

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-first Legislature – Second Regular Session

**COMMITTEE ON HIGHER EDUCATION AND
WORKFORCE DEVELOPMENT**

Minutes of Meeting
Wednesday, February 19, 2014
House Hearing Room 1 -- 10:00 a.m.

Chairman Dial called the meeting to order at 10:05 a.m. and roll call was taken by the secretary.

Members Present

Ms. Alston
Mr. Coleman
Mr. Larkin

Mr. Saldate
Mr. Stevens
Mr. Thorpe

Mr. Orr, Vice-Chairman
Mr. Dial, Chairman

Members Absent

None

Committee Action

HB2340 – NOT ASSIGNED

HB2577 – DPA (8-0-0-0)

Vice-Chairman Orr assumed the Chair.

PRESENTATIONS

Dr. Rufus Glasper, Chancellor, Maricopa County Community College District (MCCCD), advised that MCCCD is one of the largest multi-college community college systems in the country comprising 10 individually accredited colleges and, as of July 1, 2013, a new corporate college. The colleges are networked across 25 sites throughout Maricopa County, including regionally-based campuses, satellite campuses and skill centers at which more than 700 degree and certificate programs are offered. MCCCD serves over 260,000 students annually and employs 10,000 people, of which 6,700 are full-time equivalents (FTE) or adjunct faculty. MCCCD is focused on:

- Ensuring student success
- Meeting the educational needs of the diverse community
- Responsible public stewardship
- Providing students with the most cost-efficient educational model for degree and certificate completion

- Workforce training to meet the needs of employers and employees
- Seamless academic transfer to universities
- Partnering with the K-12 schools, public and private universities to increase efficiencies by joint programs and co-located facilities

Dr. Glasper discussed the following:

- Communiversities in Surprise and Queen Creek
- Maricopa Corporate College
- Workforce development courses at the various community college campuses
- Partnerships with the business community

He introduced John Shufeldt, who will relate the economic development relationship between MCCCDC and his company, NextCare, Inc.

John Shufeldt, MD, JD, MBA, FACEP; CEO/Chairman of the Board, NextCare, Inc., related that he has had a number of businesses in Maricopa County over the last 20 years. NextCare, Inc. has employed thousands of students from MCCCDC. He practices emergency medicine at St. Joseph's Hospital and he is on the Law Faculty at Arizona State University where he continually sees students who would not have been successful or able to further their education without their career path at MCCCDC. The state's continued support is integral to economic development through businesses like NextCare, Inc. and others he has owned, as well as to the growth of the community.

Dr. Glasper, in closing, indicated that the MCCCDC has been committed to having a meaningful impact on the state, particularly in the area of workforce and economic development, but it cannot be done alone. Over the last six years, during the state's worst economic crisis in its history, the state's investment in MCCCDC decreased by 90 percent, yet during this period, MCCCDC witnessed its largest enrollment increase. Difficult decisions had to be made and budgets were reduced; however, tuition and property taxes were increased twice. He asked the Members to consider all of the community colleges as the 2014 budget is being developed.

Chairman Dial resumed the Chair.

Dr. Lee Lambert, Chancellor, Pima Community College (PCC), related that over the next 20 years, there is a need for 34,000 new aircraft to be deployed, which means that 600,000 trained individuals worldwide will be required to service those planes; in the United States about 90,000 individuals and in Arizona about 17,500 people. Of those 17,500, about 25 percent are eligible for retirement in the next two years so training is needed to replace those individuals. PCC offers an aviation technology degree and certificate program in which approximately 150 students are trained per year, which is a small number compared to the overall need. About 90 percent of students in the program graduate each year and about 85 percent receive jobs in the industry; in the Tucson area, about 80 percent of students receive direct jobs. He attributed this success to partnerships and noted that having state-of-the-art facilities is critical, as well as faculty who are well-trained, qualified and stay current with the latest technology, strong

administrative support and strong support from the industry for students in the form of scholarships and internships.

Steve Pagnucco, General Manager of Manufacturing, Universal Avionics, related how his company has grown since 1987, mainly due to partnerships, one of which has been with PCC. He personally became involved 15 years ago when 25 employees were moved out of the Seattle area to Tucson to start the manufacturing operation. The company had an aggressive goal to increase the workforce to 100 people in a short time. PCC worked with them and other partners and created innovative programs, found people in dead end jobs with the motivation to do more with their lives who worked all day and attended PCC two nights a week for six months, after which they were hired as avionics assemblers and technicians. The goal was met thanks to that partnership. PCC listens to businesses and tailors courses to what they need. The most recent is an avionics technician program in which Universal invested about \$40,000 in state-of-the-art equipment; he is aware of at least three new employees in the last six to eight months from that program.

