

## **MINUTES OF A MEETING**



**June 18 & 19, 2009**

## TABLE OF CONTENTS

<b>CONSENT AGENDA .....</b>	<b>2</b>
<b>*Minutes.....</b>	<b>2</b>
<b>ACADEMIC AFFAIRS CONSENT AGENDA .....</b>	<b>2</b>
<b>*Proposed Revision to ABOR Policy 2-103 “Enrollment” (Second Reading)     (Agenda Item #5).....</b>	<b>2</b>
<b>RESOURCES COMMITTEE CONSENT AGENDA.....</b>	<b>3</b>
<b>*Approval of Arizona Area Health Education Centers (Arizona AHEC)     Preliminary FY 2010 Program Budget (Agenda Item #6) .....</b>	<b>3</b>
<b>*Appointments of New Arizona Area Health Education Centers Program     (Arizona AHEC) Regional Centers Governing Board Members (Agenda     Item #7) .....</b>	<b>3</b>
<b>*Proposed Revisions to ABOR Policy 4-105 “Procedure for Establishing     Special Class Fees and Deposits” (Second Reading) (Agenda Item #8) ....</b>	<b>3</b>
<b>*Award from the Department of Defense – Office of Naval Research (ASU)     (Agenda Item #9) .....</b>	<b>3</b>
<b>*Transfer of Technology to Synbuild, LLC (ASU) (Agenda Item #10).....</b>	<b>3</b>
<b>*Awards from the U.S. Department of Energy and the U.S. Department of     Homeland Security (NAU) (Agenda Item #11).....</b>	<b>3</b>
<b>AUDIT COMMITTEE CONSENT AGENDA .....</b>	<b>4</b>
<b>*Proposed New ABOR Policy 3-703 “Identity Theft Prevention Programs”     (Second Reading) (Agenda Item #12).....</b>	<b>4</b>
<b>CAPITAL COMMITTEE CONSENT AGENDA.....</b>	<b>4</b>
<b>*Proposed Revisions to ABOR Policy 7-102 “Overview of the Capital     Development Process and Phases,” Policy 7-109 “Project Approval,”     Policy 7-112 “Capital Project Status Reports,” and Policy 7-207 “Leases of     Real Property” (Second Reading) (Agenda Item #22).....</b>	<b>4</b>
<b>ADMINISTRATIVE BUSINESS CONSENT AGENDA .....</b>	<b>4</b>
<b>*Approval of Proposed Revisions to ABOR Policies 3-700 “Audit     Committee Charter” and 7-103 “Capital Committee Charter” (Second     Reading) (Agenda Item #24).....</b>	<b>4</b>
<b>HUMAN RESOURCES CONSENT AGENDA.....</b>	<b>4</b>
<b>*Multiple-Year Employment Contract for Head Soccer Coach (ASU)     (Agenda Item #28) .....</b>	<b>4</b>
<b>*Multiple-Year Employment Contract for Head Diving Coach (ASU)     (Agenda Item #29) .....</b>	<b>4</b>
<b>*Multiple-Year Employment Contract for Head Softball Coach (ASU)     (Agenda Item #30) .....</b>	<b>4</b>

*Multiple-Year Employment Contract for Head Wrestling Coach (ASU) (Agenda Item #31) .....	5
*Multiple-Year Employment Contract for Men’s and Women’s Swimming and Diving Head Coach (ASU) (Agenda Item #32) .....	5
*Approval of the First Amendment to the Cash Balance Pension Plan (Agenda Item #33) .....	5
<b>CALL TO THE AUDIENCE .....</b>	<b>5</b>
<b>STUDY SESSION .....</b>	<b>6</b>
Draft Plan for Revised Arizona University System Architecture (Agenda Item #1) .....	6
<b>RECESS.....</b>	<b>9</b>
<b>REPORT FROM THE PRESIDENT OF NORTHERN ARIZONA UNIVERSITY.....</b>	<b>9</b>
<b>ACADEMIC AFFAIRS COMMITTEE .....</b>	<b>10</b>
Report from the Academic Affairs Committee .....	10
Report on the Learner Centered Education Course Redesign Initiative.....	11
Proposed Revision to ABOR Policy 2-102 “Undergraduate Admissions” (First Reading) .....	12
<b>CAPITAL COMMITTEE .....</b>	<b>12</b>
FY 2010 Capital Development Plans (ASU, NAU, UA).....	12
Wellness Center Project Implementation Approval (NAU).....	13
Northeast Campus Utility Extensions: Combined Project Implementation Approval and Project Approval (NAU) .....	14
First Amendment to Agreement to Lease and Escrow Instructions with SunCor Development Company for Property on Rio Salado Parkway West of Rural Road (ASU) .....	14
Arizona Bioscience Park Master Land Use Plan (UA) .....	14
Dissolution of the Research Park Development Corporation and Assignment of Responsibilities and Obligations at the UA Science and Technology Park and Arizona Bioscience Park to the Campus Research Corporation (UA).....	15
Master Leases between the Arizona Board of Regents and the Campus Research Corporation for Portions of the UA Science and Technology Park and for the Arizona Bioscience Park (UA) .....	15
Master Declaration of Covenants for Maintenance of Enhanced Infrastructure Improvements at The Bridges/Arizona Bioscience Park (UA) .....	16
Ground Lease Between the Arizona Board of Regents and the Vail Unified School District No. 20 (UA) .....	16
<b>ADMINISTRATIVE BUSINESS.....</b>	<b>17</b>

Approval of Amendment to ABOR Bylaws with Regard to Appointments of Expert Community Members to Board Standing Committees .....	17
<b>STRATEGIC PLANNING, BUDGET AND FINANCE COMMITTEE .....</b>	<b>17</b>
Report on Strategic Planning, Budget and Finance Committee .....	17
<b>HUMAN RESOURCES COMMITTEE .....</b>	<b>18</b>
Multiple-Year Employment Contract for Head Coach of the Men’s Basketball Team (UA) .....	18
Multiple-Year Employment Contract for Head Football Coach (NAU).....	18
<b>RECESS.....</b>	<b>19</b>
<b>MEASURING UNIVERSITY RESEARCH PERFORMANCE .....</b>	<b>19</b>
Measuring University Research Performance.....	19
<b>HUMAN RESOURCES COMMITTEE (Continued) .....</b>	<b>22</b>
Notice of Reappointment and Multiple-Year Employment Contract for President of Northern Arizona University.....	22
<b>TECHNOLOGY OVERSIGHT COMMITTEE.....</b>	<b>22</b>
Report on Technology Oversight Committee.....	22
Qwest IT Project (ASU).....	23
<b>PUBLIC AWARENESS COMMITTEE .....</b>	<b>23</b>
Update on Public Affairs and Solutions Through Higher Education.....	23
<b>LEGISLATIVE AFFAIRS COMMITTEE .....</b>	<b>24</b>
Report on Legislative Activities .....	24
<b>REPORT FROM PRESIDENT-ELECT ERNEST CALDERON .....</b>	<b>25</b>
<b>REPORT FROM THE ARIZONA FACULTIES COUNCIL .....</b>	<b>28</b>
<b>INQUIRIES, REQUESTS, REPORTS, AND COMMENTS FROM REGENTS AND MEMBERS OF THE COUNCIL OF PRESIDENTS .....</b>	<b>28</b>
<b>ADJOURNMENT.....</b>	<b>29</b>

**MINUTES OF A MEETING  
ARIZONA BOARD OF REGENTS  
Thursday and Friday, June 18-19, 2009**

A meeting of the Arizona Board of Regents was held June 18 and 19, 2009, in the High Country Conference Center, at Northern Arizona University, Flagstaff, Arizona.

President Boice called the meeting to order at 10:07 a.m.

Present:     Regent Boice  
              Regent Bulla  
              Regent Calderón  
              Regent DeConcini  
              Regent DuVal  
              Regent Leonard  
              Regent Mariucci  
              Regent Martinez  
              Regent McLendon  
              Regent Meyer

Absent:       Superintendent Horne  
              Governor Janice Brewer

Also present were President John Haeger, Mr. Mark Neumayr, Mr. Rich Bowen, Mr. David Bousquet, Ms. Laura Huenneke, Ms. Sandy Castro and Dr. M. J. McMahon, Northern Arizona University; President Michael Crow, Mr. James Rund, Mr. Rich Stanley, Dr. Elizabeth Capaldi, Mr. José Cárdenas, Dr. Christine Wilkinson, Mr. Rick Shangraw and Mr. Morgan Olsen, Arizona State University; President Robert Shelton, Ms. Lynne Wood, Dr. Jacqueline Mok, Ms. Carla Nunn, Dr. Leslie Tolbert, Dr. Meredith Hay, Dr. William Crist, and Mr. Mike Proctor, University of Arizona; Executive Director Joel Sideman, Board Counsel, Nancy Tribbensee, Secretary to the Board Peggy Martin, Ms. Christine Thompson (Friday only), Ms. Andrea Smiley, Ms. Stella Galaviz, Dr. Sandra Woodley, Ms. Cathy McGonigle, Ms. Stephanie Jacobson, Mr. Dan Anderson, Mr. Lorenzo Martinez, and Ms. Kathy Bedard, Central Office; and Mr. David Harris, Bruce Wright and Dr. J. C. Mutchler, Arizona Faculties Council.

