




The Arizona Higher Education Enterprise

The Arizona University System
Five-Year Strategic Plan
2014-2018

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EXECUTIVE SUMMARY
ABOR Five-Year Strategic Plan
2014-2018

The Arizona Higher Education Enterprise

In 2010, the Arizona Board of Regents asked the executive team (Council of Presidents) of the higher education enterprise to conduct an enterprise-wide realignment effort so that the enterprise and each of its units might enhance its overall performance and adaptability so as to provide for greater educational and research outcomes. As Arizona enters its second century and as it continues to grow and diversify its social, economic, technical and cultural challenges have also grown. At the same time, the funding and operating models of the past have been frequently ignored (student growth based funding, state support for core needs such as personnel, utilities, new facilities' operations, and other funding agreements such as decision packages, research infrastructure, and building renewal). The lack of certainty of public investment poses significant challenges to advancing the public university education and its ability to create direct and tangible impacts on Arizona's economy in service to the people of Arizona.

As a result and with the need for the University System to be even more effective and impactful going forward, a conceptual realignment was requested by the Board. The purpose of this realignment exercise was to provide a new framework for the "University System" that maximizes the unique strengths in each university's discovery, teaching, learning, and service missions while at the same time rewarding organizational adaptability, innovation and entrepreneurship in a high change environment.

What is the Arizona Higher Education Enterprise?

Typically in the United States, clusters of public higher education institutions are designed to operate as administrative systems closely aligned with a state government. These systems of universities are usually organized around a group of institutions that each performs a range of teaching and research missions, often in a particular niche. Each university system operates as a simple administrative unit comprising multiple universities with different and discreet mission assignments.

As the Arizona University System has not operated as a classic system and as the world of 2010 is very different than the era in which the great university systems emerged (California, Maryland, North Carolina, New York) in the last 50 years or so, we have by historical setting and context emerged three highly adaptive, efficient and unique higher education institutions. In the case of Arizona, the forces of high speed growth, modest government investment, rapid social, cul-

tural and economic change, and the physical size and unique urban/rural character of Arizona have, when matched with its western spirit of free enterprise, driven the universities down the path of independence and variation. In this case, it is, in fact, the lack of a traditional system level design and the lack of the standard twentieth century administrative and hierarchical model that gives Arizona its greatest advantage at this moment in time.

Arizona's higher education enterprise, in the form of the University of Arizona, Arizona State University and Northern Arizona University, has tremendous capacity for unique and creative design, entrepreneurial behavior and highly efficient operations. As a result, this strategic realignment plan does not draw from the 1960 model of university systems but rather leap frogs that evolutionary stage and envisions the University as an enterprise manifesting itself through three unique semi-autonomous enterprise platforms. In this model each of Arizona's universities is assumed to be a differentiated and unique institution with a unique assignment and approach to education that helps the system as a whole to meet its goal. Through this model the Arizona Higher Education Enterprise, as governed by the Arizona Board of Regents, is designed for flexible adaptation for the future.

As the operating units of the Arizona Higher Education Enterprise, the three universities will work through unique mission assignments to meet the goals of the Arizona Board of Regents collectively. Enterprise-wide mission and goal attainment will be coordinated by the Enterprise Executive Committee (EEC) which is comprised of the four Presidents. In this mode, the EEC is empowered by the Board to make adjustments and changes in mission assignments so that the full set of objectives can be attained. The EEC will monitor and evaluate movement toward the full set of metrics outlined in the previous section and will adjust assignments, structures, and resources accordingly.

Furthermore, in the Enterprise, each President will have a dual assignment. First, to deliver their individual institution to full goal attainment and, second, to engage in overall enterprise goal attainment. Presidents will focus their energy on individual institutional goals as well as enterprise goals, and will work together in a cooperative manner to achieve enterprise-wide success in goal attainment. The Board is working on integrating the enterprise metrics into the Presidential performance and compensation plan.

