

MINUTES OF A RETREAT
Northern Arizona University
University Union
June 21 & 22, 2007

A retreat of the Arizona Board of Regents was held on June 21 and 22, 2007, in the Northern Arizona University, University Union, Flagstaff, Arizona.

Regent Bulla called the meeting to order at 3:42 p.m. on June 21, 2007. Regent Bulla welcomed everyone and introduced Student Regent David Martinez.

Present:

Regent Fred Boice
Regent Robert Bulla
Regent Ernest Calderón
Regent Dennis DeConcini
Regent Fred DuVal
Regent Edward Hermes
Regent Christina Palacios
Regent Gary Stuart
Regent Mary Venezia
Regent Anne Mariucci (participated by phone)

Absent:

Superintendent Tom Horne
Governor Janet Napolitano

Regent Bulla stated that today's retreat was going to address two major initiatives of significant importance to the Board: Solutions for Arizona's Future Initiative that is currently underway and the launching of the ABOR System Strategic Planning Process.

Regent Bulla further stated that what the Board hopes to accomplish with this year's retreat is to provide, in an abbreviated session, the context and foundational information needed to consider strategic issues that will be coming forward in the next few months.

Regent Bulla then turned the meeting over to Regents Boice and DuVal. Regent Boice introduced Item 1.

Item 1 - How do Arizonans View the Value of Higher Education and Arizona's Public University System.

Regent Boice thanked Regents Bulla and DuVal for their leadership in developing and administering the survey that was used to gather this information. He stated that it was very helpful to know what Arizonans thought about the universities and helpful to have Arizona data to supplement national data.

Regent DuVal stated that since the last Board meeting, Board members have been working feverishly on various aspects of Solutions for Arizona's Future. The work on this initiative was approached with the same sense of urgency that needs to be conveyed to Arizonans about the value and tremendous importance of higher education. He further stated that national studies have shown that there is a major crisis brewing. He reminded everyone that at an earlier Board meeting he spoke about national public opinion survey work that had been done, which demonstrated that our country needs to do more, much more, to make sure that Americans understand where they stand in the world with respect to higher education and the criticality of it to our citizens' and country's future and prosperity.

Regent Boice then introduced Dr. Fred Solop and Kristi Hagan who made a presentation regarding the results of the citizen survey conducted by NAU's Social Research Laboratory.

The results of the survey identify strategic issues for the Board to address, help shape public awareness efforts and assess Arizonan's perceptions and opinions about higher education and the three public universities as well as the levels of support for issues involving the universities. He stated that the survey clearly pointed out that while Arizonans appreciate the universities and the role they play in everyday lives and the state, there is substantial work to do to make the citizens of Arizona aware of the bigger issues facing the country and the importance of higher education.

Regent Mariucci asked if there was a consensus about whether the attitude of Arizonans regarding funding of higher education is improving and becoming more supportive over time, or staying the same. President Crow says there are a number of indicators that show there is a movement to better support higher education. Dr. Solop agrees and says that this survey can be used as a benchmark.

Regent DuVal stated he does not believe there is any survey data that tells how people value the universities' product. This survey shows that the Board is a credible messenger on this topic. It also shows that the Board needs to be more sophisticated and aggressive about getting its message out. This is a great opportunity for the Board to educate the public.

President Haeger stated that the survey showed a relatively positive view of higher education overall, but yet when you look at the Arizona population and its demographics in terms of the population accessing higher education, it is actually very low compared to other states. He asked how these two opposing results could occur. There was no clear answer to this question. President Crow stated that the low graduation rate in the universities creates some factor in the population that is dissatisfied with the service. He stated there was also a national trend that says those that have graduated from public universities support investment in public universities at a lower rate than people who aspire to attend the university. Also Arizona is second in the United States in

attracting graduates of other universities to work in this state. Those graduates many times support the institution they graduated from rather than the one in the area where they now reside.

Regent Boice stated it appears the public is willing to be educated if the Board will just put the information out there. Regent Bulla stated that he thought the survey showed that the public would be willing to listen to what the Board had to say and he was encouraged by the outcome of the survey.

Item 2 - How can the Board better promote the value of higher education and encourage increased participation in higher education?

Regent DuVal stated that Riestler had been working with the Regents and the universities' communication team for several months. He stated that he felt very fortunate that the Board was able to retain such a high caliber firm.

Mirja and Tim Riestler from the Riestler firm presented their recommendations on how the public awareness campaign should go forward. The assignment for this project was to create a media campaign which would increase the awareness and improve the perception of the value of higher education. The goal is to increase public support for higher education, make it a priority and the social norm.

Riestler stated that the strategic approach will be to introduce a cultural paradigm shift and create a higher education movement in Arizona. Riestler hopes to create attention about higher education, create a personal connection to higher education, develop a desire for/to change; for people to get involved and to encourage action.

