

**THE ARIZONA HIGHER
EDUCATION ENTERPRISE
STRATEGIC REALIGNMENT 2010**

“[Failure to] provide young people from all backgrounds and circumstances with the education and skills necessary to become knowledge workers [will] threaten our **democracy**, our society and the **economic future** of America.”

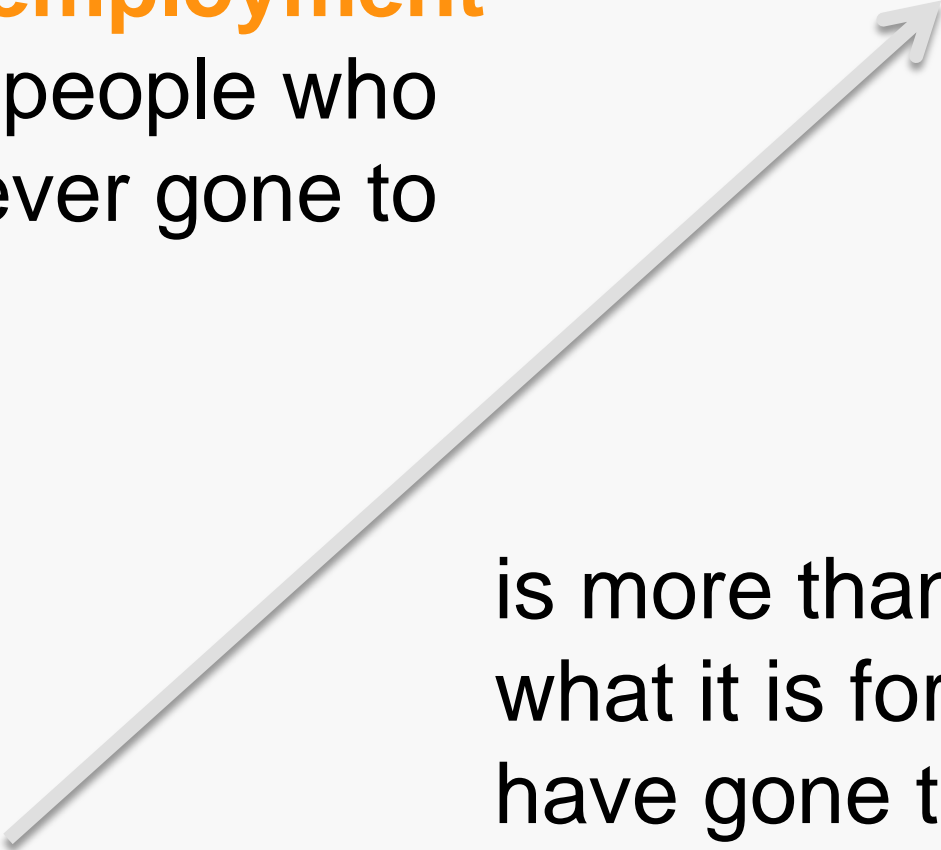
Eli Broad, founder, KB Home, SunAmerica
The Eli and Edythe Broad Foundations

In a single generation,
the US has fallen from **1st place**



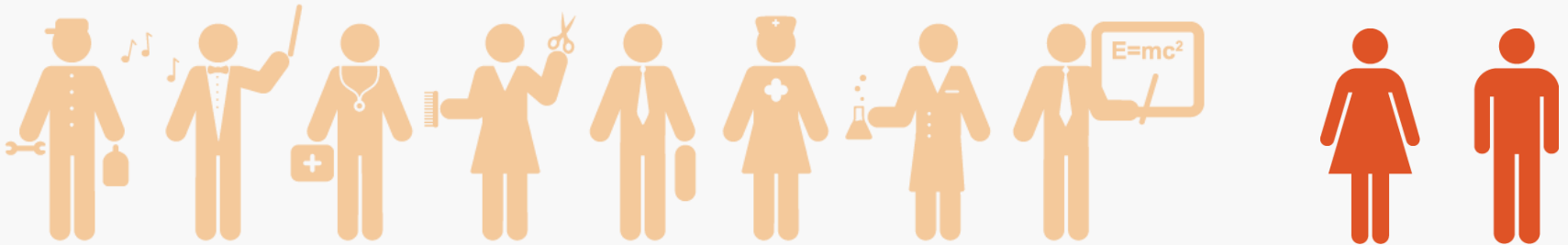
to **12th place** in college
graduation for young adults

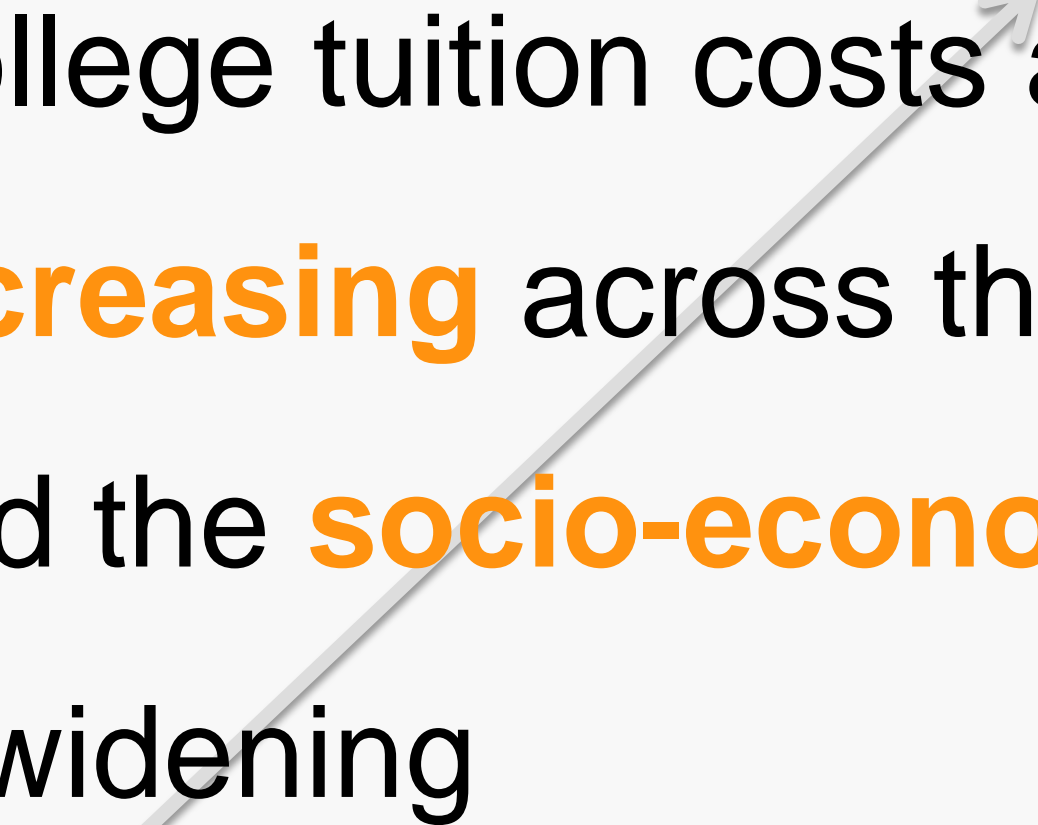
The **unemployment**
rate for people who
have never gone to
college



is more than **double**
what it is for those who
have gone to college


By the end of the decade,
8 out of 10 new jobs will
require post-secondary
education





