of effectiveness would be a significant loss to those counties and ultimately to the state.

If mergers do occur, it is very likely that counties which lose a community college main campus will find it politically difficult to maintain the same level of funding as they appropriated prior to any merger. Generally, counties are legally responsible for the operation costs associated with a campus and with capital improvements. Since the legal responsibility to provide operational costs will not likely be diminished, it is most likely that counties losing a main campus would appropriate fewer funds for capital improvements. If that proves to be the case, it seems likely that capital expenses will become a larger burden on the state. Accordingly, the efficiencies gained through a merger will be lessened by additional capital costs borne by the state.

The recommendations also include a suggestion that colleges should organized identically to promote efficiency. While I doubt implementation of such a recommendation would improve efficiency, I do believe that its implementation would come at a cost to the effectiveness of colleges. Colleges must be nimble to meet the ever changing needs of its service areas. Requiring colleges to organize themselves identically will result in less nimble colleges. For example, continuing education courses are extremely important to Cumberland County and FTCC. FTCC needs and enjoys strong organizational leadership in that area. However, some colleges do not have the same need for or emphasis on continuing education courses. These differing needs necessitate differing organizational structures.

With regard to the recommendation to pool the purchasing power of colleges, I believe that the recommendation merits additional consideration. It appears likely that colleges could enjoy some savings by pooling their purchases. However, if such is to be implemented, funding for the organization and operation of such a pool should initially be fully funded by the state without any decrease in other appropriations to colleges.

Finally, please know that I am aware that the North Carolina Community College System Office and the North Carolina Association of Community College Presidents also responded to these recommendations. FTCC believes those responses are appropriate and we are pleased to associate our college with those responses.

Sincerely,

J. Larry Keen
President



Gaston College
Opportunities For Life

June 1, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603

Dear Mr. Turcotte:

Thank you for the opportunity to respond to the North Carolina Program Evaluation Division's Efficiency Study report dated June 2011. Please accept this letter as my response to the report.

I fully concur with Dr. Mary P. Kirk's formal response dated May 12, 2011, on behalf of the North Carolina Association of Community College Presidents Association. I would like to emphasize certain points and to express additional thoughts regarding the report's recommendations.

1. Impact on cost

From a financial perspective, perhaps the most salient point in opposition to the recommendation to consolidate 15 community colleges is the relative lack of financial savings. According to the report, consolidation would result in \$5.1 million in annual savings, which is less than 1/2 of 1 percent of the total community college system budget of \$1.2 billion. These savings would likely be further reduced when considering the direct and indirect costs (e.g., loss of time and productivity) associated with merging two or more community colleges. I can personally attest to the challenges of acquiring another educational institution when the legislature mandated that Gaston College assume responsibility for the North Carolina Center for Applied Textile Technology—a relatively small organization in comparison to most community colleges. The acquisition required countless hours to bring together the different organizational structures, operating procedures, and cultures. Although by most accounts the acquisition has been a success, multi-campus funding for the additional campus continues to be a challenge, which would likely remain in the event of merging two or more community colleges.

Dallas Campus
201 Highway 321 South
Dallas, NC 28034
704.922.6200 • Fax 704.922.2323
www.gaston.edu

Kimbrell Campus & Textile Technology Center
P.O. Box 1044
7220 Wilkinson Blvd.
Belmont, NC 28012
704.825.3737 • Fax 704.825.7303

Lincoln Campus
P.O. Box 600
511 South Aspen St.
Lincolnton, NC 28093
704.748.1040 • Fax 704.748.1074

The report suggests that reducing costs will improve efficiency and that the realization of projected savings would remain static over time. Although the projected savings are relatively small in comparison to the overall community college system budget, I believe it is important to consider the strong possibility that as "acquiring" colleges attempt to maintain a high level of quality education and service to the local community, over time the acquiring college will be forced to add administrative and leadership positions (and associated costs) to fulfill its mission, thus reducing projected savings.

One statistic highlighted in the report showed a comparison of administrative costs per student FTE for 2009-10 between the NC community colleges and the University of NC system. According to the report, the cost per student FTE for NC community colleges was \$856 compared to \$1,781 for the University of NC system. Please note that I completely recognize and respect the critical role of the University of NC system and am in no way inferring that its cost per student FTE is too great. Instead, I am simply calling attention to the lower cost per student FTE associated with the equally critical role that community colleges play in support of our local communities, continuing education, and as a portal for students transferring to four-year institutions—including those in the University of NC system.

When considering the relative lack of projected savings and the comparative cost per student FTE, these numbers strongly suggest to me that the NC community college system is already operating at a high level of efficiency.

2. Impact on culture

As a president of a NC community college for nearly 17 years, I have learned that the foundation of our excellence is firmly linked to our 58 individual cultures. No matter the size, each community college develops a distinctive culture that defines its identity and becomes an integral aspect to effectively serve the community in which it is a part. Notwithstanding opportunities to streamline certain processes, the strength of our system is in many ways built on our ability to be different. These differences allow for the essential flexibility in our organizational structures based upon our unique cultures, resources, talent, and public need. In other words, maintaining a heterogeneous system allows each community college to develop its own culture to effectively respond to a wide-range of complexities and needs often associated with our different communities.

As one might expect, in addition to the many challenges of any organizational merger, the human aspect is perhaps the most difficult. Mergers are a stressful process that typically create uncertainty and anxiety and will often lead to a decline in morale and an increase in resentment. These factors, along with many others, will often negatively impact an organization's culture and performance, especially the culture and performance of the "acquired" college, which may have lasting effects on the respective community and quality of education.

3. Impact on our communities

A community college is an integral part of the community in which it serves. As part of this relationship, college leadership must remain closely involved with the local community and positioned to respond quickly to changing needs in support of economic growth and workforce development. By merging community colleges, thus increasing the span of responsibility of college administration and leadership, a college may lose its ability to be responsive to changing needs, which could prove detrimental to our system's overall mission to maintain a high level of quality and service to efficiently and effectively serve the public.

4. Impact on the quality of education

The heart of a community college's mission is to promote student success and lifelong learning through quality educational programs and services in response to economic and workforce development needs. Each community college accomplishes this mission through an ongoing commitment to student retention and success—a commitment that is firmly grounded in local leadership, strong cultural identity, and maintaining a close and responsive relationship with the community in which it serves. To lose or to tamper with any of these or similar aspects of our success could jeopardize the most critical mission of our institutions—the effective education of our students. A community college education is more than just a classroom; it is often the place where opportunity to learn leads to hope and the realization of hope leads to life-long success.

Mr. Turcotte, I fully understand the General Assembly's desire to improve our community college system relative to financial savings; however, for the reasons presented by Dr. Kirk on behalf of the North Carolina Association of Community College Presidents Association and those presented herein, I strongly believe that the long-term costs (both direct and indirect) of merging community colleges would far outweigh any projected savings.

Respectfully,



Patricia A. Skinner, Ph.D.

President

Gaston College

June 3, 2011

Mr. John W. Turcotte, Director
NC General Assembly Legislative Services Office
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-5925

Dear Mr. Turcotte:

Thank you for the opportunity to reply to the Program Evaluation Division's 2011 report on community college administration. I am specifically responding to its two major recommendations:

- (1) Reduce the number of small colleges by merging colleges with fewer than 3,000 student FTE with another college. Assuming 15 mergers would be phased in and completed by 2018, merging could save up to \$5.1 million in administrative costs annually and up to \$3.5 million in additional savings.
- (2) Direct the NC Community College System to establish a purchasing unit to develop purchasing consortiums for community colleges. Savings of \$1.8 million could be realized over seven years.

I concur that establishing purchasing consortiums would be a useful and efficient means to foster cost savings. In fact, this is currently one practiced by Haywood Community College, Blue Ridge Community College and Asheville Buncombe Technical Community College and one we would like to expand. New and/or revised purchasing policies and procedures would greatly enable shared purchasing and buying locally, both of which are currently hampered.

I do not concur that a merger of community colleges with less than 3,000 FTE would with all certainty generate savings sufficient to off-set the potential loss of community support, economic development, foundation assets, and social engagement. I do not feel that the study includes adequate aspects of analysis to make a valid conclusion. While this study uses FTE and administrative costs as the basis of analysis, it does not include or quantify the investment of citizens and counties toward the creation, development, and on-going support of their local college. For example, Haywood County residents donated land for the campus, other residents donated time and expertise to create a campus arboretum, and multiple residents give money and time to make the college the best. The HCC foundation ranks at the top in the western NC region for annual giving and net assets. Local residents approved a ¼ cent local use sales tax to fund college construction projects. By what means does the study indicate that this same level of support would continue?

As indicated in the report, several colleges have a service area of more than one county. Based on my prior experience at three separate colleges in two states with three county service areas, counties do not contribute equally to the on-going support of the college. The county with the "main/base" campus

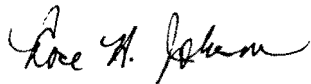
typically emerges as the lead supporter and disagreements often emerge among counties about their perceived responsibility to contribute funding if the "main campus" is located in another county. It would seem prudent to gain more insight to that phenomenon as a means of projecting the loss, if any, in support from counties and residents when "their" college becomes a campus of another college. A loss of this funding will have a negative impact on campus infrastructure and on student scholarships, internships, and co-ops.

The study also does not attempt to quantify the non-FTE producing activities and educational programs that are fundamental to community and social engagement. For example, services to the rapidly growing senior citizen population and skills training courses provided on a self-support (non FTE generation) basis are not reflected. A representation of these should be included to garner a more comprehensive perspective.

Will the proposed merged administrative units strengthen or weaken the economic impact of the separate colleges? This has not been addressed. With the low projected cost savings of the proposed merger, it appears that greater efficiencies could be gained with a combined consortia purchasing and program planning/implementation approach. Yet, the potential cost savings of regional program planning/implementation has not been addressed.

In summary, I do not feel that the legislative study and proposal to merge colleges addresses sufficient factors to be considered conclusive in its findings. While I support the consortia purchasing proposal, I do not support the proposal to merge colleges.

Sincerely,



Rose Harrell Johnson, President

ISOTHERMAL

COMMUNITY COLLEGE

Office Of The President

Myra B. Johnson

June 2, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

As an officer of the North Carolina Association of Community College Presidents (NCACCP), I was one of the five community college presidents involved in the initial review of the Program Evaluation Division's draft report on community college administration and subsequent response submitted by Dr. Mary Kirk. In addition, once the draft was released to the full membership of the NCACCP the Western Presidents submitted a letter of support for the response by Dr. Kirk, of which I was also involved in drafting the response from that group. Although I have had two opportunities to participate in responses, it is important that Isothermal respond individually supporting the formal response from Dr. Kirk and the NCACCP.

