Transcript
Pima Community College Perspectives
"State legislative outlook / National perspective"

Guests: Michael Rossi, Rossi Associates
David Baime, Vice President of Government Relations and Research, American Association of Community Colleges

(male announcer) Welcome to Pima Community College Perspectives, a look on how education enriches our community. And now, here’s your host, Nina Trasoff.

(Nina Trasoff) Hello, and welcome to Pima Community College Perspectives. I am Nina Trasoff, and I’m delighted you’ve chosen to join us. We have a very interesting conversation ahead of us today, a very challenging one in many ways. With me today is Paul Schwalbach, who is Marketing and Public Relations Coordinator for Pima Community College. Good morning, or good afternoon, depending on which program you’re listening to.

(Paul Schwalbach) Hello, how are you?

(Trasoff) I’m fine, thank you. I’m glad you could join us to help us really keep an eye on the College’s perspective when it comes to the Arizona legislature and funding issues. And our expert who’s with us today is Michael Rossi, who is the owner of Rossi Associates, which is a government relationship, relations firm. And Mr. Rossi represents the College to the Arizona state legislature and to state governments. So Michael, thank you for joining us.

(Michael Rossi) Good morning and good day. It’s a pleasure to be here with you.

(Trasoff) Thank you. Boy, you have a challenging year ahead of you, don’t you, on a variety of levels?

(Rossi) It’s another really tough budget year for the Arizona state legislature. I think many people may have believed earlier in the year that the passage of the one-cent temporary sales tax was going to relieve some of the budgetary pressure, but the economy is only now showing some very slight signs of improvement. But we’ve wound up at this point in the fiscal year, the current fiscal year, with an $850 million deficit and a $1.5 billion deficit for the 2012 budget. So very rapidly the legislature is going to need to address the current fiscal year. The longer they wait, the fewer options they have to do that and the tougher it becomes; and also very rapidly jump into the 2012 budget. And as each year of this difficult economy continues, the number of options left with the state are dwindling.

(Trasoff) There a lot of dollars that are committed, no matter, they have no discretion on those. But, you mentioned the one-cent sales tax. What role is it going to play? Is it actually benefiting education?

(Rossi) Absolutely. The one-cent sales tax is raising on an annualized basis close to, but not quite, close to a billion dollars a year, and it certainly is helping to supplement and provide funding to K-12; however, and I think this may have come as a surprise to many people, they are still going to see some cuts in this year’s budget. And depending on what happens with the recently-passed Governor’s request
to Washington to allow Arizona to modify health care benefits, if that’s denied, then K-12 may be facing substantial cuts, or in any case, the legislature’s going to need to find a way to make up that $600 million potential savings on the health care changes.

(Trasoff) And as K-12 is cut, that also impacts community colleges. But even without considering that, community colleges are being cut dramatically. I think the figure we’ve been talking about, Paul, has been as much as 56 percent. (Schwalbach) Fifty six is the number that’s been most commonly used. That’s for Pima Community College. I think, Michael, you may want to correct me here, I think about 65 percent is the average cut for an Arizona community college system.

(Rossi) Actually, Paul, it’s the other way around.

(Schwalbach) Oh, okay.

(Rossi) But, and let me back up just a little. This was very, very startling for us. We expected another year of cuts, and the community college system has experienced significant cuts in state aid each of the last three years, really starting in 2008. But to have a approximately 50 percent cut across the board and a cut to Pima College of over 60 percent in our state aid was really startling.

(Trasoff) But this rolls us back, if I’m not mistaken, to about 1989 levels of funding.

(Rossi) That’s correct. If-- and we’ve charted this, and it’s a startling chart. Unfortunately I’m on radio so I can’t show it to you

(Trasoff) [chuckles]

(Rossi) But there’s a state formula that divides operating aid, capital aid, and what’s called equalization aid to small counties; we’re concerned with capital and operating. We haven’t received capital funding in years. But the lion’s share of our money comes from operating state aid. The formula to the entire community college system would provide around $185 million, $190 million at this point. The modifications a couple years ago in that formula would bring it down to about $165 million. In fact, last year, we only received $135 million. And this year, the budget proposal cuts $74 million from that. So it cuts it in half to just over $70 million state-wide for all community colleges and reduces Pima College from over $17 million, almost $18 million, down to about $7 million.

(Trasoff) Paul, how can you possibly provide the quality of the service, the quality of the education, the outreach that Pima does, the important role it plays in our community, not just feel good, help people get educated, help them get better jobs, but that’s an economic driver. It sounds as if this is the beginning of another vicious cycle where if we can’t educate our workforce, we can’t attract the kind of businesses that are going to get us out of this problem.

