

**From:** Jon Garrido [mailto:JG@JonGarrido.com]  
**Sent:** Monday, May 31, 2004 9:44 AM  
**Subject:** Regent's Proposed Two Tier System and EV LULAC and AZ Hispanic Center Recommendations

June 3, 2004

Arizona Board of Regents

Dear Regents:

Re: Arizona's Proposed Two Tier System

ASU President Michael Crow pushed through a coup d'etat to spearhead Los Arcos becoming the site of a ASU premier research park that will create 4,000 primary jobs with a multiplier effect of probability at least 4, changing the landscape and land values of south Scottsdale putting Arizona on the path of becoming a prime competitor in research.

This is economic development extraordinaire. Crow is receiving accolades from nearly every sector of Arizona and I for one think this new direction is a brilliant strategy to establish an economic development program that will truly move Arizona into a premier status

I ought to know. I was once the executive director of economic development for the City of El Paso and economic development coordinator for the City of Tucson. In the late 80s, I was the vice president of development and planning for the largest real estate development company in Arizona: Valgroup.

Even before the Arizona Board of Regents addresses approving the feasibility of a two tier system for the state's universities, Crow circumvented the process and tied up the site.

Crow's move to use his discretionary bank account called the ASU Foundation is a once in a life time Herculean feat; however, maybe is a little too brazen. Moving toward establishing an ASU research institution without Board of Regent approval and more importantly, the right of Arizona citizens to participate in public discussion of the proposal is taxation without representation.

While the creation of 4000 jobs may be feat for a research organization, should not this be done by a private entity?

ASU was established and continues to be funded by Arizona as an educational institution but its new direction is misplaced.

While I support the vision Crow has of establishing a research university, Crow proposes to gut the assets of ASU and ASU's coveted jewel name as we all watch. It is smoke and mirrors in taking the first tier and moving all to Scottsdale leaving behind a second tier mediocre university where Hispanic students in the lower tier of the state's university will be banished to an inferior education system.

ASU should spin off its research focus creating Arizona Research University and leave behind the ASU we all know to enable it to get back to its roots of educating.

This means returning ASU Foundations' \$41,000,000 back as soon as Scottsdale returns the loan and ASU Foundation Assets should remain with ASU to continue to fund education and not be used as discretionary funds ASU President Michael Crow can tap with a phone call to fund his research ventures.

ASU going from an educational institution to a Silicon Valley research facilitator will do nothing to educate Arizona's exploding Hispanic population.

On May 26, 2004, the Education Trust in Washington published their report documenting most colleges and universities have failed to ensure students will graduate in a reasonable time frame.

Only 63 percent of full-time students at four-year colleges graduate within six years — a common yardstick for measuring graduation rates — the report says. And these rates have remained flat for more than 20 years.

Graduation rates are especially low for minority students and those from low-income families, the report says. Only 47 percent of Hispanic students and 54 percent of low-income students graduate within six years.

The report says that "the typical American college or university has a graduation rate gap between white and Hispanic students of over 10 percentage points" and that a quarter have a gap of 20 points or more.

It says that graduation rates have remained stuck for more than two decades. For the high school class of 1972, 66 percent graduated from college within eight years. For the high school class of 1992, the rate was 67 percent.

Although graduation rates for colleges are typically highly correlated with the quality of their students, the trust said it had found a handful of colleges that had been able to push their graduation rates well above those of other colleges with similar students.

"There is a sense in the academic world that graduation rates are exclusively determined by the student body," Mr. Carey said. "That is not true. It is an important factor. But there are things institutions can do to improve their graduation rates that make a big difference. Some institutions clearly outperform their peer institutions year after year, not by two or three points, but by 15 or 20 points, consistently. Many, if not most, higher education institutions could do a lot more."

The Trust, an advocacy group that favors standards-based education, called on colleges to adopt some of the strategies the model colleges use.

Using ASU as gauge for the state's universities; is ASU a model college? To determine the answer to this question and if the answer is no, what needs to be changed to make ASU a model college using the Trust's standards and criteria?

It is only after answering these questions should anyone be allowed to discuss any consideration of restructuring the states' universities.

If a two tier system is approved as proposed, the upper tier will be primarily non Hispanic and the lower tier will be Hispanic.

Before anyone begins to argue the opposite of this prediction, we need to look at the past ten year trend pattern for clues for what the future may hold:

Using a ten year period to show trend line:

1. What % of the total ASU student population is Hispanic
2. What % of total ASU Hispanic students graduate
3. What % of total faculty and staff is Hispanic

4. What % of total tenured faculty is Hispanic

5. What % of total staff in upper management is Hispanic

If the numbers demonstrate overall Hispanic success and participation then maybe the present system is working but only lacks capacity.

If the numbers are dismal then the primary question for the Board of Regents and the population of Arizona Hispanics will be how will the proposed "New Directions" of the two tier system and the proposed research orientation benefit Hispanics?

A proposal should first be formulated to address how Hispanics will become more proportionate in numbers graduated and what commitment is there to increase Hispanic faculty and upper management to parity to have decisions made by Hispanics for Hispanics?