Recommendation 1: The General Assembly should direct the North Carolina Community College System to reduce the number of small colleges by merging colleges with fewer than 3,000 FTE with another college.

It is difficult to be totally objective since Isothermal is one of the colleges identified as "small" and targeted for consolidation with a larger college. Theoretically, however, the report could result in Isothermal being the main campus with another small college in a contiguous county becoming a campus of Isothermal; or that Isothermal might be exempt from the consolidation. These scenarios, however, do not change the overall impact on the citizens of North Carolina. Thus, I am opposed to this recommendation. For many of our learners, the local community college is the only avenue available for improving his/her life through learning. It is the hub of education, innovation and cultural activity in rural counties. I emphasize "local" because of the ability of the current system of community colleges to focus on the needs of the identified service area and connect with the specific needs in terms of economic development, workforce training, technical skills and transferable credits. Each existing community college can adapt to the variety of needs that are critical to the area and in the needed ratios. In Rutherford

RUTHERFORD CAMPUS
P.O. BOX 804
SPINDALE, N.C. 28160-0804
828/286-3636

www.isothermal.edu

POLK CENTER
1255 WEST MILLS STREET
COLUMBUS, N.C. 28722-9445
828/894-3092

• An equal opportunity, learning centered institution •

and Polk counties – the two county service area of Isothermal – there are differing needs. By having a local administration, the needs of the each county can be addressed. The result has been locating a campus center in Polk County with a focus on occupational education, continuing education and basic

skills and having the main campus in Rutherford County which meets the demand for curriculum programming while also providing the occupational, continuing education and basic skills programs. Isothermal Community College, however, is not unique in the ability to adapt and address local demands. Regardless of the size of the community college, the opportunities provided are critical to the local constituents.

Isothermal Community College continually strives to work with our local economic development representatives, public and private school partners, university partners, local government and the citizens of Rutherford and Polk counties and as a result has built a strong contingency of support. Although the financial support is strained locally because of the current economic downturn and the loss of our textile base, Isothermal is recognized as “the crown jewel” of our area. As the “local” community college, we provide hope, opportunity and the potential for success through collaboratively working to identify the learning needs that are unique and to develop programs and services needed to address the needs. The consolidation of colleges would have a negative impact on economic development, community relations and the ability to respond to community needs. Additionally, the potential loss of funding from county government due to a reduced response to community and business needs is likely. Our counties are struggling financially to meet identified needs as a result of a reduced tax base. A sense of loss of ownership in the education and cultural needs of the county would provide an opportunity to reduce the funding – which is strained at present. Additionally a loss of college personnel contribution to the tax base of the affected counties would cripple any potential for support.

Financially for the state, a \$5.1 million savings out of a \$1.2 billion budget results in a savings of less than ½ of 1 percent of the total budget. The decision cannot be determined by financial savings but the opportunity costs resulting from the decision. These losses (opportunity costs) include:

1. A loss of community college faculty and staff leadership to county and civic organizations
2. A loss of established loyalty for the community by the college employees.
3. A reduction in contributions to the colleges' foundations that provide scholarships
4. A diminishing sense of importance of the constituents in the service areas.

If education is a priority, access is a must and the proposed consolidation diminishes the importance of literacy, learning, and workforce development.

Recommendation 2: In addition, the General Assembly should direct the North Carolina Community College System to establish a purchasing unit to develop purchasing consortiums for community colleges. Recurring savings of \$1.9 million could be realized over seven years.

I am in agreement that there could be value in developing purchasing consortiums and recognize that implementation of such an initiative would require input from both the 58 community colleges and the

NC Community College System Office. Consortiums have been an efficiency tool used by North Carolina's community colleges for some years. Currently, Isothermal Community College is involved in several and serves as the administrative college within one consortium. The administrative unit for each of these consortia provides the purchasing support, human resource support (hiring, evaluation, etc.) and other administrative support for the respective consortium – achieving efficiencies.

Additional changes have been implemented by the community colleges system through initiatives designed to achieve efficiency. These include the creation of a Common Course Library, Curriculum Improvement Projects, the Datatel system, Information Technology Equipment Purchasing, Course Management System state contract, Developmental Math Project, Placement Strategies implemented statewide, Subject Matter Experts, and many others. These demonstrate efficiencies achieved through collaborative efforts that positively impact the academic mission and operational of our system. Collaboration has been our focus with each other and with other state agencies and will continue to be so.

Finally, although centralized control of all colleges was not part of the recommendations, discussion of same was included on page 25 of the report. Local autonomy and responsiveness have been both the heart and the success of our community college system in urban and rural areas. I support the argument that centralized control of all colleges and would attack the very essence of our mission in North Carolina and of our success in meeting North Carolinians' needs.

In summary, our state's system of 58 community colleges is in balance, both respecting our historic mission and improving our present-day procedures and processes. As a result, we have been recognized nationally as a superior system by the Lumina and Gates Foundations. I respectfully submit my support recognizing that our strength, our reputation as being the best community college system in the nation, and our collective and individual success has always been and will continue to be the work of all of our 58 community colleges.

Thank you for the opportunity to submit this formal response.

Sincerely,

A handwritten signature in black ink that reads "Myra B. Johnson". The signature is written in a cursive, flowing style.

Myra B. Johnson, Ed.D., MBA
President, Isothermal Community College



Post Office Box 398
Kenansville, NC 28349

910•296•2400
www.jamessprunt.edu

June 2, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte,

Please accept this letter as a formal response to the findings of the North Carolina Community College System Efficiency Study on behalf of James Sprunt Community College. I commend Dr. Catherine Moga-Bryant for her leadership and thoroughness in completing the Study. As one of the 58 community colleges that comprise the North Carolina Community College System, James Sprunt Community College is indeed fortunate to be a part of the best system in the United States. We thank the citizens of North Carolina for their continued support of our Institution and those like it throughout the State.

I am responding to the recommendations as proposed by the Efficiency Study as follows:

Recommendation 1: The General Assembly should direct the State Board of Community Colleges to reduce the number of small colleges by merging colleges with fewer than 3,000 student full time equivalents with another nearby college.

I oppose this recommendation due to the negative impact of the perception by citizens and leaders that their service area is less important simply due to the size of their community college. The negative impacts include less local financial and other support by service area citizens, civic organizations and county leaders. If less local financial support is received by the merged institution, the losses in revenue diminish any potential savings generated by the merger.

I also oppose this recommendation as it dilutes the local autonomy of local community colleges and their boards of trustees to provide programs, courses, services and events that are tailored to the unique needs of businesses, organizations, and citizens of their respective local service areas. The ability of local colleges to anticipate and meet the needs of their service area is one of the hallmarks of the North Carolina Community College System.

Recommendation 2: The General Assembly should direct the North Carolina Community College System to establish a unit to develop and maintain purchasing consortiums for community colleges.

Mr. John W. Turcotte, Director

Page 2

June 2, 2011

I support recommendation 2 in that it has the potential to provide ongoing savings to community colleges by increasing their buying power and thereby achieving an economy of scale. The NC Community College System has implemented many cost saving measures of this type that save individual colleges scarce resources while providing equipment, software, services and supplies at a more economical cost.

In closing, I thank you for the opportunity to submit this formal response to North Carolina Community College System Efficiency Study. The North Carolina Community College System has garnered national acclaim for its role in providing an open door to all citizens of the State and continues to serve as a catalyst for positive change within our communities. Each college within the System, large and small, serves as beacons of hope and opportunity all across this great State.

Sincerely,

A handwritten signature in cursive script that reads "Lawrence L. Rouse". The signature is written in black ink and is positioned to the left of the typed name.

Lawrence L. Rouse, Ed.D.

President



Office of the President

Dr. David N. Johnson
President

Sandra Millard
Executive Assistant

Board of Trustees

Lyn Toney Austin
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April Culver

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Allen Mims

Haywood A. Watson

Eldridge T. Westbrook

Durwood Woodall

Joe Lorenzo
Student Government President

May 31, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-5925

Dear Mr. Turcotte:

Thank you for the opportunity to respond to the recent Program Evaluation Division study related to administrative efficiencies in North Carolina community colleges. The report is well-documented and thorough in analysis. I appreciate the manner in which the study reflected our exemplary history and value to the State of North Carolina.

There is no doubt colleges throughout North Carolina can continue to find ways to save dollars via collective purchasing power. However, I take issue with the recommendation that merging small colleges would bring significant savings to the State. While \$5.1 million dollars per year is significant as the amount stands alone, it is insignificant as related to the entire community college system budget of over \$1 billion per year. In fact, I would venture to say, merging small colleges as recommended would cost us far more in community and political capital than this less than 1/2 of 1% of the system's annual budget.

Please accept the following concerns.

- Merging small colleges will promote a loss of identity North Carolina community colleges have worked so long and hard to establish. Many local constituents see their college as just that, their college which provides a way out of poverty and a depressed economy. Colleges have been created to meet local needs and have done so with flexibility and responsiveness to unique community issues. Mergers, I fear, would lessen our ability to be the community's college as we fulfill our well-established mission of being a community-based educational leader. This independence, as criticized, is actually a strength resulting in national prominence for the North Carolina Community College System.
- In Finding One, there was the suggestion that by merging colleges, technical assistance needed at each college because of the

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complications the vast numbers of reports created would be reduced. Merging, in and of itself, would not reduce assistance needed at each campus. It seems a less expensive "fix" would be to deal with the problem, e.g., the technology so colleges can become more efficient from within.

- The challenges created by numbers of required reports, as cited on page 12 of the study, would not be reduced by merging smaller colleges. The numbers of reports would remain the same unless reduced by regulating agencies. Likewise, merging colleges would do nothing to reduce the increasing numbers of students on which we must report.
- The actual savings in direct costs associated with continued administration of merged campuses and/or the consolidations of certain services at the System Office are suspect. For example, to eliminate a president and add a provost might save approximately \$8,000 in state funding. Consequently, the salary of the president assuming additional responsibility of two or three campuses would certainly increase as would salaries of the senior administrative team at each resulting college.
- Consolidating business office functions at the System Office such as payroll would require additional personnel, technology support and, would promote inflexibility at the local level. Having worked in another state community college system which was centralized and at a multi-campus institution smaller than Johnston Community College, I can attest to the fact that the efficiencies gained were lost liters. The president's cabinet in my prior institution was twice the size of my cabinet at JCC.
- Disbanding local boards of trustees and relegating many of these members to an advisory role would eliminate local allegiances and dissolve relationships with county commissioners, town councils, local public school divisions, economic development authorities and the like.
- Merging small institutions or regionalizing colleges would cause confusion for students and all community patrons, slow our current processes by adding additional bureaucracy, increase barriers to student access, weaken our ability to be nimble or flexible, and in finding efficiencies - reduce our effectiveness.

