

## **Diversity Stakeholder Group Proposal (DRAFT #1 - 1/13/05)**

### **Value Statements**

We value the contributions of racially and ethnically diverse populations as critical to the higher learning process throughout the educational system;

We value the support that family and communities offer the student when the student can receive education in close proximity to the home;

We value a true redesign of the Arizona educational system to include a unified flow from Kindergarten through higher education rather than simply an expansion of the existing system;

We value systemic inclusion of diversity stakeholders as an on-going committee that reports directly to the Arizona Board of Regents to assure that our interests and concerns have direct representation;

We value using Arizona tax dollars to first serve the educational needs of Arizonans in the most cost-effective and efficient manner as reasonably possible;

We value measurable outcomes.

### **Understandings**

We understand from the projected population statistics as presented in the report to ABOR (June 3, 2004) that the demand for access to higher education in the State of Arizona will be substantially increased.

### **Concerns**

We are concerned that:

- \* A two-tier or re-segregated educational system will be a throwback to the pre-civil rights days of “separate and unequal.” African American, Asian American, Latino Americans and Native Americans will be disproportionately assigned to the “regional” universities.
- \* Out-of-state students who pay higher tuition and who will probably not remain in Arizona will have preferential admission and access to the best of Arizona tax supported “premier” institutions.
- \* Having two “premier” research universities within a state the size of Arizona competing for similar resources is wasteful and takes interstate campus rivalries to a level that misuses resources.

\* Involvement of members from diverse communities appears disingenuous—as an act of being “politically correct” rather than being included in the group of key decision-makers.

## **PROPOSAL**

(Based on the Evaluation Criteria Subcommittee Interim Report, Dec.7, 2004)

**STRATEGY:** Increase access, quality and choice for Arizona residents

### **A. Access to Education**

**All** state universities, whether “premier” or “regional” establish recruitment, admissions, and retention goals for students, faculty, staff, and administrators to insure that African Americans, Asian Americans, Latino Americans, and Native Americans have representation at minimum with their population numbers within the state. Student athletes will be excluded from representation goals.

K-12 schools, community colleges, tribal colleges, and state universities develop a seamless coordinated curriculum and related resources to feed the pipeline for raising the quality of education in the state. Continuity is essential.

Continue the 2 + 2 program with the community colleges and establish the same with tribal colleges.

Where corporations fund the technology transfer for “premier” universities, they must give 35% of their profits toward financial aid to students in need in the “regional” universities. Affordability is important in a state where many earn their living through low-wage service industry jobs.

“Regional” universities should be located in the large population areas. (The original proposal, Summer 2004, has Tucson residents potentially floating between Tucson, Sierra Vista, and Yuma to meet their educational goals.)

State universities reach out and serve rural Indian communities through distance learning and by other means.

### **B. Economic Feasibility**

A space utilization study needs to be conducted to assure that prior to constructing more campuses that there is maximum use of all existing educational facilities within the communities (to include K-12, community and

tribal colleges, and universities). “Territoriality” increases cost inefficiency and works against raising the educational attainment levels within the state.

If the state is serious about raising the educational level within the state, it must help students who have financial need meet the cost of higher education.

C. Efficiencies

(Addressed in “B.”)

D. Community College Collaboration

The articulation agreements should be preserved and extended to the tribal colleges.

E. Economic Development

Many studies have already been completed and need to be pulled from their dusty shelves and implemented. Economic and workforce development needs are well defined.

F. Faculty Resources

Arizona students should have the benefit of learning from quality faculty whether the student is involved in distant learning or at a “premier” university. Teachers and faculty should periodically be exchanged through the K-university system or at least convene occasionally across disciplines to increase knowledge of needs and ideas. Business people should also be included. This idea is not new. There are existing models.

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## **MINORITY STAKEHOLDER GROUP STATUS REPORT**

### **INTRODUCTION:**

Very seldom has an advocacy group for minorities (African-American, Native Americans and Hispanics) in higher education been invited by the Arizona Board of Regents (BOR) to analyze proposal for changes to our higher education system or make a proposal of our own. We celebrate this change of heart and we hope it will become a sign of permanent commitment to the educational values we hold dear. Our advocacy group is not after preferential treatment for minority students; our goal is to make sure all children of Arizona have access to a premium education regardless of economic status, color of skin and gender, and more importantly we support “NOT leaving anyone behind”.

