



The Developmental Dividend: Reinvest in North Carolina's Community Colleges

Community colleges are essential to North Carolina's economic recovery because we can:

- Put taxpayers back to work in better careers.
- Close the skills gap for employers, creating opportunities for job creation and retention.
- Save North Carolina families money, providing a great educational value.

The "Developmental Dividend" – **Creating Efficiencies Leading to Savings:** Efficiency has been a recurring theme for state leaders since the Great Recession – looking for improved results while using fewer resources and allowing the savings or dividends to be used for other priorities. By redesigning how we provide developmental education, community colleges are creating significant instructional efficiencies that are:

- Helping students move more quickly into pathways leading to career or college opportunities,
- Reducing the cost of education for North Carolina families and saving taxpayer dollars, and
- Stretching student loan dollars farther and putting success within reach.

We call the savings associated with these efficiencies the "Developmental Dividend." This efficient redesign has led to a reduction in the number of full-time equivalent students enrolled at many of our community colleges.

Reinvesting the Developmental Dividend and Other Funds: Recent research says that *over half of all STEM jobs do not require a four-year degree*. Reinvesting the developmental dividend efficiencies, as well as non-recurring funds in our current budget, will enable support for the strategic priorities that we all agree are critical for North Carolina's economic success: closing the skills gap and increasing the quality of educational and training programs.

- **Closing the Skills Gap - \$16.8 million:** These savings would go toward increased funding for the highest-cost curriculum programs and short-term, credential-focused courses that prepare students for immediate employment in fields with demonstrated skills gaps such as health sciences, engineering, construction, manufacturing, transportation, and biotechnology fields.
- **Increasing Quality - \$20.1 million:** While funding the highest cost programs is critical, we must also ensure quality instruction and student services by raising the level of support for all instruction. These reinvested funds would enable colleges to determine local solutions for improving student success and meeting industry needs.

Community college faculty and staff – the keys to successful student outcomes – continue to be paid significantly less than national and regional averages. North Carolina's average faculty salary ranks 11th in the 16-state Southeast Regional Education Board (SREB) area and 41st nationally. The public, two-year college average faculty salary for the nation and the SREB region are 30 percent and 10 percent greater, respectively, than the North Carolina average. **We ask the General Assembly to provide the funds to support all educators in North Carolina being paid a salary that reflects the value they bring to our students and our State.**