Again, thank you for the opportunity to review and respond to the Program Evaluation Division's report on community college administration. Continuous improvement is a core principle for community college employees. This study can only assist us in finding better ways to be good stewards of citizen tax payer contributions.

Sincerely,

A handwritten signature in black ink, appearing to read "David N. Johnson". The signature is fluid and cursive, with a long horizontal stroke at the end.

David N. Johnson
President

June 2, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

I have read the Preliminary Draft of the findings on the North Carolina Community College System Efficiency Study. I simply want to echo the North Carolina Association of Community College Presidents' response to this draft.

The fiscal research team under the leadership of Catherine Moga-Bryant is to be complimented for their research and study of a difficult assignment. It is obvious that a great deal of research and thought went into this report. We respect the work of the Program Evaluation Division and acknowledge the General Assembly's interest in reviewing potential efficiencies in the community college system. The North Carolina Community College System has always been open to improving our system and for the last fifty years, the system has been flexible and adaptable to our mission and to the requests of the General Assembly.

This response is the result of the initial review of the document by only five community college presidents. It is our understanding that the final draft will be reviewed by all 58 community college presidents. Although responding only to the recommendations, some statements in the report will require further analysis and conversations with appropriate parties, to include all community college presidents, community college trustees, respective county managers and county commissioners.

Our technical response will be included as a part of the System Office's technical response. Our formal response to the recommendations is as follows:

Recommendation 1: The General Assembly should direct the North Carolina Community College System to reduce the number of small colleges by merging colleges with fewer than 3,000 FTE with another college. Assuming 15 mergers would be phased in and completed by 2018, merging could save up to \$5.1 million in administrative costs annually and up to \$3.5 million in additional savings.

Response:

We are opposed to this recommendation for the following reasons. The impact of consolidating fifteen colleges would result in:

1. A negative impact on economic development, community relations and reduced response to community needs,
2. The loss of community colleges as the hubs of education, innovation and cultural activities in rural counties.
3. A potential loss of funding from county government due to a reduced response to community and business needs, and loss of ownership in the education and cultural needs of the county.
4. A \$5.1 million savings out of a \$1.2 billion budget would result in a savings of less than ½ of 1 percent of the total budget.
5. A loss of college personnel contribution to the tax base of the affected counties.
6. A loss of community college faculty and staff leadership to county and civic organizations and a loss of established loyalty for the community by the college employees.
7. A reduction in county and community financial contributions to the colleges' foundations that support thousands of scholarships for community college students.
8. A negative impact on the sense of importance of the constituents in the service areas. If education is a priority, access is a must and the proposed consolidation diminishes the importance of literacy, learning, and workforce development.

Recommendation 2: In addition, the General Assembly should direct the North Carolina Community College System to establish a purchasing unit to develop purchasing consortiums for community colleges. Recurring savings of \$1.9 million could be realized over seven years.

The five presidents reviewing this draft report see value in developing purchasing consortiums and recognize that implementation of such an initiative would require input from both the 58 community colleges and the NC Community College System Office.

Consortiums have been an efficiency tool used by North Carolina's community colleges for some years. Following the MGT of America, Inc. study conducted in 2003, we noted the encouragement for colleges to become more efficient and such a recommendation did not go unnoticed. The following is documentation of some of those initiatives:

Mr. John W. Turcotte, Director

June 2, 2011

Page 3

System efficiencies throughout the 58 community colleges:

- Common Course Library – course outlines for all courses available to all colleges
- Curriculum Improvement Projects – conducted and applied statewide for improving curriculum programs
- Super Curriculum Improvement Project currently underway, streamlining program offerings and incorporating green programming and technology
- Developmental Math Project - improving success rates of students statewide
- Placement Strategies – to be implemented statewide in assisting students

The above demonstrate academic efficiencies which affect our business operations. We are committed to our mission.

Operational Efficiencies:

- Conversion to Datatel software system for financial, instructional and student records
- Information Technology Equipment Purchasing – researching and obtaining the lowest costs for necessary equipment
- On-line course delivery through Blackboard – reducing costs for online delivery
- State wide email system – connectivity for all colleges and system office at a savings
- Subject Matter Experts – individuals who are available to help colleges statewide on datatel needs; program and financial audit issues; information technology and financial problem solving. The expertise of these individuals is a resource for all colleges.
- Shared call center to increase student services between colleges – implementing a personnel cost savings and providing more efficient service to students.

The above demonstrate operational efficiencies that positively impact the academic mission. We are not opposed to regionalism in purchasing, technology, distance learning, call centers for financial aid and student admission questions. We are not opposed to collaborative initiatives with economic development as it relates to customized training. Collaboration has been our focus with each other, and with other state agencies.

Regionalism of state-funded purchasing dollars is, again, a sound recommendation. However, maintenance/custodial costs are covered by local counties and cannot be part of the "efficiencies" quotient.

Mr. John W. Turcotte, Director

June 2, 2011

Page 4

Finally, although centralized control of all colleges was not part of the recommendations, discussion of same was included on page 25 of the report. We believe that local autonomy and responsiveness have been both the heart and the success of our system in urban and rural areas. Our organization would challenge such a recommendation for centralized control of all colleges and would view such action as an attack on the very essence of our mission in North Carolina and of our success in meeting North Carolinians' needs.

In summary, our state's system of 58 community colleges is in balance, both respecting our historic mission and improving our present-day procedures and processes. As a result, we have been recognized nationally as a superior system by the Lumina and Gates Foundations. We respectfully submit that our strength, our reputation as being the best community college system in the nation, and our collective and individual success has always been and will continue to be the work of all of our 58 community colleges.

Thank you for the opportunity to submit this formal response.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brantley Briley".

Brantley Briley, Ed.D.

President

Lenoir Community College



June 3, 2011

MARTIN COMMUNITY COLLEGE

1161 Kehukee Park Road

Williamston, North Carolina 27892-8307

252-792-1521

(Martin County Campus)

252-794-4861

(Bertie County Campus)

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 10
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

Thank you for the opportunity to review and respond to the Preliminary Draft of the findings on the North Carolina Community College Efficiency Study. The fiscal research team, under the leadership of Catherine Moga-Brant, should be commended for its work in complying with the legislative mandate "to study the most efficient and effective way to administer our local community colleges and to also consider consolidation of community college administration." This is a complex issue and must have been a somewhat daunting assignment for the fiscal research team in light of the fact that North Carolina Community College System is recognized as one of the best in the nation.

This letter is a formal response to the Preliminary Draft. The study provides pertinent information about potential models for community college systems and relevant data on administrative cost for North Carolina Community Colleges. The study also suggested that economies of scale could result from mergers of colleges which would make us a more effective and efficient system. Efficiency and effectiveness, in context of the study, addressed administrative costs, which was defined as administrative and support positions, per budget FTE.

It seems that efficiency and effectiveness should not be measured by cost alone. Merging colleges may not result in a more cost effective system and could reduce the effectiveness of a college in meeting local needs. The data shows that when colleges are clustered the administrative cost per student FTE in smaller colleges is higher than that of larger colleges, with the range from \$447 to \$1,679. However, the data also shows that this does not hold true for each college in the system. For example, the data shows that the administrative cost per FTE for one large college (16,000 FTE) was \$1,100, which was comparable to the administrative cost for a number of small colleges (under 3,000 FTE). Small colleges had an administrative cost per FTE range from \$600 to over \$1,600. The data also shows that about 11 large colleges (over 3,000 FTE) had an administrative cost of between \$600 and \$800 and that about 13 smaller colleges (under 3,000 FTE) also had administrative cost between \$600 and \$800. This indicates that not all small colleges have a higher administrative cost than larger colleges and that all large colleges do not have a lower administrative cost than does each small college. Further analysis of these differences could provide insight into ways to improve cost effectiveness. It seems that it should be important to examine all potential factors before dismantling a system that is recognized as one of the best in the nation and a system that is vital to our communities. We should take heed of the axiom that cautions one about "throwing the baby out with the bath water."

The literature suggests that public school consolidations have not always resulted in the anticipated cost savings. For example, the July 2003 issue of the *Carolina Journal* stated that the cost savings theoretically associated with large schools have been overstated, or don't exist at all, according to cost-effectiveness studies. Phillip McKenzie's 1983 analysis shows that the average costs "decline," reach a minimum, and then begin rising" as enrollment increases. "

Recommendation 1: The General Assembly should direct the North Carolina Community College System to reduce the number of small colleges by merging colleges with fewer than 3,000 FTEs with another college. Assuming 15 mergers would be phased in and completed by 2018, merging could save up to \$5.1 million in administrative cost annually and up to \$3.5 million in additional savings.

Response: We are opposed to consolidations of colleges with less than 3,000 with another college for many reasons including, but not limited to, the following:

1. Our system was created to serve the needs of communities. Merging a community college would take away the true "community" aspect of our institutions. To be a branch campus of another college would not be good for our community because the "community" aspect would be lost. For example, the President is a key leader in the community and is involved with and committed to collaborating with public schools, economic development, the religious community, and civic organizations, etc. A senior administrator responsible for the branch campus would not be perceived in the same way, and this would have a negative impact in the community because the sense of importance of the institution to constituents would be diminished.
2. Merging colleges with the expectation of reducing costs should not be done without taking an in depth look at the implications of fiscal, educational, and community advantages and disadvantages. Studies indicate that public school consolidations have not always resulted in the anticipated cost savings.
3. To dismantle a great system of community colleges that serves the needs of the people in their communities because of an anticipated potential savings of \$5.1 million could be a travesty.
4. Communities are different; rural communities, urban communities, poor communities, etc. are different, and our colleges respond to the differences. Individuals who influenced the creation of our system, including, but not limited to, members of the Caryle Commission and Dallas Herring, understood the importance of "community" colleges to meeting local needs and the need for local control with regard to policies. Many of our policies are the same, but merging colleges would require a revision of policies that would result in a loss of community control for those colleges merged with another larger college.
5. There would probably be a loss of local support and involvement for the College Foundation because the "College" would no longer be a college for the community; it would be a branch campus of a remote college.
6. There could be a loss of and/or reduced financial support from a county because the college's status and perceived importance could be diminished. A branch campus is definitely perceived differently by the funding sources—and the communities. We deal with that difference every year when we ask for money from other counties in our service area; we understand that a center or branch campus is not the same as having their own community colleges. Even though we have a facility in a neighboring county in our service area, that county has always wanted to have its own community college because of the perceived difference it could make for its citizens. The statutes mandate that counties fund "facilities and maintenance" if it has a community college. If county support continued for the new

branch campus created from a merger, the county would not likely provide the same level of support because the institution would not be a locally controlled college responding to local needs.