In the proposed plan, ASU and UofA will continue to focus on research and partner with the industry in the creation of new products and start up companies for the economic benefit of all the parties involved. Our universities will patent the discoveries and either give licenses to industry or create business partnerships etc., this revenue in turn would be invested in education. This is an idea we can support.

### **Does AZ higher education need changes?**

The AZ Board of Regents, the industry, and Arizona lawmakers say yes, we also think it does but for different reasons. The BOR would like to be prepared for the thousands students bound for college and already in the pipeline. The legislators and the industry see economic growth and profits in this partnership. Our focus is not only economic but also on preserving the traditional role of universities, which is to educate. Furthermore, we are bent in making higher education more accessible to minority students, and to reduce the achievement gap we inherited from many years of official neglect, and inadequate funding for our school districts.

As the globalization of the world economies becomes increasingly dependent on science and technology transfer, we feel that our state must become competitive as well. More universities in the US and around the world are transforming their traditional universities into powerhouses in research fueled by the expectation that the economic development generated by new scientific discoveries will translate into new regional economic growth. To this purpose collaboration between academy and industry must increase. We support this idea, provided the following happens: a) The Profits and research expenditures should be shared equally, b) Funding for research universities should not be generated from tuition increases, freeze of faculty salaries, increase of faculty/student ratio, or delaying construction of education facilities etc. It should come from Industry, Federal grants, state allocations (not taken from the education budget), etc. c) Re-invest profits back into education.

We think that all the submitted proposals cover a wide range of issues. Although some of the proposed ideas are consistent with our goals, we find the proposed changes too superficial. The problems in our educational system require a comprehensive solution

rather than partial fixes. We recommend re-structuring the higher education from top to bottom. Top restructuring means changes in the way the Board of Regents gets elected, we recommend having a board of trustees elected in general elections cycles rather than appointed by the Governor. In this way, board members would be elected based ONLY on their education agenda. Our current AZ Board of Regents (BOR) is diverse but all of them are businessmen and women, and it is essential for Arizona to change the composition of the BOR to mirror the State's population. Restructure at the bottom means addressing the problems that have created such a wide achievement gap in minority students. This gap is a stumbling block for minorities bound for college and beyond. We are also overtaken by the astonishing drop out rate of Arizona students. We advocate funding and evaluating, not eliminating the most successful drop out prevention programs that will keep Arizona students through High School and beyond.

The problem of funding is more critical at colleges (Tribal and Community Colleges) where there are greater concentration of minority students.

A. Levine wrote in his article "The biggest challenge for Community Colleges: 6 Views, published in The Chronicles of Higher Education, 10-04". "Since World War II community colleges has been the open door for excluded and underrepresented populations to enter higher education. In the next five years, without significant additional financial support, that role will be eroded as community colleges seek to meet other demands as well. The only question is to what degree that erosion will take place", he also said, "Retraining of workers from industries and jobs that have either moved abroad or ceased to exist also will become a growing need, and President Bush has designated CC as the primary agent for accomplishing that retraining"

### **Will minority students fair well in this transition?**

Our institutional leaders have already curtailed minority programs aimed at graduation and retention, student scholarships are now tied to scholastic merits, and underserved schools K-12 school programs are not properly funded. If this is not enough bad news for minority students, the Federal government changed the formula to calculate a student's need for aid; more than 90,000 students could be disqualified from receiving Pell Grants. The Pell Grant is the Federal Government's biggest tool for getting needy students into college. In Arizona alone, 18,000 students could be affected. (Chronicles of HE).

Our support to the BOR proposal will be tied to a comprehensive re-structuring of our educational system as a whole, where FUNDING for education will be a priority and the BOR commitment to graduation and retention of all students will be steadfast.

### **Should the AZ Board of Regents share governance of higher education?**

Why shared governance is needed in Arizona is exemplified in the "Executive Order 2004-25, establishing the Arizona Commission on Medical Education and Research"- The members appointed by Governor are only CEO's of Health Care companies and the presidents of our three public universities and the president of BOR. In the same fashion, the same tight circle will be reviewing the submitted proposals and deciding among them what changes will take place in higher education in the State. This concentration of power is not only non-democratic but is also harmful for Arizona. The leave it or take it

type of process is the opposite of the shared governance in higher education that we advocate.