College tuition costs are
increasing across the nation
and the **socio-economic gap**
is widening

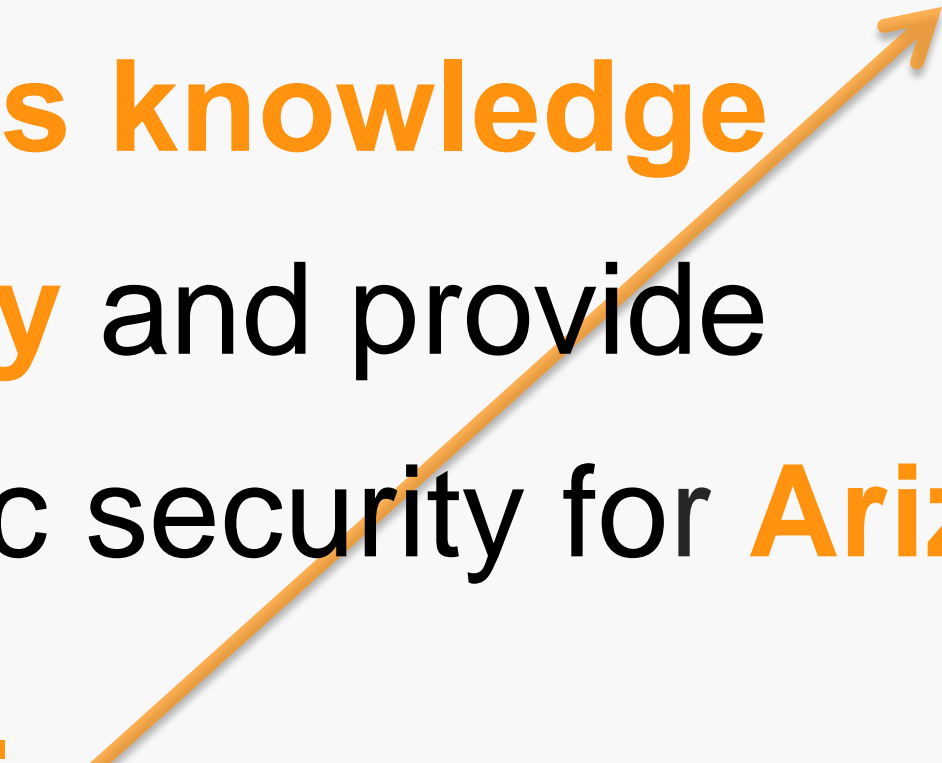
We propose a different path
for **Arizona**, with tuition lower
than the national average...

The image features two arrows pointing from left to right. The upper arrow is a straight grey line with a grey arrowhead. The lower arrow is an orange line that starts below the grey arrow, rises to meet it, then bends downwards and continues horizontally to the right with an orange arrowhead.

...and greater **access** to
quality university education
than in the rest of the nation...



...to meet the needs of
Arizona's knowledge
economy and provide
economic security for **Arizona**
families.



- 1 A COVENANT WITH THE PEOPLE**
- 2 THE UNIVERSITY AS ENTERPRISE**
- 3 GOALS OF THE UNIVERSITY**
- 4 UNITS OF THE ENTERPRISE**
- 5 RECOMMENDATIONS**
- 6 IMPLEMENTATION**
- 7 SUMMARY**

1 A COVENANT WITH THE PEOPLE

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4 UNITS OF THE ENTERPRISE

5 RECOMMENDATIONS

6 IMPLEMENTATION

7 SUMMARY

A covenant with the people of Arizona

The public universities in Arizona

Focus on:

- Educational attainment through access
- Academic excellence
- Discovery and creativity
- Serving the citizens of AZ

In order to:

Provide broad access to an innovative, world-class university education to all segments of Arizona's society

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2 THE UNIVERSITY AS ENTERPRISE

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4 UNITS OF THE ENTERPRISE

5 RECOMMENDATIONS

6 IMPLEMENTATION

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Rapid change leads us to new models