All lists, report, summaries, background materials and other documents referred to in the minutes can be found in the June 18 and 19, 2009, Documents Files.

Regent Boice welcomed everyone to the High Country Conference Center and called the meeting to order.

Regent DuVal led the Pledge of Allegiance.

Regent Boice introduced William R. Culbertson, the new Arizona Faculties Council representative, effective July 1. He stated that Dr. Culbertson is a Professor of Health Sciences at Northern Arizona University. He began teaching at NAU in 1980, but took a ten year hiatus between 1982 and 1992. At present, he teaches and is the program coordinator

for the Speech-Language Sciences and Technology program in the Department of Health Sciences and serves as advisor to the higher successful online Speech-Language Pathology Assistant Training Certificate program in the College of Health and Human Services.

Dr. Culbertson earned his B.A. in Psychology and Speech and Dramatic Arts from the University of Richmond in 1970, his Master of Science in Special Education, with an emphasis in Communication Disorders, from Old Dominion University in 1975, and his Ph.D. in Audiology and Speech Sciences from Michigan State University in 1981.

President Boice then introduced Jennifer Ginther, the new student regent beginning July 1. He stated that Jennifer was born in Fairfax, Virginia. She graduated from the University of North Carolina at Wilmington in 2001 with a B.A. in Biology. She then attended George Mason University in Virginia and received her Master of Science in Biodefense. After completion of the masters program at George Mason, she became a senior consultant for Booz Allen Hamilton where she supported the Bioinformatics and Assay Development projects within the Homeland Security Advanced Research Projects Agency. Jennifer continued her education in Intelligence Analysis at Mercyhurst College in Erie, PA and completed a graduate certificate in November 2006. Jennifer then left the Virginia area and is now pursuing a Ph.D. in Biology at NAU in Flagstaff. Her ultimate goal is to merge computational and experimental comparative genomics to gain a better understanding of the emergence of disease causing microbes from their non-disease causing genetic relatives.

## **CONSENT AGENDA**

All items on the Agenda that are marked in these minutes with an asterisk (\*) were consent matters and were unanimously adopted upon the motion of Regent McLendon, seconded by Regent Bulla.

### **\*Minutes**

The April 30-May 1, 2009 Regular Board Meeting Minutes and the March 12-13, 2009 Executive Session Meeting Minutes were approved.

## **ACADEMIC AFFAIRS CONSENT AGENDA**

### **\*Proposed Revision to ABOR Policy 2-103 "Enrollment" (Second Reading) (Agenda Item #5)**

The Board approved the proposed revision to ABOR Policy 2-103 which changes the official student census day from the 21st day of the semester to the 45th day and other changes as required by ARS §15-1661. This item was reviewed, on first reading, by the Board at its April 30, 2009 meeting.

**RESOURCES COMMITTEE CONSENT AGENDA****\*Approval of Arizona Area Health Education Centers (Arizona AHEC) Preliminary FY 2010 Program Budget (Agenda Item #6)**

The Board approved the preliminary FY 2010 budget for the Arizona Area Health Education Centers (Arizona AHEC) Program.

**\*Appointments of New Arizona Area Health Education Centers Program (Arizona AHEC) Regional Centers Governing Board Members (Agenda Item #7)**

The Board approved the appointments to the governing boards of the five regional Arizona Area Health Education Centers: Eastern Arizona AHEC (EAHEC), Greater Valley AHEC (GVAHEC), Northern Arizona AHEC (NAHEC), Southeastern Arizona AHEC (SEAHEC), and Western Arizona AHEC (WAHEC).

**\*Proposed Revisions to ABOR Policy 4-105 "Procedure for Establishing Special Class Fees and Deposits" (Second Reading) (Agenda Item #8)**

The Board approved the proposed revision to ABOR Policy 4-105 to update the dollar threshold where a class fee or deposit needs Board approval and which addresses additional applications of course fees.

**\*Award from the Department of Defense – Office of Naval Research (ASU) (Agenda Item #9)**

The Board approved Arizona State University's request for acceptance of a new award of \$1,118,156 from the Department of Defense-Office of Naval Research N00014-09-1-0815.

**\*Transfer of Technology to Synbuild, LLC (ASU) (Agenda Item #10)**

The Board approved Arizona State University's request to transfer technology to Synbuild, LLC, pursuant to a License Agreement between AzTE and Synbuild, LLC.

**\*Awards from the U.S. Department of Energy and the U.S. Department of Homeland Security (NAU) (Agenda Item #11)**

The Board approved Northern Arizona University's request for acceptance of continuing awards from the U.S. Department of Energy of \$896,914 and from the U.S. Department of Homeland Security of \$1,281,220.

**AUDIT COMMITTEE CONSENT AGENDA****\*Proposed New ABOR Policy 3-703 “Identity Theft Prevention Programs” (Second Reading)** (Agenda Item #12)

The Board approved the proposed new Board Policy 3-703 to comply with Federal Trade Commission requirements.

**CAPITAL COMMITTEE CONSENT AGENDA****\*Proposed Revisions to ABOR Policy 7-102 “Overview of the Capital Development Process and Phases,” Policy 7-109 “Project Approval,” Policy 7-112 “Capital Project Status Reports,” and Policy 7-207 “Leases of Real Property” (Second Reading)** (Agenda Item #22)

The Board approved the proposed revisions to ABOR Policies 7-102, 7-109, 7-112, and 7-207. The revisions: 1) increase the dollar threshold for projects that require Board approval from \$2 million to \$5 million, and 2) provide clarification and expand the information submitted to the Capital Committee and the Board for third-party capital projects.

**ADMINISTRATIVE BUSINESS CONSENT AGENDA****\*Approval of Proposed Revisions to ABOR Policies 3-700 “Audit Committee Charter” and 7-103 “Capital Committee Charter” (Second Reading)** (Agenda Item #24)

The Board approved the proposed revisions to ABOR Policies 3-700 and 7-103.

**HUMAN RESOURCES CONSENT AGENDA****\*Multiple-Year Employment Contract for Head Soccer Coach (ASU)** (Agenda Item #28)

The Board approved Arizona State University's request for a Multiple-Year Employment Contract for Kevin Boyd, Head Soccer Coach.

**\*Multiple-Year Employment Contract for Head Diving Coach (ASU)** (Agenda Item #29)

The Board approved Arizona State University's request for a Multiple-Year Employment Contract for Mark Bradshaw, Head Diving Coach.

**\*Multiple-Year Employment Contract for Head Softball Coach (ASU)** (Agenda Item #30)

The Board approved Arizona State University's request for a Multiple-Year Employment Contract for Clinton Myers, Head Softball Coach.

**\*Multiple-Year Employment Contract for Head Wrestling Coach (ASU)** (Agenda Item #31)

The Board approved Arizona State University's request for a Multiple-Year Employment Contract for Hester LeShawn Charles, Head Wrestling Coach.

**\*Multiple-Year Employment Contract for Men's and Women's Swimming and Diving Head Coach (ASU)** (Agenda Item #32)

The Board approved Arizona State University's request for a Multiple-Year Employment Contract for Dorsey Tierney-Walker, Men's and Women's Swimming and Diving Head Coach.

**\*Approval of the First Amendment to the Cash Balance Pension Plan** (Agenda Item #33)

The Board approved the First Amendment to the Cash Balance Pension Plan Restated as of July 1, 2008. The Amendment contains several technical changes which bring the Cash Balance Plan into compliance with the Pension Protection Act of 2006.

## **CALL TO THE AUDIENCE**

Per Board Policy 1-114, time has been set aside for Call to the Audience, an opportunity for people to express their views or concerns to the entire Board in a public setting.

**Sharon Adams** - Showlow Main Street, Executive Director - expressed formal interest in recruiting a university campus in Showlow.

