

EXECUTIVE SUMMARY

INFORMATION ITEM: Update on the feasibility and planning study of the proposed redesign of the university system

ISSUE: The Board will be provided an update on the feasibility and planning study of the proposed redesign of the university system.

BACKGROUND:

- On June 3, 2004, the Board conducted a special study session to review the anticipated growth in student enrollments through the year 2020 and a proposed redesign of Arizona's university system to accommodate this growth.
- At the June 3 meeting, the Board authorized a feasibility and planning study of the redesign proposal presented at the study session and of any other meritorious proposals submitted to the Board.
- The Board set a July 1, 2004 deadline for the submission of alternative proposals to redesign the university system.

DISCUSSION:

The scope of the feasibility and planning study of the proposed redesign of Arizona's university system is described on pages three through five.

An Arizona Board of Regents' (ABOR) internal work group – the ABOR Feasibility and Planning Study Internal Work Group – will be formed to conduct the feasibility and planning study. The organizational structure to carry out the study is outlined on pages six and seven, and the list of internal work group members is provided on page eleven.

Mary Jo Waits has been appointed as the staff director of the study and will work closely with David Longanecker, Executive Director of the Western Interstate Commission for Higher Education (WICHE), who will serve as the project consultant. Mary Jo formerly was with the Morrison Institute, having served as the Associate Director overseeing the Institute's project development, publications, research and analysis. She was the

CONTACT: Cathy McGonigle – (602) 229-2528 – Cathy.McGonigle@asu.edu

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principal author of *The New Economy: A Guide for Arizona* and *The New Economy: Policy Choices for Arizona*. She also was the principal author of *Five Shoes Waiting to Drop on Arizona's Future*. Mary Jo Waits' and David Longanecker's biographical data can be found on pages nine and ten.

Stakeholder involvement is critical to the feasibility and planning study. Accordingly, eight stakeholder groups will be established to participate in the study. The stakeholder process is described on pages six and seven. The stakeholder groups are depicted in pictorial form on page eight. Stakeholder group meetings are expected to begin in August 2004.

An action plan with a timeline for the study will be developed and presented at the Board's August 2004 meeting.

A report on the progress of the study will be made at every regularly scheduled Board of Regents' meeting for the duration of the feasibility and planning study. Special study sessions will be held as necessary.

As an integral part of the study, alternative plans to redesign the university system will be carefully reviewed and considered in addition to the proposed plan presented at the Board's June 3 study session. A report on the status of the review of alternative plans will be presented at the Board's September 2004 meeting.

RECOMMENDATION:

This update is provided for the Board's information.

**PROPOSED SCOPE OF WORK
FOR A FEASIBILITY AND PLANNING STUDY
OF PROPOSALS FOR THE REDESIGN
OF THE ARIZONA UNIVERSITY SYSTEM**

At the June 3, 2004, Special Board meeting, the Regents proposed a model for the redesign of the university system and set July 1, 2004, as deadline for the submission of alternative proposals. The Board also authorized a feasibility and planning study of the proposals and asked for recommendations on the scope and organization of the study to be developed for review at the June 2004 Board meeting. The scope of work for this study can be described in terms of the principles that guide the study, the needs assessment for the redesign, the strategic questions to be answered by the study, and the elements to be included in an implementation plan.

Guiding principles

Guiding principles for the feasibility and planning study that might also serve as criteria for evaluating proposals should include the following:

- Access—To provide access to all qualified Arizona students desiring a 4-year public education, and to accommodate the anticipated future growth in demand for higher education.
- Affordability—To ensure that a 4-year public education is affordable for all students and their families.
- Quality—To provide instruction, research and service at a high level of quality through Arizona's public universities,
- Effectiveness—To raise the educational level of Arizona's workforce by increasing current enrollment, persistence, and graduation rates for all qualified students.
- Efficiency—To provide education that is efficient and cost effective and that operates within the taxation and budgetary capacity of the State of Arizona and its taxpayers, including any inherent fiscal constraints or structural deficits.