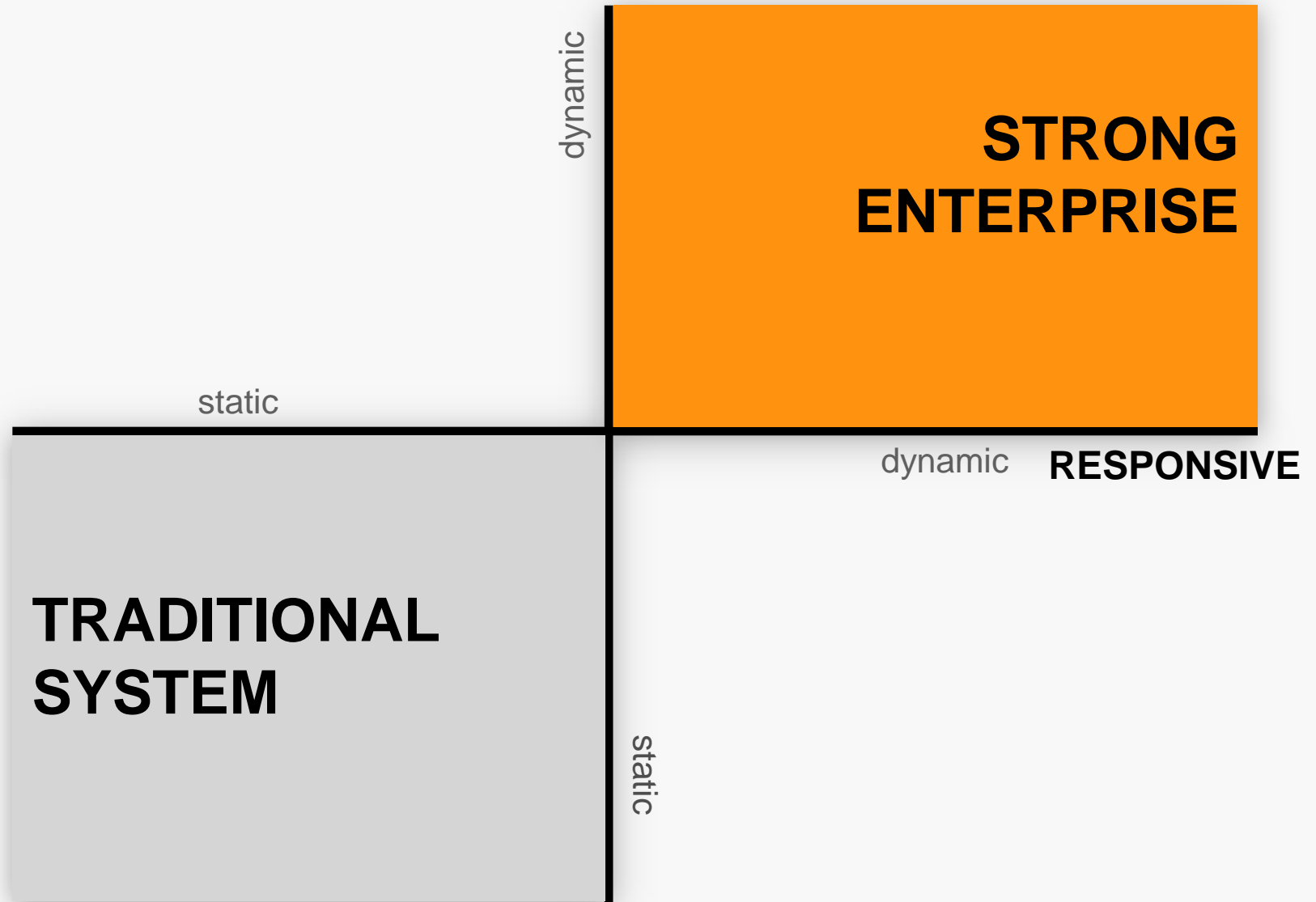
AGENCY MODEL	ENTERPRISE MODEL
19 th -20 th century	21 st century
Rural to urban	Unique urban/rural
Manufacturing	New knowledge economy
Industrial age	Information age
Process oriented	Outcome oriented
Heavy government investment	Modest government investment
Linear change and growth	Exponential change and growth

Approach

Focused on producing parts	Focused on solving local and global challenges
Factory-based	Problem-solving

We need to evolve into a strong enterprise

ADAPTIVE



1 A COVENANT WITH THE PEOPLE

2 THE UNIVERSITY AS ENTERPRISE

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6 IMPLEMENTATION

7 SUMMARY

Arizona higher education profile 2020

METRIC	2010	2020
Adults with bachelor's degrees in Arizona	25%	29-30%
Bachelor's degrees produced annually	21,000	28-36,000
Freshmen retention	79%	85-90%
6-year graduation rate	57%	70-75%
College-going rate (from K-12)	50%	60%
Community college transfers	9,000	16-24,000
Community college transfers to earn bachelor's degrees	6,000	10-15,000
Undergraduate enrollment	100,000	130-155,000
Total research expenditures	\$900 million	\$2 billion

Goals

1

**Educational
Excellence & Access**

2

Research Excellence

3

**Workforce
& Community**

4

Productivity

Goal 1: Educational Excellence & Access

- 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 as reported in National Survey of Student Engagement (NSSE)
- Actual cost of attendance as a percentage of Arizona median family income
- Graduation rate
- Freshmen retention rate

Goal 2: Research Excellence

- Total research expenditures
- Number of doctoral degrees awarded
- Number of invention disclosures transacted
- Patents issued
- Intellectual property income
- National Research University ranking

Goal 3: Workforce & Community

- Impact of community engagement activities
- Total income and expenditures related to service and engagement activities
- Number of degrees awarded in high demand fields
- Diversity of graduates
- Percentage of degrees awarded in high demand fields
- New companies started
- Milken Institute State Science and Technology ranking

Goal 4: Productivity

- Number of bachelor's degrees awarded per 100 FTE students
- Composite financial index (CFI)
- Tuition at average of peer institutions
- Online degrees
- Employment index of graduates
- Number of bachelor's degrees from community college transfers

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- 3 GOALS OF THE ENTERPRISE
- 4 UNITS OF THE ENTERPRISE**
- 5 RECOMMENDATIONS
- 6 IMPLEMENTATION
- 7 SUMMARY

University higher education profile 2020

	College, online and other enrollment	University campus enrollment	Retention	6-year graduation	Non-medical research	Medical research
UA	10,000 (online and learning centers)	40,000	90%	70%	\$700 million	\$500 million
ASU	35,000 (30,000 online +5,000 Colleges@ASU)	85,000	90%	70%	\$700 million	—
NAU	13,000 (10,000 online and learning centers + 3,000 regional)	25,000	85%	65%	\$100 million	—

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Recommendation: Outcome driven

Arizona Higher Education Enterprise



2020 Performance Metrics

- 30% of AZ adults will have bachelor's degrees
- Total research expenditures will be \$2 billion



Outcomes for AZ

- Greater economic prosperity for Arizonans
- Social and economic rewards from research
- Higher paying, more economically diverse jobs for Arizonans
- Improved quality of life for Arizonans

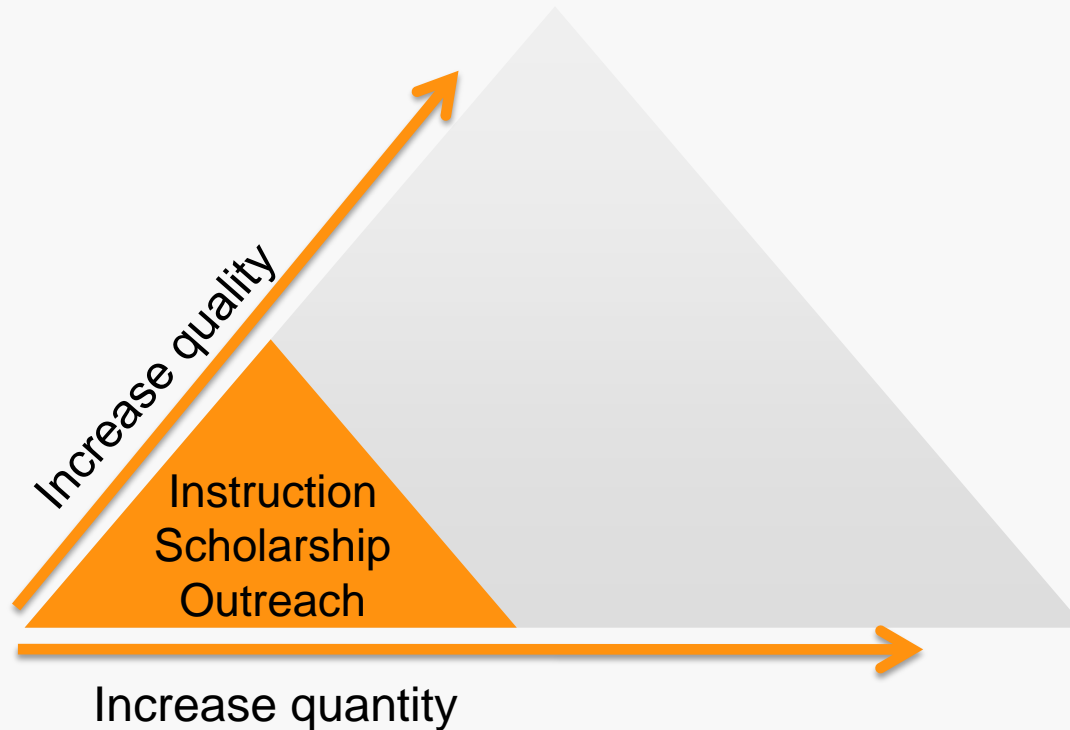
- Council of Presidents as executive committee
- University outcome metrics
- Enterprise outcome metrics