**Bill Ullery** - Lake Havasu Foundation for Higher Education, Executive Director - expressed formal interest in establishing a public university in Lake Havasu.

**Kay McKay** - Flagstaff community member and former Regent - spoke in support of President Haeger.

**Karla Brewster** - Flagstaff community member and City Council member - spoke in support of President Haeger.

**Kathleen Templin** - President of ASNAU - spoke in support of President Haeger.

**Julie Pastrick** - Flagstaff Chamber of Commerce, President and CEO - spoke in support of President Haeger.

**Deb Harris** - NAU Staff - spoke in support of President Haeger.

**Bruce Nordstrom** - Nordstrom & Associates, P.C. - spoke in support of President Haeger.

**Paul Keim** - NAU and TGen North - spoke in support of President Haeger.

**Chris Bavasi** - former Mayor of Flagstaff, co-chair Solutions Coalition - spoke in support of President Haeger.

**LaVelle McCoy** - Flagstaff 40 - spoke in support of President Haeger.

**Chris Nagata** - ASA - thanked Regent Martinez for his service and being a champion for students.

**Elma Delic** - ASA, Vice Chair - thanked Regent Boice for his service as President of the Board and congratulated Regent Calderón for his election to President of the Board, effective July 1, 2009.

## **STUDY SESSION**

### **Draft Plan for Revised Arizona University System Architecture (Agenda Item #1)**

Regent Boice then stated that the next order of business was the study session to discuss the draft plan for a revised architecture for the Arizona University System. The Board has worked, over the past two years, to develop a long-term strategic plan to carry the university system to the year 2020. The plan, 2020 Vision, calls for a significant increase in the number of bachelor's degrees produced by the universities. The Board understands that some things must be done differently in order to meet this goal.

This draft plan by the Presidents begins to tackle the details of what has to change in the system over the next eleven years. Governor Brewer, a strong advocate for a quality education system in Arizona, supports these efforts. Her charge to the Board during the April Board meeting was to restructure the system to improve accountability, predictability, and affordability for the citizens of Arizona.

The Presidents each presented their plans.

President Haeger stated that increasing the number of individuals with college degrees has become a national issue. The State of Arizona is not a good performing state when it comes to the pipeline. The State needs to find a way to do much better. The State needs to graduate more high school students along with students who are more prepared for a college education.

There are some key points that need to be made. First, the three Arizona universities already blanket this state in terms of accessibility of higher education, so the problem isn't just a lack of accessibility. Second, the universities are already very efficient research universities. The problems are twofold. First, we need to recruit more students into the pipeline and we need to retain them once they are there and second, we need to find lower cost options.

Lower cost options do not translate into lower quality options. Quality must be a driving force. To make lower cost options available state support and dollars and community support and dollars, along with tuition, will be critical.

Short or long-term, the key is the community colleges. The enrollment at community colleges continues to increase, but those students are not migrating to the universities. The universities need to develop partnerships with the community colleges.

The Presidents will be looking at regional branch campuses and integrated partnerships with community colleges; new baccalaureate campuses (independent or with community college); joint admissions/joint programming partnership with community colleges; Arizona Public University Center; and AZUN (web-based distance delivery) as strategies for more baccalaureate degrees. The challenges that face these concepts will be resources or lack thereof, coordination of effort, stakeholder buy-in, and increased support for existing research universities.

President Shelton stated that the Governor and the Board have challenged the presidents to bring a more accessible version of the university experience to the table.

The University of Arizona has begun to partner with some of the community colleges. The university plans to leverage the state's existing infrastructure. The university wants to produce high quality, relevant degrees at a lower cost.

The university plans to grow enrollment 37% by 2020. 10,000 of those students will be enrolled at community college partnership campuses. The University of Arizona plans to award 1700 new degrees off-campus annually.

President Shelton stated that the university planned on doing a model that involved a number of distributed learning centers associated with community colleges that will evolve as demand requires and could, in the future, evolve into branch campus status. Each of the community college relationships will be highly structured. There will be shared space, joint hires, joint enrollments and joint marketing. The degrees offered will also be highly structured four-year degrees. They will be focused on the needs of the community and the interests of the potential graduates from that community which will allow the university to focus on a set of high-demand, high-quality programs and help keep the spending of resources down.

President Crow stated that the objective is to take the hard work of the strategic planning group that has laid out the 2020 Vision and to put an operational plan together on how to move toward the 2020 Silver Level. All three presidents believe that the Silver Level is attainable.

There is a tension in advancing on this plan in that this is not an exercise where we are attempting to generate lower cost options so that the present university seats can be diminished. The Arizona system is very complex. Of the students eligible to attend a public university in Arizona, but going to a community college, (9500/yr), only 1500 of them ultimately receive a degree. There are many issues that need to be dealt with. The world is becoming more complicated. A degree has to deliver to the student a state-of-the-art education. The university system needs to provide more access to a quality education. Without quality, the education is worthless. The university system is very efficient, but not as effective as the system should be. Graduation rates in all categories, high school, community college and the university system, need to be improved.

Innovation will be the key to success. We need new types of institutions, new forms of institutions, new points of access, new mechanisms for access, new ways to advance the curriculum, new ways for students to move more quickly through the system, and new ways

for students to be successful. ASU's focus will be toward the intensive instructional side; a place where cost is lower, the state can invest less, tuition can be lower.

President Crow stated, as did both President Haeger and President Shelton, that critical to the success of this system expansion strategy, both enrollments and funding must increase at the research and instructionally intensive ends of the continuum.

President Crow stated that at the August meeting he would be presenting the plan for the launching of the first of these colleges. The main challenges are: quality - if quality is lacking this plan will not succeed; funding needs to improve; and coordination between the universities.

Regent Bulla thanked the presidents and stated that some of these plans were started many years ago. He also stated that low tuition without quality is a hoax. The Board needs to find the funding to do the job. Further, the Board's job is to coordinate this project so that the universities are not duplicating efforts or tripping over each other. A good strategic plan with timelines and financial dimensions is needed. The 2020 Vision lays out by each year what is to happen in each year and all of this information needs to be fed into the 2020 Vision plan.

Regent DeConcini stated that he does not see how this can be done without money. Further he asked if there was a process in place for reviewing possible program duplication. He then asked about any plans the universities might have regarding Eastern Arizona Community College and Lake Havasu.

Regent Calderón stated that he was also concerned about the possibilities of duplication. He stated that he believed a bold timeline was needed for the implementation of the revised system architecture and would like to see something implemented quickly. Regent Calderón also stated that the partnerships with the community colleges are very important.

Regent Mariucci asked about the elasticity of demand and wanted to know what other states have done something similar to this and what can the Board and universities learn from the other states and the degree to which students value this type of institution. She also asked what are the unintended consequences of this plan that might occur including what the implications for the main campuses might be.

Regent McLendon stated that education needs to be a priority. Affordability and predictability are important. He further stated that quality is an absolute must. The universities need to be responsive to the students. Coordination among the universities is very important. He also stated that funding of higher education needs to be a high priority and the way to do that is to elect people who also believe in the power of education.

President Shelton then stated that the presidents wanted to ensure that there was coordination and minimum overlap. He also stated that timing is critical, which for the University of Arizona means drawing upon existing relationships with community colleges. Expanding the partnerships will allow the university to go quickly and show real results in FY09/10. President Shelton stated, in response to Regent Mariucci's question about other states, that he had seen a similar plan in North Carolina. In North Carolina the alternative schools drew primarily from the local factor, so they were drawing from a different population

than the older, larger more research oriented schools. In Arizona, the question is: "can we generate a population for these schools?;" We need to increase the number of available students. Having a local focus might stimulate additional students. The university system needs to get out the message to the 10th graders and the 10 years olds that they really need to be thinking about getting a college degree.

President Crow stated that both ASU and NAU have been working with Lake Havasu. Further President Crow stated that the advantage in Arizona is its untapped demand. There are 15,000 students graduating from high school in Arizona capable of going on to higher education that do not go. The issue will be how to design the programs, the connections and the linkages that will provide the highest probability of success. The one thing this system lacks is a funding model which is not based on growth.

President Haeger stated that the presidents would be looking at other systems, reading and studying to be sure that this is approached correctly. The unintended consequences could be a risk regarding funding; what if the funding doesn't come, what if the state doesn't change the funding formula, what if the partnerships don't come forward as expected. The universities and Board need to go into this with their eyes open knowing that things can happen and be ready to respond. He also stated that he believed there will be some resistance on the main campuses to these plans. President Haeger stated that this system has an unbelievable opportunity to create new and different institutions that don't reflect the model of the main campus and that is where this architecture should be headed. The system needs to have workforce demand programs, much more structured programs, and real intent on advising students from day one to move through the system at whatever pace they want.