No one doubts the future of Arizona is the Hispanic population and for future economic development of this state, the future lies with having the majority of adult Arizona residents being educated thereby increasing the state's assets. And since the population is increasing in a dramatic fashion by an exploding Hispanic population then the future lies with Hispanic graduates.

At its June 3 meeting the Arizona Board of Regents will discuss: Redesigning Arizona's University System.

### **The situation**

Arizona's population, which more than tripled over the past three decades, is expected to balloon even higher in the next several years. Arizona's population is expected to increase by almost 54 percent, soaring from approximately 5.6 million residents in 2003 to approximately 8.6 million residents in 2020.

### **Arizona's Growth in Population**

For the university system, this means a tremendous growth in student enrollments. Student enrollments now number more than 115,000 and are projected to increase by 48 percent to 170,000 by 2020.

Other indicators of the tremendous need and demand for university services in the upcoming years include the following:

- More than 1.2 million Arizonans currently are age 14 or younger, with more than 400,000 under the age of 5 – and all will be reaching college age within the next 20 years.
- In its report, *Measuring Up 2002*, the National Center for Public Policy and Higher Education ranked Arizona 47th in the country based on the percentage of students (only 28 percent) who enroll at either a university or community college immediately after high school. And with respect to young adults, Arizona ranked 45th, with just 26 percent of those age 18-24 attending either a university or community college.
- The Western Interstate Commission for Higher Education forecasts that: Arizona's public high schools will graduate 55.4 percent more students in 2017-18 than in 2001-02 for a total of 72,697 students; and Under represented racial/ethnic groups will account for 54 percent of all public high school graduates in 2013-14, with Hispanics making up the largest share. This is up from 39 percent in 2001-02.

- The ethnic makeup of Arizona's high school graduates who are eligible for university admission is expected to change dramatically through 2020. For the 2003-04 academic year under represented racial/ethnic groups accounted for approximately 29 percent of the new high school graduates who met the universities' entrance requirements. By 2020, it is projected that students from these groups will constitute 46.3 percent of the newly eligible high school graduates, with Hispanics making up the largest share and experiencing the largest increase. By that year, Hispanic students are expected to make up 32.5 percent of the new high school graduates in Arizona who are eligible for university admission, up from 18.7 percent in 2003-04.
- According to the Census Bureau, Arizona and our state's two largest cities lag behind other states and cities with respect to college-educated residents. In 2002, out of 69 of the country's largest cities for which the Census Bureau reported data, Tucson and Phoenix ranked 43rd and 44th, respectively – each with about 23.5 percent of the population holding at least a Bachelor's degree. Among other states, Arizona ranked 36th in 2002, with 23.2 percent of the state's population having completed a four-year degree.
- Non-traditional students (older students) comprise the fastest growing segment of the postsecondary student population. In its report, *Special Analysis 2002, Nontraditional Undergraduates*, the National Center for Education Statistics reported that 39 percent of all postsecondary students were 25 years of age or older in 1999, compared with 28 percent in 1970.

As currently configured, the university system is not well prepared to cope with the impending demand because each university presently is required to be all things to all people. Each must do its best to offer high quality undergraduate education, expand its research programs, play a key role in economic development, fulfill regional education needs, step up workforce development efforts, and embrace growth. But none has the capacity or sufficient public resources to carry out all of these responsibilities equally well.

As enrollments continue to significantly increase, it is important that a cost-effective operating model be in place. To this end, it is recommended that the Board begin a discussion of a different model that would enable the university system, *as a whole*, to meet the state's full range of needs.

As a beginning point for the discussion, a possible operating model is being proposed and presented below.

### **DISCUSSION: A possible operating model as proposed by the president of the Board of Regents and university presidents**

The proposed operating model would involve the creation of two new free-standing "regional universities" that would help Northern Arizona University, Arizona State University, and the University of Arizona to better serve Arizona. As their core mission, the regional universities would focus intensely and primarily on undergraduate education and could be established by realigning existing resources, using infrastructure that's already in place.

The regional universities – perhaps called Arizona Regional Universities – would consist of Northern Arizona University, Central Arizona University, and Southern Arizona University and would be headquartered in Flagstaff. They would center their attention on specific areas of the state and concentrate almost wholly on undergraduate and Masters-level education. Among the regional universities, Ph.D. programs would be offered only at NAU in its established areas of unique expertise and excellence.

Northern Arizona University would retain its signature status as Arizona's premier under graduate residential university, continuing to concentrate on its core mission of undergraduate education while conducting research in its existing areas of specialization.

It also would retain its leadership role in educating non-traditional students both on-line and on-site throughout Arizona. NAU's regional responsibilities would extend to Coconino, Mohave, Yavapai, Navajo, Apache, Gila, Graham, and Greenlee counties.