Recommendation: New compact

	University as Agency	University as Enterprise
Focus on	Inputs	Outcomes
Funded for	Student growth	Performance
Funded by	Government	Private, personal and government investment
Managed by	Processes	Objectives

- Establish public corporation
- Separate administrative support requirements
- Develop performance-based investment model

Recommendation: Efficiency and effectiveness



- Eliminate underperforming academic programs
- Develop new lower cost tuition programs
- Advance general education curriculum to speed graduation and contain cost
- Leverage business operations to realize cost savings and attain performance

Recommendation: Additional admissions



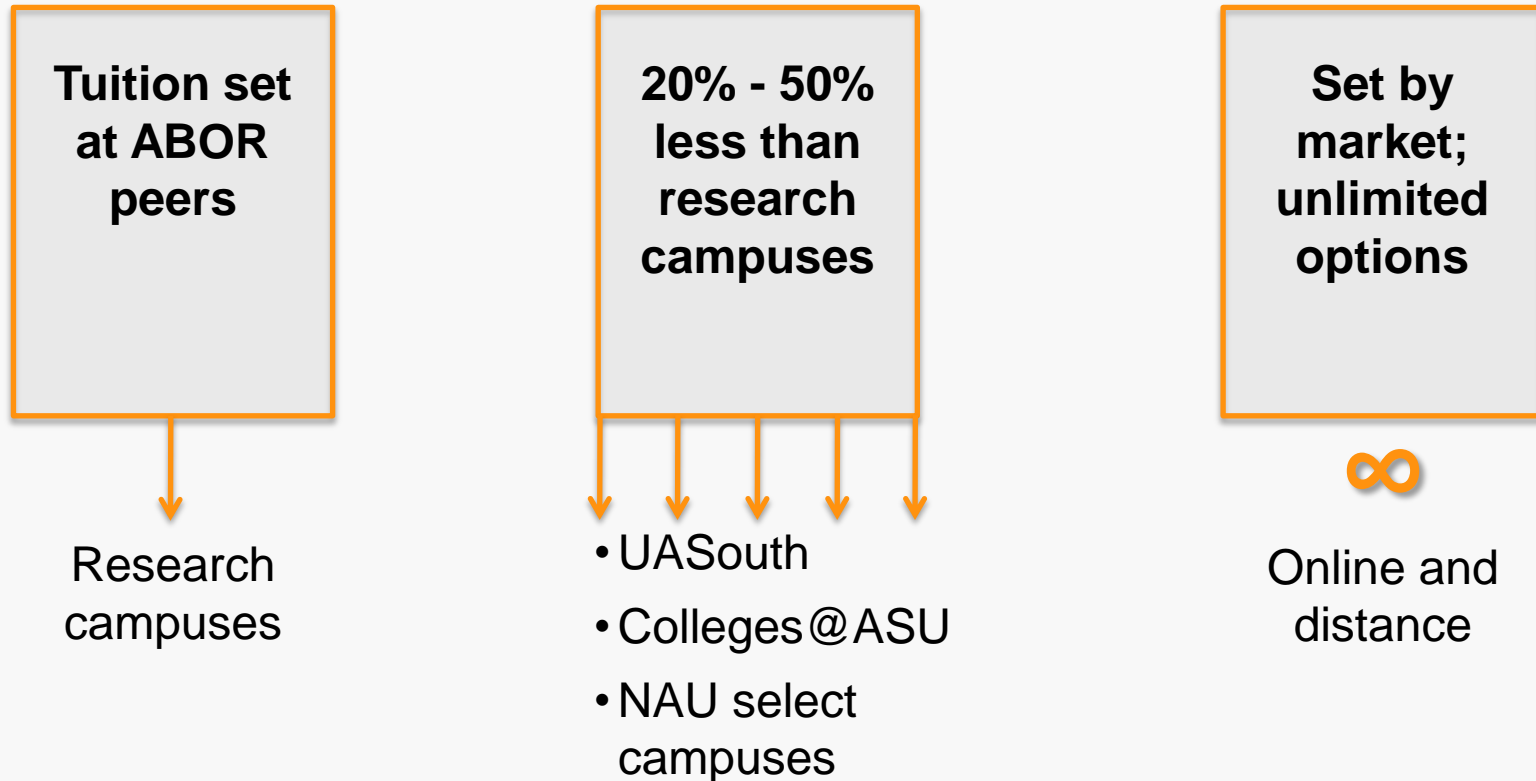
100,000 enter
high school

75,000 graduate
high school

24,000 currently
college eligible

- Separate accreditation and new standards: NAU-Yuma, NAU-Yavapai, NAU-Extended Learning Centers
- Maintain existing ABOR policy: UA, ASU, NAU-Flagstaff