Regent McLendon stressed the need to do outreach around the state to obtain buy in for these changes. Regent Leonard agreed and stated that this is a great opportunity to capture students and it is important to learn about the different constituents that will be served and what their needs are.

Regent Martinez stated that he was concerned about the cost of these programs and he is afraid that students will have to bear the cost of these programs.

Regent Boice stated that the universities need to get qualified people to go to college. The system needs to embrace K-12 and do everything that can be done to assist them with graduating students that want to go on to college.

## **RECESS**

The meeting recessed at 12:08 p.m. and reconvened at 1:50 p.m.

## **REPORT FROM THE PRESIDENT OF NORTHERN ARIZONA UNIVERSITY**

Regent Boice stated that the first order of business for the afternoon is the report from the President of Northern Arizona University.

President Haeger and President James Horton of Yavapai Community College reported on their plan to partner for the purpose of providing a new campus called NAU Yavapai. NAU has been on the campus at Yavapai for some time. This is a different model. This is to be a teaching institution. In the long run, it is hoped that this campus will be similar to the Yuma campus. There will be structured/streamlined academic programs which will meet the workforce needs. The non-academic services will be limited. Funding sources will be the State, the City, maybe the County as well as tuition. The tuition level should be moderate. Admission will be moderately selective. It is hoped that this campus will attract first-time freshmen directly from local high schools in the Prescott Valley area as well as students who are not quite ready for admission to the main NAU campus. The numbers have not been completely worked out, but it is hoped that tuition and fees will be less than it is if you were to take all the classes at NAU Flagstaff. Yavapai Community College will do the first two years of the degree and NAU will do the last two. President Horton stated that he believed that this partnership is the only way to make a dramatic difference in the number of Yavapai Community College students who will continue and successfully complete a baccalaureate degree. President Horton stated that they are ready to begin this fall.

Regent Bulla wanted to make certain that statutory requirements are complied with and wondered if this affiliation would require additional statutory authority. President Haeger stated that the issue had been looked at and it is possible that sometime in the future the Board might want to consider this an additional campus, but at this time it did not fall into that category.

#### **ACADEMIC AFFAIRS COMMITTEE (Chair: Regent DeConcini)**

##### **Report from the Academic Affairs Committee (Agenda Item #2)**

Regent DeConcini gave a report on the June 3, 2009 Academic Affairs Committee meeting.

Regent DeConcini stated that the Board authorizes the Academic Affairs Committee to approve changes to a university's Academic Strategic Plan during the course of the year. Both ASU and NAU submitted requests to modify their 2009-10 plans which the Board approved at the April meeting. ASU had requested the elimination of the Clinical Lab Sciences program. At one point there was a discussion regarding the possibility of not eliminating the program depending on the ability of ASU to find additional funding. At the April Board meeting, Provost Capaldi indicated that she needed a little more time to assess the future of the program as a result of the lower than planned tuition surcharge. The committee discussed the future of this program during the last 3 meetings. It is widely known that this is a small and expensive program. Given the very difficult financial situation the university is in, and the many difficult choices which need to be made, the committee reluctantly approved this request. Students already in the program will have the opportunity to complete their requirements, but no new students have been admitted.

NAU is eliminating two low enrollment programs. They are the BS programs in environmental chemistry and in geochemistry. Students still have several other options for completing a chemistry degree.

Regent Bulla asked if the Academic Affairs Committee could reconsider the elimination of the Clinical Lab Sciences program again and see if there isn't some way the system could offer this program.

Regent McLendon stated that this was a very difficult decision, but it comes down to numbers. He further stated that if the economy improves or the legislature or other entity provides adequate funding, then maybe this matter could be reexamined, but until that time, he was not in favor of reconsideration. Regent DuVal and Regent Boice stated that they agreed.

### **Report on the Learner Centered Education Course Redesign Initiative (Agenda Item #3)**

Dr. Carol Twigg, President of the National Center for Academic Transformation; Dr. Michelle Miller, Associate Professor, NAU; Dr. Steve Reynolds, Associate Professor, ASU; Julia Johnson, lecturer, ASU; Dr. Lisa Elfring, Associate Professor, UA, and Maryn Boess, ABOR Grants Manager joined the meeting for this presentation.

Dr. Carol Twigg, National Center for Academic Transformation, presented the final report on the 10 courses from ASU, NAU, and UA that went through a course redesign process during the past 18 months under a grant program funded by the TRIF Regents Innovation Fund.

Maryn Boess introduced this item. She stated this project was a culmination of a major initiation to improve learning, improve course completion rates, align institutional resources, develop internal capacity to sustain and expand the resign process and reduce instructional costs at the universities.

Dr. Carol Twigg stated that ten projects completed full implementation. The focus of each redesign was on large enrollment, multisection, and typically freshman courses. Course redesign means redesigning whole courses rather than individual classes. The projects impacted about 22,000 students. There was significant improvement overall in student learning. The course completion rates improved and there was cost reduction associated with each program. The savings translate in actual practice to newly available faculty time, actual dollar savings, and increased capacity to serve more students. This project will also result in the teaching methods used here continuing to be used in most of the courses in the project, but also in other courses.

Regent McLendon asked if the faculty members think they have the experience so that they could teach other faculty members what they learned. All answered "yes."

Regent DeConcini stated that the results of the Learner Centered Education Court Redesign Initiative are very impressive. It is very timely to have these types of projects which reduce costs while maintain and even increasing student performance. The Board and the universities need to build on what has been learned from these projects. Regent DeConcini recommended, with the Board's concurrence, that the LCE Advisory Committee be charged to work with Board staff to develop a proposal for the Academic Affairs Committee on how to use the grant program to expand these efforts as well as whether or not to exceed with further expenditures.

**Proposed Revision to ABOR Policy 2-102 “Undergraduate Admissions” (First Reading)**  
(Agenda Item #4)

Regent DeConcini stated that the Board was being asked to review, on first reading, a proposed revision to ABOR Policy 2-102 on the criteria for assured and delegated admission for Arizona resident transfer students.

Stephanie Jacobson and Ron Pitt joined the meeting for this presentation.

Stephanie Jacobson stated that the purpose of this change was to revise the criteria for assured and delegated admission for resident transfer students so that they would be better prepared to make the transition from a community college to the university. This proposal was widely discussed with community college and university representatives. Assured admission would be limited to students who have completed the statewide general education curriculum with at least a 2.5 GPA or students who have completed an Associate Degree with a 2.0 GPA. Other students who are currently under the assured admission policy would now be listed under the delegated admission.

Regent Martinez asked if this wouldn't narrow the pool of applicants that could transfer to the universities. Ms. Jacobson responded that this policy supports student success. Transfer students need to be prepared so that they complete their education. At this time less than one-third of transfer students complete their college education. Having better prepared students will hopefully increase the number of students completing their degrees.

Regent Boice requested a report showing GPA of entering students, how many at what GPA graduate and how much financial aid is used by students that do not complete their degrees.

**CAPITAL COMMITTEE** (Chair: Regent Calderón)

**FY 2010 Capital Development Plans (ASU, NAU, UA)** (Agenda Item #13)

Morgan Olsen (ASU), Bob Smith (UA), Jane Kuhn (NAU) and Lorenzo Martinez (CO) joined the meeting for this presentation.

Regent Calderón stated that Arizona State University, Northern Arizona University, and the University of Arizona were requesting approval of their FY 2010 Capital Development Plans.

- A. Arizona State University  
Arizona State University requests approval of its FY 2010 Capital Development Plan, which includes 10 projects totaling \$447.2 million, and 4 third-party projects, for which costs are yet to be determined. ASU also plans to pursue federal stimulus funding for capital projects.
  
- B. University of Arizona  
The University of Arizona requests approval of its FY 2010 Capital Development Plan, which includes 4 projects totaling \$477.2 million. UA also plans to pursue federal stimulus funding for capital projects.

C. Northern Arizona University

Northern Arizona University requests approval of its FY 2010 Capital Development Plan, which includes 4 projects totaling \$134.8 million, and one residence hall third-party project, for which costs are yet to be determined. NAU also plans to pursue federal stimulus funding for capital projects.

Regent Calderón stated that each university updated their summary, at the request of the Capital Committee, to provide additional information which gives a better indication as to how additional planning and design activities will proceed in the coming year. This information will become a standard component of future plans.