ASU West, already a full-fledged campus with a student body that numbers about 7,100, would detach itself from ASU to become Central Arizona University. ASU West clearly is ready for this next step in its evolution. It currently offers four-year degree programs, has instructional and residential facilities in place, and has plenty of room to grow. Central Arizona University would serve all of Maricopa County, helping ASU meet the tremendous demand in this region of the state. U of A South -- located primarily in Sierra Vista, Douglas, and Tucson and offering programs in Cochise and Pima counties -- would join NAU-Yuma to form Southern Arizona University. Both U of A South and NAU-Yuma currently offer upper-division courses and partner with community colleges to enable students to complete an undergraduate degree.

Southern Arizona University would operate on this same model, continuing to serve Cochise, Pima, and Yuma counties and expanding its service area to include La Paz, Pinal, and Santa Cruz counties. Its enrollment growth would occur largely in Tucson, and Southern Arizona University would be an excellent alternative to the U of A, which has serious growth constraints on its main campus.

The creation of the regional universities would significantly lessen enrollment demands on the U of A and ASU, enabling both universities to enhance the quality of their undergraduate education programs *and* expand their research efforts, which are vital to Arizona's economic development.

ASU could intensify its commitment to metropolitan Phoenix, becoming increasingly more competitive on a research level. ASU East and the Capital Center campus would remain a part of ASU and the university's plan for the future. The U of A would be better positioned to realize the goals of its "focused excellence" initiative and to take its renowned learning and research endeavors to new levels.

### **DISCUSSION: A operating model proposed by East Valley LULAC and the Arizona Hispanic Issues Center**

Instead of building a two tier system, a better model would be to keep three systems as is, add two new systems and modify one existing system.

Northern Arizona University, the University of Arizona and Arizona State University and its two branches of West and East would remain the same but Arizona Research University would be created as a separate entity to pursue research exclusively. The location selection should not be done in a vacuum but must be an open process.

The ideal site is not Scottsdale but the old General Motors proving grounds adjacent to Williams Gateway's airport and business park. This area is also adjacent to an incredible growth explosion that will take place in Pinal County.

The ASU Phoenix downtown campus will be closed and its funds directed to funding the new regional universities.

The third system would be the creation of Arizona Hispanic University, a four year business school in addition to Chicano Studies that would recruit Hispanic students not only from public schools but also from Hispanic charter business schools acting as feeders into Hispanic University.

There would be three graduate schools: the graduate school of international business management, the graduate school of Hispanic business consumer market to enable Arizona positioning itself in American and Latin American global markets of selling to Hispanic consumers and the graduate school of Chicano Studies.

The ideal site is Williams Gateway with its Foreign Trade Zone and US Customs gateway already in place would provide an instant international transportation mode with Latin America.

The question then becomes with the addition of Arizona Research University and Arizona Hispanic University, what alternatives or capacity is still lacking?

The third system already exists but would modify and upgrade the state's community colleges into regional universities. This would better utilize the state's community colleges and as their core mission, the regional universities would focus intensely and primarily on undergraduate education and could be established by realigning existing resources, using infrastructure that's already in place.

In addition, give the regional universities flexibility to award two year degrees allowing students to continue at the same facility toward a four year degree.

The creation of the regional universities would significantly lessen enrollment demands on the U of A and ASU, enabling both universities to enhance the quality of their undergraduate and graduate education.

With respect to administration, the Board of Regents would appoint a president to manage the regional universities, who, along with the U of A, ASU, ARU and AHU presidents, would report to the Board. Each of the regional universities would be directly managed by a chancellor who would report to the president, and all would operate under one budget approved by the governor and the legislature.

### **The benefits of the proposed operating model**

Redesigning the university system through the creation of regional universities would:

- enhance the university system's capacity to meet the rapidly growing need for higher education and improve rural access to an undergraduate education;
- produce a more cost-effective operating model as a result of its emphasis on under graduate education, potentially providing for differentiated and lower tuition at the regional universities and NAU, ASU, and AHU;
- offer a viable alternative to research universities;
- create a number of managerial efficiencies, such as consolidated distance learning and shared information technology;
- provide for more local control, enabling the regional universities to tailor their programs and modes of delivery to the needs of their constituents; and
- strengthen regional partnerships with the state's primary universities while preserving and enhancing existing community college relationships.

### **Beginning the dialogue**

The discussion about redesigning the university system should focus on ensuring that all Arizonans have ample opportunity in the years ahead to obtain a quality university education.

Arizona is below the national average when it comes to the percentage of the state's population with a four-year college degree. In today's knowledge-based economy, a college education is critical to the prosperity and quality of life of our citizens, and Arizona's economic competitiveness hinges upon the degree to which the state is able to develop its human talent.

### **Recommendation**

It is recommended that a proposed timetable, organization, and scope of review be delayed until the September 30-October 1, 2004 meeting to allow East Valley LULAC and the Az Hispanic Issues Center to organize a discussion group to formulate recommendations to the Board.

If the Board determines at its September 30 meeting that the proposed operating model deserves further review and consideration, an extensive feasibility and planning study should be conducted with public input from all interested parties.

Lastly, we ask the Board direct the ASU president not to utilize ASU Foundations funds until the Board formally approves any new structure and more importantly, the funds of the ASU Foundation remain with ASU as they were intended by donors.

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