7. Consolidating back office functions might be a possibility for cost savings, but that does not necessarily require merging colleges. We are creative and open to suggestions for improvements, but not to mergers.
8. Merging colleges is based on the potential savings of \$5.1 million dollars, which is less than ½ of 1 percent of the total budget. The financial costs for a merger would be more than the cited cost of hiring consultants. Those costs include, but are not limited to, wages of people for planning and doing the work, creating new logos, new letterheads/stationary, building signage, highway signs, publications, catalogs, etc., etc.
9. Institutional and Program accreditation would be major challenges for all merged colleges.
10. A potential savings of \$5.1 million dollars does not seem to justify the loss to our communities. My Board Chair's response to a potential merger was "In a time of fiscal austerity, it is tempting to reduce the complex issues surrounding the education of our students to an economic bottom line, which is neither wise nor educationally effective—and may not prove to be economically efficient."

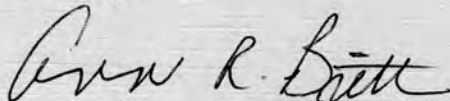
Recommendation 2: In addition, the General Assembly should direct the North Carolina Community College System to establish a purchasing unit to develop purchasing consortiums for community colleges. Recurring savings of \$1.9 million could be realized over seven years.

Response: We are not opposed to the concept of developing purchasing consortiums for community colleges. Our System encourages, supports, and regulates the 58 colleges. Dr. Mary Kirk's response on behalf of the community college presidents to the Preliminary Report cites a number of the projects, collaborations, etc. that all colleges participate in. Most of these are, I believe, unique to the North Carolina Community College System and include: (a) a Common Course Library, (b) Curriculum Improvement Projects (CIPS), (c) Super Curriculum Projects, (d) Developmental Math Project, and (e) Placement Strategies. In addition, she listed a number of other operational efficiencies that colleges and the System Office participate in such as: (a) a common computerized information system, (b) Information Technology Equipment purchasing, (c) Blackboard (platform for on-line courses), (d) common e-mail system, and (e) sharing of subject matter (SMEs). Our involvement in these initiatives demonstrates our willingness to collaborate and work together to achieve operating efficiencies that have a positive impact on our students and our institutions.

In summary, the North Carolina Community College System is recognized as one of the best, if not the best, in the nation. That does not mean we cannot be more cost efficient and still be true to our mission and be effective in meeting the needs of our communities. Merging some of our colleges would be a mistake. Creating a purchasing consortium could increase cost effectiveness.

Thank you for the opportunity to respond to the Preliminary Report.

Sincerely,



Ann R. Britt, Ed.D., President



MAYLAND
COMMUNITY COLLEGE
www.mayland.edu

June 1, 2011

Mr. John W. Turcotte, Director
North Carolina General Assembly
Program Evaluation Division
300 North Salisbury Street, Suite 100
Raleigh, NC 27603-1406

Mr. Turcotte:

The purpose of this letter is to provide a response to the Preliminary Draft of the North Carolina Community College System Efficiency Study on behalf of Mayland Community College. I appreciate the opportunity for Community College Presidents to provide feedback prior to the release of the final document.

It is my understanding that Dr. Mary Kirk, President of the North Carolina Association of Community Colleges Presidents, sent a letter dated May 12, 2011 addressing the two recommendations included in the report. I believe that Dr. Kirk's response generally represents the colleges very well as a whole and therefore concur with her response. In relation to the purchasing consortiums, I would like to add that often these consortiums lock us into prices that eventually become obsolete and do not allow seeking of lower cost options that might be available. I would not support any consortium that took away this flexibility.

While I concur with the general statements located in the aforementioned letter, I do offer a response to the study specifically regarding recommendation 1 and Mayland Community College. I consider the merger of colleges with less than 3,000 FTE and within 30 miles to another college to be ambiguous with no consideration to community needs and cultures. I believe it to be counter intuitive to our mission as a community college, that it severely damages the "community" in community college, and I do not have confidence that the limited savings suggested in the report would be achievable.

Responding specifically for and about Mayland Community College, I oppose this recommendation for the following reasons:

1. Mayland Community College provides educational and community services to three counties; Mitchell, Avery, and Yancey. Prior to the establishment of Mayland Technical Institute in 1971 the MAYland area was already a distinct and separate three-county region with intertwined

cultures and workforce structures. This area approaches adverse economies through partnerships, thereby overcoming as a region rather than an area. Adding additional counties to this mix or separating counties could have negative unanticipated cultural and economic outcomes.


2. The report discusses what is referred to as a "reasonable commute" defined as being within 30 miles or 45 minutes. In exhibit 13 of the report, Mayland Community College is stated to be within 30 miles of both McDowell Community College and Western Piedmont Community College. A MapQuest search shows Western Piedmont Community College to be a distance of 44 miles with a drive of 55 minutes and McDowell Community College being a distance of 27.5 miles with a drive of 39 minutes. This travel estimate is based on travel from our Main Campus located in Spruce Pine and does not take into consideration that the main campus is already at the edge of our service area and most of the residents within our service area would be a much farther commute. While we understand your intent of maintaining branch campuses, these would not offer the same services and would require more driving for an already economically challenged community. In addition, one must consider rural geography which lends itself to mountainous two lane roads which increase commute times as well as adverse weather conditions which often occur during our winter months. Our school is often closed due to in-climate weather conditions while others are still operating.
3. The report states that 27% of the Community College budget is provided by local government. If the independence of the local college was taken away from the community through consolidation, the result would be a reduction in support through local dollars. Funding for multi-county colleges has traditionally been an issue as leadership in each community desires to ensure proper allocation of services to their citizenry. As an example, in July of 1994, concerns regarding the distribution of funding from local communities for Mayland Community College led to a legislative action to ensure each county provided equal funding and support. We work closely with our local governments to make that work. This plan jeopardizes this 27% of local funding to help save ½ of 1% of state funds.
4. The legislative action noted in the above bullet also addressed another situation for Mayland Community College which would be an issue for us and other colleges in the event of a merger, the complexities of the character of a Board of Trustees for multi-county colleges. A special provision to establish the Mayland Community College Board of Trustees was mandated which deviates from NCGS 115D-12 due to the multi-county makeup. Merging two counties would be complex; merging three counties with one or two additional counties would be horrendous.
5. Foundation donations will decrease as relationships normally established by the president are not nurtured to the extent necessary. While local communities take great pride in "their" college, extensive research confirms that their gifts (particularly large gifts) are an outcome of the president. The potential loss of these funds and the potential for future campaigns would negatively impact Mayland Community College. The merger of two foundations would also prove to be incredibly complex.
6. The consolidation of Small Business Centers would result in a reduction of services which are greatly needed during this time of economic concern. To provide the full service, savings would not be realized. The college president is also an important member of the economic

development team in each of the three counties and part of the three county regional economic consortium; as president, I make decisions at these meetings that only a president can make.

7. The savings in Exhibit 14 do not appear to take into consideration the full costs associated with any consolidations. For example, the annual savings do not reflex the \$300,000 in the referenced consultant fees (over 1.8 million in six years). If Mayland Community College were to merge with another college, the majority of any savings from the president salary would be replaced by a senior administrator for the campus. Likewise, the receiving college's president could possibly earn additional salary base moving up the President's Salary Scale due to a larger FTE. Each college may have a payroll clerk but as you eliminate a payroll clerk due to consolidation you add an assistant to manage the work load. There are numerous such examples, most of which were discussed at the onsite visit, but somehow never made the final report.

The foundation of the community college system is based on open access, affordability, and quality service. During a time of economic struggle, merger of community colleges is unrealistic and reduces the opportunities available to individuals within North Carolina by creating undue hardships. The North Carolina Community College System operates at a FTE cost which is approximately half that of the University System. When community colleges contribute so greatly to the communities we serve, I must question the rationale to reduce the contributions which we are providing to each individual we serve. Community Colleges are "creating success" in North Carolina through hope, opportunity and jobs.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Boyd", with a long horizontal line extending to the right.

John C. Boyd, Ph.D.
President
Mayland Community College



MONTGOMERY COMMUNITY COLLEGE

1011 PAGE STREET • TROY, NC 27371 • (910) 576-6222 EXT. 224 • FAX (910) 576-0059 • kirkm@montgomery.edu

OFFICE OF THE PRESIDENT

June 2, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

Thank you for receipt of the draft of the findings on the North Carolina Community College System Efficiency Study. Please accept this correspondence as the Montgomery Community College's formal response to this draft.

Recommendation 1: The General Assembly should direct the North Carolina Community College System to reduce the number of small colleges by merging colleges with fewer than 3,000 FTE with another college. Assuming 15 mergers would be phased in and completed by 2018, merging could save up to \$5.1 million in administrative costs annually and up to \$3.5 million in additional savings.

Response: We are opposed to consolidating Montgomery Community College for the following reasons.

1. Montgomery Community College (MCC) was built by the people of Montgomery County; is attended by the people of Montgomery County; is financially supported by the people of Montgomery County; and if the college were not here for our citizens, too many would never have the opportunity to complete their high school degree or receive post-secondary training. MCC is fulfilling the mission and intent of our community college mission. It would be devastating to this community to lose its community college. Yes, I know that it is said the campus would still be in the county – yet, under another name and existing as a multi-campus. The services would no longer be the same.
2. A negative impact on economic development, community relations and reduced response to our community needs and the loss of our college as the hub of education, innovation and cultural activities in our county. This loss would negatively impact the sense of importance of the constituents in our service area. If education is a priority, access is a must and the proposed consolidation diminishes the importance of literacy, learning, and workforce development. A reduced response to community and business needs would result in a potential loss of funding from county government due to a loss of ownership in the education and cultural needs of the county.