Needs Assessment

Based upon these guiding principles, the feasibility study should begin with an assessment of the need for redesigning the university system. Is the current organizational structure of the university system capable of providing affordable access for all qualified Arizona students to high quality university education that is both effective and efficient—or is further development of the system through a redesign needed? This needs assessment should serve to validate the enrollment projections and assumptions regarding a possible future crisis of access and capacity upon which the proposed plan for redesigning the university system is predicated.

Strategic Questions

The feasibility and planning study should be organized to provide answers to a set of strategic questions. In each strategic area, the strengths and weaknesses of the proposal and of modifications or alternative to the proposal that are submitted to the Board should be described. The strategic questions should include the following:

1. Educational Quality—Does the proposal suggest how educational quality can be optimized across all institutions? How does the proposal link the quality of instruction to the differentiation of missions?
2. Access to Education—Does the proposal provide affordable access and opportunity for all of Arizona’s citizens, and does it address needs arising from the changing demographics of the state, including:
 - The rapid growth of the Latino population
 - The special needs of the first-generation college-going population
 - The educational needs of rural Arizona, including place-bound populations and Arizona’s Native American tribes
3. Economic Feasibility—Is the proposal for redesigning the university system economically feasible? Will it provide affordable access for all qualified Arizona students to high quality university education that is both cost effective and efficient?
4. Economic Development—How does the proposal complement the different economic and workforce development needs and opportunities of Arizona’s various geographical areas and economic regions?
5. Organizational Changes—What major organizational, statutory or governance changes would need to be made in the short, intermediate, and long run to implement the proposed reorganization?
6. Community College Collaboration—What collaborations between and among Arizona’s university and community college systems and institutions need to be continued or strengthened, including existing and new 2+2 arrangements, articulation agreements and transfer student support systems?
7. Efficiencies—What university collaborations, resource sharing, economies of scale and other efficiencies should be explored if the proposed organizational model is adopted?
8. Financing—What are the implications of the proposal for investments (expenditures), additional funding requirements, and sources of funding for both operating and capital needs in the short, intermediate, and long run?
9. Faculty Resources—What are the benefits and other implications of the proposal for changes in the allocation of faculty resources to undergraduate teaching and to research?

Implementation Plans—Assuming that a redesign proposal is found to be feasible and approved by the Board for purposes of planning, the planning phase of the study should involve a number of steps through which the proposal could be further refined and implementation plans could be developed for Board review and approval.

1. Mission Definition—The proposed mission, scope and role of each entity in the system, especially those of new entities, need to be clarified, with particular attention to the relative emphasis upon teaching, research and public service.
2. Management Practices—Assumptions need to be articulated regarding the levels of tuition and financial aid, requirements for admissions by campus and program of resident and out-of-state undergraduate and graduate students, primary service areas, faculty and staff productivity, emphasis on teaching and research, mix of tenured/tenure-track and non-tenure track, delivery of e-education, and student and administrative support services.
3. Organizational Structures—The number and nature of colleges, schools, departments, and centers and institutes, together with the administrative lines of command should be outlined.
4. Statutory Changes—What statutory changes need to be pursued in order to implement the proposed budgetary and organizational aspects of the proposal?
5. Academic Programs—The levels, disciplinary emphasis and mix of courses and programs needs to be specified. Expectations regarding regional accreditation of campuses and national accreditation of programs should be described.
6. Campuses and Physical Facilities—Current and future campus location, size, and physical plant should be described.
7. Resource Implications—Short-term new personnel, facility and other operating and capital needs should be summarized.
8. Funding Mechanisms—The nature and structure of funding streams, including anticipated levels of tuition and financial aid, state funding mechanisms, grant and contract revenue, auxiliary budgets, and anticipated philanthropic revenue should be described.
9. Accountability Mechanisms—The implementation plan should include a description of intended indicators of academic and fiscal performance and other returns on state and student investments. These mechanisms should demonstrate how the redesigned system would provide affordable access for all qualified Arizona students to high quality university education that is both effective and efficient.