He added that his daughter is a neonatal intensive care unit nurse thanks to a PCC nursing degree and her husband is a lead design engineer with a Tucson-based high tech company thanks to a two-year program at PCC followed by transfer to the University of Arizona. They are living in Tucson, they are first-time homeowners and paying taxes, which is what economic development is all about. He said he appreciates the partnership and successes over the years and the Members for their support of the community college system.

Dr. Lambert concluded that in order for PCC to continue to deliver high-quality training programs, support is needed for the science, technology, engineering and math (STEM) funding piece for all 10 community college districts. In order to train more people, it will be necessary to expand their efforts, and in order to do that, greater levels of support will be needed.

Dr. J.D. Rottweiler, President, Cochise Community College, conveyed that community colleges are all about enhancing quality of life for communities. Cochise County is home to Fort Huachuca, the largest economic engine in the county and, in many instances, in southern Arizona. He introduced Jerry Proctor.

Jerry Proctor, Deputy to the Commanding General, U.S. Army Intelligence Center, Fort Huachuca, said he has been at Fort Huachuca for 17 years. It is the number one U.S. Department of Defense (DOD) economic engine in the state and the most future-focused technical installation in the U.S. Army, and probably DOD. He cited some of the capabilities in relation to warfare in the future:

- Home of the U.S. Army Intelligence Center
- Home of the DOD Biometrics Program
- Home of the DOD Tactical Forensics Program
- Advanced human training up to three-letter agency-level quality
- U.S. Army Network Enterprise Command
- All three components of cyber-warfare: attack, exploit and protect
- Unmanned aerial systems

- Involvement with the Department of Homeland Security in testing operations and unmanned aerial vehicle (UAV) flights that fly the borders
- Special forces training center
- World-class testing facility for intelligence, computer and cyber
- 12,000-foot runway vital to Davis-Monthan Air Force Base and Luke Air Force Base

In conclusion, Mr. Proctor stated that all of this capability needs technically-trained personnel.

Dr. Rottweiler related that Fort Huachuca currently employs about 15,000 individuals in highly technical fields. About four years ago, Mr. Proctor said he had 450 jobs open for which he could not find qualified people. The college formed a partnership with Fort Huachuca and the industry to set up programs to create pathways for students to matriculate into technical fields. He mentioned the CyberPatriot Middle School Cyber Education Program hosted by Cochise College, noting that the Buena High School Army Reserve Officers Training Corps (ROTC) Team is on its way to national competition.

He added that many people who work within the cybersecurity industry are not active duty military; they are contractors and DOD employees who need to be educated. Many soldiers return from tours with flight training as operators of UAVs. As UAVs are integrated into international air space, the need for Federal Aviation Administration (FAA) ratings is important. The FAA made some fundamental shifts related to flight and requirements to become an airline transport pilot. The FAA increased the number of hours, but made it beneficial for colleges to provide training, which is possible with the airstrip on the Douglas Campus, the Cochise College Airport, etc. Dr. Rottweiler noted that Cochise College serves an enormous amount of veterans. One of their outstanding students served two tours in Iraq and is now completing his degree in preparation to become a doctor.

Dr. Rottweiler concluded by stating that the accomplishments at Cochise College cannot be done without STEM funding. The Governor's budget recommended full STEM funding for the eight rural districts, but excluded the two urban districts. STEM funding will fundamentally improve the workforce development outlook in this state. He urged the Committee to recommend passage of STEM funding for all 10 districts.

Ms. Alston expressed appreciation for the community college system's coordination of credits between high schools and community colleges, which has been an enormous benefit, not only to individuals, but to society, and urged expansion. She noted that some certifications are pricey for the students, which is a concern.

Dr. Rottweiler responded that transferability between the K-12 partners, community colleges and universities is better today than ever before and building pathways should continue. Certifications are expensive and many colleges are working to include certification into the overall course fee structure, if some things can be done to keep tuition rates low, such as funding these expensive programs in the technical areas.

In response to questions, Dr. Rottweiler conveyed that at Cochise College, 73 percent of enrollees in mathematics are in remedial mathematics; students need to be better prepared to matriculate into community colleges because the mathematics need for many of the trades and

certificate programs is very high; the standards should be raised, so he is committed to Arizona's College and Career Ready Standards.

Mr. Proctor interjected that from a military perspective, speaking for all of the bases, personnel considering transfer to or from Arizona review education statistics. He personally knows high school juniors who transferred to the east coast and had to repeat a year, which is not conducive to people volunteering to be assigned to Arizona, so those standards will make a difference.

Mr. Stevens related that several of his family members attended community colleges. Having worked at Fort Huachuca during 20 years as a contractor, the pieces are in place now to provide the educational level Fort Huachuca demands; that was not the case years ago. It is important to work at the K-12 level to ensure students are ready so community colleges do not have to spend the time and resources on remedial courses.