We support sharing the governance of higher education among educators, industry, government, students, parents etc, to this purpose, we recommend the following: First, elect members of the BOR in regular election cycles rather than appointed by the Governor. Second, creation of an affiliated board for the regional universities, to seek and lobby for Federal/State funds and make sure their regional universities economic needs are met. This board will be formed by people from the respective regions, and would oversee the timetable for these universities to become independent educational institutions. It will serve under the umbrella of the BOR as far as policy is concerned. Third, we recommend more DEBATE of these proposals, and a more democratic process for selecting the course to take in higher education. If we rush this transition, we may worsen the graduation rates in the State, which are at 48% of its college students in six years, one of the lowest rates in the country.

### **How the university research will be funded?**

At a time of budget deficits at the Federal/State level and decreases in philanthropic giving this is a fair question. On economic needs our legislators are a penny-pinching lot, and our students may face a continued tuition increases to supplement the shortfalls in research funding, or the universities will hire part time faculty or full time non-tenure track positions to save money which will adversely affect the quality of education and lower undergraduate graduation rates. Whenever, tuition increases or quality education goes south, so does minority enrollment.

From the article, "Outlook for Higher Education in the Arizona State Legislature; published by The Chronicle of Higher Education, Jan 2005, "The state's fiscal picture is improving, but prisons and health care are ahead of higher education in the queue for increased spending. While the state's fiscally conservative Legislature has not historically made higher education a priority, Gov. Janet Napolitano, a Democrat, is viewed as an education advocate. However, her focus so far has been on elementary and secondary schools.....Already, lawmakers have signaled they intend to scrutinize the proposal, establishing two new standing committees in the House and Senate to focus SOLELY on higher-education issues."

The BOR, industry and legislators should look at the Ohio State case; they allocated \$1.6 B over 10 years for their research universities; \$500M for facilities, and \$500M toward recruiting top researchers to the universities and financing the university efforts to bring new products to the market. (Center for Science in the Public Interest).

We must make sure that the industry contributes its fair share of the research expenditures and lawmakers allocate the proper funding for research universities.

**Would research universities boost/reduce the quality of undergraduate education?**

Research universities with the state of the art equipment and facilities are extremely expensive, in addition they have indirect costs, bureaucrat’s salaries, grant officers, lawyers who secure contracts and grants and the most expensive are the contracts of senior researchers and assistants. The University of Florida makes a study case we must watch it doesn’t repeat at ASU and UofA. (Chronicles of Higher Education)  
From 1980 to 1991 research expenses increased.

1980 Research represented	20%	Univ. of Florida’s budget.
1991 “ “	28.8%	“
1980 Student instruction represented	33.3%	“
1991 “ “ “	29.7%	“

Research was funded at the expense of instruction for students.  
As the budget for instruction decreased so did the time professors spent teaching.

National Institute of Health (NIH), grants go disproportionately to the most prestigious research universities. In 2002 1/3 of NIH grant money went to California, New York and Pennsylvania. Our research universities will have to compete fiercely for grant money. This competition is extended also to hiring the best researchers as well. China and the rest of the world are also commercializing their universities and China is already calling their researchers to go back to China. After 9/11 the US is no longer the top recipient of foreign student applications. The European Union is gaining ground.

In conclusion, only top salaries in the six figure range will get us top researchers. Second, perhaps it is time that we make our own researchers and pump the money in the Master and Doctoral Programs.

The National Science Foundation (NSF) states “ Minorities, particularly underrepresented minorities, provide a rich, though largely untapped resource for building the nation’s scientific workforce, particularly as minority populations grow as a proportion of the U.S. population. Development of a solid foundation of talented, highly skilled scientists of diverse backgrounds in turn will enable the United States to remain competitive in the global economy.” This is a course of action we can endorse.

The minority population growth in Arizona has swelled to more than 30%. If we do not properly educate this population, what are they going to do and how can Arizona sustain its economic growth? Our state will have long unemployment lines seeking state benefits, more incarceration, and less revenue. Certainly this is not the smart way to go. The fact our lawmakers allocate more funds to prisons is an indication that past policies were wrong and we need to change course. The right course is to adequately FUND education at all levels.

