



PAT SHANNAHAN/THE ARIZONA REPUBLIC

ASU nursing students prepare to graduate in 2006. The state's three universities face big budget cuts under some proposals.

LET'S USE A KNIFE, NOT AN AX, ON COLLEGE BUDGETS

Arizona has made enormous progress in building a muscular university system, powering our education and economy.

Our students benefit from highly rated programs, such as Arizona State University's W.P. Carey School of Business, with five departments in the top 20 rankings of *U.S. News and World Reports*.

Research dollars flow into the state, creating jobs and sparking new companies. The University of Arizona consistently ranks in the top three schools receiving competitive grants from the National Science Foundation.

Rural areas get a boost from Northern Arizona University's satellite programs around the state. One out of seven jobs in Coconino County is linked to NAU's presence there.

Now the state faces the worst budget crisis in its history. With huge revenue shortfalls, every part of the budget will take painful cuts, including university funding.

But we have to use a knife. Not an ax.

No one should minimize the challenge facing legislators. The gap in the current year's budget is around \$1.6 billion, while the 2010 budget hole could push \$3 billion.

The balancing act is even harder because major parts of the \$10 billion budget are legally off-limits. University funding is the one big area that's unprotected.

The list of budget options from the appropriations chairmen, Sen. Russell Pearce and Rep. John Kavánagh, includes huge hits for the universities. Lawmakers have made it clear that it's not a blueprint or a final plan. A lot of negotiation lies ahead.

One point is clear: Adopting all of the proposed reductions is unacceptable. It would be recklessly shortsighted to undo all of Arizona's progress in higher education.

NAU President John Haeger, a man not given to hyperbole, sees the scale of the cuts as "catastrophic." His university's share of this year's proposed reductions, \$31 million, equals the entire annual operating budget of the W.A. Franke College of Business plus the College of Education.

At ASU, President Michael Crow warns that the university could be set back by decades. Its per-student state funding, \$3,111 in 2008, is already lower than it was two decades ago, once you account for inflation. The proposal for 2010 would slash that amount to \$4,902, which is worth just \$2,861 in 1989 dollars.

Systemwide, the package of

cuts would wipe out a quarter of state funding this year and more than a third of state support in 2010.

The reductions look smaller if measured as a percentage of a university's total budget. But that's completely misleading. Part of the revenue represents the financial operations of dormitories, bookstores and other self-supporting activities. Other funding comes from restricted gifts. A big chunk flows from research grants, legally dedicated to particular projects.

For example, research money accounts for \$530 million of UA's \$1.3 billion budget. And there's a flipside: To have faculty members who will bring in the big bucks, Arizona has to pay their base salaries.

The universities are ready to contribute to solving the budget crisis. "We will take our fair share of cuts," says UA President Robert Shelton.

But they are also a vital part of the solution on the other side of the ledger: growing the economy and creating jobs.

Just ask Taylor Lawrence, president of Raytheon Missile Systems. Speaking Thursday before the Arizona Board of Regents, he called UA "critical" to his company's ability to recruit and retain employees in Tucson. The largest employer in southern Arizona, Raytheon has a workforce of more than 11,000 and expects to hire nearly 1,000 this year — mostly engineers, earning more than twice the average salary in Arizona. Its employees look to UA for advanced degrees, as well as their children's future education.

Almost 100 years ago, as Arizona entered the union, leaders here recognized that crucial public interest in supporting higher education. That's why the state constitution requires our university system to be "as nearly-free as possible." (The Board of Regents has stretched the definition about as far as possible, with tuition rising past \$6,000 next year.)

If the universities were critical to the state's future then, they're indispensable now.

As the youngest state in the continental United States, we are still catching up to places with long-established higher-education institutions, while also dealing with rapid growth.

Arizonans need to take a thorough look at the true impact of reducing university budgets. Legislators, regents and university officials need to set aside rhetoric and discuss what cuts are possible without slicing through arteries.