Morgan Olsen stated that ASU six-month update includes five projects that are new to the CDP, nine that are in the previously CDP plan. Three projects are less likely to proceed this fiscal year and those are the new school of business building, the new school of construction building and the Packard Drive north parking structure.

Bob Smith stated that there are no new projects in the UA plan.

Jane Kuhn stated that there are no new projects in the NAU plan. All SPEED projects are on hold pending the outcome of the SPEED legislation.

Regent Mariucci raised concern about the debt ratio for NAU. She stated that the Board needs to be aware of how precarious the NAU debt ceiling is. President Haeger stated that the university was aware of the debt limit.

Upon motion by Regent Calderón, seconded by Regent Mariucci, the Board unanimously approved the Arizona State University, University of Arizona, and Northern Arizona University FY 2010 Capital Development Plans.

**Wellness Center Project Implementation Approval (NAU) (Agenda Item #14)**

Jane Kuhn and Lorenzo Martinez joined the meeting for this presentation.

Regent Calderón stated that Northern Arizona University was requesting Project Implementation Approval for the Wellness Center Project. The \$115.8 million project includes demolition of Lumberjack Stadium, renovation of 39,226 square feet of the existing recreation facility, and construction of 228,000 square feet of new classroom, athletic, recreation and health services space. The project will be financed with 30-year system revenue bonds to be repaid from the wellness fee and tuition revenues. Regent Calderón stated that NAU was also working on a new name for the facility giving the variety of spaces that comprise the project.

Upon motion by Regent Calderón, seconded by Regent Bulla, the Board unanimously approved the Northern Arizona University request for Project Implementation Approval of the Wellness Center project, as presented in the Executive Summary.

**Northeast Campus Utility Extensions: Combined Project Implementation Approval and Project Approval (NAU) (Agenda Item #15)**

Jane Kuhn and Lorenzo Martinez joined the meeting for this presentation.

Regent Calderón stated that Northern Arizona University was requesting combined Project Implementation Approval and Project Approval for the Northeast Campus Utility Extension Project. The \$6.5 million project includes utility extensions for steam, chilled water, electrical and telecommunications in order to replace aged, oversubscribed stand-alone systems, as well as provide future utility capacity in the northeast portion of campus. The project will be financed with 25-year system revenue bonds to be repaid from the wellness fee and tuition revenues.

Upon motion by Regent Calderón, seconded by Regent Bulla, the Board unanimously approved Northern Arizona University's request for combined Project Implementation Approval and Project Approval for the Northeast Campus Utility Extensions project, as presented in the Executive Summary.

**First Amendment to Agreement to Lease and Escrow Instructions with SunCor Development Company for Property on Rio Salado Parkway West of Rural Road (ASU) (Agenda Item #16)**

Morgan Olsen and Lorenzo Martinez joined the meeting for this presentation.

Regent Calderon stated that Arizona State University was requesting approval of an amendment to a lease agreement with SunCor Development Company for property located on Rio Salado Parkway West of Rural Road. The amendment would: (1) allow a parcel previously designated for a hotel to be used for other purposes; (2) delay the execution of the lease of the first of five parcels to occur no later than December 31, 2012, instead of December 31, 2009; and (3) allow the phasing of each parcel to be based on need, instead of the original sequencing.

Upon motion by Regent Calderón, seconded by Regent DeConcini, the Board unanimously approved Arizona State University's request to amend the agreement with SunCor Development Company as presented in the Executive Summary.

**Arizona Bioscience Park Master Land Use Plan (UA) (Agenda Item #17)**

Bruce Wright and Lorenzo Martinez joined the meeting for this presentation.

Regent Calderón stated that the University of Arizona was requesting approval of the Master Land Use Plan for the Arizona Bioscience Park.

Bruce Wright stated that this was a very exciting project to help advance the development of the Arizona Bio road map and to facilitate technology commercialization in Tucson. This is the culmination of nearly three years of intensive work.

Upon motion by Regent Calderón, seconded by Regent Leonard, the Board unanimously approved the University of Arizona's request for approval of the Arizona Bioscience Park Master Land Use Plan, as presented in the Executive Summary.

**Dissolution of the Research Park Development Corporation and Assignment of Responsibilities and Obligations at the UA Science and Technology Park and Arizona Bioscience Park to the Campus Research Corporation (UA) (Agenda Item #18)**

Regent Calderón stated that the University of Arizona was requesting approval to dissolve the Research Park Development Corporation (RPDC) and assign its responsibilities and obligations at the UA Science and Technology Park and the Arizona Bioscience Park to the Campus Research Corporation. Regent Calderón stated that based on discussions at the Capital Committee meeting, the University of Arizona updated the materials to reflect its intent to include one recent member and one current member of the Board of Regents on the Campus Research Corporation Board of Directors.

Bruce Wright and Lorenzo Martinez joined the meeting for this presentation.

Bruce Wright stated that several different entities had evolved to assist with the governance and management of the research park. The university just completed a ten-year financial business plan for the park. It was determined that it was important to streamline the governance of the park to improve the governance and oversight of the park. It was determined that having one entity would make more sense.

Upon motion by Regent Calderón, seconded by Regent DeConcini, the Board approved the University of Arizona's request for dissolution of the Research Park Development Corporation and assignment of its responsibilities to the Campus Research Corporation, including the addition of the Arizona Board of Regents' representatives, as presented in the Executive Summary.

**Master Leases between the Arizona Board of Regents and the Campus Research Corporation for Portions of the UA Science and Technology Park and for the Arizona Bioscience Park (UA) (Agenda Item #19)**

Regent Calderón stated that the University of Arizona was requesting approval of two master leases with Campus Research Corporation (CRC) for portions of the UA Science and Technology Park and the Arizona Bioscience Park. The University also was requesting a waiver of ABOR Policy 7-207.A.1 that limits the term of lease to 120 months.

Bruce Wright and Lorenzo Martinez joined the meeting for this presentation.

Upon motion by Regent Calderón, seconded by Regent DuVal, the Board unanimously approved the University of Arizona's request for master leases with Campus Research Corporation for portions of the UA Science and Technology Park and the Arizona Bioscience Park, including a waiver of Board policy limiting the lease term, as presented in the Executive Summary.

**Master Declaration of Covenants for Maintenance of Enhanced Infrastructure Improvements at The Bridges/Arizona Bioscience Park (UA) (Agenda Item #20)**

Regent Calderón stated that the University of Arizona was requesting Board approval of a Master Declaration of Covenants for Maintenance of Enhanced Infrastructure Improvements at The Bridges/Arizona Bioscience Park Planned Area Development.

Bruce Wright and Lorenzo Martinez joined the meeting for this presentation.

Bruce Wright stated that the Bioscience Park is part of a mixed use development known as the Bridges. The Bio Park is about 65 acres; the rest of the property, in total, is 350 acres. As part of the development the university is participating in the development, the maintenance and operation of common infrastructure. The Bio Park will share in its portion of the costs of those infrastructures. The responsibility under the master lease is assigned to the Campus Research Corporation and they will have responsibility for meeting these obligations.

Regent Boice asked what the status of getting the infrastructure done. Bruce Wright responded that the university had applied to the Economic Development Administration of the U.S. Department of Commerce for a \$4.7 million stimulus grant that would allow the building of the basic infrastructure. If the award is granted, there is a 120 day window, from the time of the award to the time when construction must be started.

Upon motion by Regent Calderón, seconded by Regent McLendon, the Board unanimously approved the University of Arizona's request for approval of the Master Declaration of Enhanced Infrastructure Improvements at The Bridges/Arizona Bioscience Park, as presented in the Executive Summary.

**Ground Lease Between the Arizona Board of Regents and the Vail Unified School District No. 20 (UA) (Agenda Item #21)**

Regent Calderón stated that the University of Arizona was requesting approval of a 50-year ground lease between the Arizona Board of Regents and the Vail Unified School District No. 20 for 18.08 acres at the UA Science and Technology Park with the provision that university and Board legal counsel approve the lease documents.

Bruce Wright and Lorenzo Martinez joined the meeting for this presentation.

Upon motion by Regent Calderón, seconded by Regent McLendon, the Board unanimously approved the University of Arizona's request for a 50-year ground lease with Vail Unified School District, as presented in the Executive Summary, and subject to approval of the final lease by university and Board legal counsel.

**ADMINISTRATIVE BUSINESS****Approval of Amendment to ABOR Bylaws with Regard to Appointments of Expert Community Members to Board Standing Committees (Agenda Item #23)**

Regent Boice stated that the Board was being asked to approve an amendment to its Bylaws to permit the appointment of expert community members to Board standing committees.