(Schwalbach) Yeah, Nina you’re correct. Clearly this is a game changer. This isn’t like other budget cuts. You know, the reality is that the state aid to Pima Community College has declined in, you know, over the last decade, in good times and in bad. But this is clearly different, and it’s going to force us to redefine, really, who the College, who, what Pima College actually is and what it does. And that, so,
basically, we’re going to have to look at everything we do. The Chancellor, Roy Flores, has said that in
the past that we’re not going to simply cut across the board, because that just ensures more mediocrity. 
But we’re going to focus our attention on the things we do well. We’re going to provide the highest
quality, you know, those things that we do well, we’re going to provide the highest quality education. 
But, you know, as I said, this is going to force, the legislature is essentially telling Pima Community
College, “You need to make drastic cuts.” And the implicit message to the community is, “You may need
to increase, pay, you will have a greater financial burden for community colleges.”

(Trasoff) And so will the students there in more terms of tuition.

(Schwalbach) Exactly.

(Trasoff) But-- and yet all I hear from the legislature is that education is foundational for the state’s
future.

(Rossi) And I think that’s part of what we’re finding especially frustrating. Because last year the
Governor emphasized education, and this year in her policy document, essentially the state of the state
document outlines the four corners of reform to move Arizona forward. And a significant portion of that
is education reform, increasing access to higher education, the possibility of creating a four-year college
system in Arizona, a goal of dramatically increasing the number of degreed graduates in Arizona, the
possibility of offering selective four-year degrees in the community college system. And yet the funding
numbers are impossible to reconcile with those goals.

And to just reinforce a little of what Paul said earlier, the state’s facing the most challenging economic
time it has ever faced, and certainly everyone in the legislature and all of us that work up there are
struggling mightily to deal with a situation that no one has ever seen in the state before. And the College
has had to tighten its belt and has done an enormous amount of that over the last few years. And we
recognize that. We have to play a role in saving money in this economy. However, the magnitude of this
year’s proposed executive budget cut does re-define the role of the College. Back around 2007 and
2008, we were limited in what we could raise in property tax, no more than 2 percent increase plus new
construction. There has been no significant new construction, so there is really almost nowhere to go on
property tax, and no one wants to go there in any case. And tuition has been pushed very hard, and you
have to question the fundamental re-definition of the community college’s role when you push tuition
to the kinds of levels that this reduction in state aid would require.

(Schwalbach) And I think something that Michael touched on regarding the disconnect between the
Governor’s goals for higher education and what money is actually being appropriated. That disconnect is
also evident in what the people of Arizona have said in the past. You know, approving the sales tax was a
vote of confidence in the value of education in Arizona, and the people, you know, that passed
overwhelmingly in May; that passed by a 2-1 margin. When the people voted down the shifting of
Proposition 301 money, which is essentially the early childhood education into the general fund, they
were saying, again, it’s important that we fund education. So there seems to be, the legislature and the
state house, there’s a bit of a disconnect, a bit of a misstep between what they’re thinking and what the
people of Arizona have voted for, you know, recently.
(Trasoff) And also, what they’re saying, with what they have the ability or what they make the choice to implement. And I, we have to say, the economic times are very difficult. They are facing an enormous challenge in all fairness. But it is this balance and the very things that we need for economic rebound such as the training that’s available at Pima reasonably to help people move out of poverty into meaningful jobs that contribute to our economic future, not just for individuals, but for the region and the state. Those are the things precisely that are going to be cut.

(Rossi) And that’s why we still are hopeful that working with the legislature we can come up with a budget cut that is smaller. We understand we’re going to face another cut this year. But so far what we’ve been looking at is the executive budget. We’ve been looking at some numbers from the Joint Legislative Budget Committee. But we haven’t actually seen a legislative budget proposal yet. And the community college’s role in workforce training and retraining during these sort of economic times is absolutely pivotal to getting this community and this state back on a secure economic footing. And I think there are a number of people in the legislature that understand that the community colleges are maybe the most important single element to doing that. And so we are hopeful that we can reduce the magnitude of these cuts by working with the legislature and working with the Governor’s office.

(Trasoff) For, just as a, for background, because many people listening to this may not actually understand what a government relations person does. So you are in Phoenix, and you are working with legislators trying to educate them about this level of education. How do you approach your work?

(Rossi) That’s correct. I’m an advocate for the clients that I represent up there, and I’m an advocate for the community college. And I’m someone with years of experience in the legislative process and with policy background. And I work with all the legislative members, the executive branch, the various departments, and the various staff members to try to inform and educate them about the needs of a client that I may be representing and about the issues facing Pima Community College specifically but the community colleges in general.

(Trasoff) And how else is Pima going to deal with this? We talked about the possibility of increasing tuition, or one of the other things we talked about in past programs is the idea of differential tuition.