Summary

In the 2009 report entitled Vision 2020, the Arizona Board of Regents outlined the objective of raising Arizona to the national average of college graduates in the work force and moving Arizona to the status of a large scale center for academic research. This realignment plan outlines how both of these significant goals will be achieved in an era of more modest public investment. These achievements will be made possible through a series of dramatic realignments, including:

- Establishment of the Arizona higher education system as an enterprise model of operations wherein the enterprise:

Is measured, governed and invested in based on performance metrics.

The Arizona Board of Regents approved the 32 performance metrics and associated annual targets in June 2011

Is managed by presidents acting individually as university CEOs and together as an enterprise executive committee.

Is organized and operated without the constraints operating within the limits of the state of Arizona.

- The restructuring of academic programs, support units and curricular design so as to maximize excellence and success for students, while containing cost.
- Expansion of access to baccalaureate degrees through the establishment of new baccalaureate degree campuses, expanded community college access and expanded online access.
- Broadening admission standards for selected academic units and campuses so as to expand the number of students eligible to pursue baccalaureate degrees.
- Total restructuring of the state of Arizona investment model from the outdated enrollment growth model to a funding model built on performance indicators.
- The privatization (no public investment) of select, self-sustainable academic programs.

The expansion of the research enterprise to nearly \$2 billion per year, second only to California in the West, and movement of research impact indicators to the highest level of universities in the country.

- Reaffirmation of the commitment of outreach to the people of Arizona as exemplified by the Extension Service and similar programs that address the practical concerns of the state's businesses and residents.

In summary, these changes in direction and design represent the most significant realignment of higher education in Arizona since the founding of the territorial university in 1885.

2014-2018

The five- year strategic plan for the Arizona Board of Regents is intended to articulate five years of the Arizona Higher Education Enterprise plan. The long-term goals, objectives, and strategies reflect the priorities of the system's long-term plan.

The long-term strategy is divided into four key policy areas and includes specific performance outcomes and targets for each area, as well as strategies necessary for the plan to be successful by the year 2020.

GOALS

1. **Educational Excellence**—quality degree production aimed at increasing the educational attainment of Arizonans
2. **Research Excellence**—national research prominence for Arizona University System with peer rankings of top American research universities
3. **Community Engagement & Workforce Development**— research, economic development, and community engagement used to strengthen the economy and improve quality of life in Arizona
4. **Productivity**—resources maximized to produce greater numbers of quality degrees without sacrificing quality

The *Vision*:

A top-performing state university system, nationally recognized for excellence in academic and research pursuits that support and stimulate a growing, vibrant economy and a high quality of life for Arizonans

The *Mission*:

- To increase the educational attainment of Arizona citizens through enhanced access, by producing enough high-quality university degrees for the state to be nationally competitive by the year 2020
- To increase and enhance the prominence of the system's research enterprise so that it can contribute to the knowledge economy and improve the quality of life in Arizona
- To provide the educated workforce, through enhanced access needed to fill shortages and to stimulate demand for higher paying jobs in Arizona
- Provide accessible and affordable undergraduate education in a broader variety on institutional formats and in more locations throughout the state.



01 EDUCATIONAL EXCELLENCE

GOAL ONE

“To be nationally competitive in the percentage of Arizona’s citizens with a high-quality bachelor’s degree by providing affordable access through a well-coordinated and aligned system.”

KEY INDICATORS

In June 2011 the Board approved 12 key metrics for tracking progress on the Educational Excellence component (Goal One) of the Arizona Higher Education Enterprise plan.

The Educational Excellence component of the plan deals with increasing bachelor's degree production so that the state can reach higher educational attainment levels.

In June 2012 the Board approved a modification to Metric number 5 by replacing the data collection tool with an annual graduating senior survey measuring student satisfaction with teaching effectiveness and overall effectiveness.

2018 TARGETS

The table below outlines several of the key performance targets in the five-year plans.

By 2018 the plan calls for a 26% increase in the number of bachelor's degrees produced and 7 and 9 percentage point increase in retention and graduation rates over 2011

A key component of success in the plan deals with the ability of the system to attract greater numbers of community college transfer students. By 2018 the plan calls for a 28% increase in community college transfers over 2011.

Enrollment increases are necessary in order to attain the higher degree production targets and also to increase access for students in Arizona. By 2018 the plan calls for more than a 27% growth in enrollment at the universities.