Mr. John W. Turcotte, Director

June 2, 2011

Page 2

3. A loss of community college faculty and staff leadership to county and civic organizations, a loss of established loyalty for the community by the college employees and a loss of personnel contribution to the tax base of Montgomery County.
4. A reduction in county and community financial contributions to the college's foundation that support thousands in scholarships for our students. Such contributions offset the cost of education for students in Montgomery County, not for surrounding counties.


A \$5.1 million savings out of a \$1.2 billion budget would result in a savings of less than ½ of 1 percent of the total budget, not worth the long range cost of merging 15 colleges. For the reasons stated above, this is a meager savings compared to the long range economic, educational, and cultural loss to the community.

Recommendation 2: In addition, the General Assembly should direct the North Carolina Community College System to establish a purchasing unit to develop purchasing consortiums for community colleges. Recurring savings of \$1.9 million could be realized over seven years.

We find value in developing purchasing consortiums and recognize that implementation of such an initiative would require input from both the 58 community colleges and the NC Community College System Office. You have already received a response outline existing consortia throughout the state. Discussions are ongoing in Montgomery County to share insurance costs and local purchasing costs.

Finally, although centralized control of all colleges was not part of the recommendations, discussion of same was included on page 25 of the report. We believe that local autonomy and responsiveness have been both the heart and the success of our system in urban and rural areas. We believe that Montgomery Community College's responsiveness to its rural area has been the heart and success of the college. Our college would challenge such a recommendation for centralized control of all colleges and would view such action as an attack on the very essence of the community college mission in North Carolina and of our success in meeting North Carolinians' needs.

In summary, our state's system of 58 community colleges is in balance, both respecting our historic mission and improving our present-day procedures and processes. We respectfully submit that our strength, our reputation as being the best community college system in the nation, and our collective and individual success has always been and will continue to be the work of all of our 58 community colleges. Thank you for the opportunity to submit this formal response.

Sincerely,

Mary P. Kirk, Ed.D.
President

June 2, 2011

To: John W. Turcotte

From: William S. Carver, Ed D

Re: Efficiency Evaluation

North Carolina is arguably one of the best community college systems in the United States. The system is respected around the country and internationally for its innovative tailor-made programs delivered with nimble response and efficiency. The evaluation of community college efficiency is itself puzzling. The most efficient educational entity in North Carolina is the community colleges. While the study is aimed at efficiency, it is not innovative. Combining colleges on the surface fits the definition of efficiency, but it removes the unique flavor and historical heritage of smaller institutions. These smaller institutions have remained responsive to specific local needs and are symbols of hope in their respective communities.

Dealing with the two faces of North Carolina will require real innovation (E. Bowles, 2000). Recently, Tennessee enacted legislation that eliminated remedial classes at the university level shifting them to the less expensive community colleges (Community College Weekly, p. 3, May 30, 2011). This is a bold first step in finally addressing the remedial travesty that plagues this country. Hyperbole aside, the problem has to be fixed in order for the country to remain competitive. It is the true brain drain.

Community colleges are constantly exploring opportunities for improving stewardship of legislative dollars. The North Carolina Community College System has assisted in the past with educational platforms and vendors that have resulted in preferred pricing. This model should be broadened to include other commodity items common to all institutions. However, sensitivity to local vendors would be important. A collective vendor network; a “purchasing consortium” could actually be implemented that may encourage entrepreneurship. Pricing on tutoring products and online support are examples where collective pricing is working.

Incentives have also been outlined for community colleges with true Two-Plus-Two program remediation. Reform and Two-Plus-Two would reap real dollars in North Carolina; greater than \$5 millions outlined in this study. Shifting toward student relevant programs, not administrators, is the real benefit. Administration shift is short-term and actually superficial. True “transfer ready” programs save resources, both real and human, while building skills and promoting completion.

Studies based on actual foot traffic after the 60% attendance point would be more accurate. Even a study explaining the “Achilles heel” of all colleges, graduation rates, would be germane.

Assumptions

FTE patterns will remain the same with new formula.

County support will remain at current levels.

Board composition complexities.

Auxiliary services continuation.

Accreditation requirements and associated substantive change costs.



COMMUNITY COLLEGE

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June 2, 2011

Mr. John Turcotte, Director
North Carolina General Assembly
Legislative Services Office
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-5925

Dear Mr. Turcotte:

Thank you for the opportunity to respond to the draft of the findings on the North Carolina Community College System Efficiency Study. The legislative charge was a significant one and your staff and you are to be commended on your efforts to meet it.

Efficiency and effectiveness are not always synonymous. The North Carolina Community College System is recognized across the nation and around the world for its effectiveness in being the engine that drives economic development throughout the state. The foundation of this effectiveness is the ability to address and meet local educational and training needs, needs that can be as different from one end of North Carolina to another as they can be between contiguous service areas. It is through meeting local needs, providing local services, and being the local hub of economic development that ownership of and allegiance to local community colleges is felt by North Carolinians from Murphy to Merritt.

Pamlico County is on a peninsula. The rivers forming this peninsula create not only geographical barriers, but perceptual and attitudinal divides as well. Many in surrounding counties are unaware of the quality of life and great potential found here and through Pamlico Community College, it continues to get better. The attention and dedication deserved by the citizens of Pamlico County would be significantly diminished in the event of consolidation/regionalization of colleges. A very simple example regards those events, activities, committees, and other opportunities worthy of the local community college president's input and involvement that would be lost, as a regional college president can only be involved in a finite number of things. Pamlico County and rural North Carolina deserves better than that.

Maximizing purchasing power and the implementation of appropriate system-wide processes and procedures are worthy of consideration, but the minimal perceived gains from consolidating colleges would be a step in the wrong direction for the premier community college system in the world. "Penny wise, pound foolish" should not be the tenet that dictates the future of the North Carolina Community College System.

Sincerely yours,

Cleve H. Cox
President



June 3, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

Thank you for your letter of May 24, 2011, the Preliminary Draft of the findings on the North Carolina Community College System Efficiency Study and you're demonstrated trust in us by allowing us access to this confidential report and an opportunity to provide a response to the efficiency study.

This letter will serve as Piedmont Community College's formal response to this efficiency study; however, I only received the efficiency report on the afternoon of Tuesday, March 31 and the June 3 due date severely limited the amount of time I have had to review and process the study and formulate a suitable response. I only mention this because I am concerned that the true impact and reactions of our local partners which include city, county and business/industry partners will require careful and honest scrutiny on my part.

I have reviewed Dr. Mary Kirk's response to the results of this study on behalf of the North Carolina Presidents' Association and I concur with the expressed concerns of the impact of consolidating fifteen community colleges. I feel the need to expound upon several of the key impact concerns that were outlined in Dr. Kirk's letter and express several extra concerns. Although it was listed as the sixth impact concern in Dr. Kirk's letter, it is my opinion that "a loss of community college faculty and staff leadership to county and civic organizations and a loss of established loyalty for the community by the college employees", especially the senior administrative employees, will be extremely detrimental to the communities we serve. As your study clearly stated the current mission of the NCCCS is to "open the door to high-quality, accessible educational opportunities that minimize barriers to postsecondary education, maximize student success, develop a globally and multi-culturally competent workforce, and improve the lives and well-being of individuals" (page 5). Dr. Kirk's expressed concern will have a direct and devastating impact on our ability to fulfill this aggressive and overarching mission if the recommendation to consolidate fifteen community colleges is approved and implemented.

I have had the pleasure of working at four community colleges in North Carolina and three of the four colleges have more than one campus. Each of the three community colleges had a main campus where the senior administrative staff were housed and a satellite campus. The senior administrative staff had to work extremely hard to make sure that not only the employees on the satellite campus did not feel slighted or ignored but the local government officials and business and industry partners as well. The recommendation in this study to consolidate 15 community colleges will only exacerbate this problem.

I can say with great confidence that the senior administrative staff of Piedmont Community College play very critical and active roles in the "county and civic organizations" of both Person and Caswell counties. We are considered crucial partners and relied upon resources in the economic and workforce development of the two counties we serve. The citizens and governments of these two counties also recognize and rely upon the cultural activities we provide, as well as, the personalized and life-altering educational opportunities we deliver the Person and Caswell county residents on a daily basis. The passion and dedication of the contributions and services we provide the citizens of Person and Caswell counties is directly related to the personalized service we are afforded because the senior administrative staff are locally housed and operated.

The negative ramifications that will result if the recommended consolidations occur cannot be overstated and will significantly reduce, if not eliminate, any savings that have been alleged in this efficiency study. Negative ramifications include:

- Potential loss of local funds from both the county and the city due to a significant and meaningful reduction in their partnership impact with the community college.
- Potential and significant reductions in the local citizens' contributions to the college's foundations that support scholarships for the needy students we serve due to our "open door" philosophy.
- Potential and significant reductions in the contributions from local civic organizations to the college foundations that also support student scholarships.
- Potential and significant reductions in the contributions from local businesses and industries to not only the college foundations that also support student scholarships but to the educational programs of the college.
- Some larger counties provide the community college faculty and staff local supplements that smaller counties, which are the ones that will be consolidated, cannot afford. These local supplements are just one example of why the salaries at the various community colleges are different and if this consolidation goes through how will the salary difference between the community colleges be resolved. This has the potential to be a very significant funding issue.

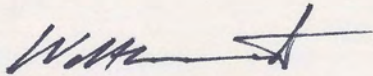
The most disturbing element of this situation is the fact that the efficiency study was requested in the first place. North Carolina's community college system is a national model that has been acknowledged as a benchmark for other states to emulate by notable organizations such as the Gates Foundation, the Lumina Foundation and the U.S. Department of Education. These accolades come in spite of the fact that North Carolina community colleges receive funding that is significantly less than the NC Public Schools and the University system although our mission is much more aggressive and overarching. An additional funding burden that the community college have dealt with in an extremely efficient and effective manner is that fact our enrollment growth funds are allocated one year after the fact and too often we are forced to fight to get these funds included in our budget.

On a local note, a review of the past four strategic planning documents of the counties we serve consistently highlight the significant impact Piedmont Community College has had in Person and Caswell counties. I am convinced that a major factor in the college's ability to have a significant impact is due to our local autonomy and close ties and relationships with the citizens, the local government officials and business and industry partners. These close ties and relationships could not have been made without the support and dedication of an administrative staff that was locally housed and operated.

With all due respect, I find the consolidation recommendation of this study flawed and potentially skewed to meet a predetermined decision. I do, however, feel that the recommendation to "establish a unit to develop and maintain purchasing consortiums for community colleges" (page 29) is a wonderful idea and will help us maximize our purchasing power.