**How our universities rate in regard to graduation of minorities in higher education?**

Our students remain under-represented every which way in the echelons of Higher education of Arizona. Despite the BOR internal regulation saying that our universities should admit minorities in the same percentage of the populations, the doctoral programs

at UofA and NAU are not graduating doctors in significant numbers from the ranks of our minority groups.

In 2003 the US Supreme Court struck down ethnic preferences in UofM undergraduate admissions (*Gratz v. Bollinger*), yet on *Grutter v. Bollinger* narrowly held their use in law school admissions. The Civil-Rights office of the Education Department takes seriously the requirements of *Grutter* in that admissions preferences be prohibited in circumstances where diversity is attainable by race-neutral means.

We are absolutely sure that UofA and NAU can find many suitable minority students worth to be admitted (in larger numbers) in the doctoral programs to attain the diversity sought in the law (by race-neutral means). However, this is not happening.

The new expanded mission of the UofA as a research university will make admission requirements more restrictive such that only large numbers of foreign students will be admitted. In essence, we will be contributing with our hard earned taxes to pay for the education of foreign students. We don't think anybody should be supporting this scenario.

In contrast with UofA policy, ASU Pres. Mr. Crow said the following: "We believe that simple measures of class rank and SAT scores are inadequate to determine success potential", ASU administrators and Mr. Crow insist that "ASU can serve a wide spectrum of students, yet still reach academic excellence". UofA has taken the easier path the ASU VP said, "To become better has meant to become more selective, ASU can have it both ways, and our history bears it out" (AZ Republic-Newspaper).

It is not acceptable that UofA doesn't accept minority students in greater numbers under the pretext of high standards. Minorities contribute in great measure to the economy of this state and we are no longer seeking our children to become assistants of this or that but doctors as well. Besides, increasing the number of academically successful African-Americans, Latinos, and Native American students is essential for the development of future generations of leaders in many sectors of our society.

In other states, more sensitive to minority's needs, the Medical schools have programs to strengthen "weak applicant's" knowledge and help them to become competitive in admission tests and remain competitive all through out graduation. Certainly, UofA, NAU, and BOR could do this but they have shown no interest in achieving diversity in higher education.

The idea of creating three regional universities and having NAU to be the flagship institution is not a very good idea. NAU remains challenged to fully respect the rights of minority students. A reverse discrimination case is going soon to jury trial (*Rodebusch v. Hughes*). There are no significant numbers of African-American, Native American or Hispanic students in their doctoral programs. NAU is hardly the place that can be model for regional universities with large number of minority students. Once ASU West attains independence from ASU main campus, they could become a flagship for the regional universities if one is needed.

### **Why a two tier system is not good for Arizona?**

We reject the idea of a two-tier education system because it conveys the idea of segregation in the quality of education.

From Education Policy Analysis Archives, 1999, G.V.Glass (ASU) and C.D.Cobb (UNH) wrote in their article “Ethnic segregation in Arizona Charter schools”, “In 1996-1997 Arizona had nearly one in our of all charter schools in the United States.....The ethnic compositions of 55 urban and 57 rural charter schools were inspected relative to their traditional public schools neighbors. Nearly half of the schools exhibited evidence of substantial ethnic separation. Arizona charter schools not only contained a greater proportion of White students, but when comparable nearby traditional public schools were used for comparison, the charters were typically 20% points higher in White enrollment than the other publics. Moreover, the charter schools that had majority of ethnic minority students enrolled in them tended to be either vocational secondary school that do not lead to college or “schools of last resort” for students being expelled from traditional public schools. The degree of ethnic separation in Arizona schools is large enough and consistent enough to warrant concern among education policymakers”.

A two-tier system as proposed by the BOR looks more like segregation at higher education levels, and it should warrant the same concern to education policymakers. We reject the idea of a second tier education.

### **Is it now the best time to expand our research universities?**

There are only two sources for funding the instructional activities in our public universities; they are student tuition and appropriations. Our biggest concern in this transition is that the research universities will be funded from money allocated to undergraduate education. According to NCHEMS this is already happening.