Key Indicators/Metrics

- Number of bachelor's degrees awarded
- Number of Master's degrees awarded
- Number of Arizona community college students who transfer to a university
- Number of Arizona community college transfer students awarded bachelor's degrees
- Educational Quality:
 - Measure of Teaching Effectiveness: Student Learning
 - Measure of Overall Effectiveness: Student Satisfaction
- Cost of attendance as a percentage of Arizona median family income
- 6-year graduation rate
- Freshman retention rate
- Undergraduate enrollment
- Total enrollment
- Four year graduation rate of Arizona community college transfers
- College going rate (from K-12)

**ARIZONA UNIVERSITY SYSTEM ENTERPRISE METRICS
ARIZONA UNIVERSITY SYSTEM**

	2010-11	2017-18	Change	% Change
<u>Goal One: Educational Excellence & Access</u>				
1. Number of Bachelor's Degrees Awarded				
ASU	12,194	15,747	3,553	29.1%
NAU	3,782	4,680	898	23.7%
UA	6,195	7,500	1,305	21.1%
System Total	22,171	27,927	5,756	26.0%
2. Number of Master's Degrees Awarded				
ASU	4,150	5,031	881	21.2%
NAU	1,707	1,500	-207	-12.1%
UA	1,565	1,730	165	10.5%
System Total	7,422	8,261	839	11.3%
3. Arizona Community College Transfers				
ASU	5,775	6,461	686	11.9%
NAU	2,376	3,400	1,024	43.1%
UA	1,633	2,740	1,107	67.8%
System Total	9,784	12,601	2,817	28.8%
4. Number of Arizona Community College Transfer Students Awarded Bachelor's Degrees				
ASU	4,023	5,370	1,347	33.5%
NAU	1,397	1,980	583	41.7%
UA	1,051	1,830	779	74.1%
System Total	6,471	9,180	2,709	41.9%
5. Educational Quality				
Measure of Teaching Effectiveness: Student Learning	Under development			
Measure of Overall Effectiveness: Student Satisfaction	Under development			
6. Cost of Attendance as a Percentage of Arizona Median Family Income				
ASU	34.5%	36.6%	2.1%	6.1%
NAU	28.7%	41.9%	13.2%	46.0%
UA	33.0%	32.9%	-0.1%	-0.3%

**ARIZONA UNIVERSITY SYSTEM ENTERPRISE METRICS
ARIZONA UNIVERSITY SYSTEM**

	2010-11	2017-18	Change	% Change
Goal One: Educational Excellence & Access (continued)				
7. 6-year Graduation Rate				
ASU	58.7%	66.0%	7.3%	12.5%
NAU	49.2%	56.0%	6.8%	13.8%
UA	59.7%	62.8%	3.0%	5.0%
System Rate	57.7%	62.9%	5.2%	9.0%
8. Freshman Retention Rate				
ASU	84.0%	87.5%	3.5%	4.1%
NAU	71.5%	75.0%	3.5%	4.9%
UA	77.2%	86.3%	9.1%	11.7%
System Rate	79.2%	84.6%	5.4%	6.8%
9. Undergraduate Enrollment (Official 21st Day)				
ASU	56,562	74,481	17,919	31.7%
NAU	19,954	23,959	4,005	20.1%
UA	30,592	35,950	5,358	17.5%
System Total	107,108	134,390	27,282	25.5%
10. Total Enrollment (Official 21st Day)				
ASU	70,440	96,215	25,775	36.6%
NAU	24,925	28,745	3,820	15.3%
UA	39,086	46,160	7,074	18.1%
System Total	134,451	171,120	36,669	27.3%
11. Four Year Graduation Rate of Arizona Community College Transfers				
ASU	70.0%	73.5%	3.5%	5.0%
NAU	68.4%	69.4%	1.0%	1.5%
UA	65.3%	68.6%	3.3%	5.0%
System Rate	68.7%	71.5%	2.9%	4.2%
12. College-going Rate (from K-12)	53.4%	58.5%	5.0%	9.4%



RESEARCH EXCELLENCE 02

GOAL TWO

“To increase the research capabilities and performance of the Arizona University System to a level of competitive prominence with peer rankings of top American research universities.”

