

# Maricopa Community Colleges go entrepreneurial to replace lost state funds

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Rufus Glasper, Chancellor at Maricopa Community Colleges poses in a classroom on the fifth floor at Rio Salado College



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Rufus Glasper is looking for a way to keep funding the **Maricopa Community Colleges**, even if state leaders don't think it's a priority.

Glasper, chancellor of the 10-college system, said he has been searching for ways to get more money into the district's coffers as he saw the state's continued cutbacks in funding. State money began dwindling in 2008, just as the Great Recession was cranking up. The biggest drop occurred in 2012, when the district received just \$6.8 million from the state — down from \$45.3 million in 2011.

Arizona lawmakers have turned off the district's funding spigot completely as of this year's legislative session, leaving the college system to rely more on a mix of tuition, grants and property taxes to pay for its operations. Several legislators and Gov. [Doug Ducey](#) were contacted for comment on why funding had been cut off, but none of them responded.

As a result, Glasper is looking for entrepreneurial ways to generate revenue for the colleges, which act as a massive feeder system to **Arizona State University** and are responsible for educating a sizable majority of the Valley's eventual working population.

It also provides full scholarships to top high school graduates and offers a low-cost alternative to higher education.

The challenge to those plans, which include partnering with businesses and other colleges in ways that would increase revenue, is that the Arizona Constitution restricts how much the district can raise without cutting its property tax sources.

"We're just asking for an opportunity," Glasper said. "If we can make money, don't limit us so we can actually replace some of the \$68 million we have lost from the state of Arizona."

That \$68 million is the total the district has lost in state funding since the 2008-09 school year.

## **Constitutional issues**

In 1980, Arizona voters passed a constitutional amendment that limited spending by local government districts, including community college districts. It allowed for some exceptions, but the move essentially capped how much a district could spend and create in revenue before it had to start refunding property taxes and other revenue.

This means depending on how close districts are to their expenditure limits, if they bring in new funds, they may have to give up some property tax revenue. District officials said they aren't at the expense limit yet. They also have exempt sources of revenue that can offset some of their expenses, and they have been successful so far in keeping their spending down.

At the same time, district officials want to be able to generate entrepreneurial revenue, as ASU and the University of Arizona do with patents and technology licensing. The extra funds could mean averting a tuition increase.

Glasper said he's not asking for a constitutional change (which would require voter approval), or a change in the district's tax base. Instead, he said minor legislative changes could alter what is considered exempt from the district's expense limits — or the attorney general or auditor general could provide interpretations or opinions paving the way for more entrepreneurial growth.

The state's three public universities operate under a different set of expense limits that make it easier for them to seek revenue beyond tuition and grants.

ASU officials are eager to see support for the college district increase given that 60 percent of juniors at the Tempe university come through the Maricopa system.

"As the funding environment in Arizona changes, we will do everything we can to sustain quality transfer programs, but limiting support for students in the Maricopa Community Colleges makes it more difficult for those students to transfer to, and graduate from, ASU as the master learners who will drive the future economy and strengthen our communities," said Maria Hesse, vice provost of academic partnerships for ASU and a past president of Chandler-Gilbert Community College.

### **Pushing economies of scale**

Glasper said the 10-college system has economies of scale that can be used to provide management, technology, facilities rentals or other services to other colleges.

One example is the online services offered to students at Rio Salado College. Glasper said that could be scaled up to offer services to more students at other colleges.

"Rio Salado can scale up to 100,000 students," he said. "It has about 50,000. It can do that without interrupting its own operation."

Rio Salado has an online learning system called Rio Learns, which could serve more students, including many from other colleges and universities. Theoretically, that system could be licensed to other colleges, with that income benefiting Maricopa students.

Glasper said his system has been approached by other college representatives saying, "We would like to have a robust online system, but we can't afford it, so would you be able to provide those services?"

These schools could share revenue in exchange for a management services agreement, he said.

In addition, the district's new Maricopa Corporate College works with employers to develop customized, noncredit corporate training. Glasper wants to use the corporate college strengths to develop other business ventures.

Jill Wakefield, chancellor of Seattle Colleges in Washington, said Glasper and the district are seen as innovators in the community college world.

"Maricopa is viewed as one of the leading community colleges. A number of national innovations have initiated at the Maricopa district," she said. "The district has a reputation for innovative approaches to challenges and for bringing colleges together across the county to develop new responses to challenges facing today's community colleges. Maricopa also has a reputation for a commitment to partnerships with businesses, universities and K-12 systems."

Glasper envisions managing other schools' educational facilities, business services and other management services. In some cases, it could be done using existing systems and even might allow the district to create more jobs to handle those new tasks.

### **Building partnerships**

Meanwhile, Glasper continues to build partnerships with business and industry in hopes of bolstering the district's operations, even without additional funding.

Dante Fierros, president of Nicols Precision and chairman of the Arizona Manufacturing Partnership, said the Maricopa Community Colleges set the standard for providing technical skills needed in the state's workforce.

"They're providing what we need," he said. "But there's not enough of it — or fast enough."

Fierros said he is impressed with the chancellor's entrepreneurial approach to generating revenue.

"Glasper and his team are not panicking," Fierros said. "They are very proactive and seek different ways to solve the problems."

Todd Wilson, general manager of the Doubletree Suites by Hilton Phoenix, said he was impressed by the professionalism of the Maricopa Corporate College teams that trained his front-line staffers about five months ago.

"It's difficult to find time to train your staff," Wilson said. "We're all busy, and it takes a long time to prepare a presentation like that to hire somebody that already has materials and PowerPoints and things put together. It's a very efficient way to boost your staff's skills."

He said partnering with business and industry is a good way to boost the college district's revenue.

“You have the teachers, the resources, tools and training all in place,” he said. “It’s beneficial for the buyer because they’re skilled, but also for the provider because it keeps them active, it keeps them in the market, it keeps them employed. The more they can stay employed and keep teaching and maintain contact in the community, the better off we all are.”

Angela Gonzales covers health, biotech and education.