

Arizona Chapter of the Associated General Contractors of America Competitiveness Package on Higher Education



Background

Arizona's public universities are taking on the crucial task of reinventing the state's economy to meet the challenges of the 21st century. By growing the research activities of the University Enterprise, Arizona stands to gain \$5 billion in additional Gross State Product over the next ten years and see a return of \$7 for every \$1 invested. To make this expansion possible, however, the University of Arizona (UA), Arizona State University (ASU) and Northern Arizona University (NAU) require new research infrastructure capacity to stay at the forefront of research innovation, which attracts external funding in the form of federal research dollars, private investment and business partnerships, bringing real growth to Arizona's economy and high paying jobs to Arizona's families.

facilities in each of those three years at our state universities.

The bonding authority would allocate \$450 million to the University of Arizona, \$400 million to Arizona State University and \$150 million to Northern Arizona

University. Each university has an approved plan for the facilities that will be built with their respective allocation.

The universities will cover initial project planning and design costs in 2015. The first legislative appropriation will be required in fiscal year 2016 at \$26 million. The projects will be phased in over the three-year period ending in fiscal year 2018 when the peak legislative appropriation of \$78 million will be reached and maintained for another 22 years.

"It's critical that we have a 'Competitiveness Package on Higher Education' so Arizona's public universities can successfully take on the important task of helping to reinvent the state's economy to meet the challenges of a global economy that runs on knowledge and demands college-credentialed workers."

*Eileen Klein, President
Arizona Board of Regents*



According to the Arizona Board of Regents Arizona's public universities must double its research enterprise to \$2 billion in external research funding by 2020 to remain competitive, attract top-tier research faculty, and ultimately support the state's economic future.

Increasing the research enterprise will create higher paying jobs, aid in closing the income gap with neighboring states and the nation as a whole, and accelerate the discovery of new knowledge and technologies and entrepreneurial activity in the state.

The Arizona Board of Regents, with the support of business and civic leaders throughout the state, will be asking the Governor and state Legislature to authorize the sale of \$1 billion of bonds to finance research infrastructure development between fiscal years 2016 and 2018, to fund \$333 million of new research

2012 Median Earnings College Graduates v Non-graduates

Graduate degree	\$60,562
Bachelor's degree	\$46,668
Some college, no degree	\$32,278
High school only	\$25,923

Source: U.S. Census Bureau

AZAGC Position

Our university system as well as our community college, career and technical education and K-12 systems are integral to the economic fabric of our state. AZAGC supports investing in each of these to ensure Arizona stays competitive, not only in the construction industry, but in a diversified economy as well. The governors of Ohio, Massachusetts, Illinois and Oregon have recommended investing in university infrastructure. Arizona should do the same. Therefore:

We Support the Arizona Board of Regents' Competitiveness Package on Higher Education and encourage the legislature to fund the infrastructure bond program.