KEY INDICATORS

In June 2011 the Board approved 6 key metrics for tracking progress on the Research Excellence component (Goal OTwo) of the Arizona Higher Education Enterprise plan.

The table to the right illustrates the key indicators of progress in the 2020 Vision plan for Research Excellence.

The Board will include these metrics in the accountability system to track future progress.

The Research component of the plan deals with moving the Arizona university system to a level of national prominence with other research systems in the United States and with transferring that knowledge to benefit the people in Arizona.

The Board made two changes to the Research Excellence Metrics.

- ◆ Metric # 14—Number of doctoral degrees awarded was redefined from total doctoral degrees awarded to the number of research/scholarship (PhD) doctoral degrees awarded.

- ◆ A new goal was added to Goal #3—Number of professional practice doctoral degrees awarded.

2018 TARGETS

The table below outlines the main target for the research component of the plan. Tracking total research expenditures demonstrates the level of research activity in the system.

Key Indicators/Metrics

- Total research expenditures
- Number of research/scholarship (PhD) doctoral degrees awarded
- Number of invention disclosures transacted
- Number of patents issued
- Intellectual property income
- National public research university ranking

ARIZONA UNIVERSITY SYSTEM ENTERPRISE METRICS
ARIZONA UNIVERSITY SYSTEM

	<u>2010-11</u>	<u>2017-18</u>	<u>Change</u>	<u>% Change</u>
<u>Goal Two: Research Excellence</u>				
13. Research & Development Expenditures (in \$1,000s)				
ASU	\$355,215	\$562,500	\$207,285	58.4%
NAU	\$30,785	\$40,614	\$9,829	31.9%
UA	\$610,565	\$1,056,000	\$445,435	73.0%
System Total	\$996,565	\$1,659,114	\$662,549	66.5%
14. Number of PhD Doctoral Degrees Awarded				
ASU	545			
NAU	95			
UA	813			
System Total	1,453			
15. Number of Invention Disclosures Transacted				
ASU	170	199	29	17.3%
NAU	12	27	15	125.0%
UA	150	202	52	34.7%
System Total	332	428	96	29.0%
16. Number of Patents Issued				
ASU	18	37	19	108.2%
NAU	0	3	3	
UA	19	19	0	0.0%
System Total	37	59	22	60.8%
17. Intellectual Property Income (in \$1,000s)				
ASU	\$2,306	\$10,149	\$7,843	340.1%
NAU	\$43	\$25	-\$18	-41.4%
UA	\$1,414	\$3,370	\$1,956	138.3%
System Total	\$3,763	\$13,544	\$9,781	260.0%



WORKFORCE & COMMUNITY **03**

GOAL THREE

“To utilize research, economic development, community engagement, and service contributions of the universities to create and disseminate knowledge to strengthen Arizona’s economy and improve Arizona’s quality of life.”

KEY INDICATORS

The table to the right illustrates the key indicators that will be used to measure future progress in the Community Engagement and Workforce Impact component of the 2020 Vision plan.

The measurement for Metric #19, Impact of Community Engagement Activities was developed during calendar year 2012 and will be presented to the Board for adoption in fiscal year 2013.

In addition the doctoral degree awarded metric in goal two was split and the number of professional practice degrees awarded is added to goal three.

HIGH DEMAND FIELDS

Part of the future planning efforts of the Board will revolve around identifying key fields on which to focus efforts related to bolstering the Arizona economy. Preliminary work indicates that areas such as health care and STEM (science, technology, engineering, and math) deserve special attention.

2018 Targets

The Board identified performance targets for all but two of the key indicators, and will be approving the remaining targets in FY 13.