(Schwalbach) Yeah, you know, clearly some programs cost more than others, or classes in certain programs cost more than others at Pima. For example, the Nursing program. Pima produces more nurses than any other organization in the state, and our nurses probably score higher than any other nurses in the state. We have an excellent Nursing program. It costs about $18,000 or $19,000 a year to educate nurses. The per-student funding that Pima’s going to get if the budget proposal passes is $325 per student. Obviously then there’s a chasm between those two numbers, and one of the ways Pima is going to approach it is to take a look at those occupational education courses, you know, the courses that, the courses for machinists, the courses for EMTs, the courses for people who can go out and get their education and then immediately enter the work force. Those people will pay, not for the programs, you know if you’re taking an English course, you’re a nurse and taking an English class, you won’t pay more for the English class, but you will pay more for the Nursing class. And, you know, it’s that way we’ll
protect our occupational programs which are so important to the economic development of the region, and, you know, we’ll be able to keep doing what we do best.

(Rossi) What ammunition do you need, Michael? I mean, does it help when people who really care about community college call their legislators to say this is an emphasis and we really believe this is important and that the business community stands behind?

(Rossi) It does help. It is amazing how isolated members of the legislature can become up in Phoenix. It’s very busy. The crush of issues comes very rapidly with enormous diversity, and hearing from the community has enormous effects on the legislature. And hearing from the business community, the people that need these qualified employees. I don’t think I’ve been to a single business group where the first comment isn’t the need for a well-educated work force and that that’s what they must have to help create new jobs and to help employ people. And so the role of the community college in that simply can’t be overstated.

(Rossi) So it really is a time for people to share those thoughts. I mean, these are our representatives, and we all acknowledge that they have a very challenging job at this time. But they need to know what our priorities are, and it was very clear in the budget, in the election last May that people really support education. So that voice needs to continue.

(Schwalbach) Yeah, I think people realize that education’s the key to individual prosperity, and it’s the key to economic development and a better society.

(Rossi) I think that’s a newer twist on it. A lot of people may not, in the last few years because of the recession, I think people have really understood that it’s not just personal benefit for these students, but it really is a community benefit.

(Schwalbach) Yeah, I mean, if you just looked at Adult Education. If you get a GED, you’ll earn $9,000 more a year on average than if you didn’t have that GED. You know, you pay more taxes; you become a more solid citizen. Everybody benefits.

(Rossi) Well you have your work cut out for you, Michael, in this coming session. And again, it’s a real partnership; it’s a matter of sharing information and understanding that there is a lot of challenges that need to be balanced out. But hopefully it will work well for the College in that there are going to be cuts, we all know that, but hopefully not as draconian.

(Rossi) And as you said, it’s going to be a challenging year, but we’re hopeful that we can get the cuts to a manageable level that don’t force a redefinition of the College’s role, because to emphasize what’s been said already, these cuts will re-define the College’s role. It can’t be made up at this point. We’ve been able to, to date, and not change the College’s role, the College’s mission. But the magnitude of these cuts cannot be made up with property taxes and cannot be made up with tuition. And the portion that can be made up with tuition will redefine the institution, and not for the better.

(Rossi) Michael Rossi, I appreciate you joining us today. We’re going to take a break. In the next couple of minutes, we’ll be back with the Executive Director of the American Association of Community
Colleges to give us more of a national perspective on this issue, because unfortunately we’re not the only ones facing this challenge. We’ll be right back.

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(male announcer) For more than 40 years, Pima Community College has helped prepare the citizens of Tucson and Pima County for good jobs and better lives for themselves and their families. We don’t do it alone. We appreciate your ongoing investment in education, especially during these extraordinarily tough times. Your tax dollars, combined with student tuition, make it possible for thousands of Southern Arizonans to get a jump-start before transferring to a university, to get the training they need to stay competitive at work, and to prepare for the jobs of tomorrow. Many of our students are seeking to restart their careers after losing their jobs, and some, their homes, during the recession. All of our students know, as you do, that the more you learn, the more you earn. We know that today’s students are often juggling work and family, as well as school. That’s why Pima offers classes at night and on weekends at six campuses, more than 180 other locations, and over the Internet. Our programs deliver education how you want it, and give you the opportunity to achieve your goals at your pace. Today’s Pima Community College students will be tomorrow’s firefighters, nurses, police, teachers, and small business owners, the backbone of a safe, healthy, prosperous Tucson and Pima County. Thank you for your support as we continue to help you and your family build a better tomorrow. For more information, contact us at 206-4500, or visit us on the Web, at pima.edu. Pima Community College, Developing our Community Through Learning.

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(Trasoff) Welcome back to Pima Community College Perspectives. I’m Nina Trasoff, and we are now joined by telephone, by David Baime, who is Vice President of Government Relations and Research for the American Association of Community Colleges. Mr. Baime, David, thank you so much for joining us.