The following information comes from the National Center for Higher Education Management Systems (NCHEMS), which compare revenues and expenditures for various sectors of higher education in ten states, including Arizona (dated 12/07/04). Their conclusions:

- a) With respect to Research Extensive Universities, Arizona’s institutions devoted a much smaller share of tuition and appropriations revenue (76%) to instructional activities than did the ten states combined (91%). Or 76% out of 91%
- b) With respect to Research Intensive Institutions, NAU spent 73% out of 90%. This may be because the institution lacked the external research funding to support its research mission.
- c) With respect to Baccalaureate and masters Institutions, ASU East, and West spent 72%out of 77%. It is somewhat baffling that these institutions, with missions focused on undergraduate instruction, spent such a modest share of tuition and appropriations on instructional activities.  
Community Colleges also spent a relatively low share 70% out of 82% for similar institutions in all ten states combined.

The report adds, “These revenue and expenditure data tells two compelling stories for the redesign of AZ higher education. A) Arizona’s two research extensive universities will not be able to compete in the top tier of research universities in the country without a stronger funding base. B) Arizona institutions that focus on the baccalaureate mission

cost more per student than institutions with similar missions in any other 10 states. It will cost Arizona 28% more per student to educate the wave of new students that will be coming in the next few years than it will cost to do so, on average, in other states.”

“Stated simply, Arizona must redesign its system by developing a more cost effective approach for delivering undergraduate baccalaureate education-what works today won’t work tomorrow; it is simply too inefficient.”

The outcome of the above study supports our recommendation to restructure our education from top to bottom.

**Licensing Revenues and Patent Activity (from 1996 to 2003) ASU, UofA and NAU**  
Taken from the article “Colleges Seek a Record Number of Patents, published by The Chronicle of Higher Education 12-3-04).

Out of 161 respondents to the survey, 52% made \$1M or less, 25% made from \$1M - \$5M, 14% made from \$5M-\$20M, and 9% made more than \$20M.

ASU have consistently increased its license revenue from \$0.5M in 1996 to \$1.1M in 2003, and 78 licenses and options executed.

UofA have consistently increased its licenses revenue from \$0.25M in 1996 to \$1.1M in 2003, and 218 licenses and options executed.

NAU, there is no record of earnings or licenses issued.

Making money commercializing our universities is a difficult proposition.

From “Money and Management, The Chronicles, dated 12-3-04”,  
Payoffs from big hits, Washington University in St. Louis, the big hit involved a treatment for Crohn’s disease. The university reported \$12.5 M in royalties.

Deflated Deals, written on 05-2003, “Universities end up with worthless equity when companies created in licensing deals go under” The bottom line is “The business of commercializing university inventions has always been inherently risky”.

From Cornell Higher Education Research Institute-CHERI (R. Ehrenberg),  
Analysis of student-faculty ratios and undergraduate tuition at 228 universities 1977 to 1999. “ Holding other factors constant, the universities that expanded their institutional-research expenditures the fastest saw their student-faculty ratios rise higher than the ratios at other universities; they also tended to substitute lecturers for tenured and tenure-track faculty members more often than other universities did.”

## **CONCLUSIONS**

The truth is, the bonanza everyone is seeking out of the commercialization of our public universities may never happen and we may end up with a costly research expansion program that Arizona lawmakers will be unwilling to fund. As a result, we may worsen the quality of our higher education and attain no regional economic growth. Our final thought is that this restructuring of our higher education system requires a wider DEBATE from all corners of our society.

There are two reasons supporting this idea.

First, after all we have done and said it appears that insufficient FUNDING is the culprit for most of our education problems at all levels. If lawmakers approve this expansion, do we have the funds to do it w/o cutting the education budget?

The NCHEMS report implies we do not. Our inefficient system to deliver education requires a comprehensive overhaul.

Second, it is clear now that we can no longer ignore the large number of students falling behind or dropping out of school or improperly funding K-12 school programs. We must fund programs (aiming at graduation and retention of students, counseling, tutoring etc.) to help students falling behind and bring them to competitive levels. Then give these same young men and women access to our higher education universities. In addition, we must increase economic aid to poor students and we must bring to market levels the pay for teachers and faculty. Any partial restructuring of our education system will make Arizona less competitive in the global markets or unable to sustain a continued growth of the state's economy.