Recommendation: Tuition and cost of access



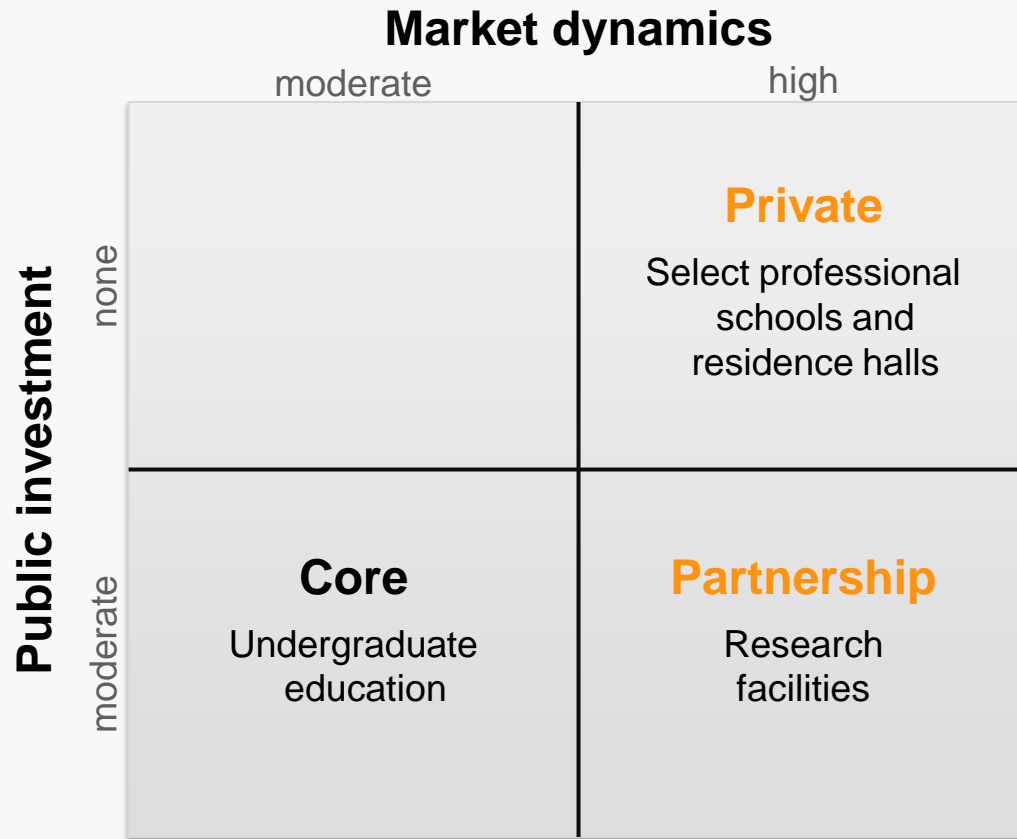
Multiple access points allow lower average tuition costs

Recommendation: Financial aid

State	College-going low income students	Need-based state financial aid
PA	37.3%	\$875.78
NJ	36.6%	\$963.64
OH	33.7%	\$424.79
IL	23.4%	\$761.71
CA	22.3%	\$538.50
WA	20.3%	\$881.17
AZ	17.4%	\$31.16

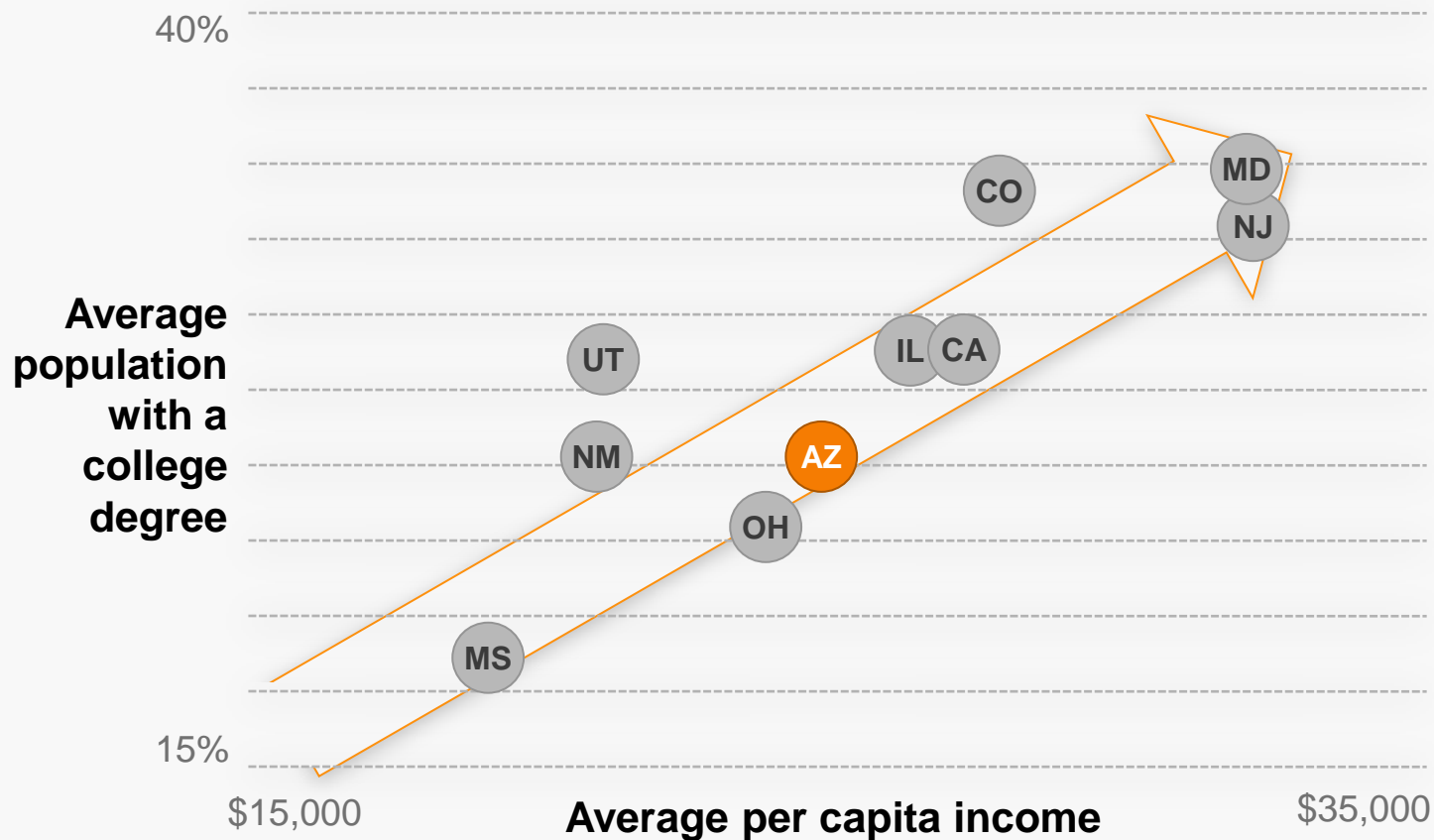
Pursue statewide financial aid program of \$350 million

Recommendation: Privatization



- Develop privatization plans
- Private new residence halls
- Develop partnership models for new research facilities

Recommendation: Graduation performance



- Establish specific enrollment targets for each university
- Carry out a formal performance evaluation for university enrollment and graduation performance on an annual basis

Recommendation: Enterprise administration



~~process~~
outcomes

- Revise HR policies to enterprise mode
- Establish “cafeteria” benefits
- Centralize functions to enhance efficiency at enterprise level