PROPOSED ARIZONA UNIVERSITY SYSTEM REDESIGN

FEASIBILITY AND PLANNING STUDY ORGANIZATIONAL STRUCTURE

An internal work group – the ABOR Feasibility and Planning Study Internal Work Group – will be established to conduct the feasibility and planning study of the proposed redesign of Arizona’s university system.

The ABOR Feasibility and Planning Study Internal Work Group will include:

- Regent Chris Herstam, appointed to the work group effective July 1, 2004 by President-Elect Gary Stuart, who will serve as the liaison with the Board of Regents;
- David Longanecker, Executive Director of the Western Interstate Commission for Higher Education (WICHE), who will serve as the project consultant;
- Mary Jo Waits, formerly the Associate Director of the Morrison Institute for Public Policy, who will serve as the study’s staff director; and
- Representatives from the universities and central office of the Arizona Board of Regents.

Technical experts will assist the internal work group as necessary.

Stakeholder involvement is critical to the feasibility and planning study. To this end, eight stakeholder groups will be established to participate in the feasibility and planning study representing the following constituencies (listed alphabetically):

- Alumni/Community
- Business/Economic Development Community
- Community Colleges
- Diversity groups
- Elected Officials
- Faculty
- Staff
- Students

The stakeholder groups will suggest issues to be addressed by the study, including the ways in which these might be addressed, and to provide feedback on proposed recommendations to the Board of Regents.

Each stakeholder group will be provided multiple opportunities to meet with the ABOR Feasibility and Planning Study Internal Work Group to identify and discuss issues to be addressed during the study and to provide feedback on the proposed recommendations to the Board.

Since support by the executive and legislative branches of government is critical to any redesign of the university system, the Governor and the legislature will be consulted throughout the course of the study.

A schedule of meetings between each stakeholder group and the ABOR Feasibility and Planning Study Internal Work Group will be developed and published at the beginning of the redesign study. Meetings between stakeholder groups and the internal work group will be open to the public.