Regent DuVal stated that there is a moment here, a fantastic moment to move public opinion, a moment of international competitiveness that, he believes, if it is missed, Board members may regret it for the rest of their lives. The state has a Governor that is ready to be audacious; the state has a legislature that is supportive; the Board has a meeting with a set of partners, i.e., Arizona Community Foundation, HELIOS, etc., all of whom want to think big and they are looking to the Board to seize the moment.

Riestler stated that they planned to use various approaches to get the message out. Riestler stated that they thought the way to start this effort was by creating a coalition of the true believers. The first step would be to create a coalition and a place for it on the internet where everyone can gather. The educational messages would be distributed and they would all have a call to arms and a call to action where people can come to the web and be a part of the movement to support higher education. Over time as specific purposes are developed, the supporters would be given roles. The next step would be web marketing. An infrastructure within which the movement can live must be created. Today one of the most effective means of marketing is through e-mail and web marketing. Riestler already owns 500,000 e-mail addresses of registered voters in the state. Riestler then believes the next step would be to deploy the public relations experts.

Specific examples of what would be used in the campaign would be a specific tool kit of materials that the marketing leadership of the universities would implement on behalf of the campaign; engaging the intelligent leadership of the universities to draft white papers on the value of higher education and using them as part of the tool kit; partnering with the universities to do key events; having the Governor put out a proclamation and declare a Higher Education Week; running phone banks; developing powerpoint and video presentations; using the Regents to tour the state and speak on behalf of this program; paid media advertising; etc.

Regent DuVal stated that the Board's aspirations were bold. The campaign is talking about a cultural shift in the public's expectations of public education, a shift in support for public education and a long term commitment to the resources necessary to achieve these expectations. The campaign would set an expectation that every child who wants an education would have the opportunity to receive an education.

Regent Hermes stated he was totally committed to this program and very enthusiastic about the possibilities. He further stated he believed the students would be very happy to work with the Board on this project.

Regent DeConcini stated this concept was terrific. He asked what the final objective of the campaign was going to be. Was it going to be having a proposition go on the ballot that hypothetically stated that the state legislature would appropriate x% every year of the cost of higher education. Is that where the Board was are going? Or is the Board just trying to raise awareness so the political forces can be brought at each legislative session?

Regent DuVal stated that Phase I was to tackle the proposition of getting everyone aware of the issues. Phase II is to hope that the democratic process works and that public opinion will manifest in a new dynamic and higher education will be raised to a top of mind issue rather than something that people need to be reminded of. What happens after that is dependent upon how Phase I and Phase II play out.

Regent Bulla stated that he thought a second round of research would have to be done to see if perceptions and understanding had been changed. He stated that it appeared that Arizona does not value education and hopefully this program will focus on changing that perception. He thought that once the Board saw the impact of the public awareness campaign then a decision could be made on what the next steps would be.

Regent DeConcini thought that it was important that the Board think about what was going to happen next, if the Board achieved its goal of raising awareness and getting people in favor of higher education, the results should then be cemented by having an election.

President Crow stated that he was often asked, "What do you need to build ASU or the universities that you don't have?" He stated that he answered that question with the

statement that there isn't a general recognition of the role of the university in helping to shape the future of the outcome of the socioeconomic system in which we live. But the main issue was that the university was always doing the pushing and no one was pushing the university. No one ever asks, "What do you need to be successful?"

Mirja Riester stated that this is the opportunity to motivate people to want to have a degree. This is an opportunity for people to get excited. To get more people into the system and to share their success stories.

Regent Stuart says what he sees is missing is that he does not know who the opposition is. The message is focused very broadly, but he does not see the opposition and he thinks the opposition needs to be identified and co-opted. He thinks more specific information is needed regarding the opposition so the Board can target the correct population.

Regent Boice stated that this is an important message that needs to be delivered and needs to be delivered now.

Regent Mariucci stated she was very impressed with the presentation and extremely supportive of moving forward with this process. She further stated that she felt this was the most important strategic initiative that the Board had before them. Regent Mariucci asked what the resource commitment for this project would be.

Regent Bulla stated those numbers would be coming forward in the near future. But in the meantime the universities were working on a plan for fund raising and the goal would be to fund this project without using public moneys.

Regent DuVal stated he had been meeting with the foundations and there was no budget yet or commitment yet, but he is receiving verbal confirmation that the foundations would be willing to assist with the funding.

Regent Bulla stated that this is the first time that the Board and the universities have tried to tell their story and move public opinion on higher education. The time is now. A lot will be determined based on how the campaign changes opinions. He stated that he was very excited about this campaign. He thanked Regents Boice and DuVal and Cathy McGonigle for all of their hard work on this campaign.

The meeting recessed at 5:30 p.m.

The meeting resumed at 8:11 a.m., Friday, June 22, 2007.

Regent Bulla stated the retreat got off to a great start yesterday and there was a full agenda today. This portion of the meeting then began with the next agenda item.

Item 3 - What is the strategic outlook for higher education in Arizona.

Dan Anderson provided information about strategic issues facing Arizona and how Arizona compared to other states with respect to specific indicators.