I am positive that upon a further and more open review of this efficiency study more responses and concerns will arise and I look forward to communicating those at the appropriate time and place. Piedmont Community College has played a major role in the past successes Person and Caswell counties have had and if allowed to maintain its local autonomy the college will be a significant contributor to the future progress and successes of both Person and Caswell counties.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Bartlett', with a stylized flourish at the end.

Walter C. Bartlett, Ph.D.
President

May 31, 2011

Mr. John W. Turcotte
300 North Salisbury Street
Suite 100
Raleigh, NC 27603-5925

Dear Mr. Turcotte:

This letter will serve as the formal response from Richmond Community College (RCC) in regards to the Program Evaluation Division's report on the efficiency and effectiveness of North Carolina's community colleges. I appreciate the opportunity to review and to provide feedback on an issue so important to our college and our communities.

In these difficult budgetary conditions, I recognize the need to assess costs and to improve efficiency, at the State, System and local college level. The budget cuts and funding eliminations from the past three years have caused RCC to seek new efficiencies, while our enrollments reached record levels in both 2009-10 and in the current fiscal year. In serving more students with less funding per student, we have been increasingly creative and efficient, while keeping our focus on the needs of our students.

In responding to your findings and recommendations, I am focusing on the General Assembly's directions that your office study "the most efficient and effective way to administer the local community college system". I would respectfully argue that, in looking only at cost efficiencies of college administration, your report loses sight of our effectiveness in meeting our mission, referenced in your report on page 5. That effectiveness is apparent through multiple metrics and facts. At the system level, our colleges have served as a model for countries as diverse as Ireland and Indonesia. Nationally, our system has been recognized for our success in serving students by the Department of Education, the Gates Foundation and the Lumina Foundation. College presidents in other states, including those your report compares to ours, aspire to lead our colleges at every opportunity.

At the local level, we can prove our effectiveness in multiple ways. RCC was one of 31 colleges and universities to be nationally recognized by the Gates Foundation in 2010 as leading the way in helping students meet their goals and "Beat the Odds". The most recent report of our Critical Success Factors shows RCC one of 12 colleges in our

John W. Turcotte
May 31, 2011
Page 2

system to meet every goal and achieve exceptional status. Our communities value and strongly support our college, just as your report states on page 24. Our RCC Foundation, has led in the construction of three buildings in the past 15 years, and has total assets today exceeding \$3.5 million due to that support and our proven value. Our county leaders regularly describe RCC as a key asset in economic growth and job creation. While we take pride in these accomplishments and accolades, the greatest single measure of our effectiveness is the 53% growth in our FTE enrollment in the past five years. As with any other enterprise, satisfied customers are the benchmark of success. If we were being operated inefficiently or ineffectively, our communities would not be sending students here, and would select from other available choices for their educational and training needs. Having those choices, including Sandhills Community College, Robeson Community College and South Piedmont Community College, forces RCC to be competitive and efficient in how we teach and administer our programs. Our college leaders blend that collegial competition with cooperation. We frequently collaborate with our neighboring colleges and work together on both administrative and instructional activities, a fact your report failed to include.

The merger of RCC with another college, as recommended in your report, would eliminate our identity and greatly reduce our established effectiveness. Given that we serve two Tier 1 counties with high unemployment rates, the ownership and pride in our college is especially vital. If this assertion is doubted, I encourage you to scan recent editions of the local newspapers of Richmond and Scotland Counties, where you will find evidence of the goodwill and pride our college has earned. A merger with South Piedmont Community College would be fraught with problems, since we are in differing area codes, different economic development regions, and are linked to different metro areas. Merging with Sandhills Community College would bring up some of the same issues. In either case, saving only \$340,619 per year, as your report estimates, would not offset the negative impact on our communities, which see RCC as a common source of hope and economic development.

The savings in administrative expenses projected in the report are not placed in the proper context. Reducing \$5,109,289 from a total system budget of \$1.1 billion (2011 Senate Budget), reflects an annual savings of less than one half of 1%. Given this very marginal reduction in expenses, I would propose that your study proves that our colleges and our system are, in fact, very efficiently operated. If there were significant redundancies or waste, they were eliminated through these last years of State budget cuts. I can speak for no other college, but at this point in time, RCC is as lean as possible. A review of our organizational chart will show that there are no more than three people between the president and the lowest positions in the college. The flatness of our organization allows us to be highly responsive to our counties' needs, just as your report rightfully found to be our original purpose and intent (page 8).

John W. Turcotte
May 31, 2011
Page 3

I do agree that we need to continue to monitor our costs and insure that new efficiencies can be affected when possible. Recommendation 2, concerning purchasing consortiums, is a constructive suggestion and should be given strong consideration for implementation. As a former CFO at three different community colleges, I have found our current purchasing system to be unnecessarily bureaucratic, ineffective and wasteful. Any efforts to improve the current system and add value or reduce costs to our purchases would be appreciated.

In closing, let me thank you again for the trust you displayed in allowing us access and response to this confidential report. In reviewing the responses from other colleges, I am sure you will find similar reactions much more eloquently expressed. However, the most meaningful and important responses will be sent to you and the General Assembly by our students and community leaders when this report is made public. At that point, it will be clear that the objections to your first recommendation are not based just on the opinions of college presidents, but the people who truly own our colleges. Our Board Chairman, Mr. Hugh Lee, has led RCC since 1964 as its only chairman. He often quotes his friend, Gov. Terry Sanford and reminds me that we are the "people's college". I believe this report will motivate many of the citizens of this state to reaffirm that message to your office and to the General Assembly.

Respectfully submitted,



William D. McInnis, Ed.D.
President



P.O. Box 38 Wentworth, NC 27375-0038
(336) 342-4261
Fax: (336) 349-9986
TTY: (336) 634-0132

June 3, 2011

Mr. John W. Turcotte, Director
North Carolina General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, North Carolina 27603-1406

Dear Mr. Turcotte:

Thank you for the opportunity to respond to the preliminary draft report of the North Carolina Community College System Efficiency Study. Please accept this letter as Rockingham Community College's formal response.

Rockingham Community College supports the response provided by the North Carolina Association of Community College Presidents dated May 12, 2011. RCC opposes the study's recommendation to reduce the number of small colleges for the reasons stated by the Association. We are concerned about the loss of local community ties that would come with merger. These relationships enable us to tailor programs to meet the specific needs of our community and therefore are critical to the success of our mission. We also worry about the impact on support from our college's Foundation, which relies heavily on RCC's identity as a Rockingham County institution.

Rockingham Community College agrees with the recommendation to develop purchasing consortiums for community colleges. As the Presidents Association notes, we have achieved increased efficiencies by working together in our purchasing efforts, and we will continue to examine other opportunities.

Our college and others throughout the North Carolina Community College System continually search for ways to become more efficient with our limited funding in providing an educated workforce in the state. We look forward to working with the General Assembly for additional improvements.

Sincerely,

Michael S. Helmick, Ed.D.
President

SAMPSON COMMUNITY COLLEGE

A member institution of the North Carolina Community College System

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May 25, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

The purpose of our letter is to communicate to you concern regarding the community college efficiency study conducted by the Program Evaluation Division. Our preference would have been to discuss this issue with the entire Sampson Community College Board of Trustees. However, the timeframe for responses and the desire to preserve confidentiality did not permit us to do so. This letter represents the reaction of the Chairman of the SCC Board of Trustees, Mr. Larry Barnes and the SCC President, Dr. William Aiken. We have reviewed the letter dated May 12, 2011, submitted to you by Dr. Mary P. Kirk, President, NC Association of Community Colleges Presidents. We unreservedly concur with Dr. Kirk's remarks, and therefore will not be redundant here.

While neither of us denies the need for improved efficiencies, particularly during the time of economic downturn, we are concerned about the impact your recommendations would have on Sampson Community College and other small community colleges throughout the State of North Carolina. It seems that the program evaluation division combines the issues of merging smaller colleges with distinctly separate issues of developing a purchasing unit and establishing common policies, procedures and structures for all 58 colleges. We would question the advisability of attempting all of these goals as a collective unit. Why not leave the small colleges intact?

First is the importance of community colleges in assisting with economic recovery across North Carolina. Because of the unique industries located within each community, the needs for retraining vary with each location. To cite an example, Sampson Community College provided training for 7,000 people in Sampson County during the past year. This endeavor alone illustrates how critical the community college is in our county in an effort to retain, as well as create, new opportunities for employment. The customized industry training program has assisted local business by providing specialized training for an additional 200 workers. The SCC Small Business Center conducted 270 hours counseling small businesses. Our needs are not the same as our neighbors, and to merge institutions would undermine this function.

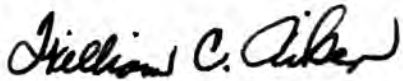
"An Equal Opportunity/Affirmative Action Employer"

Second, Sampson County has a sincere sense of pride in Sampson Community College. Merging the institution with others greatly diminishes the ownership the community has in the college. Appointment to the Board of Trustees is an honor of distinction. The SCC Foundation has 34 dedicated individuals who work diligently in securing funds for used primarily for scholarships, permitting many needy students to continue their education. The Sampson County Board of Commissioners devotes \$1 million in support of the college. Our two most recent construction projects were supported by \$3.6 million from local businesses. Weakening the local community's unique and productive identification with the college through a merger with other institutions would diminish the sense of pride which the community now experiences in Sampson Community College.

Finally, to have effective leadership, the administrative staff of the college, especially the president, must be visible and involved in the community. There is a 24/7 job for each president who serves now. A few dollars might be saved by your plan, but in the long run the institutions would lose their identity, leadership, and vision. We contend that your plan for merger actually limits those institutions which are most viable to rural communities as they attempt to play a vital role in their economic recovery.

Thank you for the opportunity to have input into your critical research as it relates to North Carolina Community Colleges.

Sincerely,



William C. Aiken
President



Larry Barnes
Chair, SCC Board of Trustees



June 2, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

Thank you for your letter of May 24, 2011 and Preliminary Draft of the Program Evaluation Division's report on community college administration. Please accept this letter as Southeastern Community College's formal response to this draft.

The Program Evaluation Division should be commended for its analysis of a complex issue; however, we are strongly opposed to Recommendation 1, which would direct the State Board of Community Colleges to reduce the number of small colleges by merging colleges (including SCC) with fewer than 3,000 student full-time equivalents with another nearby college. According to the recommendation, SCC would be merged with Bladen Community College and Robeson Community College.