Key Indicators/Metrics

- Impact of community engagement activities
- Total expenditures related to service and engagement activities
- Number of degrees awarded in high demand fields
- Diversity of graduates
- New companies started
- Milken Institute state science and technology ranking
- Adults with bachelor's degrees in Arizona
- Number of professional practice doctoral degrees awarded

ARIZONA UNIVERSITY SYSTEM ENTERPRISE METRICS				
ARIZONA UNIVERSITY SYSTEM				
	2010-11	2017-18	Change	Change
Goal Three: Workforce and Community				
19. Impact of Community Engagement Activities	Under development			
20. Expenditures Related to Service and Engagement Activities (in \$1,000s)				
ASU	\$43,874	\$53,921	\$10,047	22.9%
NAU	\$25,534	\$31,130	\$5,596	21.9%
UA	\$78,600	\$88,900	\$10,300	13.1%
System Total	\$148,008	\$173,951	\$25,943	17.5%
21. Number of Degrees Awarded in High-Demand Fields				
STEM Undergraduate				
ASU	1,833	2,516	683	37.2%
NAU	454	850	396	87.2%
UA	1,396	1,730	334	23.9%
System Subtotal	3,683	5,096	1,413	38.4%
Education Undergraduate				
ASU	979	1,335	356	36.4%
NAU	657	750	93	14.2%
UA	346	640	294	85.0%
System Subtotal	1,982	2,725	743	37.5%
Health Professions & Related Undergraduate				
ASU	403	640	237	58.9%
NAU	344	1,050	706	205.2%
UA	309	680	371	120.1%
System Subtotal	1,056	2,370	1,314	124.5%
STEM Graduate				
ASU	868	1,267	399	45.9%
NAU	70	62	-8	-11.4%
UA	604	700	96	15.9%
System Subtotal	1,542	2,029	487	31.6%
Education Graduate				
ASU	1,096	1,528	432	39.4%
NAU	1,178	1,000	-178	-15.1%
UA	296	320	24	8.1%
System Subtotal	2,570	2,848	278	10.8%
Health Professions & Related Graduate				
ASU	166	240	74	44.3%
NAU	134	175	41	30.6%
UA	359	440	81	22.6%
System Subtotal	659	855	196	29.7%
System Total	11,492	15,922	4,430	38.6%

ARIZONA UNIVERSITY SYSTEM ENTERPRISE METRICS					
ARIZONA UNIVERSITY SYSTEM					
		<u>2010-11</u>	<u>2017-18</u>	<u>Change</u>	<u>% Change</u>
Goal Three: Workforce and Community (continued)					
22. Diversity of Graduates (Undergraduate Rate)					
	ASU	26.3%	32.2%	5.9%	22.6%
	NAU	24.1%	28.8%	4.7%	19.7%
	UA	28.1%	34.0%	5.9%	21.0%
	System Rate	26.4%	32.1%	5.7%	21.8%
Diversity of Graduates (Graduate Rate)					
	ASU	17.8%	25.4%	7.6%	42.8%
	NAU	24.1%	25.7%	1.6%	6.7%
	UA	21.7%	26.9%	5.2%	24.0%
	System Rate	20.1%	25.9%	5.8%	28.7%
23. New Companies Started					
	ASU	10	5	-5	-45.4%
	NAU	0	2	2	
	UA	8	13	5	62.5%
	System Total	18	20	2	13.7%
25. Adults With Bachelor's Degrees in Arizona					
		26.1%	28.0%	1.9%	7.3%
34. Number of non-PhD Doctoral Degrees Awarded					
	ASU	321			
	NAU	70			
	UA	405			
	System Total	796			



PRODUCTIVITY **04**

GOAL FOUR

“To maximize the use of existing resources so that the system can produce greater numbers of degrees and with greater efficiency of resources per degree without sacrificing quality.”

KEY INDICATORS

The table to the right illustrates the key indicators of progress in the 2020 Vision plan for the Productivity component.

The first two indicators are based on best practice as utilized in the Delta Cost Project, a national project to examine productivity related to the production of bachelor's degrees.

The second indicator is an index, also based on national best practice methodology, to be used as part of the Board's efforts to evaluate the financial strength of each university.

Online degrees represent a significant growth strategy for the enterprise.

Tracking university graduates who stay in Arizona helps illustrate the economic contribution university graduates make to the state.