The conclusions of the strategic issues report was that continuing along the existing growth path, enrollments will grow 50% by 2020; growth in high school graduates will be among minorities, particularly Hispanics; Arizona is falling behind other states in the educational attainment of young adults; and higher education is a key component of economic prosperity.

Item 4 - University System Strategic Plan

Regent Bulla stated a system strategic plan was necessary to keep gaps from developing and to assist the Board is making sure there is no duplication of efforts by the universities. Also, some legislators have asked the Board to plan out to 2020 and give them a feel for what it is going to take from an economic standpoint to fund the visions that the Board and the universities have.

Art Ashton presented the current plan. The challenge is to look at the universities and the systems vision, mission and direction and update them appropriately.

Sandra Woodley then discussed the draft conception framework for the Arizona University System 2020 plan: long-term accountability and finance strategy.

Some of the things that are already in the works that will help develop the Board's thinking further are the Solutions for the Future, the IT Collaboration Study and the P-20 Needs Assessment. Some items have been completed such as the University 5-year strategic plans, redesign, the university master plans, RAM and UCAR.

Dr. Woodley stated that her main goal over the next few months was to find a way to coordinate and select the best thinking at the institutions and the Board and to pull those strategies, goals and objectives together; to do more exploration, self examination, and determine where and what the gaps are; and then decide how to remedy any issues that appear. The objectives for the new strategic plan are to be more strategic with outcomes, to be more strategic with money and to be more strategic with data.

The new strategic plan will not be expected to supplant or replace the strategic plan at each university, but rather to provide leadership and direction for each university toward very specific statewide goals and to address gaps. Even though a university specific component is expected in the 2020 plan, the goals and measures are intended to be focused, linking directly to the statewide objectives.

The strategic planning process will take place over the next 4 to 6 months and will be completed in stages. Several internal groups will have active participation in developing and discussing the proposals regarding the plan. The 2020 plan workgroup (finance and strategic planning staff at the universities and central office) will be developing

options/drafts/methodologies for the consideration and debate of the various components. Drafts will be shared at every stage with stakeholders providing input.

Some of the preliminary ideas about the framework for the 2020 plan are (1) a 2020 Arizona profile, (2) Vision for the Future, (3) Focused Goals, (4) Measurable System-Wide outcomes (5) Measurable University outcomes and (6) a Financial Plan.

Dr. Woodley handed out reports from three other states for review purposes.

Dr. Woodley asked the university presidents to pick one or two things in their strategic directions and tell the Board the challenges they face at their institutions and what things they think the state should focus on.

President Shelton stated that he felt that graduation and retention rates were an enormous challenge. President Crow stated that he would focus on the financial challenges, getting the capital that is needed is a major challenge. President Crow further stated that the universities must step up and say this is what we need to do the mission that you are assigning. President Haeger stated that accessibility to higher education opportunity was critical. President Haeger stated that he felt the universities needed to rethink how they were going to accomplish this measure. He thinks that it is possible that the Board needs to invest more in all of its campuses. President Haeger also stated that he believes that resources need to be committed to students that are already in the pipeline (graduation and retention) and to moving more students into stem education. President Haeger then stated that he felt it was going to be important to be able to move money more rapidly so as to provide new programs faster.

Regent Bulla stated that the Finance Committee would be changed to the Strategic Planning, Budget and Finance Committee and he would continue to chair the committee.

Item 6 - How does Arizona compare to other states with respect to state funding for financial aid and how have other states structured their need-based financial aid programs?

Cathy McGonigle presented the board with information regarding need-based financial aid programs in the country including comparisons of state funding for such programs in Arizona with the rest of the country and several models of need-based financial aid programs in the country. She stated that at the August Board meeting, it is expected that the Board will be presented with options for pursuing expansion of need-based financial aid.

Item 5 - How can the university system funding formula be revamped to better meet the universities' resource needs?

Sandra Woodley and Gale Tebeau presented this item. Gale Tebeau discussed the 22:1 formula and what it consists of as well as how it works. Dr. Woodley discussed the funding approaches in other states.

Item 7 - What must be invested to meet the university system capital needs through the year 2020?

Cathy McGonigle and Sandy Woodley updated the Board on the status of capital needs work that has been done so far through the Solutions for Arizona's Future project. Ms. McGonigle stated that there is a workgroup assigned to this project and they are working on coming up with a number for new capital needs to the year 2020, hopefully in the next month or so.

Regent Bulla closed the meeting by stating that staff was being asked to refine the Board's mission, vision, strategic directions and guiding principles and bring them back to the Board for review and approval. He further stated that he would be asking several Regents to help review strategic planning work products. He also stated that high level university and central office personnel will commence on developing The Arizona University System Strategic Plan.

Regent Bulla stated that he would like to have the basic framework done by the September meeting, but will probably not have the plan complete until around December.

ADJOURNMENT

The meeting adjourned at 11:15 a.m., on Friday.

SUBMITTED BY

Margaret L. Martin
Secretary to the Board

APPROVED BY

Robert B. Bulla
President