Dr. Glasper indicated that in excess of \$90 million per year is spent on developmental education. Three out of every five students test into one or more development education courses and math is definitely the highest. MCCCDC is trying to find a way to use resources such as free textbooks and free information online for students who may be rusty in fractions, for example, and only need a "boot camp" on that specific area. Support would be provided by a tutor for a few weeks so a full-time faculty member does not have to be hired. The student could then move directly into 100 courses and MCCCDC would save resources that could be reallocated elsewhere.

Dr. Penny Wills, President, Yavapai College; Chair, Arizona Community College Coordinating Council, thanked Chairman Dial for his work with the Arizona Commerce Authority, which is making a difference; Yavapai College received, through a large manufacturing plant, a \$300,000 grant to train their workforce, which will create 380 new jobs in Prescott. She urged Members, the next time they are on a plane, to look at the people walking around the plane and servicing the engines; those people need to be well-trained at their institutions. She recognized the other Presidents present. Recognizing students who were present, she indicated that they could have gone to any institution in the U.S., including Harvard, etc., but they chose community colleges. These students are exceptional and vital to the quality of life in Arizona and the nation. She added that STEM funding is important for all of the community colleges.

Mr. Thorpe expressed gratitude to the Presidents and leaders who have extremely difficult and important jobs. He said there is a structural deficit this year and the state is living on surplus money to keep Arizona afloat. The community colleges are creating some of the tax base that Arizona needs. As the state recovers from the recession, their jobs will become much more important in positioning Arizona to become an economic powerhouse and attracting companies leaving California and elsewhere.

Ms. Alston said in order to retain doctors that train in Arizona, it is necessary to increase funding for graduate medical education.

CONSIDERATION OF BILLS

Vice-Chairman Orr assumed the Chair.

HB2577 – postsecondary distance education; reciprocity agreements – DO PASS
AMENDED

Mr. Stevens moved that HB2577 do pass.

Mr. Stevens moved that the Dial six-line amendment to HB2577 dated 02/18/14 (Attachment 1) be adopted.

Jeanine Jones, Majority Research Analyst, explained that HB2577 allows the Arizona Board of Regents (ABOR), the State Board for Private Postsecondary Education and community college districts, through an intergovernmental agreement (IGA), to enter into a state-authorized reciprocity agreement for the purpose of managing postsecondary distance education (Attachment 2). The Dial six-line amendment to HB2577 dated 02/18/14 (Attachment 1) adds an emergency clause.

Chairman Dial, sponsor, said he introduced this bill to lessen the bureaucracy and workloads of community colleges.

Chris Bustamante, President, Rio Salado Community College, stated that Rio Salado is a large distance provider in the country serving 44,000 students annually. This bill represents an unprecedented and successful collaboration between public universities, community colleges and private universities and colleges with the common purpose of finding an efficient way to streamline cumbersome and expensive interstate licensure that impacts all of the distance education programs. This bill is the first step toward eliminating regulatory red tape, but not at the expense of course program quality and consumer protection.

Question was called on the motion that the Dial six-line amendment to HB2577 dated 02/18/14 (Attachment 1) be adopted. The motion carried.

Mr. Stevens moved that HB2577 as amended do pass. The motion carried by a roll call vote of 8-0-0-0 (Attachment 3).

Names of persons who signed up in support of HB2577 but did not speak:

Don Isaacson, Independent Colleges and Universities of Arizona; University of Phoenix (Apollo Group, Inc.)

John Mangum, Arizona Private School Association

Teri Stanfill, representing self

Charles "Steve" Miller, Lobbyist, Arizona State University

Timothy Bee, University of Arizona

Trish Hart, Lobbyist, Arizona Private School Association

Katy Yanez, Lobbyist, Northern Arizona University

Kim Sabow, representing self

Kristen Boilini, Lobbyist, Arizona Community College Presidents' Council

Doris Helmich, Lobbyist, Pinal County Community College District

Beth Lewallen, Arizona Board of Regents

Penny Wills, Lobbyist, Yavapai College

Norman Moore, Attorney, Independent Colleges and Universities of Arizona

Rufus Glasper, Lobbyist, Maricopa County Community College District
Dawn Wallace, Lobbyist, Maricopa County Community College District
Lee Lambert, Lobbyist, Pima County Community College District
Imelda Cuyugan, Pima County Community College District
Mark Bryce, Lobbyist, Eastern Arizona College
Kevin DeMenna, Maricopa County Community College District
Ryan DeMenna, Lobbyist, Maricopa County Community College District

Without objection, the meeting adjourned at 11:01 a.m.

Linda Taylor, Committee Secretary
March 6, 2014

(Original minutes, attachments and audio on file in the Chief Clerk's Office; video archives available at <http://www.azleg.gov>)