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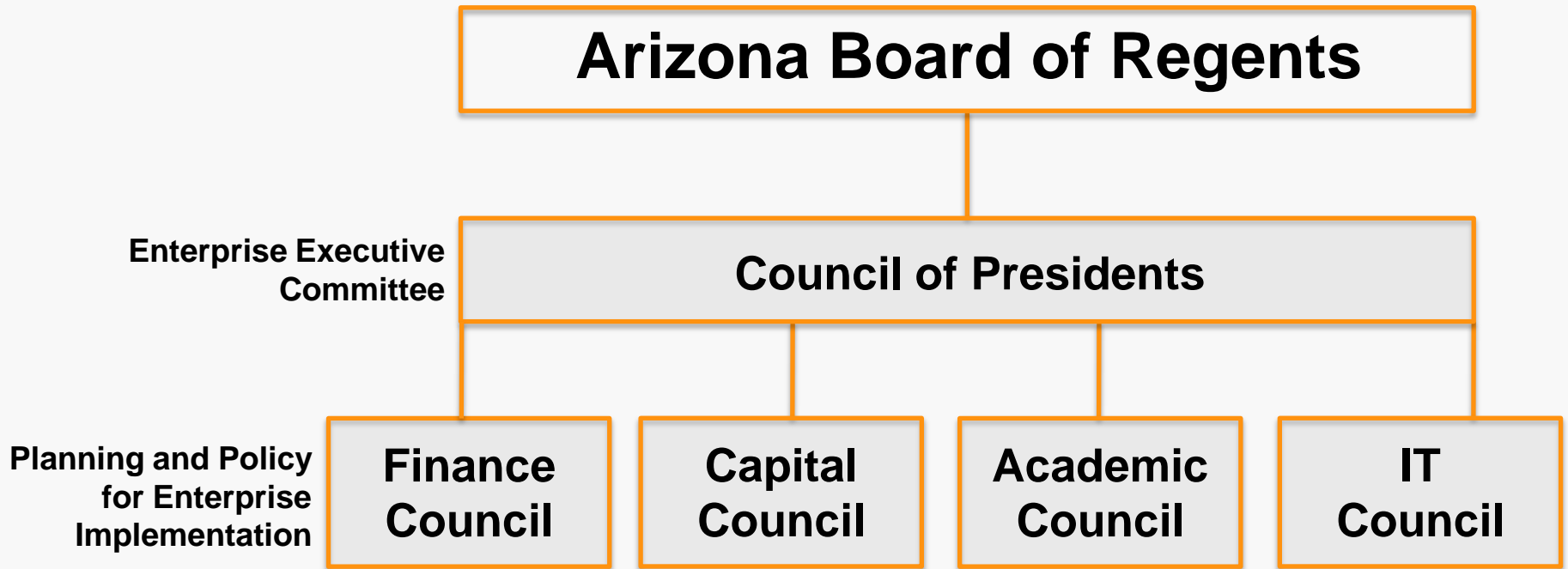
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Implementation