Nancy Tribbensee joined the meeting for this presentation.

Upon motion by Regent Boice, seconded by Regent Mariucci, the Board unanimously approved the amendment to the ABOR Bylaws with Regard to Appointments of Expert Community Members to Board Standing Committee.

**STRATEGIC PLANNING, BUDGET AND FINANCE COMMITTEE (Chair: Regent Bulla)****Report on Strategic Planning, Budget and Finance Committee (Agenda Item #25)**

Regent Bulla gave a report on the May 28, 2009 Strategic Planning, Budget and Finance Committee meeting.

Sandra Woodley joined the meeting for this presentation.

Regent Bulla stated that the Committee received an update from Ted Ferris on the status of the federal stimulus funds. At the time of the meeting, Governor Brewer had just submitted Arizona's application for the funds. Because rules and guidelines are still being developed by the federal government as to permitted uses of the stimulus dollars, the universities reported that they had not finalized their expenditure plans. All three universities have indicated that the stimulus funds will be used to help mitigate tuition increases in FY 2010 and 2011 and they will present their final plans to the Regents.

The Committee discussed the universities' March 31 Financial Status Updates which present actual revenues and expenditures to date, along with estimates for the June 30 year-end numbers. This provides the Committee an opportunity to monitor the financial position of each university as it moves through the fiscal year. After the Committee meeting, the members received the universities' April 30 updates which estimate significant deficits for Arizona State University and the University of Arizona and a slight increase in net assets for Northern Arizona University. The significant downturn in the economy is impacting several revenue streams.

The FY 2009 General Fund support was reduced mid-year by \$141.5 million, in addition to the \$50 million reduction taking at the beginning of the fiscal year. In addition, the Technology and Research Initiative Fund, TRIF, revenues continue to run about 20 percent below the prior year. The universities have also experienced significant declines in the market value of investments and actual investment income. Even with the expenditure cuts made by the universities in the form of employee layoffs and furloughs, restructurings,

program closings, and reduction of services, ASU and UA will not break even for FY 2009. The Committee also discussed how the rollovers would be handled.

The Committee asked staff to bring back for discussion ways to enhance financial oversight of the universities including ways to tie together the various analyses that the universities currently prepare.

The Committee received an overview from university staff of the revised system architecture plan. The Committee will review details of the plan, including funding estimates for the new models. As the revised system architecture plan moves forward the Strategic Planning, Budget and Finance Committee will work with Regent DuVal, who is leading the complementary effort under the Lumina Grant.

### **HUMAN RESOURCES COMMITTEE** (Chair: Regent Bulla)

#### **Multiple-Year Employment Contract for Head Coach of the Men's Basketball Team (UA)** (Agenda Item #26)

Regent Bulla stated that the University of Arizona was requesting approval of a five-year Multiple-Year Employment Contract for Sean Miller as Head Coach of the Men's Basketball Team for the period of May 1, 2009 through April 30, 2014.

President Shelton stated that the university believes that Sean Miller is a stellar individual, a strong coach, someone who conducts himself in a manner that will bring pride to the university and a coach with a great record of graduating his players.

Regent Calderón stated that in the near future, the Board was going to undertake an examination of intercollegiate athletics including what non-athletic benefits are derived from the signing of someone of this stature.

Upon motion by Regent Bulla, seconded by Regent Leonard, the Board unanimously approved the multiple-year employment contract for Sean Miller as Head Coach of the Men's Basketball Team at the University of Arizona, according to the terms and conditions set forth in the Executive Summary.

#### **Multiple-Year Employment Contract for Head Football Coach (NAU)** (Agenda Item #27)

Regent Bulla stated that Northern Arizona University was requesting approval of a One-Year Extension to the Multiple-Year Employment Contract for Jerome Souers as Head Football Coach.

Upon motion by Regent Bulla, seconded by Regent Leonard, the Board unanimously approved the multiple-year employment contract for Jerome Souers as Head Football Coach at Northern Arizona University according to the terms and conditions set forth in the Executive Summary.

**RECESS**

The meeting recessed at 4:10 p.m. and reconvened at 9:23 a.m. on Friday, June 19, 2009.

**MEASURING UNIVERSITY RESEARCH PERFORMANCE****Measuring University Research Performance (Agenda Item #34)**

Regent Boice stated that Arizona State University, Northern Arizona University, and the University of Arizona will now present and discuss metrics and comparative peer data used to measure the performance of their research programs.

Leslie Tolbert (UA), Rick Shangraw (ASU), Laura Huenneke (NAU), Sandra Woodley (CO) and Kathy Bedard (CO) joined the meeting for this presentation.

Regent Mariucci stated that she and Regent DuVal had worked with this group to set expectations of what needs to be accomplished today. The Board needs to understand the role of research at the institutions, the purpose and value of research and the methodology of how it is selected, awarded and accounted for. It is critically important to understand the distinction between a research university, a high-performing research university and a college. The Board needs to decide what the role of research is in the strategic plan today and going forward.

Leslie Tolbert spoke about federal research funding. The federal government is the largest source of university research funding providing \$30.4 billion in FY 2007 and accounting for more than 60% of total research expenditures most years since FY 1972. The federal government's share has declined in recent years, dropping from 64% to 62%. After adjusting for inflation, federally funded university research expenditures declined 1.6% from FY 2006.

Dr. Tolbert then spoke about the University of Arizona's research. She stated that the University of Arizona is the leading public research university in the Southwest. She spoke about how the university ensures that the university's research is useful and important. The strategy at the University of Arizona is to constantly assess the needs of the state, the nation, and the world. Then determine where the UA can make important contributions based on strengths. Then align the strengths with the needs by hiring and retaining top faculty in those areas and provide the infrastructure that will allow them to succeed. The university does annual performance evaluations to ensure that faculty continues to be highly effective researchers.

Leslie Tolbert, Rick Shangraw and Laura Huenneke each spoke about their university's research programs.

The universities' research philosophy is that every researcher is an entrepreneur, seeking and obtaining funding for their work. Researchers are given the freedom to succeed. In today's society, universities are the major source of basic science research, which forms the basis for tomorrow's applications, and basic research is done in small steps.

Research is specialized and sometimes topics may sound trivial to the non-expert. Consider that no one expected that the analysis of tree rings would lead to a uniquely important way of monitoring global climate change and history of fires, droughts, and floods or that genetic work in fruit flies would lead to the identification of most of the genes we now understand to play roles in human disease. Good research leads in directions not yet imagined.

The universities described their basic screening processes for approving faculty research proposals to be advanced. Factors considered include strategic importance, faculty expertise, personnel requirements, infrastructure requirements (including laboratory space, library or computer resources, and specialized equipment), anticipated level of indirect cost recovery, technology transfer potential, synergistic opportunities with other awards and collaborative opportunities with other universities and entities.

The universities have agreed on eleven common measures of research performance. These measures are: (1) total research expenditures; (2) federally funded research expenditures; (3) doctoral degrees awarded; (4) postdoctoral appointees; (5) National Academy members; (6) invention disclosures; (7) patent applications filed; (8) patents issued; (9) licenses and options executed; (10) licensing revenue; and (11) start-up companies.

Regent Boice stated that the Regents learning more about research is an important issue. Research is a very deep and complex subject and very difficult to evaluate.

Regent Mariucci stated that the research component of the university mission is under siege. The economic difficulties that grip the state have led people to think that disinvesting in research at the university might save the state money. These individuals are incorrect. The materials that have been gathered, and the manner that it has been presented, is a starting point. The universities have an image problem relative to research in this state. Hopefully this discussion and the actions the Board takes in support of these efforts enhance the communication and the statewide awareness of what research does and can do for the state.

Regent DuVal stated that the Board has a fiduciary responsibility. Much of the research has social applications that the public never hears about. That is a marketing objective that the Board must overcome. The public hears bits and pieces about the relevance of research to new inventions and new ideas, patent discoveries and economic growth strategies. The Board also has an obligation to convince the public that some research has value for which you cannot predict the outcome. The Board also has a responsibility to the taxpayers that research is socially relevant.

Regent Bulla stated that the documentation that is provided on the TRIF money has been very positive and look into how that could be utilized to show what is happening in all research venues. Regent Bulla stated that he would like to see how research is being managed within the university. For example, the aging and magnitude in receivables.

Regent DeConcini asked how you make a distinction between research and teaching. How do you monitor the research professors, how do you know they are doing research? How often is each university approached by a government agency without making a proposal for funds? He further asked if there were any states, similar in size to Arizona, that do not have a public research institution? Regent DeConcini stated that the universities need a plan to bring information regarding research to the legislature and to the public.