Seven years ago, I returned to North Carolina because of its outstanding community college system which services its citizenry and its employers. For the previous seven years, I was a president in Arkansas with a five-county rural service delivery area. I came back to NC because our system is a nationally recognized model for community colleges.

I have experienced the issues that arise when satellite campuses feel like they are not as important as the main campus leading to employee morale problems. I have experienced issues with local funding and questions of governance. This radical change to our NC system will destroy its mission and promise to its people. I personally feel that we will no longer have the position of national prominence because our students will no longer be our number one priority and access will become strained.

Based on my experience with multi-campus colleges, Recommendation 1 fails to consider many of the negative impacts that would result from a merger, which include the following points:

- 1) Southeastern Community College is supported by a highly successful foundation, which held investments totaling more than \$5.5 million in 2009. The high level of contributions to the Foundation is reflective of the community's strong support for the College. The Foundation's donors contribute because they know that their gifts will be wisely reinvested in Columbus County. If SCC were made a campus of a larger college, our outstanding level of community support would likely decrease due to loss of college identity. Additionally, donors may be concerned that their contributions may not benefit local students.

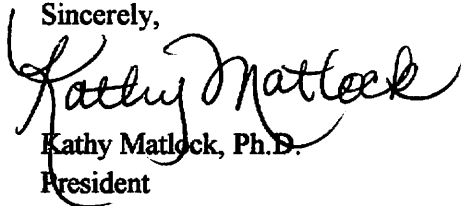
- 2) The creation of a multi-campus college could impact SACS Reaffirmation and the accreditation of academic programs, namely health areas such as nursing and medical laboratory technology. Accreditation requirements would cause significant state expense and administrative burden.
- 3) The recommendation would create equity issues regarding faculty salaries. Session Law 2009-451 Section 8.1 (a) states "It is the intent of the General Assembly to encourage **community** colleges to make faculty salaries a priority and to reward colleges that have taken steps to achieve the national average community college faculty salary." SCC has increased its faculty salaries in accordance with the law. In 2009-10, the average SCC faculty salary was \$54,116 (85% of the national average) compared to \$46,350 at Bladen Community College and \$48,119 at Robeson Community College. In a multi-campus college system, the state would incur a sizable expense in raising the salaries of Bladen and Robeson County faculty to the level of Southeastern salaries, which is still below national average.
- 4) A multi-campus board of trustees composed of a small number of members from the two satellite counties would not be representative of the diverse communities located throughout Southeastern North Carolina. A loss of autonomy would severely diminish the college's ability to respond to the needs of local constituents.
- 5) A merger could diminish our ability to serve as a cultural hub for Columbus County. With support from the Foundation, we are able to provide the citizens of our service area with a wide variety of cultural enrichment opportunities including a performing arts series, lecture series and visual arts exhibits.
- 6) The proposed counties that would be included in the recommended multi-campus college are among the largest geographic counties in North Carolina, totaling 2,761 square miles. Students needing to visit the main campus would face an expensive and time consuming challenge. The distance would also impact the ability of senior administrators based at the main campus to travel to outlying communities to visit with community leaders and organizations.
- 7) The creation of a multi-campus college would hinder the campuses' ability to quickly and effectively respond to the diverse economic development needs of the region. For example, parts of Columbus County are less than 25 miles from the coast, which creates an opportunity to take advantage of the economic growth experienced by the Wilmington and Myrtle Beach areas over the past year. Similarly, Robeson County's workforce stands to gain from opportunities presented by I-95, which runs through the county and nearby Fort Bragg.
- 8) A centralized public information department would struggle to effectively market educational offerings and communicate emergency information, as the multi-campus' region would be served by two different regional television markets, three daily newspapers and many community newspapers and radio stations.

- 9) The proposed multi-campus college would struggle to maintain effective relationships with the region's three UNC campuses, which have varying degrees of importance to the three counties based on geographic proximity, academic offerings and transfer patterns.
- 10) Satellite campuses are typically formed because a need arises in another part of the service area, not retroactively, after institutions have been in existence for 50 years.
- 11) Community colleges are the most cost effective public institutions in North Carolina. We are critical to economic growth in the future. Eliminating access to training and education for our rural residents will send a clear message that urban areas have greater importance in our state. The savings of less than 1% will have lasting ramifications to our state's economy.

While we have serious concerns about the Report's first recommendation, we concur with the second which recommends that the General Assembly direct the North Carolina Community College System to establish a unit to develop and maintain purchasing consortiums for community colleges. We would further recommend that the General Assembly not only call for the creation of such a unit but also provide the funding necessary for its establishment.

Thank you for the opportunity to submit this response.

Sincerely,



Kathy Matlock, Ph.D.
President



**SOUTHWESTERN
COMMUNITY COLLEGE**
College of the Great Smoky Mountains

June 2, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

I would like to thank you for the opportunity to respond to the draft of the Program Evaluation Division's report on community college administration and the recommendations therein. Upon review of this report, I have grave concerns on the potentially devastating impact these recommendations will have upon the North Carolina Community College System and the communities we serve.

Changes of the magnitude recommended in this report should only be considered after a more thorough analysis. For example, this study only focused on institutional support which represents sixteen percent of the total state expenditure, without consideration of the impact upon our students and educational programs. An overly simplistic analysis has been used which compares institutional support costs per student FTE. Mergers and consolidations further hinder rural North Carolina by depriving them of localized services while transferring these services and decision-making to larger metropolitan areas.

Consolidations and mergers undermine the original intent of the community college system to be responsive to the education and training needs of the local communities. In this unprecedented economic environment, while we are focused on economic recovery, we would be forced to turn our attention and resources to concentrate on the enormously complicated task of merging colleges.

This study fails to adequately take into consideration the serious matter of maintaining accreditation for our colleges. Accreditation is a very time-consuming, laborious process. A required merger could certainly jeopardize the successful reaffirmation of impacted institutions.

The projected savings in administrative costs are unlikely since many merged colleges will need to add staff to accommodate additional responsibilities. Also, the reduction of local financial support which we will certainly suffer as a result of the loss of the "community" control will likely exceed the savings projected in this report.

The conclusion of the analysis which provides a savings of one half of one percent of the total budget is not a compelling reason to merge community colleges. Actually, the negligible savings outlined in the report would seem to support the argument against mergers. One might infer that this limited study was designed to support a conclusion which had already been reached.

I feel that the scope of this study was far too limited and flawed in its design. Please consider further study and discussion with stakeholders before submitting final recommendations.

Thank you for taking my concerns into consideration.

Sincerely,

Janet K. Burnette, Interim President
Southwestern Community College



TRI-COUNTY COMMUNITY COLLEGE

DR. DONNA TIPTON-ROGERS, PRESIDENT

June 2, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

Tri-County Community College compliments your research team for its diligent and comprehensive effort in the challenging study. Please accept this letter as our response.

We wholeheartedly concur with the formal response dated May 12, 2011 and addressed to your office by the North Carolina Association of Community College Presidents.

We affirm that each of our state's 58 colleges is unique and very important to its respective service area. The topographic diversity in North Carolina, which stretches from the mountains to the coast, is reflective of the economic, social, and cultural diversity that spans the communities we all serve. Every community college has been entrusted and commissioned to provide quality educational opportunities for its citizens, and every opportunity must be offered with dignity and cultural sensitivity. We believe this vital mission and its associated components would be lost by blurring any of the current service area lines.

We suggest that the measure of success should never be limited to dollars and cents. We are convinced there is a way to successfully navigate these turbulent economic waters without losing sight of our state-mandated mission to serve our communities.

There is a very good reason we are named community colleges. The "community" idea is woven into the fabric of what and who we all are. None of us should ever lose sight of the significance of local autonomy and responsiveness because it is the "heart" of our existence.

Respectfully,

Dr. Donna Tipton-Rogers
President

Our mission is to help students succeed and to enrich the communities we serve.



WAKE TECH COMMUNITY COLLEGE

Office of the President

June 1, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

Thank you for your letter of May 24, 2011 and receipt of the Preliminary Draft of the findings on the North Carolina Community College System Efficiency Study. Please accept this letter as Wake Technical Community College's formal response to this draft report.

I would like to compliment the fiscal research team lead by Catherine Moga-Bryant for their research and study of a difficult assignment. It is obvious that much thought, time and research went into this report.

As a member of the Executive Committee of the NC Association of Community College Presidents (NCACCP), I had the opportunity to participate in the response sent to you by Dr. Mary Kirk on behalf of the NCACCP. As a result, my responses as President of Wake Tech are very similar to those sent on behalf of NCACCP by Dr. Mary Kirk on May 12, 2011.

Recommendation 1: The General Assembly should direct the North Carolina Community College System to reduce the number of small colleges by merging colleges with fewer than 3,000 FTE with another college. Assuming 15 mergers would be phased in and completed by 2018, merging could save up to \$5.1 million in administrative costs annually and up to \$3.5 million in additional savings.

Response 1:

We are opposed to this recommendation for the following reasons. The impact of consolidating fifteen colleges would result in:

1. A negative impact on economic development in rural counties, community relations and reduced response to community needs.
2. The loss of community colleges as the hubs of education, innovation and cultural activities in rural counties.

3. A potential loss of funding from county government due to a reduced response to community and business needs, and loss of ownership in the education and cultural needs of the county.
4. A \$5.1 million savings out of a \$1.2 billion budget would result in a savings of less than ½ of 1 percent of the total budget.
5. A loss of college personnel contribution to the tax base of the affected counties.
6. A loss of community college faculty and staff leadership to county and civic organizations and a loss of established loyalty for the community by the college employees.
7. A reduction in county and community financial contributions to the colleges' foundations that support thousands of scholarships for community college students.
8. A negative impact on the sense of importance of the constituents in the service areas. If education is a priority, access is a must and the proposed consolidation diminishes the importance of literacy, learning, and workforce development.

Recommendation 2: In addition, the General Assembly should direct the North Carolina Community College System to establish a purchasing unit to develop purchasing consortiums for community colleges. Recurring savings of \$1.9 million could be realized over seven years.

Response 2:

We see value in developing purchasing consortiums and recognize that implementation of such an initiative would require input from both the 58 community colleges and the NC Community College System Office. Regionalism of state-funded purchasing dollars is, again, a sound recommendation. However, maintenance/custodial costs are covered by local counties and cannot be part of the "efficiencies" quotient.