1 A COVENANT WITH THE PEOPLE

2 THE UNIVERSITY AS ENTERPRISE

3 GOALS OF THE ENTERPRISE

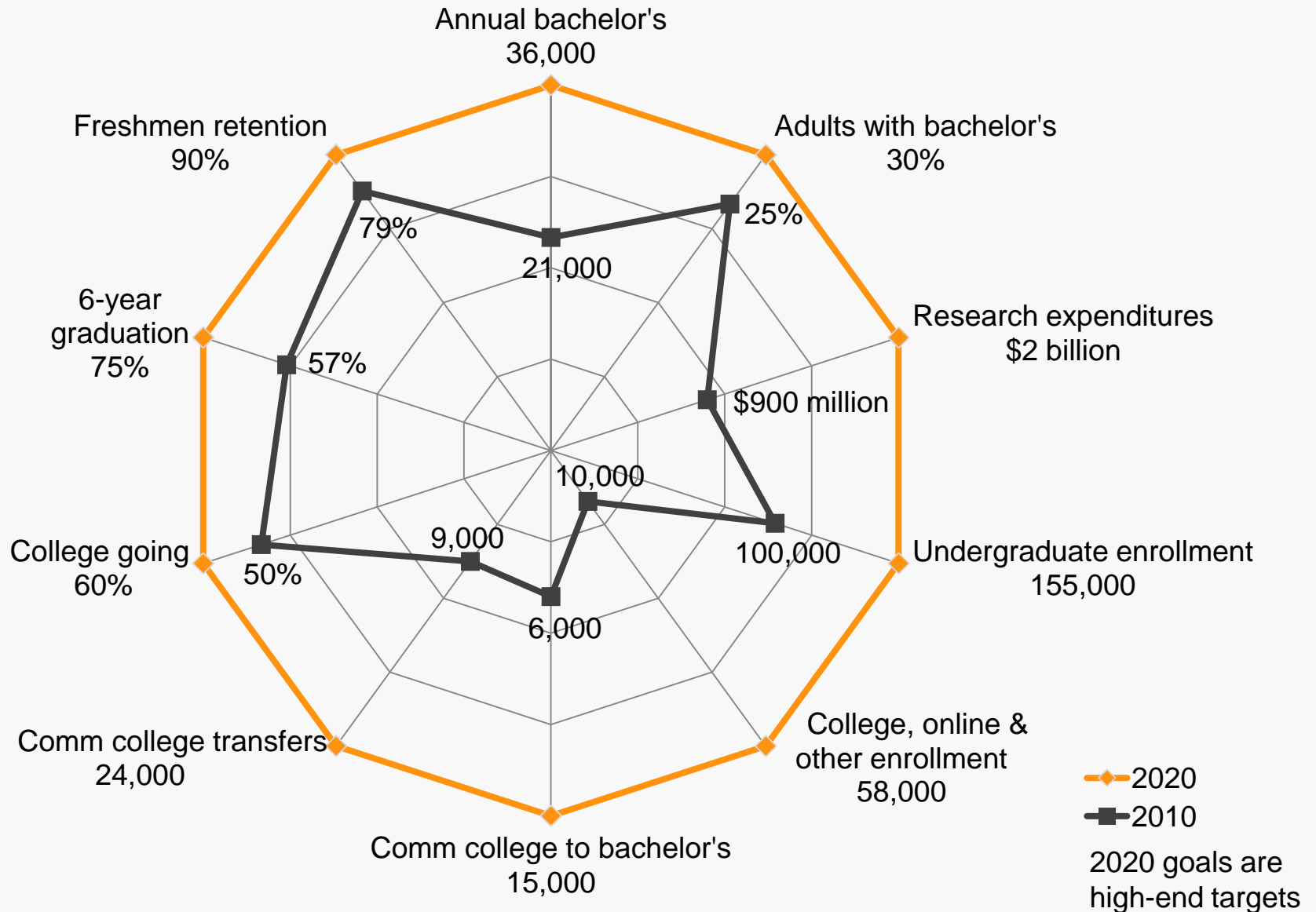
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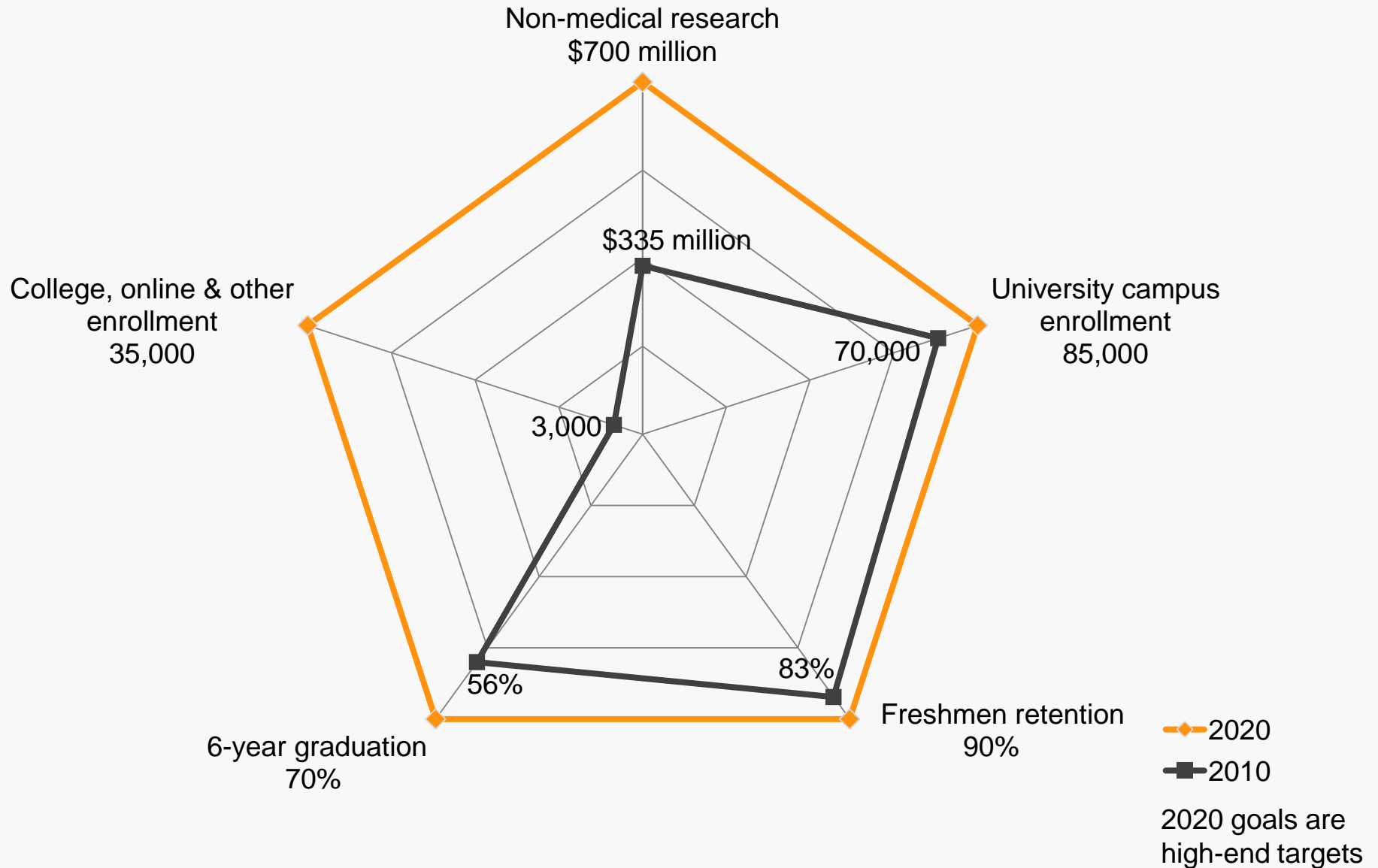
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7 SUMMARY

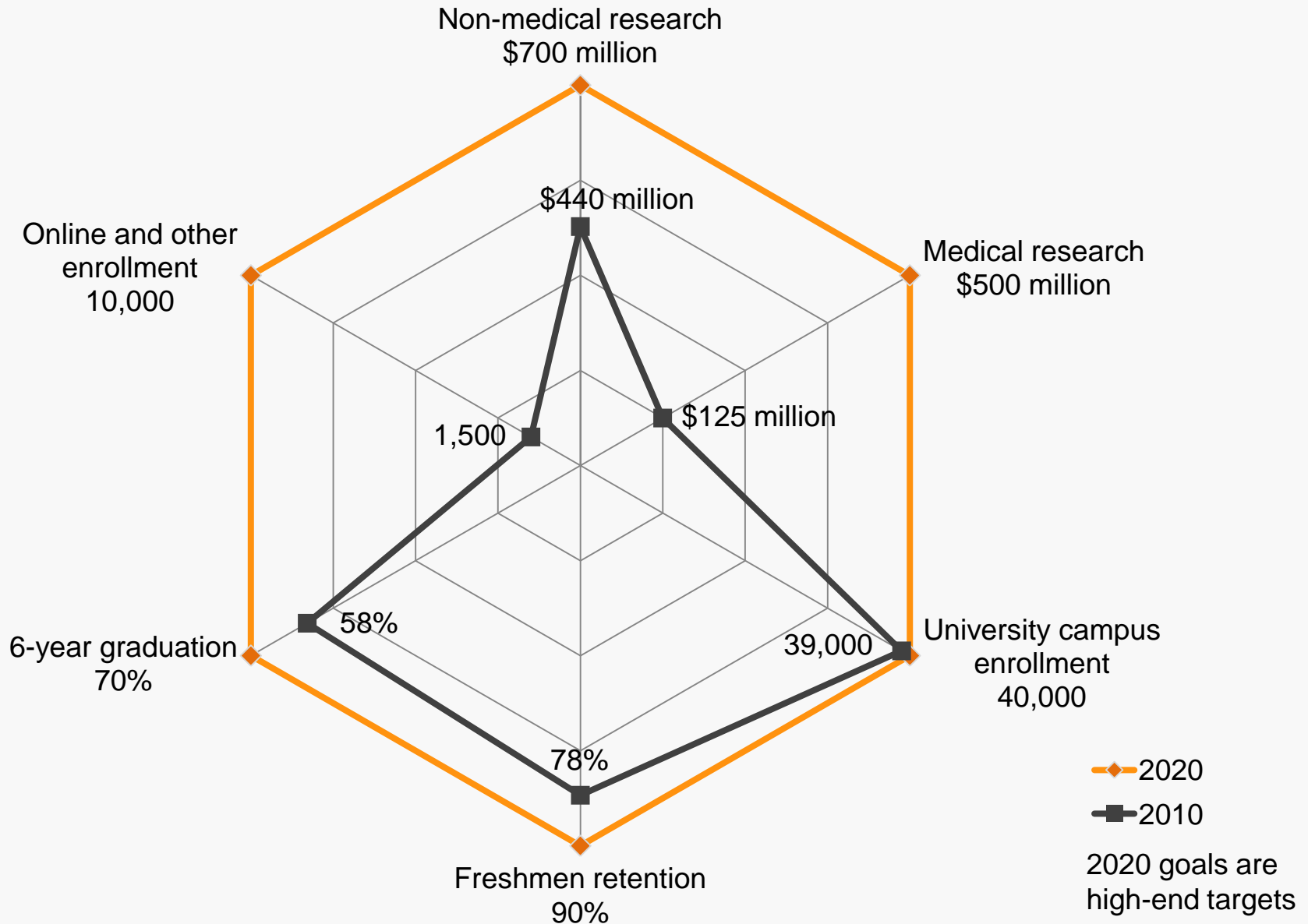
Summary: AZ higher education enterprise, 2010 to 2020