(Daivd Baime) Good morning, Nina.

(Trasoff) We are delighted to have you with us. We’ve just been speaking with the government relations person who represents us in the Arizona, up in Arizona state legislature and with government in Phoenix. Can you give us a broader picture of what’s going on nationally in terms of support for community colleges?

(Baime) Yes, well, you know, across the country we’re seeing community college budgets reduced as the result of a very difficult financial situation that state governments are finding themselves in. It turns out that higher education tends to be one of the first places that legislators look to reduce state spending when times are hard, mostly because some of the other major expenditures, I think it was like health care and funding for corrections, are things that are less controllable than higher education. What often happens in recessions in higher education is that these institutions get reduced spending, and students are asked to bear more of the burden. And that’s something that we’ve certainly seen for community colleges across the country. Overall last year we saw a reduction in the aggregate national level of a couple percent in spending at a time when our enrollments were increasing dramatically.
(Trasoff) So, unfortunately, Arizona is not a special case. But it sounds as if our cuts are well above perhaps the national average when we’re facing as much as 56, 60 percent cut in the state funding for community college, our community college system.

(Baime) Yes, that’s the case. I have not heard of a state funding reduction of that magnitude anywhere to be honest.

(Trasoff) Is there, is there a common voice? Is there, are there common themes that you’re hearing across the country? You’re talking about some things you just cannot cut, health care and prisons, but how are people fighting this? Are there any states having greater success in securing the funding with perhaps the economic development message?

(Baime) Yeah, well that, that is generally what we lead with when we talk about the rationale for investing in our colleges. Of course education is much more broad than simply training people for occupations. But on the other hand, getting a job or keeping a job is what most people go to college for first and foremost. And what we see is that over a student’s lifetime, students that graduate from our colleges and obtain an Associate’s degree earn about 24 or 25 percent more than a student who is just a high school graduate. Students who get Baccalaureate degrees are, earn a little bit more than 60 percent compared to the average high school graduate. So there’s a tremendous financial incentive for individuals to attend college. And of course states and the federal government for that matter benefit handsomely by that increased productivity and earning power of those individuals through increased tax revenues.

(Trasoff) Well, from the Washington perspective, because I mean, that is a powerful argument. But the reality is that many of the students who come to Pima are people who have been laid off and are needing to retrain or young people who are trying to get into a career path that is almost recession proof with some—mechanics and nurses and those kinds of things. Is there, they’re the least able to pay full tuition, which can be quite high for some of the specialties, specialty kinds of professions. What is the possibility of federal aid? We’ve been getting a fair amount of federal financial aid. Is that still going to happen, or is that going to be in jeopardy in the national level?

(Baime) Well, I’m sorry to say that I think the environment has changed dramatically for the support from the federal government for our colleges and for our students for a couple of reasons. I mean, one thing obviously is, as I’m sure all the viewers, listeners have heard, that there is a much stronger emphasis on spending reductions and deficit reductions coming both from the changed majority in the House of Representatives as well as even the President. On Tuesday night he announced that a five-year freeze on discretionary spending for domestic programs, non-security programs. So the President, as well, is saying that circumstances have changed. Of course we’ve run up a tremendous deficit the past couple years, and so there’s really, on both sides of Pennsylvania Avenue, there’s a new perspective about spending.
And then the other thing is that as part of the efforts to revitalize the economy and simply keep the funds coming into the economy through the Stimulus Bill, there were a number of programs that benefited college, community college campuses across the country, funds provided for training, increased funds provided for student financial assistance, money to build broadband, lay down broadband in rural parts of the country. It was provided through the Stimulus Bill that is ending, if it has not already ended. One other thing I should add, getting back to the point you raised about the cuts proposed for the community colleges in Arizona is that also part of this Stimulus Bill, there was money provided directly for states to augment the funding they provide for education with K-12 and higher education, because there was an awareness that this was an area that was being cut in the beginning of the great recession.

(Trasoff) But that’s ending, that funding.

(Baime) That is ending. Those funds, those funds are just about all spent. Now, some states will be spending them in this upcoming fiscal year, but after that they terminate their efforts to provide greater funding for post-secondary education continued spending last summer. And that legislation was not enacted.

(Trasoff) Wow, that is a real challenge you are facing in Washington and the Association is facing and certainly Pima Community College here in Tucson. David Baime, I appreciate your joining us. You are the Vice President of Government Relations in Research for the American Association of Community Colleges. I’m not sure if it’s any solace to know that we’re not alone in this. But it is good to know that at least there’s a national organization that is working to try and address the situation. And I thank you Paul Schwalbach for joining me today. And all of you who are listening, it’s an important topic. We all need to become involved in it.

(Schwalbach) Yes it is.

(Trasoff) I’m Nina Trasoff, and this has been Pima Community College Perspectives.

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