Finally, although centralized control of all colleges was not part of your recommendations, discussion of same was included in Exhibits 11 & 12 on pgs. 22 & 23 of the report. We believe that local autonomy and responsiveness have been both the heart and the success of our system in urban and rural areas. As President, I would challenge such a recommendation for centralized control of all colleges and would view such action as an attack on the very essence of our mission in North Carolina and of our success in meeting North Carolinians' needs.

Thank you for the opportunity to submit this formal response.

Sincerely,



Stephen C. Scott
President, Wake Technical Community College



WAYNE COMMUNITY COLLEGE

P.O. BOX 8002 - GOLDSBORO, NC 27533-8002 - TEL: 919-735-5151 - FAX: 919-736-9425 - WEB: WAYNECC.EDU

June 1, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

The purpose of this letter is to communicate Wayne Community College's (WCC) position regarding the preliminary draft of the findings from the North Carolina Community College System Efficiency Study conducted by the Program Evaluation Division. It would be preferable if a discussion of the findings could have occurred with the entire WCC Board of Trustees, but given the time-line for review of the and the confidentiality of the draft, the responses found herein are the input of the Board of Trustees Chair, Ms. Gwyndella Wilson, and the President, Dr. Kay Albertson.

First, we concur in general with the comments submitted to you in a letter dated May 12, 2011 by Dr. Mary P. Kirk, President, North Carolina Association of Community College Presidents. In her letter, Dr. Kirk and the officers of the Presidents' Association address the two recommendations from the efficiency study. To avoid redundancy, we will simply say that it is critically important that the **eight** statements of impact (Kirk's letter, page 2) related to Recommendation One, the consolidation/merging of approximately fifteen community colleges, be carefully considered when decisions are being made. Even though WCC does not fit the criteria established for the 22 colleges that earn fewer than 3,000 student FTE, we **oppose** Recommendation One based upon the rationales presented through the eight statements of impact.

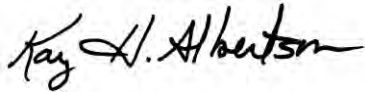
Recommendation Two states that the North Carolina Community College System should establish a purchasing unit to develop purchasing consortiums for the 58 community colleges. We concur that given appropriate time and input from all community colleges, further operational efficiencies can be developed. Wayne Community College would be a willing partner in these consortia agreements.

In real estate a permeating mantra is "location, location, location". In the North Carolina Community College System, our mantra is "community, community, community". The proposed savings of \$5.1 million afforded through consolidation of administrative costs per year compared to the huge fiscal, economic, cultural, and identity losses within each community impacted is not enough to warrant these mergers. The losses to individual communities and to the citizens of North Carolina served by the community colleges will, in time, far outweigh the benefits of the small savings -- note that \$5.1 million out of a \$1.2 billion system budget results in savings of less than one-half of one percent of the total budget.

In sum, the importance of each of the 58 community colleges in assisting with economic recovery in our respective communities is beyond question. Each college adapts to the training and retraining needs of the businesses and industries located within our communities. Consolidating a college with another institution will diminish the ownership in the merged college and local funding could become an issue. Weakening the local community's unique identification with the college through merger would also diminish local progress and the sense of "connection" which communities now experience. A former WCC trustee and the Mayor of the City of Goldsboro often comments that among all agencies in Wayne County, Wayne Community College is the one entity where people readily come together; where ideas are generated for a diverse constituency; and where no matter what the political bent, progress is made. Some state funds will be saved with the proposed "consolidation" plan. However, as so ably stated by a fellow president, "in the long run the institutions will lose their identity, leadership, and vision".

Thank you for the opportunity to provide a response to the recommendations made by the Program Evaluation Division.

Respectfully,



Kay H. Albertson, Ed.D.
President



Gwyndella Wilson, Chair
The Trustees of Wayne Community College



P.O. Box 120 • 1328 S. Collegiate Drive • Wilkesboro, NC 28697-0120
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June 2, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

Thank you for allowing North Carolina community colleges to respond to the Preliminary Draft of the findings on the North Carolina Community College System Efficiency Study. Please accept this correspondence as the response from Wilkes Community College.

Having participated in surveys and interviews with the fiscal research team under the leadership of Catherine Moga-Bryant, we would like to complement your staff in the efficient and professional manner in which the research was conducted. Wilkes Community College is always open to suggestions of ways to improve our college and the North Carolina Community College System as a whole.

We are in full agreement and support of the response provide by the North Carolina Association of Community College Presidents. In addition, since all colleges are somewhat unique, we felt that is was prudent to provide a response to the study from the perspective of Wilkes Community College.

Our formal response to the recommendations is as follows:

Recommendation 1: The General Assembly should direct the North Carolina Community College System to reduce the number of small colleges by merging colleges with fewer than 3,000 FTE with another college. Assuming 15 mergers would be phased in and completed by 2018, merging could save up to \$5.1 million in administrative costs annually and up to \$3.5 million in additional savings.

Response:

We are opposed to this recommendation for the following reasons. The impact of consolidating fifteen colleges would result in:

1. A negative impact on economic development, community relations and reduced response to community needs.
2. A negative impact on accountability. The national emphasis on accountability and learning outcomes requires close working relationships between administration/leadership and faculty. Consolidation would spread these relationships at a time when they need to be strengthened.
3. The loss of community colleges as the hubs of education, innovation and cultural activities in rural counties. In our community, Wilkes Community College is "The College" to most residents.
4. A reduction in county and community financial contributions to the colleges' foundations that support thousands of scholarships for community college students. The WCC Endowment Corporation has provided over \$26 million in funding to the college since its inception. This strong local support has reduced the financial burden on the county and state for capital project needs.
5. A negative impact on the sense of importance of the constituents in the service areas. If education is a priority, access is a must and the proposed consolidation diminishes the importance of literacy, learning, and workforce development.
6. A negative impact on educational quality. Even within the three-county service area for Wilkes Community College, we find that there are different needs in each community. Expanding service areas would result in greater potential for conflict among educational needs.
7. A potential loss of funding from county government due to a reduced response to community and business needs, and loss of ownership in the education and cultural needs of the county and lack of local identity.
8. A negative impact on employee morale. Our college employees pride themselves in providing quality education and services, even with reduced budgets. Consolidating colleges would damage employee morale and the "family" atmosphere would be lost.
9. A \$5.1 million savings out of a \$1.2 billion budget would result in a savings of less than ½ of 1 percent of the total budget. This savings is miniscule when compared to the negative impact on communities and college employees and students.

10. A negative impact on college's ability to respond quickly to community needs. Flexibility and customization are crucial to the mission of community colleges. Local control provides the ability and autonomy to meet urgent needs.

Recommendation 2: In addition, the General Assembly should direct the North Carolina Community College System to establish a purchasing unit to develop purchasing consortiums for community colleges. Recurring savings of \$1.9 million could be realized over seven years.

As stated in the NCACCP response, Wilkes Community College sees value in developing purchasing consortiums and recognizes that implementation of such an initiative would require input from both the 58 community colleges and the NC Community College System Office. Maintaining purchasing processes and finding the best value in goods and services is a constant challenge.

While development of purchasing consortiums has the potential for efficiencies and cost savings, there is also the potential to damage valuable relationships that colleges have developed with key vendors over time. These relationships and unique individual college needs should be considered in this process.

In summary, while these study recommendations show potential efficiencies and cost savings for the State, the cost to communities has to be considered. In many areas, community colleges are the center of the area's educational, cultural and recreational activities. Any changes that result in the loss of local support and college's ability to quickly adapt to local educational needs will result in negative impacts on our communities that far exceed any savings associated with the study recommendations.

Thank you for the opportunity to submit this formal response.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Morgan Francis Jr.", is written over a light yellow circular highlight.

D. Morgan Francis Jr.
Senior Vice-President of Administration

WILSON COMMUNITY COLLEGE

OFFICE OF THE PRESIDENT



June 2, 2011

Mr. John W. Turcotte, Director
NC General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-5925

Dear Mr. Turcotte:

I appreciate the opportunity to receive and to make written commentary on a confidential draft of the report by the Program Evaluation Division referencing North Carolina Community College System efficiency.

The report suggests that merger over seven years could result in savings of as much as \$26.2 million. The suggested savings include \$1,820,108 from purchasing consortia. However, such practice is not dependent on consolidation. Evidence exists that consortium agreements are already among purchasing strategies used by the North Carolina Community College System.

Further, the recommendation for a new purchasing unit suggests an outlay of \$1,400,000 in seven years in order to realize savings of \$420,000. This new purchasing unit would also establish functions redundant to the capacity already inherent in the State Office of E-Procurement.

Savings directly attributed to consolidation include \$16,349,726 from administrative savings and \$11,292,192 from potential additional savings totaling \$27,641,918. Achieving this number requires an outlay of \$1,850,000 for the cost of consultants.

Removing the independent issue of consortium purchasing and the additional cost of consultants yields a net estimated savings of \$25,791,918 over seven years, or \$3,684,559 per year. In order to avoid a very dramatic and highly impactful disinvestment which would strike the very base of smaller communities, this amount can be easily equaled by additional directed savings to the existing 58 community colleges, targeted fees, a tuition increase (based upon data from the N.C. House of Representatives) of 77 cents per credit hour, or a combination of these.

Sincerely,

Rusty Stephens

Rusty Stephens, Ed.D
President
(252) 246-1223

RS/db

cc: Kennon Briggs, Executive VP & Chief of Staff, NCCCS
Dr. Mary Kirk, President, NCACCP
Dr. Scott Ralls, President, NCCCS
Wilson Community College Board of Trustees



June 2, 2011

John W. Turcotte, Director
North Carolina General Assembly
Program Evaluation Division
300 N. Salisbury Street, Suite 100
Raleigh, NC 27603-1406

Dear Mr. Turcotte:

Please accept this correspondence as formal response from Western Piedmont Community College to the preliminary draft report of the North Carolina Community College System Efficiency Study.

Western Piedmont Community College endorses the response provided by the North Carolina Association of Community College Presidents dated May 12, 2011. Specifically, the College opposes the recommendation to reduce the number of small colleges for the reasons outlined by the Association and concurs with support for developing purchasing consortiums for community colleges.

Selected personnel from Western Piedmont Community College and I enjoyed meeting the Program Evaluation Division staff who conducted the North Carolina Community College System Efficiency Study and appreciated the opportunity to provide input for the study. Our college and the North Carolina Community College System consistently seek to identify operational efficiencies to maximize public funding and fulfill our mission to educate the workforce of our state. If we may provide any further assistance in this effort, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Jim W. Burnett".

Jim W. Burnett
President