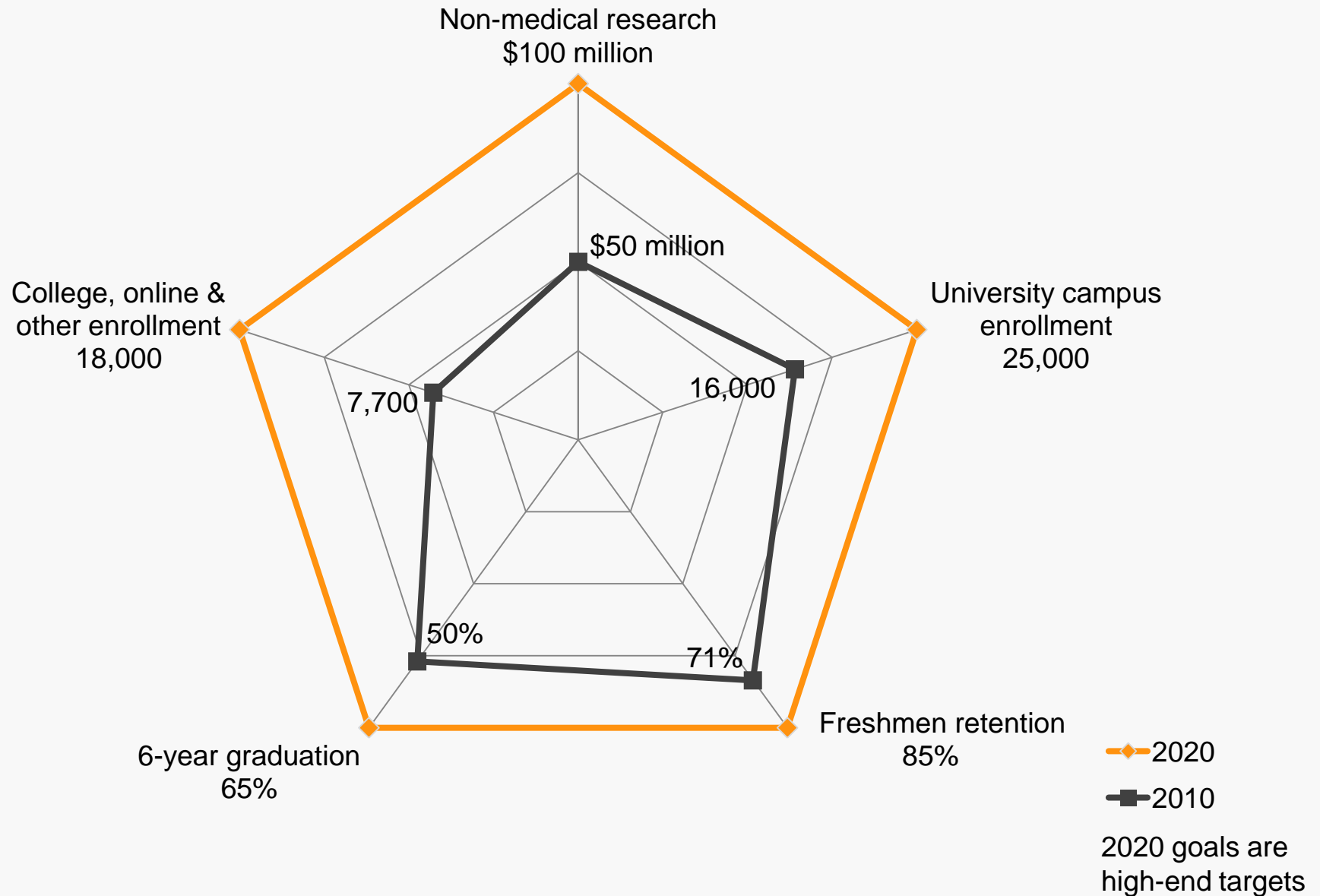
Summary: Arizona State University, 2010 to 2020



Summary: University of Arizona, 2010 to 2020



Summary: Northern Arizona University, 2010 to 2020



Summary: Educational attainment

2020 Vision	Goals & Recommendations	Metrics
Competitive educational attainment through enhanced access	<ul style="list-style-type: none">• Educational excellence• Outcome driven higher education enterprise• Expanded admissions• Enrollment and graduation performance	<ul style="list-style-type: none">• Adults with bachelor's degrees in AZ 30%• Bachelor's degrees produced annually 36,000• Undergraduate enrollment 155,000

Summary: Research enterprise

2020 Vision	Goals & Recommendations	Metrics
Prominent research enterprise contributes to knowledge economy	<ul style="list-style-type: none">• Research excellence• University research and economic development performance metrics	<ul style="list-style-type: none">• Total research expenditures \$2 billion• Upper 10% level of comparative universities in: patenting, startups, spin outs, licenses, new companies started, partnerships with businesses, total economic impact

Summary: Educated workforce

2020 Vision	Goals & Recommendations	Metrics
Educated workforce through enhanced access	<ul style="list-style-type: none">• Workforce and community• Expanded admissions	<ul style="list-style-type: none">• Adults with bachelor's degrees in AZ 30%• Bachelor's degrees produced annually 36,000

Summary: Accessible higher education

2020 Vision

Accessible and affordable higher education

Goals & Recommendations

- Productivity
- New compact with the state of AZ
- Enhancing enterprise efficiency and effectiveness
- Tuition and cost of access
- Financial aid
- Privatization
- Administrative changes