Regent Leonard stated that she believed the universities have a good start getting information out to the public. She has received some information in the mail regarding profiles of students doing research and thought it was very understandable and useful. She asked if there were opportunities for the universities to collaborate with each other. Laura Huenneke stated that sometimes the universities collaborate with each other, but sometimes they are also competing with each other.

Regent Mariucci stated that she was surprised and impressed with the wealth of systematic, nationwide benchmarking data as it relates to research. She stated that she would like to know what the universities do to correct a research component that is not producing as it should, such as NIH getting grants.

Dr. Tolbert stated that in relation to the College of Medicine, the amount of research being done there relates to the size of the staff which is very small. President Shelton stated that he has put in place a new managerial team that understands the important of research. Leadership needs to be willing to step in and assist with putting together plans to increase funding.

Regent McLendon stated that what is really needed is for people to understand the importance of research. The Board needs to reach out to the state, the legislators, and the citizens to help them understand how important research is to economic development.

Regent Boice stated that he agreed that the Board and the universities need to communicate what is being done at the universities. Everyone needs to do a better job of communicating what is going on, what research is being done and the impact and affect, as well as the value, of research both short and long term. People will support things that they admire and deem to be successful.

Regent DuVal stated that the size and power of the stimulus money is a transformative moment for this system. Five years from now there will be winners and there will be people frozen in place. Our system is positioned to be winners. Please tell the Board what you need. This is an opportunity and if there is anything that any Regent can do to assist with getting the stimulus money, we are willing to do it.

Dr. Shangraw stated that the universities need to figure out a way that they can do more collaborative work. He stated that he believed there will be some great opportunities over the next few months to do more collaboration. The universities coming together could very well give them a strategic advantage in the collection of more stimulus funding.

#### **HUMAN RESOURCES COMMITTEE (Continued)** (Chair: Regent Bulla)

##### **Notice of Reappointment and Multiple-Year Employment Contract for President of Northern Arizona University** (Agenda Item #35)

Regent Bulla stated that the Board was being asked to approve the notice of reappointment and Multiple- Year Employment Contract of Dr. John Haeger as President of Northern Arizona University for the period July 1, 2010 through June 30, 2013.

Regent Bulla stated that there was a change in the terms for tax purposes. President Haeger would be taking his compensation as salary instead of as deferred compensation.

Upon motion by Regent Calderón, seconded by Regent DuVal, the Board unanimously approved the notice of reappointment and Multiple-Year Employment Contract of Dr. John Haeger as President of Northern Arizona University for the period July 1, 2010 through June 30, 2013 according to the terms and conditions set forth in the Executive Summary with the change that he would be taking his increase in compensation as salary instead of as deferred compensation.

#### **TECHNOLOGY OVERSIGHT COMMITTEE** (Chair: Regent DeConcini)

##### **Report on Technology Oversight Committee** (Agenda Item #36)

Regent DeConcini gave a report on the June 18, 2009 Technology Oversight Committee meeting. He stated that the Committee was briefed on the AZUN Strategic Plan accomplishments. The Committee also approved the AZUN Strategic Plan for fiscal years 2010-2014.

In October 2007, the Committee approved the allocation of \$50,000 from the AZUN budget to fund the Arizona Broadband Connective Initiative. The Governor's Information Technology Agency has finished its study to improve broadband service. The Committee was briefed on the highlights of the completed study including the next step, which is to determine broadband availability throughout Arizona.

The University of Arizona provided the Committee with a status report on its Mosaic project. Charlie Moran, consultant for the UA's Mosaic project, presented his latest project audit report.

The Committee also approved a request by Dr. Coor for the Advancing Arizona through Web-Based Initiatives. Dr. Coor presented the results of the initial funding of this project at the December 2008 Board meeting. The total project cost is \$225,000 per year for two years, and a third year if funding is available. The Committee approved the funding of \$160,000 for

this project. The sources of funds are from the Arizona Regents Reach Out (ARRO) and AZUN programs. Request for an additional \$65,000 from the TRIF Regents Innovation Fund will be brought to the Board in August.

The Committee approved the universities' IT Strategic Plans for fiscal years 2010-2014 with an amendment that goals be set.

The universities' Chief Information Technology Officers presented their twelve-month follow-up reports to the Auditor General concerning the IT Security Performance audit. Their assurances made that they will be in full compliance by December of 2009.

The Committee reviewed and recommended for Board approval ASU's request to replace its in-house telecommunications operations using Qwest at an annual budget of \$10.8 million for a five-year total project cost of \$54 million.

#### **Qwest IT Project (ASU) (Agenda Item #37)**

Regent DeConcini stated that the Board was being asked to approve Arizona State University's proposal to transition management and operations of its network to Qwest Communications for a period of five years at a total five year cost of \$54 million.

Upon motion by Regent DeConcini, seconded by Regent Leonard, the Board unanimously approved ASU's request to replace its in-house telecommunications operations using Qwest at an annual budget of \$10.8 million for a five-year project cost of \$54 million.

#### **PUBLIC AWARENESS COMMITTEE (Chair: Regent DuVal)**

##### **Update on Public Affairs and Solutions Through Higher Education (Agenda Item #38)**

Regent DuVal updated the Board on public affairs activities and Solutions Through Higher Education.

Andrea Smiley joined the meeting for this presentation.

Regent DuVal stated that the Solutions Through Higher Education campaign began a little more than 18 months ago as a public education effort aimed at raising awareness of the critical role higher education plays in ensuring economic prosperity for the state and its citizens. The coalition has done a good job of raising awareness across the state. The coalition has nearly 6,000 members and members have made more than 200 presentations statewide. The coalition has ventured into social media with a Facebook page, as well as a Twitter account with nearly 300 followers.

Solutions has been actively engaged in supporting the Governor's budget proposal. The Solutions coalition is grateful to all of its members for its support of education and the Governor's budget. Also, beginning Monday Solutions is sponsoring a state-wide radio ad that will run in Maricopa, Pima, Yavapai and Yuma counties to show support for the Governor's budget. In the last 48 hours there have been some great articles in the newspapers as well.

Andrea Smiley reported that the Board and the universities have continued to work closely with the media to ensure that Arizonans understand the impacts of the budget proposals before the Governor and elected officials. The Board has met with editorial boards from the Arizona Republic and the Arizona Daily Star to continue the discussions on why the Governor's budget is the best option for Arizona's future. Further an opinion editorial from Regent Boice has been submitted to smaller, community newspapers around the state.

## **LEGISLATIVE AFFAIRS COMMITTEE** (Co-chairs: Regent McLendon and Regent DuVal)

### **Report on Legislative Activities** (Agenda Item #39)

Regent McLendon reported on legislative activities. He stated that the Board may wish to provide additional guidance on the positions on legislation as recommended by the Legislative Affairs Committee and by the university government affairs officers.

Christine Thompson and Christie Farley joined the meeting for this presentation.

Regent McLendon stated that the Senate has begun to hear bills in marathon Committee hearings. The House and Senate appear to be on target to complete work on legislation by July 1.

Christine Thompson stated that the Senate will soon consider SB1370, which requires participants in the WICHE professional student exchange program to pay back 100% of the state subsidy if they do not fulfill their in-state practice obligation.

Also on the Senate agenda is SB1135 which expands the Math, Science, Special Ed Teacher Loan Program to include students attending private institutions and moves administration of the program to the Postsecondary Commission.

The Senate has heard SCR1031 which would place on the 2010 ballot a constitutional change that will prohibit discrimination and preferential treatment.

The university and Board lobbyists are watching out for strike everything amendments onto existing legislation. Two competing Senate bills are being considered that make changes to the Government Property Lease Excise Tax. The bills have been added to the committee's list of legislation that requires additional study and the universities are working with the sponsors to make sure university 3rd party financing projects are not impacted by the changes.

SB1331 was amended Monday to require specific salary reductions for state employees in certain salary ranges. The bill has been moved to the list of bills that would be detrimental to the university system. This bill has not yet been scheduled for consideration by the full Senate.

Turning to the Budget, the FY10 budget passed two weeks ago by the legislature still has not been transmitted to the Governor for her action. The Governor filed a Special Action with the Supreme Court to compel the legislature to transmit the bill to her. The Legislature's

response is due to be filed today, the Governor's reply is due Monday, with oral arguments scheduled for Tuesday morning. Even as the Court's action is pending, FY10 budget negotiations have continued between the Governor and the Republican Leadership. The Governor's budget proposal remains the most favorable to the university system.