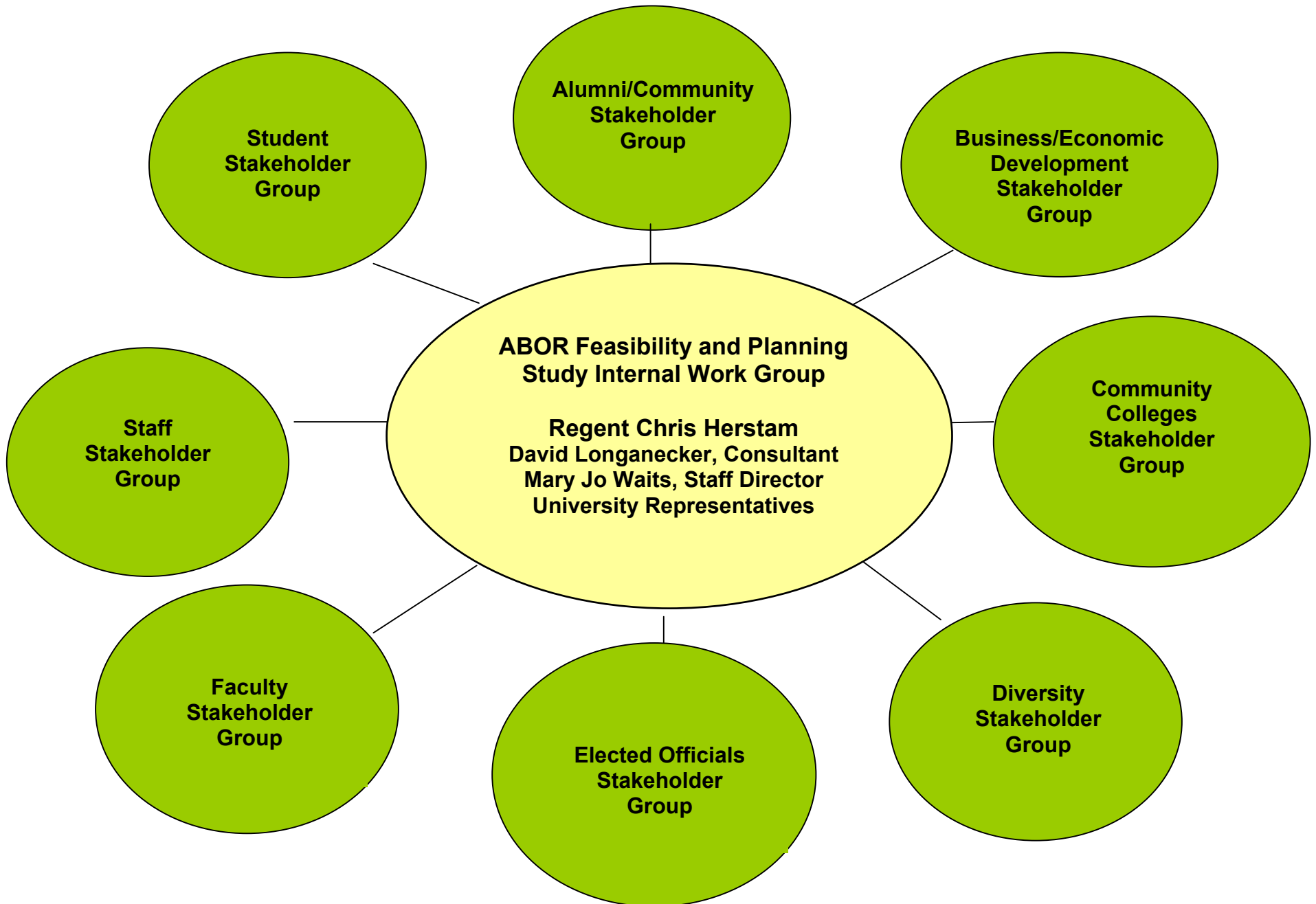
Regent Chris Herstam and the university presidents will serve as a review team, reviewing the work group's recommendations. The Board of Regents will make the final decision relating to any recommended redesign of the university system.

At every regularly scheduled Board of Regents' meeting for the duration of the feasibility and planning study, a report will be provided on the progress of the study. Study sessions will be conducted as necessary.

Before final recommendations are submitted to the Board of Regents, public forums will be conducted around the state by the ABOR Feasibility and Planning Study Internal Work Group to discuss and obtain comment on the proposed recommendations to the Board.

Before adopting any recommended redesign of the university system, the Board will consult with the executive and legislative branches of government to discuss the proposed changes and how these can be collaboratively achieved by the Governor, the legislature, and the Board of Regents.

PROPOSED ARIZONA UNIVERSITY SYSTEM REDESIGN -- STAKEHOLDER GROUPS



MARY JO WAITS

Mary Jo Waits is a senior fellow with the Center for the Future of Arizona, a nonprofit organization founded by Lattie Coor, former President of Arizona State University. For more than a decade, she was Associate Director of the Morrison Institute for Public Policy, a “think tank” at Arizona State University. She oversaw the Institute’s project development, publications, research and analysis. She was one of two lead consultants for Arizona’s economic development strategies--Arizona’s Strategic Plan for Economic Development, 1990 and Arizona’s Partnership for the New Economy, 2001. She was principal author of *The New Economy: A Guide for Arizona* and *The New Economy: Policy Choices for Arizona*. She was project director for the October 2000 report, *Hits and Misses: Fast Growth in Metropolitan Phoenix*. She was commissioned by the Alliance for Regional Stewardship to produce a monograph, *The Downtowns of the Future: Opportunities for Regional Stewards* in 2001. Based on that work, Ms Waits served as W.K. Kellogg Foundation Expert-in-Resident.