Key Indicators/Metrics

- Number of bachelor's degrees awarded per 100 FTE students
- Education and related expenses per degree
- Composite financial index (CFI)
- Tuition at Average of peer institutions
- Online degrees and certificates
- Employment of graduates who stay in Arizona
- College, Online, and other enrollment

ARIZONA UNIVERSITY SYSTEM ENTERPRISE METRICS				
ARIZONA UNIVERSITY SYSTEM				
	2010-11	2017-18	Change	% Change
Goal Four: Productivity				
26. Number of Bachelor's Degrees Awarded per 100 FTE Students				
ASU	21.4	21.2	-0.2	-0.9%
NAU	19.7	20.1	0.4	2.1%
UA	20.4	21.1	0.7	3.3%
System Rate	20.8	21.0	0.2	0.9%
27. Comprehensive Financial Index (CFI)				
ASU	2.7	no annual target or system target		
NAU	4.2	no annual target or system target		
UA	2.7	no annual target or system target		
28. Tuition at Average of Peer Institutions				
ASU	\$10,142	\$13,444	\$ 3,302	32.6%
NAU	\$8,487	\$11,795	\$ 3,308	39.0%
UA	\$9,830	\$13,309	\$ 3,479	35.4%
28A. Resident Undergraduate Tuition				
ASU	\$8,128			
NAU	\$7,667			
UA	\$8,237			
29. Online Degrees				
Undergraduate				
ASU	0	726	726	
NAU	289	720	431	149.1%
UA	7	170	163	2328.6%
Undergraduate Subtotal	296	1,616	1,320	445.9%
Graduate				
ASU	0	1,127	1,127	
NAU	331	490	159	48.0%
UA	218	490	272	124.8%
Graduate Subtotal	549	2,107	1,558	283.7%
System Total	845	3,722	2,877	729.6%
29B. Online Certificates				
Actual				
Undergraduate				
ASU	0	0	0	0.0%
NAU	44	44	0	0.0%
UA	0	0	0	0.0%
Undergraduate Subtotal	44	44	0	0.0%
Graduate				
ASU	0	0	0	0.0%
NAU	42	56	14	33.3%
UA	56	310	254	453.6%
Graduate Subtotal	98	366	268	273.5%
System Total	142	410	268	188.7%

ARIZONA UNIVERSITY SYSTEM ENTERPRISE METRICS					
ARIZONA UNIVERSITY SYSTEM					
		2010-11	2017-18	Change	% Change
Goal Four: Productivity (continued)					
30. Employment of Graduates Who Stay in Arizona					
	ASU	73.9%			
	NAU	72.1%			
	UA	62.0%			
	System Total	70.5%			
31. Education and Related Expenses per Degree					
		Projected			
	ASU	\$51,026	\$56,537	\$5,511	10.8%
	NAU	\$41,000	\$46,000	\$5,000	12.2%
	UA	\$70,816	\$72,483	\$1,667	2.4%
	System Total (weighted average)	\$54,650	\$59,137	\$4,488	8.2%
32. College, Online & Other Enrollment					
		Actual			
Undergraduate Headcount					
	ASU	1,655	10,658	9,003	544.0%
	NAU	4,263	5,500	1,237	29.0%
	UA	565	3,511	2,946	521.4%
	System Undergraduate Headcount	6,483	19,669	13,186	203.4%
Graduate Headcount					
	ASU	1,368	6,642	5,274	385.5%
	NAU	3,412	3,280	-132	-3.9%
	UA	835	2,648	1,813	217.2%
	System Graduate Headcount	5,615	12,570	6,955	123.9%
	System Headcount Total	12,098	32,239	20,141	327.3%
Undergraduate FTE					
	ASU	1,278	9,908	8,630	675.3%
	NAU	3,150	3,941	791	25.1%
	UA	485	2,427	1,942	400.4%
	System Undergraduate FTE	4,913	16,276	11,363	231.3%
Graduate FTE					
	ASU	1,079	6,642	5,563	515.6%
	NAU	2,009	1,874	-135	-6.7%
	UA	581	1,675	1,094	188.3%
	System Graduate FTE	3,669	10,191	6,522	177.8%
	System FTE Total	8,582	26,467	17,885	208.4%