Regent McLendon stated that unless any member would like to offer a recommendation to the contrary the Government Affairs Group is directed to continue to advocate, on behalf of the Board, in accordance with the positions outlined. The Legislative Affairs Committee will continue to give direction to the universities relative to the positions on legislation prior to the next Board meeting.

## **REPORT FROM PRESIDENT-ELECT ERNEST CALDERON**

Regent Calderón, President-elect, reported on his plans for the upcoming year. He stated that the ABOR mission is a very powerful statement and needs to be very visible so the citizens and all of the university constituencies know what the Board and the universities are committed to achieve for them and for Arizona.

He stated that the overarching challenge the Board and the universities faced in the past year was budget cuts. At the same time, student enrollment continued to increase. He complimented President Boice for his steady and strong leadership and recognized and thanked the Committee chairs and Committee members for all their efforts and commitment to making the university system the best it can be. He further thanked the University Presidents and their faculty and staff for their hard work and tough decisions as well as continuing to provide a high-quality education to students.

Regent Calderón stated that the Board had worked on a number of items in the past year and will continue to work on these initiatives. Several of the initiatives that have been undertaken, if successful, will dramatically change the face of the university system. The major initiatives which are the platforms for a reform agenda are listed below:

- The 2020 strategic plan has laid out aggressive goals for future achievements;
- The Lumina Planning Grant has provided a mechanism to work with community college partners and policymakers to increase degree productivity;
- Governor Brewer has asked the Board to look at ways that the system architecture can be reformed to make a college education more accessible and affordable to all;
- and
- Solutions provides the vehicle to spread our message and recruit and engage a broad-based coalition of university system supporters.

The Board must continue to provide the proper governance and oversight that is owed the citizens of Arizona and to work on reforms that promote affordability and accessibility.

Regent Calderón stated that he, along with Regents McLendon and DuVal attending the Lumina meeting in Denver last week where they were presented with options regarding accessibility and affordability and they came away with some great ideas. He stated that he came away with one concept for a delivery model that he believed was worthy of exploring.

The concept would work as follows: In partnership with a community college, the Board would identify a handful of degrees that Arizona greatly needs and develop programs in which the first three years the student receives instruction at a community college and pays tuition at the community college rate. The program would be voluntary, but as a prerequisite for participation in the program, a high school student would agree to take six hours of math, science, and/or English in their senior year for credit. The student would attend a community college assigned by ABOR in the 1st and 2nd years. In the third year, the universities are responsible for approval of the curriculum. If the community college can offer the instruction to the universities' satisfaction, then they would provide the instruction. If not, then the community college would pay the universities to provide the instruction. In the fourth year, the student would attend one of the universities, pay university tuition, and graduate with a university B.S. or a B.A. degree. The finer details, of course, will need to be worked out. Regent Calderón asked the university presidents to research and refine this suggestion and report back at the August meeting whether this could be accomplished or not.

Regent Calderón stated that it was important that the universities and the Board have engaged stakeholders. The Board needs to determine a process to discuss reform options and ideas with our stakeholders. He believes we need to form focus groups or an advisory council to vet these proposals and recommendations. It is important to speak to the customer, to the consumer and find out what they want.

He further stated that he felt this was an opportune time to take another look at the utilization of classroom space to be sure the universities are maximizing the usage of the limited space. He asked that the Chair of the Capital Committee serve as the Lead Regent, reporting back through the Capital Committee, to a workgroup appointed by the Council of Presidents to assess the current classroom space and future needs; do a comparison of classroom usage with peers and/or national standards; provide recommendations for way to better maximize usage of classroom space; and to establish criteria the Board can use in making decisions relative to constructing new classroom space. He stated that he would like to have a rough model by January 2010.

Regent Calderón stated that another issue he would like to tackle this year is intercollegiate athletics. He stated that he believed a more comprehensive review of athletic programs was in order. He suggested that a Regents' Ad Hoc Committee be appointed to look at issues such as academic achievement, Title IX issues, adequacy of facilities, student athlete discipline and economics, including coaches' salaries. He asked Regent DeConcini to chair this committee. He also asked that the committee see if intercollegiate athletics are providing enough of a return and enough support to the non-athletic portions of the community.

He then stated that the Regents know that the universities need to operate more efficiently and provide better oversight. He asked ABOR staff to work with committee chairs to determine if there are opportunities which would help improve efficiency and oversight by use of centralization and collaboration in areas such as capital, audit and legal. He would like to have a report presented at the September Board meeting.

Regent Calderón stated that the State of Arizona needs a data system that tracks the entire pipeline of a student from kindergarten through college and into the workforce. ABOR staff is

already working on this issue. Data systems exist for each separate entity (K-12, community colleges, universities) but they do not "talk" to each other. Federal stimulus funding includes money for states to design and implement data systems. ABOR central office staff needs to determine what Arizona needs to do to obtain some of these funds and continue working to get a system that will work for all.

Regent Calderón stated that another area that should be explored is on-line education on Arizona's military bases. He stated that universities in other states are providing on-line education to military bases in Arizona. Working through the Technology Oversight Committee, he asked NAU, which is responsible for AZUN, to take the lead in working with the other universities and to report back to the Board by December on what can be done to become a top provider to military personnel around the country.

He stated that another way to increase degree productivity is to explore the feasibility of offering additional competency exams. He stated that he would like the universities to encourage students, particularly non-traditional students, to demonstrate their competency and receive university credits. He challenged the university presidents to determine if there are additional competency exams that could be developed that would permit students to demonstrate their mastery in an area without taking up seat time thereby saving them time and money in the pursuit of a degree. He asked that the Presidents, working through the Academic Affairs Committee, report back by the August Board meeting if this proposal is possible and to provide an inventory of current competency exams which are now being offered.

Regent Calderón stated that the Board and the universities need to look at how to be productive and offer high quality programs. The first step is to review duplicate programs. He would like the universities to develop an inventory of duplicate programs and resources dedicated to these programs. The Board needs to use quantifiable measurements to determine the number of students being served, how many programs are needed in each area and whether we should be offering them. He asked that the inventory be completed and presented to the Academic Affairs Committee by September. After receipt of this information, the Board will decide if it wants to conduct a more intensive system-wide inventory.

Regent Calderón stated that he believed it was necessary to assess any special contractual arrangements. He asked that each university do an inventory of any special contractual arrangements that have been made.

Regent Calderón discussed the calendar for Board meetings. He further stated that he would be combining the Public Awareness and Legislative Affairs Committees into one committee. He then listed his committee chairs for FY 2009-2010.

Regent Calderón stated that the Regents need to do more public outreach. He encouraged all Regents to be involved in outreach to the business community/service/community groups, and our constituents through speeches, Solutions presentations, and attendance at meetings. He also stated that former Regents were an untapped source and the Board needs to recognize their former involvement and ask them to help carry the Board's message to the public. ABOR staff is also going to develop a Regents' dashboard and a bi-weekly newsletter to be sent to former Regents, constituents and supporters.

**REPORT FROM THE ARIZONA FACULTIES COUNCIL**

Dr. Mutchler thanked the Regents for the time they devote to the cause. He thanked the Central Office staff and university staff for all the assistance they have provided him. He believes the Board and the faculty have become a little closer this year.

**INQUIRIES, REQUESTS, REPORTS, AND COMMENTS FROM REGENTS AND MEMBERS OF THE COUNCIL OF PRESIDENTS**

Regent Boice stated that this was Dr. Mutchler's last meeting as the representative of the Arizona Faculties Council. On behalf of the Board, Regent Boice thanked Dr. Mutchler for all of his contributions and time spent at the Board meetings and in committee meetings. He further stated that Dr. Mutchler had provided the Board with many good ideas and has been an important contributor at the Board meetings. President Shelton added his appreciation as a voice for the faculty and system.

Regent Boice then stated that this was also David Martinez's last meeting. He thanked Regent Martinez, on behalf of the Board, for his service to the Board and his participation in many committees and also for his outstanding job of presenting the student voice on various issues such as tuition and fees, textbooks costs, etc. ASA then thanked Regent Martinez for his service. The three presidents also expressed their appreciation to Regent Martinez for his commitment, time, passion, and service.

Regent Calderón then thanked Regent Boice, on behalf of the Board, for his leadership as President for the last two years. ASA then thanked Regent Boice for his service as the President of the Board. Joel Sideman thanked Regent Boice, on behalf of the central office staff, for his service.

**ADJOURNMENT**

The meeting adjourned at 12:00 p.m.

SUBMITTED BY:

Margaret L. Martin  
Secretary to the Board

APPROVED BY:

Fred T. Boice  
President