She was the principal author of *Five Shoes Waiting to Drop on Arizona’s Future*, the fourth publication in the Institute’s *Arizona Policy Choices* report series. The National Conference of State Legislatures awarded the “Five Shoes” report a 2002 Notable Document Award. Most recently, she was the principal author of *Which Way Scottsdale?*, a report widely acclaimed for shaping that city’s –and other cities’—strategy to lead in the knowledge economy.

In 2002, she received the Desert Peaks Regional Excellence Award as the single individual who demonstrated exemplary commitment to the spirit of regionalism. She was nominated for the award by the City of Phoenix because of her positive impact on the public debate and policy choices in the region and in Arizona.

Ms. Waits was assistant director for the Arizona Governor’s Office of Policy Development and Planning during the Babbitt Administration. She also served as a senior economic policy advisor to the governor and lieutenant governor of Alaska.

Governor Symington appointed Ms. Waits to serve as an executive board member of the Governor’s Strategic Partnership for Economic Development (GSPED). She served four years as a member of the North American Development Bank’s Advisory Board, appointed by President Clinton, and for four years as a member of the Phoenix Planning Commission.

Ms. Waits has been a keynote speaker for national conferences including Western Governors Association, National Governors Association Center for Best Practices, National Conference of State Legislatures, Council on State Governments, US Department of Commerce, International Downtown Association, International Economic Development Council, Alliance for Regional Stewardship, American Association of State Colleges and Universities, Association of Governing Boards of Universities and Colleges.

She is a member of the *Economic Development Quarterly*’s editorial board. She has written extensively on the industry clusters approach to economic development. Her articles on economic development have been published in *Public Administration Review*, *Economic Development Quarterly*, and *Economic Development Commentary*.

Ms. Waits holds a master’s degree in public administration from the University of Southern California. She was a doctoral candidate (ABD), University of Michigan.

David A. Longanecker
Executive Director, WICHE

David A. Longanecker is the executive director of the Western Interstate Commission for Higher Education in Boulder, Colorado.

Previously, he served for six years as the assistant secretary for postsecondary education at the U.S. Department of Education, developing and implementing national policy and programs providing more than \$40 billion annually in student aid and \$1 billion to institutions. Prior to that he was the state higher education executive officer (SHEEO) in Colorado and Minnesota.

He was also the principal analyst for higher education for the Congressional Budget Office. Dr. Longanecker has served on numerous boards and commissions and was president of the State Higher Education Executive Officers. He has written extensively on a range of higher education issues.

His primary interests in higher education are: access, teacher education, finance, the efficient use of educational technologies, and academic collaboration in Canada, the United States, and Mexico. He holds a Ed.D. in education from Stanford University

PROPOSED ARIZONA UNIVERSITY SYSTEM REDESIGN

ARIZONA BOARD OF REGENTS FEASIBILITY AND PLANNING STUDY INTERNAL WORK GROUP MEMBERS

Regent Chris Herstam

David Longanecker, Executive Director of the Western Interstate Commission
for Higher Education -- Project Consultant, Arizona Board of Regents (ABOR)
Feasibility and Planning Study Internal Work Group

ABOR Central Office

Mary Jo Waits, Staff Director, ABOR Feasibility and Planning Study Internal Work Group
Cathy McGonigle, ABOR Deputy Executive Director

Arizona State University

Kathy Church, Vice Provost
Mark Searle, Vice President and Provost, West Campus
Christine K. Wilkinson, Senior Vice President and Secretary of the University

Northern Arizona University

Kathryn Cruz-Urbe, Dean of Social and Behavioral Sciences
Patricia Haeuser, Director of Planning and Institutional Research
Fred Hurst, Dean of Distance Learning
Nick Lund, Executive Director NAU/Yuma

University of Arizona

Edith Auslander, Vice President and Senior Associate to the President
Juan Garcia, Vice Provost for Academic Affairs
Randy Groth, Dean and Associate Vice President, UA South
Jory Hancock, Chair of the Faculty and Head of Dance